

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

## QUARTERLY REPORT



July 2015

PFTAC, Reserve Bank of Fiji T7, Pratt St., Suva, Fiji  
Web site: [www.pftac.org](http://www.pftac.org) E-mail: [apdpftac1@imf.org](mailto:apdpftac1@imf.org) Phone: (679) 3304866 Fax: (679) 3304045

### I. Introduction

This Report covers PFTAC activities and finances in the February-April 2015 period (FY2015 Q4), as well as planned activities in the period from through to the end of October.<sup>1</sup> During the February-April period, PFTAC TA activity remained at a high level, reflecting continued heavy provision of TA, notably to Papua New Guinea (PNG); extensive use of STX to deliver TA on revenue administration; and an active program of training workshops.

#### In this Issue

I	Introduction	1
II	PFTAC developments	1
III	PFTAC Activity and Finances in the February-April Quarter	2
IV	Sectoral Technical Assistance Developments and Prospects	3
	Annexes	10

Looking forward, the schedule of activity is expected to remain heavy in FY2016. The report provides a narrative overview of recent and planned activities by the TA advisors, as well as detailed tables on missions and workshops planned through to the end October (see Annex 3).

### II. PFTAC Developments

In February, Ms. Iris Claus, joined PFTAC as an advisor on macroeconomic analysis and forecasting Ms. Claus has previously worked at the Bank of Canada, the Reserve Bank of New Zealand, the New Zealand Treasury and Inland Revenue Department, and the ADB.

In August, Mr. Greg Legoff, one of PFTAC's statistics advisors will be transferring to AFTRITAC South, in Mauritius. An advertisement for his replacement has been posted on the IMF's website.

In March, the Cook Islands graciously hosted the PFTAC annual Steering Committee (SC) meeting. At the meeting, the draft PFTAC work program for FY2016 was presented for discussion, and various suggestions by members were able to be taken into account in finalizing the work plan. Details of the work program through the first half of FY2016 are shown in Annex X, and Excel tables showing the work by sector and by country are available from the PFTAC website ([www.pftac.org](http://www.pftac.org)).

At the SC meeting Dr. Kenneth Watson also presented a draft of the PFTAC mid-term external evaluation report. Members of the SC had extensive discussions of the draft recommendations. In addition, members of the Subcommittee on the external evaluation provided written comments to Dr. Watson. Feedback by the SC was then taken into account by Dr. Watson in finalizing his report. The report, together with IMF responses to the recommendations, have now been finalized and distributed to members of the SC. Both documents are available on the PFTAC website.

<sup>1</sup> PFTAC's activities are funded by Australia, New Zealand, the European Union, Korea, and the Asian Development Bank. The Reserve Bank of Fiji provides office space for PFTAC, and the IMF covers salaries for the Coordinator and local staff, as well as various administrative costs.



The SC also agreed to two important modifications to the Phase 4 work program (See Annex 1):

- A re-allocation of PFTAC funds from areas of significant underspending relative to the program budget (salary and headquarters-based costs) to finance additional expenditure on use of short-term experts as well as training and workshops.
- An extension of the program from April to October 2016, in anticipation that the current funding of PFTAC would be sufficient to continue the program for several additional months.

The SC also agreed to a kind offer by Samoa to host the 2016 SC meeting in Apia in early March 2016.

Minutes of the SC meeting, providing details of the discussions, have been distributed to members and are available on the PFTAC website, as is the FY2015 Annual Report, and proposed extension of the Phase IV program.

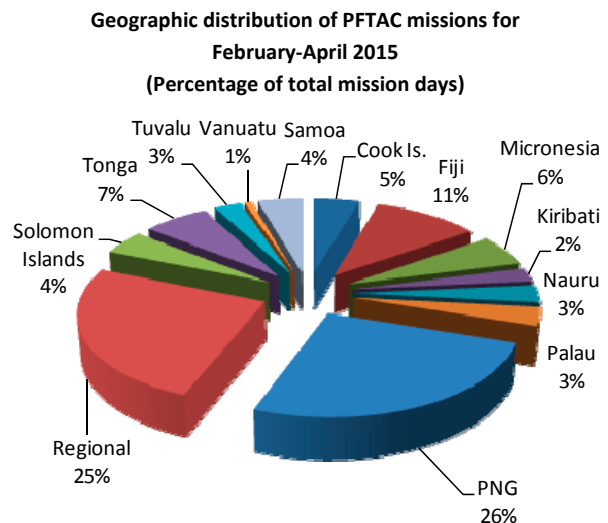
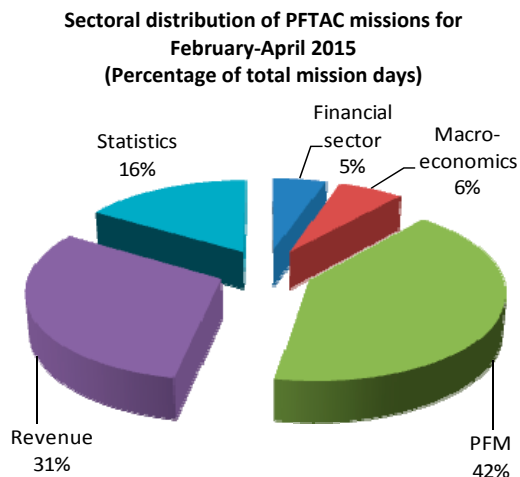
### III. PFTAC Activity and Finances in the February-April Quarter of FY2015

#### Overview

**During the final quarter of FY2015 PFTAC staff maintained a high level of activity.** During the period, PFTAC staff managed or carried out 45 technical assistance (TA) missions, including 8 workshops. In terms of mission days, over half of the activity was carried out by short-term experts (STX), with particularly heavy use of STX in the revenue administration and PFM areas. Annex 1 provides a detailed listing of missions and workshops during the February-April period.

**TA activity during the quarter was concentrated on Public Financial Management (PFM) and revenue administration topics.** In the PFM area, major activities during the quarter included several in [Papua New Guinea](#) (PNG), including ongoing support for the roll-out of the Integrated Financial Management System (IFMS); assistance with cash management; and a PEFA assessment. In the revenue area, STX were used extensively in providing assistance with strengthening tax core functions and compliance, notably in [Fiji](#), [FSM](#), and [Tonga](#).

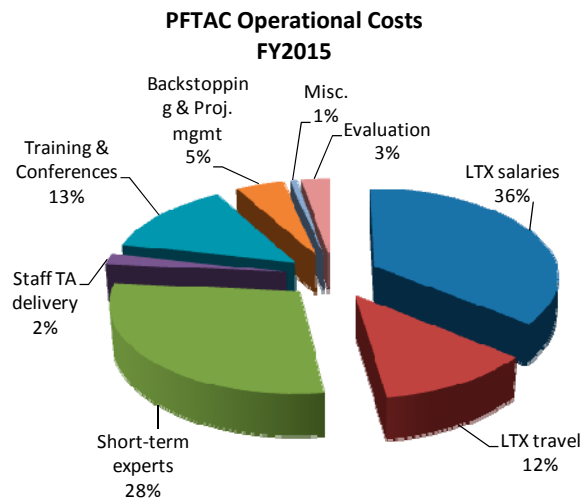
**Workshops continue to grow in importance in delivery of TA and training.** Key workshops during the quarter included the annual PFM workshop held jointly with Australian Department of Finance; a workshop on incorporating disaster risk



management into fiscal planning; training on tax compliance risk management; and a sub-regional workshop on national accounts.

**The total donor cost of PFTAC operations during the quarter is estimated at US\$ 1.8 million**, about \$0.2 million higher than the estimate used in the Annual Report. The main costs were PFTAC advisor salaries and their travel costs, at \$ 0.71 million (42%); short-term expert fees and travel costs, at \$ 0.49 million (29%); training and conference costs (including the Steering Committee meeting), at \$ 0.26 million (15%).

**For FY2015 as a whole, PFTAC operational costs came to \$ 5.9 million, well above the \$ 4.1 million spent in FY2014** (See Annex 2, Table 1). As discussed in the Annual Report, the main source of increase in costs in FY2015 was a substantial increase in spending on STX-based delivery of TA. Expenses for PFTAC advisors' salaries and travel were almost unchanged at \$ 2.58 million. Expenses for short-term experts, however, rose by just over \$ 1 million, to \$1.6 million. This substantially reflected the decision to use STX to ramp up PFTAC delivery of TA in the area of tax administration, together with a surge in demand by PNG authorities for TA in areas best met using specialist STX. Expenditure on training and workshops also increased substantially, from \$ 0.3 million in FY2014 to \$ 0.7 million in FY2015. Other areas of expenditure were relatively unchanged.



On the income side, New Zealand paid the final tranche of its donation to PFTAC, bringing total contributions received to \$24.3 million. Details of donor contributions to PFTAC are shown in Annex 2, Table 2.

#### IV. Sectoral Technical Assistance Developments and Prospects

**In this section, the advisors provide a discussion of key TA projects and work streams in the final quarter of FY2015 (February-April 2015) together with planned TA in the first months of FY2016.** The aim is to provide a longer-term perspective on the various TA projects under way, as well as to help inform planning by others. The TA program is based on the current version of the work program, which is very similar to that presented at the PFTAC Steering Committee meeting in March. Over the course of the year, the work program is progressively up-dated as missions are added, extended, delayed or canceled. Details of the work program through to the end of October are shown in Annex 3, including the relevant capacity building objectives or outcomes and specific developmental milestones associated with each TA mission and workshop. These tables are also available through the PFTAC website (<http://www.pftac.org/>), organized by sector and by country.

##### Public Financial Management

PFTAC's technical assistance on PFM issues continues to cover a broad spectrum of issues. These can be grouped into three basic areas of assistance: (i) PFM assessment and reform planning; (ii) fiscal strategy and budget management; and (iii) budget execution, monitoring, and accountability.

During the Feb-April quarter, TA has been provided in all three areas, as summarized below:

#### ***PFM assessment and reform planning***

- **PEFA<sup>2</sup> assessments & PFM Reform Roadmaps:** PFTAC's work on PEFA's and Roadmaps during the quarter was concentrated on PNG (self-assessment completion and start of external assessment), the Solomon Islands (roadmap elaboration), Tonga (self-assessment completion), and completion of the PEFA-check requirements for the 2014 Cook Islands PEFA. Additional TA is planned in PNG to complete an external PEFA and assist with a PFM Roadmap.
- **Legal Framework Revisions:** Technical assistance continued to Fiji to review and revise its Financial Management Act (FMA).

#### ***Fiscal strategy and budget management***

- **IFMS Design/Management:** During the Feb-April quarter PNG received additional technical assistance from a PFTAC short-term advisor to restructure its Integrated Financial Management System (IFMS) implementation. In addition TA was provided to Tonga to begin redesigning treasury business processes and planning for Tonga's upcoming FMIS upgrade. Assistance to PNG and Tonga is expected to continue over the next several months on these important upgrades to achieve effective and efficient public financial management.
- **Fiscal Oversight of Public Enterprises (PEs):** This is a common concern of PICs. The first to request was Samoa, and a mission is planned in August 2015. This TA shall include review of the mechanism for monitoring, analysis, and reporting of financial performance and fiscal risks of PEs, including transactions with the central government, as inputs to fiscal planning.
- **Non-Tax Revenue Reviews:** Work conducted jointly by PFTAC and the Australian Department of Finance to review Samoa's non-tax revenues has generated interest by other PICs. Other countries where PFTAC assistance in this area was provided and work is in progress include Vanuatu, Solomon Islands, and Fiji. Training was provided to Fiji budget analysts. Additional training is anticipated in the coming months for interested PICs including a sub-regional workshop in December 2015.

#### ***Budget execution, monitoring, and accountability***

- **Cash management:** This TA program covers the review of cash balances consolidation, banking arrangements, payment and collection procedures, cash flow planning and forecasting, cash allocation, and cash monitoring. In a diagnostics mission to PNG during February, an improved cash management strategy was formulated. A seminar on the prerequisites of sound cash management was also conducted in PNG. Additional assistance is scheduled in June this year to improve bank reconciliation and cash accounting as the first steps towards improving cash flow forecasting.
- **Accounting and Reporting:** This TA program includes review of accounting policies, chart of accounts, reconciliation procedures, consolidation, and transparency of reporting. In March 2015, a progress review of the accounting reform in Fiji was conducted with technical assistance from PFTAC. The review indicates good progress in improving the accuracy of cash accounting, and transparency of financial reporting. As a result of the review, the Ministry of Finance adopted an updated reform plan for the rest of 2015 and 2016. The next review is scheduled a year after.

<sup>2</sup> PEFA: Public Expenditure and Financial Accountability

PFTAC PFM advisors are involved in regional workshops and seminars. During the Feb.-April quarter the main activities included:

- On-going cooperation with PICPA to develop sustainable training for PFM professionals;
- During February PFTAC and the Australian Department of Finance sponsored a two week Strategic Development Workshop for PICs hosted by Australian National University on “Budget Implementation for Results”;
- PFTAC, the Pacific Islands Forum Secretariat (PIFS) and ADB and World Bank collaborated in putting on a regional workshop on incorporating natural disaster risk into fiscal planning. The workshop was held in Suva in March.

## Revenue Administration and Policy

The February–April 2015 quarter continued with PFTAC’s strategy to strengthen key elements of tax administration. This includes TA in 3 main areas: (i) management and governance strategies; (ii) tax compliance management; and (iii) tax administration support functions. PFTAC’s relationship with the Pacific Island Tax Administration Association continues to grow with four workshops taking place during this quarter. Below are some of the highlights of technical assistance provided during the period, as well as assistance planned for the period ahead.

### *Management and governance strategies*

- **Fiji:** Upon a request from the Fiji Revenue and Customs Authority (FRCA) CEO an assessment of the tax administration system of the Republic of Fiji was undertaken during the period February 9–24, 2015 using the pilot Tax Administration Diagnostic Assessment Tool (TADAT). TADAT provides an assessment baseline of tax administration performance that can be used to determine reform priorities with subsequent repeat assessments and highlight reform achievements. FRCA Senior and operational staff actively participated in this exercise and provided the mission with a substantial amount of data from which conclusions of tax administration performance could be drawn. FRCA, upon reviewing the diagnostic, appointed a reform project team to address areas of potential weakness identified through this exercise.

### *Tax compliance management*

- **Fiji:** PFTAC is currently assisting FRCA in the restructuring of its audit and compliance function. The second of three planned missions took place during March 2015 with emphasis on designing a new audit organizational structure (approved by the FRCA Board and recently implemented), improved audit planning, risk analysis, key performance indicators for the audit function and new audit methods. A project plan to implement these reforms was presented to and accepted by the FRCA executive. A key component of the new structure is the Risk Assessment and Planning Unit which sharpens the overall approach to risk management and prioritization of audit workload. Work for the remainder of 2015 will focus on a new generation audit plan to be introduced from 1 January 2016 which will include a range of performance standards, increased audit coverage and new audit methods. These steps represent key initiatives that will have a significant impact on overall audit performance.
- **Federated States of Micronesia (FSM):** PFTAC and the FSM Customs and Tax Administration (CTA) have been working on a pilot project Compliance Improvement Strategy which includes a focus on three high risk sectors. The pilot has showed promising results which confirms that a focus on key tax risks has the

potential to generate positive results. A mission scheduled to take place in July 2015 will evaluate the project. An overall reform strategy for the CTA developed with inputs from the Senior Management Team and DFAT advisor has been prepared and scheduled for presentation by PFTAC to the FSM President during the next quarter.

- **Kiribati:** The Kiribati Taxation Department requested PFTAC assistance to conduct a review of the organization to test the suitability of its structure to rollout and overall Compliance Improvement Strategy. To start, a review of current organizational arrangements was undertaken and a suggestion made to move from the current tax type structure to a functional structure. These recommendations were presented to the Inland Revenue Board where they were accepted. The new structure and redesigned job descriptions are currently being implemented. PFTAC will continue to support these improvements and by end 2015 assist the authorities in the development of a Compliance Improvement Strategy for implementation in 2016.
- **Samoa:** PFTAC assisted the authorities in renewing their approach to compliance risk management by facilitating the development of a 2015-2016 Compliance Improvement Strategy. The plan includes the management of risks across the Ministry. This meets the CEO's objective of a more integrated plan to guide operational activities. The 2015-16 plan will complement the Customs Modernization Project and the Business Transformation in Inland Revenue reform initiatives that have progressed over recent years. The Ministry is well placed to secure further improvements in its overall efficiency and effectiveness.
- **Tonga:** PFTAC undertook a mission to Ministry of Revenue and Customs (MoRC) to facilitate the development of a Compliance Improvement Strategy that guides operational activities towards mitigating major compliance risks. Key recommendations to introduce a Risk Management Unit and Compliance Risk Committee have been accepted by the authorities. These steps will put a solid framework in place for an integrated risk management approach between the revenue and customs division. PFTAC will provide additional expertise to strengthen the Compliance Risk Management approach during 2015.

#### ***Tax administration support functions***

- **Fiji:** With PFTAC support, FRCA has significantly advanced the selection process of a new Taxation Customized Off-The-Shelf (COTS) IT system. More recent developments included PFTAC assisting FRCA's tender board in the evaluation of tender proposals submitted by shortlisted vendors. This advice included guidance on the prerequisites for successful implementation of a large IT project, obtaining a clear view of the vendors project management framework, the new systems ability to integrate with FRCA's other business applications and a process to address disputes which may arise. FRCA anticipates that the selection of a vendor for this project will take place during the third quarter of 2015 once site study visits to various countries who host these products is completed.

### **Financial Sector Supervision**

PFTAC's financial sector TA covers 3 main areas: (i) banking supervision; (ii) risk-based supervision; and (iii) non-bank oversight. In the February-April quarter, PFTAC's TA focused on banking supervision issues, particularly in the area of on-site examination, and non-bank oversight, focusing on credit union reforms:



### **Bank supervision**

**On-site bank examination:** During the quarter, PFTAC initiated an upgraded on-site bank examination program intended to provide support to banking supervision departments of central banks with developing their capacity for planning, scoping and executing on-site bank examinations. The upgraded program involves providing short-term experts to act as dedicated mentors to specific supervision departments over an extended period, so that the mentor can provide meaningful support to the bank examination team throughout the process. The program was introduced in [Tonga](#) during the quarter, and successfully prepared the supervision team for its upcoming on-site examination of the Development Bank of Tonga. During the quarter short-term experts were also recruited to implement similar activities in [Palau](#), [FSM](#), [Marshal Islands](#), [Samoa](#) and [Timor-Leste](#), beginning in June. Over a period of a year it is anticipated that the experts could provide support for two or three on-site examinations, as well as, interim consulting on related issues.

**Bank supervision legislation:** PFTAC received a request for technical assistance with the implementation of a Banking Commission in [Tuvalu](#). Discussions with the Minister of Finance clarified that the current Act should be modified to accommodate the specific particularities of Tuvalu. Subsequently, following consultation with the IMF Legal Department, a slight change to the Act was drafted and will be submitted to the Government this July, during a mission that will also address the implementation of a banking sector financial reporting protocol to support the bank's compliance requirements under the Act.

### **Non-bank oversight**

**Credit Union Reform Program:** This program completed its first round of sector wide capacity building and oversight training with workshops held in [Palau](#). The Republic of Palau's credit union sector was introduced to a comprehensive financial statements and data reporting template developed by the PFTAC financial supervision advisor. During the workshop each credit union had the opportunity to input its financial data within the template and they will be expected to continue this exercise during the interim period which will ensure they are ready to proceed once the new Act is in force. This exercise revealed that each credit union was compliant with the impending requirements of the new Credit Union Act that was developed by PFTAC, with the support of the IMF Legal Department last August and due for passage this year. The Financial Institution Commission received additional training on how to analyze the performance of each credit union, as well as, the overall sector. By year end it is expected that the program will be implemented in [Tonga](#), [Fiji](#), [Samoa](#), [Vanuatu](#) and [Solomon Islands](#).

## **Macroeconomic Statistics**

Over the February-April quarter, the work of the statistics advisors has continued to focus on two main themes: (i) methodological soundness and scope of statistical outputs; and (ii) accuracy and reliability of statistics: The first of these was the introduction of **methodological and data improvements** (RBM 4.5), which was the focus of work done in the [Cook Islands](#), [Nauru](#), [Tuvalu](#), [Papua New Guinea \(PNG\)](#), and [Tonga](#) and the expansion of source data together with providing training on the analysis of these data.

### **Methodological soundness and scope of statistical outputs**

- **Nauru:** To support Nauru's application for IMF membership, draft estimates for 2013/14 were compiled together with analysis of the household income and expenditure survey (HIES) where the estimates for

owner-occupied dwellings were improved by developing a new approach which is now being considered for use in other Pacific countries.

- **Papua New Guinea:** PNG has become an important focus of PFTAC support where we are working in coordination with the Australian Bureau of Statistics on a project to reform the national statistics office. The mission developed preliminary estimates from goods and services tax data and provided training in analyzing HIES and business survey data.
- **Tuvalu:** Training was provided to the national accounts compiler with the objective of moving away from providing supplementation to expanding local compilation capacity. The mission reconciled the population estimates with Population Census results.

### *Accuracy and reliability of macroeconomic statistics*

**Expanding data sources and data analysis:** Cook Islands, Federated States of Micronesia (FSM), Palau, PNG, RMI, and Tuvalu are all undertaking data collections or expanding their use of tax data as an input into their national accounts. These additional data sources will improve the national accounts measures by reducing the use of outdated and inappropriate fixed ratios. TA provided in the region included:

- **Cook Islands:** the recommended data collections from the tax office have been successful with an encouraging response rate and the national accounts section has been strengthened with additional staff resources. Further training was provided on accounts analysis and also on the use of Value Added Tax data as a supplement to Customs data on exports.
- **FSM, Palau, RMI:** A sub-regional training course was held for the North Pacific countries, and focused on training on translating business accounts into national accounts format and showing how a sample business accounts can be combined with control totals from tax data to make estimates for the private sector. Here the focus is on capacity building to reduce these countries dependence on outside support. Following the course the mission worked with staff from Palau in completing documentation on their national accounts methodology (RBM 4.7). A short mission to FSM—whose staff was unable to attend the workshop—focused on improving sample analysis to increase the efficiency of following up their data collections and demonstrating on how new data will be incorporated into the national accounts estimates. This work will continue in these countries over the remainder of the year.
- **HIES:** The results of the HIES in the Solomon Islands were analyzed both during mission work and post-mission and these will be incorporated in the national accounts estimates during 2015. These new data sources will enable the constant price national accounts to be rebased (RBM code 4.2) which is the next phase of the work being undertaken in the Cook Islands, the Solomon Islands, and Vanuatu.
- **Tonga:** A mission worked on expanding the use of tax data in the gross domestic product (GDP) estimates to supplement out-of-date ratios and also implemented a number of improvements to the underlying formulae.
- **Balance of payments:** Assistance (RBM 4.9) was provided to the Cook Islands and will now be followed up with input from a short-term expert which should help this proceed more quickly.



## Macroeconomic Analysis and Forecasting

The key elements of the program in macroeconomic analysis and forecasting include assistance to strengthen the capacity of central banks and finance ministries to conduct analysis for: (i) macroeconomic forecasting; (ii) maintaining fiscal sustainability; and (iii) addressing long-term fiscal pressures. During the February-April quarter, PFTAC TA focused on:

### *Macroeconomic forecasting*

- **Developing country-specific financial programming (FP) frameworks** (RBM objectives 5.1 to 5.3): Work continued during the February-April period with missions to Papua New Guinea, Samoa and Vanuatu. FP frameworks are modeling tools that produce medium-term macroeconomic and fiscal forecasts. They are specifically designed for countries and capture the main linkages in an economy, key economic data and the typical processes of central banks, ministries of finance and treasuries for forecasting and monitoring. As such, no financial programming framework is the same. FP frameworks allow users to create scenarios to assess the impact of changes in the economy, and they can be used to analyze the effects of policy proposals. The development of FP frameworks to support day-to-day activities and policy analysis and advice requires essential input from end-users because they have the expert knowledge about their economies. For example, Papua New Guinea is a large, resource based economy with a domestic financial market, while Cook Islands is a small island economy currently heavily reliant on tourism with a very small financial sector. Taking into account these structural differences is important when designing FP frameworks and going forward greater emphasis will be put in technical assistance on the collaborative development of frameworks between PFTAC, central banks, ministries of finance, treasuries and other key government departments in hands-on, practical workshop environments.
- **Cook Islands:** This quarter marked the first PFTAC mission to Cook Islands in the area of macroeconomic analysis and forecasting. A central element of the mission was to assess the existing monitoring and projection methodology used by staff at the Ministry of Finance and Economic Management (MFEM) to support their fiscal planning process. MFEM staff already use advanced models and the main focus of PFTAC technical assistance is on efficiency gains and further development of forecasting tools.

### *Maintaining fiscal sustainability*

- A highlight was a **regional workshop on “Incorporating natural disaster risk into fiscal planning”** (RBM objective 5.4). About 25 analysts from 12 PFTAC member countries, donor organizations and multilateral institutions met in Suva for this two-day event to develop disaster risk management strategies. The workshop was organized and conducted by PFTAC in coordination with the Disaster Risk Financing and Insurance (DRFI) Program at the World Bank, and hosted by the Pacific Islands Forum Secretariat (PIFS).

## Annex 1: PFTAC Missions, Workshops, Meetings and Training February-April, 2015

### Country Technical Assistance

#### Public Financial Management

Country	Description	Advisor Type	Mission Days	RBM Codes
Fiji	Progress Review of Accounting Reform (2 missions)	Resident Advisor	8	1.7
	Continue review of suggestions for Financial Management Act revisions (WFH)	Short term Expert	12	1.3
	Guidance to MOF Budget Analysts on Non-Tax Revenue review	Resident Advisor	4	1.6
Papua New Guinea	PEFA Self Assessment in preparation for a formal assessment	Short-term Expert	10	1.7
	Continuation of TA support to review IFMS and restructure operation	Short-term Expert	55	1.7
	Conducting an external PEFA (With IMF-HQ)	Resident Advisor	19	1.1
	TA to improve cash management strategy	Short-term Expert	14	1.7
	TA to improve cash management strategy	Resident Advisor	14	1.7
Solomon Is.	Detailing PFM Reform Roadmap Strategy	Short-term Expert	12	1.2
Regional	2015 Steering Committee Meeting	Resident Advisors	6	n.a.
	2015 Steering Committee Meeting	Short-term Expert	3	n.a.
	Strategic Development Program (with AusDOF)	Resident Advisors	34	1.7

#### Revenue Policy & Administration

Country	Description	Advisor Type	Mission Days	RBM Codes
Fiji	Evaluation of Tender Specifications for new IT system	Short-term Expert	5	2.6
	Review of the Audit Function - Phase 2	Short-term Expert	10	2.3
	Improving core tax functions	Resident Advisor	12	2.3
FSM	Compliance risk management and business process review (Mission 3)	Short-term Expert	23	2.5
	Review overall reform progress	Long term expert	4	2.3
Kiribati	Review core tax functions	Short-term Expert	14	2.3
Palau	Review overall progress and determine future TA needs	Resident Advisor	6	2.3
Samoa	Compliance Risk management and performance standards (Mission 2)	Short-term Expert	12	2.4,2.5
Tonga	Self Assessment and Compliance Risk Management (Mission 1)	Short-term Expert	20	2.4.2.5
Regional	2015 Steering Committee Meeting	Resident Advisor	3	n.a.
	Training: Managing modern tax administration	Short-term Expert	3	2.8
	Training: Core functions: Arrears filing and	Short-term Expert	5	2.3

returns				
Training : Industry compliance issues	Short-term Expert	10	2.4, 2.5	
Training: Compliance Risk Management approach	Short-term Experts	8	2.8	
Training: Regional Models approach on IT Strategic Planning, business continuation, procurement and general IT issues	Short-term expert	24	2.6	

### Financial Sector Supervision

Country	Description	Advisor Type	Mission Days	RBM Codes
Cook Islands	On-site examination review	Resident Advisor	2	3,4
Palau	PFTAC Credit Union Program, Deploy Statutory reporting templates	Resident Advisor	8	3.9
Tonga	Provide technical support on-site examination Preparedness; Tonga Development Bank	Resident Advisor	12	3.3, 3.4, 3.5,
Tuvalu	Organizing Banking Commission and Off-site supervision	Resident Advisor	5	3,3 – 3.8
Regional	2015 Steering Committee Meeting	Resident Advisor	4	3.10
Washington	Annual MCM LTX meeting and workshops	Resident Advisor	8	3,10

### Macroeconomic Statistics

Country	Description	Advisor Type	Mission Days	RBM Codes
Cook Islands	Quarterly National Accounts and Balance of Payments	Resident Advisor	8	4.2, 4.4, 4.5, 4.9
Fiji	Review of experimental annual GDP estimates by expenditure and income	Resident Advisor	2	4.1, 4.5, 4.7
FSM	National Accounts - Strengthening Annual Methodology (1)	Resident Advisor	5	4.5,4.6
Nauru	Balance of Payments Statistics	Short-term Expert	10	4.6, 4.9
	National Accounts methodology review and improvements compilation of 2013-14 GDP estimates by production	Resident Advisor	8	4.5, 4.6, 4.8
Palau	National accounts: Documentation of compilation process.	Resident Advisor	5	4.2, 4.5, 4.7
Papua New Guinea	National Accounts: Strengthening methodologies and assist with the compilation of GDP estimates	Resident Advisor	8	4.2, 4.5, 4.6
		Resident Advisor	5	
Solomon Is.	HIES Analysis and National Accounts Rebase	Resident Advisor	5	4.2, 4.5
Tonga	National Accounts - Strengthening Annual Methodology and review of 2013-14 annual GDP estimates	Resident Advisor	5	4.1, 4.5
Tuvalu	National Accounts Update and Methodology Review	Resident Advisor	10	4.2, 4.5

Regional	2015 Steering Committee Meeting	Resident Advisor	2	n.a.
	2015 Steering Committee Meeting	Resident Advisor	2	
	Training on National Accounts Statistics	Resident Advisor	7	4.5, 4.6
	Training on National Accounts Statistics	Resident Advisor	7	

### Macroeconomic Analysis and Forecasting

Country	Description	Advisor Type	Mission Days	RBM Codes
Fiji	Macroeconomic Framework underlying fiscal projections	Short-term Expert	5	5.1-5.2
Cook Islands	Development of a macroeconomic and fiscal framework	Short-term Expert	5	5.1-5.2
	Development of a macroeconomic and fiscal framework	Resident Advisor	5	5.1-5.2
Papua New Guinea	Development of a macroeconomic and fiscal framework and update of inflation forecasting methodology	Resident Advisor	5	5.1
	TA to Integrate macro fiscal revenue models at Ministry and trade Development of a macroeconomic and fiscal framework and update of inflation forecasting methodology	Short-term Expert	5	5.1
Samoa	Development of a macroeconomic and fiscal framework	Short-term Expert	5	5.1-5.3
Vanuatu	Development of a simplified financial programming framework	Resident Advisor	4	5.1
Regional	2015 Steering Committee meeting	Resident Advisor	2	n.a.
	2015 Steering Committee meeting	Short-term Expert	2	n.a.
	Workshop: Incorporating natural disaster Risk into Fiscal Planning	Short-term Expert	2	5.1-5.2

### Meetings, Seminars and Training (February-April 2015)

TA Sector	Description	Location	Advisor Type	Mission Days	Number of Participants	RBM Codes
PFM	Strategic Development Program (with AusDOF)	Australia	2 Resident Advisors	34	21	1.7
Revenue	Training: Managing modern tax administration	Fiji	STX	3	16	2.8
	Training: Core functions: Arrears filing and returns	Fiji	STX	5	15	2.3
	Training: Industry Compliance Issues	Fiji	STX	10	15	2.4, 2.5
	Training: Compliance Risk Management Approach	Fiji	2 STXs	8	16	2.8
Statistics	Training course on National Accounts Statistics	Guam	2 Resident Advisors	14	8	4.5, 4.6

## Annex 2: PFTAC Expenditure and Income: August-October 2014

Table 1: PFTAC Expenditure FY2015  
(US\$)

Activity	FY 2014	FY2015				Total
	Expenses	Q1	Q2	Q3	Q4	
LTX salaries	1.95	0.46	0.53	0.57	0.42	1.98
LTX travel	0.53	0.13	0.16	0.08	0.29	0.66
STX fees & travel	0.53	0.17	0.52	0.41	0.49	1.59
Workshops & seminars	0.32	0.23	0.22	0.04	0.26	0.74
Staff TA delivery, backstopping & project management	0.38	0.08	0.06	0.05	0.18	0.37
Miscellaneous	0.08	0.00	0.00	0.02	0.02	0.04
<b>Total TA Delivery</b>	<b>3.79</b>	<b>1.07</b>	<b>1.50</b>	<b>1.17</b>	<b>1.65</b>	<b>5.39</b>
Evaluation	0.00	0.00	0.04	0.06	0.05	0.15
Trust fund management (7%)	0.27	0.08	0.11	0.09	0.12	0.39
<b>Grand Total</b>	<b>4.05</b>	<b>1.15</b>	<b>1.65</b>	<b>1.31</b>	<b>1.81</b>	<b>5.92</b>

Table 2: Status of Financial Contributions

As of 30 June 2015  
(Currency as indicated)

	Secured (US\$ dollars)	LOU Status	Contribution Currency	Pledge (Contribution Currency)	Contributions Received (US\$)	Balance (US\$)
<b>Phase IV - Signed Agreements:</b>						
<b>ADB</b>	1,000,000	<i>signed 7/29/2011</i>	<i>U.S. dollars</i>	1,000,000	1,000,000	-
<b>EU</b>	1,345,339	<i>signed 07/01/2011</i>	<i>Euros</i>	1,000,000	1,345,339	-
<b>New Zealand NZAID</b>	7,052,455	<i>signed 06/16/2011</i>	<i>NZD</i>	8,900,000	7,052,455	-
<b>Australia DFAT</b>	7,500,000	<i>signed 05/25/2011</i>	<i>U.S. dollars</i>	7,500,000	7,500,000	-
<b>Korea</b>	2,288,596	<i>signed 02/15/2012</i>	<i>W (Korean Won)</i>	2,500,000,000	1,727,515	561,081
<b>EU (ACP)</b>	1,391,400	<i>signed 10/04/2013</i>	<i>Euros</i>	1,000,000	1,391,400	-
<b>EU (2nd LOU)</b>	4,676,250	<i>signed 12/27/2013</i>	<i>Euros</i>	3,500,000	4,281,795	394,455
<b>Grand Total</b>	<b>25,254,040</b>				<b>24,298,504</b>	<b>955,536</b>

## Annex 3: PFTAC Work plan May-October 2015

Public Financial Management Work Plan: May-October 2015						
Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>1.1 At least 1 PEFA assessment conducted in each PFTAC country during the funding cycle.</b>						
	Tuvalu	2	TA to conduct PEFA self-assessment	14	<b>RBM Milestone #1:</b> Number of self-assessments conducted	Conducted May 19- June 4, 2015.
	Vanuatu	2	TA to conduct PEFA self-assessment	14	<b>RBM Milestone #1:</b> Number of self-assessments conducted	Conducted June 1-12, 2015
<b>1.2 Reform road maps developed following each PEFA assessment.</b>						
	PNG	2	PEFA follow-up and commencement of PFM Reform Roadmap	27	<b>RBM Milestone #3:</b> Number of PFM reform roadmaps developed	Formal PEFA assessment under the draft 2015 framework was conducted in March/April and is awaiting revision. Roadmap drafting starts late June
<b>1.3 Modernized legal frameworks and financial Instructions implemented</b>						
	Cook Islands	0	TA for the revision of the MFEM/PFM Act	14	<b>RBM Milestone #4:</b> Number of countries with identified legal obstacles ( in law or financial instructions) to implementing good PFM practice (as reflected in PFTAC's RBM outcomes 1.4 – 1.9) who were provided TA for improvements	To start in August as home-based work, then in-country mission in September, followed by home-based work to finalize draft by October
	Fiji	3	Review of operations for the Fiji National Provident Fund	5	Same as above	Mission report is in process as of June 19
	Fiji	0	Start review and rewrite of financial	30	Same as above	TA provided during FY2016 on

<sup>1</sup> Ratings defined as follows: 1= Very limited progress towards objective; 2= Some progress towards objective; 3= Substantial progress towards objective; 4= Objective largely or fully achieved.



Public Financial Management Work Plan: May-October 2015						
Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
			instructions			revision of the Financial Management Act (FMA). Review and rewrite of financial instructions will start after adoption of revised FMA
<b>1.4 Budget Credibility Improves (PEFA Indicators 1-4)</b>						
<i>Note: the rating given each country is an arithmetic average of the ratings for the relevant PEFA indicators from each country's most recent PEFA review</i>						
	Samoa	0	Develop strategy on fiscal oversight for state-owned enterprises	14	Fiscal risks from SOEs are consolidated and reported.	Tentatively planned in late Aug 2015.
<b>1.5 Budget Comprehensiveness and Transparency Progresses Toward International Standards (PEFA Indicators 5-10)</b>						
<i>Note: the rating given each country is an arithmetic average of the ratings for the relevant PEFA indicators from each country's most recent PEFA review</i>						
<b>1.6 Budgeting Becomes More Policy Focused with a Medium-term Orientation (PEFA Indicators 11-12)</b>						
<i>Note: the rating given each country is an arithmetic average of the ratings for the relevant PEFA indicators from each country's most recent PEFA review</i>						
	Fiji	2	Training of budget analysts to improve the quality of activity-level budget narrative including improved medium-term focus with greater policy/strategy content	13 LTX	<b>RBM Milestone #16:</b> Budget documents clearly explain the policies and strategies driving funding changes; <b>#17:</b> Budget process focuses on a medium-term time-frame at the program/sub-program level.	Training has commenced with an early focus on non-tax revenue reviews. Training will continue periodically on an as-need basis thru October
	Tonga	2	High Level Dialog with Cabinet on PFM issues and improving the integration of planning and budgeting	20	<b>RBM Milestone #16:</b> Budget documents clearly explain the policies and strategies driving funding changes; <b>#17:</b> Budget process focuses on a medium-term time-frame at the program/sub-program level.	Anticipated to occur during July or August
<b>1.7 Budget Execution Progresses Toward International Standards (PEFA Indicators 16-21)</b>						
	PNG	1	TA to Improve cash management	33	<b>Milestone 18:</b> Ministries are provided good cash flow information on the periodic availability of funds for	Scheduled from June 22 to July 10, and in November 2015 to be conducted by Stephen Mayes.

Public Financial Management Work Plan: May-October 2015						
Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
					commitment of expenditures.	
	PNG	2	Continuation of review/planning for IFMS restructuring	60 STX	Effective operation of an IFMS has implications for many milestones within both this outcome group, as well as outcome group 1.8 (accounting, recording, and reporting). Most important for outcome group 1.7 is: <b>RBM Milestone #22:</b> Comprehensive expenditure commitment controls are in place and effectively limit commitments to actual cash availability and approved budget allocations	<p>Activity is also highly relevant to effective achievement of many other RBM Milestones, particularly :</p> <p><b>RBM Milestone 24:</b> Bank reconciliation for all central government bank accounts takes place at least monthly at aggregate and detailed levels, usually within 4 weeks of end of period.</p> <p><b>RBM Milestone 26:</b> In-year budget reports allowing direct comparison to the original budget are prepared quarterly or more frequently, and issued within 4 weeks of end of period.</p> <p><b>RBM Milestone 27:</b> A consolidated government financial statement is prepared annually according to internationally acceptable standards; submitted to external audit within 6 months of fiscal year end, and includes full information on revenue, expenditure and financial assets/liabilities.</p> <p>PFTAC TA has supported restructuring of IFMS and outsourcing of some operations. Ministries connected to the new IFMS has increased from 3 to 6.</p>
	Vanuatu	2	Follow-up TA to improve internal audit	11		Tentatively planned in October 2015

Public Financial Management Work Plan: May-October 2015						
Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>1.8 Accounting, Recording and Reporting Improves in line with international standards (PEFA indicators 22-25)</b>						
	Fiji	1	Mentoring on implementation of accounting reforms	5	<b>Milestone #27:</b> Consolidated government financial statement is prepared annually according to internationally acceptable standards; submitted to external audit within 6 months of fiscal year end, and includes full information on revenue, expenditure and financial assets/liabilities.	Continuing advisory on technical issues raised by the Treasury staff Tentatively planned in August 2015
	Tonga	1	Review of accounting and reporting frameworks	14		
<b>Cross-cutting Regional</b>						
	<i>Nadi</i>		IMF/PFTAC joint workshop on Fiscal Frameworks	8	<b>RBM Milestone #16:</b> Budget documents clearly explain the policies and strategies driving funding changes; <b>#17:</b> Budget process focuses on a medium-term time-frame at the program/sub-program level. Same as above	Workshop scheduled for June 22-25  Workshop scheduled for August 24-28
	<i>Nadi</i>		Deep Sea Minerals workshop focusing on PFM and tax policy issues	10		

Revenue Administration Work Plan: May-October 2015						
Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>2.1 Modern tax policy frameworks are adopted</b>						
No missions planned during this period						
<b>2.2 Appropriate legislation and regulations for effective policy implementation are adopted</b>						
	Nauru		Finalize Business Profits Tax Legislation	10	Finalize new Business Profits Tax Legislation	STX Mission
<b>2.3 Modern and integrated processes are adopted to verify &amp; maintain taxpayer information &amp; compliance obligations</b>						
	Regional		Workshop: Arrears and Returns Management	5	Improve management of core tax functions	STX Mission: All PICs to be invited LTX Mission (Overlap with 2.8)
	Kiribati	1	Review overall reform progress and develop strategic plan	10	Review modernization progress and implement strategic plan	LTX mission (Overlap with 2.8)
	RMI	1	Review overall reform progress and develop strategic plan	5	Review modernization progress and implement strategic plan	STX mission: All PIC's to be invited LTX (Overlap with 2.8)
	Regional		Workshop: Management of the audit function	5	Improved management of the audit function	LTX (Overlap with 2.8)
	Palau	1	Review overall reform progress and develop strategic plan	2	Review modernization progress and implement strategic plan	LTX
	Palau	1	Attend OCO Conference	3	Strengthening PFTAC linkages into the OCO	LTX (2workshops)
	Regional		Workshop: Revenue Forecasting	5	Joint workshop with Macroeconomics	

<sup>1</sup> Ratings defined as follows: 1= Very limited progress towards objective; 2= Some progress towards objective; 3= Substantial progress towards objective; 4= Objective largely or fully achieved.

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>2.4 Business systems &amp; processes are based on risk-management principles</b>						
	Fiji	2	Improving the audit function	20	Improved audit capability	2 STX missions
	Fiji	2	Improving risk management and introducing a compliance improvement strategy	20	Compliance Strategy introduced	2 STX missions (Overlap with 2.5)
	Fiji	2	Improving on-time filing	10	Improving the collection of outstanding returns	STX mission
	Fiji	2	Risk management and self assessment	15	Introduce risk management and self assessment	LTX mission
	FSM	1	Improving risk management and introducing a compliance improvement strategy	5	Compliance Strategy introduced	STX mission (Overlap with 2.5)
	Samoa	3	Compliance risk management and introducing a compliance improvement strategy	10	Compliance Strategy introduced	STX mission (Overlap with 2.5)
	Tonga	3	Improving risk management and introducing a compliance improvement strategy	10	Compliance Strategy introduced	STX mission (Overlap with 2.5)
	Vanuatu	3	Improving risk management and introducing a compliance improvement strategy		Compliance Strategy introduced	LTX mission (Overlap with 2.5)
<b>2.5 Compliance improvement strategies use a mixture of service and enforcement approaches</b>						
	Fiji	1	Improving risk management and introducing a compliance improvement strategy	20	Compliance Strategy introduced	2 STX missions (Overlap with 2.4)
	FSM	2	Improving risk management and introducing a compliance improvement strategy	10	Compliance Strategy introduced	STX mission (Overlap with 2.4)
	Samoa	3	Compliance risk management and introducing a compliance improvement	5	Compliance Strategy introduced	STX mission (Overlap with 2.4)

<sup>1</sup> Ratings defined as follows: 1= Very limited progress towards objective; 2= Some progress towards objective; 3= Substantial progress towards objective; 4= Objective largely or fully achieved.

		strategy				
Tonga	3	Improving risk management and introducing a compliance improvement strategy	10	Compliance Strategy introduced		STX mission (Overlap with 2.4)
Vanuatu	3	Improving risk management and introducing a compliance improvement strategy	10	Compliance Strategy introduced		LTX mission (Overlap with 2.4)
<b>2.6 Modern IT operating systems and infrastructure are in place and operate effectively.</b>						
No missions planned during this period						
<b>2.7 Organizational and operating structures are relevant to the business and allow for the effective use of resources.</b>						
Kiribati		Introducing a new operational structure	10	Implementation of a functional based structure		2 STX missions
<b>2.8 Good corporate strategies, business planning processes and management information reports are adopted, implemented and updated regularly.</b>						
Fiji	3	Designing a modernization change management plan	10	Introduction of a change management strategy		STX mission
Fiji	3	Implementation of Strategic Objectives	5	Overall support of the modernization program		LTX
Fiji	3	Facilitating change management implementation	5	Support to facilitate transformation		LTX
FSM	1	Introducing a modernization strategy	4	Introduction of a modernization strategy		LTX mission
<b>2.9 The organization is transparent and accountable with adequate dispute resolution processes.</b>						
No missions planned during this period						



**Financial Supervision Work Plan: May-October 2015**

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>3.1 Development and Implementation of Prudential Returns</b>						
<i>No activity</i>						
<b>3.2 Implementation of Financial Sector Information System (FSIS)</b>						
<i>No activity</i>						
<b>3.3 Strengthened Off-site Supervision</b>						
<i>Ability to receive and analyze data transmitted by banks./</i>						
	Timor-Leste	2	Sourcing On-line management system	1	Establish the capacity and need for on-line management systems.	Discussion; on-line management reporting software
<b>3.4 Strengthened On-site Examination</b>						
<i>Perform statutory examinations of banks</i>						
	Regional Guam	3	On-site examination Preparedness workshop	10	Participants are ready to perform an on-site examination of a commercial bank.	Workshop for Palau, FSM and Marshall Islands. LTX Mr. Pierre Seguin STX Mr. Joel Shapiro
	Samoa	2	On-site examination commercial bank	20	Examination report issued	STX Joel Hefty
	Solomon IIs	3	On-site examination commercial bank	20	Examination report issued	LTX P. Seguin
	Timor-Leste	2	On-site Examination Preparedness workshop	10	Participants are ready to perform an on-site examination of a commercial bank. Plan the next examination	Workshop and planning LTX P. Seguin STX M. Guilfoyle
	Timor-Leste	2	On-site examination of a commercial bank	20	Examination report issued	STX M. Guilfoyle
	Tonga	3	On-site examination of a commercial bank	15	Examination report issued	LTX P. Seguin
	Vanuatu	3	Post disaster review /	4	Banking sector reporting to Reserve bank	Meetings held with each bank to discuss disaster preparedness and recovery + lessons learned.
<b>3.5 Development of Standardized Examination Reports</b>						

<sup>1</sup> Ratings defined as follows: 1= Very limited progress towards objective; 2= Some progress towards objective; 3= Substantial progress towards objective; 4= Objective largely or fully achieved.

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
<i>Ability to convey examination findings</i>						
	Samoa	2	Drafting on-site examination report	2	Report drafted	In conjunction with 3.5
	Solomon Is.	2	Drafting on-site examination report	2	Report drafted	In conjunction with 3.5
	Timor-Leste	2	Drafting on-site examination report	2	Report drafted	In conjunction with 3.5
	Tonga	3	Drafting on-site examination report	2	Report drafted	In conjunction with 3.5
<b>3.6 Implementation of Sound Examination Policy and Procedures</b>						
<i>No activity</i>						
<b>3.7 Financial Statement Analysis and Templates Developed</b>						
<i>No activity</i>						
<b>3.8 Modernized Legal Framework</b>						
Modern legislation	Fiji	2	October workshop Credit union Law	5	Draft Credit Union Act completed	Support IMF Legal Dept.
	Regional Samoa	2	October workshop Credit Union Law	7	Draft Credit Union Law completed	Support IMF Legal Dept Include Tonga, Vanuatu, Solomon Islands
Applicable legislation	Tonga	3	Review prudential statements and upgrade content as required.	15	Full set of prudential statements are in compliance with the FI Act	STX G. Gegenheimer, work out of home in the USA
	Tuvalu	2	Setting up a Banking Commission. Change to the Act Financial reporting templates deployed.	4	Amendments to the Act approved  Financial reporting templates training completed.	LEGAL Dept submitted comments Financial reporting system implementation at 2 banks
<b>3.9 Non-banks, Credit unions, and Microfinance institutions have Strengthened Legal, Supervisory and Operational Frameworks</b>						
<i>Ability to report accurate financial results</i>						
	Fiji	2	August Capacity building CU Financial reporting	10	Financial reporting template deployed at each Credit Union	Reserve Bank of Fiji to coordinate with CU League
	Kiribati	2	September; Capacity building CU Financial reporting	7	Financial reporting template deployed at each Credit Union	Support the Registrar of CU with implementation of financial reporting templates
	FSM	2	October: Capacity building CU Financial reporting	12	Financial reporting template deployed at each Credit Union	Support the Banking Commission with implementation of financial reporting templates
<b>3.10 Effective Outreach on Financial Sector Issues</b>						

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
	Regional Solomon Islands	4	Annual meeting Association Financial Supervisors Pacific Countries	8	Knowledge on Board Governance, Basel Core principle review, Plan for PFTAC TA for 2015/16	Workshop on Bank board Governance STX J. Hefty Workshop on Core Principles Chris Wilson Meeting and discussion on PFTAC program delivery LTX
	Regional Solomon Islands	4	Bi-annual Microfinance conference	7	Knowledge acquired on Microfinance	

**Macroeconomic Statistics Work Plan: May-October 2015**

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>4.1 At least 8 countries compile at least two independent measures of GDP</b>						
	Fiji	2	National accounts: assist in the development of 2011 supply-use tables and review GDP estimates by expenditure and income	10	Sound methods in place. 2011 supply-use tables compiled.	
<b>4.2 Constant price GDP estimates are rebased at least every 10 years</b>						
	Cook Islands	2	National accounts rebase and methodology improvements.	10	Surveys and other data sources available for rebase.	Focus changing from 4.4 to 4.2.
	Vanuatu	3	National accounts rebase and methodology improvements.	10	Data analyzed, worksheets being updated.	
	Solomon Is.	1	National Accounts: Capacity supplementation for the compilation of GDP estimates by production and developing and expenditure measure of	12	Constant prices rebased. 2014 GDP estimates in current and constant old-base year published.	

<sup>1</sup> Ratings defined as follows: 1= Very limited progress against milestone; 2= Some progress against milestone; 3= Substantial progress against milestone; 4= large progress against milestone.

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
	PNG	2	GDP. National Accounts: Strengthening methodologies and assist with rebasing GDP estimates in constant prices. Assist with the NSO reform process.	6	GDP estimates published.	The PNG NSO needs substantial TA to resume regular compilation of national accounts.
<b>4.3 At least 8 member countries compile regular annual GNI, GNDI, saving and net lending/borrowing aggregates</b>						
<b>4.4 At least 4 countries compile quarterly national accounts</b>						
<b>4.5 Data sources are adequate and methodologies are sound</b>						
	Niue	2	National accounts methodology review and update.	10	National accounts produced but with major deficiencies.	National accounts previously done by SPC.
	Tuvalu	2	National accounts update, review, and training.	5	National accounts produced but with major deficiencies.	Country compiler will travel to Suva.
	Kiribati	3	National Accounts: Strengthening methodologies for the compilation of GDP estimates by production and developing an expenditure measure of GDP.	8	Sound methods in place.	Slow progress on the development of GDP estimates by expenditure in 2013 due to lack of commitment from the authorities.
	Regional	2	Participation in the Pacific Statistics Steering Committee which coordinates Statistics TA in the region.	3	TA Coordination improved. Phase II of the Ten Year Pacific Statistics Strategy implemented.	Coordination with the SPC which plays a key role in the Committee has been challenging.
	Regional	2	Training course for compilers from PNG and the Solomon Islands focused on methodologies for rebasing national accounts in constant prices.	8	Sound methods in place.	Training for PNG and Solomon Islands.
	Regional	3	Participate in the HIES technical working group with TA providers and users to specify requirements for national accounts.	4	Regional HIES meet national accounts needs.	
<b>4.6 National accounts statistics are consistent with other statistics including balance of payments and government finance statistics</b>						
<b>4.7 National accounts statistics and associated metadata are readily available.</b>						
<b>4.8 Price statistics are of good quality and base years up to date.</b>						

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>4.9 Improvement in the coverage, quality and timeliness of balance of payments estimates.</b>						
	Cook Islands	1	BOP: Current Account development	10	Draft balance of payments produced. Coverage and methodology weak.	Now using an STX.
	Niue	2	BOP update.	5	Draft Balance of payments produced. Coverage and methodology weak.	

**Macroeconomic Analysis Work Plan: May-October 2015**

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
<b>5.1 Development of integrated macroeconomic monitoring / projection frameworks</b>						
	Cook Islands		Train staff on using an integrated macroeconomic and fiscal monitoring and projection framework	10 LTX	Integration of macroeconomic and fiscal monitoring and projection processes and development of forecasting models of key economic sectors	
			Develop forecasting models of key economic sectors			
			Provide input into a macroeconomic assessment led by ADB consultants			
	Kiribati	4	Participated in the IMF Article IV consultations	8 LTX		The Government of Kiribati has made great strides in implementing structural reforms and improving economic performance. To sustain the progress achieved, PFTAC technical assistance and training may be needed in the near future.
			Discussed authorities' priorities and needs and identified potential areas for PFTAC technical assistance and training going forward			
			Followed up on progress of other PFTAC sectoral work			

<sup>1</sup> Ratings defined as follows: 1= Very limited progress towards objective; 2= Some progress towards objective; 3= Substantial progress towards objective; 4= Objective largely or fully achieved.

Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
	Solomon Islands		Develop the macro-fiscal linkages in the Solomon Islands financial programming (FP) framework	4 STX	Development of a macroeconomic and fiscal framework	
	Tonga		Train staff members on how to maintain the framework and integrate it into their core monitoring and projection activities			
	Tonga		Develop a prototype FP framework for Tonga	8 LTX	Development of a macroeconomic and fiscal framework	The work will be undertaken jointly with the ADB advisor currently in Tonga.
	Tonga		Present the prototype framework to senior management at the Ministry of Finance and National Planning, the National Reserve Bank of Tonga, and the Tonga Department of Statistics			
	Tonga		Develop the prototype framework jointly with staff for used in policy analysis and advice, and monitoring and projection activities			
	Vanuatu	3	Facilitated a workshop on "Practical application of the FP framework"	15 LTX	Development of a simplified financial programming framework	The high level of cooperation between public sector agencies in Vanuatu greatly supports the development of the FP framework. It sets a positive example for how public policy may best be coordinated in other countries within the Pacific region.
	Vanuatu		Develop further the FP framework jointly with staff at the Reserve Bank of Vanuatu, the Department of Finance and the Treasury, and the Vanuatu National Statistics Office			
	Vanuatu		Assist drafting a report on tax scenarios using the FP framework			
<b>5.2 Development of multi-year fiscal planning</b>						
	Tonga		Develop methodology to generate medium-term projection scenarios	2 LTX	Staff are able to generate medium-term projection scenarios	Same as 5.1
	Regional		Develop tools to quantify potential tax revenue losses due to non-compliance, aggressive tax planning, and tax expenditures	10 LTX	Workshop on "Revenue forecasting"	



Measurable Outcomes	Country	Progress against Milestones at end-FY2014 <sup>1</sup>	Planned Activity May-October 2015	Person days	Relevant Milestone	Comments
			Develop tools to forecast tax revenue collections			
<b>5.3 Develop ability to assess debt sustainability</b>						
	Solomon Islands		Obtain public debt data to incorporate into the FP framework	1 STX	Staff are able to generate medium-term projection scenarios	
<b>5.4 Development of contingency plan to provide financing in the event of a natural disaster</b>						
	Regional		Develop strategies for fiscal planning to enhance economic resilience to natural disasters	4 LTX 4 STX	Workshop on “Enhancing Macroeconomic Resilience to Natural Disasters and Strengthening Fiscal Frameworks”	