

PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

QUARTERLY REPORT

May 2021



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I. Introduction¹

This report covers the fourth quarter of the 2021 Fiscal Year (FY2021/Q4) for the period February 1 to April 30, 2021. It was an exceptionally busy period even by pre-COVID standards, with 50 missions/activities delivered. As noted in the previous report, workplans were revised in December 2020 to more accurately account for the ongoing travel restrictions for the balance of FY2021, and to reflect the COVID19 induced realities for CD delivery and absorptive capacity of the beneficiaries. While the final FY2021 outturn will be reported in the 2021 Annual Report in early June, preliminary results reflect outturn against the December updates of 132 of 139 planned missions or activities delivered (95 percent), and 1,718 TA days utilized against expectations of 1,695 days (101 percent). Projected outturn against the pre-COVID workplans are at a very respectable 72 percent, namely 132 of 183 planned pre-COVID missions delivered and 1,718 days of 2,341 planned pre-COVID TA days utilized.

II. News

United States of America becomes Seventh PFTAC Donor



On February 23, 2021, the United States government formalized its contribution of USD 2.0 million and commitment to PFTAC operations at an in-person event at the PFTAC office in Suva. In a short ceremony, the Suva-based Embassy of the United States Chargé d’Affaires Mr. Tony Greubel (pictured left and below) noted that *“The United States is very pleased to become, for the first time, a donor to the Pacific Financial Technical Assistance Center (PFTAC), and to join other members and donors in supporting this key regional entity working to promote the macroeconomic stability and development of its Pacific Island members. As a Pacific nation, the United States has a strong and enduring interest in the security, stability, and prosperity of our close partners and neighbors in the Pacific.”* Deputy Governor of the Reserve Bank of Fiji, Mr. Esala Masitabua and Chief Executive Officer of the Samoan Ministry of Finance, Mr. Oscar Malielegaoi also spoke of the benefits Fiji and Samoa had respectively received from more than 25 years of PFTAC membership.



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.

The United States Joins the PFTAC Community

(update from the United States Treasury)



The United States is pleased to become a donor to the Pacific Financial Technical Assistance Center (PFTAC) for the first time and joins other members and donors in supporting this key regional entity to promote the macroeconomic stability and development of its Pacific Islands members.

As a Pacific nation, the United States has a strong and enduring interest in the security, stability, and prosperity of our close partners and neighbors in the Pacific Islands. In October 2020, the United States first announced that the State Department would partner with the Treasury Department on a \$2 million U.S. grant to PFTAC. This contribution comes in the context of the U.S. announcement of over \$200 million in new programs under the Pacific Pledge, the U.S. commitment to the Pacific under the U.S. Indo-Pacific Strategy. In a letter to Pacific Islands Forum Leaders this February, U.S. National Security Advisor Jake Sullivan expressed the United States' enduring commitment to the Pacific Islands. He also highlighted the United States' commitment to "strengthen the international COVID-19 response to save lives, promote economic recovery, and build better resilience against future biological threats." In addition, on March 22, Mr. Sullivan and National Economic Council Director Brian Deese co-hosted a virtual event to launch the Small and Less Populous Island Economies (SALPIE) Initiative, a new economic cooperation framework designed to strengthen U.S. collaboration with island economies, including those in the Pacific region, to counter COVID-19 economic challenges, promote economic recovery, respond to the climate crisis, and advance longer-term shared interests.

The United States celebrates the work PFTAC has done to pivot its response to meet the challenges of the pandemic, such as shifting to virtual trainings and adjusting assistance priorities. We are pleased to help support PFTAC's macroeconomic and financial training and technical assistance programs working to strengthen the resilience of Pacific Island economies against volatility associated with natural disasters and economic shocks such as COVID-19, ensuring public finances are sustainable and growth is inclusive. Through our contribution we will support PFTAC's work to enhance debt transparency and sustainability in Pacific Island countries—both in the short term due to COVID-19 as well as in the long term. We also fully support PFTAC's work to help Pacific Island countries incorporate climate risks and impacts into their fiscal planning and analysis to help increase economic resiliency in the region.

In summary, we are proud to stand alongside fellow donors and likeminded partners—the Asian Development Bank (ADB), Australia, Canada, the Republic of Korea, New Zealand, and the European Union—and the Pacific Island countries in supporting this institution to underpin the economic security of the Pacific region.

Steering Committee and Governance Issues

The PFTAC Steering Committee (SC) met on February 23, 2021 following the welcome event for the U.S. Government. A hybrid event allowed Suva-based stakeholders to attend in-person including representatives of the Fiji government, donors, development partners, and regional organizations, with all other participants connecting virtually. The first half of a tightly packed two-hour session was devoted to briefings by the PFTAC director and resident advisors on how PFTAC operations responded to the COVID crisis that has dominated the entirety of FY2021. A short



presentation on the PEFA Climate assessment in Samoa included speakers from the assessment team, both PFTAC staff and World Bank climate specialist Ms. Habiba Gitay, as well Samoa Finance Ministry CEO Oscar Malielegaoi. Another short presentation was made by Fiscal Affairs Department (FAD) expert, Mr. Tom Story regarding the review that he is leading to update the 2017 Pacific Revenue Review. The report from the now concluded review is expected to be available as an input to Phase VI planning for the future Revenue program. Three items were endorsed by consensus, namely: (1) a four month final extension to the GFS program and

resident advisor position; (2) continuation of the scaled-up Revenue program including recruitment of a second resident Revenue advisor for the remainder of Phase V; and (3) a continuation of the support of the Macro program advisor in the regional Correspondent Banking Relationship (CBR) initiative.

Annual 2021 SC Meeting and Phase VI planning rounded out the remainder of the February 23 discussions. With travel still curtailed, the annual 2021 SC meeting will be held virtually, and depending on local conditions in Fiji, possibly in-person for Suva-based participants. There will be two core meetings each of two-hours duration on: (1) **Tuesday June 29** when all regular SC meeting issues will be addressed, including a review of FY2021 results and discussion and endorsement of FY2022 workplans and budget, as well as a formal request for endorsement to extend Phase V by six months; and (2) **Friday July 2** a special SC meeting will focus exclusively on Phase VI issues, leading to endorsement of SC member preferences and priorities for the future.

Five Virtual Working Groups (VWG) have been formed to solicit and document Phase VI stakeholder priorities. The PFTAC resident advisors have facilitated creation of VWGs that have all met at least once with one exception covering: (1) Public Financial Management; (2) Revenue Policy and Administration; (3) Financial Sector Supervision; (4) Macroeconomic Statistics; and (5) Macroeconomic Programming and Debt Management. Membership ideally includes representatives of 3 – 4 member countries, 1 or 2 donors, and a regional organization if applicable. They are expected to meet virtually two or three times to solicit and document input for the annual SC meeting, culminating in a final virtual session between June 29 and July 1 open to all stakeholders to finalize the position for discussion and endorsement on July 2. While this process aims to maximize the voice and input from stakeholders, the IMF will lead the subsequent step through late-2021 in reconciling stakeholder preferences with IMF priorities, capacity, and resources that will be articulated in the Phase VI Program Document to launch fund-raising from early 2022.

Staff Developments

Since November 2020, PFTAC was one of very few IMF field offices operating ‘normally’, with staff able to work from the office, although international travel remains suspended. With a COVID outbreak in Fiji in mid-April, staff have resumed ‘work-from-home’ arrangements until the situation is contained. Given these developments, the final PFTAC staff repatriation, namely the GFS advisor on April 29 is temporarily delayed.



We are pleased to announce the appointment of PFTAC’s first Public Debt Management Resident Advisor on March 22, 2021, Mrs. Briar Ferguson. Briar, a New Zealand national, was selected from a pool of highly experienced experts to assist PFTAC member countries to strengthen public debt management capacity. Briar joins PFTAC from the United Kingdom where she spent five years delivering technical assistance and capacity development to Commonwealth members as a Public Debt Management Advisor at the Commonwealth Secretariat. Prior to this she spent a decade at the New Zealand Debt Management Office in market facing and risk management roles. Briar holds a Masters in

Applied Finance and brings with her a breadth of experience from both practitioner and advisory perspectives. She is due to arrive in Fiji in May, joined by her husband later in the year.

Constantin von Alvensleben reflects on his 4 ½ years as the IMF’s Institute for Capacity Development (ICD) officer responsible for PFTAC.

Based at the Fund’s Headquarters in Washington DC, I worked for PFTAC for 4 ½ years and thoroughly enjoyed the experience. When I started working for the Center in late 2016, I instantly felt welcome, especially, during my first SC meeting in 2017 in Honiara, Solomon Islands. I enjoyed the hospitality of the colleagues from the Pacific region and noticed that PFTAC is different from other IMF Regional CD Centers – I found a less formal and more relaxed atmosphere while still delivering world-class support to its members. I also noticed the friendly dealings between the PFTAC members and the various Fund colleagues – be it the resident advisors or HQ-based staff – as well as with the donor



partners, with their deep and honest connection to the(ir) region. One of the most memorable moments was the SC meeting in Port Moresby in 2019 – which also happened to be PFTAC’s last in-person SC meeting – when most participants were dancing during the farewell dinner, following breath-taking fireworks and live music. Papua New Guinea was a wonderful host. Now, after 4 ½ years at the Fund, the time has come for me to move back to Europe with the World Bank. ‘Thank you very much’ to all who made my experience so worthwhile, and a special ‘thank you’ to David Kloeden. I hope to stay connected with PFTAC in the future and wish the Center and its members all the best. Until then *‘Ni sa moce’* and *‘Gutbai/Lukim yu bihain’*.

Cross Cutting Issues

PFTAC is alert and responsive to key cross-cutting issues such as climate change, inequality, gender, and disability issues. Climate change has been increasingly elevated in recent years, particularly with respect to the PFM program where it is becoming mainstreamed such as through the joint IMF/World Bank Climate Change Policy Assessments (CCPA) including in Tonga in early 2020; the very first PEFA Climate assessment for Samoa in late 2020; and the ongoing shared chair of a Technical Working Group on PFM and Climate Change Finance between PFTAC and the Pacific Island Forum Secretariat requested by the 2019 Forum Economic Ministers Meeting (FEMM). The PFTAC team recently met with officials from the Australian Pacific Climate Partnership to explore opportunities for collaboration.

Gender issues are similarly becoming mainstreamed within the context of the IMF and PFTAC mandates. Gender responsive budgeting is a regular issue in the PFM program, including recent PEFA Gender Responsive PFM assessments. The IMF research agenda continues to expand upon gender issues, such female labor force participation that is a macro-critical issue where appropriate policies have been demonstrated can contribute to even greater inclusive growth. A recent IMF podcast on Gender and Revenue Administration (pictured right) likely heralds heightened attention to the nexus of gender and taxation. During the period, PFTAC staff were approached to discuss and explore opportunities for collaboration with the Australian supported Pacific Partnership for Social Protection in addition to the UNICEF team in Suva.



Mid-Term External Evaluation

The midterm external evaluation of Phase V is on course to be completed by the end of May 2021. Covering the period November 2016 – April 2019, the evaluation has assessed the performance of 74 of PFTAC’s 91 projects in six programs and has identified a number of areas for further performance improvement to help guide the future direction of the center. The evaluation highlighted a number of key findings, including: the close alignment of programs and objectives to member countries’ national priorities; the high quality of the center’s TA and training offered on a cost effective basis; the effectiveness of programs, notably GFS, PFM, and Macroeconomics; improved coordination with other development partners; and development of regional networks. The recommendations cover a broad range of areas, from strengthening member country engagement in PFTAC governance, support to develop regional expertise, to improving the use of Results Based Management (RBM) to support country prioritization. The final report will be circulated to the Steering Committee members for review in advance of its next meeting in June.

III. PFTAC Developments

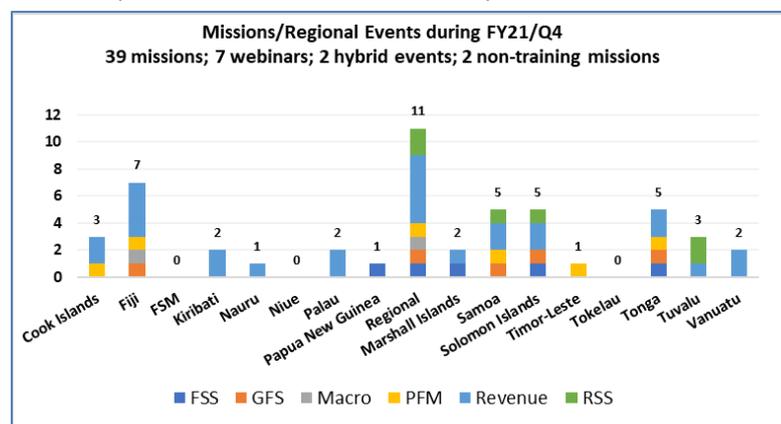
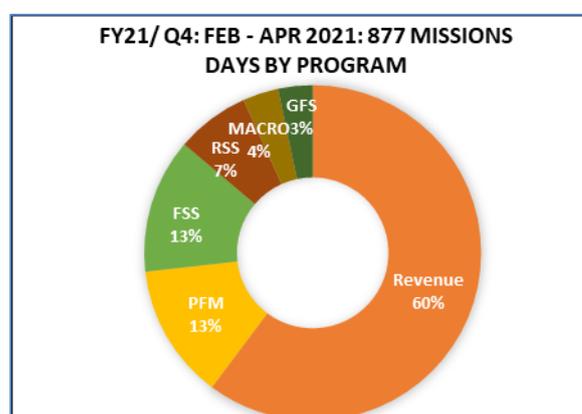
FY2021/Q4 Activity – by country and program

Program	Qtr. 4 Outturn			
	LTX	STX	Total	Missions
Public Financial Management	55	59	114	6
Financial Sector Supervision	38	76	114	5
Government Finance Statistics	16	13	29	5
Real Sector Statistics	22	40	62	6
Revenue Administration	23	505	528	26
Macroeconomic Programming and Analysis	30	0	30	2
Total	184	693	877	50

PFTAC delivered 50 distinct missions or activities over 877 TA days during the final quarter (February – April 2021) of fiscal year 2021. This was the busiest quarter of the year doubling the activity level of the preceding period and at least 60 percent more than each of the first two quarters. The **Revenue** program dominated the period by accounting for just over half the activities but utilizing 60 percent of the TA days followed by **PFM** and **FSS** at 13 percent

each, **RSS** at 7 percent, **Macro** at 4 percent, and **GFS** at 3 percent.

CD was delivered remotely along with a hybrid modality for several training and regional events where PFTAC staff and Fiji based stakeholders could come together in-person in Suva linking up remotely with other participants across the Pacific and beyond. This was possible given PFTAC had been operating normally from its Suva office from November 2020 until a mid-April 2021 COVID shutdown and reversion to work-from-home operations. In terms of TA support by country, all 16 members received either direct CD support through 39 missions utilizing 681 TA days, regional events comprising 7 webinars and 2 hybrid events utilizing 82 TA days, and 2 non-training regional TA missions over the period that drew on 139 TA days.



Regionally related efforts plus the assistance to two countries (**Fiji** and **Tonga**) accounted for half of the total TA days, with the balance of TA delivery shared by 11 member countries (**Cook Islands, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tuvalu, & Vanuatu**). The remaining three countries (**FSM, Niue, Tokelau**) did not receive direct CD support during the quarter but all benefitted from participation in one or more regional workshop.

Responding to ongoing strong demand from member countries who are able and willing to receive remote assistance, the **Revenue** program continued at a very strong pace and level of activity across several topics plus three missions of a diagnostic nature led by Fiscal Affairs Apartment (FAD) staff and experts. The 2017 Review of Pacific Tax Reforms commenced during the third quarter and concluded in the fourth quarter and tracked revenue reforms in five Pacific Island Countries (PICs) - **Fiji, Kiribati, Samoa, Solomon Islands** and **Tonga** as well as gathered data on the tax reforms and their impact across the wider PFTAC membership. At the request of the **Fiji** authorities, PFTAC facilitated an IMF tax policy mission by FAD during April that focused on medium-term revenue recovery options through an assessment of Fiji's tax structure to identify tax policy gaps and revenue enhancing policy opportunities. In late April, at the request of the authorities, a team of assessors

commenced a virtual assessment of the **Tongan** tax administration using the Tax Administration Diagnostic Assessment Tool (TADAT) methodology including a three day TADAT training workshop. The Government of Tonga has received a range of PFTAC tax policy and tax administration missions in recent years covering a wide variety of reforms. The TADAT assessment is expected to take stock of the state of the tax system in Tonga identifying its current strengths and weaknesses to provide an objective basis to consider further reform priorities and future CD needs.

Four countries (**Cook Islands, Fiji, Kiribati, Palau**) received legal assistance on finalization of respective tax administration laws, incorporating feedback from stakeholder consultations and submission for government approval. Further, the ongoing challenges of the pandemic on revenue collections necessitated a renewed focus on the role and skills of tax auditors. To this end, three countries (**Fiji, Kiribati, and Tonga**) received training on audit skills development. **Cook Islands** and **Samoa** received CD assistance on the development of a taxpayer service strategy with additional missions to **Samoa** on improving core tax functions, **Solomon Islands** on implementation of a function based structure and large taxpayer office, **Tuvalu** on drafting a business continuity plan, and **Vanuatu** on renewal of its Compliance Improvement Strategy. Additionally, the resident revenue advisor completed a short mission to **Fiji** and virtually to **Marshall Islands, Nauru, and Vanuatu** to review the status of their PFTAC supported revenue reforms and to discuss CD priorities in the context of development of the FY2022 workplan.

Under the PFM program, the field work for the **Cook Islands** agile PEFA Assessment concluded with a draft report submitted for peer review. The initial results indicate significant improvements across several PFM processes since the last PEFA assessment. CD support to **Fiji** focused on risk based internal audit relating to governance issues for Green Climate Fund (GCF) accreditation. Guidance to **Samoa** was provided on strengthening accounting policy in accordance with cash IPSAS as well as policy statements encouraging disclosures, while a remote mission to **Tonga** assisted with moving to full compliance with IPSAS Cash standards. A team of experts from FAD and the IMF's Legal Department including the PFM resident advisor undertook a desk review of **Timor-Leste's** draft PFM law and provided recommendations to strengthen its overall structure, scope, and coverage.

The Government Finance Statistics (GFS) program delivered four remote missions with assistance to **Fiji** to improve the compilation and dissemination of GFS and public sector debt statistics (PSDS); CD support to **Samoa** on refining the compilation processes and the GFS data coding for central government units; and missions to **Solomon Islands** and **Tonga** on mapping of government expenditure by functional category and reconciliation of data respectively. The Real Sector Statistics (RSS) program assisted **Samoa** with the development of their quarterly GDP(E) compilation system and further support was provided to **Solomon Islands** on GDP revision and update. A balance of payments mission was delivered to **Tuvalu** with an additional mission to assist compilation of GDP estimates for 2019 and revision of data along with updating of methodology and process documentation.

The Financial Sector Supervision (FSS) program continued work on the Supervision Framework Enhancement Program and reviewed the banking law and regulations developed by the **Marshall Islands** Banking Commission (MIBC) with training provided on the draft regulation and its implementation. A team comprising the resident advisor, STX, and Monetary and Capital Markets (MCM) Department staff provided extensive support to **Papua New Guinea (PNG)** on finalizing existing prudential and risk management regulations as well as developing new prudential regulations on consolidated supervision and remaining risk components. A further mission to **Solomon Islands** assisted the central bank to review and develop the prudential returns and financial risk analysis framework. Finally, **Tonga** received support on finalization of their draft insurance law.

The Macro program worked extensively with the **Fiji** Ministry of Economy and Reserve Bank to develop a new macro-fiscal model and forecasting tool. PFTAC's secretarial support for the regional Know Your Customer (KYC) facility continued, with steady progress being achieved during the quarter.

Nine regional events were delivered, one each under the GFS, FSS, Macro, and PFM programs, two under the RSS program, and three by the Revenue program. During March, the Macro advisor facilitated a *Webinar on Macro-Fiscal Analysis* in conjunction with the IMF's Singapore Training Institute (STI). Mid to high level officials from six PFTAC members benefitted from sessions on fiscal risks, debt sustainability, and fiscal policy during the pandemic. In April, the GFS program organized a virtual workshop on *COVID-19: How to Record Government Policy Interventions in Fiscal Statistics*. Participants from 11 PFTAC member countries were trained on the GFS recording of transactions relating to government policy interventions arising from the COVID-19 crisis. In late April through the first week of May, FAD and PFTAC co-organized a hybrid regional workshop on *Public Investment Management Assessment (PIMA)* with financial support from Japan. The workshop covered the importance of sound management of public investment to achieve efficient and resilient infrastructure and introduced the IMF's PIMA framework including a presentation of the new PIMA Climate Change module. The RSS program convened a virtual workshop on *Annual National Accounts* during February and trained newly hired staff of National Statistics Offices with a focus on concepts, data sources, and methods. Additionally, the RSS advisor contributed to a *Workshop on Balance of Payments: Methodology and Compilation Challenges* in conjunction with the IMF's Capacity Development Office in Thailand (CDOT).

The Revenue program facilitated an online workshop in February on *Managing Large Taxpayers, Compliance Improvement, and Effective Data Analysis* jointly with the Pacific Island Tax Administrators Association (PITAA) covering a wide range of topics focusing on compliance, the large taxpayer segment, and its importance in reprioritizing revenue collections during the pandemic. To further strengthen the audit and investigations function in small island countries, PFTAC facilitated a *Small State Tax Audit Training* for **FSM, Nauru, Niue, RMI, Palau, and Tuvalu**. During late April, a third revenue workshop on *Managing Return Filing and Tax Arrears* was convened. Finally, a virtual abridged meeting of the *Association Of Financial Supervisors Of The Pacific Countries* (AFSPC) was held on March 30, 2021. The meeting was hosted by PFTAC and chaired by Mr. Ellison Pidik, Assistant Governor, Bank of Papua New Guinea (BPNG) with 17 participants from 9 PFTAC countries joining the virtual session.

Quarter 4 was exceedingly busy, even by pre-COVID standards. This was particularly evident with the Revenue program along with consistent delivery across all other programs that contributed to a preliminary yearend outturn of 101 percent in terms of TA days and 95 percent of missions/activity

Program	% of Jan Updated Workplan Delivered			
	LTX	STX	Total	Missions
Public Financial Management	83%	83%	83%	83%
Financial Sector Supervision	105%	155%	129%	92%
Government Finance Statistics	86%	76%	84%	100%
Real Sector Statistics	88%	182%	102%	100%
Revenue Administration	82%	115%	111%	100%
Legal/Tax Policy		95%	95%	120%
Macroeconomic Programming and Analysis	73%	100%	75%	73%
Total	85%	112%	101%	95%

against the December 2020 updated workplan. Unlike previous years where a single review of workplans was undertaken at midyear, the FY2021 plans were constantly monitored and adjusted in line with COVID developments, emerging country CD demand, and their ability to effectively receive remote CD.

The baseline workplan that originally envisaged delivery of 2,341 TA days across 183 missions, was reduced to a more realistic 1,695 TA days across 139 missions during the December update when it was obvious that the resumption of travel would not eventuate and that had optimistically underpinned the August 2020 update of workplans. The preliminary FY2021 outturn is projected to be 1,718 TA days with 132 missions/activities delivered and is on track to parallel FY2020 CD delivery that was only impacted by COVID in its closing few months. An outturn of nearly 100 percent against a workplan even though it was revised five months prior to its completion is still quite an accomplishment. Measured against the FY2021 baseline workplan (developed before COVID and with no travel restrictions), the outturn is above 70 percent indicating an enormous and successful effort in transitioning and adapting to the new modality of remote work and delivery of missions to member countries despite the COVID19 pandemic. The constant engagement and excellent partnership with

country authorities has resulted in very robust delivery of CD as well as lessons learned such as harnessing effective communication strategies, use of hybrid arrangements to execute missions, and partnership with regional entities such as universities. Given the ongoing restrictions on international travel, the current experience with remote engagement and understanding of member country challenges will be beneficial, contributing to a seamless and efficient execution of FY2022 CD activities.

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	\$ 625,000	✓
Cook Islands	\$ 110,000	\$ 89,920	✓
Nauru	\$ 82,500	\$ 82,026	✓
Tokelau	\$ 11,000	\$ 11,000	✓
Vanuatu	\$ 165,000	\$ 150,000	✓
Kiribati	\$ 82,500	\$ 65,905	✓
Tonga	\$ 110,000	\$ 49,921	✓
Samoa	\$ 165,000	\$ 165,000	✓
Tuvalu	\$ 27,500	\$ 17,500	✓
Niue	\$ 27,500	\$ 9,950	✓
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	\$ 2,896,222	
Donors			
ADB	\$ 800,000	\$ 800,000	✓
Korea	\$ 2,500,000	\$ 2,000,000	✓
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:	\$ 34,643,025	\$ 34,178,966	
Total	\$ 38,529,525	\$ 37,075,188	

Financial contributions during the quarter reached USD 37.07 million with receipt of an instalment from the Cook Islands and a final contribution from Australia, adding to the funds received from the governments of Papua New Guinea and the United States of America reported in the previous quarter. Going forward, a single remaining donor commitment is expected from Korea, and to the extent feasible, further contributions of outstanding balances from 10 member countries may still arise but it remains uncertain regarding the two countries that have not signed Letters of Understanding to contribute to PFTAC Phase V operations.

The 2021 PFTAC Annual Report is due to be published in early June and will provide final activity results, as well as final expenditure data after the close of accounts following the April 30 yearend.

An overall expenditure outturn of around 51 percent against the USD 8.0 million budget is anticipated. This budget was to finance pre-COVID workplans that in aggregate will have a 72 percent outturn, yet at significant savings given nearly zero travel and in-

person training costs, and significant savings in STX costs. The combined FY2021 underspend that arises from these savings and underdelivery against pre-COVID expected volumes gives rise to a very large brought forward balance of remaining funds on May 1, 2021 that far exceed FY2022 delivery or absorptive capacity needs and hence will lead to a requested extension of Phase V at the forthcoming 2021 Steering Committee meeting.

IV. Report on Program Activities and Achievements

Public Financial Management (PFM)

Fiji: STX Sue Morrison remotely began a mission in April to assist the Ministry of Economy (MoE) Internal Audit and Good Governance (IAGG) unit with risk-based internal audits. The mission assisted IAGG to conduct audit reviews of governance issues related to Green Climate Fund (GCF) accreditation process (gender, climate change, the audit committee, and internal audit charters), and strengthen governance assessment processes, including planning and executing whole of government audits, specifically on areas related to disaster recovery programs. In addition, the mission reviewed implementation progress of previous internal audit framework reforms, provided advice on improvements needed, and updated the implementation plans.

Workshop on Public Investment Management February 27 & 29, May 4 & 6

The Fiscal Affairs Department (FAD) with financial support of the government of Japan along with PFTAC co-organized a regional workshop on the Public Investment Management Assessment (PIMA) framework. The workshop was opened by Ms. Manal Fouad, FAD Division Chief, and Mr. David Kloeden, Director PFTAC, and was conducted remotely over four days between late April and early May to train mid-and senior-level officials from PFTAC member country ministries of Finance and Planning on good international public investment management practices. In collaboration with the University of the South Pacific (USP), hybrid arrangements were made to accommodate more than 50 workshop participants at USP campus facilities in various Pacific countries to complement the remote participation of others. The facilitators included PFM resident advisors, Paul Seeds and Iulai Lavea with FAD experts Gemma Preston, Fabien Gonguet, Rui Monteiro, Nicoletta Feruglio, Eivind Tandberg, and Sean O’Sullivan and Lorena Estigarribia from the Pacific Regional Infrastructure Facility (PRIF). Country experiences were shared of the different phases of the PIM cycle with presentations by Kiribati, Tonga, Fiji, and the Cook Islands.



The workshop provided participants with an understanding of why sound management of public investment is critical to achievement of the most efficient and resilient infrastructure. The workshop introduced the IMF’s PIMA framework as well as a presentation of the new PIMA Climate Change module. It also focused on key public investment management practices across the three stages of the public investment management cycle – planning, allocation, and implementation as well as on building climate resilience for small island states and integrating climate considerations into infrastructure planning, building climate resilience, and improving natural disaster responsiveness and access to climate finance.

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Samoa: resident advisor Paul Seeds and STX Tim Youngberry provided remote assistance to the Samoa Ministry of Finance on improving responses to audit recommendations and note disclosures. The MoF has made good progress in financial reporting in recent years, and has received unmodified audit opinions since the 2016/2017 financial statements. Guidance was provided on strengthening accounting policies and policy statements explaining the cash IPSAS encouraged disclosures.

The mission recommended: (1) adoption of a systematic framework to clarify audit queries; (2) implementation of a plan to improve disclosures in Public Accounts; (3) compliance with IPSAS 17 (Plant, property, and

equipment), (4) development of accounting policies and policy statements; and (5) finalization of an Asset Policy Framework and Assets Operations Manual in phases for each asset class.

Solomon Islands: STX Joe Cavanagh continues to engage remotely with the Solomon Islands Government (SIG) to review the draft 2018 financial statements to identify gaps with cash IPSAS and propose an action plan to have the accounts compliant with cash IPSAS. The TA has experienced lengthy delays due to capacity constraints within the SIG Ministry of Finance to clarify accounts related issues raised by the STX.

Timor-Leste: resident advisor Paul Seeds, Ozlem Sakrak (FAD) and Mia Pineda (LEG) undertook a desk review of the draft PFM law. The Timor-Leste authorities had recognized the need to update their PFM legislation and had prepared an advanced draft. The revised legislation is expected to have a working life of more than a decade, so Timor-Leste was keen to ensure that the draft addressed all the requisites of good, modern PFM practice.

Advice was provided on strengthening the draft by amending the overall structure and sequencing; scope and coverage; clarification of the definitions, authorities and responsibilities; and addressing gaps – such as fiscal responsibility framework, clarifying budget execution and contingency reserve controls, and fiscal reporting and accountability frameworks.

Update on the Cook Islands Agile PEFA Assessment



The Cook Islands Public Expenditure and Financial Accountability (PEFA) 'Agile' assessment was launched in January 2021. The assessment measures the performance of PFM processes, practices, and systems and the extent to which they have improved since the last assessment was completed in 2014. It also identifies areas of remaining weaknesses, including new challenges that could be the focus of further PFM reforms.

The assessment was led by the Cook Islands Ministry of Finance and Economic Management (MFEM) under the leadership of the CEO and involving Mr Kai Berlick, Ms Alexandria Mackenzie-Hoff, and Ms Rufina Teulilo.

The assessment was supported by PFTAC and led by Iulai Lavea and Paul Seeds (PFM Advisors) and Chita Marzan and Dick Emery (STX); Esther Poutoa and Tiofilusi Tiueti from the Pacific Association of Supreme Audit Institutions (PASAI), and Antonio Blasco of the PEFA Secretariat.

The Peer Reviewers include representatives of the Cook Islands Government, the Asian Development Bank (ADB), New Zealand Ministry of Foreign Affairs and Trade (MFAT), IMF, and the PEFA Secretariat.

The field work is complete, and the draft report has been submitted for peer review. The initial results from the field work reveal that overall, PFM processes in Cook Islands have seen significant improvement since the last assessment across many areas. This is evident in the areas of budget classification and documentation, central government operations, fiscal risk reporting, debt management, fiscal strategy formulation and budgeting, and medium-term budgeting. There are however areas that need further attention such as procurement, bank account reconciliation, reporting on budget execution, external audit, and legislative scrutiny of financial reports. It is noteworthy that the field work was an extended process largely as a result of its virtual nature given the absence of travel which was further impacted by overlapping with the 2021/22 budget preparations.

Tonga: STX Kris Kauffmann has completed remote TA on applying IPSAS cash standards to the 2019-20 public financial statements. Support was provided to Treasury staff and external stakeholders to institute change management initiatives so they understand and can utilize the IPSAS format reports going forward. The 2019-20 Public Accounts for Tonga represent a formal commitment on the part of government to adopt IPSAS Cash and a significant advancement towards achieving full compliance.

STX Lynne McKenzie continues to engage remotely to draft the Public Finance Management Act (PFMA) for the Tongan government. A draft bill was provided to the authorities which has generated substantive comments. A PFM adviser based in the Ministry of Finance is providing support to the authorities in further developing the legislation. The comments have been reviewed by the STX and further consultation will take place in the near future with the authorities with the aim of having a draft bill submitted to Cabinet as soon as possible.

Conferences/Meetings: resident advisor Paul Seeds participated in Article IV Missions for Kiribati (February) and Tuvalu (April). As well as providing technical PFM advice, this participation is fundamental to the integration of CD and surveillance. It presented an opportunity to discuss future CD needs and align with the recommendations for strengthening practices identified by the surveillance team. The remote modality of the Article IV mission made this participation possible, and consideration will be given in the future how this participation can be extended once travel resumes.

Revenue Policy and Administration

Cook Islands: the Cook Islands Revenue Management Division (RMD) requested assistance to improve its taxpayer services function and enhance communications. **The remote mission by STX Katrina Williams and Raelene Vivian helped to create strategies for taxpayer services and external communications to provide direction and focus over the next three years through detailed annual operational plans.** Guidance was provided on strengthening outreach and education activities to address key compliance risks and improve partnering arrangements with tax intermediaries and key stakeholders.

PFTAC also assisted the RMD between December 2020 and February 2021 with drafting a new Tax Administration Act (TAA). RMD provided PFTAC with detailed comments on the second draft and a proposed timeline for enactment and implementation of the TAA. Drawing on comments from the second draft, **legal STX Lee Burns prepared a third draft of the TAA along with a detailed technical note.**

Fiji: during February, legal STX Lee Burns provided remote assistance to the Fiji Revenue and Customs Service (FRCS) on the re-write of the VAT Act (VATA). The work was done in two stages, starting with a review of the comments provided by FRCS on the fourth draft of the rewritten VATA, followed by the finalization the VATA for submission to Parliament after further consultations on the rewritten law by FRCS. In addition, advice on best practice and legislation for the sharing of tax information with other Government Agencies was provided during the mission.

At the request of the Fiji authorities, PFTAC facilitated an IMF tax policy mission delivered by FAD experts in April focusing on a medium-term revenue recovery. Tax policy reforms in Fiji over the last decade had quite successfully balanced tax rate reductions in both income tax and VAT with base broadening and introduction of new taxes to support additional revenue collections. However, the economy in Fiji has been badly impacted by the pandemic from the collapse of tourism. The economic recession, and an expansionary fiscal policy has resulted in a sharp decline in government revenue. The mission analysis comprised an assessment of the structure and level of taxation in Fiji, identification of tax policy gaps after accounting for the expected revenue recovery, and a review of the main taxes to identify revenue-enhancing policy measures. The recommendations from the mission will provide an input into the formulation of fiscal policy in the forthcoming national budget and over the medium term.

A late April in-person mission by resident advisor Georg Eysselein reviewed FRCS's current reform progress, priorities, and barriers to implementation. Key priorities include improving systems and processes as well as the development of a new corporate culture and service orientation. Coupled with the impact of COVID19 on the economy and tax revenue, FRCS has experienced a period of significant change with the implementation of its New Tax Information System (NTIS) and has to deal with the impact of COVID19 on the economy and tax

revenue. The mission concluded with a discussion on the implementation status of previous recommendations and future needs for CD support from PFTAC.

Training for Fiji Tax Auditors and Investigators March 8 –19, 2021



An online workshop was delivered by STX Mark Bell and Jonathon Matthews over two weeks to FRCS staff based in Suva, Nadi, Lautoka, and Labasa with a total of 115 staff over five separate locations participating in each session. The participants included 75 Tax Audit and Investigations staff and 40 Customs Compliance and Investigation officers as observers.

The program was structured using a “building block” approach due to the mix of experience of participants, starting with introductory sessions and then moving through to intermediate and advanced sessions, with the topics covering technical tax and audit issues as well as soft skills. The first workshop session on March 8 was followed by daily training sessions for two weeks with a concluding session on March 19. The sessions included

group case study discussions plus two in-depth case studies provided to participants in advance of the presentations which related to the analysis of financial accounts and asset accretion methodology. The training topics included: (1) Auditor Development; (2) Audit Process; (3) VAT Audit Process; (4) Documentation and Risks; (5) New Audit Methods; (6) Using 3rd Party Information; (7) Introduction to Transfer Pricing; (8) Introduction to Avoidance; (9) Informal Banking System; (10) Prosecution Best Practice; (11) Documentation and Filing of Evidence; and (12) Common Audit Issues for Group Discussion. There was excellent interaction amongst the groups and with the presenters notwithstanding the large group size. Positive participant feedback through the workshop evaluation indicated that participants agreed or strongly agreed that the workshop achieved its objectives. Participants also confirmed that the training materials distributed were helpful and that they will be able to apply what they learned in their work.

The FRCS audit skills development program and a similarly tailored program presented to the Tonga Ministry of Revenue and Customs are part of a series of workshops designed to meet the skills development needs of a specific country or group of countries to improve auditor capability. A pilot program was also developed and presented to Kiribati, followed by the joint PFTAC/PITAA workshop for the smaller tax administrations with auditors from Tuvalu, Nauru, RMI, FSM and Niue participating.



Kiribati: The Kiribati Taxation Division (KTD) continues to enhance its strategic management to advance its reform program. The authorities requested assistance with the development and delivery of a basic audit training program. **STX Mark Bell delivered six training sessions with 10 staff participating in each session. The training program was set at an introductory level and the topics included technical tax issues (Income Tax and VAT), tax audit processes and methodologies, as well as soft skills.** The audit training provided to Kiribati was a pilot for a training program to be delivered to other small Pacific Islands.

Legal STX Lee Burns provided further remote assistance to Kiribati to finalize tax law amendments for the small business tax (SBT) and taxation of seabed mining (SBM). PFTAC has assisted on the design and drafting of the SBT and income amendments for the taxation of SBM since April 2018. The current work is a follow-up from remote assistance provided in August and October 2020. The mission revised the draft SBT legislation as

well as the technical notes and undertook a final review of the SBM tax amendments to address any final outstanding issues with the draft legislation.

Marshall Islands: a remote mission by STX David Piper launched in late April is assisting the Republic of the Marshall Islands (RMI) Division of Customs, Treasury, Revenue, and Taxation (DCTRT) to review progress of their tax reforms and improvements to risk management, tax audit, and the management of tax arrears. The mission is reviewing previous PFTAC and the Asian Development Bank CD assistance provided during 2019 and 2020 and will also assess the commitment, preparedness, appropriate time frames, and likelihood of success in initiating a renewed focus on tax reform implementation. The mission will provide recommendations on way forward, including setting benchmarks for future performance measurement.

**PFTAC/PITAA Online Workshop on Managing Large Taxpayers, Compliance Improvement and Effective Data Analysis
February 24 – March 4, 2021**



Fourteen Pacific Island Tax Administrations represented by 58 officials participated in the workshop facilitated by two FAD experts, Stan Shrosbree and Martin Scott. The experience, knowledge and backgrounds of the participants was diverse which is reflective of the size and sophistication of PICs that participated namely, eight small, four medium and two large tax administrations. Approximately 12 hours of training was delivered over the 4-day workshop which included 14 presentations, tasks for participants, and open forum discussions. This provided the facilitators and participants the opportunity to share knowledge and learn from the experiences of others.

The workshop agenda covered a wide range of topics focused on the large taxpayer segment and compliance. The topics included: (a) COVID-19 – the importance of large taxpayers in reprioritizing revenue collections; (b) characteristics of large taxpayers; (c) applying the compliance model in the large taxpayer environment (tax administration as a compliance agency); (d) applying the compliance model in the large taxpayer environment (the compliance model and thinking behind it); (e) large taxpayers – governance and structure; (f) key features of an effective large taxpayer compliance strategy; (g) managing and measuring performance; (h) information management; (i) key compliance functions; (j) stakeholder and relationship management; (k) addressing non-compliance; and (l) developing a high level implementation plan.

Participants from Fiji, Tonga, and Solomon Islands shared their experiences relating to their Large Taxpayer Management as case studies. Their presentations covered the impact of establishing large taxpayer offices on compliance, staffing and successes to date.

Nauru: a remote mission by LTX Georg Eysselein reviewed the current reform progress of the Nauru Revenue Office (NRO). Support provided by PFTAC has assisted the NRO to introduce wide ranging reforms. This include support on drafting tax legislation, strengthening organizational arrangements, and improving core tax functions. The CD needs identified during previous CD assignments led to development of a detailed improvement plan that was fully supported by the authorities. The mission provided an opportunity to take stock of progress and achievements as well as difficulties faced to date, with a view to discussing and prioritizing future PFTAC support.

Palau: PFTAC is assisting the Bureau of Revenue and Taxation (BRT) with the finalization of a tax reform package that includes the introduction of a broad-based goods and service tax (GST), a net profit tax (NPT), amendments to import taxes, and introduction of an excise tax regime. The latest version of the tax reform

package includes the Tax Reform Bill of 2021 (the Bill) that was submitted to the Palau National Congress in early February 2021. Legal STX Lee Burns assisted with final edits to the Bill based on consultations undertaken by the Tax Reform Committee. Assistance was also provided in revising the detailed technical notes to take account of the changes made in the latest version of the Bill, particularly the inclusion of the NPT and excise tax. Finally, assistance will be provided to prepare a first draft of Regulations for the GST and NPT. The technical detail of laws will be provided in subsidiary legislation and for GST, the Regulations will include supply and input tax credit rules for special cases

In support of the tax reforms, STX David Piper launched a remote mission in April to assist with the implementation of the new administration's tax reform agenda. The authorities requested support for the passage of the Tax Reform Bill by the Palau National Congress during the April/June 2021 sitting of Congress. Assistance was provided to facilitate a better understanding of how GST works, the impact on the citizens and taxpayers and the scope of work involved in implementing the new tax reforms

PFTAC/PITAA Online Workshop on Return Filing and Tax Arrears – April 20 - 28, 2021

The joint PFTAC/PITAA webinar on Managing Tax Arrears and Return Filing was delivered across five days to 46 participants from 13 PFTAC member countries. The workshop aimed to provide participants with a good understanding of both the theoretical concepts behind managing tax return filing and tax arrears risks and the practical application of those concepts. Workshop participants shared their country experiences and each of the participating countries developed and presented a high-level customized plan for their country.

Participants improved their understanding of international best practice and learned how to practically implement the customized plans using a framework developed from the four key principles of payment and arrears management: (1) Prevention – engage before the due date; (2) Early and continuous engagement – engaging after the due date; (3) Effective and timely enforcement – firmer enforcement; and (4) Realistic compliance and recovery – write off and uneconomic to recover.

The workshop introduced strategic payment thinking approaches, use of behavioral insights, analytics, and reinforced respective TADAT Performance Outcome Areas. These plans were reviewed as part of the workshop. Participants were encouraged to discuss these plans with their executive managers and incorporate into existing business and operational plans. The high-level plan will assist in enabling progressive improvements.

The participants recognized the importance of understanding drivers and causes of non-compliant behavior and using this to develop differentiated treatment approaches. Segmentation and risk-based approaches were emphasized to effectively address both prevention (ahead of due dates) and non-compliance. This is important in terms of the challenges due to the COVID-19 pandemic. Countries were particularly interested in the success of quick, low-cost actions (SMS text messaging), and escalating taxpayer behaviors through administrative powers to targeted intensive legal action based on a cost risk approach.



Pre- and post-course testing of participants' knowledge improved by 28 to 83 percent in the post-quiz. Course evaluations and other participant feedback were also very favorable both on content and delivery.

Regional: the Pacific Islands Tax Administrators Association (PITAA) was formalized in 2017 and carries out activities to support the members in improving their tax administration capacity and capabilities. PITAA membership of 16 Pacific Island member countries exactly corresponds with PFTAC membership and the two organizations collaborate extremely closely. PITAA's current strategic and business plan was developed with PFTAC assistance but is due for renewal so PITAA requested further PFTAC assistance to develop the PITAA Strategic Plan for 2022 to 2024. **STX Stan Shrosbree and Rick Fisher are providing drafting support on the strategic plan that will be developed with input from the PITAA member countries and submitted for approval to the 2021 annual PITAA meeting scheduled for June 2021.**

Regional: tax administrations have recently been challenged by the effects of COVID19 and are striving to maintain revenue collections in difficult circumstances. This has put a renewed focus on the role of tax auditors and the low level of audit skills in some small Pacific Island countries. The tax administrations in small countries often face difficulties recruiting and retaining auditors with the necessary qualifications and experience. Candidates often have limited knowledge of accounting and audit methods compounded by other challenges such as cash based businesses with improper records and limited ability of auditors to interpret financial statements of large taxpayers that maintain accounting system records.

To further strengthen the audit and investigations function in the small island countries, tax administration heads requested skills development training. STX Mark Bell together with the Head of the PITAA Secretariat, Koni Ravono, facilitated an online tax audit skills development workshop remotely over 15 days between April 13 and May 12, 2021. The workshop complements ongoing PFTAC training initiatives aimed at strengthening revenue administration management and governance and improving core tax functions in the Pacific with a specific aim at the smaller countries, namely **Tuvalu, Nauru, Marshall Islands, Federated States of Micronesia, Palau, and Niue**. A similar training was piloted in **Kiribati** before the roll out to the other small states. The training included sessions on audit process and methods, conducting taxpayer interviews, analyzing profit and loss accounts and balance sheets, and common audit issues and approaches to address the issues utilizing case studies and discussion sessions.

Samoa - the Samoan Ministry for Customs and Revenue (MCR) received assistance to improve taxpayer services and communication. The remote assignment of STX Raelene Vivian and Katrina Williams helped prepare a draft Taxpayer Services Strategy and Roadmap to provide direction and focus over the next three years. Advice and guidance were provided on taxpayer segmentation and channel strategy development with a focus on increasing online engagement and external stakeholder management. A proposal was also developed to implement the taxpayer services strategy with clear centralized governance.

Another remote mission by STX Cheryl Lea-Field assisted the Samoa MCR to improve the management of tax arrears and return filing. Guidance notes, new international good practice reminder approaches, and practical risk treatment plans were developed with input from MCR, and workshops helped build capacity. An action plan detailing priority tasks, with timeframes to operationalize the improvements was agreed with the MCR senior management.

Solomon Islands: there is strong commitment to reforming revenue administration in the Solomon Islands. The function-based structure and the newly created Large Taxpayer Office (LTO) form part of a wide reorganization currently underway and are considered key modernization initiatives. New job descriptions need to be designed to align to the new function-based structure and highly trained staff are critical to ensure the success of the LTO.

In response, the Solomon Islands Inland Revenue Department (SIIRD) requested PFTAC assistance. Two remote missions were delivered in March and April respectively by STX Stan Shrosbree. **The first mission helped develop a new set of job descriptions to facilitate the new function-based structure. Secondly, a remote training program was conducted for the newly appointed LTO staff focusing on LTO concepts and its**

importance in overall revenue collection, core tax functions, performance standards, and compliance risk management as well as managing LTO taxpayers and important stakeholders.

Tonga: in response to a request from the Tonga Ministry of Revenue and Customs (MoRC), STX Mark Bell began a program of remote training to further strengthen the audit and investigations function. The objective of the training is to upskill the MoRC audit staff through introductory sessions focused on the audit process and intermediate coverage on audit methodologies and management of audit cases. The program is presented over six sessions between April 27 and May 28, 2021. Previous PFTAC assistance evaluated existing skills development strategies and helped develop an audit skills development framework covering the recruitment, development, and management of audit staff.

Tuvalu: during February 2021, STX Rick Fisher remotely assisted Tuvalu's Inland Revenue Department (IRD) to develop a Business Continuity Plan (BCP). A series of online workshops were conducted to increase awareness of: (1) the overall structure and design of a BCP, (2) review organizational arrangements (crisis management team) needed to implement and monitor the BCP, (3) design of an action plan for mission-critical functions, (4) health and safety support plan, (5) workforce deployment support plan, (6) information technology support plan, (7) facilities support plan, and (8) communications support plan. The BCP will assist the IRD to respond to epidemics, pandemics, and natural disasters, giving priority to preserving the health and safety of staff and taxpayers while safeguarding the IRD's most critical tax collection functions and returning to normal operations as quickly as possible.

Vanuatu: a review of reform progress by the Vanuatu Department of Customs and Inland Revenue (DCIR) was undertaken by LTX Georg Eysselein in late April 2021 to discuss progress made with tax administration reforms and agree on future priority CD needs. The assignment reviewed progress made with the implementation of the Tax Administration Act, management of tax arrears and return filing, and the new corporate strategy that was developed with PFTAC assistance at the end of 2020. The impact of the COVID19 pandemic was discussed and taken into consideration in agreeing on priority CD needs.

A late April remote mission by STX Shrosbree assisted the Vanuatu Department of Customs and Inland Revenue (DCIR) with their Compliance Improvement Strategy (CIS). Vanuatu has successfully contained COVID19 through the authorities' timely and decisive actions. However, the prolonged closure of the border has severely hit the economy and re-invigorating revenue collection remains a top priority. The mission reviewed the results and impact of the 2019-20 CIS across the identified compliance risk focus areas and Compliance Risk Management process to ensure effective compliance improvements. The mission also worked towards updating risk identification and treatment actions for a renewed CIS to be implemented in June.

Financial Sector Supervision (FSS)

Marshall Islands: the Marshall Islands Banking Commission (MIBC) has participated in the PFTAC Supervision Framework Enhancement Program (SFEP) since July 2018. Since then, a virtual mission held in September 2020 provided training to the MIBC staff on basic risk management and risk-based supervision concepts. **The March 2021 mission by FSS resident advisor Kumar and STX Joseph Awayiga expanded upon this work by reviewing the draft prudential regulations prepared by the MIBC derived from the drafting suggestions provided early by PFTAC.** The mission also addressed new prudential regulations on: (i) fit and proper criteria for bank shareholders, boards, and management; (ii) business continuity management; and (iii) management of interest rate risk in the banking book. The mission also trained the staff on the draft regulation and its implementation.

Papua New Guinea: in response to a request from the Bank of Papua New Guinea (BPNG) and in continuation of the SFEP engagement, a remote mission during March assisted BPNG on developing/finalizing prudential and risk management regulations. It also developed new prudential regulations on consolidated supervision and risk management and a review of BPNG's supervisory staff (adequacy and expertise) was also conducted.

The mission team comprised the FSS resident advisor Rajinder Kumar and Monetary and Capital Markets (MCM) Department experts, Tamas Gaidosch, Rangachary Ravikumar, Emran Islam as well as STX Ross Henderson, Tijs De Bie, and Santosh Pandey.

Tonga: three countries are participating in the insurance regulatory reform project – **Fiji, Tonga, and Samoa.** Following the regional workshop conducted jointly by PFTAC and MCM in May 2018, an example draft insurance law was provided to the three participating countries. Since then these countries have been working to develop their own version of an insurance law drawing on the example. During 2020, further support was provided by WebEx recorded presentations plus Q&A sessions. **Based on the example law, the National Reserve Bank of Tonga (NRBT) developed its own draft insurance law which was circulated for industry comment.** The March remote mission by STX Robert Claxton assisted the NRBT to review the industry comments and recommendations to reflect the industry feedback as appropriate in the draft law before its submission to Government for parliamentary approval.

Annual Meeting of the Association of Financial Supervisors of the Pacific Countries (AFSPC)

A virtual abridged meeting of the AFSPC was held on March 30, 2021. AFSPC meetings are generally held annually around August – September but the 2020 meeting was delayed due to the ongoing COVID19 pandemic. Given the limitations of virtual meetings, this delayed meeting was restricted to a day versus the usual five day event. The meeting was hosted by PFTAC and chaired by Mr. Ellison Pidik, Assistant Governor, Bank of Papua New Guinea (BPNG). In addition to PFTAC, 17 participants from 9 countries attended the meeting. PFTAC and Reserve Bank of Fiji (RBF) participants attended in-person in the PFTAC office (pictured right) with all others connected virtually.



At the outset, Mr. David Kloeden, PFTAC Director introduced the Phase VI Program cycle of PFTAC and requested member countries to assist PFTAC in articulating potential CD priorities in various sectors for the next cycle due to begin in 2022. In the first session of the meeting, the participants provided an update of the latest financial sector developments in their countries including the measures taken to mitigate the economic impact of COVID19. In the second session, participants shared their current regulatory and supervisory activities and their preliminary ideas for the potential CD projects for PFTAC around financial sector supervision during its Phase VI Program cycle (2022 – 2028).

The forum agreed to set up a sub-group with membership from AFSPC member countries, World Bank, ADB and a few donors to refine the ideas identified and transform them into concrete projects for the consideration of the Steering Committee at its July 2, 2021 meeting. Representatives of four AFSPC member countries volunteered to join the working group. Later, the World Bank and the ADB also provided nominations for the group. The group will conduct a survey among the PFTAC member countries to ascertain their regulatory and supervisory priorities over the next six years and short list the thematic projects for implementation with possible TA support from PFTAC.

BPNG as the current chair of the AFSPC was unable to host a physical meeting of the group in either 2020 or 2021, so they offered to host the next physical meeting in PNG after international travel resumes.

Solomon Islands: PFTAC has been working with the Central Bank of Solomon Islands (CBSI) to implement a Supervision Framework Development strategy since 2017. Since then, PFTAC has delivered a series of missions to develop and finalize a risk rating and supervisory action framework; on-site examination framework and assessment of liquidity and market risk; and governance and risk management standards. In response to a request from the CBSI and in continuation of the SFEP, **a remote mission was undertaken by FSS resident advisor Rajinder Kumar and STX Robert Jones during April to further assist CBSI in reviewing/developing the**

prudential returns and a financial risk analysis framework to reflect the revisions to the prudential standards (under finalization) and risk rating framework recently finalized.

Real Sector Statistics (RSS)

Samoa: Ministry of Finance (MOF) and the Central Bank of Samoa (CBS) need access to GDP by expenditure (GDP(E)) estimates for use in macroeconomic projections. The IMF's Asia and Pacific Department (APD) also require GDP(E) data for surveillance and policy consultations. A PFTAC mission in July 2019 supported the Samoa Bureau of Statistics (SBS) staff in the launch of a GDP(E) statistical program. The development of the quarterly GDP(E) compilation system is now complete and provisional current and constant price estimates have been compiled.

The February remote mission by STX Zia Abasi reviewed the 2013 benchmark data and related indicators for extrapolation. More detailed external, fiscal, and financial sector data were incorporated into the compilation workbooks. The mission additionally provided training to SBS staff on source data and methodological changes. The SBS will share the provisional GDP(E) estimates with the CBS and MOF staff for feedback, with the new GDP(E) and revised GDP(P) estimates planned for release in September 2021.

Solomon Islands: in response to a request from the authorities, a remote mission was conducted by RSS resident advisor Marcus Scheiblecker during March 8 – 19, 2021 **to support the Solomon Islands National Statistical Office (SINSO) in revising past published GDP data and updating national accounts to 2018.** Furthermore, the mission provided training on the implementation of GFS data into GDP(P) and GDP(E) data set and investigated the imputation methods used for replacing no-response cases in the annual business survey.

Regional Workshop on Annual National Accounts: February 8 – 12, 2021

After a successful workshop on Quarterly National Accounts and Seasonal Adjustments during September 2020, a second workshop on Annual National Accounts was convened remotely between February 8 – 24, 2021. Thirteen staff from the national statistical offices (NSO) of four PFTAC member countries (**Cook Island, Timor-Leste, Tokelau, and Vanuatu**) participated in the workshop. The workshop provided training for newly hired staff from NSOs with a focus on concepts, data sources and methods along with hands-on exercises; and was well received by participants.

The ten-day workshop (3 hours per day) comprised lectures, hands-on exercises, and discussions that were combined during a plenary session. The workshop outlined the background of the System of National Accounts (SNA), and classifications and transactions required to compile GDP. It also highlighted the treatment of trade margins as output, own-account production of housing services by owner-occupiers, and financial intermediate services indirectly measured. To enhance the use of source data and dissemination of sound national accounts estimates, the workshop outlined price and volume measurement in the SNA as well as interpolation and extrapolation techniques, quality control to identify outliers, and publication and revision policy.

Participants appreciated the training and a partial evaluation of the workshop showed an overall satisfaction rating of 76 points out of 96. The respondents agreed that the knowledge gained can be applied at their workspace and the training coverage included relevant topics.

Tuvalu: STX Rikardur Rikardsson conducted a remote External Sector Statistics (ESS) mission to the Central Statistics Division (CSD) of the Tuvalu Ministry of Finance and Economic Development (MFED) between April 5 – 16, 2021. This was the third mission since the end of the Japan Subaccount (JSA) project in 2015. The CSD face severe resource constraints affecting timeliness and reliability of ESS and requested support for ESS compilation. **The mission assisted with the compilation and dissemination of ESS for the period 2017–2020, strengthening the compilation framework and data sources as well as providing hands-on training to the CSD staff.** The previous mission in 2020 created a new Microsoft Excel-based framework for Balance of Payments (BoP) and International Investment Position (IIP) that allows for the compilation of ESS. The international

transactions reporting system (ITRS) previously used as the main source of data stopped working in 2014. However, the previous mission compiled the BoP and IIP on an annual basis for 2017-2018 mainly based on information from government sources as well as trade data from the Customs and Taxation Control (CTC).

A second remote mission by STX Michael Andrews in April 2021 assisted CSD with updating national accounts. Tuvalu's CSD has very limited capacity for macroeconomic statistics. In past years, PFTAC has provided ongoing assistance to update the annual GDP statistics, comprising current and constant price GDP using the production approach. The last mission in April 2019 updated the estimates to 2018 and subsequent remote mission updated the benchmark for current price GDP to incorporate new data and rebased the constant price estimates to 2016. **This mission analyzed updated source data to assist with the compilation of GDP estimates for 2019 and revision of prior years' data where necessary along with updating of methodology and process documentation.**

Regional: in collaboration with the IMF's CD Office in Thailand (CDOT) that provides External Sector Statistics (ESS) support to five Pacific nations, a five day virtual workshop was delivered remotely on *Balance of Payments: Methodology and Compilation Challenges* during April 19 – 23, 2021 to enhance capabilities to compile BoP statistics and understand linkages between macroeconomic data sets. Beyond the Pacific countries supported by the Japanese government financed CDOT program (**Papua New Guinea, Samoa, and Tonga**), other PFTAC member countries that participated were **Kiribati, Federated States of Micronesia (FSM), Solomon Islands**, and **Tokelau**.

Government Finance Statistics (GFS)

Fiji: the resident GFS advisor Luis Temes delivered a remote TA mission to assist the Ministry of Economy (MoE) and the Fiji Bureau of Statistics (FBoS) with the compilation and dissemination of GFS and Public Sector Debt Statistics (PSDS). The mission assessed the progress made against previous recommendations and noted little progress due to new demands caused by the COVID19 pandemic.

The mission assisted the MoE in reviewing and submitting the BCG GFS time series for FY 2010-17, incorporating the adjustments to current and capital expenditure – needed to advance with General Government (GG) consolidation. The GFS mapping was reviewed and aligned to the GFS Manual 2014 (GFSM2014). Gross debt stock data for PCs was compiled for FY 2018. The mission recommended reviewing and submitting the debt data to the joint World Bank/IMF debt statistics database. The mission continued assisting the FBoS staff with the reconciliation of the FY 2018 grants to extrabudgetary units and local governments for consolidation purposes. The mission also noted delays with implementation of PFM reforms in financial systems and the chart of accounts (CoA) funded by the ADB.

Samoa: the remote mission by GFS advisor Luis Temes to the Samoa Bureau of Statistics (SBS) reviewed and refined the compilation processes and the GFS data coding for the budgetary central government (BCG), the extrabudgetary units (EBUs) and the social security fund (SSF). The mission discussed the recent GG annual data submission and classification issues and agreed on the amendment of the time series for resubmission to the IMF's Statistics (STA) Department.

Furthermore, the mission recommended to split transactions in nonfinancial assets by nonfinancial asset category and **to compile the financial balance sheet based on the information available in the public account prepared by the MoF.** The mission also started **expanding the coverage of the classification of functions of government (COFOG) for EBUs and the SSF.** The mission **emphasized the importance of developing a suitable process of collection and reporting the actual in-kind grants revenue and expenses** for inclusion in the GFS. At the request of the IMF's APD Samoa team, the mission also **discussed and ensured the correct GFS treatment of the G20 Debt Services Suspension Initiatives (DSSI).**

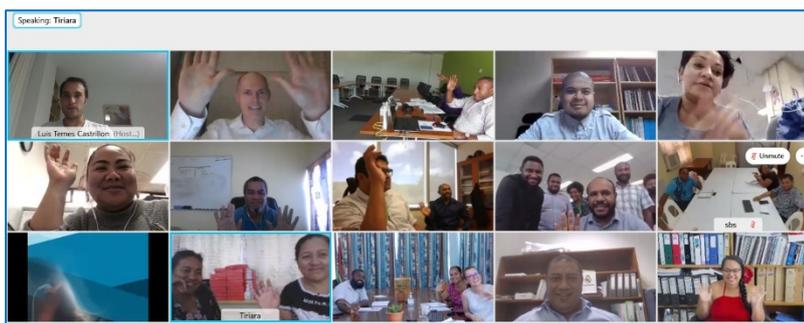
Solomon Islands: the Central Bank of the Solomon Islands (CBSI) has recently faced increased demand from users to show spending of government by functional category. Thus, on request from the Solomon Islands (SI) authorities, a remote mission by STX Ivana Jablonska **focused on mapping the outlays side of the CoA into the COFOG classification**. The mission assisted by reviewing the part done by the SI authorities prior to the mission and then completion of the mapping.

The mission also **assisted the CBSI with populating the COFOG data for FY 2015-2019**. On request from the SI authorities, **the mission provided an overview on the recording of government policy interventions related to COVID19**. In June 2020, the **CBSI transmitted for the first time the PSDS data to the joint WB/IMF PSDS database and is now published on a PSDS dedicated website**. The mission **assisted the SI authorities in reviewing the STA Questionnaire on Climate change** related data to be included in the STA Dashboard on Climate Change for presentation during the IMF Spring Meetings.

Tonga: the remote mission by GFS advisor Luis Temes during February **assisted the Economic and Fiscal Policy Division (EFPD), MoFNP in the reconciliation of the data between the Financial Management Information System (FMIS) for FY 2019 and the audited public account and budget statements**. The mission reviewed the GFS bridge table of the different item codes on the national CoA, **assisted in setting-up the working file for automating the compilation of BCG data, and developed a template to summarize the gathered information to facilitate the completion of the STA GFS questionnaire**. The mission **discussed the reporting and monitoring of the detailed receipt and payments of in-kind grants**, which are significant in Tonga. The mission also assisted the authorities with the submission of the GFS annual questionnaire for the time series FY2013-19. Work on expanding coverage to the rest of the public sector did not progress due to unavailability of data.

Regional: on April 22, 2021, a regional virtual Workshop on “COVID19 - How to Record Government Policy Interventions in Fiscal Statistics” was conducted for 34 officials from 11 PFTAC member countries. The main objective of the workshop was to train participants from NSOs, finance ministries, and central banks in the GFS recording of the different government interventions impacted by COVID19, which will have an extraordinary impact in tourism-reliant economies such as in some PFTAC countries. The workshop covered the STA Guidance note on this topic, including country and regional examples with question and answer sessions. A presentation on how to record debt relief under the Catastrophe Containment and Relief Trust (CCRT) was also made.

The training material prepared by the IMF’s Statistics Department in the context of COVID19 pandemic proved sufficient to handle the various transactions relating to government policy interventions.



The Workshop allowed participants to prepare presentations based on their country examples, the challenges faced, and areas that required further assistance. Areas identified for further TA included sectoral classification and expanding coverage to the rest of the general government and public corporations.

Macroeconomic Analysis and Programming

Fiji: at the request of the Fiji Ministry of Economy, the Macroeconomic adviser worked closely and extensively with Ministry of Economy staff as well as the Reserve Bank of Fiji to develop a new macro-fiscal forecasting tool. The model is GDP(E) based and capable of scenario analysis, including examining the impact on the economy, revenue, debt, and interest payments resulting from different assumed return of tourism timeframes. A range of other variables can also be utilized as part of scenario analysis, including natural disasters, changes in government spending and longer term parameters such as population growth.

Overall, this model will be able to be used by the Fiji Government to better understand its short, medium, and long run fiscal position going forward and therefore be in a position to make informed policy judgements in relation to this.

Correspondent Banking: PFTAC's secretarial support for the regional Know Your Customer (KYC) facility continued during the quarter, with steady progress being achieved. Remittance flows continue to provide a vital role in the economies of many Pacific countries with flows increasing during the pandemic in many cases. Despite this, an ongoing risk of the loss of Correspondent Banking Relationships by Pacific based banks and Money Transfer Operators remains a key macroeconomic risk for a number of Pacific countries.



Webinar on Macro-Fiscal Analysis
March 16 – 18, 2021





PFTAC's Macroeconomic Adviser, Andrew Beaumont, along with members of the IMF's Singapore Training Institute delivered a three part webinar in March on macroeconomic accounts, fiscal risks, debt sustainability, and Fiscal Policy during the pandemic in the Pacific to 42 participants from Fiji, Micronesia, Samoa, Solomon Islands, Tokelau and Vanuatu over three days. The event was held in-person at the PFTAC office for Fiji government officials (picture left) and virtually for all others.

The final presentation on Fiscal Policy in the Pacific provided insights into developments and policy initiatives in Pacific countries during the pandemic. The final session included a roundtable discussion on 'Pacific Countries Fiscal Policy and Economic Recovery from the Pandemic' that included policy issues and challenges going forward and was facilitated by Scott Roger, the IMF's Deputy Division Chief of the Asia Pacific Department. This session was particularly well received and allowed countries to discuss the challenges they are facing with a senior member of the IMF.

The webinar was rated at 4.8 out of 5 by participants for 'usefulness for job and professional development'.

V. Planned TA Activities FY22/Q1: May – July 2021

May 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Review the draft supervisory manual prepared by the CI-FSC	LTX – Kumar STX – TBD	May 10 – 16
	Revenue	Finalization of Tax Admin Act	STX - Burns	May 24 – Jun 2
Fiji	Macro	Revenue Forecasting	LTX – Beaumont	May 31 – Jun 11
Marshall Islands	Macro	Support the use of the Marshall Islands Fiscal Model (MI_FM) and Medium Term Budget and Investment Framework (MTBIF) in budget preparations and policy analysis	LTX – Beaumont	May 3 – 7
Nauru	RSS	Update annual National Accounts to 2019	LTX – Scheiblecker	May 3 – 14
Niue	Macro	Non-tax revenue modelling	STX – Millar	May 17 – Jun 4
	PFM	Updating the PFMA	STX - McKenzie	May 3 – 14
	RSS	Update annual national accounts to 2018	STX – Freeman	May 17 – 28
Palau	Macro	Tax reform modelling	LTX – Beaumont STX – Hartwich	May 17 – Jun 4
Samoa	FSS	Training on business continuity management for banks	LTX – Kumar	May 2 – 21
Solomon Islands	Revenue	Support Implementation of LTO	STX – Shrosbree	May 17 – Jun 1

June 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Develop Standard Operating Procedures (SOP's)	STX – Shrosbree STX – Williams STX – Bell	Jun 28 – Jul 13
	RSS	Review seasonal adjusted GDP(P) and provide training on techniques.	LTX – Scheiblecker	Jun 7 – 18
Fiji	Revenue	Risk management and data analysis	STX- Aslett STX - Hamilton	June 21 – July 16
Kiribati	Macro	Macro-Fiscal Framework	STX – Rahman	Jun 21 – Jul 2
Papua New Guinea	GFS	Assist in the verification and revisions of data compiled for GFS and CoA mapping	LTX – Temes	Jun 6 – 18
Regional	FSS	Cyber Risk Regulation and Supervision Project - Second component - online training by HQ	HQ – MCMFR	Jun 1 – 5
	Macro	GDP Forecasting/ Now casting Workshop	LTX – Beaumont	Jun 16 – 18
Samoa	Revenue	BEPS Implementation	STX – Burns	Jun 21 – 30
Solomon Islands	FSS	FSI for insurance sector	HQ – MCMFR	Jun 13 – 17
Tonga	PFM	Review of Draft Proposed Legislation	STX – McKenzie	Jun 7 – 18
	PFM	Review and implement improvements to the reconciliation process	STX – Kauffmann	Jun 14 – 25
	FSS	Diagnostic mission to identify enhancements to RBS	LTX – Kumar STX – TBD	June 1 – 3
	FSS	Review and strengthening on-site examination procedures -1	LTX – Kumar STX – TBD	June 3 – 5
Tuvalu	FSS	SFEP - Review of off-site financial risk analysis framework	LTX – Kumar	Jun 7 – 13
	Revenue	Review and enhance CIS	STX – Fisher	Jun 14 – 25

July 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	PFM Roadmap Development	LTX – Lavea	Jul 12 – 23
	Revenue	Implementation of Tax Administration Act	STX - Burns	Jul 5 – 14
Fiji	FSS	Cyber Risk Regulation and Supervision Project - Review and finalization of draft regulation prepared by RBF	HQ	Jul 5 – 7
	FSS	Credit Union Legislation	LTX – Kumar HQ – LEG	Jul 5 – 9
	GFS	Government Finance Statistics	LTX – Temes	Jul 5 - 9
	PFM	PEFA Climate Assessment	LTX – Lavea LTX – Seeds PEFA PRIF World Bank	Jul – Sept
	Revenue	Debt and Returns Management	STX – Field	Jul 19 – 30
Kiribati	FSS	Peer Review of MFAT Consultant's work- Draft financial sector legislation	LTX – Kumar	Jul 12 – 21
	RSS	Evaluate the quality of last HIES, administrative and business survey data/ Rebase and update NA	STX – McAllister	Jul 19 – 30
Marshall Islands	RSS	Training on the compilation of non-market value-added/ Quality control and data editing for BGRT	LTX – Scheiblecker	Jul 19 – 30
Nauru	PFM	Follow-up on IPSAS Cash Reporting	STX – Uluinaceva	Jul 12 – 23
Palau	Revenue	Implementation of VAT	STX – Piper	Jul 23 – Aug 9
	Revenue	Regulation for PGST and Business Tax Profit	STX – Burns	Jul 26 – Aug 6
Papua New Guinea	Macro	Macro-Fiscal Modelling (including FP model)	LTX – Beaumont	Jul 5 – 9
Samoa	FSS	Finalization of draft insurance law and prudential standards- Impact study	STX – Claxton STX – Rush	Jul 12 – 17
	GFS	Government Finance Statistics	LTX – Temes	Jul 26 – 30
	Revenue	Strengthen Audit and TIMS	STX – Sutherland	Jul 1 – 14
	Revenue	Improve Risk Management and Data Analysis	STX – Aslett STX – Hamilton	Jul 19 – 30

	RSS	Review seasonal adjusted GDP(P) and provide training on techniques.	LTX – Scheiblecker	Jul 5 – 16
Solomon Islands	Revenue	Implementation of Taxpayer Service Strategy	STX – Vivien STX – Williams	Jul 12 – 23
	PFM	Financial Statement Reforms (remote from Brazil)	STX – Cavanagh	July
Timor-Leste	PFM	Developing a PFM Roadmap	LTX – Seeds STX – Higgins	Jul 5 – 16
Tonga	Revenue	Renewal of Corporate Strategy	STX – Fisher	Jul 5 – 16
Vanuatu	FSS	To assist RBV in designing a framework for operation of distressed assets resolution companies (AMCs)	HQ – MCMFC	Jul 5 – 16
	Revenue	Review RMS Master Service Agreement	STX – Grant	Jul 1 – 14

Outturn of TA Activities FY2021/Q4: February – April 2021

February 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	Agile PEFA Assessment (remote from Fiji, New Zealand, Philippines, and United States)	LTX – Iulai LTX – Seeds STX – Emery STX – Marzan	Feb 15 – May
Fiji	Macro	Macro-Fiscal Modeling and COVID Scenario Planning	LTX – Beaumont	Feb 23 – April 19
	Revenue	Review of VAT Act and Finalization of Draft Legislation (remote from Australia)	STX – Burns	Feb 15 – 22
Kiribati	Revenue	Tax Audit Skills Development (remote from New Zealand)	STX – Bell	Feb 8 – 17
Regional	Revenue	Managing Large Taxpayers and the compliance model (with PITAA) (remote from New Zealand and Australia)	LTX – Eysselein STX – Shrosbree STX – Scott	Feb 24 – Mar 4
	Revenue	Update 2017 Review of Pacific Tax Reforms (remote from Australia)	LTX – Eysselein STX – Mullins STX – Ryan STX – Story HQ – Prihardini	Feb 8 – Mar 31
	RSS	Virtual Workshop on Annual National Accounts (ANA) (remote from Thailand)	LTX – Scheiblecker	Feb 8 – 12
Samoa	GFS	Government Finance Statistics (remote from Spain)	LTX – Temes	Feb 15 – 19
	PFM	Improvements on Audit Recommendations and Notes (remote from Fiji and Australia)	LTX – Seeds STX – Youngberry	Feb 15 – Mar 12
	Revenue	Improving Taxpayer Service and Strategy (remote from Australia and New Zealand)	STX – Vivien STX – Williams	Feb 4 – 18 Feb 14 – 28

	Revenue	Improving Debt and Returns Management (remote from Australia)	STX – Field	Feb 15 – 26
	RSS	Review experimental GDP(E) Data (remote from Korea)	STX – Abasi	Feb 1 – 16
Solomon Islands	GFS	Refine GFS Compilation Techniques (remote from Luxembourg)	STX – Jablonska	Feb 22 – Mar 5
Tonga	GFS	Government Finance Statistics (remote from Spain)	LTX – Temes	Feb 22 – 26
	PFM	IPSAS Cash (remote from Australia)	STX – Kaufmann	Dec 20 – Feb 26
Tuvalu	Revenue	Development of Business Continuity Plan (remote from Canada)	STX – Fisher	Feb 11 – 22

March 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Develop Taxpayer Service Strategy (remote from Australia and New Zealand)	STX – Vivien STX – Williams	Mar 1 – 15
Fiji	GFS	Government Finance Statistics (remote from Spain)	LTX – Temes	Mar 1 – 5
	Revenue	Tax Audit Skills Development (remote from New Zealand)	STX – Bell STX – Matthews	Mar 4 – 23 Mar 1 – 8
Kiribati	Revenue	Legal support on Seabed Mining (SBM) Legislation (remote from Australia)	STX – Burns	Mar 29 – 31
Marshall Islands	FSS	Review revised draft banking law and regulations (remote from Fiji and Ghana)	LTX – Kumar STX – Awayiga	Mar 8 – 19
Papua New Guinea	FSS	SFEP – Regulatory Framework – Prudential Standards (remote from Fiji, Netherlands, Australia, India)	LTX – Kumar	Mar 15 – Apr 2
			HQ – Gaidosch, Islam, Ravikumar	
			STX – De Bie	Mar 15 – 20
			STX – Henderson	Mar 15 – 31
			STX – Pandey	Mar 15 – Apr 2
Regional	FSS	Annual AFSPC Meeting	LTX – Kumar	Mar 30
	Macro	Webinar on Macro-Fiscal Analysis (in conjunction with STI)	LTX – Beaumont HQ – Govil	Mar 16 – 18
Solomon Islands	Revenue	Facilitate design of new job descriptions for a Function Based Structure (remote from New Zealand)	STX – Shrosbree	Mar 18 – 19
	RSS	Rebasing Annual National Accounts (remote from Austria)	LTX – Scheiblecker	Mar 8 – 19
Timor- Leste	PFM	Review of Draft PFM Law (remote from Washington and Fiji)	FAD – Sakrak LEG – Pineda LTX – Seeds	Mar 2021
Tonga	FSS	Assist NRBT finalize revised insurance law (remote from Australia)	STX – Claxton	Mar 1 – 5
Tuvalu	RSS	Rebase and Update GDP(P) (remote from New Zealand)	STX – Andrews	Mar 8 – 19

April 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Drafting of Tax Administration Law (remote from Australia)	STX – Burns	Apr 1 – 4
Fiji	PFM	Review of Internal Audit of Budget Process (remote from Australia)	STX – Morrison	Apr 15 – 24
	Revenue	Tax Policy Review (remote from Australia and United States)	STX – Burns STX – Mullins HQ – Baunsgaard	Apr 13 – 27
	Revenue	Review of reform progress	LTX – Eysselein	Apr 20 – 22
Marshall Islands	Revenue	Review of Tax Reforms and Core Tax Functions (remote from Australia)	STX – Piper	Apr 28 – May 12
Nauru	Revenue	Review reform progress (remote from Fiji)	LTX – Eysselein	Apr 6 – 8
Palau	Revenue	Assist with final amendments to the Tax Reform Bill (remote from Australia)	STX – Burns	Apr 5 – 9
	Revenue	Developing Implementation Plan for PGST and Tax Reforms (remote from Australia)	STX – Piper	Apr 12 – 23
Regional	GFS	Government Finance Statistics Training (remote from Spain and United States)	LTX – Temes HQ – De La Beer	Apr 22
	PFM	Public Investment Management Assessment (PIMA) Workshop (onsite at USP campus/ virtual)	LTX – Lavea LTX – Seeds HQ – Gonguet HQ – Preston HQ – Monteiro	Apr 27 & 29, May 4 & 6
	Revenue	Development of PITAA Strategic Plan (remote from Canada and New Zealand)	STX – Fisher STX – Shrosbree	Apr 1 – 12
	Revenue	Small State Tax Audit Training (FSM, Nauru, Niue, RMI, Palau, Tuvalu) (remote from New Zealand)	STX – Bell	Apr 5 – 19
	Revenue	Webinar on Return Filing and Tax Arrears (remote from Australia)	STX – Field STX – Vivien	Apr 20 – 28

Solomon Islands	FSS	SFEP – Assistance on developing financial risk analysis process (remote from Fiji and Australia)	LTX – Kumar	Apr 26 – May 22 (6 days)
			STX - Jones	(9 days)
	Revenue	Facilitating Implementation of LTO and technical training (remote from New Zealand)	STX – Shrosbree	Apr 15 – 26
Tonga	Revenue	TADAT Training and Assessment (remote from Australia)	STX – Martens	Apr 28 – May 31
			STX – Middleton	Apr 30 – May 19
			STX – Woods	Apr 30 – May 19
	Revenue	Assist with tax auditor training framework and development (remote from New Zealand)	STX – Bell	Apr 26 – May 7
Tuvalu	RSS	Balance of Payments (remote from Iceland)	STX – Rikardsson	Apr 5 – 16
Vanuatu	Revenue	Review reform progress (remote from Fiji)	LTX – Eysselein	Apr 20 – 22
	Revenue	Compliance Improvement Strategy (remote from New Zealand)	STX – Shrosbree	Apr 27 – May 8

Meetings, Seminars, and Training

February – April 2021

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Financial Sector Supervision (FSS)	Annual AFSPC Meeting	Onsite at PFTAC Conference Facility/ Virtual	LTX – Kumar	1	6	11	Mar 30, 2021
Government Finance Statistics (GFS)	Government Finance Statistics Training	Virtual	LTX – Temes HQ – De La Beer	1	11	17	Apr 22, 2021
Macroeconomic Programming	Webinar on Macro-Fiscal Analysis (in conjunction with STI)	Onsite at PFTAC Conference Facility/ Virtual	LTX – Beaumont HQ – Govil	3	16	26	Mar 16 – 18, 2021
Public Financial Management (PFM)	Public Investment Management Assessment (PIMA) Workshop	Onsite at USP Campus/ Virtual	LTX – Iulai LTX – Seeds HQ – Gonguet HQ – Monteiro HQ – Preston	4	18	24	Apr 27 & 28, 2021 May 4 & 6, 2021
Revenue Administration	Managing Large Taxpayers, compliance Improvement and Effective Data Analysis (with PITAA)	Virtual	LTX – Eysselein STX – Shrosbree STX – Scott	4	21	27	Feb 24 – Mar 4, 2021
	Small State Tax Audit Training for FSM, Nauru, Niue, RMI, Palau, Tuvalu	Virtual	STX – Bell	15	7	12	Apr 5 – 19, 2021
	Webinar – Managing Return Filing and Tax Arrears	Virtual	STX – Field STX – Vivien	9	19	14	Apr 20 – 28, 2021
Real Sector Statistics	Workshop on Annual National Accounts (ANA)	Virtual	LTX – Scheiblecker	5	9	4	Feb 8 – 12, 2021

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Real Sector Statistics	Workshop on Balance of Payments: Methodology and Compilation Challenges (with CDOT)	Virtual	LTX – Scheiblecker	5	6	2	Apr 19 – 23, 2021

TA Reports Transmitted to Country Authorities & Pending Finalization

February – April 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	Apr-21	Not Finalized
	Fiji	Review Internal Audit of Budget Process	Morrison	Apr-21	Not Finalized
	Marshall Islands	Medium Term Budget and Investment Framework	Neves	May-20	Mar 21, 2021
	Papua New Guinea	Developing PNG PFM Roadmap	Neves	Sep-20	Mar 21, 2021
	Samoa	Cash Management and Establishment of TSA	Silins	May/Sep-20	Apr 21, 2021
	Samoa	PEFA Assessment – Climate Change	Neves, Lavea	Oct-20	Mar 21, 2021
	Samoa	Improvements to Audit Recommendations & Notes	Seeds/ Youngberry	Feb-Mar 21	Not Finalized
	Solomon Islands	Review of Financial Statements for compliance with IPSAS Cash Reporting	Cavanagh	Nov-20	Not Finalized
	Tonga	Cash Basis IPSAS Financial Statements	Kauffmann	May/Sep-20	Apr 26, 2021
	Tonga	Review existing legislation, reforms, expectation	McKenzie	Sep-20	Not Finalized
Timor-Leste	Review of PFM Law	Sakrak/Pineda/Seeds	Mar-21	Not Finalized	
Financial Sector Supervision	Cook Islands	SFEP – Finalize Off-site Financial Risk analysis and Ratings Reforms	Kumar	Feb-21	Not Finalized
	Cook Islands	SFEP – Risk Rating Reforms	Kumar	Jan-21	Not Finalized
	FSM	Banking Regulatory Reform	Hefty	June-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
	Papua New Guinea	SFEP-Regulatory Framework-Prudential Standards	Kumar/ Pandey/ De Bie/ Henderson	Mar-Apr 21	Not Finalized
	Solomon Islands	Prudential Standards	Stefanou/ De Bie	Oct-19	7-Aug-2020
	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	

Revenue Administration	Cook Islands	Review Reform Progress	Eysselein/Shrosbree	Nov-20	Not Finalized
	Cook Islands	Develop Taxpayer Service Strategy	Vivien/ Williams	Mar-21	Not Finalized
	Fiji	Tax Policy Review	Burns/ Mullins/ Baunsgaard	Apr-21	Not Finalized
	Kiribati	Support on Taxpayer Services, Tax Arrears and Returns Collections	Scott	Oct-20	Mar 22, 2021
	Marshall Islands	Review Tax Reforms and Core Tax Functions	Piper	Apr-May 21	Not Finalized
	Palau	Implementation Plan for PGST and Tax Reforms	Piper	Apr-21	Not Finalized
	Samoa	Development of Business Continuity Plans- COVID19 Impact and Post Recovery	Eysselein/ Shrosbree	Oct-20	Not Finalized
	Samoa	Improving Taxpayer Service and Strategy	Vivien/ Williams	Feb-21	Apr 6, 2021
	Samoa	Improving Debt and Returns Management	Field	Feb-21	Not Finalized
	Samoa	Development of ICT Strategy	Fisher	Mar 21	Not Finalized
	Solomon Islands	Function Based Structure (New Job Descriptions)	Shrosbree	Mar-21	Not Finalized
	Tonga	TADAT Training and Assessment	Martens/ Middleton/ Woods	Apr – May 21	Not Finalized
	Tuvalu	Implementation and Enhancement of CIS, Large Taxpayers, Improving Taxpayer Services	Fisher	Nov-20	Dec 23, 2020
	Tuvalu	Development of Business Continuity Plan	Fisher	Feb-21	Not Finalized
Vanuatu	Compliance Improvement Strategy	Shrosbree	Apr-21	Not Finalized	

	Cook Islands	Seasonal Adjustment of QNA Data	Scheiblecker	June-20	Feb 1, 2021
	Fiji	Quarterly National Accounts	Scheiblecker	May-20	Apr 22, 2021
	Fiji	Government Finance Statistics	Temes	Mar-21	Not Finalized
	FSM	GFS for General Government Operations	Temes	Oct-20	Not Finalized
	Marshall Islands	Government Finance Statistics	Temes	July-20	Not Finalized
	Marshall Islands	GDP Compilation & National Data Sources	Scheiblecker	Aug-20	Apr 20, 2021
	Nauru	Mapping the National Chart of Accounts to GFS	Temes	Nov-20	Not Finalized
	Nauru	Rebase GDP(P)	Scheiblecker	Jan-21	Not Finalized
Macroeconomic Statistics	Palau	GFS for General Government Operations	Temes	Sep-20	Not Finalized
	Samoa	Government Finance Statistics	Temes	Feb-21	Not Finalized
	Samoa	Review Experimental GDP(E) Data	Abasi	Feb-21	Mar 22, 2021
	Solomon Islands	Refine Compilation Techniques	Jablonska	Feb-Mar 21	Not Finalized
	Solomon Islands	Rebasing Annual National Accounts	Scheiblecker	Apr-21	Not Finalized
	Tonga	Compilation of Experimental QNA Data on GDP	Scheiblecker	Nov20-Jan21	Not Finalized
	Tonga	Government Finance Statistics	Temes	Feb-21	Not Finalized
	Tuvalu	Rebase and Update GDP(P)	Andrews	Mar-21	Not Finalized
	Tuvalu	Balance of Payments	Rikardsson	Apr-21	Not Finalized
	Tuvalu	Government Finance Statistics	Temes	Jan-21	Not Finalized
Macroeconomic Analysis and Forecasting	Fiji	Macro-fiscal Scenario Modelling	Beaumont	Apr-21	Not Finalized