

QUARTERLY REPORT

November 2021



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I. Introduction¹

This report covers the second quarter of the 2022 Fiscal Year (FY2022/Q2) for the period August 1 to October 31, 2021. The world and the Pacific have managed pandemic challenges now for 18 months. PFTAC reverted to work from home (WFH) operations in April given the COVID outbreak in Fiji that is now under control allowing us to gradually return to PFTAC office operations along with the Fiji border opening to tourists and business travel from December. Virtual Capacity Development (CD) has continued throughout, but has become increasingly challenging with missions taking longer and requiring more resources than was experienced during the same period a year earlier. In some instances, CD previously agreed with country authorities is being deferred until FY2023 when travel is expected to resume, and in-country engagement becomes possible. In the second quarter, 30 missions or CD activities were delivered using 491 TA days, and cumulatively for the first half of FY2022, 50 missions have been delivered using 834 TA days. The ambitious FY2022 workplan has been adjusted to reflect the delay in some TA, and a continuation of remote delivery for most of the year. Against these adjustments, workplans are approximately one third delivered at the halfway point of the fiscal year, and significant budget savings are projected for the year given little or no travel or training expenses. These savings will finance a one-year extension of Phase V through end-FY2023 in April 2023.

II. News

Phase VI Update

Following the July 2 Steering Committee (SC) meeting devoted to Phase VI priorities, an Interdepartmental Work Group (IWG) of the IMF met five times in September and October to reach an institutional position about the areas of proposed focus and resource needs for the sixth phase of PFTAC operations that is expected to run May 2023 through April 2028. The IWG drew extensively on the SC inputs, particularly from the stakeholder led thematic virtual working groups. The findings and recommendations of the IWG have been documented in an internal Strategy Note that is now pending endorsement by IMF management. While work has recently begun to transform this output into a draft Program Document (PD) for the consideration and eventual endorsement of the SC, it will not be sufficiently complete to be shared with the SC meeting on December 2 as earlier anticipated. However, short notes will be prepared and shared for discussion to outline the contents of the strategy note and the envisaged high-level PD details for further stakeholder input to enable a complete draft of the PD to be ready for circulation by end-January 2022, and a final document targeted for end-March, well in advance of the 2022 annual SC meeting in Niue.

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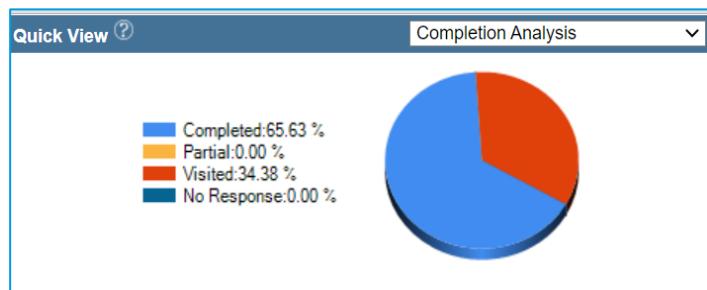
¹ PFTAC is generously funded by Australia, Korea, New Zealand, the Asian Development Bank (ADB), and the European Union, the Government of Canada from November 2019, and from December 30, 2020, the United States Treasury. From the start of Phase V in November 2016, member countries have also agreed to financially contribute to PFTAC costs. The IMF covers the salaries for the coordinator and local administrative staff, as well as various administrative costs.

Mid-Year Steering Committee Meeting

As noted, a virtual SC meeting is scheduled for Thursday December 2, 2021 with three key issues for discussion, direction, and endorsement; namely (1) the broad expected contents of the Phase VI Program Document covering proposed changes in programs and resources versus Phase V; (2) an action plan in response to the mid-term external evaluation report; and (3) tabling and discussion of suggestions for enhancing effectiveness of SC governance. Furthermore, an update will be provided on the execution of the FY2022 workplan and budget at mid-year with workplan changes for the remainder of the year. Budget outturn projections will allow for an affirmation of the extension of Phase V for a full year through April 2023.

CVENT for Event Management

In August 2021, PFTAC began using the Cvent web-based software platform for managing events, particularly training events like workshops, seminars, or conferences, whether in-person (once COVID-19 travel restrictions are lifted), virtually, or hybrid arrangements. The platform helps facilitate and automate the registration process enabling a database of contacts and records of participation for further follow-on events. All events include a survey of participants about the event content, delivery, and logistical arrangements. This was a particularly intensive manual activity until now that Cvent will help automate, both for the dissemination of surveys for completion and their follow-up, including the provision of useful analytical information of the compiled responses. This software has assisted PFTAC by automating and simplifying time-consuming tasks and it also captures and reports on activities throughout the entire workshop lifecycle. Cvent provides a detailed insight that enables PFTAC to understand the impact of our events to help better engage with our member countries.



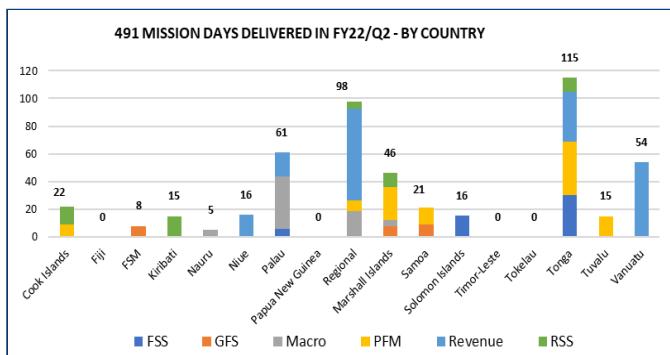
Staff Updates



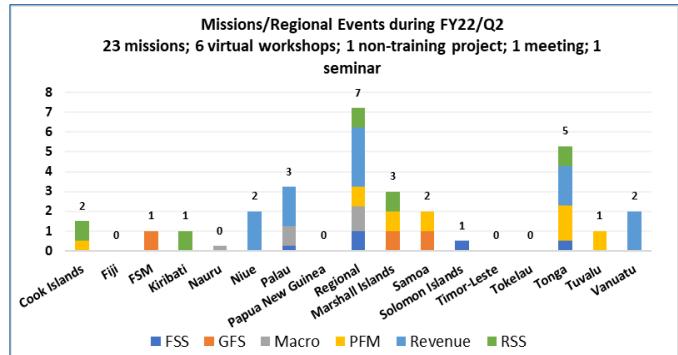
PFTAC welcomed Katrina Williams to the role of Revenue Administration Advisor working alongside Georg Eysselein. Following a competitive international recruitment process, Katrina joined the PFTAC team on October 18 in a newly established position as the second resident revenue advisor. She has 40 years public sector experience, the last 24 years in Inland Revenue in New Zealand. She brings expertise in the design and delivery of all core revenue functions, in strategic and multi-year planning, and in compliance-related intervention design. With an extensive background in organizational reform, revenue administration modernization, and change and innovation, latterly Katrina led Inland Revenue's organizational design and change group. Katrina feels a real affinity with the Pacific, not the least that she is of Pacific, Maori, and European background, but also building an understanding and appreciation of the Pacific as the New Zealand Inland Revenue observer at the Pacific Island Tax Administrators Association (PITAA) annual conferences for a number of years, and most recently as an IMF short-term expert for PFTAC. Katrina is working remotely from Christchurch New Zealand and expects to be 'in country' in Suva, Fiji from late January 2022.

III. PFTAC Developments

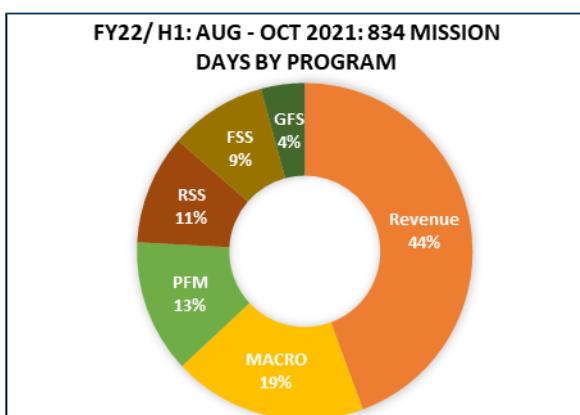
FY2022/Q2 Activity



PFTAC delivered 30 distinct missions and 7 regional webinars (including support that is not training related for the regional Correspondent Banking Relationship (CBR) initiative) over 491 TA days during the second quarter between August and October 2021. This entailed at least one mission to each PFTAC member (excluding Fiji, Papua New Guinea, Timor-Leste and Tokelau) with Tonga receiving five missions, three missions each in Marshall Islands and Palau, two each in Cook Islands, Niue, Samoa and Vanuatu with FSM, Kiribati, Solomon Islands and Vanuatu receiving a single mission each. An intensive program of regional workshops and training across most of the PFTAC programs was delivered over 98 TA days. This comprised six virtual webinars with two events and one meeting under the Revenue program, and a single event each under the Financial Sector Supervision (FSS), Macro, Public Financial Management (PFM), and Real Sector Statistics (RSS) programs. Additionally, the Macro program continued to provide support to the regional Know Your Customer (KYC) facility under the CBR initiative. Finally, the revenue program contributed to a seminar organized by the Asian Development Bank (ADB) and the Platform for Collaboration on Tax (PCT). Overall, this was a 43 percent increase in the volume of TA days over the first quarter of FY2022 (up from 343 to 491 days) and a 50 percent increase in TA activity (up from 20 to 30 missions).



FY2022/H1 Cumulative Activity



By the mid-point of FY2022 (October 31, 2021), 834 days of TA and training have been delivered through 50 distinct missions or activities. Two thirds of this activity is dominated by the Revenue (44 percent) and Macro (19 percent) programs. The Statistics program comprising GFS and RSS account for 15 percent of TA days, followed by the PFM (13 percent) and FSS programs (9 percent). This is a 31 percent outturn against the baseline FY2022 workplan (834 days delivered versus 2,694 days planned), and 25 percent mission outturn (50 missions versus 200 planned). However, against the proposed adjusted workplans (described below), the mid-year outturn is 34 percent of TA

days (834 of the revised plan of 2,455 days) and 32 percent of missions (50 missions versus a revised plan of 158). The Macro and GFS programs have delivered at least half or more of their adjusted workplans, the RSS program is just under half executed, while the Revenue and FSS programs have delivered a third of the adjusted days. The revised PFM program workplan is 23 percent delivered with two resource intensive PEFA assessments planned during second half of the FY2022.

Remote CD delivery has become increasingly more challenging as COVID-19 constraints persist. Compared to the mid-point of FY2021 (i.e., October 2020), when CD was also remotely delivered, a slight decline in the

number of missions (down from 55 to 50, or 9 percent) is observed at the mid-point of FY2022, but conversely with a large increase in the number of TA days utilized up from 556 to 834, or 50 percent increase. As the changes necessitated by the pandemic have now protracted for more than 18 months, delivering and absorbing CD through remote means has become increasingly challenging with fatigue emerging and a preference to return to in-person engagement once travel becomes possible. Workplan delivery is being challenged by requests to defer delivery until travel resumes, or is encumbered by the inability to move forward when prerequisite steps or developments are delayed or stalled. Some countries have understandably had to prioritize urgent actions to manage COVID-19 outbreaks over CD.

While the flexible benefits of remote engagement remain real, the efforts and inputs needed are increasing. In FY2021, the substitution of a typical two-week in-country mission with a remote engagement might have taken 2 – 6 weeks to complete, but the longer the COVID constraints continue, engagements are becoming more protracted beyond weeks into months to conclude remotely launched CD missions. Earlier savings in expert time are now shifting and requiring more TA days per missions to conclude, whether from more time needed to complete the task and/or more experts needed to contribute to the effort. There is also significant competition for remote training and webinar events from various partners that necessitates very focused and value-added offerings to be appealing and beneficial to member countries.

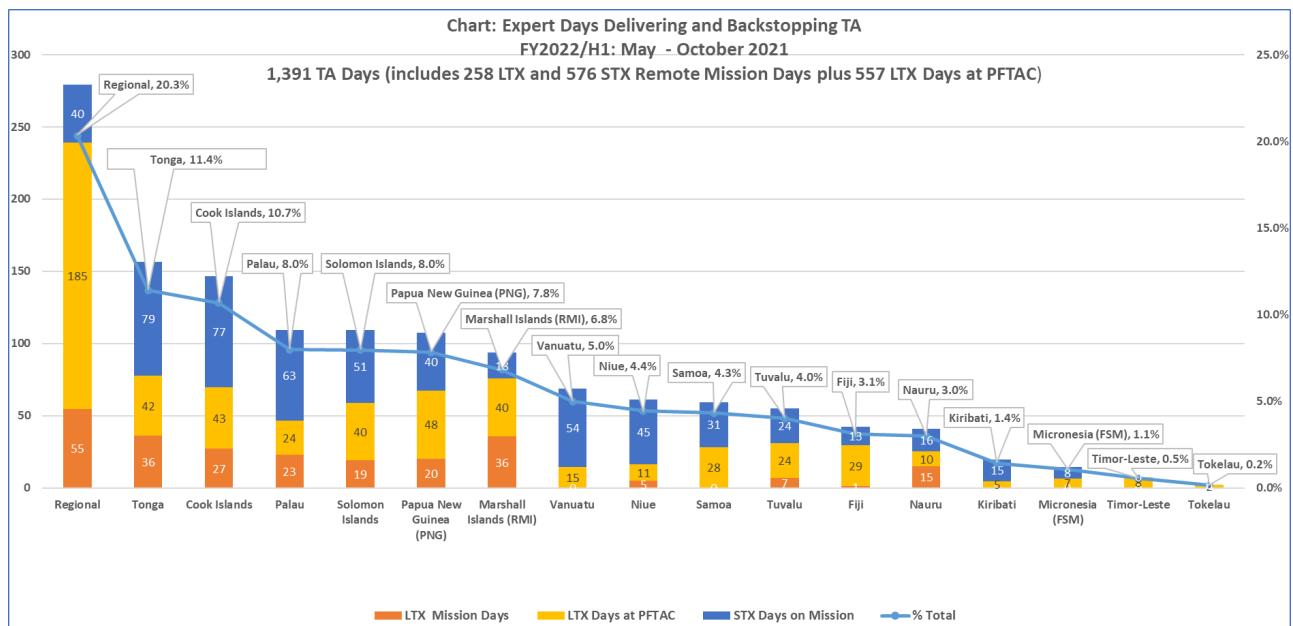
Program	Baseline FY22 Workplan				Mid-FY22 Updated Workplan				% Chg Updated/Original Plan			
	LTX	STX	Total	Missions	LTX	STX	Total	Missions	LTX	STX	Total	Missions
Public Financial Management	227	380	607	32	188	277	465	26	-17%	-27%	-23%	-19%
Financial Sector Supervision	92	260	352	42	119	135	254	16	29%	-48%	-28%	-63%
Government Finance Statistics	25	29	54	7	10	51	61	7	-60%	76%	13%	0%
Real Sector Statistics	132	59	191	18	122	71	193	18	-8%	20%	1%	0%
Revenue Administration	126	1099	1225	74	151	999	1150	64	20%	-9%	-6%	-14%
Legal/Tax Policy	0	88	88	10	0	70	70	8	-	-20%	-20%	-20%
Macroeconomic Programming and Analysis	119	58	177	17	167	95	262	19	40%	64%	48%	12%
Total	721	1973	2694	200	757	1698	2455	158	5%	-14%	-9%	-21%

Program	Delivered thru end-Oct 2021				% Orig Plan Delivered				% Updated Plan Delivered			
	LTX	STX	Total	Missions	LTX	STX	Total	Missions	LTX	STX	Total	Missions
Public Financial Management	45	61	106	6	20%	16%	18%	20%	24%	22%	23%	24%
Financial Sector Supervision	33	46	78	4	36%	18%	22%	10%	28%	34%	31%	27%
Government Finance Statistics	10	25	35	4	40%	86%	65%	57%	100%	49%	57%	57%
Real Sector Statistics	45	43	88	8	34%	73%	46%	44%	37%	61%	46%	44%
Revenue Administration	38	318	356	16	30%	29%	29%	22%	25%	32%	31%	25%
Legal/Tax Policy	0	14	14	3	-	16%	16%	30%	-	20%	20%	38%
Macroeconomic Programming and Analysis	87	69	156	9	73%	119%	88%	50%	52%	73%	60%	45%
Total	258	576	834	50	36%	29%	31%	25%	34%	34%	34%	32%

Of 834 TA mission days, 576 days were delivered by short-term experts (STX) and 258 by the resident long-term experts (LTX). The LTX additionally spent 557 days on indirect support which is apportioned across the applicable countries or regional work giving a total of 1,391 days of TA effort between May 1 and October 31, 2021. Of these 1,391 TA days, 20.3 percent was devoted to regional activities such as virtual workshops. The six largest beneficiary countries benefited from a further 52.6 percent of TA days ([Tonga](#), [Cook Islands](#), [Palau](#), [Solomon Islands](#), [Papua New Guinea](#) and [Marshall Islands](#)). Traditionally, [Fiji](#) and [Samoa](#) were regularly the largest TA beneficiaries but have dropped several places given the challenges Fiji faced to bring a COVID-19 outbreak under control and with Samoa adjusting to a change in government. [Palau](#) has received substantial support rising to third place given the major tax reforms being pursued by the new government that PFTAC has provided support on modelling the impact of the reforms, and preparations to implement VAT, along with financial sector (FSS) assistance on reviewing risk management standards.

Almost half (8 of 18) of the workshops/events planned in FY2022 were delivered virtually by mid-year. The Revenue program delivered two webinars, the first one in conjunction with Pacific Islands Tax Administration Association (PITAA) on [*Effective Taxpayer Services and Communication*](#) and the start of a second series of engagements on [*Leadership, Integrity and Good Governance*](#) to be delivered over several months. The Revenue advisors attended the virtual annual PITAA meeting convened on October 21, 2021. Additionally, PFTAC contributed towards the seminar on [*Medium-Term Revenue Strategies \(MTRS\) for Small States in Asia*](#)

and the Pacific organized by ADB and the PCT in August. The Macro program convened two regional events, both in conjunction with the Singapore Training Institute (STI) on **GDP Forecasting** and **Inflation Forecasting**. Additionally, the Macro advisor continued to provide secretariat support to the regional eKYC facility. During October over a duration of four days, the PFM program delivered a virtual workshop on **Fiscal Risk and Transparency** and finally, the FSS and RSS programs delivered virtual workshops respectively on **Building Cyber Resilience** and **Quarterly National Accounts Compilation**. Separately, the Debt Management program organized a remote event on **Fundamentals of Debt Reporting and Monitoring** with the first component delivered over four days in late October and remaining modules to be delivered in early November. In total, 343 officials from PFTAC member countries attended these virtual events of which **52 percent of attendees were female (180 of 343)**.



Mid-Year Workplan Update

The original FY2022 workplan ambitiously envisaged delivery of 2,694 days of TA over 200 missions or events, a substantial increase over FY2021, the first full year of the pandemic. At the mid-point of the fiscal year, each program workplan was carefully reviewed to reflect actual delivery against expectations and to identify and make provision for changing or unforeseen circumstances. The baseline workplan was formulated on the basis of travel resuming from November 2021 that would have permitted a return to in-country missions in select Pacific Island countries. While Fiji borders are reopening from December 1 with careful safeguards, reopening plans for other PICs are yet to be announced, so workplan assumptions have had to be adjusted accordingly, with expectations of in-person missions significantly downgraded to a possible handful of engagements towards the end of FY2022 possibly in March and April. The adjusted FY2022 workplans now aim to deliver 158 missions and activities versus the original plan of 200, a reduction of 21 percent using 2,455 TA days, a 9 percent reduction over the original plan. The mid-year adjusted workplans will be submitted to the Steering Committee for endorsement at the December 2 meeting and will then be published on the PFTAC website both at program and country level. Of important note is that the reduced workplan is mostly the result of deferral of missions or activities until FY2023 when travel is hoped to have mostly rebounded.

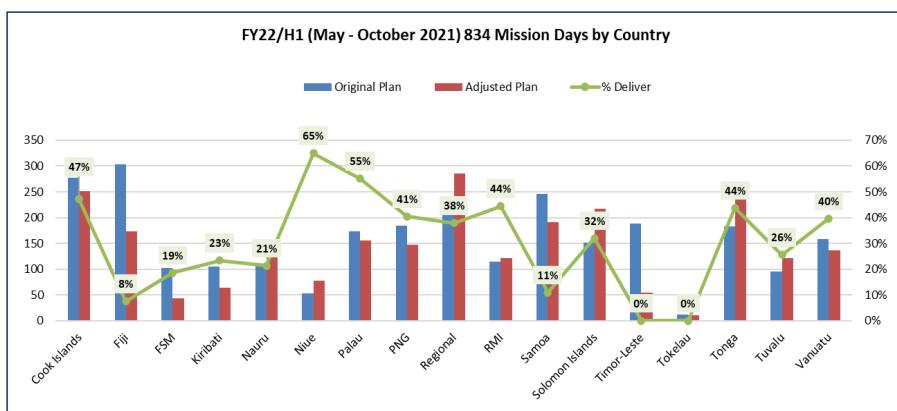
The Macro program has performed strongly, with an upward adjustment of the workplan with mission numbers up by 12 percent and 48 percent in terms of TA days. STX utilization under the Macro program has grown significantly, along with missions postponed to FY2023 replaced by TA requests on tax reform modelling as well as new activity on financial programming training, inflation forecasting, and macro-fiscal frameworks. The Statistics program mission numbers remain unchanged with an upward revision of TA days by 13 percent

for the modest GFS program, while some RSS missions were substituted to replace postponed or cancelled TA that kept overall delivery numbers close to the original plans.

The substantial Revenue program was modestly reduced with a 14 percent decline in the number of missions but using only 6 percent fewer TA days. The PFM program is revised downwards in terms of missions by 19 percent and TA days by 23 percent. Several missions were initially planned at the request of the beneficiaries for in-country delivery, but ongoing travel restrictions continues to be limited to virtual delivery and hence necessitating a delay of some missions to FY2023. Two resource and time intensive PEFA assessments (**Fiji** and **Nauru**) are expected to be delivered in the latter half of FY2022, with the adjusted plan reflecting a modest increase in TA days for this exercise. The major downward adjustment is under the FSS program with a 63 percent decline in mission numbers and 28 percent reduction in TA days. The FSS program has faced specific challenges around delivery of an extremely ambitious workplan that has proven challenging. Many FY2022 missions were planned to be delivered sequentially – with limited progress on preliminary tasks and communication challenges with some TA recipients resulting in a significant decline and postponement of many activities such as with insurance legislation, cybersecurity regulations, and legal support on banking legislation delayed until FY2023 after initial preparatory work advances. The net proposed adjustments to the FY2022 workplans at mid-year are:

- **PFM:** 26 instead of 32 missions/events, using 465 instead of 607 days;
- **FSS:** 16 instead of 42 missions/events, using 254 instead of 352 days;
- **Macro:** 19 instead of 17 missions/events, using 262 instead of 177 days;
- **Revenue:** 64 instead of 74 missions/events, using 1,150 instead of 1,225 days;
- **RSS:** 18 missions/events (unchanged), using 193 instead of 191 days;
- **GFS:** 7 missions/events (unchanged), using 61 instead of 54 days;
- **Legal:** 8 instead of 10 missions/ events, using 70 instead of 88 days.

Six countries (**Nauru**, **Niue**, **Marshall Islands**, **Solomon Islands**, **Tonga** and **Tuvalu**) see increases in the volume of TA they will receive from the proposed adjusted workplans along with regional TA delivery versus the original plan from the start of the year, with the net declines being shared across the other 10 PFTAC member countries, that more than offsets the increase. Of these 10 countries, **Fiji** and **Timor-Leste** account for 50 percent of the total reduction in TA days.



Two countries (**Niue** and **Palau**) have received half or more of their intended delivery against the revised workplans, closely followed by **Cook Islands**, **Marshall Islands**, **PNG**, **Tonga** and **Vanuatu** between 40 – 47 percent of outturn with other remaining countries to receive more than half of their planned TA in the second half of FY2022.

Budget and Projected Expenditures

The endorsed FY2022 budget of US\$ 7.335 million inclusive of trust fund fee, has a projected outturn by year-end not expected to exceed US\$ 4.5 million, or 60 percent of the budget if achieved, up from US\$ 4.0 million in FY2021. At mid-FY2022, projected expenditures and commitments are just 17 percent overall for the three

major budget categories closely managed by PFTAC, comprising the salary and travel costs of STX, LTX travel costs, and workshop costs, although the only actual expenses incurred so far have been limited to just STX salary (29 percent of budget), with zero expenses for LTX and STX travel or training with all CD delivery continuing to remain virtual.

Under the new CD-MAP system, the accounting for expenditures and commitments has been restructured with financials reported on a project basis and apportioned across applicable budget category (LTX Salary, LTX Travel, STX, Diagnostic Missions, Workshops/Training/Seminars, Backstopping/Project Management, and Others) per country project. Under this new methodology, the total program actual costs at midyear year are tracking at 15 percent (US\$ 1.134m of US\$ 7.335m) while commitments inclusive of actual program costs and estimates for approved and future planned missions for the remainder of FY2022 indicate a trajectory towards US\$ 3.709m of US\$ 7.335m budget outturn (51 percent).

Accounting for costs and commitments under the traditional categories and the new CD-MAP accounting chart indicates that the FY2022 budget utilization is headed towards a yearend outturn between 50 – 60 percent of the budget although this is subject to change should travel resume late in FY2022. At the current trajectory, expenditure by yearend may fall several million dollars short of the FY2022 budget allocation due to underspending of travel and in-person training expenses with the savings potentially around US\$ 3.0 – 3.5 million. Added to the anticipated remaining budget for the balance of Phase V of US\$ 3.8 million, more than US\$ 8 million is expected to be available for FY2023.

Financial Report

Table: Phase V Member and Donor Contributions to PFTAC Funding			
	Proposed Contributions for Phase V (US\$)	Contributions Received	LoU Status
Member Countries			
Fiji	\$ 687,500	\$ 687,500	✓
Cook Islands	\$ 110,000	\$ 90,040	✓
Nauru	\$ 82,500	\$ 82,968	✓
Tokelau	\$ 11,000	\$ 11,000	✓
Vanuatu	\$ 165,000	\$ 150,000	✓
Kiribati	\$ 82,500	\$ 65,975	✓
Tonga	\$ 110,000	\$ 49,975	✓
Samoa	\$ 165,000	\$ 165,000	✓
Tuvalu	\$ 27,500	\$ 17,500	✓
Niue	\$ 27,500	\$ 14,975	✓
Solomon Islands	\$ 165,000	\$ 165,000	✓
PNG	\$ 1,375,000	\$ 1,375,000	✓
Marshall Islands (RMI)	\$ 110,000	\$ 50,000	✓
Palau	\$ 110,000	\$ -	Pending
Federated States of Micronesia	\$ 110,000	\$ 40,000	✓
Timor-Leste	\$ 550,000	\$ -	Pending
Sub-Total Member:	\$ 3,888,500	\$ 2,963,933	
Donors			
ADB	\$ 800,000	\$ 800,000	✓
Korea	\$ 2,500,000	\$ 2,500,000	✓
New Zealand	\$ 12,145,192	\$ 12,145,192	✓
Australia	\$ 9,229,929	\$ 9,267,870	✓
Canada	\$ 1,136,191	\$ 1,136,191	✓
EU	\$ 6,829,713	\$ 6,829,713	✓
USA	\$ 2,000,000	\$ 2,000,000	✓
Sub-Total Donors:	\$ 34,641,025	\$ 34,678,966	
Total	\$ 38,529,525	\$ 37,642,899	

Total donor and member contributions have reached US\$37.643 million, up from US\$ 37.075 million in May. All expected donor contributions are now in hand with US\$500,000 recently received from Korea, and additional payments from Niue and Fiji fully paid up with receipt of their final payment. Further contributions may be expected from countries with outstanding balances including Palau who are finalizing signature of their Letter of Understanding.

As much as US\$ 8.2 million will be on hand on May 1, 2022 with assured funds of \$US 38.2 million including carried-forward balances from Phase IV, and given expenses through end FY2021 of US\$ 25.5 million, and projected FY2022 outturn up to US\$ 4.5 million. This would be an ample balance to finance a full-year of pre-COVID level delivery across all programs including extensive travel and in-person training. Depending on the actual FY2022 outturn, funds may be sufficient to accelerate the launch of some Phase VI activities to ensure maximum utilization of available funds by April 30, 2023 and the end of the extension of Phase V.

IV. Report on Program Activities and Achievements

Public Financial Management (PFM)

Cook Islands: Following the completion of the PEFA Assessment, a remote mission by LTX Iulai Lavea and STX Chita Marzan **supported the Cook Islands in designing the PFM Roadmap to further improve targeted PFM priorities.** Taking on board the results of the PEFA assessment, the ongoing PFM reforms, and the government's effort to tackle the adverse impact of the pandemic, the Roadmap sets out to support the fiscal response to COVID-19 and the recovery plan as well as ensuring the fiscal risks are managed in a sustainable manner.

Marshall Islands: the remote mission by LTX Paul Seeds and STX Anthony Higgins **assisted the Ministry of Finance (MoF) to strengthen budget presentation.** Building on a December 2020 mission which assisted the MoF in the development of a draft budget estimates book, this latest mission advised on enhancing budget transparency through the presentation of budget tables at different levels of fund, administrative, and economic item classifications. Specifically, economic analysis guidance was provided on analyzing three large opaque accounts in the budget, aligning them with *GFSM2014*. **Guidance was also provided on the treatment of multi-year projects and commitments and on presenting more succinct discussion on key policy actions and variances from previous years.**

Samoa: the remote mission by STX Colvin aimed **to assist in developing the fiscal risk analysis undertaken by the Government of Samoa focused on: (i) contingent liabilities and (ii) the balance sheet risks embedded in the State Owned Enterprise (SOE) sector.** On contingent liabilities, discussions were held across a range of ministries and SOEs to identify the key explicit liabilities faced by the Government. On SOE fiscal risks, the mission focused on piloting use of the IMF's SOE Health Check tool with selected application to several SOEs. This was accomplished through a combination of data sourced from company annual reports, as well as interviews with SOE management. Training sessions were held with the MoF and the Ministry of Public Enterprises (MPE) on Fiscal Risk Management as well as on the use of the SOE Health Check Tool.

Tonga: a mission delivered remotely helped complete the drafting of modernized PFM Legislation for Tonga. The MoF identified areas of the PFM Act that need to be addressed to enable implementation of PFM reforms identified in the PFM roadmap recently developed with PFTAC assistance. STX Lynne McKenzie **reviewed the current legal framework, focusing particularly on the PFMA and other relevant legislation to propose a set of PFMA amendments for the authorities' consideration to advance the identified reforms.**

Tonga: a remote mission launched in Q1 by STX Kris Kauffmann continued into Q2 to assist in the next stages to adopt International Public Sector Accounting Standards (IPSAS). The mission **assisted in planning for and commencing the preparation of 2020-21 public accounts with the objective of attaining compliance with IPSAS and realizing unqualified audit opinions.** PFTAC previously provided TA to Tonga to plan and move towards IPSAS adoption. Based on a Cabinet-level policy decision, and with PFTAC support, a regulation was prepared and promulgated which formally adopts IPSAS Cash Basis.

Tuvalu: a remote mission by STX Timothy Youngberry **reviewed the annual financial statements for 2018 and 2019 along with the Audit Report from the Auditor-General. Additionally, the mission reviewed the draft annual financial statements for 2020 and provided feedback to the Ministry of Finance and Economic Development (MFED).** MFED has made progress in implementing cash-basis IPSAS, however further work is needed before the full benefits are realized. The mission conducted a workshop on the re-introduction of regular in-year budget execution reporting and provided draft templates for consideration. The mission reviewed the new unified chart of accounts (CoA) implemented as part of a new Financial Management Information System (FMIS) and assessed it for alignment with the *GFSM2014* economic classification.

Virtual Workshop on State Owned Enterprise (SOE) and Fiscal Risks: October 19, 21, 26, and 28, 2021

The PFTAC PFM team of Iulai Lavea and Paul Seeds delivered a remote workshop on Fiscal Risk Oversight of SOEs. The workshop attracted 48 participants from 11 member countries. SOEs play an important role in the economy providing services not provided by the private sector and often implementing much needed infrastructure. However, SOEs represent a significant source of fiscal risk to government, and this calls for effective oversight and management. The workshop discussed approaches and member countries shared experiences on legislative frameworks, institutional arrangements, ownership policies, SOE planning cycles, reporting, and monitoring arrangements.

Arrangements vary between member countries and smaller administrations typically suffer from the challenges of staffing limitations and competing activities, which impinge on the ability to effectively monitor and analyze the performance of SOEs. Governance is an issue in many countries, with SOEs often failing to comply with reporting and other obligations—this highlights the importance of an effective legal framework empowering the oversight entities to demand compliance. Balancing oversight with managerial autonomy was an aspect which sparked much interest—whilst SOEs are responsible for setting corporate plans, the oversight ministry needs to be assured of due rigor and efficacy of these plans, especially regarding capital expansion plans and borrowing.

To assist the oversight of the SOE sector, the IMF's Fiscal Affairs Department has developed a simplified SOE Health Check Tool. This tool streamlines and automates the calculation and presentation of financial ratios, with (traffic light color coded) dashboard risk matrices. The workings of the tool were presented, and participants completed an exercise analyzing two SOEs using the tool.

The three country case studies were particularly well received by the participants, with (i) Tonga presenting on its institutional and legislative background for SOE fiscal risk oversight; (ii) Samoa presenting on its experience of using the SOE Health Check Tool; and (iii) the Solomon Islands highlighting its arrangements for engaging SOEs and experiences on governance and compliance. Additionally, an open plenary session discussed countries' support to their SOE sectors in response to the impact of the COVID-19 pandemic. Many Pacific Islands Countries (PICs) are heavily dependent on their tourism sectors, which have been severely hit with international travel coming to a complete halt. The workshop highlighted key areas that should be considered in the management of fiscal risks that emanate from SOEs in particular the national airlines.

Revenue Policy and Administration

Niue: responding to a request for CD from PFTAC, STX Stan Shrosbree remotely assisted the Niue Tax and Customs Department (NTCD) to review core tax administration functions and the current organizational structure, providing recommendations for improvements and opportunities to strengthen revenue collection. Although Niue is still COVID-19 free, the country remains vulnerable to the pandemic due to its small size, remoteness, and reliance on the tourism industry which had been the main driver of economic growth before coming to a standstill.

Niue: PFTAC and the IMF's Legal Department has assisted Niue since 2018 to rewrite the Income Tax Act (ITA) and draft a Tax Administration Bill (TAB). After an initial draft of the Income Tax Bill (ITB) was prepared in May 2018, the TAB was prioritized with the fourth draft and detailed technical notes provided to Niue Treasury in June 2020 for final comments. The October mission by legal STX Lee Burns entailed revising the TAB to take account of these comments, finalizing the consequential amendments to the ITA, Niue Consumption Tax Act, and the Departure Tax Act, and preparing the Tax Administration Regulations.

Palau: PFTAC has provided significant support to the Palau Bureau of Revenue and Taxation (BRT) since February 2013 to strengthen operational capabilities and support tax reform. In December 2020, the new Minister of Finance requested PFTAC assistance to draft a legislation package and prepare for the implementation of tax reforms; assistance that remains ongoing. This culminated in the Tax Reform Bill being signed into law by the President of Palau in August 2021 which was followed by a request for assistance to help

implement wide-ranging tax reforms. BRT incorporated PFTAC's previous recommendations into the soon to be implemented 2020 – 2025 BRT operational roadmap. In a series of three missions planned through February 2022, the second mission in September focused on the review and finalization of the corporate strategy, organizational structure, role statements for senior staff, and reporting templates.

A second mission by legal STX, Lee Burns provided remote assistance in reviewing the Tax Reform Bill as passed by the Senate on August 21, 2021. The assignment involved the categorization of the suggested amendments into three categories – policy changes made in the Senate; technical changes that can be implemented through Regulations; and drafting changes that can be referred to Parliamentary Counsel.

Tonga: STX Rick Fisher and Stan Shrosbree provided remote assistance to develop a 3 – 4-year Strategic Plan and first year business plan for the Tonga Ministry of Revenue and Customs (MoRC). The Government of Tonga received several PFTAC tax policy and administration missions in recent years covering a wide range of reforms. The TADAT assessment completed in May 2021 also identified the strengths and weaknesses of MoRC, providing a platform for a renewed strategic and operational plan. The mission increased awareness of an effective strategic management framework, conducted an internal/external environment scan of MoRC operations to gauge stakeholder perceptions of the organization, facilitated workshops with the MoRC Chief Executive Officer (CEO) and senior management staff to redefine and agree the new strategic direction; and assisted with drafting a new corporate plan and first year business plan.

A second mission by STX Rick Fisher remotely assisted with the development of internal and external guidelines for the Point of Sale (POS) system being introduced by MoRC. Several regional tax administrations have adopted POS systems to combat noncompliance related to sales and value-added tax (VAT). The implementation of the POS system is a reform priority over the current and upcoming financial years, with the pilot phase underway. A training workshop for MoRC staff was additionally delivered to increase awareness of international good practices related to the design and implementation of POS solutions.

Solomon Islands Inland Revenue Department (SIIRD) Introducing a Large Taxpayer Office

As part of SIIRD's modernization we decided to implement a Large Taxpayer Office (LTO) to focus on and ensure that those taxpayers contributing the bulk of tax revenues comply with their tax obligations. Fifty taxpayers were identified contributing around sixty percent of total tax revenues. Segmenting this group of taxpayers that have similar characteristics has proved to be a good decision with compliance rates, including on-time filing, on-time payment and the management of tax arrears showing positive shifts. A data cleansing initiative, undertaken at the beginning of the project, has ensured that all taxpayer accounts are up to date and accurate.

An active taxpayer services program, including visits to taxpayers to resolve long outstanding issues, have been welcomed by Large Taxpayers who now have contact points within SIIRD to discuss their tax issues. A program to encourage e-services is ongoing with some taxpayers already taking the opportunity to utilize these new services.

To date eight staff have been appointed with suitable office accommodation being organized. A Webinar, presented by PFTAC for all LTO management and staff took place in April 2021 and included an overview of the new structure, functions, and the prerequisites for developing a Compliance Improvement Strategy.

SIIRD would like to thank PFTAC for the capacity development provided for this initiative which to date has proved most successful.

***Joseph Dokekana
Commissioner for Inland Revenue***

Tonga: Starting in late October, STX Lance Home and Stan Shrosbree, are providing assistance with the **development of a renewed Compliance Improvement Strategy (CIS) and a Revenue Collection Action Plan (RCAP)**. During this remote mission, the experts will undertake a review of the current CIS of its results and effectiveness and assist with the development of a renewed CIS **focusing on the biggest compliance risks** and a RCAP to improve efficiencies across core tax functions, **considering the COVID-19 challenges and measures to mitigate its impact.**

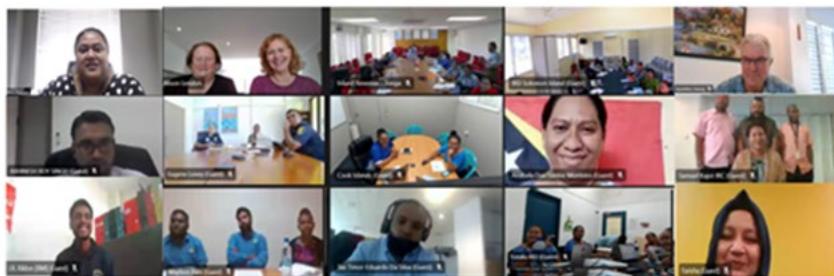
Virtual Workshop on Taxpayer Services and Communication: August 17 – 25

A virtual workshop on improving taxpayer services and communication in the COVID-19 pandemic context was delivered across five days to 54 participants from 14 member countries in the Pacific region. The workshop supported the capacity development of these revenue authorities by providing participants with a good understanding of both the theoretical concepts behind the taxpayer service functions and the practical application of those concepts. Workshop participants shared their country experiences, and each country developed a high-level report aimed at improving and prioritizing taxpayer service and communication processes. The reports show progress and priority of improvement strategies against key service functions elements. These reports were reviewed as part of the workshop and participants encouraged to discuss these reports with their executive managers and incorporate them into existing business and operational plans.

The workshop introduced good practice techniques that included taxpayer segment thinking approaches, use of behavioral insights and user centered design approaches. The respective TADAT Performance Outcome Areas were also reinforced. The materials presented in the workshop were supported by OECD and IMF good practice publications and practical international examples.

The participants recognized the importance of taxpayer services in improving voluntary compliance and developing differentiated approaches for taxpayer segments. Segmentation and risk-based approaches were emphasized to effectively tailor assistance approaches. The importance of bringing a range of views from across the tax administration and taxpayer feedback to assist in taxpayer service design and delivery was discussed. Through workshop exercises and practical international examples, participants learned the value of this approach. Countries were particularly interested in operational techniques to assist with delivering taxpayer service in this challenging pandemic environment.

PITAA - PFTAC IMPROVEMENT OF TAXPAYER SERVICES REGIONAL WORKSHOP



Vanuatu: the Vanuatu Department of Customs and Inland Revenue (DCIR) requested assistance to review their Revenue Management System (RMS7) Master Service Agreement signed in 2000. STX Wyatt Grant remotely completed a review of the vendor's service agreement to **identify opportunities to reduce operating costs through negotiation or to move some functionality outside the platform**. The review covered the implementation and functionality of RMS, both as implemented and as anticipated with the implementation

of their current upgrades (Phase 3), which is targeted for delivery in mid-2022. The review of the implemented functions and phase 3 functions was based on international good practices as defined in the IMF technical note.



Medium-Term Revenue Strategies (MTRS)
for Small States in Asia and the Pacific

A Medium-Term Revenue Strategy (MTRS) is a multi-year and comprehensive plan for tax system reform that is nationally owned and well-supported by CD providers and other stakeholders. The MTRS approach to Tax System Reform was put forward by the Platform for Collaboration on Tax (PCT) –a joint initiative of the IMF, the Organization for Economic Co-operation and Development (OECD), the United Nations (UN), and the World Bank Group (WBG).

On August 25 – 26, 2021, the PCT and the Asian Development Bank (ADB) jointly held a two-day virtual workshop on "Medium-Term Revenue Strategies to Support Recovery and Development" for small states in Asia and the Pacific. The workshop's main objective was to increase countries' understanding of the role that MTRS can play in reforming their tax systems to meet revenue and other policy goals. Other expected outcomes of the workshop included (1) enhancing the exchange of information and experience between small states on adopting, formulating and implementing the MTRS and how it compares with other approaches to tax reform, and (2) fostering an understanding between capacity development partners (bilateral donors, regional tax organizations and PCT Partners) on their role and how to coordinate their activities in MTRS countries.

The workshop program was designed to benefit all countries, including those who have already started the MTRS process or who are interested in learning more. It was framed around the four interdependent components of MTRS. The first day of the workshop focused on the overall MTRS approach and goal setting, particularly in the context of the economic crisis posed by COVID-19 and the spending needs to meet the SDGs (component one). The second day discussed the other three components of MTRS: envisioning of comprehensive tax reform, ensuring sustained political support and delivery of coordinated support for capacity building. The workshop program featured high-level country officials (Ministers and/or Heads of Revenue Administrations) as primary panelists, MTRS country-implementing leaders as practitioner speakers and PCT Partners and ADB representatives as moderators and expert lecturers.

The two-day workshop was attended by more than 100 participants, hailing from over 15 countries. Participants included high-level officials of Ministries of Finance (Ministers, Vice Ministers of Finance, Permanent Secretaries/Directors General) and Tax and Customs Administrations (Commissioner General/Deputy Commissioner General) and other senior officials involved in MTRS and tax reform design and implementation. Senior representatives of the PCT Partners (IMF, OECD, UN and World Bank), ADB leaders, development partners and other stakeholders also joined the workshop.

During the workshop, participants learned how the MTRS can help them reshape their tax systems and exchanged insights with other country participants on design and implementation questions. The workshop also served as a platform for capacity development providers to discuss and clarify their forms of support for and coordination in countries implementing MTRS. Participants from all around the region were able to follow and contribute to panel discussions through question and answer sessions. The PFTAC Director moderated a session of finance ministers.

Vanuatu: STX Cheryl-Lea Field and Alison Lendon assisted the Vanuatu DCIR to improve on-time filing and on-time payment and the management of outstanding returns and tax debt. Guidance on development of tailored treatments for different risks and behaviors, and escalation approaches to move from reminders to use of firmer powers were agreed. Terms of reference were provided for a *Significant Tax Arrears Case Review Panel* to manage significant returns and tax arrears cases to achieve timely resolution. This panel will facilitate breakthrough strategies and enable skills development through coaching and mentoring, leading to appropriate use of new compliance powers. Assistance on the measurement of returns and debt collection performance was also provided with skills development of collectors through short interactive training workshops and the development of guidance notes to equip staff with knowledge and techniques to strengthen DCIR's collection systems.

Financial Sector Supervision (FSS)

Cook Islands: The Cook Islands has recently completed the Supervision Framework Enhancement Program encompassing several modules focused on the review and update of legislation and prudential standards, off-site supervision, on-site supervision and risk rating, and the introduction of supervisory action planning. **The August 2021 virtual mission assisted the Financial Supervisory Commission of the Cook Islands to begin drafting a banking supervision manual that will be based on best international practices and reflect the range of regulatory and supervisory framework enhancements introduced with PFTAC support since 2017.**

Webinar on Cyber Risk Supervisory Practices: October 5 – 7, 2021

With support of the IMF's Monetary and Capital Markets Department, PFTAC organized a 3-day Webinar on Cyber Risk Supervisory Practices. The purpose of the webinar was to provide training to the supervisory authorities in the Pacific Island Countries (PICs) in regulation and supervision of cyber security risk as part of the PFTAC and MCM joint initiative to build cyber resilience and capacity in the PICs.

As an outcome of the Association of Financial Sector Supervisors of Pacific Countries (AFSPC) Annual Meeting held in August 2017, PFTAC and MCM had jointly developed a project to deliver CD on cyber risk regulation and supervision which aims at developing and implementing a comprehensive regulatory and supervisory framework in line with international standards and practice for PFTAC member countries.

PFTAC and MCM organized a cyber risk prudential standard drafting workshop in Suva, Fiji August 19 – 23, 2019 as a first component. The workshop developed draft cyber risk prudential standards to be adopted and issued by participant countries ([Papua New Guinea](#), [Fiji](#), [Samoa](#), and [Tonga](#)), to facilitate effective regulation and supervision of cyber risk. Samoa has since issued the final cyber risk prudential standard while the other three countries are in the process of finalization. The Webinar will assist them in speeding up the process.

The 3-day webinar held October 5-7, 2021 was attended by 26 participants (13 male and 13 female) from seven PICs. The Webinar focused on governance aspects of cyber risk management, the cyber security aspects that should engage the attention of supervisors during their on-site examinations, strengthening of off-site supervision of cyber risk exposure of banks, and business continuity aspects of cyber risk management.

Tonga: The virtual mission launched in August is **helping the NRBT identify and set a roadmap to implement legislative, regulatory, and supervisory enhancements necessary to improve the safety and soundness of Tonga's financial system.** This aligns with NRBT plans to review prudential standards for banks. In consultation with PFTAC, the NRBT has already identified six prudential standards for review and development. This virtual mission is contributing to strengthening the safety and soundness of the financial system in Tonga through: (i) a diagnostic review of banking and non-banking financial sectors covering a high level review of: (a) banking sector legislation from prudential and supervisory perspective, (b) non-banking sector legislation (development banks and micro-finance institutions) from prudential and supervisory perspectives, (c) existing prudential frameworks applicable to banking and noted non-banking segments, (d) existing off-site and on-site supervisory frameworks applicable to banking and noted non-banking segments, and (e) existing supervisory risk rating model of banks and noted non-banking financial institutions; and (ii) reviewing existing prudential standards and returns for banks on (a) credit risk management, (b) large exposures, (c) related-party transactions, (d) forex risk management, and (e) liquidity risk management; and developing a new standard on risk management combining with it the existing standard on governance.

Real Sector Statistics (RSS)

Cook Islands: STX Michael Andrews provided remote TA to the Cook Islands Statistics Office (CISO) to support further improvements to National Accounts source data and methodologies. The authorities requested

assistance to improve methodologies for the experimental expenditure measure of GDP (GDP-E) developed during previous missions. A second measure of GDP complements the established measure of GDP by industry and helps to build confidence in the statistics. Since the experimental GDP(E) measure was developed, the CISO has developed quarterly GFS which will be incorporated into, and improve the coherence of, both industry and expenditure measures of GDP.

Kiribati: the October mission by STX Anne McAllister assisted the Kiribati National Statistics Office (KNSO) in updating gross domestic product (GDP) estimates to 2020. The KNSO requested help as their only GDP compiler left the office unexpectedly for two years. PFTAC usually provides in-country TA for an annual mission to assist with updating the estimates and to recommend and make quality and coverage improvements but no mission was delivered in 2020 due to COVID-19 travel restrictions. KNSO requested a remote mission in 2021 to check 2019 GDP(P) estimates and assist with verification of 2020 GDP(P) estimates and update GDP(E) estimates.

Marshall Islands: the remote mission by LTX Marcus Scheiblecker during August assisted the Marshall Islands' Economic Policy Planning and Statistics Office (EPPSO) to improve the conversion of available source data into National Accounts concepts and classifications; and provided training to two compilers with a focus on compilation of value-added for non-market producers. The mission assessed the quality of data sources and identified two major challenges - limited scope of existing data and lack of time series for quality control. The mission recommended that EPSSO assist companies with the next round of business surveys to supplement detailed information on output and intermediate consumption and to transform the individual Business and Gross Revenue Tax (BGRT) files - the data source for output estimation for smaller market producers into a time series to allow quality control in the time dimension.

Tonga: the remote mission by LTX Marcus Scheiblecker continued the implementation of the quarterly national accounts (QNA) program for GDP compilation by production approach. The September mission provided assistance to improve benchmarking models and update quarterly value-added series. Additionally, the mission undertook an assessment to determine and address the statistical impact of COVID-19 on compilation of quarterly GDP. Further support was provided on evaluating the quality of results and compiler training on indicator selection, benchmarking, and quality checks.

Workshop on Quarterly National Accounts: September 14 – 20

This workshop covered the quarterly national accounts compilation procedures, methods and organizational prerequisites. A two-day module on seasonal adjustment, done in cooperation with an Australian Bureau of Statistics (ABS) financed expert, completed the course.

The mission provided training to 16 participants (12 female and 4 male) from statistical offices, ministries of finance, and central banks of six countries from the region. The participants responding to the post workshop evaluation survey expressed their high satisfaction concerning the workshops topics, presentation, and real-life examples by rating all surveyed.

Government Finance Statistics (GFS)

Marshall Islands: the purpose of the remote TA mission was to assist the Economic Policy, Planning and Statistics Office (EPPSO) in their efforts to improve the quality and coverage of GFS and public sector debt statistics (PSDS) and to strengthen the compilation and dissemination of macroeconomic and financial statistics. The authorities successfully finalized the general government GFS time series FY2008-2019, which the mission reviewed and submitted for publication in the annual GFS database. The mission succeeded in supporting the authorities to produce the quarterly GFS for BCG and submitted the data to the Statistics Department (STA) for inclusion in the International Financial Statistics (IFS) database.

Samoa: the GFS advisor conducted a remote mission from Spain during August to assist the Samoa Bureau of Statistics (SBS) with the compilation and dissemination of GFS and PSDS for surveillance and internal use. The mission noted progress against previous recommendations – adjustments required to automate the budgetary central government (BCG) GFS compilation processes have been fully implemented. The SBS also started the compilation of the general government (GG) balance sheet stock data for FY 2015-2020 with the objective of submitting the time series in the 2022 annual submission. Compilation of a GFS time series for the fiscal years (FY) 2012-2020 for public corporations has progressed and is expected to be completed by March 2022. Consolidated FY2020 GG GFS compilation will be finalized as information becomes accessible from the FMIS. The mission also reviewed the FY 2015-2019 time series and submitted it to STA. The mission worked with the World Bank counterparts to reissue the participation letter to MoF for submission of quarterly PSDS.

Macroeconomic Analysis and Programming

Marshall Islands: As part of the Marshall Islands plan to publish their budget for the first time, advice was provided on an appropriate presentation of the macro-fiscal outlook and associated analysis. This advice fed into the broader work that was carried out by PFTAC's PFM program on the overall construction of the new budget document.

Niue: At the request of the Niuean government, a comprehensive review of non-tax revenues (NTR) launched in Q1 was concluded in the second quarter. This review made a number of recommendations in relation to appropriate government charges, including user pay charges, license fees, fishing registration fees, inspection charges, and fines. The mission also examined tax expenditures and made recommendations concerning the appropriate share of government revenue that overall NTRs could usefully constitute.

Palau: At the request of the Palau government, a review was completed of the proposed tax reform package being considered by the Palau parliament. This review updated existing modelling in relation to the impact of a variety of possible tax changes and compensation packages on households as well as examined the likely impact on government expenditure and revenue. The Palau legislature subsequently passed a comprehensive tax reform package signed into law by the President that included targeted compensation for affected households. This tax reform package is expected to significantly increase the efficiency of the Palau tax system, boosting both fiscal sustainability and long term economic growth.



Webinar on Inflation Forecasting – October 27-29, 2021



PFTAC's Macroeconomic Adviser, along with the Singapore Training Institute, conducted a three day seminar on inflation forecasting for around 50 Central Bank and Ministry of Finance officials from across the Pacific. The seminar included a combination of formal and informal training and drew upon examples from both Fiji and the Solomon Islands. Traditional supply and demand forecasting frameworks were analyzed, as were 'bottom up' econometric forecasting approaches.

The Reserve Bank of Australia also presented to the conference on their own inflation forecasting techniques as well as providing an opportunity for participants to discuss these techniques in the context of the Pacific. Participants also shared their unique country experiences, with the Fiji Reserve Bank also presenting to the group their approaches to inflation forecasting. Many countries identified improvements that they could make to their existing inflation forecasting techniques, including with potential future PFTAC assistance.

Correspondent Banking Relationships: The Macroeconomic program continued to provide secretariat support to the planned regional electronic Know Your Customer Facility. Steady progress has been made with many participating countries continuing to develop relevant databases for use by the facility. The South Pacific Governor's forum in early November will make crucial decisions about the nature of the planned facility and its work program.

Debt Management

Cook Islands: In response to a request from the Cook Islands Ministry of Finance and Economic Management (MEFM), a virtual mission by LTX Briar Ferguson and STX Juan Carlos Vilanova, commenced work on **assisting the authorities to develop a debt management strategy (DMS) using the Medium-Term Debt Management Strategy (MTDS) framework and its analytical tool (MTDS AT)**. In addition to developing a DMS, the mission trained officials on the MTDS framework and AT to build capacity within the Ministry of Finance.

Fundamentals of Debt Reporting and Monitoring Workshop: October 25 - 29

A regional training workshop is being conducted virtually over two separate weeks, October 25 – 29 and November 8 – 12, 2021 on the **Fundamentals of Debt Reporting and Monitoring**. This is the first training workshop under the new PFTAC debt management program.

The workshop provides capacity building on sound practices in debt reporting and monitoring, supporting debt management operations and debt transparency. It will enable participants to understand the benefits and key requirements of publishing reliable, comprehensive, timely, and accurate debt data. It also builds on the joint IMF-WB Multipronged Approach on Debt Vulnerabilities (MPA) and its emphasis on strengthening debt transparency.

The workshop was halfway complete at the end of the quarter, and a fuller account of the workshop will be detailed in the next report.

V. Planned TA Activities FY22/Q3: November 2021 – January 2022

November 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Finalization and assistance with implementation of Tax Admin Act	STX – Burns	Nov 30 – Dec 6
Fiji	Revenue	Finalize VAT Bill	STX – Burns	Nov 15 – 26
	RSS	Implement new benchmarks in QNA	LTX – Scheiblecker	Nov 1 – 12
Marshall Islands	FSS	Prudential standards – development of impact study templates	LTX – Kumar	Nov 15 – Dec 31 (12 days)
Niue	PFM	Review of PFMA	STX – McKenzie	Nov 15 – Feb 25 (10 days)
Palau	GFS	GFS for General Government Operations	STX – Temes	Nov 11 – 15
Papua New Guinea	Revenue	Implementation of New Organization Structure	STX – Vivian	Nov 16 – 29
	DM	Loan and financial analysis	STX – Pradelli STX – Sangarabalan	Nov 22 – 26
Regional	FSS	High Level Webinar on Implications of Climate Change Risk on Financial Sector Supervision	LTX – Kumar HQ – Rozumek	Nov 19
	Revenue	Workshop on Taxpayer Register and Data Cleansing	STX – Clayton STX – Vivian	Nov 9 – 19
	RSS	Workshop on Annual National Accounts (ANA)	LTX – Scheiblecker ABS – Horton	Nov 22 – 26
Samoa	Revenue	Assistance with BEPS Implementation	STX – Burns	Nov – Dec
	RSS	Review of Seasonal Adjusted GDP	LTX – Scheiblecker	Nov 15 – 24
Solomon Islands	RSS	Training on QNA compilation	LTX – Scheiblecker	Nov 29 – Dec 10
Timor-Leste	Macro	Macro-fiscal framework, including Financial Programming (FP) 1.0	LTX – Beaumont STX – Claus STI – Govil	Nov 1 – 12
	Revenue	Diagnostic Review	STX – O’Keefe HQ – Story	Nov 22 – Dec 9

Tonga	Revenue	Review of Revenue Services Administration Bill and POS Regulations	STX – Burns	Nov 22 – Dec 1
	PFM	Implement Asset Management Framework	STX – Cooper	Oct 28 – Nov 30
	DM	Debt Reporting	LTX – Ferguson STX – Robinson	Nov 22 – 26
Tuvalu	PFM	Implementing arrears management and commitment controls	STX – Marzan	Nov 15 – 26
Vanuatu	Macro	GDP modelling, revenue forecasting, macro-fiscal framework	LTX – Beaumont STX – Claus STI – Govil	Nov 1 – 12
	Revenue	Strengthening audit	STX – Home	Nov 15 – 26

December 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Kiribati	Revenue	Review of reform progress	LTX – Eysselein LTX – Williams	Dec 6 – 10
Papua New Guinea	Macro	Financial Programming Training	LTX – Beaumont ICD – Tanner	Dec 14 – 21
Tokelau	PFM	Review of Budget Process	LTX – Lavea STX – TBC	Dec 6 – Jan 28
Vanuatu	DM	Review institutional arrangements for debt management	LTX – Ferguson	Dec 6 – 10

January 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Compliance Improvement Strategy and Data Analysis	STX – Hamilton STX – Shrosbree	Jan 10 – 21
Marshall Islands	PFM	Budget Documentation	LTX – Seeds STX – Higgins	Jan 17 – Feb 18
	RSS	Implementing non-market production	LTX – Scheiblecker	Jan 17 – 28
Nauru	PFM	Agile PEFA Assessment	LTX – Lavea LTX – Seeds STX – TBC PEFA Secretariat	Jan – Feb
Palau	DM	Establish Debt Management Policy	STX – TBC	Jan 17 – 21
	PFM	Integrating Debt and Cash Management	LTX – Seeds	Jan 17 – 28
Regional	Macro/ PFM	Fishing Revenue Workshop	LTX – Beaumont LTX – Lavea LTX – Seeds	Jan 25 – 28
	PFM	PFM Symposium	LTX – Lavea LTX – Seeds	Jan (2 days per LTX)
Samoa	Macro	Support the use of the Samoa Economic and Revenue Forecasting (SERF) Model (FP1.0)	LTX – Beaumont	Jan – Feb
	Revenue	Improve risk management and data analysis	STX – Hamilton STX – Shrosbree	Jan 31 – Feb 11
Solomon Islands	Revenue	Review reform progress	LTX – Eysselein LTX – Williams	Jan 10 – 14
Tuvalu	Macro	Macro-fiscal Framework	LTX – Beaumont	Jan 10 – 30
Vanuatu	Revenue	Taxpayer Service Strategy	STX – Vivian	Jan 17 – 28
	DM	Review of National Advisory Committee establishment	LTX – Ferguson	Jan 17 – 20

Outturn of TA Activities FY2022/Q2: August – October 2021

August 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Review of Supervisory Manual prepared by the CI-FSC (remote from Fiji)	LTX – Kumar	Aug 9 – Nov 30 (15 days)
	RSS	Decrease difference between GDP(P) and GDP(E) (remote from New Zealand)	STX – Andrews	Aug 24 – Sep 6
Marshall Islands	PFM/Macro	Strengthen Budget Presentation (remote from Fiji and Australia)	LTX – Seeds STX – Higgins LTX - Beaumont	Aug 2 – 13
	RSS	Training on Non-Market Production (remote from Fiji)	LTX - Scheiblecker	Aug 2 – 13
Nauru	Macro	Macro-fiscal model - follow up mission (remote from Australia)	LTX – Beaumont STX – Rahman	Aug 2 – 6
Palau	Macro	Tax Reform Modelling (Remote from Australia)	LTX – Beaumont STX – Hartwich	Aug 2 – 20
Regional	Revenue	Workshop on Taxpayer Services and Communication (virtual) (remote from Australia)	STX – Lendon STX – Vivian	Aug 17 – 19 Aug 24 – 25
	GFS	GFS for General Government Operations (remote from Spain)	STX – Temes	Aug 2 – 6
Samoa	PFM	Improving Fiscal Risk Analysis (remote from Australia)	STX – Colvin	Aug 2 – 13
	FSS	Diagnostics of financial sector and review of select prudential standards (remote from Fiji, Australia and Ghana)	LTX – Kumar (18 days) STX – Awayiga (30 days) STX – Henderson (12 days)	Aug 16 – Oct 15
Tonga	PFM	Finalize PFMA (remote from Fiji and New Zealand)	LTX – Lavea STX – McKenzie	Aug 2 – 16
	Revenue	Renewal of Corporate Strategy (remote from Canada and New Zealand)	STX – Fisher STX – Shrosbree	Aug 9 – 20
	Revenue	Development of POS guidelines (remote from Canada)	STX – Fisher	Aug 21 – Sept 1

Tuvalu	PFM	Financial Reporting and Chart of Accounts (remote from Australia)	STX – Youngberry	Aug 16 – 27
Vanuatu	Revenue	Review RMS Master Service Agreement (remote from Canada)	STX – Grant	Aug 16 – 29

September 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	PFM Roadmap (remote from Fiji and Philippines)	LTX – Lavea STX – Marzan	Sep 27 – Nov 15
Marshall Islands	GFS	GFS for general government operations (remote from Spain)	STX – Temes	Sep 27 – Oct 5
Niue	Revenue	Strengthen Core Tax Functions (remote from New Zealand)	STX – Shrosbree	Sep 27 – Oct 8
Palau	Revenue	Tax Reform Implementation (remote from Australia)	STX – Piper	Sep 3 – 17
	Revenue	Review Tax Reform Bill and Regulations (remote from Australia)	STX – Burns	Sep 28 – 29
Regional	RSS	Workshop on Quarterly National Accounts (QNA) Compilation (virtual) (remote from Fiji)	LTX – Scheiblecker	Sep 14 – 20
Tonga	RSS	Training on QNA compilation (remote from Fiji)	LTX – Scheiblecker	Sep 27 – Oct 8
	PFM	Implement Improvements to Reconciliation process (remote from Fiji and Australia)	LTX – Lavea STX – Kauffmann	Sep 6 – 15
Vanuatu	Revenue	Debt and Returns Management (remote from Australia)	STX – Field STX – Lendon	Sep 6 – 25

October 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	DM	Medium-Term Debt Management Strategy (remote from United Kingdom and Spain)	LTX – Ferguson STX – Vilanova	Oct 4 – 15
FSM	GFS	GFS for General government operations (remote from Spain)	STX – Temes	Oct 25 – 29
Kiribati	RSS	Updating GDP(P) and GDP(E) to FY2020 (remote from New Zealand)	STX – McAllister	Oct 11 – 22
Niue	Revenue	Finalization of Tax Administration Bill (remote from Australia)	STX – Burns	Oct 4 – 7
Regional	DM	Fundamentals of Debt Reporting and Monitoring Workshop (remote from United Kingdom, Australia, Switzerland, Jamaica)	LTX – Ferguson STX – Hardy STX – Scipioni STX – Robinson	Oct 25 – 29 Nov 8 – 12
	FSS	Building Cyber Resilience (remote from Fiji and Washington)	HQ – Gaidosch HQ – Islam HQ – Rangachary	Oct 5 – 7
	Macro	Inflation Forecasting Webinar (with STI) (remote from Singapore and Australia)	LTX – Beaumont STI – Tok	Oct 27 – 29
	PFM	SOE Fiscal Risk Oversight and Management (remote from Fiji)	LTX – Lavea LTX – Seeds	Oct 19, 21, 26, 28
	Revenue	PITAA Annual Meeting (remote from Fiji and Washington)	LTX – Eysselein LTX – Williams	Oct 21
	Revenue	Regional Leadership, Governance, and Integrity Program (remote from Fiji, New Zealand, and Australia)	LTX – Eysselein LTX – Williams STX – Shrosbree STX – Vivian	Oct 27 – Nov 20
Solomon Islands	FSS	Review of Prudential and Risk Management Standards (remote from Fiji and Australia)	LTX – Kumar (10 days) STX – Jones (21 days)	Oct 18 – Nov 30
Tonga	Revenue	Renewal of Compliance Improvement Strategy (remote from New Zealand)	STX – Home STX – Shrosbree	Oct 30 – Nov 10

Meetings, Seminars, and Training

August – October 2021

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Debt Management	Fundamentals of Debt Reporting and Monitoring	Virtual	LTX – Ferguson STX – Hardy STX – Scipioni STX – Robinson	5	13	13	Oct 25 – 29, 2021 Nov 8 – 12, 2021
Financial Sector Supervision	Building Cyber Resilience (with HQ)	Virtual	HQ – Gaidosch HQ – Islam HQ – Rangachary	3	13	13	Oct 5 – 7, 2021
Public Financial Management	SOE Fiscal Risk Oversight and Management	Virtual	LTX – Lavea LTX – Seeds	4	25	23	Oct 19, 21, 26, 28, 2021
Macroeconomic Programming	Inflation Forecasting (with STI)	Virtual	LTX – Beaumont STI – Tok	3	24	24	Oct 27 – 29
Revenue Administration	Taxpayer Services and Communication	Virtual	STX – Lendon STX – Vivian	5	28	35	Aug 17 – 19, 2021 Aug 24 – 25, 2021
	Medium-Term Revenue Strategies (MTRS) for small states in Asia and the Pacific [in conjunction with ADB/Platform for Collaboration on Tax (PCT)]	Virtual	PFTAC – Kloeden LTX – Eysselein HQ – Cotton	2	N/A	N/A ²	Aug 25 – 26, 2021
	Leadership, Governance and Integrity	Virtual	LTX – Eysselein LTX – Williams STX – Shrosbree STX – Vivian	10	26	36	Oct 27 – Nov 20, 2021

² Event organized by another entity which PFTAC attended or contributed.

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
	PITAA Annual Meeting	Virtual	LTX – Eysselein LTX – Williams	1	N/A	N/A ²	Oct 21
Real Sector Statistics	Quarterly National Accounts (QNA) Compilation	Virtual	LTX – Scheiblecker	5	12	4	Sep 14 – 20, 2021

TA Reports Transmitted to Country Authorities & Pending Finalization

August – October 2021

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Public Financial Management (PFM)	Cook Islands	PEFA Assessment (Agile)	Lavea/ Seeds/ Emery/ Marzan	Feb-Jul21	30-Aug-2021
	Cook Islands	PFM Roadmap	Lavea/ Marzan	Sep-Oct 21	Not Finalized
	Marshall Islands	Strengthen Budget Presentation	Seeds/ Higgins	Aug-21	12-Nov-2021
	Samoa	Improving Fiscal Risk Analysis	Colvin	Aug-21	12-Nov-2021
	Tonga	Review existing legislation, reforms, expectation	McKenzie	Sep-20	Not Finalized
	Tonga	Finalizing PFMA	Lavea/ McKenzie	Aug-21	Not Finalized
	Tonga	Implement Improvements to Reconciliation process	Lavea/ Kauffmann	Sep-21	Not Finalized
	Tuvalu	Financial Reporting and Chart of Accounts	Youngberry	Aug-21	21-Sep-2021
Financial Sector Supervision	Cook Islands	Review of Supervisory Manual	Kumar	Aug-Sep 21	Not Finalized
	FSM	Banking Regulatory Reform	Hefty	Jun-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
	Marshall Islands	Banking Law and Regulations	Kumar/ Awayiga	Mar-21	Not Finalized
	Palau	Review of risk Management Standards	Kumar/ Kacani	Jul-Aug 21	Not Finalized
	Papua New Guinea	SFEP-Regulatory Framework-Prudential Standards	Kumar/ Pandey/ De Bie/ Henderson	Mar-Apr 21	Not Finalized
	Solomon Islands	SFEP – Regulatory Framework – Prudential Standards	Kumar/ De Bie	Dec-20	Not Finalized
	Solomon Islands	SFEP-Financial Risk Analysis Process	Kumar	Apr-May 21	Not Finalized
	Solomon Islands	Review of Prudential and Risk Management Standards	Kumar/ Jones	Oct-Nov 21	Not Finalized
	Tonga	Diagnostics of financial sector and review of select prudential standards	Kumar/ Awayiga/ Henderson	Aug-Oct- 21	Not Finalized
Debt Management	Tuvalu	Training on Off-Site Financial Risk Analysis	Kumar	Jul-21	Not Finalized
	Cook Islands	Medium Term Debt Management Strategy (MTDS)	Ferguson/Vilanova	Oct-21	Not Finalized

Revenue Administration	Cook Islands	Develop Taxpayer Service Strategy	Vivien/ Williams	Mar-21	5-Nov-2021
	Cook Islands	Debt and Returns Management	Field	Jun-21	Not Finalized
	Cook Islands	Develop Standard Operating Procedures for Core Tax Function	Bell/Shrosbree/Williams	Jul-21	5-Nov-2021
	Fiji	Review of New Tax Information System	Grant	Jul-21	29-Oct-2021
	Marshall Islands	Review Tax Reforms and Core Tax Functions	Piper	Apr-May 21	Not Finalized
	Niue	Strengthen Core Tax Functions	Shrosbree	Sep-Oct 21	Not Finalized
	Palau	Implementation Plan for PGST and Tax Reforms	Piper	Apr-21	29-Oct-2021
	Palau	VAT Implementation	Piper	May-Jun 21	22-Oct-2021
	Papua New Guinea	Development and Introduction of New Organizational Structure	Vivian/Williams	Jun-Jul 21	Not Finalized
	Solomon Islands	Function Based Structure (New Job Descriptions)	Shrosbree	Mar-21	5-Nov-2021
	Solomon Islands	Implementation of Large Taxpayer Office	Shrosbree	May-Jun 21	Not Finalized
	Tonga	Renewal of Corporate Strategy	Fisher/Shrosbree	Aug-21	Not Finalized
	Tonga	Development of POS guidelines	Fisher	Aug-Sep 21	Not Finalized
	Tonga	Renewal of Compliance Improvement Strategy	Home/ Shrosbree	Oct-Nov 21	Not Finalized
	Vanuatu	Compliance Improvement Strategy	Shrosbree	Apr-21	27-Aug-2021
	Vanuatu	Review RMS Master Service Agreement	Grant	Aug-21	Not Finalized
	Vanuatu	Debt and Returns Management	Field/ Lendon	Sep-21	Not Finalized
Macroeconomic Analysis and Forecasting	Nauru	Macro-Fiscal Model (follow-up)	Beaumont/ Rahman	Jul-Aug 21	19-Oct-2021
	Niue	Review of Non-Tax Revenue	Beaumont/ Millar	Jul-21	8-Nov-2021
	Palau	Tax Reform Modelling	Beaumont/ Hartwich	Aug-21	08-Sep-2021
	Solomon Islands	Inflation Forecasting	Beaumont/ Bullen	Jun-21	Not Finalized

Macroeconomic Statistics	Cook Islands	Review Seasonal Adjustment of GDP	Scheiblecker	Jun-21	2-Nov-2021
	Cook Islands	Decrease difference between GDP(P) and GDP(E)	Andrews	Aug-Sep 21	Not Finalized
	FSM	GFS for General Government Operations	Temes	Oct-21	Not Finalized
	Kiribati	National Accounts Update to FY2020	McAllister	Oct-21	Not Finalized
	Marshall Islands	Training on non-market production	Scheiblecker	Aug-21	Not Finalized
	Marshall Islands	GFS for General Government Operations	Temes	Sep-Oct 21	Not Finalized
	Niue	Update Annual National Accounts to 2018	Scheiblecker/ Freeman	May-21	Not Finalized
	Nauru	Rebase GDP(P)	Scheiblecker	Jan-21	11-Jun-2021
	Nauru	Update Annual National Accounts to 2019	Scheiblecker	Jul-21	Not Finalized
	Samoa	GFS for General Government Operations	Temes	Aug-21	Not Finalized
	Samoa	Review of Seasonal Adjusted GDP	Scheiblecker	Oct-21	Not Finalized
	Solomon Islands	Rebasing Annual National Accounts	Scheiblecker	Mar-21	11-Jun-2021
	Tonga	QNA Compilation	Scheiblecker	Sep-Oct 21	Not Finalized
	Tuvalu	Rebase and Update GDP(P)	Andrews	Mar-21	Not Finalized