

TONGA.: FY18 Work Plan - May 2017 to April 2018 MID-YEAR UPDATE

TA Area	Objective	Country	Outcome Targeted	Activity	Planned inputs (in person-days)			#	Updated inputs at Nov 1 (person-days - changes in red)			#	% of updated plan delivered at end-Oct	Delivery Status	Milestones	Comments	Experts
					LTX	STX	Total		PFTAC resident advisors	ST experts	Total						
Macroeconomic Management	1. Improved macroeconomic policy advice to government and central bank management	Tonga	1.2 Sound medium-term macroeconomic framework	Support the use of the Tonga macroeconomic programming framework.	5	-	5	1	5	-	5	1	0%	Mar 2018	(1) The gross domestic product (GDP) forecasting framework continues to be used in budget preparations (Jun. 17). (2) The Tonga projection model continues to be used in budget preparations (Jun. 17).		Claus
Public Financial Management	1. Improved laws and effective PFM institutions	Tonga	1.2 MoF capacity can meet enacted PFM responsibilities	Participation in PFM Symposium	0	0	0	0	5	0	5	1	0%	Nov 20-24, 2017	Participation in PFM Symposium	PFTAC requested to participate. PASAI and Govt of Tonga are hosting the symposium.	Marzan
Public Financial Management	4. Improve coverage and quality of fiscal reporting	Tonga	4.1 Chart of Accounts is aligned with International Standards	Phase 2 of improving the Chart of Accounts	0	12	12	1	0	12	12	1	0%	March 2018	All required classifications are developed and integrated into new CoA and adopted by authorities by March 2018.	Phase 1 completed March 2017. Follow-up mission postponed due to reorganization in the MOF.	Silins
			4.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Improve accounting and reporting frameworks	7	0	7	1	5	0	5	1	100%	Aug 1 - 4	1. Staff trained on IPSAS-Cash implementation by July 2017; 2. 16/17 fin statements reviewed by PFTAC and advice partially adopted by authorities by November 2017.	Continuation of 2016 TA for accounting reform	Marzan
Real Sector Statistics	1. Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	Tonga	1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	Further training on tax data											Relative to the baseline, the number of staff trained to compile and/or disseminate these statistics is adequate [RBM NA 3.1] by March 2018	(To precede/follow the annual PFTAC Steering Committee meeting in Tongatapu) • Staff trained on revised tax-based GDP(P) methodology, data collection and dissemination (March 2018)	Wild
			1.4 Data are compiled and disseminated using the concepts and definitions of the latest manual/guide	Begin work to set new annual benchmarks for rebasing in 2018	12	-	12	1	12	-	12	1	0%	March 2018	Relative to the baseline, deviations from 2008 SNA are reduced and/or eliminated [RBM NA 4.1] by March 2018	• Analyze and appropriately utilize latest HIES and census data to form new benchmarks for 2016 (March 2018)	
			1.10 Source data are adequate for the compilation of the national accounts	Assist in obtaining new tax data and reviewing business survey												Relative to the baseline, improvements to source data used for annual estimates are made [RBM NA 10.2] by March 2018	
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making; compilation methodologies in line with international standards for GF	Tonga	1.5 Data are compiled and disseminated using the coverage and scope of the latest manual/guide.	Complete the institutional unit table for the public sector and investigate source data for GFS compilation purposes.											• Investigate and complete a list of all institutional units covered for GFS by September 2017. • Investigate all possible data sources for the compilation of GFS by September 2017. [RBM – GO – 5.13, 5.14 and 10.3]	The institutional scope includes all significant general government institutional units and its associated transactions.	DeLaBeer
			1.9 Data are compiled and disseminated using appropriate statistical techniques, including to deal with data sources, and/or assessment and validation of intermediate data and statistical outputs.	Mapping the national chart of accounts (COA) to GFS.	12	-	12	1	11	-	11	1	100%	June 6-16	Obtain the National COA for budgetary central government from the Finance Ministry and start the mapping to the GFSM 2014 by January 2018. [RBM – GO – 9.6]	Bridge tables from national source data to GFS classifications have been constructed and are used to compile GFS.	
Revenue Administration	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	Tonga	2.3 Larger proportion of taxpayers meet their filing obligations as required by law	Improve on-time filing rates over time.	-	7	7	1	-	7	7	1	0%	March 2018	On-time filing operating at improved efficiency levels in line with TADAT dimensions and showing improvements by 6/30/2018.	The authorities have requested TA to improve on-time filing rates.	Lawrence
			2.4 Larger proportion of taxpayers meet their payment obligations as required by the law	On-time payment compliance and management of arrears improves over time.	-	9	9	1	-	9	9			The audit function operating at improved efficiency levels in line with TADAT dimensions by 12/31/2018.	Opportunity exists to further strengthen on-time payment of taxes.		
			2.5 Audit and other verification programs more effectively ensure completeness and accuracy of reporting	Strengthen audit capability and programs to ensure completeness and accuracy of reporting.	-	-	-	-	-	-	-	12	12	1	100%	Aug 8 - 18	The audit function operating at improved efficiency levels in line with TADAT dimensions by 12/31/2018.

Original Plan Total Days:	36	28	64	7
Updated Plan Total Days:	38	40	78	8
Delivered by Oct 31:	16	12	28	3
Percentage of Revised Plan:	42%	30%	36%	38%