

PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

QUARTERLY REPORT

August 2018



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I. Introduction¹

This report covers PFTAC activities and developments for the first quarter of the 2019 Fiscal Year (FY19/Q1) for the period May 1 to July 31, 2018. The draft Annual Report for FY2018 was circulated in late March and documented activity and outcomes for FY18 delivered and projected through April 30, 2018. As the final version of the 2018 Annual Report is being prepared for printing and publication in September, this report briefly overviews events in the final months of the 2018 Fiscal Year (May 1, 2017 to April 30, 2018), particularly the 2018 Steering Committee meeting held March 27 and 28, 2018 in Suva.

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II. PFTAC Developments

2018 Steering Committee Meeting



2018 PFTAC Steering Committee Meeting - NRBT Governor Sione Ngongo Kioa (Chair); PFTAC Coordinator David Kloeden (Secretary) and Ms. Alison Stuart (Chief, APD Small States Division)

The 2018 PFTAC Steering Committee (SC) meeting was held in Suva, Fiji on March 27 – 28. A late change in venue was made from Nukualofa to Suva in the aftermath of Cyclone Gita, a Category-4 cyclone that devastatingly hit the Tongan capital weeks before the planned meeting. The venue was changed to avoid being an imposition on the Tongan post-disaster recovery efforts, and was facilitated through the generosity of the Pacific Island Forum Secretariat (PIFS) that made available their excellent conference facilities in Suva, Fiji. Notwithstanding the venue change, the meeting was hosted by Tonga, with the National Reserve Bank of Tonga (NRBT) **Governor Sione Ngongo Kioa** ably chairing the two days of sessions.

With a very high level of attendance at almost one hundred participants, delegations represented 13 of the 16 PFTAC member country members (Federated States of Micronesia, Niue, and Tokelau were absent); all five donors were present; and a wide array of development partners and regional organizations joined in a rich agenda of presentations and stakeholder engagement.² Representatives of IMF departments included Asia Pacific (APD), Fiscal Affairs (FAD), Statistics (STA), Monetary and Capital Markets (MCM), the Institute for Capacity Development (ICD), and the Office of Asia and Pacific (OAP) based in Tokyo.

¹ PFTAC is generously funded by Australia, Korea, New Zealand, the Asian Development Bank (ADB), and the European Union. From the start of Phase V in November 2016, member countries are also financially contributing to PFTAC costs, using a formula based on the size of each country's economy. The IMF covers the salaries for the coordinator and local staff, as well as various administrative costs.

² Participating organizations included Australian Bureau of Statistics (ABS), Oceania Customs Organization (OCO), Pacific Association of Supreme Audit Institutions (PASAI), PIFS, Pacific Islands Tax Administrators Association (PITAA), the Secretariat of the Pacific Community (SPC), United Nations agencies (ESCAP, UNDP, and UNPRAC), the University of the South Pacific (USP), and the World Bank.



2018 PFTAC Steering Committee Meeting - Pacific Island Forum Secretariat (PIFS) Conference Center, Suva, Fiji

Hon. Aiyaz Sayed-Khaiyum, Fiji Minister for Economy and Attorney-General formally opened the **2018 Steering Committee meeting** noting the important contribution of PFTAC to the region’s economic development over the 25 years since the center was established in 1993 and that has served as a model for IMF Capacity Development having been emulated across the world. Representatives of PFTAC donors and development partners similarly spoke of their appreciation of PFTAC’s contribution to national and regional developments expressing their ongoing support and commitment to the future of PFTAC particularly over the fifth operational and financing phase running through 2022.



Keynote Speaker - Fiji Minister for Economy and Attorney-General Hon. Aiyaz Sayed-Khaiyum (right) & Australian High Commissioner John Feakes (left)

25th Anniversary of PFTAC



Packing up PFTAC and IMF Resident Representative Office at Reserve Bank of Fiji Building for Renovations

In late 2018, two key events are planned to celebrate the **25th anniversary of the establishment of PFTAC** and the launch of the IMF’s regional capacity development center model. If refurbishment efforts go to plan, in November, the joint PFTAC and IMF Resident Representative offices will return to renovated and refreshed office space located on the seventh floor of the Reserve Bank of Fiji (RBF) building in Suva. We vacated our long-tenanted space in June for temporary accommodations to allow for an IMF-financed update and refresh of our facilities to ensure we have an appropriate and productive work environment for the IMF’s presence in the Pacific.

In celebration of the 25th anniversary of PFTAC, a High-Level Dialogue (HLD) meeting will be held in Nadi, Fiji on December 6 and 7, 2018. The event will highlight the IMF's capacity development efforts focused on how this has helped Pacific nations to make the best of growth opportunities, build resilience to natural disasters, and attain the Sustainable Development Goals (SDGs). A global thought leader on climate change and development has been invited and **IMF Deputy Managing Director Carla Grasso** will officiate. Invitations will soon be distributed to key policy makers and officials from all PFTAC member countries including Finance Ministers and Central Bank Governors, as well as donors, partners, and stakeholders representing academia, business, civil society, media, and youth. A photo contest will be launched in September to engage Pacific youth, with winners joining the HLD to showcase their submissions and to act as official youth photographers. Preceding the HLD, PFTAC and the IMF's Institute for Capacity Development will host a 3-day workshop (December 3 – 5) on Growth and Productivity, with participants remaining for the HLD.

Staff Developments



In February, we wished PFM advisor **Ms. Chita Marzan** farewell after 3+ years of service to the Pacific. Chita (pictured left) has moved to a similar PFM role at the IMF regional center in Thailand. After an international and regional competitive process, Chita's successor was selected and joined the PFTAC team in June 2018. We welcome **Ms. Celeste Kubasta** who has strong knowledge and expertise in Public Financial Management with extensive experience in helping countries build PFM capacity, including as a resident advisor in Lebanon, Iraq, and Malawi, and most recently, as a regional PFM advisor in the IMF's Caribbean Regional Technical Assistance Center (CARTAC). Prior to becoming an international PFM advisor, Ms. Kubasta held various positions in U.S. state governments.

Further staff changes are on the horizon, with the anticipated departure of three resident advisors between August and October 2018. **Richard Wild** (pictured right), the Real Sector Statistics advisor was recruited to a headquarters based job in Washington in the Statistics Department from August 27, with a successor due to arrive at PFTAC in mid-October. Around then, the Revenue Advisor, **Stan Shrobbree** will complete a 4-year PFTAC assignment and following an international process, will be replaced by a South African national, **Mr. Georg Eysselein** who will join the annual PITAA conference in September and have a month-long pre-assignment hand-over before returning later in October. While Stan will be returning home to New Zealand, he will remain actively engaged with PFTAC to help support the scaling-up of the Revenue program described below.



We also expect the early departure of the Government Finance Statistics (GFS) advisor **Barend de la Beer** (pictured left) who is similarly being recruited to a Washington-based position in the Statistics Department in mid-October where he will continue to remotely deliver and support the GFS program until a replacement can be recruited in early 2019. Finally, with the endorsement of the PFTAC Steering

Committee including the necessary budget allocation, a regionally-recruited Economic/Project Analyst was appointed following a multi-stage selection process. On August 15, 2018, **Ms. Shane Jyotishna Prasad** joined the PFTAC team after several years as an analyst and manager at the Fiji Revenue and Customs Service. Shane is a graduate of the University of the South Pacific (USP) with a Masters of Commerce and will be a very welcome addition to the PFTAC team contributing initially to preparations for the anniversary and to enhance our

program analysis, reporting, and outreach. This expansion of PFTAC capacity in these areas is long overdue given all other IMF regional centers have at least one such team member.

Financial Report – Expenditures

The 2018 interim annual report projected an FY18 expenditure outturn of US\$ 5.32 million, or 77 percent of the original budget of US\$ 6.91 million. With all payments now accounted for, the actual outturn was 80.1 percent of budget, or US\$ 5.535 million – all figures exclude the 7 percent trust fund fee additional to actual expenditures. The approved budget for FY19 is US\$ 6.566 million, or US\$ 7.026 million including the trust fund fee. As reported below, TA delivery in FY19/Q1 amounts to 441 mission days, against an annual workplan of 1,960 projected mission days, and 35 missions/activities delivered against plans for 165. **Actual outturn for the first quarter of FY19 is around 23 percent of mission days and 22 percent of planned missions for FY19.** It is difficult to accurately project expenditure outturn at such an early stage of the fiscal year, but it is expected to have an approximately similar ratio as TA delivery, recognizing that some quarters of the fiscal year tend to have more intensive delivery (typically Q2), and less so in others (such as Q3 with yearend holidays). Furthermore, delivery patterns may temporarily decline during staff changeovers even with prior mitigating actions.

	Proposed Contributions for Phase V (US\$)	Contributions Received	LoU Status
Member Countries			
Fiji	\$ 687,500	\$ 375,000	✓
Cook Islands	\$ 110,000	\$ 60,000	✓
Nauru	\$ 82,500	\$ 81,967	✓
Tokelau	\$ 11,000	\$ 11,000	✓
Vanuatu	\$ 165,000	\$ 90,000	✓
Kiribati	\$ 82,500	\$ 33,000	✓
Tonga	\$ 110,000	\$ 50,000	✓
Samoa	\$ 165,000	\$ 165,000	✓
Tuvalu	\$ 27,500	\$ -	✓
Niue	\$ 27,500	\$ 5,000	✓
Solomon Islands	\$ 165,000	\$ 165,000	✓
PNG	\$ 1,375,000	\$ 375,000	✓
Marshall Islands (RMI)	\$ 110,000	\$ -	Pending
Palau	\$ 110,000	\$ -	Pending
Federated States of Micronesia	\$ 110,000	\$ 40,000	✓
Timor-Leste	\$ 550,000	\$ -	Pending
Sub-Total Member:	\$ 3,888,500	\$ 1,450,967	
Donors			
ADB	\$ 800,000	\$ 800,000	✓
Korea	\$ 2,500,000	\$ 500,000	✓
New Zealand	\$ 8,500,000	\$ 4,217,520	✓
Australia	\$ 7,579,202	\$ 3,730,060	✓
EU	\$ 7,380,000	\$ 3,382,120	✓
Sub-Total Donors:	\$ 26,759,202	\$ 12,629,700	
Total	\$ 30,647,702	\$ 14,080,667	
Baseline Funding Gap ^{1/}	\$ 4,652,298	\$ 21,219,333	
Aspirational Funding Gap ^{2/}	\$ 9,052,298	\$ 25,619,333	
1/ Baseline Budget Target	\$ 35,300,000		
2/ Aspirational Budget Target	\$ 39,700,000		

Financial Report – Fund Raising

The PFTAC financial situation is markedly stronger following the finalization and signing of the awaited agreement from the European Union (EU) in July and receipt of a large initial contribution. Since the SC meeting, total contributions from both donors and member countries are up 45 percent (from US\$9.772m to US\$ 14.08 million), dominated by an initial US\$ 3.4 million contribution from the EU. A contribution of US\$ 685,767 was received from Australia, although this was an additional contribution beyond their initial commitments targeted to a scaling-up of the Revenue program discussed below. As this and certain future Australian contributions are explicitly earmarked for the Revenue program, they should not be considered towards closing the Phase V funding gap needed to finance the entire period and scope envisaged.

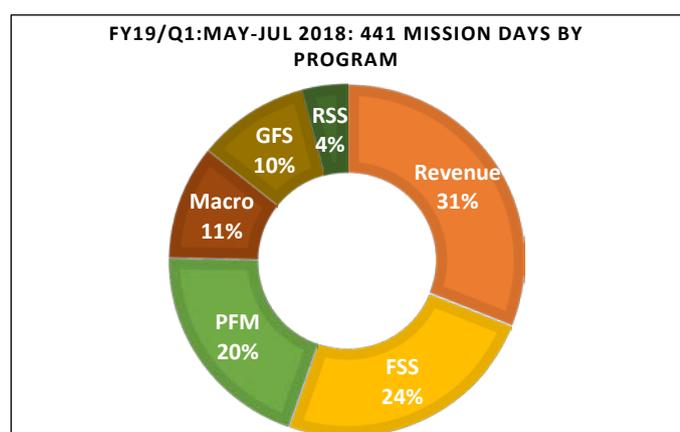
While country contributions have also improved, three countries have still not signed LoUs. At the March SC meeting, representatives from the five outstanding countries pledged to follow-up with their home authorities with two additional LoUs since secured, leaving only the **Marshall Islands**, **Palau**, and **Timor-Leste** to take action. With all members receiving in-country technical assistance and regional training valued many multiples greater than the contributions sought and/or made, every

country is urged to pay its share, otherwise nonpayers will be subsidized by contributing countries. Notwithstanding the importance of all countries contributing within their means, by August 2018, US\$ 1.451 million has been received from member countries, equivalent to 38 percent of all expected contributions for Phase V, and up from US\$ 1.161 million or 30 percent noted in the draft annual report. Several countries ([Nauru](#), [Tokelau](#), [Samoa](#), and [Solomon Islands](#)) have paid their entire Phase V contributions already.

The Phase V funding gap reported in the draft 2018 annual report is broadly unchanged. Savings from the FY17 and FY18 budgets, plus carried forward Phase IV savings, and a slightly smaller FY19 budget has reduced the funding gap to a range of US\$ 2 – 6 million, lower than suggested in the table above. A possible source to close this gap is being explored, but if still unresolved by end-FY19, savings will have to be found, or programs scaled-down if the target end date of April 2022 for Phase V is to be retained.

During the first quarter of FY19 (May 1 and July 31, 2016), 30 distinct in-country TA missions were delivered; 4 regional workshops were convened; and one conference attended, amounting to 441 mission days.³ Consistent with past patterns, fiscally focused activities accounted for at least half of all activity, with a greater share from the Revenue rather than the PFM program, partly attributed to the absence of a second PFM advisor until later in the quarter. The Financial Sector Supervision (FSS) program as well as the Macroeconomic Analysis and Forecasting program were particularly busy.

Activity – by program

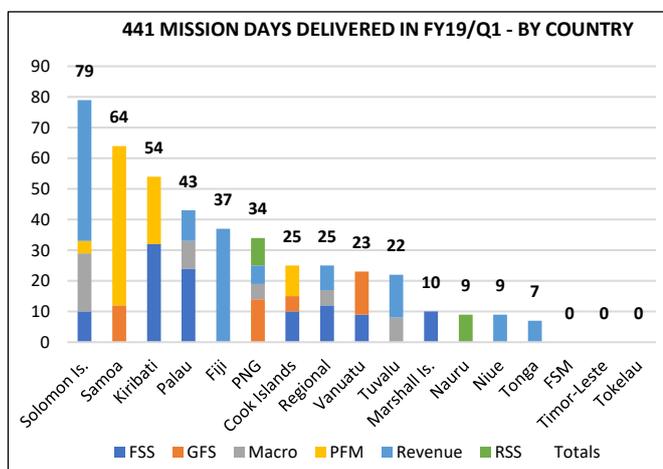


The Revenue program was the most active, with the highest share at 31 percent of PFTAC delivery for the quarter, comprising 137 mission days across ten missions and two regional events. Revenue program delivery was in accordance with the baseline FY19 work program endorsed by the SC meeting, and excluded any program scaling-up. While revenue program scaling-up scenarios have been developed, no additional activity was mobilized in Q1 as notification of additional donor financing was only received in late June to take effect from Q2. Front-loading of the FSS program saw delivery of two regional workshops in Q1 and six

missions. The Macro program was similarly active through a major regional training event delivered with ICD in the Solomon Islands for a week and then extended by two days of more detailed coverage for officials from [Papua New Guinea](#) and the [Solomon Islands](#). The Macro program also mobilized an STX mission to [Tuvalu](#), the first such use of this TA modality for several years by this program. The two statistics programs were relatively lighter given staff vacation, with three GFS missions covering 45 mission days, and just two RSS missions over 18 mission days delivered by the resident advisor.

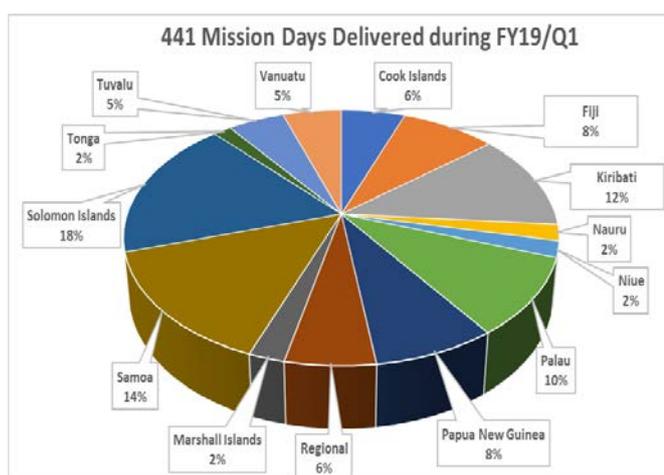
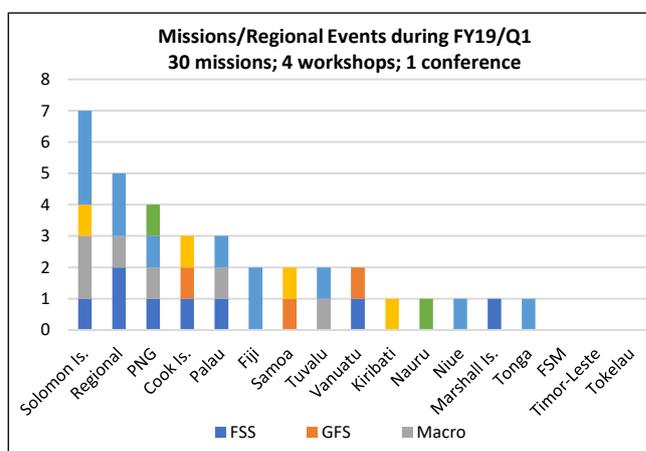
³ Mission days include all paid days of short-term experts (STX), including pre- and post-mission days and weekends worked, plus travel time. For the long-term experts (LTX), only weekdays spent outside Suva are initially counted, although a year-end adjustment is made to include days apportioned to respective countries or regional activities spent at PFTAC in Suva remotely providing TA, or indirectly through STX backstopping.

Activity – by country



Kiribati and Samoa stand out in terms of mission days while only receiving two and one missions each respectively. This is a result of resource intensive, multi-expert missions. In May, a headquarters-led (FAD) and PFTAC-financed **Public Investment Management Assessment (PIMA) mission was delivered to Kiribati**, comprising four IMF staff (two from PFTAC). In July, a full **Public Expenditure Framework Assessment (PEFA) mission was delivered to Samoa**, similarly comprising

The program distribution by country for FY19/Q1 reflects a clustering of several relatively intensive beneficiaries and three without any direct support. The Solomon Islands received the most missions (7) and mission days (79) across four PFTAC programs. A further three countries (**Papua New Guinea, Palau, and the Cook Islands**) each benefitted from missions under three or more PFTAC programs – mostly FSS, Macroeconomic Programming, and Revenue.



four PFTAC experts. Furthermore, a concurrent mission to **Samoa** enabled the GFS advisor to join portions of the PEFA assessment given the interconnectedness of the PFM and GFS programs.

Four (sub)-regional workshops were delivered, two under the FSS program, one in May in Suva on Insurance Regulation and then a two-day event in Sydney with Australian Prudential Regulatory Authority (APRA) on prudential regulation. As noted above, a weeklong workshop on Macroeconomic Policy for Stabilization and Growth was delivered by the Macro advisor with an ICD trainer in Honiara plus a two-day extension. Finally, an innovative one-week

joint Pacific/Caribbean conference was convened at IMF headquarters in Washington on Revenue Mobilization in Small States, bringing together tax administration heads of both regions under a joint PFTAC/CARTAC event. Additionally, the revenue advisor attended the 20th Annual Conference of the Oceania Customs Organization (OCO) hosted in Melbourne, Australia during June 11 – 14, 2018.

Internships and Attachments

The University of South Pacific (USP) partnered with PFTAC to pilot two short internship placements at PFTAC of economics/commerce students during the month-long semester break between June and July 2018. With the assistance of USP faculty, 12 student applications were considered for two distinct short internship opportunities, one working under the mentorship of the PFTAC macro advisor, Ms. Claus, and another supervised by the Financial Sector advisor, Mr. Stefanou:

Project 1 – Estimating Potential Output: working with the resident Macroeconomics advisor and an economist of the IMF Resident representative office, the intern was asked to contribute to an ongoing project that will apply an IMF methodology (a multivariate filter) to estimate potential output in Pacific countries. A useful concept to analyze economic activity is to decompose gross domestic product (GDP) which is a measure of economic activity into temporary business cycle effects and long-run, full capacity, potential output. Potential output is not directly observable and obtaining an accurate measure presents an important challenge to central banks and ministries of finance. The project entails reviewing the relevant literature, building a database of key macroeconomic variables and an overview of the economic performance of countries. Ms. Joylin Willie, a **Vanuatu** national and a postgraduate economics student at USP on study leave from the Reserve Bank of Vanuatu was selected and made a valuable contribution to this ongoing project.

Project 2 – Developing a Financial Sector Supervision Map: working with the PFTAC Financial Sector Supervision advisor, an undergraduate commerce student, Mr. Suneet Chandra, a national of **Fiji** was chosen to gather information on the regulatory regimes of PFTAC member countries and produce a Financial Sector Supervision Map of the Pacific. The map, when complete, will include information on each member country's financial sector composition (size and participation) and supervisory arrangements, all easily accessible in a single document, to be ultimately available on the PFTAC website. This will give Pacific supervisors, donors, and other interested parties a quick snapshot of the financial sector landscape, and "who does what on supervision in the Pacific".

Each intern was provided a modest stipend for the four weeks they spent at the PFTAC office contributing to these projects and benefiting from exposure to the work of the IMF and PFTAC and interaction with the team of experts and staff. Having demonstrated the viability of the pilot exercise, applications will be called in September/October for several internship opportunities over the longer year-end academic hiatus, including the possibility of work on fiscal related issues with the relevant resident advisors. A goal in the longer-term is to secure the agreement of a few financial or economic agencies in the region such as central banks to accept and mentor several interns through placements in their institutions.

III. Report on Program Activities and Achievements

Public Financial Management

PFTAC's TA on PFM issues continues to cover a broad spectrum of issues. Efforts were slightly impacted by the absence of a second PFM advisor between the February departure of Ms. Marzan and June 12, 2018 when her successor, Ms. Kubasta arrived at PFTAC. Overall there were four PFM activities during the quarter, including two relatively resource intensive missions, namely a PIMA mission to **Kiribati** and a full PEFA in **Samoa**.

Cook Islands: At the request of the Cook Island authorities, Ms. Kubasta visited Rarotonga July 7 – 21, 2018 to assist the authorities in the implementation of their new integrated financial management information system (IFMIS), specifically focused on the chart of accounts (COA). The most recent PFTAC support to the Cook Islands was a PEFA assessment in 2014 and help to prepare a subsequent PFM reform plan based on identified priorities and objectives. The latest mission reviewed the existing Cook Islands COA and **proposed implementation improvements in the COA for inclusion within the new IFMIS**. PFTAC also recommended COA reforms against broader PFM objectives and the use of a modern segmented approach to maximize the use of the database and to improve reporting.

Kiribati: The **Public Investment Management Assessment (PIMA)** undertaken in Kiribati was only the second performed in the Pacific and the first under a revised framework. In the case of the Kiribati assessment, a representative from the Pacific Regional Infrastructure Facility (PRIF) was a member of the PIMA team.

Samoa: **The July 2018 Samoan PEFA was the first full assessment of a Pacific country using the 2016 revised framework.** The PEFA team included two regional experts plus a representative from the Pacific Island Forum Secretariat's climate change finance readiness area. The strengthening of the framework in 2016 has clearly impacted the scoring process. However, the mission began by reviewing the current available evidence against the 2011 framework to assess whether performance had improved or deteriorated. **Preliminary assessment and initial outcomes demonstrate that performance has not deteriorated.** Further missions are scheduled in FY19 to focus on improving the overall budget presentation; develop a strategic plan for the Internal Audit Unit; draft policies for asset accounting and reporting; establish a revised warrant system; and develop risks indicators to monitor each of the SOEs.

Solomon Islands: Building on previous cash management work, the mission participated in relevant discussions with the Article IV team to clarify progress on recommendations from previous TA missions to the Solomon Islands. **PFTAC assistance focused on the enactment of a more comprehensive legal framework covering all stages of the PFM cycle.** Finalization of various regulations are currently underway as identified by the Core Economic Working Group (CEWG). In addition, **PFTAC reviewed the current Roadmap for PFM improvements from the April 2018 mission that provided a range of recommendations to the government.** Two additional PFM activities are planned for the Solomon Islands during the remainder of FY19, including a continuation of assistance in cash management and support for the revision of financial instructions

Upcoming events: Respective missions are planned for **Fiji** and **Tonga** on Chart of Account in August. The PFM advisors will attend the annual Congress of PASAI (Pacific Association of Supreme Audit Institutions) at the Gold Coast, Australia in August. **Samoa** will receive a mission on State Owned Enterprise (SOE) oversight and

monitoring as well as accounting reporting in September. A PFM Symposium & Reporting Update mission is planned for **Tonga**. In October, the PEFA Self-Assessment of **Kiribati** will be reviewed with a mission on Cash Management for the **Solomon Islands**.

Macroeconomic Analysis and Forecasting

Solomon Islands: the two missions in May and July respectively focused on the macroeconomic framework and tax modeling. During the July mission, the advisor worked with staff at the Central Bank of Solomon Islands and the Ministry of Finance and Treasury **to upgrade both institutions' macroeconomic programming frameworks**. The focus was on the fiscal sector, specifically revenues which in both frameworks is now reported and forecast on a government finance statistics (GFS) basis. The second mission **continued the upgrade of the Central Bank of Solomon Islands and the Ministry of Finance and Treasury macroeconomic programming frameworks and support modeling of value added tax design scenarios**.

In response to country requests for customized training, PFTAC co-organized a sub-regional course on **Macroeconomic Policy for Stabilization and Growth in the Pacific** with the IMF's Institute for Capacity Development (ICD) and the Singapore Training Institute (STI). The Central Bank of Solomon Islands and the Ministry of Finance and Treasury were host partners. The five-day course brought together 48 analysts from the central banks and the ministries of finance/economy from **Cook Islands, Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu**, to discuss the importance of sound macroeconomic policy and institutions. It was followed by a two-day extended session for participants from **Papua New Guinea and Solomon Islands on Adjustment Options for Commodity Exporters**.



Solomon Islands, July 2018

PFTAC members highly value the IMF's extensive program of ICD and STI courses, workshops, and seminars which are considered an important complement to PFTAC technical assistance. But participants often find it difficult to apply new skills and knowledge acquired at these training events in their home countries because of a lack of data. The Honiara course was designed from ICD and STI training material around topics of relevance to the region and available data. All participants agreed or strongly agreed that topics covered were appropriate.

The course focused on strengthening the understanding of linkages between macroeconomic sectors by constructing a "microframework" populated with data from **Papua New Guinea** sector by sector. The template can be easily adapted to other countries which some participants already started to do and PFTAC will follow up with bilateral assistance to implement tools and methodologies discussed during the course.

Overall feedback suggests that customized regional training is a key aspect of capacity building to enhance economic and policy making with 98% of participants agreeing or strongly agreeing that they would recommend the course to others. The positive Pacific experience will help design other IMF customized training.

ICD, PFTAC, STI, and workshop participants warmly thank **Solomon Islands** for hosting this important event and **Papua New Guinea** for the use of their data!

Palau: the authorities requested on-the-ground assistance from PFTAC in the design and implementation of a Tax Reform program most suitable to Palau's circumstances. **The PFTAC macro advisor modeled the effects of different tax reform options and produced fiscal projections, and an overlapping mission of a tax policy expert focused on VAT policy choices and implications.** Additional offsite support helped document the empirical analysis tools to incorporate changes to the tax legislation into the empirical analysis, and to prepare material for the Palau Economic Symposium.

Papua New Guinea: A June mission by the Macro advisor reviewed the PNG Monetary and Fiscal Forecasting (MFF) Model which takes as given the forecasts made by sector experts for the next three years for gross domestic product (GDP), balance of payments, consumer prices, and the monetary sector. **The mission focused on enhancing the MFF Model so that it can be used to assess the impact of shocks to real GDP and the exchange rate and for scenario analysis.** Adjustments can now be made to short-term forecasts made by sector experts in a consistent manner.

Tuvalu: A short-term expert mission in July assisted the authorities in building GDP forecasting capacity.

Upcoming events: a mission is planned for **Papua New Guinea** on *Application of the PNG Monetary and Fiscal Forecasting (MFF) Model* during August while another for **Solomon Islands** on *CBSI and MOFT Macro Programming and VAT Modeling* in September.

Revenue Policy and Administration

Demand for assistance under the revenue program has consistently exceeded the resources and ability of PFTAC to respond to all requests. The revenue program delivered by a single resident revenue advisor with extensive use of short-term experts is similar in output terms (TA missions and mission days and budget) to the program delivered by two resident PFM advisors. With the likelihood of even higher growth in unmet demand, discussions with donors over the past year culminated with a commitment of additional financing from Australia to scale-up the revenue program to deliver additional revenue mobilization efforts, including a focus on assisting countries that have committed to the Pacer Plus trade agreement to help replace expected losses of trade tax revenues as the trade reforms take effect. In June 2018, Australia's Department of Foreign Affairs and Trade (DFAT) made an initial commitment to provide additional financing of \$A 1.3 million (approximately \$US 1 million) to scale-up the revenue program. If such financing continues on an annual basis over the remainder of Phase V (i.e. for four more years through April 2022), the revenue program would be able to deliver approximately 60 percent more TA than the current baseline. While the program will continue to be managed by a single resident advisor, the scaling-up will be achieved with significantly more use of short-term experts, particularly from the outgoing resident advisor, Mr. Shrosbree through an intensive peripatetic program. Furthermore, additional tax legislation TA will be provided from the IMF's Legal Department to complement the additional tax administration effort, and for the first time, an explicit budget provision will provide for tax policy TA under the supervision of the Tax Policy Division of the IMF's Fiscal Affairs Department (FAD).



Delegates at the Joint CARTAC/ PFTAC event on Revenue Mobilization in Caribbean, Pacific, and other Small States, Washington DC, July 2018

A joint CARTAC/PFTAC event on Revenue Mobilization in the Caribbean, Pacific, and other Small States was convened at IMF Headquarters in Washington in July. Tax administration heads or senior officials participated from 18 Caribbean and 12 Pacific nations as well as Cape Verde, Maldives, Mauritius, and the Seychelles. A wide range of very experienced and knowledgeable experts in tax administration, tax policy, and tax legislation made presentations from the IMF, Small Island Developing States (SIDS) and other partners. The workshop addressed tax administration issues, tax policy and tax legislation issues relevant to the Caribbean, the Pacific and other SIDS.

While both regions face some similar challenges and approaches to tax reform, the event provided a fruitful platform to explore the reasons for reform progress and

success and how they can be best leveraged, and, while conversely,

examined impediments and possible solutions for those reforms that have not gained the traction expected. Some of the important topics explored and debated included indirect taxation issues, taxing consumption in SIDS, international tax challenges, tax concessions/expenditures, regional collaboration, cross country information/data sharing, ISORA, tax legislation development, taxing small business and the potential contribution from property tax.



IMF Deputy Managing Director Tao Zhang opening the Conference

Certain tax reform efforts that have been successful in the Pacific offer lessons for the Caribbean and other SIDS, including the use of final PAYE arrangements, harmonization of tax administration legislation, the regional role of the Pacific Island Tax Administrators Association (PITAA), and successes with the introduction of Value Added Tax (VAT).

Conversely, lessons and successes from the Caribbean region include the application of taxpayer segmentation and better resource and staffing levels observed than in the Pacific. A challenge faced by both regions and most SIDS is the proliferation of poorly targeted tax exemptions that often fail to deliver the benefits envisaged but typically at a significant cost of foregone revenue.

The 20th Annual Conference of the Oceania Customs Organisation (OCO) was held in Melbourne Australia June 11 – 14, 2018, attended by Customs Administration heads from 17 Pacific states. Invited representatives from 20 national and international organizations attended.

The conference witnessed three milestone events: (a) official signing ceremony of the Memorandum of Understanding on Cooperation in Customs matters between OCO members; (b) accession of Kiribati to the Revised Kyoto Convention; and (c) the official launch of the Pacific Harmonized Commodity Description and Coding System (PACHS) 2017. A PFTAC presentation highlighted the developing relationship between the OCO and PFTAC that has included combined Customs and Tax workshops; promotion of integrated Customs and Tax Compliance Improvement Strategies for those countries with combined tax and customs offices; and the exchange of information between those that have separate offices. Examples of improved tax compliance achieved through the development of Compliance Improvement Strategies were discussed with insights provided into the treatment of risks. The importance of the International Survey of Customs Administration (ISOCA) as a management and benchmarking tool was highlighted and country participation encouraged.



OCO and PITAA Secretariat Offices in Suva Fiji

The Revenue program was particularly busy during the quarter, with the delivery of 10 country missions, the major cross-region event in Washington, and participation in the OCO conference.

Fiji: Two missions were provided in FY19/Q1. **The June mission on self-assessment assisted the Fiji Revenue and Customs Service (FRCS) with a wide range of reforms with specialized assistance in areas of planning, process design and mapping, and development of a concept paper for self-assessment.** In this respect, a platform was developed to implement full self-assessment that will be aligned to the implementation of a new IT system that is scheduled to go live at the end of 2019. Another mission was underway at the end of the quarter on the **development of a tax rulings program.**

Niue: PFTAC mobilized a tax legislation expert to assist the Niue Tax and Customs Department (NTCA) with the **reform of its tax legislation, namely to modernize the Niue Income Tax Act and launch a rewrite of a Tax Administration Bill (TAB) with harmonized procedural and administrative rules.** The mission prepared first drafts of both bills focused on the general principles of the income tax applicable to most taxpayers with simple drafting and design reflecting Niue's reality as a very small island economy. The consultation process is currently underway with the Niue authorities to finalize the second draft in advance of a final drafting mission in late September/early October 2018.

Palau: The mission on the implementation of a goods and service tax in April 2018 was reviewed by a June mission to the Palau Bureau of Revenue and Taxation (BRT) that also reviewed developments with the proposed Palau Goods and Services Tax (PGST) ahead of tax reform implementation. **The mission developed an updated a training module, providing training to the BRT staff to support a broad understanding of how a VAT system operates** – one of the important prerequisite to reform implementation. Further assistance under the Macro program helped with modelling and evaluating different reform options.

Papua New Guinea: The August 2017 mission that **assisted the PNG Department of Treasury to develop a comprehensive Medium-Term Revenue Strategy (MTRS)** was followed up by a May 2018 mission which noted progress with the creation of the MTRS program management mechanisms and the progress of the Inland

Revenue Commission with key MTRS deliverables in 2018, particularly IRC reforms and program governance arrangements.

Solomon Islands: PFTAC conducted a series of workshops in FY19/Q1 for the Solomon Islands Inland Revenue Division (SIIRD). **The June mission on strengthening tax return and arrears management provided staff coaching at the tax debt case level and provided mentoring to team leaders in output delivery planning and monitoring.** A suite of priority initiatives was identified, agreed, and progressed with coaching at both the case officer and team leader levels to provide the foundation for a sustainable implementation of the “Strengthening Debt and Return Management Strategy”.

Similarly, the July mission reviewed the overall reform progress and assessed future technical assistance needs of the SIIRD. Against these backdrop, development partners such as the Asian Development Bank (ADB) will assist in the design of policy work on a new Tax Administration and VAT Bill while support financed by the New Zealand’s Ministry of Foreign Affairs and Trade (MFAT) completed a constraints analysis and business process mapping exercise to create a baseline of SIIRD’s performance and organizational capability to launch reform initiatives. Consistent with this, **PFTAC provided a high-level review of the SIIRD and guidance in implementing a modernization strategy while also establishing a framework for future PFTAC TA.**

Tonga: In May, the PFTAC revenue advisor undertook a mission to Tonga’s Ministry of Revenue and Customs (MoRC) to discuss progress in tax administration reforms with the authorities and confirm future TA needs. Prior policy and tax administration missions provided by PFTAC and successfully implemented by Tonga focused on a compliance improvement strategy, strengthening taxpayer service, improving audit capability and legal assistance. An in-country workshop reviewed the current reform progress and identified further reform priorities and barriers to implementation along with potential TA plans over FY19.

Tuvalu: The May visit to the Tuvalu Inland Revenue Department (TIRD) reviewed the core tax functions and modernization plans of the department. This enabled a high-level review of core tax functions to identify current weaknesses, assisted the TIRD to develop an overarching project plan to guide implementation of modernization initiatives encompassing of activity planning and sequencing; delegated responsibility/timelines and a process to monitor implementation of the plan and risk management. **The mission also assisted in the design of a consumption tax Compliance Improvement Strategy.**

Macroeconomic Statistics

The PFTAC resident Real Sector Statistics (RSS) and GFS advisors attended an annual retreat of IMF resident macroeconomic statistics advisors convened by the IMF’s Statistics Department in Washington in June.

Three missions were delivered under the Government Finance Statistics (GFS) program during the quarter.

Cook Islands: a June mission of the GFS advisor overlapped with a visit of the PFM advisor focused on Chart of Accounts (COA) improvements given the new IFMIS is expected to generate improvements in the timeliness of budget, financial, and economic reports. The mission provided the Treasury with a debt template to expand the coverage of Public Sector Debt Statistics (PSDS) and assist in the future compilation and dissemination of PSDS.

Samoa: a three-week mission by the GFS advisor provided training to 18 GFS officials of the Ministry of Finance. The mission also overlapped with the full PEFA assessment conducted by the PFM team from PFTAC, with the GFS advisor playing a key contributing role in the PEFA assessment given two of the seven pillars in the PEFA framework, namely budget reliability and transparency of public finances use the GFS classification of revenue,

expense and functions of government as measurement criteria. Assessment of the indicators on expenditure and revenue outturn, as well as budget classification, resulted in recommendations for improvement.

Vanuatu: a June mission by a short-term expert assisted the Vanuatu Ministry of Finance and Economic Management to further strengthen GFS compilation and dissemination practices including PSDS. Greater use of the Smartstream Financial Management Information System (FMIS) will strengthen GFS reporting. Also, GFS reporting is currently limited to Budgetary Central Government, but with the expansion of data sources can be extended to Government Business Enterprises.

With the June retreat of advisors in Washington, and the August departure of the RSS advisor, Mr. Wild, only **two National Accounts missions were delivered under the Real Sector Statistics (RSS) program in FY19/Q1.**

Nauru: a July mission of the RSS advisor assisted with the draft estimates of gross domestic product (GDP) by production that were compiled up to 2016-17 to inform surveillance. Progress was made in obtaining new tax information that may be used to replace weaker modeled components, with GDP estimates to 2016-17 using the latest data within government budget papers, state-owned enterprises (SOEs) annual accounts, CPI series and population estimates. Staffing changes and deficiencies have been a challenge to capacity building that may improve with greater stability and additional resources that appears to be emerging.

Papua New Guinea: A June mission by the RSS advisor provided technical assistance to the National Statistics Office to improve the quality of its national accounts statistics, working alongside longstanding advisors from the Australian Bureau of Statistics. TA focused on refinements to recently introduced deflation updates; tax data acquisition and mechanized processing; and the provision of training to NSO and stakeholder agency staff. Revised estimates of gross domestic product by production (GDP(P)) were drafted for 2014, 2015, and new estimates were drafted for 2016 and left with the NSO for further review in consultation with stakeholders.

Financial Sector Supervision



Benjamin Stefanou - PFTAC Financial Sector Supervision Advisor

The Financial Sector Supervision (FSS) program continued to enhance bank supervision frameworks in the region through TA focusing on diagnosis, analysis, and development of implementation plans.

An Insurance Supervision Workshop was held in Suva, Fiji in May 2018, attended by participants from **Tonga, Cook Islands, Samoa, Fiji, Vanuatu, Solomon Islands** and **Papua New Guinea**. A DFAT representative, Mr. Keshwa Reddy, Program Manager, Regional Governance, Australian High Commission, Fiji, attended the fourth day of the workshop for the presentation by participants of their self-assessment results.

The event provided training on international good practices on insurance legislation and prudential standards. Key areas of weakness were highlighted from an absence of any legislation governing insurance business to gaps in legal protection for supervisors, consolidated supervision, risk-based capital, resolution and offshore placement of insurance cover. **Fiji, Tonga** and **Samoa** have already requested insurance regulatory reform TA, and PFTAC currently has three planned missions in FY19 to help these countries. All participant authorities have

commenced (or plan to commence) insurance regulatory reform projects. The most efficient way of delivering TA has been identified by providing a model of an Insurance Act and prudential standards – the latter to be adapted to each country's circumstances.

In line with the outcome of the previous annual meeting of the Association of Financial Supervisors of Pacific Countries (AFSPC), PFTAC launched an initiative to coordinate TA in **three key areas of financial sector supervision: (1) Information Technology (IT) risk assessment and examination, (2) On-line prudential reporting development program, and (3) AML/CFT training and capacity building program.**

PFTAC will continue to assist the AFSPC by coordinating the development of a common set of requirements, seeking expertise from the ADB Private Sector Initiative (in the Pacific) to assist in assessing service providers, and facilitating approaches to potential donors to fund the system (DFAT, NZ Government).

The regional Prudential Regulatory Workshop on reporting was held in Sydney June 21 – 22, 2018 attended by representatives from the **Cook Islands, Tonga, Samoa, Fiji, Vanuatu, Solomon Islands, Papua New Guinea, Timor Leste, Palau, Marshall Islands, Federated State of Micronesia**, the World Bank (Sydney), and the Australian Prudential Regulatory Authority (APRA). In addition, four private sector information technology service providers attended the workshop as well: Antares Solution; Bistech; BFA Global; and Park Lane.

The workshop launched efforts of the AFSPC On-line Prudential Reporting Working Group to facilitate contacts with private service providers and regional regulators experienced in developing online reporting processes; and determined the group's planned next steps, priorities, and workplans to address the long-standing challenges of manual Excel based prudential reporting. Four private sector information technology service providers (three from Australia and one from the United States) presented the group with ideas and concepts for automating prudential data submission and analysis reporting.

Risk Based Supervision Framework Development

With respect to the development of risk-based supervision frameworks, TA missions visited **Papua New Guinea, Solomon Islands, Cook Islands** and **Vanuatu** to undertake diagnostic reviews.

Cook Islands: in continuation of the Supervision Framework Enhancement Program initiated in January 2017, a TA mission visited the Cook Islands, during the period May 28 – June 8, 2018, to **assist the Financial Supervisory Commission (FSC) of the Cooks Islands to enhance its suite of prudential standards.** The mission developed with the FSC a risk rating and supervisory action planning system for the banking supervision. Under the Risk rating system, a comprehensive quantitative risk rating model in Excel was developed, based on APRA's PAIRS model, detailed rating characteristic framework for the model together with the risk-based supervisory action plan document.

Papua New Guinea: the mission continued the Supervision Framework Enhancement project (SFEP), by assisting Bank of Papua New Guinea (BPNG) to **enhance its capacity to undertake effective onsite examination and assessment of market and liquidity risk.** The mission provided BPNG supervisory staff with market and liquidity risk training for one week, followed by an onsite examination on these risk subjects at ANZ PNG.

Solomon Islands: the mission **developed with the Central Bank of Solomon Islands (CSBI) a risk rating and supervisory action planning system for their banking supervision.** The supervision department had previously

requested a more dynamic and risk-based rating system and supervisory action planning process. As such they were very appreciative of PFTAC and the IMF for launching this work. The CBSI supervision department was fully engaged in the development of this system, and supportive of its implementation.

Vanuatu: this mission addressed the recommendations from the Supervision Framework Enhancement project, developed with the Reserve Bank of Vanuatu (RBV) in May 2017, in relation to risk rating and supervisory action planning. **A risk rating and supervisory action planning system for the banking supervision was developed.** The mission also provided training on the interaction of the risk rating model and risk-based supervisory action plan, and the importance of these tools in the management of supervisory resources under a risk-based supervision model.

Banking Regulatory Reform

Marshall Islands and Palau: with respect to banking regulatory frameworks, in late 2016 the Republic of Marshall Islands Banking Commission, and the Financial Institutions Commission of Palau requested TA to enhance their banking legislation and prudential standards frameworks. In a follow up to the PFTAC mission last year, the TA **provided information to participants on international good practice on banking legislation and prudential standards (content and structure); and established a proposed regulatory reform strategy mostly in strengthening and improving accountability, corporate governance, risk assessment and statutory reporting requirements.**

Upcoming Events: A workshop on *Cyber/IT Risk* will be held in Santo, Vanuatu in August together with the **Annual AFSPC meeting**. Another TA **on Insurance Regulatory Reforms** is planned for Fiji, Samoa and Tonga in October 2018.

IV. Planned TA Activities FY19/Q2: August – October 2018

August 2018 Planned Activities

Country	Program	Description	Advisor/s	Dates
Fiji	PFM	Chart of Accounts	LTX – Kubasta STX – Silins	Aug 13 – 17
Kiribati	GFS	Government Finance Statistics (in Nadi after regional workshop)	STX – Tillman-Zorn	Aug 27 -29
	RSS	National Accounts	STX – McAllister	Aug 3 – 15
Marshall Islands	ESS/BOP	External Sector Statistics	STX – Fitzgibbon	Aug 20 – 31
Papua New Guinea	Macro	Applications of the PNG Monetary and Fiscal Forecasting (MFF) Model	LTX – Claus	Aug 27 – Sept 4
Regional	FSS	Annual AFSPC Meeting and workshop on Cyber/IT Risk (in Santo, Vanuatu)	LTX – Stefanou HQ – Kaffenberger HQ – Gaidosch	Aug 20 – 24
	GFS	Government Finance Statistics Workshop (in Nadi, Fiji) (with Macro program inputs)	LTX – de la Beer LTX – Claus STX – Tillman-Zorn	Aug 20 – 24
	PFM	Annual Congress of PASAI (Pacific Association of Supreme Audit Institutions) (in Gold Coast, Australia)	LTX – Neves LTX – Kubasta	Aug 28 – 30
	Revenue	Revenue Management System (RMS) Conference (in Wellington, New Zealand)	LTX – Shrosbree	Aug 15 – 17
	Statistics	Australian Bureau of Statistics Pacific Leadership Forum (in Brisbane, Australia)	LTX – de la Beer	Aug 28 – 31
Solomon Islands	Revenue	Design Modernization Strategy	STX – Scott	Aug 27 – Sept 7
Tonga	PFM	Chart of Accounts	STX – Silins	Aug 6 – 10
Vanuatu	Revenue	Review functional structure and governance	STX – McNeill	Aug 6 – 17

September 2018 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	RSS	National Accounts	STX – Andrews	Sept 24 – Oct 12
Fiji	Revenue	Strengthen Taxpayer Services	STX – Scott	Sept 24 – Oct 5
Kiribati	Revenue	Improve on-time filing and payment	STX – Lawrence	Sept 24 – Oct 5
Papua New Guinea	GFS	Government Finance Statistics	LTX – de la Beer	Sept 3 – 14
Regional	Revenue	VAT Workshop (sub-regional) in Nadi (with Macro program inputs)	LTX – Shrosbree LTX – Eysselein LTX – Claus HQ – Jenkins	Sept 5 – 7
	Revenue	Tax Leadership Workshop (in Nadi)	LTX – Shrosbree LTX – Eysselein HQ – Jenkins	Sept 10
	Revenue	Annual PITAA Meeting (in Nadi)	LTX – Shrosbree LTX – Eysselein HQ – Jenkins	Sept 11 - 13
	Revenue	TA Planning Meeting (in Nadi)	LTX – Shrosbree LTX – Eysselein HQ – Jenkins	Sept 14
Samoa	PFM	SOE Oversight and Monitoring	STX – Colvin	Sept 10 – 21
	PFM	Accounting Reporting	LTX – Kubasta	Sept 10 – 21
Solomon Islands	Macro	CBSI & MOFT Macro Programming and VAT Modeling	LTX – Claus	Sept 17 – 27
	Revenue	Assist in the implementation of a function based structure	LTX – Piper	Sept 24 – Oct 5
Tonga	PFM	PFM Symposium & Reporting Update	LTX – Neves LTX – Kubasta	Sept 3 – 7
	Revenue	Strategy to expand the Large Taxpayer Office	STX – Sutherland	Sept 24 – Oct 5

October 2018 Planned Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Improve Compliance of High Wealth Individuals	STX – TBD	Oct 22 – Nov 2
Kiribati	Revenue	Improve on-time filing and on-time payment of taxes	STX – Scott	Oct 1 – 12
	PFM	Update on PEFA Self-Assessment and Article-IV mission	LTX – Neves	Oct 22 – 24
Marshall Islands	Revenue	Improve on-time filing and on-time payment of taxes	STX – Lawrence	Oct 8 – 19
Micronesia	Revenue	Review progress on-time filing and on-time payment of taxes	STX – Lawrence	Oct 22 – Nov 2
Palau	Revenue	Review taxpayer services, on-time filing, on-time payment and functional structure implementation	STX – McNeill	Oct 8 – 19
Regional	FSS	Remote work for Insurance Regulatory Reform initially for the benefit of Fiji, Samoa, and Tonga	STX – tbd	Oct 1 – 31
	Revenue	Management Workshop – strengthening arrears and returns management (in Fiji)	LTX – Shrosbree LTX – Eysselein	Oct 15 – 19
Samoa	Revenue	Strengthen the Audit Function	STX – Piper	Oct 15 – 26
Solomon Islands	PFM	Cash Management	STX – Silins	Oct 1 – 5
	Revenue	Design a Large Taxpayer Focus	STX – Sutherland	Oct 1 – 12
Tonga	Revenue	Strengthen the Audit Function	STX – Piper	Oct 1 – 12

Outturn of TA Activities FY19/Q1: May – July 2018

May 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Financial Supervision Framework Enhancement	LTX – Stefanou	May 28 – June 8
Kiribati	PFM	Public Investment Management Assessment (PIMA) Mission	HQ/FAD – Dougherty LTX – Neves, Kubasta STX – Emery PRIF – Estagarriba	May 7 – 21
Niue	Revenue	Draft Income Tax and Tax Admin Bills	LEG/STX – Burns	May 30 – June 7
Papua New Guinea	Revenue	Discuss MTRS framework and review progress of PFTAC facilitated tax administration reforms	LTX – Shrosbree	May 31 – June 5
Palau	FSS	Banking Regulation Reform	HQ/LEG – Anvari STX – Hefty	May 16 – 25
Regional	FSS	Insurance Supervision Workshop (held in Suva, Fiji)	LTX – Stefanou HQ/MCM – Windsor STX – Claxton	May 7 – 11
Solomon Islands	Macro	Upgrade Macroeconomic Programming Frameworks and Support Modeling of Tax Design Scenarios	LTX – Claus	Apr 30 – May 11
Tonga	Revenue	Review reform progress and determine future technical assistance needs	LTX – Shrosbree	May 21 – 29
Tuvalu	Revenue	Review core tax functions, modernization plan and CIS	STX – Scott	May 28 – June 9

June 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Introducing Self-Assessment	STX – McNeill	June 6 – 22
Palau	Macro	Modeling of Tax Reform Options	LTX – Claus	June 18 – 28
	Revenue	VAT and other Tax Policy	STX – Mullins	June 18 – 25
Papua New Guinea	RSS	National Accounts	LTX – Wild	June 12 – 22
	Macro	Review of the PNG Monetary and Fiscal Forecasting (MFF) model	LTX – Claus	June 4 – 8
Regional	FSS	Prudential Regulatory Workshop (with WB/APRA in Sydney)	LTX – Stefanou	June 21 – 22
	Revenue	OCO Conference Melbourne	LTX – Shrosbree	June 11 – 13
Solomon Islands	Revenue	Strengthen Tax Return and Arrears Management	STX – Lawrence	June 4 – 20
Vanuatu	FSS	Financial Supervision Framework Enhancement	LTX – Stefanou	June 26 – July 6
	GFS	Government Finance Statistics	STX – Youngberry	June 11 – 22

July 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	GFS	Government Finance Statistics	LTX – de la Beer	July 16 – 20
	PFM	Chart of Accounts	LTX – Kubasta	July 9 – 20
Fiji	Revenue	Develop Rulings Program	STX – Middleton	30 July – Aug 17
Marshall Islands	FSS	Banking Regulatory Reform	HQ/LEG – Anvari	July 11 - 18
Nauru	RSS	National Accounts	LTX – Wild	July 17 – 27
Papua New Guinea	FSS	Supervision Framework Enhancement	STX – de Bie	July 2 – 13
Regional	Macro	Macroeconomic Policy Course for Stabilization and Growth in Pacific (extended for PNG & Solomon Islands) – in Honiara	LTX – Claus HQ/ICD - Tanner	July 9 – 13 July 16 - 17
	Revenue	Revenue Mobilization in Caribbean, Pacific, and other Small States (jointly held with CARTAC at HQ in Washington DC)	LTX – Shrosbree	July 9 – 13
Solomon Islands	PFM	PFM reform review with Article IV Missions	LTX – Neves	July 23 – 26
	FSS	Financial Supervision Framework Enhancement	LTX – Stefanou	July 9 – 20
	Macro	Upgrade Macroeconomic Programming Frameworks and Support Modeling of VAT Options	LTX – Claus	July 6 & 18 – 27
	Revenue	High Level Tax Admin Diagnostic	LTX – Shrosbree	July 23 – Aug 3
	Revenue	Review the Revenue Strategic and Business Plans	STX – McNeill	July 16 – 27
Samoa	PFM	Public Expenditure Financial Accountability (PEFA) Assessment	LTX – Neves LTX – Kubasta STX – Uluinaceva STX – Eke	July 30 – Aug 10
	GFS	Government Finance Statistics (overlap and join PEFA)	LTX – de la Beer	July 26 – Aug 10
Tuvalu	Macro	Develop Gross Domestic Product Forecasting	STX – Fukac	July 30 – Aug 3

Outturn of TA Activities FY18/Q4: February – April 2018

February 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Supervision Framework Enhancement	STX – Henderson	Jan 29 – Feb 9
Niue	RSS	National Accounts	STX – Freeman	Feb 12 – 23
Papua New Guinea	RSS	National Accounts	LTX – Wild	Feb 6 – 15
	FSS	Supervision Framework Enhancement	LTX – Stefanou	Feb 26 – Mar 9
	PFM	Review of Government Accounting & Financial Reporting	STX – Mayes	Feb 19 – Mar 2
Regional	FSS	Correspondent Bank Relationships (CBR) – organized by IMF/APD and convened in Sydney and Auckland	LTX – Stefanou	Feb 5 – 8
	PFM/Macro	Fishing Revenue Forecasting & Management (in Majuro, RMI)	LTX – Neves LTX – Claus	Feb 5 - 9
	PFM	Workshop on State Owned Enterprises (in Nadi)	LTX – Marzan STX – Colvin	Feb 5 – 9
RMI	PFM/Macro	Medium Term Fiscal Budgeting	LTX- Neves LTX – Claus	Feb 12 – 16
Solomon Islands	Revenue	Management of Tax Arrears	STX – Dean	Feb 20 – Mar 2
	GFS	Government Finance Statistics	LTX – de la Beer	Feb 19 – Mar 2

March 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Prudential Regulatory Reporting (support provided remotely)	STX – Mitchell	Mar 5 – 9
Fiji	Revenue	Strengthen Arrears and Returns Management	STX – Dean	Mar 14 – 27
Kiribati	Revenue	Review Reform Implementation and Strengthen Taxpayer Registration	STX – Scott	Mar 6 – 18
	Revenue	Strengthen the Audit Function	STX – Leano	Mar 19 – 30
Niue	Revenue	Income Tax Legislation Review	LTX/LEG – Burns	Mar 7 – 13
Palau	Revenue	Administrative Issues for the Introduction of VAT	STX – Piper	Mar 12 – 23
Regional	Revenue	Develop Regional VAT Audit Methodology (work in Fiji)	STX – Haigh	Mar 5 – 23
RMI	Macro	Review Revenue Raising Options	LTX – Claus	Mar 15 – 23
Solomon Islands	RSS	National Accounts	LTX – Wild	Mar 5 – 14
Tonga	RSS	National Accounts	STX – McAllister	Mar 12 – 23
Tuvalu	GFS	Government Finance Statistics	LTX – de la Beer	Mar 13 – 20

April 2018 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	RSS	National Accounts & External Sector Statistics	STX – Andrews	Apr 9 – 27
Fiji	Revenue	VAT and Stamp Duty Legislation and A-IV issues	STX/LEG: Burns	Apr 20 – 22
	PFM	Internal Audit – Development of a Risk Assessment Framework	STX – Morrison	Apr 3 – 13
FSM	RSS	National Accounts	LTX – Wild	Apr 16 – 27
	ESS	External Sector Statistics	STX – Fitzgibbon	Apr 17 – 27
Kiribati	Revenue	Small Business Tax Legislation	STX/LEG – Burns	Apr 17 – 18
Regional	Revenue	Workshop on International Survey of Revenue Administration (ISORA) (held in Nadi, Fiji with HQ support/funding)	LTX – Shrosbree STX – Crandall HQ/FAD – Gavin	Apr 16 – 20
	Revenue	Risk Management Study Tour to Fiji	LTX – Shrosbree	Apr 9 – 11
	Revenue	Regional IT Support Model	STX – Lester	Apr 2 – 11
	Revenue	Reviewing the PFM Roadmap	LTX – Neves HQ/FAD – Doherty STX - Kaufmann STX – Colmer	Apr 5 – 19
Solomon Islands	ESS	External Sector Statistics	STX – Antropova-Allds	Apr 2 – 20
	GFS	Government Finance Statistics	STX – Youngberry	Apr 2 – 6
	FSS	Training and Implementation of IFRS9	LTX – Stefanou STX – Edwards	Apr 19 – 25
Tuvalu	RSS	National Accounts	STX – Freeman	Apr 30 – May 11
Vanuatu	FSS	Regulatory Reform of Credit Union and Cooperative Financial Sectors	LTX – Stefanou STX – Jackson	Apr 3 – 13

Meetings, Seminars, and Training

November 2017 – July 2018

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					M	F	
Public Financial Management	Fiscal Oversight of State Owned Enterprises	Nadi, Fiji	LTX – Chita Marzan STX – James Colvin	5	8	7	Feb-18
Revenue	International Survey on Revenue Administration (ISORA)	Nadi, Fiji	LTX – Stanley Shrosbree STX – Bill Crandall HQ – Liz Gavin	5	18	12	April-18
	Revenue Mobilization in the Pacific and Caribbean	Washington DC	LTX - Stanley Shrosbree	5	9	6	July-18
	OCO Conference	Melbourne, Australia	LTX – Stanley Shrosbree	3	-	-	June-18
	Risk Management Study Tour	Suva, Fiji	LTX – Stanley Shrosbree	3	5	3	April 18
Financial Sector Supervision	Insurance Workshop	Suva, Fiji	LTX – Benjamin Stefanou HQ/MCM – Windsor STX – Robert Claxton	5	10	9	May-18
	Prudential Regulatory Workshop (with APRA)	Sydney, Australia	LTX – Benjamin Stefanou	2	8	7	June-18
PFM & Macroeconomics	Fishing Revenue Forecasting Management	Majuro, MI	LTX- Richard Neves LTX – Iris Claus	5	28	20	Feb-18
Macroeconomics	Workshop on Macroeconomic Policy for Stabilization and Growth in the Pacific	Honiara, Solomon Islands	LTX – Iris Claus HQ/ICD – Evan Tanner	5	32	16	July-18
	2-Day Extended Program for PNG Officials			2	16	6	July-18

TA Reports Transmitted to Country Authorities & Pending Finalization

November 2017 – July 2018

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Public Financial Management (PFM)	Cook Islands	Chart of Accounts	Kubasta	Jul-18	Not finalized
	Fiji	Drafting Instructions to Ministries on Financial Reporting	Marzan	Dec-17	7-Feb-18
	Fiji	Regulations/Guidelines on Financial Reporting by Line Ministries	Marzan	Jan-18	23-Feb-18
	Fiji	Internal Audit – Developing a Risk Assessment Framework	Morrison	Apr-18	Not Finalized
	Kiribati	Public Investment Management Assessment (PIMA)	Doherty, Neves, Kubasta, Emery	May-18	Not Finalized
	Papua New Guinea	Internal Audit Capacity Development	Morrison	Oct-17	15-Nov-17
	Papua New Guinea	Government Accounting (IPSAS) & Financial Reporting	Mayes	Feb-18	Not finalized
	Solomon Islands	Stronger PFM Laws & Institutions	Doherty, Neves, Kaufmann, Colmer	Apr-18	17-Aug-18
	Vanuatu	Capacity-development on accounting and reporting	Marzan & Uluinaceva	Nov-17	18-Dec-17
	Vanuatu	Strengthening Internal Audit	Prceвич	Nov-17	4-Jan-18

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Macroeconomic Analysis & Forecasting	Palau	Tax Reform Strategy	Claus & Mullins	Jun-18	Not finalized
	Samoa	Expansion of the Samoa Economic and Forecasting (SERF) Model	Claus	Nov-17	29-Jan-18
	Tuvalu	GDP Forecasting	Fukac	Jul-18	Not finalized
Revenue	Fiji	Strengthening Audit Capacity	Teed	Nov-17	22-Jan-18
	Fiji	Compliance Improvement Strategy	Aslett	Jan-18	6-Mar-18
	Fiji	Expanding Self-Assessment	McNeill	Feb-18	16-Apr-18
	Fiji	Strengthening Arrears and Returns Management	Dean	Mar-18	7-Aug-18
	Fiji	Expanding Self- Assessment	McNeill	Jun-18	Not finalized
	FSM	Strengthen Taxpayer Services	Dean	Nov-17	27-Dec-17
	Kiribati	Review reform implementation plan and strengthen registration	Scott	Mar-18	12-Apr-18
	Kiribati	Strengthening VAT Audit	Leano	Mar-18	8-Jun-18
	Kiribati	Design a Small Business Tax	Burns	Apr-18	2-May-18
	Niue	Strengthen Organization Design	Shrosbree	Nov-17	24-Jan-18
	Niue	Modernizing the Income Tax Act	Burns	Mar-18	24-May-18
	Niue	Draft Income Tax and Tax Admin Act	Burns	May-18	Not finalized
	Palau	Understanding VAT	Piper	Dec-17	22-Jan-18
	Palau	Support VAT operational implementation	Piper	Apr-18	28-Jun-18

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Revenue	Palau	VAT and Other Tax Policy (with Macro)	Mullins	June-18	Not finalized
	Papua New Guinea	Information Technology Strategic Plan	Dark	Dec-17	24-Jan-18
	Papua New Guinea	2018-2022 Corporate Plan	McNeill	Dec-17	22-Jan-18
	Papua New Guinea	Discuss MTRS Progress	Shrosbree	Jun-18	21-Jun-18
	Regional	VAT Audit Methods (with PITAA)	Haigh	Apr-18	N/A
	Regional	Regional IT Model (with PITAA)	Dark	Apr-18	N/A
	Samoa	Industry partnership to improve compliance	Shrosbree	Sep-17	3-Nov-17
	Samoa	Strengthening Arrears and Returns Management	Scott	Nov-17	27-Dec-17
	Samoa	Strengthen the Audit Function	Tees	Nov-17	27-Dec-17
	Solomon Islands	Strengthening Arrears and Returns Management	Lawrence	Feb-18	16-Apr-18
	Solomon Islands	Strengthening Arrears and Returns Management	Lawrence	Jun-18	Not finalized
	Solomon Islands	Review Overall Reform Progress	Shrosbree	Jul-18	Not finalized
	Solomon Islands	Review Corporate Strategy and Business Plan	McNeill	Jul-18	Not finalized
	Tonga	Review Structure and advise enhancements	Scott	Jul-18	Not finalized
	Tonga	Review Reform Progress and determine future TA Needs	Shrosbree	May-18	Not finalized
	Tuvalu	Review core functions, compliance plan and design modernization plan	Scott	Jun-18	Not finalized

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Financial Sector Supervision (FSS)	Cook Islands	Supervision Framework Enhancement – On-Site Examination	Henderson	Jan-18	10-May-18
	Kiribati	Supervision Framework Enhancement – On-Site Supervision	Henderson	Nov-17	21-May-18
	Marshall Islands	Banking Regulatory Reform	Anvari & Hefty	Jul-18	Not finalized
	Palau	Banking Regulatory Reform	Anvari & Hefty	May-18	Not finalized
	Papua New Guinea	Supervision Framework Enhancement – On-Site Examination	HQ/MCM & Stefanou	Feb-18	18-Mar-18
	Papua New Guinea	Supervision Framework Enhancement – On-Site Examination	De Bie	Jul-18	Not Finalized
	Solomon Islands	Supervision Framework Enhancement – Diagnostic	Stefanou & Henderson	Sep-17	19-Jan-18
	Vanuatu	Regulatory Reform – Credit Unions	Stefanou & Jackson	Apr-18	Not Finalized

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Statistics	Cook Islands	External Sector Statistics	Robertson	Sep-17	13-Apr-18
	Cook Islands	Government Finance Statistics	De La Beer	Jul-18	Not Finalized
	Cook Islands	National Accounts/Ext Sector Statistics	Andrews	Apr-18	11-Jul-18
	Fiji	Government Finance Statistics	De La Beer	Jan-18	6-Mar-18
	Fiji	National Accounts	Wild	Oct-17	13-Dec-18
	FSM	External Sector Statistics	Fitzgibbon	Apr-18	Not Finalized
	FSM	National Accounts	Wild	Apr-18	19-Jun-18
	Kiribati	National Accounts	McAllister	Aug-17	1-Nov-18
	Nauru	Government Finance Statistics	De La Beer	Sep-17	29-Nov-17
	Niue	National Accounts	Freeman	Feb-18	Not Finalized
	PNG	Government Finance Statistics	De La Beer	Oct-17	15-Jan-18
	PNG	Balance of Payments	Rayyan	Feb-17	1-Nov-17
	Kiribati	National Accounts	McAllister	Aug-17	1-Nov-17
	Nauru	National Accounts	Wild	Sep-17	5-Dec-17
	Nauru	National Accounts	Wild	Jul-18	Not finalized
	Nauru	Government Finance Statistics	De La Beer	Sep-17	29-Nov-17
	Niue	National Accounts/Ext Sector Statistics	Freeman	Feb-18	9-Jul-18
	Palau	National Accounts	Freeman	Oct-17	4-Feb-18

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	Papua New Guinea	Government Finance Statistics	De La Beer	Oct-17	15-Jan-18
	Papua New Guinea	National Accounts	Wild	Dec-17	23-Feb-18
	Papua New Guinea	National Accounts	Wild	Feb-18	1-May-18
	Papua New Guinea	National Accounts	Wild	Jun-18	Not finalized
	RMI	National Accounts	Freeman	Oct-17	26-Jan-18
	RMI/Palau	National Accounts	McAllister	Aug-17	2-Nov-17
	RMI/Palau	National Accounts	Freeman	Oct-17	26-Jan-18
	Samoa	National Accounts	Wild	Oct-17	11-Dec-17
	Solomon Islands	Government Finance Statistics	De La Beer	Feb-18	21-May-18
	Solomon Islands	National Accounts	Wild	Mar-18	6-Jun-18
	Solomon Islands	External Sector Statistics	Antropova-Allds	Apr-18	25-Jul-18
	Timor-Leste	Government Finance Statistics	Youngberry	Apr-18	25-Jun-18
	Tonga	National Accounts	McAllister	Mar-18	6-Jun-18
	Tuvalu	Government Finance Statistics	De La Beer	Mar-18	25-Jun-18
	Tuvalu	National Accounts	Freeman	Apr-18	Not finalized
	Vanuatu	Government Finance Statistics	Van Rensberg	Nov-17	16-Feb-18
	Vanuatu	Government Finance Statistics	Youngberry	Jun-18	Not Finalized