

FY21 PFTAC Work Plan - May 2020 to April 2021: Solomon Islands

TA Area	Objective	Country	Outcome Targeted	Activity	May 2020 - April 2021 (in person-days)			Number of Missions/ Activities	Updated Post COVID Inputs at Jul 31, 2020 (person-days - changes in red)			Number of Missions/ Activities	% of updated plan delivered at end-Jul	Delivery Status	COVID Status	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total		PFTAC resident advisors	ST experts	Total								
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	Solomon Islands	1.1 Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	SFEP - Regulatory Framework - Prudential Standards - Assist CBSI with industry and stakeholder consultation for new suite of prudential standards	5	-	5	1	5	5	10	1	0%	Nov 2 - 6, 2020 (in-country)	2 - Indirectly COVID Related	Applicable guidelines and regulations drafted	Continuation of the SFEP - regulatory component of project		Kumar/STX
			1.2 Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment.												Applicable guidelines and regulations are finalized and formally issued				
	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Solomon Islands	2.4 Strengthened institutional structure and operational procedures for RBS implementation	SFEP - Assistance in developing a financial analysis process that effectively identifies risk	5	-	5	1	5	-	5	1	0%	Mar 1 - 5, 2021 (in-country)	2 - Indirectly COVID Related	Revised Reporting templates are developed	Continuation of SFEP		Kumar
				SFEP - Finalize off-site financial risk analysis reform	5	-	5	1	-	-	-	-	0%	FY22		Detailed Quarterly Financial Risk Report embedded			
				SFEP - Finalize Risk Rating and Supervisory Action Planning	-	10	10	1	5	-	5	1	0%	Mar 8 - 12, 2021 (in-country)	1 - Not COVID Related				
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	Solomon Islands	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.	Refine compilation techniques for using various administrative data sources to reduce statistical discrepancies	12	-	12	1	12	-	12	1	0%	Jan 18 - 29, 2021 (in-country)	3 - Moderately COVID Related	<ul style="list-style-type: none"> <li>Establish work group between MUF, CBSI and National Statistics Office (NSO) to resolve discrepancies</li> <li>Complete integration of adjustments of "subventions and grants" for BCG, and for financial flow data and submit revised annual GFS time</li> </ul>	GFS for general government operations are compiled and disseminated on an annual basis	Sep, 2020	Temes
			1.12 Higher frequency data has been compiled and disseminated internally and/or to the public.	Compile, review and disseminate data to the IMF Statistics Department.											<ul style="list-style-type: none"> <li>Compile and disseminate annual data for BCG FY2019.</li> <li>Investigate statistical discrepancies and reconcile changes in cash balances.</li> <li>Compile GG consolidation FY2010-19.</li> <li>Compile and disseminate annual public sector debt statistics.</li> </ul>				
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.	Solomon Islands	1.10 Source data are adequate for the compilation of the national accounts	Assessing the quality and improving latest business survey data and continue rebase	-	16	16	1	6	-	6	1	100%	Jun 8 - 13, 2020 (remote)	1 - Not COVID Related	Finalize and publish rebased 2018 GDP estimates.		Mar, 2020	Scheiblecker
			1.12 Higher frequency data have been compiled and/or disseminated internally and/or to the public	Implementing experimental Quarterly National Accounts data					12	-	12	1	0%	Oct 19 - 31, 2020 (remote)	4 - Predominantly COVID Related				Scheiblecker
			1.4 Data are compiled using the concepts and definitions of the latest manual/guide	Rebasing Annual National Accounts (ANA)					-	16	16	1	0%	Feb 15 - 26, 2021 (in-country)	4 - Predominantly COVID Related				STX
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	Solomon Islands	1. Timely, high quality macroeconomic monitoring, analysis and research available for policymaking.					15	-	15	1	100%	Jul 9 - Aug 31, 2020 (remote)	2 - Indirectly COVID Related					Beaumont
			4. Strong institutional structures for macroeconomic policymaking.	Establish and support an interagency macroeconomics working group.	5	24	29	3	10	-	10	1	0%	Jan - Apr, 2021 (in-country)	3 - Moderately COVID Related	(1) The Ministry of Finance and Treasury's Solomon Islands Macroeconomic Model (SIMEM) continues to be used in budget preparations (Dec. 20). (2) Expenditure forecasting by ministries continues to be developed (Apr. 22). (3) The Central Bank of Solomon Islands' macroeconomic programming framework continues to be used in monetary policy settings (Apr. 21). (4) The frameworks are used to undertake sustainability analysis of policy scenarios (Apr. 21). (5) The compilation of key macroeconomic statistics is supported by users and source data providers (Apr. 21). (6) All relevant macroeconomic policy entities meet at least quarterly to discuss the country's economic and fiscal outlook (Apr. 21). (7) Policy proposals are consulted on (Apr. 23).	Support of the working group will be supplemented by assistance from the PFM program, the Institute for Capacity Development, and the Singapore Regional Training Institute.		
Public Financial Management	4. Improve coverage and quality of fiscal reporting	Solomon Islands	4.2 Comprehensiveness, frequency, and quality of fiscal reporting is enhanced	Financial statement reforms	12	-	12	1	12	-	12	1	0%	Jan, 2021 (in-country)	1 - Not COVID Related	Adopt a plan to comply with IPSAS cash following PFTAC review draft financial statements.	Subsequent mission to follow in FY22		Lavea/TBD
				Review of Financial Statements for compliance with IPSAS Cash Reporting					8	-	8	1	0%	Nov, 2020 (remote)	1 - Not COVID Related			Lavea	
Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Solomon Islands	1.8.1 Effective implementation of a new tax or modernized legislation	Assist with implementation of VAT	-	16	16	1	-	-	-	-	0%	Shift to FY22		Implementation strategies and plans for VAT finalized by 12/31/20.	A decision to implement a VAT has been made with a request from the authorities to support implementation.	Sep 7 - 18, 2020/ Dec 7 - 18, 2020	Expert
			1.1.2. Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Facilitate design of MTRS	-	36	36	1	-	36	36	1	0%	Feb 1 - 12, 2021 (in-country)	4 - Predominantly COVID Related	Design and implementation of an MTRS by 6/30/2020.	The authorities have requested assistance in the design of an MTRS.	43983	HQ/STX
				Workshop on MTRS Concepts and Gap					-	8	8	1	0%	Sep - Dec, 2020 (remote)	3 - Moderately COVID Related		Additional remote mission requested by HQ		Jenkins/ Koukpaizan
			1.5.2 Corporate priorities are better managed through effective risk management	Enhancing the compliance improvement strategy	-	16	16	1	-	12	12	1	0%	Nov 2 - 13, 2020 (remote)	4 - Predominantly COVID Related	An effective CIS facilitating high levels of compliance implemented by 4/30/21.	PFTAC has assisted Fiji in the development of a CIS approach now in its third year. A review will be carried out to measure its effectiveness and suggestions for its further improvement.	Nov 16 - 27, 2020	Home
			1.2.2 Organizational arrangements enable more effective delivery of strategy and reforms	Establish large taxpayer office and functional structure	-	16	16	1	-	12	12	1	0%	Oct 12 - 23, 2020 (remote)	2 - Indirectly COVID Related	Large taxpayer office established by 4/31/22	Authorities have requested assistance in the design and establishment of large taxpayer office as part of the reforms	May 4 - 15, 2020	Shrosbree

2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvement in filing, payment and audit activities	2.5.1 Audit and other verification programs more effective ensure accuracy of reporting	Strengthen tax audit function	-	16	16	1	-	12	12	1	0%	Oct 1 - 13, 2020 (remote)	2 - Indirectly COVID Related	The audit function operating at improved efficiency levels by 31/12/2020 and measured against TADAT dimensions.	The authorities have requested TA to assist in building audit function and capability.	Jul 6 - 17, 2020	Sutherland
<b>TOTAL</b>			<b>44</b>	<b>150</b>	<b>194</b>	<b>15</b>											
Updated Post COVID-FY21 Workplan:							90	101	191	16							
Delivered by Jul 31:							21	0	21	2							
Percentage of Revised Plan:							23%	0%	11%	13%							