

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

Supporting Macro-Financial Stability and  
Sustainable and Inclusive Growth in the Pacific



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# ANNUAL REPORT 2026

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PFTAC is an IMF initiative supported by the following member countries and development partners:



Cook Islands



Fiji



Kiribati



Marshall Islands



FSM



Nauru



Niue



Palau



PNG



Samoa



Solomon Islands



Timor-Leste



Tokelau



Tonga



Tuvalu



Vanuatu



The Government of the Republic of Korea



Australian Government

Department of Foreign Affairs and Trade



EUROPEAN UNION



JAPANGOV  
THE GOVERNMENT OF JAPAN



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere



Partnership | Progress | Prosperity



Asian Development Bank



# A MESSAGE FROM PFTAC STEERING COMMITTEE CHAIRPERSON



**Mr. Ariff Ali**  
**Governor, Reserve Bank of Fiji**

I am humbled and honored to contribute to the Pacific Financial Technical Assistance Centre's annual report, reflecting on the notable achievements of the year. The Pacific Financial Technical Assistance Centre has played a pivotal role in strengthening Pacific Island Nations by delivering targeted capacity development, specialized technical assistance, and opportunities for training and peer learning. Equally, the member countries' contributions also strengthened the collaborative spirit that continues to drive PFTAC's mission forward.

In recent years, Pacific Islands, with the assistance of PFTAC, have embarked on economic reforms across revenue management, public financial management, financial supervision, public debt management, macroeconomic programming and macroeconomic frameworks. These reforms remain central to supporting long term development goals of Pacific Island Nations. PFTAC support was tailored to individual country needs while aligning with regional priorities and the IMF's strategic priorities.

Over the past year, notable progress was achieved across all PFTAC workstreams, yielding substantive institutional outcomes. These include major tax reforms, the enactment of new fiscal legislation, and the completion of foundational diagnostic and reform-planning initiatives. Central bank capacity has begun transitioning toward stronger regional anchoring, while statistical systems have advanced despite capacity constraints, delivering improved data quality, enhanced reporting frameworks, and greater alignment with international standards. In parallel, new debt management institutions were established, further strengthening the region's ability to safeguard fiscal sustainability and resilience.

Building on this momentum, there is scope for PFTAC to broaden its engagement in central bank operations through an additional Monetary and Capital Markets advisor, which would deliver tangible benefits to member countries with central banks as they navigate increasingly complex monetary and financial sector challenges. In the same spirit, the close collaboration between PFTAC and the IMF–Singapore Regional Training Institute has been particularly valuable, and Pacific Island Countries stand to benefit greatly from more tailored training programs that STI is well placed to deliver in support of regional capacity development priorities.

Recognizing climate change as a critical challenge for Pacific Islands, PFTAC integrated climate considerations into fiscal policy and public investment management which is considered as central to building resilience and safeguarding long-term development. Engagement with development partners and donors deepened in FY2026, anchored in regular debriefings with diplomatic missions and partner representatives for shared priorities. Engagement with Japan, the Republic of Korea, European Union, Australia, New Zealand, the United Kingdom,

the United States, and the Asian Development Bank has reinforced the program's resource base, and I wish to express sincere gratitude for their support throughout the year.

The journey of Pacific Island nations continues to be shaped by persistent vulnerabilities to external shocks, including the intensifying impacts of climate change and natural disasters that threaten livelihoods. The external environment in 2026 was marked by heightened global uncertainty, with the escalation of the US–Iran conflict contributing to rising costs of living. Yet, despite these challenges, Pacific nations remain resolute in their

pursuit of economic stability and sustainable growth, and we are deeply appreciative of PFTAC's steadfast support in this endeavor. Looking ahead, there is commitment for reform and innovation in the region to safeguard fiscal sustainability and secure a more resilient future for generations to come.

I extend my heartfelt appreciation to PFTAC's management and staff for their unwavering support throughout the year and look forward to continued collaboration as the Pacific charts a course toward a future that is resilient, sustainable, and inclusive.

# FOREWORD FROM THE PFTAC DIRECTOR



**Mr. Samir Jahjah**  
**PFTAC Director**

It is my pleasure to present the PFTAC annual report for FY 2026, marking the midpoint of Phase VI operations. Pacific Island Countries (PICs) are navigating an environment of heightened global uncertainty, confronting energy shocks from regional conflict, persistent inflationary pressures, and increasing exposure to climate and supply-related disruptions. Regional growth has softened to 3.4 percent in 2025 and is projected to moderate further in 2026, with rising costs of living adding to fiscal pressures across import-dependent economies. Against this backdrop, the case for strong institutions, reliable revenue systems, and sound macroeconomic frameworks has rarely been more pressing.

In FY 2026, PFTAC delivered 150 activities over 2,192 technical assistance days, sustaining momentum in member country engagement. With an execution rate above 90 percent, the program continued to translate diagnostic and analytical work into operational reform outcomes, including the passage of the Marshall Islands Consumption Tax, modernized PFM legislation in Kiribati, and the establishment of new debt management institutions in Palau and Kiribati. Capacity development remained concentrated in core fiscal areas, with Revenue Administration and

Public Financial Management together accounting for over half of delivery, while support to macroeconomic frameworks, statistics, financial supervision, and debt management deepened across the membership.

PFTAC continued to prioritize resources to Fragile and Conflict-Affected States (FCS), with nearly 40 percent of resources directed to the seven countries classified as fragile. This commitment reflects the IMF's strategic priority to deepen support for fragile states, and PFTAC's continued focus on tailored, sustained engagement with countries facing acute capacity constraints.

Capacity development is increasingly integrated with the IMF's broader engagement with PICs. Reform priorities are anchored in Article IV findings, country program commitments, and Data Adequacy Assessments, ensuring that PFTAC support reinforces rather than duplicates the Fund's wider engagement. PFTAC advisors regularly participate in Article IV missions, and PFTAC support directly reinforces commitments under the active IMF program in Papua New Guinea.

Partnership with the Singapore Regional Training Institute (STI) deepened further in FY 2026, extending from macroeconomic frameworks into debt management and joint regional workshops. The joint PFTAC-STI Cohort Training in forecasting and nowcasting completed its first phase, with a second phase planned for FY 2027. STI's customization of IMF training content for PIC contexts and the development of regional expertise that can be drawn upon as resource personnel has become an increasingly important feature of how PFTAC delivers training and peer learning.

Engagement with key donor partners deepened. The European Union provided an additional €1.5 million top-up, supporting expanded climate-sensitive PFM work and enabling PFTAC to deepen its support to PICs in integrating climate considerations into fiscal policy and public investment management. This builds on the recruitment of a dedicated PFM climate advisor and reflects the macro-critical nature of climate change for the Pacific. Continued engagement with Japan, the Republic of Korea, Australia, New Zealand, the United Kingdom, the United States, and the Asian Development Bank has reinforced the program's resource base.

As Phase VI reaches its midpoint, the mid-term external evaluation has commenced, with a review committee comprising

representatives from member countries and donor partners examining program delivery, results, and strategic direction. The evaluation will inform Phase VI consolidation priorities and lay groundwork for the next phase.

I would like to express gratitude to the staff of PFTAC for their hard work and dedication in delivering capacity development programs and supporting member countries. I would also like to thank our partners and stakeholders for their ongoing support and collaboration.

# ACRONYMS AND ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>AFSPC</b>	Association of Financial Supervisors of Pacific Countries
<b>APD</b>	Asia Pacific Department
<b>CBS</b>	Central Bank of Samoa
<b>CD</b>	Capacity Development
<b>CoA</b>	Chart of Accounts
<b>CPI</b>	Consumer Price Index
<b>C-PIMA</b>	Climate - Public Investment Management Assessment
<b>FAD</b>	Fiscal Affairs Department
<b>FCS</b>	Fragile and Conflict-Affected States
<b>FMIS</b>	Financial Management Information System
<b>FPAS</b>	Nowcasting/ Forecasting Policy Analysis System
<b>FSS</b>	Financial Sector Supervision
<b>FY</b>	Fiscal Year
<b>GDP</b>	Gross Domestic Product
<b>GFS</b>	Government Finance Statistics
<b>GFSM</b>	Government Finance Statistics Manual 2014
<b>HIES</b>	Household Income and Expenditure Surveys
<b>ICD</b>	Institute of Capacity Development
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>ISORA</b>	International Survey on Revenue Administration
<b>LIC DSF</b>	Debt Sustainability Framework for Low Income Countries
<b>MCM</b>	Monetary and Capital Markets Department
<b>MICT</b>	Marshall Islands Consumption Tax
<b>MPT</b>	Macro-projection Tool
<b>MTDS</b>	Medium Term Debt Strategy

<b>MTRS</b>	Medium Term Revenue Strategy
<b>OCO</b>	Oceania Customs Organization
<b>PACER Plus</b>	Pacific Agreement on Closer Economic Relations
<b>PCRIC</b>	Pacific Catastrophe Risk Insurance Company
<b>PEFA</b>	Public Expenditure and Financial Accountability
<b>PFM</b>	Public Financial Management
<b>PFTAC</b>	Pacific Financial Technical Assistance Centre
<b>PICs</b>	Pacific Island Countries
<b>PIF</b>	Pacific Islands Forum Secretariat
<b>PIM</b>	Public Investment Management
<b>PIMA</b>	Public Investment Management Assessment
<b>PITAA</b>	Pacific Islands Tax Administrators Association
<b>PSDS</b>	Public Sector Debt Statistics
<b>RBF</b>	Reserve Bank of Fiji
<b>RBM</b>	Results Based Management
<b>RSS</b>	Real Sector Statistics
<b>SNA</b>	2025 System of National Accounts
<b>SOE</b>	State Owned Enterprise
<b>SPC</b>	The Pacific Community
<b>SPR</b>	Strategy, Policy and Review Department
<b>STI</b>	Singapore Training Institute
<b>TA</b>	Technical Assistance
<b>TADAT</b>	Tax Administration Diagnostic Assessment Tool
<b>UNDP</b>	United Nations Development Programme
<b>VAT</b>	Value Added Tax

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SECTION I

# OVERVIEW

# EXECUTIVE SUMMARY

Pacific Island Countries (PICs) are operating in an environment of heightened global uncertainty. Regional growth softened to 3.4 percent in 2025 and is projected to moderate further to 2.8 percent in 2026, as the US-Iran conflict has generated a significant energy shock and renewed inflationary pressures across import-dependent economies. Living standards have emerged as a central concern, with structurally high costs of living continuing to erode household purchasing power, while wage growth has remained modest. Tourism-led economies such as Fiji and Samoa continue to expand but at a slower pace, growth in the Solomon Islands has been sustained by agriculture and gold production, and Papua New Guinea's resource sector and IMF-supported reform program have held up momentum. Smaller economies — Kiribati, Tuvalu, Nauru, the Marshall Islands, FSM — have benefited from infrastructure projects, fisheries activity, or renewed Compact-fund agreements, while Vanuatu continues to grapple with the after-effects of the 2024 earthquake.

Climate-related risks remain pervasive and increasingly macro-critical, particularly for low-lying atoll nations. Fiscal space is constrained across much of the region, reflecting elevated debt

levels and rising expenditure needs for development, resilience, and social protection. Monetary policy implementation remains challenging given exchange rate pegs and shallow financial markets, while financial connectivity continues to expose smaller economies to risks of isolation from correspondent banking networks. Against this backdrop, the case for strong institutions, reliable revenue systems, prudent debt management, and sound macroeconomic frameworks has rarely been more pressing.

## PFTAC Contributions and CD Highlights

In this context, capacity development remains essential for strengthening institutions and advancing reform. In FY 2026, PFTAC delivered 150 activities over 2,192 technical assistance days. Support was tailored to individual country needs and regional priorities, with a sustained focus on fragile and conflict-affected states in line with the IMF's strategic priorities. Fiscal and statistics workstreams accounted for the largest share of capacity development. Eleven long-term resident advisors and a pool of short-term experts implemented the program, supported by extensive backstopping from IMF headquarters

and close collaboration with the Singapore Regional Training Institute (STI).

In FY 2026, PFTAC's support helped members deliver substantive economic reforms across all six workstreams. For example: In revenue administration, the Marshall Islands enacted the Marshall Islands Consumption Tax (MICT) alongside reforms to profits and income taxation, marking a decisive shift toward a more equitable and sustainable revenue system. In public financial management, Kiribati enacted a revised Public Financial Management Act, the Solomon Islands completed a PEFA assessment, Papua New Guinea conducted a Public Investment Management Assessment producing a prioritized action plan for resilient infrastructure, and Fiji and Vanuatu developed PFM reform roadmaps. A regional workshop on Mainstreaming Climate PFM brought together officials from 13 countries and informed a multi-country climate PFM work plan. In macroeconomic analysis and frameworks, new macro-fiscal models were developed in Samoa, the Solomon Islands, the Cook Islands, and Tokelau, while central bank forecasting projects in Samoa, the Solomon Islands, and Tonga transitioned from IMF headquarters to PFTAC, supporting institutional embedding of nowcasting

and Forecasting Policy Analysis Systems (FPAS). In macroeconomic statistics, GFS production was stabilized across countries facing staff turnover, financial management information systems (FMIS) -driven compilation improvements were advanced in Fiji, Kiribati, and Niue, and Fiji and Vanuatu completed national accounts rebasing. In financial sector supervision, diagnostic assessments and regulatory roadmaps were completed for Palau and Kiribati, prudential standards advanced through industry consultation in FSM, RMI, and Tonga, and risk-based supervision frameworks were operationalized through upgraded prudential returns. In public debt management, the program supported the establishment of dedicated debt management units in Palau and Kiribati and the first-ever publication of annual debt bulletins in Kiribati and Tuvalu, with Nauru and Palau expected to follow.

### **Strategic Integration with IMF Surveillance and Lending**

PFTAC's work is fully integrated with IMF surveillance and lending engagement in the region. Capacity development priorities are anchored in Article IV findings and aligned with country reform programs, ensuring that PFTAC support reinforces the broader IMF engagement. The Data Adequacy Assessment framework - strengthened in 2024 to support more structured and transparent assessment of data quality during Article IV consultations - has been integrated into PFTAC GFS and RSS workplan. By aligning capacity development directly with surveillance-identified data gaps, this approach strengthens the prioritization and impact of statistical reform across PIC member countries. Policy reforms supported by PFTAC directly underpin the fiscal sustainability and macroeconomic stability assessments at the heart of IMF surveillance – including the Marshall Islands MICT,

the Kiribati PFM Act, central bank forecasting frameworks in PNG, Samoa, and the Solomon Islands - PFTAC also complements IMF lending engagement: in Papua New Guinea, PFTAC support to the Inland Revenue Commission, Treasury, and the Bank of Papua New Guinea reinforces reform commitments under the ECF/EFF and Resilience and Sustainability Facility programs.

### **HQ Contributions**

#### **Beyond PFTAC-financed activities, IMF headquarters departments delivered substantial complementary technical assistance to PICs in FY2026, reinforcing the Centre's capacity development objectives.**

The Monetary and Capital Markets Department (MCM) sustained its engagement on central bank operations, building on a track record of twelve bilateral missions to PICs since 2021 and a regional workshop in FY2026 on monetary policy frameworks and foreign exchange market operations - areas of growing demand. The Legal Department (LEG) provided extensive support to PIC central bank, public debt, and AML/CFT legal frameworks, and worked jointly with PFTAC to draft revenue legislation for eight member countries. These activities are coordinated closely with PFTAC to ensure coherence with regional priorities and continuity of country-level engagement.

### **Partnerships**

Engagement with key donor partners deepened, with the European Union providing an additional €1.5 million top-up to support expanded climate-sensitive PFM work, and continued engagement with Japan, the Republic of Korea, and other partners reinforcing the program's resource base.

Coordination with regional partners - PITAA, AFSPC, SPC, OCO, the World Bank, the Asian Development Bank, UNDP, and the Australian Bureau of Statistics - continued to ensure complementary delivery and reduced duplication. The 20th Annual Meeting of the AFSPC, hosted by PFTAC in Dili in September 2025, produced a clear set of regional supervisory priorities - fintech regulation, climate-related financial risk, pension and provident fund frameworks, and cyber-risk supervision that will shape forward work programs.

### **Results-Based Management Framework**

Results-based management remained the framework through which PFTAC plans, tracks, and assesses impact. In FY 2026, 48 percent of milestones were rated as largely or fully achieved, reflecting both the long-term nature of institutional reform in the Pacific and the persistent capacity constraints - staff turnover, system limitations, and exposure to natural disasters and socio-political shocks that affect delivery timelines.

### **Institutional Framework and Governance**

Established in 1993, PFTAC is the IMF's first regional technical assistance center. Its governance structure, comprising member countries, donor partners, and the IMF ensures a collaborative approach to the region's challenges, with strategic oversight from the Steering Committee aligning PFTAC's initiatives with the evolving needs of PICs. PFTAC's work is fully integrated with the IMF's Asia and Pacific Department strategic priorities and the IMF Capacity Development Strategy.

The sixth phase of PFTAC operations runs from May 2023 through April 2028, with FY 2026 marking its

midpoint. The mid-point external evaluation has commenced, with a review committee comprising representatives from member countries and donor partners examining program delivery, results, and strategic direction. The evaluation will inform Phase VI consolidation priorities and lay groundwork for the next phase.

Phase VI's budget has risen to US\$50.6 million, with commitments at US\$45.6 million. Sustained contributions from donor partners and members have ensured strong liquidity throughout Phase VI to date. A funding gap of approximately US\$5 million remains, however, and could constrain liquidity in the final year of the phase. In addition, the liquidity position could

deteriorate significantly if outstanding member contributions are not received as planned.

### Priorities for FY 2027

The FY 2027 work program will scale to 179 activities over 2,796 TA days. Across all workstreams, the FY 2027 posture emphasizes consolidation, institutional embedding, and country-led use of the tools, frameworks, and reforms developed in earlier years. Climate considerations, increasingly mainstreamed into core PFM, public investment, and macroeconomic frameworks in FY 2026 will be embedded more systematically across country engagements. Beyond consolidation and climate, FY 2027 will

also open new fronts of engagement. The newly established Kiribati Financial Services Authority, Fiji's credit union regulatory framework following the 2025 Credit Unions Act, and the Solomon Islands Sovereign Wealth Fund initiative will be incorporated into the FY2027 work program, with support focused on policy and institutional design choices.

PFTAC's commitment is to deliver high-impact, demand-driven capacity development fully integrated with IMF surveillance and lending that supports member countries in navigating an increasingly complex global environment and in building resilient institutions on which long-term Pacific prosperity depends.



PFTAC resident advisors, member countries, donors and development partners at the 2025 Steering Committee Meeting held in Samoa.



PFTAC Director, Mr. Samir Jahjah with Japan Ambassador to Singapore and Senior Representatives from Singapore Ministry of Foreign Affairs



PFTAC Director, Mr. Samir Jahjah at the Annual IMF-Japan Capacity Development Dialogue in Tokyo



The Japan Ambassador to Singapore at the opening of the PFTAC-STI Workshop on Investor Relations held at STI, Singapore



PFTAC Director, Mr. Samir Jahjah met with Senior Representatives of the Japan International Cooperation Agency (JICA)



PFTAC Director, Mr. Samir Jahjah at the strategic dialogue on IMF capacity development with senior officials from the Ministry of Economy and Finance of the Republic of Korea



PFTAC welcomed H.E. Ambassador Hiroshi Tajima of Japan to the opening of the Macroeconomics of Climate Workshop

## PFTAC PROGRAMS

## REVENUE ADMINISTRATION

In the area of revenue policy and administration, PFTAC supports member countries to strengthen the capacities of tax administrations, mobilizing tax revenue, improving taxpayer compliance, and promoting citizens' ownership of their role as taxpayers.

## OBJECTIVES

- (1) Strengthen revenue administration management and governance arrangements.
- (2) Strengthen core tax administration functions, including an accurate taxpayer base, quality taxpayer services supporting voluntary compliance, improvements in filing, payment, and audit services.

## PUBLIC FINANCIAL MANAGEMENT

The Center supports the planning and prioritization of PFM reforms based on the PEFA framework and assessments; strengthening legal frameworks; strengthening budget preparation, transparency, execution; and strengthening budget monitoring, reporting and accountability.

## OBJECTIVES

- (1) Improve PFM laws and effective institutions.
- (2) Comprehensive, credible, and policy-based budget preparation.
- (3) Improved budget execution and control supported by an efficient FMIS and with responsive internal audit.
- (4) Improve coverage and quality of fiscal reporting.
- (5) Improve assets and liability management.
- (6) Strengthen management of fiscal risks.
- (7) Improve public investment management.

## FINANCIAL SECTOR SUPERVISION

The Center helps the countries create resilience in their banking systems through sound regulation that helps promote financial stability and better access to finance.

## OBJECTIVES

- (1) Strengthen financial sector surveillance through upgrading of regulatory framework in line with international standards.
- (2) Make efficient use of supervisory resources to better oversee key risks in the banking system.
- (3) Ensure that banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability.
- (4) Improve supervisory effectiveness through enhanced capacity in IFRS knowledge related to provisioning.

## PUBLIC DEBT MANAGEMENT

The Center supports the member countries to strengthen their debt management capabilities, build capacity in debt-related analyses and reporting, implement debt and risk management strategies, strengthen institutional arrangements for debt management, and improve the functioning and depth of domestic debt markets.

### OBJECTIVES

- (1) Formulate and implement a medium-term debt management strategy.
- (2) Establish efficient institutional frameworks for debt management.
- (3) Develop/ strengthen processes for accurate debt recording, reporting and monitoring.
- (4) Develop market infrastructure and capacity for cost effective financing.

## MACROECONOMIC PROGRAMMING

This program aims to improve macroeconomic policy advice to governments and central banks through more effective medium-term economic frameworks and forecasting capacity, working closely with the macroframework work program .

### OBJECTIVES

- (1) Sound medium-term macroeconomic frameworks – these frameworks are comprehensive strategies that guide economic policy over the medium term. They include projections for major economic indicators like GDP growth, inflation, and fiscal balances. Their purpose is to ensure internal and external stability and sustainable economic growth.
- (2) Strong institutions for policy making – Central banks and Ministries of Finance, with the authority and capacity to formulate, implement, and enforce policies effectively.
- (3) Improved public access to key macroeconomic and fiscal information.
- (4) Sound macroeconomic surveillance and policy/ research available for policy making – macroeconomic surveillance involves the continuous monitoring of economic developments and the identification of potential vulnerabilities and imbalances.

## MACROECONOMIC FRAMEWORKS

The Macroeconomic Frameworks capacity development work supports and complements the Macroeconomic Programming work program, developing analytical, forecasting and policy analysis skills to reinforce economic policymaking processes.

### OBJECTIVES

- (1) Strengthen analytical skills, macroeconomic forecasting and policy analysis skills which drive economic policy making.
- (2) Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communication.
- (3) Integration of macroeconomic projections and economic policy analyses into policy process, supported by better internal cooperation and communication.

## GOVERNMENT FINANCE STATISTICS

The Center supports the member states in compiling and harmonizing government finance statistics to ensure they are both reliable and consistent with international standards.

### OBJECTIVES

- (1) Strengthen compilation and dissemination of Government Finance Statistics.
- (2) Strengthen compilation and dissemination of Public Sector Debt Statistics.

## REAL SECTOR STATISTICS

In this area, the Center supports the member states in compiling national accounts and price statistics that are robust and compliant with international standards and in implementing effective economic policy tools.

### OBJECTIVES

- (1) Strengthen compilation and dissemination of national accounts statistics – comprehensive updates and rebasing.
- (2) Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts.
- (3) Strengthen compilation and dissemination of Consumer Price Statistics.
- (4) Strengthen compilation and dissemination of Producer Price and Trade Price Statistics.

## C

# MACROECONOMIC DEVELOPMENTS

**Economic conditions across Pacific Island Countries (PICs) in 2025–26 are characterized by a shift from post-pandemic normalization, albeit in an environment vulnerable to shocks.** While momentum remains broadly positive, it has softened and diverged across countries depending on tourism dynamics, reconstruction activity, and exposure to recent shocks. Regional growth settled at 3.4 percent in 2025. Although inflation has eased from the pandemic related shocks, inflationary pressures are re-emerging as the PICs' large import dependence on food and fuel leaves them vulnerable to external shocks.

Tourism-led economies such as **Fiji** and **Samoa** continue to expand, but at a slower pace as visitor arrivals stabilize and capacity constraints, particularly in labor and infrastructure, become more binding. Growth in the **Solomon Islands** has been sustained by agriculture and gold production. Strong performance in the resource sector, alongside improved access to foreign exchange and greater confidence from macroeconomic reforms under the ECF/EFF and RSF IMF programs, has held up growth momentum in **Papua New Guinea**. Infrastructure projects and grants have supported growth in **Kiribati**, **Tuvalu**, and **Nauru**. A rebound in fisheries activities has sustained the growth

outlook in the **Marshall Islands** and **Federated States of Micronesia** despite delayed outlays in Compact-funded investments. Strong tourism rebound and robust construction and infrastructure activity have upheld **Palau's** growth dynamics, which has been further reinforced by the renewed Compact-fund agreement. **Vanuatu** continues to grapple with the after-effects of the earthquake and the collapse of Air Vanuatu.

**The external environment has deteriorated in 2026, with the escalation of the US–Iran conflict generating a significant energy shock and heightened global uncertainty.** The IMF projects global growth to be 3.1 percent in 2026 and 3.2 percent in 2027, slower than its recent pace of about 3.4 percent in 2024–25, and to settle at about that rate in the medium term. For PICs, the transmission of this shock is primarily through fuel import costs, shipping expenses, and second-round effects on tourism, remittances and food imports. Looking ahead, growth across PICs is expected to moderate in 2026 to 2.8 percent as global headwinds intensify. Countries with strong tourism linkages (such as **Fiji**, **Samoa**, and **Palau**) remain exposed to shifts in external demand, while more aid-dependent economies like **Tuvalu**, **Kiribati**, and the **Marshall Islands** face risks from tighter external

financing conditions and increased volatility in sovereign wealth fund returns. These developments reinforce the importance of strengthening resilience through better risk management frameworks, restoring fiscal buffers, and more effective coordination between macroeconomic and sectoral policies.

**Living standards have emerged as a central concern across the region, with structurally high costs of living continuing to erode household purchasing power.** Although inflation moderated through much of 2025, the recent surge in global fuel prices has renewed pressures on transport, energy, and food costs, notably across PICs, reflecting their high dependence on imports. At the same time, wage growth has remained modest, reflecting limited productivity gains and narrow economic bases. Remittances continue to play a critical role in supporting household incomes, particularly in **Tonga** and **Samoa**, but also contribute to structural labor shortages in key sectors. These dynamics underscore the need for policies that address the cost of living more directly, including improving market efficiency, strengthening competition in key sectors, and aligning labor mobility frameworks with domestic human capital development.

**Climate-related risks remain pervasive and increasingly macro-critical**, particularly for low-lying atoll nations such as **Tuvalu**, **Kiribati**, and the **Marshall Islands**. Rising sea levels and more frequent extreme weather events continue to impose significant economic and fiscal costs, while access to adaptation financing remains insufficient relative to needs. Recent regional discussions have emphasized the urgency of scaling up climate finance, including through greater private sector participation and more effective use of regional platforms such as the Pacific Resilience Facility. In countries such as **Vanuatu**, where recent disasters have delayed recovery, and **Fiji** and **Samoa**, where climate shocks regularly disrupt economic activity, strengthening public investment management, improving project preparation, and enhancing absorptive capacity are critical to ensuring that climate financing translates into tangible resilience gains.

**Fiscal space remains constrained across much of the region**, reflecting elevated debt levels and rising expenditure needs for development, resilience, and social protection. In **Fiji** consolidation effort has slowed given the recent expansionary budget, while recent fiscal policy in **Samoa** has been expansionary following earlier consolidation efforts that supported rebuilding fiscal buffers. **Tonga** and **Vanuatu** continue to face fiscal pressures linked to reconstruction and reliance on external support. Smaller economies such as **Kiribati** and **Tuvalu** remain dependent on donor financing and trust fund drawdowns, raising long-term sustainability concerns. Strengthening public financial management including improvements in budgeting, procurement, and investment appraisal remains essential to enhance the effectiveness of fiscal policy and ensure that limited resources are allocated efficiently.

**Monetary policy implementation remains challenging across PICs**, given the prevalence of exchange rate pegs and shallow financial markets. In **Fiji**, **Solomon Islands**, **Vanuatu** and **Tonga**, high levels of excess liquidity and limited interbank market activity continue to weaken monetary transmission, reducing the effectiveness of policy signals. Recent policy discussions have emphasized the need to strengthen monetary frameworks, improve liquidity management, and develop operational tools that enhance transmission mechanisms. These challenges are compounded by structural features such as concentrated banking systems and limited domestic capital markets, underscoring the importance of continued technical assistance and institutional strengthening.

**Financial connectivity and payment systems remain a critical vulnerability in several PICs.** Countries such as **Tuvalu** and **Kiribati** continue to rely on a narrow set of correspondent banking relationships, exposing them to risks of financial isolation and disruptions to remittance flows. Ongoing engagement with international partners has focused on strengthening AML/CFT frameworks, improving regulatory capacity, and exploring initiatives such as the Safe Payments Corridor to support secure and efficient cross-border transactions. At the same time, efforts to modernize domestic payment systems and expand digital financial services, drawing on recent experiences in the region offer opportunities to enhance financial inclusion and reduce transaction costs.

**Structural constraints including persistent fragilities continue to limit the region's growth potential.** Labor mobility remains a key source of income and foreign exchange for Pacific economies but also contributes to skill shortages in critical sectors and weakened implementation capacity. At the same time, underdeveloped

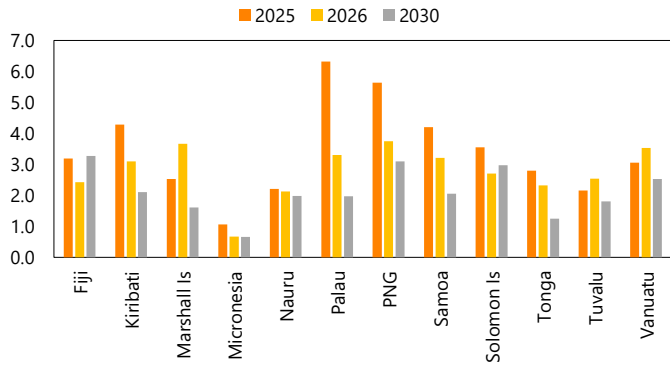
financial systems in countries including **Solomon Islands** and **Nauru** constrain access to credit and private sector development. Unlocking new sources of growth through the blue economy, digitalization, and greater regional integration will require targeted reforms, improved infrastructure, and stronger institutional capacity.

**Looking ahead, the overarching policy challenge for PICs is to navigate a more volatile global environment while addressing deep-rooted structural constraints.**

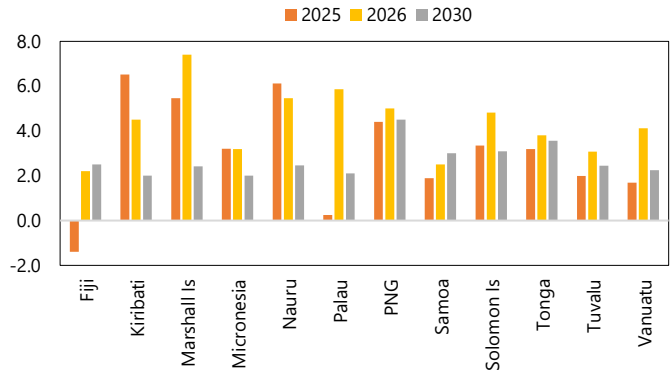
Priorities include rebuilding fiscal buffers, strengthening macroeconomic and monetary frameworks, improving public investment efficiency, and scaling up climate resilience. Raising living standards will require a coordinated approach that addresses both cost pressures and income generation, while continued progress on financial connectivity and payment systems will be essential to support trade and remittance flows. Given the region's structural vulnerabilities, sustained support from development partners through concessional financing, climate funding, and capacity development, will remain critical to help PICs transition toward a more resilient, inclusive, and sustainable growth model in the face of an increasingly complex global and domestic environment. The IMF continues to support PICs efforts towards those objectives through tailored surveillance, lending and capacity development, including through PFTAC and the Pacific Resident Representative Office in Fiji.

**FIGURE 1. KEY MACROECONOMIC INDICATORS FOR PFTAC REGION**

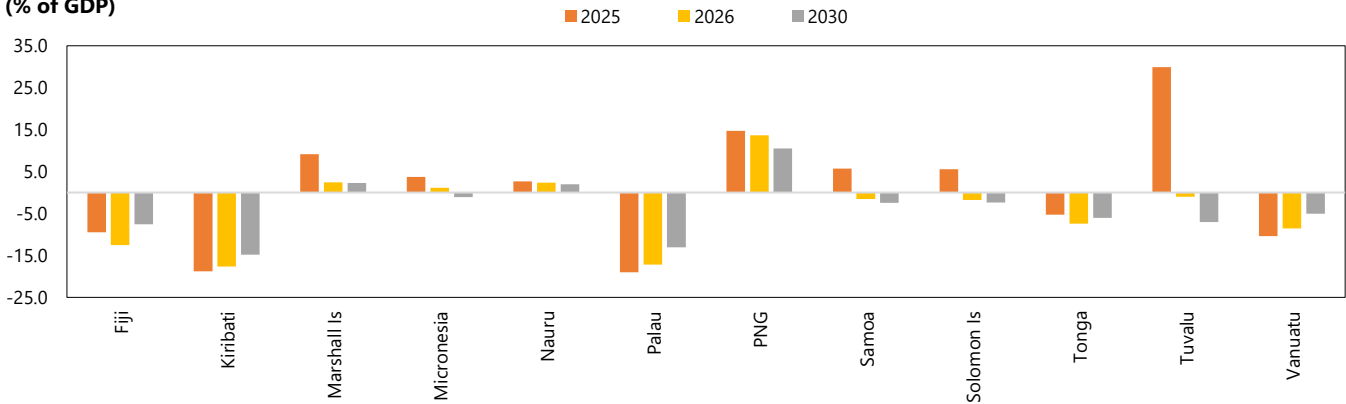
**PICs: RealGDP  
(Annual % change)**



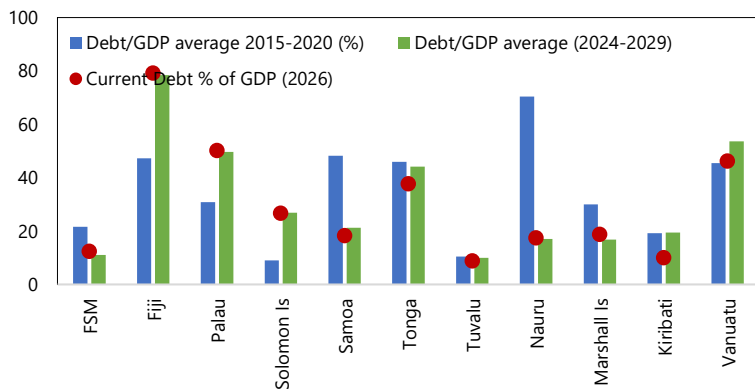
**PICs: Inflation  
(Annual % change)**



**PICs: Current Account Balance  
(% of GDP)**



**PICs Debt-GDP Ratio**



Source: World Economic Outlook and Staff Calculations

SECTION II

FY 2026  
RESULTS

## A

## OVERVIEW

### Building Resilience Through Capacity Development

**FY 2026 marks the midpoint of PFTAC's Phase VI operations and a year of significant program evolution.** The program has moved toward a more integrated approach to capacity development, bringing macroeconomic frameworks and public debt management under the PFTAC umbrella, introducing dedicated climate support, and expanding the donor base to enable more coordinated and scaled engagement across the region. Capacity development is more closely aligned with IMF surveillance and lending engagement in the region, with reform priorities anchored in Article IV findings and country program commitments. Partnership with the IMF - Singapore Regional Training Institute (STI) has also deepened, extending from macroeconomic frameworks into debt management and joint regional workshops, reinforcing the complementarity of training and country-level technical assistance.

**Strong demand from PFTAC members led to increased technical assistance delivery in FY 2026.** PFTAC delivered 150 activities over 2,192 technical days (TA), including 138 in-country activities and 12 regional workshops. (Table 1), with an execution rate of 90 percent for TA days

and 93 percent in terms of activity level. Total budgetary spending reached US\$8.2 million, or 85 percent of the planned fiscal year budget (Table 8). Eleven PFTAC advisors delivered the programs, alongside a pool of short-term experts (STX), with resident advisors providing around 40 percent of total CD days and STXs 60 percent.

**Technical assistance delivery remained weighted toward core fiscal functions, which together form PFTAC's largest programs.** Revenue Administration (28 percent) and Public Financial Management (25 percent) together accounted for over half of technical assistance delivery, reflecting sustained demand to strengthen core fiscal systems. Real Sector Statistics (15 percent) and Public Debt Management (9 percent) made up the next tier, followed by Macroeconomic Frameworks (7 percent), Macroeconomic Programming and Analysis (6 percent), Government Finance Statistics (5 percent), and Financial Sector Supervision (4 percent) (Figure 3). The distribution reflects broad-based support across all PFTAC workstreams.

**Country shares of CD delivery in FY 2026 reflected demand, the scale of active reform agendas, and country-specific priorities.** Delivery spanned all 16 member countries, complemented by regional

activities, which accounted for 14.1 percent of total TA. Samoa received the largest share country share (11.5 percent), followed by Solomon Islands (9.6 percent), Tonga (9.4 percent), and Papua New Guinea (8.8 percent). Fiji (7.2 percent) and Kiribati (6.7 percent) followed, with a mid-tier group covering Palau and the Marshall Islands (4.6 percent each), Niue and Tuvalu (3.6 percent each), Timor-Leste and Vanuatu (3.4 percent each), and the Cook Islands (2.8 percent). Smaller shares were directed to Nauru (2.6 percent), the Federated States of Micronesia (2.2 percent), and Tokelau (1.8 percent), reflecting their smaller institutional scale rather than reduced engagement (Figure 4).

**Across all workstreams, FY 2026 witnessed substantive institutional results,** major tax reform passage, new fiscal legislation enacted, foundational diagnostic and reform-planning work completed, central bank capacity transitioning to regional anchoring, statistical production stabilized in capacity-constrained settings, and the establishment of new debt management institutions. Detailed results are presented in Section II.B through Section II.G; collectively, they reflect both the depth of country-level engagement and the program's increasing capacity to translate

diagnostic and analytical work into operational reform outcomes.

## **Enhancing Capacity Development through Flexible Approaches and Targeted Support to Fragile and Small States**

**In line with the IMF strategic priority to better support Fragile and Conflict-Affected States**, nearly 40 percent of PFTAC resources were directed to the seven countries classified as fragile.

**Flexible delivery modalities strengthened and hybrid approaches strengthened CD implementation and impact.** Around 80 percent of activities were conducted in person, while remaining activities were delivered virtually or in hybrid formats (Table 1). Hybrid delivery combining in-country missions with remote follow-up supported preparatory work, continuity between visits, and cost-effective sustainment of engagement. The Revenue program embedded post-workshop remote support to extend learning beyond in-person events, and the FSS program substituted virtual delivery for in-person missions in response to flight disruptions, maintaining continuity of support without compromising quality.

**Peer-learning activities expanded significantly in FY 2026, with regional workshops becoming central to knowledge exchange across PFTAC member countries.** Twelve regional workshops and training were delivered across workstreams, anchored in country experience-sharing and joint problem-solving. Four events were convened jointly with STI. The PFM program hosted a *Green PFM* workshop in Suva. The revenue program, in collaboration with PITAA, delivered *Taxpayer Services* and compliance workshops in Fiji and Palau. PFTAC and Timor-Leste hosted the *AFSPC Annual Meeting and Workshop* with support from MCM. In statistics, *GFS and PSDS Training* was delivered in partnership with STA. Macroeconomic capacity was strengthened through workshops on

*Macroeconomic Adaptation and Resilience* (with FAD) and *Macroeconometric Forecasting* (with STI), alongside a series of MFR-led regional trainings, including *Peer Learning for Central Banks* in Samoa, cohort-based *Forecasting and Nowcasting Training*, and a course on the *Macroeconomics of Climate*. The Debt Management program supported regional capacity through a sub-regional workshop on *MTDS Analytical Tools and Reporting*. Across these events, country officials engaged directly with peers facing similar reform challenges, reinforcing regional cooperation and surfacing solutions grounded in Pacific-specific experience.

### **PFTAC co-organized and facilitated several additional regional events delivered jointly with IMF departments, broadening the range of specialized expertise available to member countries.**

These included the *Monetary and Financial Statistics (MFS) Training* workshop in Fiji in collaboration with STA, as well as two DBM and FSS related events: the *Investor Relations Workshop* delivered with STI in Singapore and the *Monetary Policy Implementation Workshop* in Fiji in partnership with MCM. PFTAC also contributed to a regional workshop on *Tax Expenditure* reporting and governance, delivered by IMF's Fiscal Affairs Department (FAD), which strengthened country capacity in evaluating and managing tax expenditures across a range of tax instruments. Through these collaborations, PFTAC drew on the depth of IMF technical expertise to ensure that member countries benefited from coordinated, high-quality capacity development across the full IMF mandate.

### **Engagement with development partners and donors deepened in FY 2026, anchored in regular debriefings with diplomatic missions and partner representatives that strengthened alignment around shared priorities.**

Senior official participation in PFTAC events provided strategic visibility and signaled sustained donor commitment to Pacific capacity development. A senior representative from Japan's Ministry of

Finance attended the Peer Learning Workshop on Monetary Policy for Pacific Central Banks, commending country authorities and IMF teams for progress under the JSA-supported nowcasting program. The Japanese Ambassador to Singapore delivered opening remarks at the Investor Relations Workshop, and H.E. Mr. Hiroshi Tajima, Ambassador of Japan, opened the Macroeconomics of Climate course, emphasizing the macroeconomic implications of climate change for fiscal sustainability, debt, and long-term growth. Both engagements reaffirmed Japan's longstanding partnership with the IMF in advancing capacity development and climate resilience in the region. A senior official from the European Union also joined the climate workshop on Macroeconomic Adaptation and Resilience.

PFTAC missions in member countries regularly engage with diplomatic missions and development partners. These outreach efforts include briefings on the mission's objectives, findings, and areas of potential collaboration, helping to ensure coordination across stakeholders.

**PFTAC remains dedicated to promoting gender balance and diversity in its regional events.** Initiatives encouraged broad participation, including participants with disability, highlighting inclusion and accessibility in capacity development. A total of 287 participants attended workshops and training, up from 190 in FY 2025, with women accounting for 53 percent of participants, maintaining strong gender representation. (Table 7).

**PFTAC piloted two new delivery modalities to enhance the effectiveness and reach of regional capacity development.** First, a cohort-based training model was introduced for the first time through a joint initiative between the Macroeconomic Frameworks program and the IMF - Singapore Training Institute (STI). This model brings together a group of participants who progress collectively through a structured, multi-segment program over an extended period,

combining in-person training with inter-session virtual engagement. The approach allows for deeper learning, sustained peer interaction, and the application of concepts through country-specific case studies, while fostering collaboration and network building across participants. The group met in Nadi in March 2026 and will conclude the program in Singapore in September 2026.

The second was a geographic differentiation in Revenue program workshops, with regional events split into northern and southern Pacific countries. This enabled more tailored engagement, improved participation, and better alignment with country-specific needs and contexts. Together, these initiatives reflect PFTAC's efforts to innovate in capacity development delivery, enhancing learning outcomes, inclusiveness, and regional collaboration.

### **Integrating Capacity Development with IMF Surveillance and Lending**

**PFTAC activities are closely integrated with IMF surveillance and lending operations and benefit from technical input and quality review by IMF CD departments.** Across its workstreams, PFTAC draws on HQ expertise to enhance the quality and relevance of its support. For example, the Revenue program undertook a Tax Administration Diagnostic Assessment Tool (TADAT) assessment in Fiji led by the Fiscal Affairs Department (FAD). PFM advisors collaborated with HQ on key missions, including support to Tonga on strengthening the Medium-Term Fiscal Framework (MTFF) and a Public Investment Management Assessment (PIMA) in Papua New Guinea. The FSS, GFS and DBM programs further strengthened regional delivery by engaging HQ experts in their workshops, bringing broader institutional perspectives to discussions. In the statistics area, the RSS program facilitated a CPI mission to Samoa delivered by an HQ expert. Both macroeconomic workstreams maintain strong coordination with the Institute for

Capacity Development (ICD) and the IMF - Singapore Training Institute (STI), ensuring that training and technical assistance are aligned with the latest analytical tools and practices.

**Where feasible, PFTAC experts also coordinate with IMF surveillance teams, participating in Article IV missions to provide context and continuity between technical and policy engagement.** During the year, this included the participation of a Revenue Advisor in the Palau mission and a PFM Advisor in the FSM mission. This close collaboration strengthens the integration of capacity development with surveillance, amplifying the impact of both and ensuring consistency in policy advice and institutional reform.

**The technical support, quality assurance, and peer review (backstopping) provided by Fund experts at headquarters are essential to maintaining the quality and consistency of TA delivery.** They also ensure that PFTAC draws on experiences from other regions and that recommendations remain aligned across the IMF membership.

**Diagnostic assessments are also key component of PFTAC's support in FY 2026, providing member countries with independent, evidence-based evaluations of institutional performance and reform priorities.** Three major diagnostics were undertaken during the year. In Fiji, the Fiji Revenue and Customs Service (FRCS) completed a *Tax Administration Diagnostic Assessment Tool (TADAT)* assessment, led by the IMF's Fiscal Affairs Department, to evaluate tax administration performance across nine core outcome areas. The assessment identified strengths and gaps against international good practices and will inform a PFTAC-supported reform action plan to strengthen revenue administration. In Solomon Islands, a *Public Expenditure and Financial Accountability (PEFA)* assessment was conducted to assess public financial management performance across the seven PEFA pillars. Supported by a

PFTAC pre-PEFA mission, the assessment highlighted improvements in budget systems and financial management processes, while also identifying persistent structural challenges, including limited coverage and ongoing fiscal pressures. A *Public Investment Management Assessment (PIMA)* mission assessed public investment management practices in Papua New Guinea, building on the July 2024 Climate PIMA (C-PIMA) to develop a prioritized reform action plan. Together, these diagnostics provide a critical foundation for prioritizing reforms and guiding targeted capacity development support.

**Engagement in Partner-Led Regional Initiatives.** Beyond its own and joint regional events, PFTAC contributed to partner-led initiatives that extended reach and strengthened collaboration across the Pacific. The Debt Management Advisor contributed to a UNDP-organized workshop on public financial management and debt reporting in the North Pacific, supported by Japan and the European Union. PFTAC Revenue Advisors participated in the 22nd PITAA Annual Heads Meeting in Tonga, the Oceania Customs Organization Customs Regional Workshop, and the PITAA Regional Workshop on the TADAT Field Guide 2025. These engagements reinforced regional collaboration and the adoption of standardized practices across PFTAC member countries.

### **Increased Donor Commitments Boost PFTAC's Initiative**

**PFTAC's donor base has expanded and now includes eight partners supporting Phase VI operation.** They are the Republic of Korea, Australia, European Union, The Government of Japan, New Zealand, United Kingdom, United States and the Asian Development Bank. During last year, Korea increased its contribution by US\$5 million, and the European Union raised its contribution by US\$1.85 million. These contributions have raised total commitments to US\$37.3 million. (Table 9)

**Despite strong support, a funding gap of US\$5 million remains.** PFTAC members have pledged a total of US\$4 million, with the IMF contributing US\$3.5 million, internal transfers of US\$0.7 million – bringing the total identified funding to US\$45.6 million (Table 9). This leaves a funding gap of US\$5 million against the revised budget of US\$50.6 million.

**Fundraising and liquidity status have improved but member country contributions will be key to close the remaining gap.** Since the previous update in April 2025, total cash contributions have increased from US\$27.4 million to about US\$30.5 million. Donor contributions received have risen to US\$28.9 million (from US\$26.1 million), reflecting confirmed funding increases by Australia (US\$1.6 million) and Japan (US\$1.2 million). Member country contributions received have increased to US\$0.9 million (from US\$0.6 million), supported by Cook Islands, Fiji, Samoa, Tonga, and Timor-Leste, with top-up contributions from Fiji and Timor-Leste and new contributions from Niue, Tokelau, and Tuvalu.

Encouragingly, eight member countries (Cook Islands, Fiji, Niue, Samoa, Timor-Leste, Tokelau, Tonga, Tuvalu) have already signed funding agreements.

Member country contributions, while still modest in absolute terms, play a critical role in underpinning PFTAC’s financial sustainability and demonstrating strong ownership of the program. Continued progress in formalizing agreements and securing timely payments from remaining members will be essential to sustain the current level of technical assistance delivery. In the absence of these contributions, PFTAC would face increasing liquidity pressures, which may necessitate a scaling back or reprioritization of technical assistance activities in FY 2027 and FY 2028 to remain within available resources.

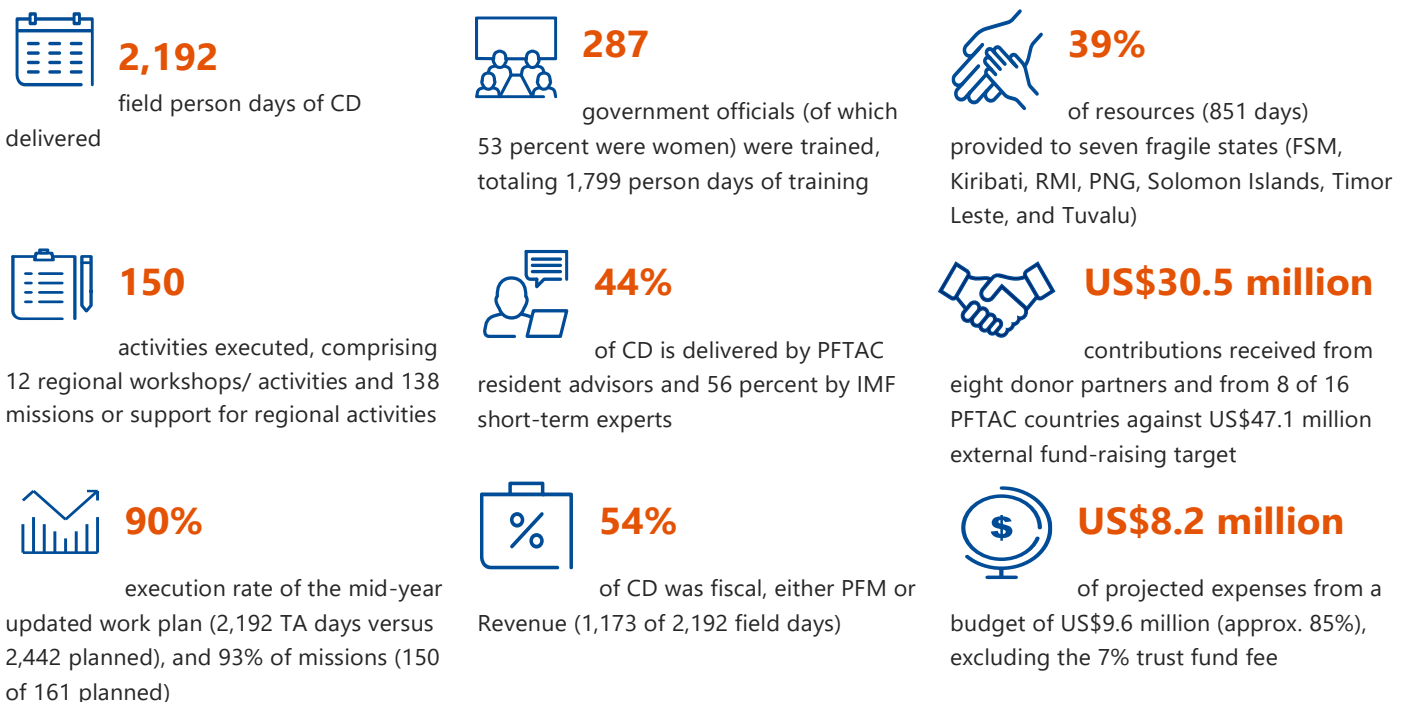
**Leveraging Results-Based Management to Enhance Capacity Development Effectiveness**

**IMF’s Results Based Management (RBM) guides the implementation of PFTAC**

**workplans and tracks the effectiveness of CD interventions.** Advisors design CD projects with a clear set of log frame components – objectives, outcomes, indicators and milestones – derived from the IMF’s RBM catalog. The RBM rates outcomes on a scale of 1 (not achieved) to 4 (fully achieved). Milestones, also rated from 1 to 4, capture the significant steps country authorities take toward achieving these outcomes.

Member countries continue to make progress on the realization of targeted outcomes and milestones. PFTAC programs worked towards 87 outcomes associated with 31 high level objectives and 791 milestones. At the end of FY 2026, 48 percent of milestones were rated as largely or fully achieved. RBM ratings are frequently updated and reflect changes as a project proceeds. A rating of ‘not achieved’ usually indicates projects are in the early stages of delivery and therefore have not achieved significant progress towards completion (Figure 5).

**FIGURE 2. FY 2026 KEY HIGHLIGHTS**



**TABLE 1. FY 2026 WORK PROGRAM EXECUTION AND CD MODALITY**

PROGRAM	LTX	STX	TOTAL	MISSIONS	VIRTUAL	HYBRID	IN-PERSON
Public Financial Management (PFM)	231	321	552	20	1		19
Financial Sector Supervision (FSS)	72	25	97	13	6		7
Government Finance Statistics (GFS)	88	32	120	13			13
Real Sector Statistics (RSS)	55	263	318	23	2		21
Revenue Administration (REV)	179	442	621	46	15	8	23
Macroeconomic Programming and Analysis (MPA)	103	24	127	8			8
Macroeconomic Frameworks (MFR)	153	0	153	13			13
Public Debt Management (DBM)	90	114	204	14	2	1	11
<b>TOTAL</b>	<b>971</b>	<b>1221</b>	<b>2192</b>	<b>150</b>	<b>26</b>	<b>9</b>	<b>115</b>

**TABLE 2. PFTAC TA DELIVERY BY EXPERT DAYS AND MISSIONS: FY24, F25, FY26 (Actual)**

PROGRAM	STX DAYS			LTX DAYS			TOTAL TA DAYS			MISSIONS		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
PFM	253	343	321	165	244	231	418	587	552	18	17	20
FSS	96	91	25	115	100	72	211	191	97	16	18	13
GFS	26	45	32	102	93	88	128	138	120	11	10	13
RSS	154	213	263	80	89	55	234	302	318	16	19	23
REV	645	532	442	127	237	179	772	769	621	63	56	46
MPA	92	67	24	103	95	103	195	162	127	12	7	8
MFR	0	5	0	147	115	153	147	120	153	11	10	13
DBM			114			90			204			14
<b>TOTAL</b>	<b>1266</b>	<b>1296</b>	<b>1221</b>	<b>839</b>	<b>973</b>	<b>971</b>	<b>2105</b>	<b>2269</b>	<b>2192</b>	<b>147</b>	<b>137</b>	<b>150</b>
DBM*	149	184	0	0	54	0	149	238	0	8	12	0
<b>GRAND TOTAL</b>	<b>1415</b>	<b>1480</b>	<b>1221</b>	<b>839</b>	<b>1027</b>	<b>971</b>	<b>2254</b>	<b>2507</b>	<b>2192</b>	<b>155</b>	<b>149</b>	<b>150</b>

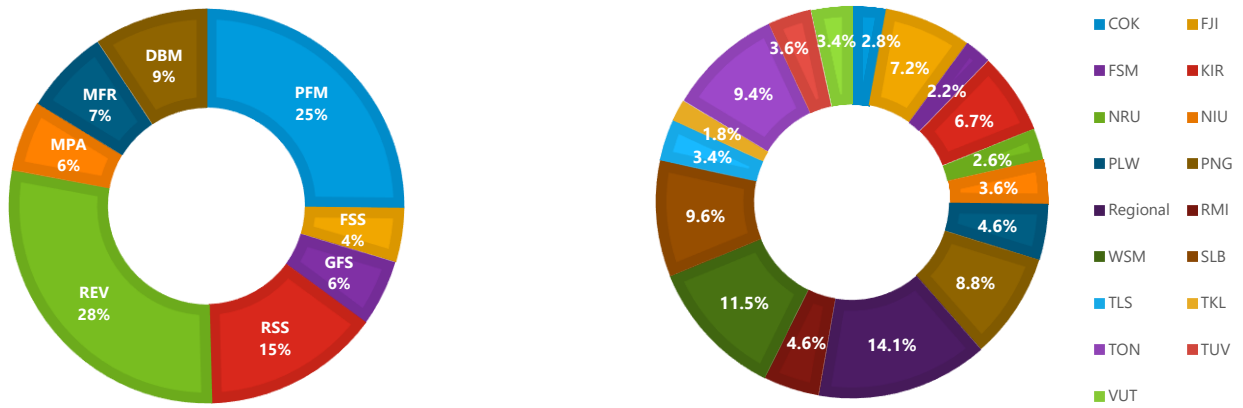
\* The Debt Management program, funded by the IMF -HQ Japan Subaccount (JSA) in FY2024 and FY 2025, transitioned to PFTAC funding from FY 2026.

**TABLE 3. PFTAC TA DELIVERY – PERCENT CHANGE**

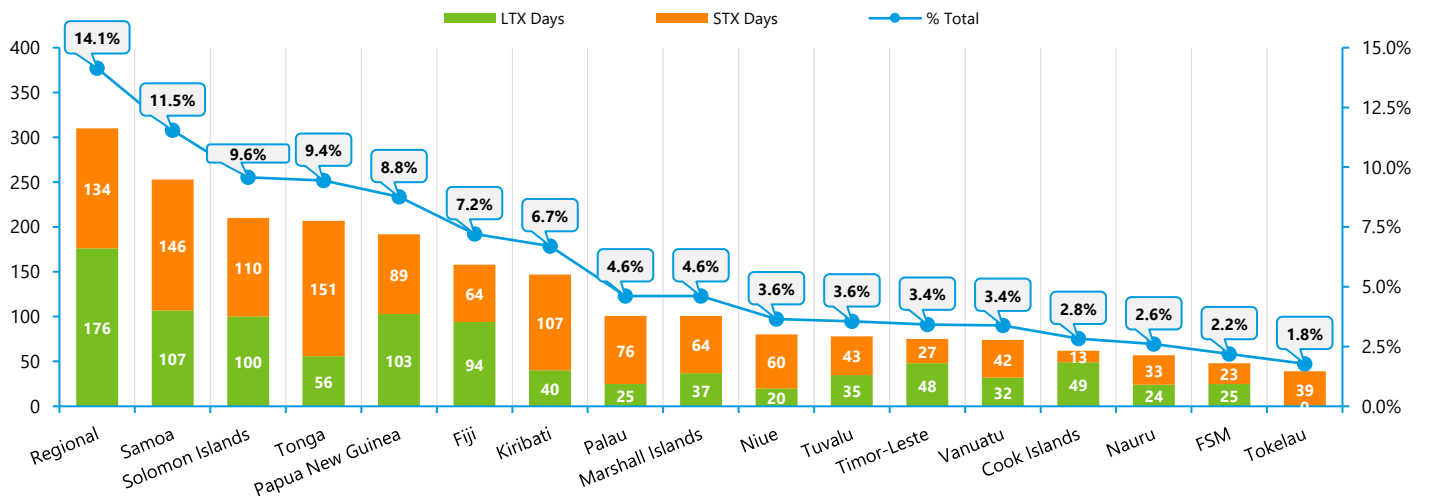
PROGRAM	STX DAYS			LTX DAYS			TOTAL TA DAYS			MISSIONS		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
PFM		36%	-6%		48%	-5%		40%	-6%		-6%	18%
FSS		-5%	-73%		-13%	-28%		-9%	-49%		13%	-28%
GFS		73%	-29%		-9%	-5%		8%	-13%		-9%	30%
RSS		38%	23%		11%	-38%		29%	5%		19%	21%
REV		-18%	-17%		87%	-24%		0%	-19%		-11%	-18%
MPA		-27%	-64%		-8%	8%		-17%	-22%		-42%	14%
MFR		-	-100%		-22%	33%		-18%	28%		-9%	30%
DBM		-	-38%		-	67%		-	-14%		-	17%
<b>TOTAL</b>		<b>2%</b>	<b>-6%</b>		<b>16%</b>	<b>0%</b>		<b>8%</b>	<b>-3%</b>		<b>-7%</b>	<b>9%</b>
DBM*		23%	0%		-	0%		60%	0%		50%	0%
<b>GRAND TOTAL</b>		<b>5%</b>	<b>-18%</b>		<b>22%</b>	<b>-5%</b>		<b>11%</b>	<b>-13%</b>		<b>-4%</b>	<b>1%</b>

\* The Debt Management program, funded by the IMF -HQ Japan Subaccount (JSA) in FY2024 and FY 2025, transitioned to PFTAC funding from FY 2026.

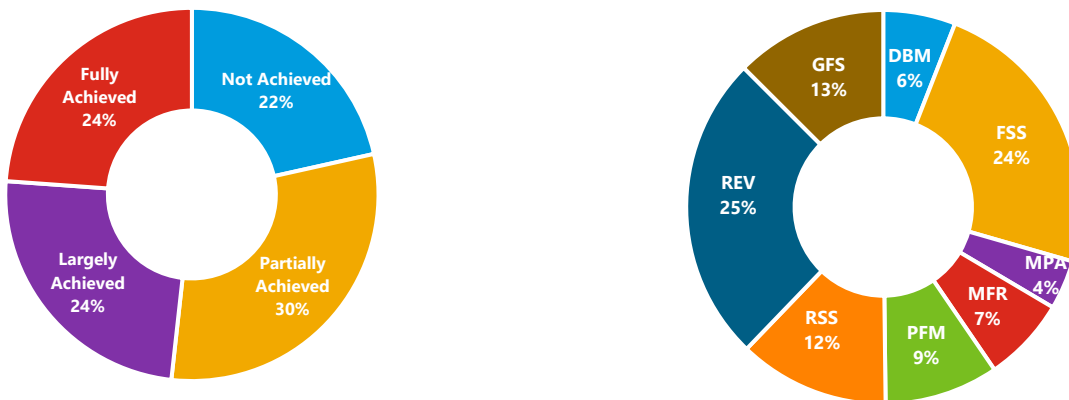
**FIGURE 3. FY 2026 DISTRIBUTION OF TOTAL TA DAYS BY WORKSTREAM AND COUNTRY**



**FIGURE 4. FY 2026 WORK PROGRAM EXECUTION BY COUNTRY**

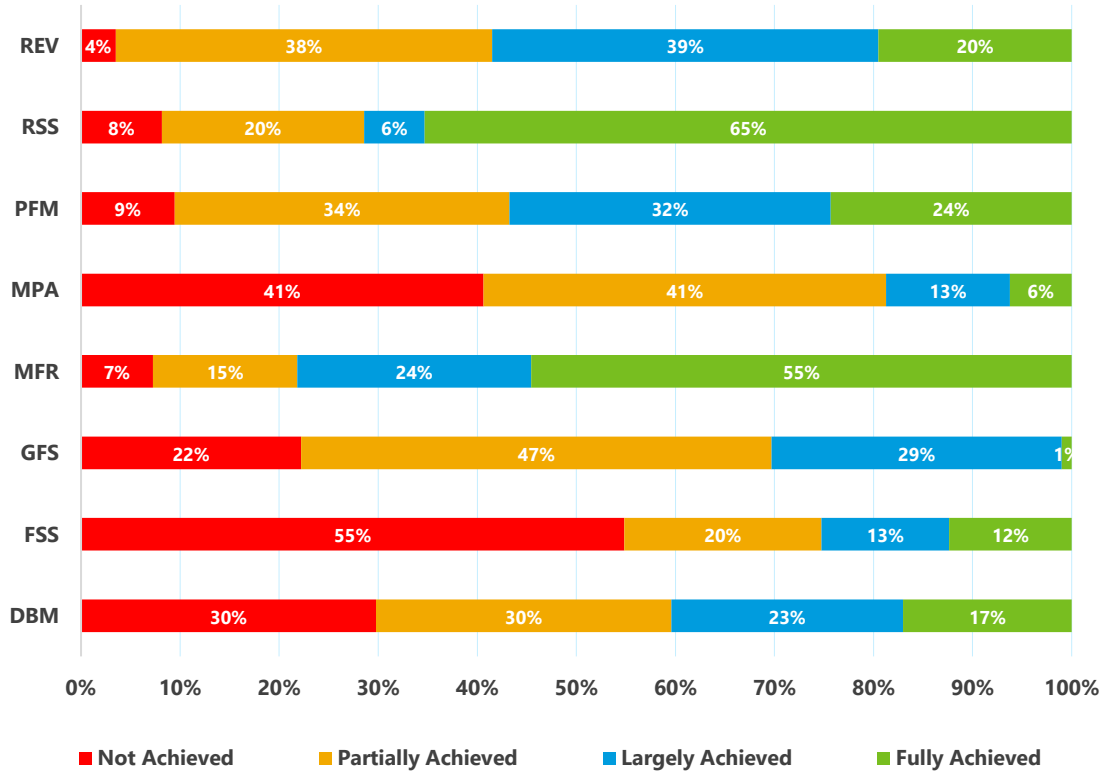


**FIGURE 5. AGGREGATE PERFORMANCE ON MILESTONES AND DISTRIBUTION OF RATED MILESTONES BY WORK PROGRAM**



Note: Milestones are project-specific and not standardized or generally comparable. Milestones do not represent project results but reflect smaller steps authorities take to achieve results.

**TABLE 4. PFTAC ACHIEVEMENT OF RBM MILESTONES AS AT APRIL 2026**



## RESULT BASED MANAGEMENT (RBM): PROGRAM UPDATE AS OF APRIL 2026

Across PFTAC's workstreams, implementation of the RBM framework continues to guide strategic planning and track meaningful progress.

**REVENUE:** FY 2026 revenue administration activities established clear connections between surveillance, diagnostics, capacity development inputs, and institutional outcomes. Benchmarking and diagnostic tools identified priority reform gaps, with follow-up technical assistance and training supporting implementation and capability transfer. Progress was visible in both measurable improvements, including stronger benchmarking results in targeted areas, and qualitative gains, notably more systematic risk based compliance approaches, and clearer reform sequencing. While challenges persist, particularly where staff turnover and system constraints remain acute, many administrations remain on track to achieve intended outcomes within established timeframes, with reforms increasingly embedded in internal planning and management processes.

**PUBLIC FINANCIAL MANAGEMENT:** FY 2026 public financial management activities continued to support sustained progress in core PFM areas while progress in Climate PFM accelerated. Diagnostic work helped identify capacity constraints and informed the development of sequenced road maps to guide reform implementation. Reforms were sustained in key areas of fiscal risk management, including the identification, assessment, and monitoring of macroeconomic and SOE risks, alongside efforts to strengthen governance and reporting practices. Data management and systems as well as staff turnover remain key challenges.

**REAL SECTOR STATISTICS:** All countries fully achieved the key milestone of updating GDP for the latest year. Fiji completed the rebasing of its national accounts, Vanuatu introduced chain-linked volume estimates, and the Marshall Islands completed the update of its Consumer Price Index. Many milestones remain in progress, either partially or largely achieved, particularly those relating to national accounts rebasing and CPI updates. Several new milestones were added to the RSS LogFrame during the year, covering the commencement of national accounts rebasing, quarterly national accounts development, and CPI updates.

**GOVERNMENT FINANCE STATISTICS:** Significant progress has been achieved with approximately 30 percent of targeted milestones largely or fully achieved. Outcomes so far depended on strong inter-agency cooperation – particularly timely access to source data and inputs from other government entities such as finance ministries and central banks, making continued collaboration and shared accountability across institutions central to sustaining momentum and achieving reform objectives.

**MACROECONOMIC PROGRAMMING:** Steady progress continues to be made against milestones, in particular in relation to macro-fiscal analysis and the ability to conduct scenarios. This progress has occurred in a number of PFTAC member countries, with the majority now having the ability to conduct fiscal and other economic parameter-related scenario analysis. High levels of staff turnover, though, continues to remain a key challenge to embedding existing progress. Other macroeconomic forecasting capacity related milestones have made progress, boosted by the conducting of a number of in-depth multi-week regional training courses, carried out in conjunction with the IMF - Singapore Training Institute and the Institute for Capacity Development. Key person risk, particularly in smaller jurisdictions, poses an ongoing risk to the maintenance and progress of these milestones.

**MACROECONOMIC FRAMEWORKS:** Multi-year FPAS TA projects were completed in Samoa, Solomon Islands and Tonga, with full achievement of project objectives is anticipated in Papua New Guinea and Fiji by end-FY 2027. New projects commencing in FY 2027 will focus on tools and model development, supported by developing stronger analytical skills and better macroeconomic forecasting and policy analysis.

**FINANCIAL SECTOR SUPERVISION:** Meaningful institutional progress was recorded across five strategic objectives, supported by 196 milestones with 16 percent fully achieved, 12 percent largely achieved, and 19 percent partially achieved. The relatively measured pace of milestone completion reflects the long-term, multi-year nature of regulatory reform in the Pacific, compounded by capacity constraints, including staff attrition and periodic disruptions from natural disasters and socio-political events that affect a number of PIC supervisory authorities.

**PUBLIC DEBT MANAGEMENT:** During FY2026, PFTAC member countries made notable progress toward key debt management objectives under the results-based management framework. Overall, approximately 40 percent of targeted milestones were largely or fully achieved. By contrast, about half of the milestones that were not achieved were concentrated in two countries where capacity development activities were constrained by staffing limitations and requests to defer operations to better align with country preferred sequencing. Progress was recorded under both strategic objectives, namely the preparation and implementation of debt management strategies and the development of domestic debt markets.

**TABLE 5. IMPLEMENTATION OF FY 2026 WORK PROGRAM (TA DAYS)**

BENEFICIARY COUNTRY	LTX DAYS	STX DAYS	FINAL OUTTURN	BASILINE PLAN	BASILINE EXECUTION RATE	REVISED PLAN	REVISED EXECUTION RATE
REGIONAL	176	134	310	314	99%	354	88%
COOK ISLANDS	49	13	62	80	78%	126	49%
FIJI	94	64	158	166	95%	155	102%
FSM	25	23	48	50	96%	45	107%
KIRIBATI	40	107	147	160	92%	148	99%
NAURU	24	33	57	65	88%	65	88%
NIUE	20	60	80	172	47%	81	99%
PALAU	25	76	101	125	81%	103	98%
PAPUA NEW GUINEA	103	89	192	255	75%	169	114%
MARSHALL ISLANDS	37	64	101	152	66%	111	91%
SAMOA	107	146	253	261	97%	250	101%
SOLOMON ISLANDS	100	110	210	230	91%	249	84%
TIMOR-LESTE	48	27	75	235	32%	105	71%
TOKELAU	0	39	39	36	108%	39	100%
TONGA	56	151	207	191	108%	217	95%
TUVALU	35	43	78	126	62%	81	96%
VANUATU	32	42	74	163	45%	144	51%
<b>TOTAL</b>	<b>971</b>	<b>1221</b>	<b>2192</b>	<b>2781</b>	<b>79%</b>	<b>2442</b>	<b>90%</b>
<b>FRAGILE STATES</b>	<b>388</b>	<b>463</b>	<b>851</b>	<b>1208</b>	<b>70%</b>	<b>908</b>	<b>94%</b>

**TABLE 6. IMPLEMENTATION OF FY 2026 WORK PROGRAM (TA ACTIVITIES)**

BENEFICIARY COUNTRY	ACTIVITIES DELIVERED	BASILINE PLAN	BASILINE EXECUTION RATE	REVISED PLAN	REVISED EXECUTION RATE
REGIONAL	21	17	124%	22	95%
COOK ISLANDS	5	5	100%	6	83%
FIJI	14	14	100%	14	100%
FSM	5	4	125%	5	100%
KIRIBATI	11	11	100%	12	92%
NAURU	5	5	100%	6	83%
NIUE	5	7	71%	5	100%
PALAU	8	8	100%	8	100%
PAPUA NEW GUINEA	9	15	60%	10	90%
MARSHALL ISLANDS	7	9	78%	7	100%
SAMOA	15	14	107%	15	100%
SOLOMON ISLANDS	12	13	92%	13	92%
TIMOR-LESTE	7	14	50%	9	78%
TOKELAU	2	2	100%	2	100%
TONGA	10	9	111%	9	111%
TUVALU	7	9	78%	7	100%
VANUATU	7	11	64%	11	64%
<b>TOTAL</b>	<b>150</b>	<b>167</b>	<b>90%</b>	<b>161</b>	<b>93%</b>
<b>FRAGILE STATES</b>	<b>58</b>	<b>75</b>	<b>77%</b>	<b>63</b>	<b>92%</b>

## BOX 1. FY 2026 REGIONAL WORKSHOPS: BUILDING CAPACITY AND FOSTERING COLLABORATION ACROSS THE PACIFIC

### PFTAC's Regional Engagements Impact Snapshot:

- 250+ participants from 16 countries
- 53 percent women representation
- 12 regional events advancing resilience, transparency, and modernization
- Partnerships with PITAA, AFSPC, and the IMF (FAD, ICD, MCM, STA, STI)

### DEBT REPORTING

**Focus:** Strengthening practical application of the MTDS framework for debt analysis and reporting

**Achievement:** Improved capacity to compile and analyze debt data, with countries producing standardized debt reports and enhancing transparency, consistency, and evidence-based debt management practices.

### MONETARY POLICY CAPACITY

**Focus:** Peer learning on FPAS implementation, Quarterly Projection Models, and policy communication

**Achievement:** Strengthened central banks' forecasting and policy analysis capacity, with clear progress in FPAS adoption and increased use of analytical tools to support evidence-based policymaking.

### TAXPAYER SERVICES

**Focus:** Strengthening people-centered taxpayer service delivery to improve voluntary compliance

**Achievement:** Enhanced capacity to design modern taxpayer service programs, with countries developing actionable reform plans and demonstrating improved knowledge and readiness to implement service-focused voluntary compliance strategies.

### GFS AND PUBLIC SECTOR DEBT STATISTICS

**Focus:** Strengthening methodological understanding of GFS and PSDS concepts and compilation practices

**Achievement:** Improved capacity to classify, record, and report public finance and debt data, enhancing the quality, consistency, and coverage of fiscal statistics across participating countries.

### CLIMATE AND MACRO-FISCAL ANALYSIS

**Focus:** Integrating climate risks, data, and adaptation strategies into macro-fiscal policy frameworks

**Achievement:** Strengthened capacity to assess and incorporate climate-related risks into macro-fiscal

analysis, with participants applying data-driven tools to inform policy trade-offs and enhance climate-responsive fiscal planning.

### MACROECONOMIC FORECASTING

**Focus:** Strengthening macroeconomic forecasting tools and scenario analysis for Pacific economies

**Achievement:** Enhanced national forecasting capacity through practical frameworks and peer learning, with participants improving analytical skills and applying scenario-based tools to support more informed macroeconomic policymaking.

### FINANCIAL SECTOR SUPERVISION

**Focus:** Strengthening supervision of climate-related financial risks and aligning with international regulatory standards

**Achievement:** Enhanced supervisory capacity and regional cooperation, with greater focus on integrating climate risks, strengthening prudential frameworks, and advancing regulatory modernization across Pacific financial systems.

### CLIMATE PFM

**Focus:** Integrating climate considerations into public financial management systems

**Achievement:** Countries produced reform roadmaps and identified CD needs; received practical training in climate-sensitive budget planning, preparation and execution.

### FORECASTING AND NOWCASTING

**Focus:** Cohort-based training to strengthen macroeconomic forecasting, nowcasting, and peer learning

**Achievement:** Significantly enhanced technical capacity in key macroeconomic areas and regional collaboration, with strong learning gains

**TABLE 7. FY 2026 REGIONAL WORKSHOPS AND TRAININGS**

SECTOR	PARTNER	LOCATION	TOPIC	DAYS	MALE	FEMALE	TOTAL	TRAINING DAYS
PFM		Suva, Fiji	Green PFM Workshop	5	8	15	23	115
REV	PITAA	Suva, Fiji	Taxpayer Services Workshop	5	8	15	23	115
REV	PITAA	Koror, Palau	Building Design & Monitoring Capability (North)	5	9	9	18	90
REV	PITAA	Suva, Fiji	Building Design & Monitoring Capability (South)	5	7	8	15	75
FSS	MCM	Dili, Timor-Leste	Association of Financial Supervisors of Pacific Countries (AFSPC) Meeting and Workshop	5	15	9	24	120
GFS	STA	Nadi, Fiji	Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) Training	5	16	15	31	155
MPA	FAD	Suva, Fiji	Workshop on Macroeconomic Adaptation and Resilience	5	11	12	23	115
MPA	STI	Suva, Fiji	Topics in Macroeconometric Forecasting	5	16	18	34	170
MFR	JSA/ STI	Apia, Samoa	Peer Learning Workshop Monetary Policy for Pacific Central Banks	8	13	15	28	224
MFR	STI/ ICD	Nadi, Fiji	OT26.03 - Cohort Training in Forecasting and Nowcasting	10	17	16	33	330
MFR	STI/ ICD	Suva, Fiji	OT26.02 - Macroeconomics of Climate Course	10	13	12	25	250
DBM		Suva, Fiji	Sub-Regional Workshop on MTDS AT and Reporting	4	2	8	10	40
			<b>TOTAL</b>	<b>72</b>	<b>135</b>	<b>152</b>	<b>287</b>	<b>1799</b>
					<b>47%</b>	<b>53%</b>		
DBM	STI	Singapore	Investor Relations Workshop*					
DBM	MCM	Suva, Fiji	Monetary Policy Implementation Workshop*					
GFS	STA	Suva, Fiji	Monetary and Financial Statistics (MFS) Training*					
REV	FAD	Nadi, Fiji	Tax Expenditure Reporting and Governance Workshop*					

\* Events led by STI and IMF HQ Departments

**TABLE 8. FY 2026 FINAL PROGRAM OUTTURN (US DOLLAR) AND PERCENT OF BUDGET EXPENDED**

Project	Phase Summary			FY 2026		FY 2027
	Program Budget	Expenses	Working Budget	Expenses	Execution (%)	Working Budget
Public Financial Management	11,500,000	5,179,306	2,700,000	2,095,061	78%	2,700,000
Revenue Administration	8,500,000	5,189,603	1,700,000	1,741,594	102%	1,700,000
Financial Sector Supervision	4,300,000	2,352,098	860,000	634,051	74%	860,000
Real Sector Statistics	4,600,000	2,605,975	960,000	932,803	97%	960,000
Government Finance Statistics	3,300,000	1,595,256	660,000	610,557	93%	660,000
Macroeconomic Programming	3,300,000	2,063,225	660,000	734,783	111%	660,000
Macroeconomic Frameworks	3,300,000	1,645,862	700,000	567,522	81%	700,000
Public Debt Management	3,000,000	753,750	860,000	753,750	88%	1,000,000
Financial and Fiscal Law	700,000	166,188	140,000	75,689	54%	140,000
Admin Project	800,000	220,458	160,000	67,181	42%	275,000
Governance and Evaluation	300,000	20,493	150,000	1,513	1%	150,000
Strategic Budget Reserve	400,000	-	80,000	-	-	50,000
<b>Sub Total</b>	<b>44,000,000</b>	<b>21,792,214</b>	<b>9,630,000</b>	<b>8,214,504</b>	<b>85%</b>	<b>9,855,000</b>
Trust Fund Management	3,080,000	1,525,455	674,100	575,015		689,850
<b>Total</b>	<b>47,080,000</b>	<b>23,317,669</b>	<b>10,304,100</b>	<b>8,789,520</b>	<b>85%</b>	<b>10,544,850</b>
IMF Expenses	3,500,000	2,665,648	700,000	949,012	136%	834,000
<b>GRAND TOTAL</b>	<b>50,580,000</b>	<b>25,983,317</b>	<b>11,004,100</b>	<b>9,738,532</b>	<b>88%</b>	<b>11,378,850</b>

\*Trust Fund Fee is 7 percent of the funds utilized for TA delivery

**TABLE 9. PFTAC PHASE VI (MAY 2023 – APRIL 2028) FUNDING STATUS AS AT APRIL 2026**

Agreement/Amendment Information					Contribution Received	Contribution Expected
Partners/Members	Signed Date	Currency	Amount	U.S.Dollars	U.S.Dollars	(U.S. Dollars)
<b>Partners</b>				<b>37,349,027</b>	<b>28,859,824</b>	<b>8,580,842</b>
Asian Development Bank	12/12/2022	USD	1,000,000	1,000,000	1,000,000	-
Australia	2/27/2025	AUD	11,000,000	7,340,674	5,947,700	1,432,152
European Commission	9/4/2025	USD	7,031,690	7,031,690	5,183,000	1,848,690
Japan	5/7/2024	USD	6,000,000	6,000,000	4,800,000	1,200,000
Korea	12/19/2022	USD	3,500,000	3,500,000	3,500,000	-
Korea	1/21/2025	USD	5,000,000	5,000,000	900,000	4,100,000
New Zealand	6/21/2023	NZD	6,000,000	3,699,821	3,705,594	-
United Kingdom	5/23/2024	GBP	2,000,000	2,542,912	2,589,600	-
United States	12/16/2024	USD	1,233,930	1,233,930	1,233,930	-
<b>Members</b>				<b>4,067,500</b>	<b>942,000</b>	<b>757,500</b>
Cook Islands	3/21/2024	USD	115,000	115,000	23,000	69,000
Fiji	3/27/2024	USD	705,000	705,000	423,000	282,000
Kiribati	Pending	USD	85,000	85,000	-	-
Marshall Islands	Pending	USD	115,000	115,000	-	-
Micronesia	Pending	USD	115,000	115,000	-	-
Nauru	Pending	USD	85,000	85,000	-	-
Niue	6/11/2024	USD	37,500	37,500	15,000	22,500
Palau	Pending	USD	115,000	115,000	-	-
Papua New Guinea	Pending	USD	1,410,000	1,410,000	-	-
Samoa	9/14/2023	USD	170,000	170,000	34,000	102,000
Solomon Islands	Pending	USD	170,000	170,000	-	-
Timor Leste	5/3/2023	USD	560,000	560,000	336,000	224,000
Tokelau	5/2/2023	USD	10,000	10,000	4,000	6,000
Tonga	5/17/2023	USD	175,000	175,000	83,000	46,000
Tuvalu	9/5/2025	USD	30,000	30,000	24,000	6,000
Vanuatu	Pending	USD	170,000	170,000	-	-
<b>Partners and Members Total</b>				<b>41,416,527</b>	<b>29,801,824</b>	<b>9,338,342</b>
<b>Internal Transfers</b>				<b>713,805</b>	<b>713,805</b>	
Korea				128,539	128,539	
New Zealand				577,009	577,009	
Samoa				7,741	7,741	
Tokelau				516	516	
<b>IMF</b>				<b>3,500,000</b>		
<b>Grand Total</b>				<b>45,630,332</b>	<b>30,515,629</b>	<b>9,338,342</b>
<b>Program Document Budget</b>				<b>50,600,000</b>		
<b>Funding Gap</b>				<b>(4,969,668)</b>		

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g., flexible/umbrella agreements).

2/ The future contributions amount is set to zero for completed installments.

3/ Refers to transfers from one program phase to another (e.g., phase rollovers).

## BOX 2. PFTAC–STI PARTNERSHIP: ENHANCING DELIVERY, COORDINATION, AND VALUE FOR MONEY

**The partnership between PFTAC and STI as Asia-Pacific Regional Capacity Development Centers (RCDCs) reflects a more integrated approach to delivering capacity development across the Pacific, bringing together technical assistance and training under a coordinated framework.** By aligning work programs, jointly delivering selected activities, and strengthening linkages between regional training, peer-learning events, technical assistance, and in-country support, the RTAC–RTC model is enhancing the coherence, reach, and effectiveness of capacity development across member countries.

**The integration of PFTAC as a Regional Technical Assistance Center (RTAC) and Singapore Regional Training Institute (STI) as a Regional Training Center (RTC) has strengthened collaboration, particularly in the macroeconomic frameworks space.** PFTAC continues to provide hands-on, country-focused support in developing and applying macro-fiscal models and analytical tools, while STI delivers targeted training courses (held both in Singapore and the Pacific) to build core capabilities. This is reflected in joint PFTAC–STI initiatives such as the macro-critical climate change course, where officials are trained to integrate climate risks and data into macro-fiscal analysis, followed by PFTAC support to apply these approaches in country contexts. The rollout of STI–PFTAC Cohort-based Training has further reinforced this model by creating a structured learning pathway, enabling a consistent group of Pacific Island officials to build capacity over time while benefiting from aligned technical assistance.

**This RCDC integrated approach ensures that training is closely linked to country-level implementation.** Skills developed through STI training programs are reinforced through PFTAC missions, while insights from technical assistance inform the design of future training courses. In the macroeconomic area, this has strengthened forecasting, scenario analysis, and policy assessment across countries, while also supporting emerging priorities such as climate-informed macro-fiscal planning. Overall, the RTAC–RTC integration is delivering a more coherent and results-oriented capacity development model, with stronger traction on reform implementation and institutional outcomes.

**The integration also enhances cost effectiveness and value for money for donors.** Through co-delivery of selected regional events and closer coordination of work programs, PFTAC and STI are able to pool staff and funding resources, reduce duplication, and optimize delivery. This enables a broader reach of activities within existing funding envelopes, while maintaining quality and impact. By aligning training and technical assistance and leveraging synergies across both capacity development platforms, the integrated model supports more efficient use of donor resources and delivers greater results with the same level of funding.



Joint PFTAC–STI Cohort Training in Forecasting and Nowcasting, Nadi, Fiji

## REVENUE ADMINISTRATION

## KEY ACHIEVEMENTS IN FY 2026

PFTAC's revenue administration program successfully supported Pacific Islands countries improve domestic revenue mobilization, compliance practices, and institutional resilience. Demand for support remained high, reflecting sustained fiscal pressures and the central role of revenue administration reform in supporting macro-fiscal sustainability.

**Structured benchmarking continued to guide reform prioritization.** For a second consecutive year, most participating administrations completed a self-assessment using the PFTAC/PITAA Benchmarking Tool, providing consistent evidence base for reform planning. Results confirmed improvements across institutional capability, risk management, analytics, registration, and international engagement. Benchmarking outputs were used directly to inform internal planning and reform sequencing.

**Compliance risk management remained a central focus.** Several administrations strengthened risk analysis and taxpayer segmentation, enabling more targeted audit and enforcement activity. In Samoa and Tonga, capacity development enhanced practical risk analysis capability, supporting improved identification of high-risk cases. Similar approaches in

Timor-Leste and Fiji supported differentiated compliance strategies across taxpayer segments, improving the efficiency of limited administrative resources.

**Taxpayer services and collections continue to improve.** The Cook Islands, Fiji Samoa, Timor Leste, and Tuvalu, strengthened taxpayer engagement through improvements in service delivery, collections, and audit practices. These reforms supported voluntary compliance by clarifying taxpayer obligations and reinforcing consistent enforcement. Capacity development in this area increasingly emphasizes implementation and integration, linking service improvements with broader compliance strategies.

**Tax policy and administrative reform in small and fragile administrations produced substantial results.** In the Marshall Islands, the passage of the Marshall Islands Consumption Tax (MICT), alongside reforms to profits and income taxation, marked a decisive shift toward a more equitable and sustainable revenue system, with direct implications for fiscal stability and service delivery. In Timor-Leste, preparations for launching a value-added tax advanced through the development of an implementation plan and tailored organizational structures,

positioning the administration to administer the new tax and broaden the revenue base.

**Diagnostic work continued to inform reform pathways.** Fiji and Papua New Guinea progressed post Tax Administration Diagnostic Assessment Tool (TADAT) planning following assessments in FY 2025 and FY 2026 that provided a structured and evidence based assessment of tax administration performance. The assessments informed reform prioritization and strengthened coordination among development partners.

**Legal reform continues to progress.** Consistent with a 'country at the center' approach, PFTAC Revenue Administration has worked closely with relevant FAD HQ divisions to deliver coordinated technical assistance and capacity development in tax administration, tax policy, and customs legal frameworks, aligned with IMF surveillance and lending engagements. Japan's continued partnership has been instrumental in enabling this work, supporting the design, review, and implementation of priority legal reforms identified by country authorities.

## PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

In FY 2026, the Revenue Administration program advanced revenue administration management, governance arrangements, and the effectiveness of core tax administration functions across PFTAC member countries. Delivery focused on translating diagnostic insights and reform strategies into operational improvements, while maintaining alignment with country capacity and reform sequencing.

The program remained fully integrated with FAD's medium term work program and was delivered in close collaboration with the FAD Revenue Administration Division 1 (FADRA1) and Area Departments. Resident Advisors, supported by a targeted pool of short term experts, implemented the FY 2026 workplan. Tax policy expertise was provided by the FAD Tax Policy Division, working in coordination with the FADRA1, to support the review and design of tax policy reforms alongside administrative strengthening, including in fragile states like Tuvalu.

Capacity development combined in country and remote delivery. Workshops were embedded within broader reform pathways, with pre workshop engagement clarifying objectives and expectations and post workshop remote assistance supporting application of learning and identification of further reform needs. This approach strengthened continuity between diagnostics, training, and implementation.

In the **Cook Islands**, FY 2026 support focused on strengthening foundational tax administration practices and compliance management, building on earlier strategic work, including the introduction to a medium term revenue strategy delivered in 2024.

In **Fiji**, a repeat TADAT assessment conducted in September 2025 provided a structured diagnostic of tax administration performance, and subsequent PFTAC support assisted the Fiji Revenue and

Customs Service to interpret the findings and prioritize a sequenced reform agenda, strengthening planning and alignment of capacity development support. Other assistance strengthened strategic enablers of compliance and large business administration. A digitalization vision, strategy, and roadmap provided a structured basis for future investment decisions by the Fiji Revenue and Customs Service. A comparative study of tax agent models informed recommendations to formalize tax intermediary arrangements, particularly for SMEs. Within large business administration, updated operating procedures, refined segmentation, and standardized analytical frameworks strengthened consistency and risk management, including within the gold card program.

In **Kiribati**, capacity development strengthened the administration's ability to deliver taxpayer services and apply recently enacted tax legislation. Taxpayer communication products and operating procedures were updated, including targeted guidance on filing, payments, common errors, and non-resident withholding taxes. Audit and compliance staff strengthened application of the Income Tax Act 2023, with emphasis on high-risk areas. Implementation plans for new tax measures, including VAT related changes and International Transportation Income Tax, clarified sequencing, accountabilities, and communication strategies, supporting timely implementation.

In the **Marshall Islands**, support advanced tax regime modernization and administrative preparedness. Legislation was passed for the Marshall Islands Consumption Tax (MICT), Profits taxation, and Income Tax reform. Reviews of the tax administration information system and procurement documentation supported readiness for an integrated revenue management system, while operational roadmaps and stakeholder engagement plans strengthened implementation of

reforms alongside preparations for MICT introduction.

In **Papua New Guinea**, assistance supported organizational transition and strengthened performance management. PFTAC and FADR1 collaborated closely to strengthen the engagement with Papua New Guinea's Inland Revenue Commission (IRC). Advice on performance indicators, reporting cycles, and report quality improved internal and external accountability. HR planning and organizational change activities have progressed, including adoption of a learning and development framework. The FY2025 TADAT assessment provided a baseline for ongoing reform prioritization and partner coordination.

In **Samoa**, CD support strengthened audit capability and risk-based compliance management. Tax evasion training and coaching improved technical capacity across audit teams. A review of the compliance improvement strategy and development of tax gap estimation capability enhanced analytical foundations for case selection, supported by training on the IMF risk differentiation framework.

In **Timor Leste**, capacity development strengthened audit practices, taxpayer services, and VAT implementation readiness. Audit standard operating procedures were finalized and applied through targeted training. Taxpayer services reforms progressed through implementation of service plans, development of a taxpayer perception survey, and launch of an e services pilot, resulting in increased taxpayer engagement and e filing uptake in the petroleum and minerals sector.

## Outcomes Progressing Beyond April 2026

Several reform areas recorded continued progress during the reporting period and remain on track beyond April 2026.

In **Nauru**, support strengthened staff capability in compliance improvement and small business audit, while inception work for a digitalization roadmap (funded by ADB and coordinated by PFTAC) advanced options for 'fit-for-purpose' system upgrade or replacement.

In **Palau**, CD supported alignment of organizational structures and headquarters functions with modernization objectives, while peer to peer collaboration with the Marshall Islands reinforced shared learning on tax reform and digital transformation. In the **Solomon Islands**, complementary support alongside the ADB led reform

program strengthened debt collection practices and staff capability frameworks, while development of a post assessment and quality assurance function improved sustainability of reform outcomes.

In **Tonga**, CD advanced compliance risk management foundations, including a review of enterprise risk management and compliance strategies and strengthened analytical capability through training on tax gap estimation and risk-based case selection.

In **Tuvalu**, targeted training strengthened administration of the Tuvalu Consumption

Tax, laying the groundwork for further development of standard operating procedures, practice statements, and an audit manual.

In **Vanuatu**, workshops with senior leadership and staff produced a draft strategic plan, establishing a shared reform direction and strengthening organizational alignment. A HQ-led diagnostic, supported by PFTAC, provided targeted policy, legal, and administrative recommendations to guide progress toward implementing an income tax, broaden the tax and increase DRM in Vanuatu.

### BOX 3. SUPPORTING THE INTRODUCTION OF THE MARSHALL ISLANDS CONSUMPTION TAX

In FY 2026, PFTAC supported the Marshall Islands in advancing landmark tax reform agenda, including the introduction of the Marshall Islands Consumption Tax and adjustments to income tax rates. Capacity development focused on policy design, implementation sequencing, and administrative readiness. Assistance helped authorities plan and execute a phased approach that balanced reform ambition with delivery capacity, reducing implementation risk while strengthening institutional preparedness. The reform represents a significant step toward a fairer, more efficient, and more sustainable revenue system.



IMF TADAT Team with Fiji Revenue and Customs Service Staff



Revenue Legal Expert, Lee Burns with RMI Ministry of Finance



Sub-Regional Workshop on Design and Monitoring, Palau



Samoa Mission on Assessment of Tax Processing System

#### BOX 4. TADAT GOOD PRACTICES TO BE APPLIED IN PACIFIC REVENUE ADMINISTRATIONS AFTER WORKSHOP

Pacific revenue administrations are translating learning into action following a recent **TADAT Good Practices Training** designed to strengthen the practical application of international good practice in small and capacity constrained contexts. The 17 participants from 13 countries described the training as valuable in providing a clear, structured way to assess where their administrations are performing well, where gaps remain, and how reform efforts can be prioritized in a realistic and sequenced manner when compared to good practice.



Across countries, a strong theme emerged around starting with the fundamentals. Many administrations identified the integrity of the taxpayer register as a critical foundation for effective compliance, risk management, arrears control, and service delivery. Planned “return to office” actions focus on practical steps such as maintaining accurate registration data, improving arrears strategies, publishing taxpayer rights, strengthening communication and transparency, and reviewing standard operating procedures to better align day to day practices with TADAT principles.

Participants also highlighted the importance of sequencing reform. Actions that can be taken within existing team authority are being distinguished from those requiring senior management approval or longer term external support, such as legislation changes, system replacement, or expanded data sharing arrangements. This has helped administrations frame reform as a pipeline rather than a single leap.

Support needs were consistently identified, particularly sustained leadership commitment, staff capability development, technical and IT assistance, and appropriate policy and funding backing. Participants also expressed strong interest in peer learning with other Pacific administrations facing similar challenges.

Together, these insights provide a practical basis for targeted follow up support and continued regional collaboration through PITAA and PFTAC, contributing to stronger and more sustainable domestic revenue mobilization across the Pacific.

## C

PUBLIC FINANCIAL  
MANAGEMENT

## KEY ACHIEVEMENTS IN FY 2026

**Completing PEFA Assessments and Developing PFM Roadmap** - PFTAC completed a PEFA assessment in the Solomon Islands and formulated PFM reform roadmaps in Fiji and Vanuatu based on earlier *AgilePEFA* findings. A PIMA was conducted in Papua New Guinea, producing a prioritized action plan for resilient infrastructure delivery. A focused PFM stock take was undertaken in Niue to assess implementation of the government's existing reform roadmap.

**Modernization of PFM Legislation** – The revised Public Financial Management Act was enacted in Kiribati in April 2026, a landmark outcome of multi-year PFTAC legislative drafting support.

**Strengthening of Budget Process** – Targeted training and support was provided to Tuvalu and the Marshall Islands on budget preparation and reporting. FSM has initiated engagement on public investment management options and climate-related priorities. This engagement follows a period without PFTAC PFM support and reflects the re-establishment of a structured dialogue with the authorities through the Article IV consultation.

**Improving Fiscal Reporting and Accounting** – Support to Kiribati to strengthen the timeliness and coverage of quarterly fiscal reporting. IPSAS-oriented reporting training was delivered to Papua New Guinea. Chart of accounts reviews and GFS/COFOG mapping were conducted in Samoa and Papua New Guinea. Cook Islands public asset registers were consolidated and updated to incorporate climate vulnerability data.

**Developing Medium-Term Fiscal Frameworks and Fiscal Risk Management** – PFTAC strengthened medium-term fiscal planning in Tonga and developed a fiscal projections tool in Tuvalu. Fiscal risk management support continued in Samoa as part of a multi-year effort to build fiscal risk capacity and gradually improve their fiscal risk statement, enhancing resilience and transparency. The support focused on building capacity to complete the Fiscal Risk Analysis (FRAT) and SOE Health Check Tools (HCT), which assist with structured analysis of fiscal risks.

**Integrating Climate Sensitive PFM practices and tools** – The new Climate PFM Advisor, supported by the EU, will help ensure that climate considerations are integrated in all aspects of PFM. A regional workshop on climate-sensitive PFM engaged participants from 13 member

countries. Country-level climate integration was embedded in activities in Papua New Guinea (climate-sensitive public investment regulation), Cook Islands (climate information in asset register), Fiji, and Vanuatu (both climate measures in PFM roadmaps).

PROGRESS IN THE IMPLEMENTATION  
OF THE FY 2026 WORKPLAN

The PFM program is one of PFTAC's largest, supported by three resident advisors and active engagement across 11 member countries. Activities spanned six thematic pillars: PFM assessments and reform planning; legislative modernization; budget process strengthening; fiscal reporting and accounting standards; medium-term fiscal frameworks and fiscal risk management; and climate-sensitive PFM. At the regional level, PFTAC coordinated closely with other technical assistance providers to leverage complementarities and maximize country impact.

PFTAC engaged with **FSM** authorities on current public investment management arrangements, including climate considerations, and identified options for future capacity development support.

Following the *AgilePEFA* assessment, PFTAC supported **Fiji** to develop a PFM

reform roadmap that sets priorities for improving budget processes, strengthening assurance and oversight functions, and enhancing fiscal risk analysis and disclosure, including by mainstreaming climate considerations across core PFM systems.

PFTAC's support to **Kiribati** covered three interconnected areas. The revised Public Financial Management Act was enacted in April 2026, modernizing the country's legislative framework for fiscal management. Guidance and templates were provided for the publication of quarterly fiscal reports, strengthening transparency and timeliness of fiscal reporting. Capacity development was delivered to the internal audit unit in preparation for expanded responsibilities under the new act.

PFTAC provided support to **Marshall Islands** to improve budget documentation practices and develop chart of accounts, contributing to stronger budget preparation practices.

A focused stocktaking mission assessed **Niue's** current PFM practices and progress in implementing the government's PFM reform roadmap, covering the institutional and legal framework budget preparation and execution, fiscal reporting, and PFM systems and controls.

In **Papua New Guinea**, a PIMA produced a prioritized action plan for delivering a

network of resilient infrastructure. PFTAC supported the preparation of a public investment management regulation incorporating climate analysis and disclosure requirements for project proposals. A plan to improve the quality, timeliness, and comparability of fiscal reporting through alignment with international standards was developed, which comprised several missions involving IPSAS-oriented financial reporting training and a review of the chart of accounts.

PFTAC supported the use of fiscal risk management tools in the **Samoa** Ministry of Finance and Ministry of Public Enterprises, including a review of fiscal risks in the FRAT and application of the SOE HCT which supported identification of the main fiscal risks and improved transparency of budget documentation. A diagnostic review of the chart of accounts, including structure, governance, and GFS mapping, was also conducted with the aim of supporting higher quality fiscal reporting and more streamlined report production.

A successful pre-PEFA visit was followed by completion of a full PEFA assessment in **Solomon Islands**, providing an updated picture of PFM system performance. The pre-PEFA mission supported early coordination among stakeholders, strengthened government engagement, and enabled the collection and validation of key information and documentation. It also helped counterparts understand the

PEFA methodology, process, and evidence requirements, thereby facilitating smoother implementation of the full assessment. The assessment is in the process of being submitted to the PEFA Secretariat for quality assurance. A follow-up mission in June 2026 will validate findings and agree on a prioritized improvement plan and roadmap.

PFTAC provided advice to **Tonga** Ministry of Finance on strengthening the medium-term fiscal framework through clearer fiscal objectives, improved macro-fiscal estimation processes, a more developed medium-term budget process, and extended fiscal risk analysis and disclosure.

In **Tuvalu**, PFTAC delivered targeted training including a hands-on workshop and provided support on budget preparation and reporting practices. A simplified fiscal projection tool was developed, which integrated annual, medium, and long term projections of revenue, expenditure, and financing, that can be used for budget preparation. Training on using the tool was provided during the budget process.

Building on the *Agile*PEFA assessment, PFTAC supported the development of **Vanuatu** PFM reform roadmap. The work reviewed core PFM functions, budget preparation and execution, cash and debt management, and fiscal reporting, through structured discussions with key counterparts.



PFM Workshop on Mainstreaming Climate in Public Financial Management, Fiii



Participants at the PFM Workshop on Mainstreaming Climate in Public Financial Management

## BOX 5. ADVANCING CLIMATE-INFORMED PUBLIC FINANCIAL MANAGEMENT IN THE PACIFIC

A stock-take of climate-related public financial management (PFM) practices across 15 PFTAC member countries established a baseline and identified priority reform areas. Two key lessons emerged: (i) climate considerations must be integrated into core PFM systems rather than treated as stand-alone initiatives; and (ii) reforms need to be realistic, well-sequenced, and aligned with country capacity, given past challenges with fragmented and overly ambitious approaches.

Building on this, PFTAC initiated targeted regional and country-level support. A regional workshop on Mainstreaming Climate PFM (January 2026), with participants from 13 countries, provided hands-on guidance and supported the development of practical reform roadmaps. At the country level, progress included a

climate-sensitive public investment management regulation in Papua New Guinea and the initiation of climate-informed asset registers in the Cook Islands.

These efforts informed a draft Climate PFM work plan covering 13 countries over the next 15 months. Planned activities focus on climate-informed budget frameworks, public investment management, expenditure tracking and reporting, asset registers, and climate-related fiscal risk analysis. A regional workshop on climate expenditure tracking is planned, alongside further consultations to define priorities including for the remaining PFTAC countries for FY 2028.



## D

# MACROECONOMIC ANALYSIS AND FRAMEWORKS

## MACROECONOMIC PROGRAMMING AND ANALYSIS

### KEY ACHIEVEMENTS IN FY 2026

The Macroeconomic program delivers CD to countries in four main areas:

**Macro-fiscal modeling** supports countries in strengthening their understanding of short- and long-term economic and fiscal outlooks, including debt sustainability. Models developed under the program inform decisions on the revenue and expenditure adjustments needed to maintain fiscal sustainability, equipping governments to design policies that promote stability and resilience.

**GDP modeling** strengthens forecasting techniques critical for assessing the economic outlook and informing fiscal and monetary policy responses.

**Tax modeling** supports the design of analytical tools that allow authorities to assess the revenue and welfare impacts of alternative tax policy options, informing tax reform design.

**Other Support** – Forecasting a range of economic variables, such as inflation, the current account balance, changes in reserves, and industry contribution analysis.

### PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

In the **Cook Islands**, the mission developed a new GDP (expenditure) [GDP(E)] series for internal use, addressing the current absence of such estimates. This series provided the foundation for constructing a macro-fiscal model to support policy analysis and decision-making by the authorities. The work drew extensively on existing outputs from PFTAC's Government Finance Statistics and Real Sector Statistics programs, ensuring strong integration and consistency across statistical frameworks.

In **Fiji**, the mission worked closely with the authorities to support the publication of long-term macro-fiscal projections in the national budget, including a range of alternative scenarios. These outputs strengthened the analytical basis for government decision-making and informed the calibration of appropriate medium-term fiscal settings.

In **Papua New Guinea**, technical support was provided to the Department of Treasury to strengthen the use of the Macroeconomic Projections Tool (MPT), with a particular focus on enhancing capacity for scenario analysis to inform fiscal planning and policy decisions.

In **Samoa**, the mission worked jointly with the authorities to develop a new macro-

fiscal model for use in economic and budget analysis. The model supports scenario analysis and is designed as a flexible platform that can be further expanded in subsequent missions to incorporate additional features and enhance its analytical capacity.

In **Solomon Islands**, a mission, undertaken with strong collaboration between the Ministry of Finance and the Central Bank produced a comprehensive macro-fiscal model to support budget preparation and the formulation of medium-term fiscal policy. The model enables real-time scenario analysis, enhancing its usefulness for informing and presenting policy options to senior decision-makers.

In **Timor-Leste**, technical support was provided to strengthen the use of the Timorese Macroeconomic Projection Tool. This was complemented by training for officials on underlying macroeconomic analysis, helping to build capacity for more robust forecasting and policy assessment.

In **Tokelau**, a new user-friendly, fiscally oriented macro-fiscal projection tool was developed for the authorities. The tool supports projections over a ten-year horizon and incorporates clear assumptions and linkages between the real economy, the budget, and financing sources, including the Tokelau International Trust Fund (TITF) and government cash balances.

## BOX 6. FROM DATA TO POLICY: STRENGTHENING MACRO-FISCAL ANALYSIS IN THE PACIFIC

PFTAC supported Pacific Island Countries in strengthening macro-economic analysis through two complementary regional workshops focused on climate risks and macroeconomic forecasting. Bringing together officials from Ministries of Finance and Central Banks, these initiatives emphasized practical, hands-on learning, peer exchange, and the application of real data and country experiences to policy challenges.

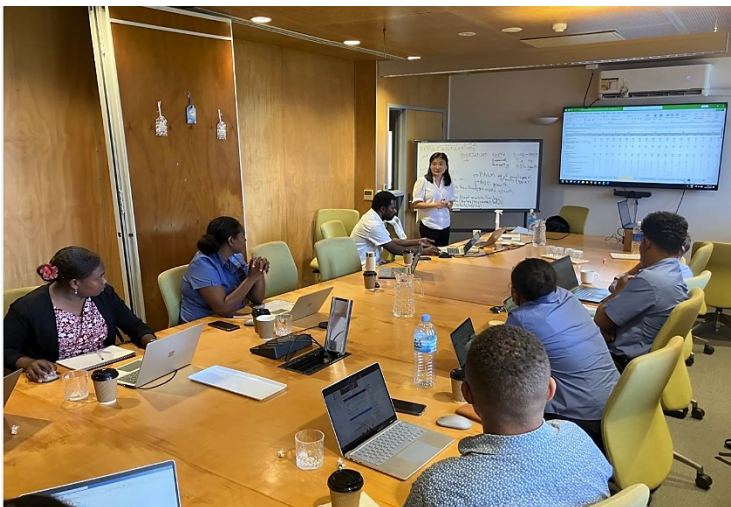
### Macro-Critical Climate Adaptation Workshop

- Strengthened capacity to assess and integrate climate-related macro risks, including cyclones, sea-level rise, and fisheries impacts, including in relation to macro-fiscal policy frameworks.
- Enhanced understanding of policy trade-offs through scenario-based simulations on disaster risk management and adaptation planning.
- Improved country-level analytical capability through development and presentation of climate trend assessments.
- Reinforced the importance of embedding climate considerations within core macroeconomic and public financial management systems.

### Macroeconometric Forecasting Workshop

- Improved technical capacity to develop and apply macroeconomic forecasting frameworks across key sectors.
- Equipped participants with practical tools for scenario analysis and evidence-based policy formulation.
- Promoted peer-to-peer learning through sharing of country forecasting practices and common challenges.
- Delivered strong learning outcomes, reflected in high participant satisfaction and measurable gains in technical knowledge.

Together, these initiatives strengthened the foundations for more resilient, data-driven macroeconomic policymaking in a region facing heightened vulnerability to climate and economic shocks.



PFTAC Mission to Solomon Islands on Macro-Fiscal Modeling



PFTAC and STI Facilitators at the Macroeconometric Forecasting Workshop, Fiji

## MACROECONOMIC FRAMEWORKS

### KEY ACHIEVEMENTS IN FY 2026

The PFTAC Macroeconomic Frameworks program provided CD support to Fiji, Papua New Guinea, Samoa, Timor-Leste, Solomon Islands and Tonga, in close collaboration with the Macroeconomic Programming work program and with ICD.

All countries participate in shared projects that focus on macro-projection tools, whereas Fiji, Papua New Guinea, Samoa, Solomon Islands and Tonga are also involved in specific projects related to Nowcasting/ Forecasting Policy Analysis System (FPAS) in their central banks. These tools and models that are developed under these projects enhance each country's ability to analyze the current economic environment, forecast key macroeconomic variables as well as support macroeconomic policy decision-making.

#### Macroeconomic Frameworks for Forecasting and Policy Analysis –

The aim is to provide a consistent approach to projecting and analyzing each country's economy across all the pertinent sectors of the economy. The Macro-Projection Tool (MPT) is integral to the Macroeconomic Programming's macro fiscal and GDP modeling projects in Papua New Guinea, Timor-Leste and Vanuatu. All of the MPT models being developed are Excel accounting-based models. Nowcasting and Near-term forecasting tools are being developed in several countries to support the MPT and enhance authorities' policy analysis and decision-making.

#### Nowcasting/ Forecasting Policy Analysis Systems –

The Fund conducted projects in Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu. PFTAC directly supported projects in Fiji, Papua New Guinea and Samoa. In FY 2026, handover missions with a PFTAC LTX took place with the Tonga, Samoa and Solomon Islands

teams, as these projects reached a final phase. The Vanuatu project was suspended but is expected to continue in FY 2027.

#### PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

The FY 2026 work program continued support to develop staff capacities at the Reserve Bank of Fiji (RBF), assisted three IMF HQ led projects to **Samoa, Solomon Islands** and **Tonga**, delivered one previously HQ-led project in **Papua New Guinea**, and continued assistance on monetary policy focused forecasting project with the Bank of Papua New Guinea (BPNG).

The previously IMF-HQ led CD support to the Reserve Bank of Fiji (RBF) has been led from PFTAC since the start of FY 2025. The support to the RBF commenced in FY 2023 with the RBF to assist its monetary policy objective. Ad hoc support to the RBF's Economics Department occurred throughout FY 2025, with customized training on selected topics in Nowcasting delivered in January 2026. During the training, RBF staff developed a GDP nowcasting model and are preparing a working paper to document the progress currently.

A mission to **Papua New Guinea** delivered the previously IMF HQ led MPT project and continued support to the BPNG under the FPAS TA project. The MPT mission furthered the development of the MPT tool to support macroeconomic scenario analysis and inform budget preparations. TA mission also supported staff to decompose production GDP into expenditure and income components to be used for MPT. Three additional missions were provided to BPNG project to enhance the BPNG's monetary policy macroframework. The enhancements focused on developing a core macro forecasting tool, supported by the

development of nowcasting tools, and assisting the BPNG in reforming its forecasting policy analysis process and enhancing MP communication. All these are in support of the framework of major reforms subsequent to the amendments of the Central Bank Act in September 2024.

PFTAC delivered two missions to **Timor-Leste** joint with STI that continued to provide training to Central Bank of Timor-Leste on macroeconomic foundations of central banking and financial inclusion and financial development. A new TA project on FPAS was initiated which will commence in FY 2027.

During the course of the Central Bank of **Samoa** (CBS) macroframework project, PFTAC in collaboration with the ICD HQ team has supported the CBS to calibrate the QPM model based on the Samoa's characteristics, provided training to operate the QPM and further develop the Nowcasting/ FPAS model and tools. These models allow CBS to inform its monetary policy. The Nowcasting tool generates monthly nowcasting reports that can be used to brief the board and management of the CBS. The core CPI measure provides a more accurate indication of near-term inflationary trends. In combination they provide additional insights into the inflation dynamics and monetary policy transmission in Samoa.

CBS staff drafted a working paper that describes the GDP nowcasting model developed during the project. The paper, published as IMF Working Paper 25/92, Nowcasting Real GDP in Samoa, concludes noting that regular updates to the nowcasts are essential for providing policymakers with real-time economic assessments, which are crucial for shaping monetary and financial policies as well as informing fiscal policy decisions during budget planning processes.



PFTAC MFR Advisor, Mr. Ian Nield assisting a workshop participant



Peer Learning Workshop on Monetary Policy for Pacific Central Banks, Samoa

## BOX 7. BUILDING FORECASTING CAPACITY IN THE PACIFIC: INAUGURAL COHORT TRAINING PROGRAM

The IMF - Singapore Regional Training Institute (STI), in collaboration with PFTAC, launched the first phase of an inaugural cohort-based training program on forecasting and nowcasting for Pacific Island countries. The program brought together officials from central banks and ministries of finance across eight countries, adopting a structured cohort approach to strengthen technical capacity, deepen regional collaboration, and enhance linkages between training, technical assistance, and IMF surveillance.

The course was tailored to the Pacific context, incorporating newly developed regional case studies and facilitating peer-to-peer learning on forecasting practices, macroeconomic frameworks, policy communication, and data constraints. Interactive workshops and collaborative exercises further reinforced engagement and knowledge exchange within the cohort.

The program delivered strong results, achieving an overall participant rating of 4.9 (out of 5) and measurable learning gains of 39 percentage points. By the end of the course, 97 percent of participants scored 60 percent or higher, with many indicating immediate application of tools in their work and dissemination within their institutions.

The second phase of the program will be delivered at STI in September–October 2026, continuing support to the same cohort and reinforcing capacity development through sustained engagement.



# MACROECONOMIC STATISTICS

## GOVERNMENT FINANCE STATISTICS

### KEY ACHIEVEMENTS IN FY 2026

**Improving the quality, coverage, and timeliness** of fiscal data across the region.

**Supporting *Government Finance Statistics Manual 2014 (GFSM 2014)* consistent compilation** of annual fiscal statistics.

**Strengthening inter-agency coordination** particularly between treasuries budget offices, statistical offices and debt units.

### PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

During FY 2026, PFTAC supported PICs in strengthening the compilation, quality, and use of GFS and Public Sector Debt Statistics (PSDS), with a strong focus on building sustainable domestic compilation processes in contexts of limited capacity and ongoing public financial management reforms.

Despite persistent challenges - particularly staff turnover, delayed audits, and fragmented source data - measurable progress was achieved in several countries. Key outcomes included the restoration or continuation of annual GFS reporting, improved automation of compilation processes, strengthened institutional sectorization, and renewed momentum toward regular dissemination of fiscal statistics to support national policy analysis and IMF surveillance.

In FY 2026, GFS delivery was tightly coordinated with PFTAC's PFM, Debt Management, Real Sector Statistics, and Macroeconomic Programming workstreams. This integration matters most in countries undertaking fiscal reporting reforms, chart of accounts upgrades, or debt database improvements, each of which opens a direct opportunity to embed GFS production within financial management information systems.

In addition to technical support, training has been provided when requested by the country. Such training can be focused on the individual country's needs and support the country's planned developments. Furthermore, relevant stakeholders, such as budget compilers and national planning and development authorities, are invited to attend to promote GFS awareness and enhance inter-agency cooperation.

Beyond mission-based technical support, PFTAC delivered country-specific training tailored to national priorities and planned reforms. Stakeholders from beyond the core compilation units, including budget compilers and national planning and development authorities, were invited to participate, strengthening GFS awareness and inter-agency cooperation.

PFTAC held a regional GFS workshop in Nadi, Fiji. This advanced workshop focused on building methodological knowledge. Specific attention was given to on-lending and recording of official donor assistance, two areas which are commonly not well reported in the region. With a mix of experienced and new compilers attending a balance was given to reviewing concepts, particularly the *Government Finance Statistics Manual 2014 (GFSM 2014)* framework and institutional sectorization.

Country specific updates from FY 2026 include:

PFTAC support helped stabilize GFS production in **Cook Islands** following changes in the compiler role. The mission restarted annual compilation and developed process documentation to support continuity. While reporting timeliness remains a challenge, the authorities now have a functioning and documented production process to resume regular GFS submissions.

In **Fiji**, TA used the new FMIS to improve GFS compilation. The process was significantly simplified, reducing manual adjustments and improving quality control. Training strengthened capacity in economic and functional classification, while groundwork was laid for improved balance sheet reporting and expanded sector coverage.

The mission in **FSM** helped restart GFS and PSDS dissemination following audit delays and staff changes. Updated compilation procedures were established. The mission also addressed gaps in debt reporting and encouraged renewed participation in international PSDS databases, setting the stage for improved fiscal transparency once source data flows normalize.

**Kiribati** mission strengthened GFS compilation following major changes to the chart of accounts under the new FMIS. An important achievement was the reconciliation of GFS data with annual accounts and budget execution, which identified material under coverage of donor financed activities. This provided clear evidence for ongoing PFM reforms

and future integration of donor system data into fiscal reporting.

Support to **RMI** focused on GFS development following the deployment of a new FMIS. The mapping of the COA to the GFS taxonomy was refined, and training was provided to staff to increase the self-sufficiency of the compilation process.

In **Nauru**, responsibility for GFS compilation was formally consolidated within the Nauru Bureau of Statistics, improving institutional ownership. The mission supported the compilation of GFS series for budgetary central government covering FY 2023–FY 2025. While audit delays continue to constrain coverage of state-owned enterprises, the authorities now have a clearer path to expanding coverage as data becomes available.

**Niue** demonstrated notable progress in embedding GFS economic classifications directly within the FMIS, allowing GFS reports to be generated with minimal manual intervention. The mission supported the compilation of a multi-year GFS time series. These developments represent a significant step toward sustainable, domestically led GFS production in a very small administration.

TA in **Samoa** focused on coordination and coverage issues. The mission provided targeted advice to better align the presentation of the national budget with GFS sectoral coverage. The authorities now have clearer diagnostics of the institutional and procedural barriers, and a concrete set of priority actions to improve consistency between budgetary and statistical fiscal data.

In **Tonga**, PFTAC support emphasized institutional sectorization and classification quality. Full migration to *Government Finance Statistics Manual 2014 (GFSM 2014)* remains incomplete; the authorities now have a clearer roadmap for improving fiscal classifications and strengthening the analytical usefulness of GFS outputs.

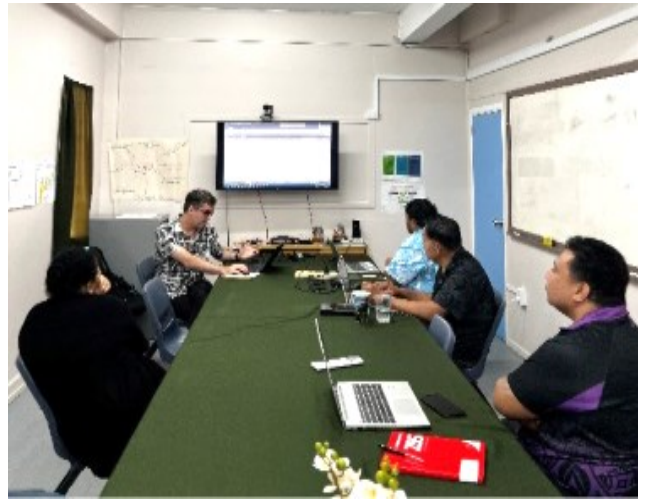
**Tuvalu** recently appointed a new compiler marking a critical step toward domestic GFS ownership. The mission simplified the existing compilation process, produced updated GFS estimates for recent years, and developed draft documentation to support knowledge retention. While capacity constraints remain severe, Tuvalu now has a workable annual GFS process and improved prospects for sustaining basic budgetary central government reporting with continued support.

**Vanuatu** continued to demonstrate strong use of GFS concepts in national fiscal reporting. The mission further automated the compilation of annual GFS and supported the drafting of terms of reference for a GFS technical working group to strengthen interagency coordination. The improved compilation process significantly reduced production time and opened opportunities for higher frequency GFS reporting.

PFTAC continued to coordinate its GFS missions with the TA provided by the IMF headquarters. TA support to **Solomon Islands** and **Papua New Guinea** funded by the Data for Decisions Fund trust fund complemented the PFTAC activities in the region.



Regional Government Finance Statistics Workshop, Fiji



PFTAC GFS Advisor, Mr. Stephen McDonagh assisting officials from Cook Islands Statistics Office

## BOX 8. STRENGTHENING SURVEILLANCE THROUGH DATA ADEQUACY ASSESSMENT

The IMF's Data Adequacy Assessment (DAA) is a structured, principle-based four-tier framework (A-D) utilized during Article IV consultations to assess whether a member country's data meets requirements for effective surveillance and policy formulation. Updated in 2024, it enhances transparency, identifies capacity development needs, and replaces the former Statistical Issues Appendix with a more comprehensive Data Issues Annex. The DAA is designed to ensure high-quality data for economic analysis and policy advice by promoting policy dialogue with country authorities regarding macro-critical data issues and strengthening the integration of surveillance and capacity development.

The main features of the DAA framework include:

**Four-Tier Assessment:** The DAA classifies data adequacy into four categories:

- A. Data is adequate.
- B. Data has some shortcomings but is broadly adequate.
- C. Data has shortcomings that somewhat hamper surveillance.
- D. Data has serious shortcomings that significantly hamper surveillance.

**Purpose:** It ensures high-quality data for macroeconomic analysis, strengthens

policy dialogue with authorities, and helps prioritize technical assistance.

**Scope:** It covers essential data, including real sector, fiscal, financial, and external sector data.

**Implementation:** The new framework, effective for Article IV consultations starting after February 1, 2024, requires a clearer, more granular report on data deficiencies in the staff report.

**Focus Areas:** Key areas of assessment include the timeliness, accuracy, and comprehensiveness of data, specifically addressing gaps in debt statistics and financial stability indicators.

Starting in 2025, PFTAC RSS and GFS missions have included reviews and discussions of the DAA as an integral component of their mission activities. The discussions ensured that mission activities are targeted to address corrective actions identified in the DAA and align with recommended improvements. In doing so, technical assistance missions will prioritize capacity development to strengthen legal, institutional, and technical frameworks related to data protection, transparency, and accountability in surveillance practices.

The following is the outline of Data Issues Annex which will be included within Article IV reports:

[COUNTRY NAME] Data Adequacy Assessment Rating							
B							
Questionnaire Scores							Median Rating of Questionnaire Answers
NA	CPI	GFS	ESS	MFS/FSI	Inter-sectoral		
Assessment	A	B	B	B	C	A	B
Detailed Questionnaire Results							
Data quality characteristics							
Coverage			GO		MFS		
Granularity		Debt			FSI		
Consistency							
Frequency and Timeliness							

Notes: CPI: Consumer Price Index; Debt: Government Debt; ESS: External Sector Statistics; FSI: Financial Soundness Indicators; GFS: Government Finance Statistics; GO: Government Operations; MFS: Monetary and Financial Statistics; NA: National Accounts.

Categories of data adequacy assessment for surveillance:

- A. The data provided to the Fund is adequate for surveillance.
- B. The data provided to the Fund has some shortcomings but is broadly adequate for surveillance.
- C. The data provided to the Fund has some shortcomings that somewhat hamper surveillance.
- D. The data provided to the Fund has serious shortcomings that significantly hamper surveillance.

**Rationale for the assessment.** Assess if data quality affects staff analysis of macroeconomic and financial risks. Poor data can lead to inaccurate risk assessments and impact policy recommendations. If the DAA Rating differs from the median questionnaire score, explain why.

**Progress since the last Article IV Consultation.** Describe whether previously identified data weaknesses have been resolved.

**Identify corrective actions and prioritize capacity development.** Describe the discussion of the data adequacy assessment with the authorities during the Article IV Consultation to support data related CD prioritization.

**Explain if data used by staff is different from official statistics.** Explain why the Article IV report did not use official statistics (even when the latter is available) and explain staff's approach to estimating data.

## REAL SECTOR STATISTICS

### KEY ACHIEVEMENTS IN FY 2026

With the **completion of the Household Income and Expenditure Survey (HIES)** in many Pacific Island Countries over the past couple of years, the **rebasement of the National Accounts and updating the Consumer Price Indexes have commenced** in those countries. These exercises are considerable undertakings and enable the review and update of data sources and methods used to compile the GDP as well as the updating of expenditure weights and consumer basket.

### PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

The program prioritized enhancing RSS capacity development through PFTAC's expertise, regular missions, and continuous engagement. This initiative was coordinated with other PFTAC advisors and IMF statistics programs dedicated to external and government finance statistics. Besides in-country missions, substantial support was also provided through desk-based work.

The program is actively coordinated with various regional capacity development providers to improve impacts and results. This included collaborating with the SPC regarding TA provided on the CPI. It also involved working with the Australian Bureau of Statistics to advance capacity development activities in specific countries in the region. The program also engaged in World Bank and ADB project development meetings. It consulted with IMF country teams to ensure that capacity development delivery aligns with Data Adequacy Assessments included in the Article IV reports.

In the **Cook Islands**, quarterly and annual GDP by production estimates for 2024 through mid-2025 were produced. The GDP rebase strategy was discussed.

In **Fiji**, support was provided to Bureau of Statistics to finalize the rebasing of the national accounts as well as start planning for the next rebase. Quarterly national accounts development and the update of the CPI have commenced.

Collaboration with the Customs and Tax Authority (CTA) in **FSM** led to the development of a process for anonymizing the tax database. This enabled timely provision of Business Gross Revenue Tax (BGRT) data to the Statistics Division in compliance with FSM tax code for GDP compilation.

GDP estimates for 2024 were produced for **Kiribati**. Agreement was secured to access

Value Added Tax (VAT) data from major businesses, which will strengthen future private sector GDP estimates.

GDP estimates for FY 2024 were compiled in **Nauru**. Work is continuing to access tax data for use in GDP compilation. Preparations for the next national accounts rebase have commenced.

**Niue** updated the national accounts and external sector statistics for 2023/24 and provided a provisional estimate for 2024/25. Training was provided to NSO and Treasury officials on using these updated figures for government budget growth projections.

Utilizing the 2023 HIES results, **Palau** have updated the CPI basket, derived new expenditure weights, and developed a new Excel workbook to link the current and updated CPI series.

In **Papua New Guinea**, the current data sources and methods used to compile GDP by production, were reviewed, and rebasing the national accounts as well as developing GDP by expenditure estimates was discussed.

**Samoa** benefitted from one remote and one in-country mission to finalize the population estimates and balance the Supply and Use Tables (SUT). Discrepancies between GDP by expenditure and production were significantly reduced, improving the consistency of revised GDP estimates released in October 2025. The CPI weights were updated using the 2023 HIES to replace the outdated 2013 weights.

The **Solomon Islands** released the 2024 GDP estimates in October 2025, alongside revised figures for 2021-2023. The methods for compiling GDP estimates by production and expenditure in current and constant prices have been documented which will address the challenges caused by staff turnover. Preparations for the next national accounts rebase have commenced.

In **Timor-Leste**, simplification of the Excel system used for the compilation of GDP and the classification of State-Owned Enterprises (SOEs) within the NA framework has been done in preparation for the rebasing of the national accounts. The CPI update continues with the update of the basket and weights using the results of the Living Standards Survey (LSS).

**Tonga** updated the 2023/24 GDP estimates in both current and constant price. Current sources, methods, and systems have been reviewed, noting sound methodologies but identifying gaps in data

sources and input qualifications. All sources and methods will be reviewed during the rebase exercise.

In **Tuvalu**, PFTAC assisted the Central Statistics Division to compile GDP for 2025 in current and constant 2016 prices. Key data providers have indicated that data will be available to enable the conversion of the GDP to a fiscal year from calendar year basis.

In **Tokelau**, the annual GDP by production at current and constant prices and expenditure estimates in current prices for

the financial year 2024/2025 were compiled.

A PFTAC mission reviewed **Vanuatu's** GDP revisions and 2023 estimates, noting key improvements including chain-linked volume measures and expanded agricultural coverage. PFTAC also funded an ESS mission which assisted in compiling the balance of payments (BOP) and international investment position (IIP) statistics.



PFTAC RSS mission met with the head of the Papua Revenue and Customs Department, Sania Teisini.



PFTAC RSS Short Term Expert, Christopher Jenkins with Fiji Bureau of Statistics staff during CPI mission.

## F

FINANCIAL SECTOR  
SUPERVISION

## KEY ACHIEVEMENTS IN FY 2026

**Promoting macroeconomic stability and sustainable growth** through financially inclusive practices and the establishment of stable, well-supervised financial institutions.

**Conducting diagnostic assessments** and developing regulatory roadmaps in Palau and Kiribati.

**Finalizing prudential standards** in collaboration with supervisory authorities in Tonga, FSM and RMI.

**Building supervisory capacity to conduct quantitative impact analyses** of proposed prudential standards in Cook Islands, FSM and RMI.

**Operationalizing risk-based supervision frameworks** through upgraded prudential returns in Cook Islands, FSM, RMI and Tonga.

Additional support was delivered to Fiji on **credit union regulatory frameworks**, and to Timor-Leste and Solomon Islands on proportional **adoption of the Basel Framework**.

PROGRESS IN THE IMPLEMENTATION  
OF THE FY 2026 WORKPLAN

The FSS FY 2026 program continued to support the PICs in upgrading their regulatory and supervisory frameworks by proportionally aligning them with the Basel Framework and Core Principles.

The Basel Framework is the full set of standards of the Basel Committee on Banking Supervision (BCBS), which is the primary global standard setter for the prudential regulation of banks. It includes Basel Core Principles contained in BCBS document entitled "Core Principles for Effective Banking Supervision," April 2024.

**Diagnostic Assessments**

In **Palau** and **Kiribati**, PFTAC conducted comprehensive diagnostic assessments of existing regulatory and supervisory frameworks. These assessments identified specific gaps and produced structured roadmaps, providing authorities with a clear sequencing of reforms needed to establish robust financial oversight. By grounding reform priorities in an objective diagnosis of each country's institutional starting point, the assessments enable more targeted and sustainable capacity development going forward.

**Legislative Reviews**

In **Samoa**, PFTAC supported a comprehensive review of banking and insurance legislation, conducted jointly with the IMF's Legal Department and the Monetary and Capital Markets Department (MCM). The review identified areas where the legal framework required strengthening to support more effective regulatory and supervisory structures. The revised legislative proposals are expected to provide a more solid foundation for financial sector oversight in Samoa.

**Enhancements to Prudential and Risk Management Standards**

In **FSM, RMI** and **Tonga**, PFTAC worked closely with supervisory teams to address capacity bottlenecks hindering the finalization of prudential standards. Technical assistance focused on helping authorities prioritize the standards most critical to their specific financial system characteristics, ensuring that limited supervisory capacity was directed where it would have the greatest impact. This work advanced the industry consultation process on credit risk management and governance standards, marking a substantive step toward a stronger regulatory environment in each jurisdiction.

The efforts undertaken through these engagements have been crucial in initiating the industry consultation process on essential topics such as credit risk

management and governance. These consultations mark an important step toward strengthening the overall regulatory environment and supporting the development of sound financial practices within the industry.

### Quantitative Impact Analyses

PFTAC provided targeted technical support to **Cook Islands, FSM, and RMI** to strengthen their capacity to conduct quantitative impact analyses of proposed regulatory changes. Supervisory teams gained practical tools and methodologies to assess the potential effects of new prudential standards before adoption, enabling more evidence-based regulation

and a more transparent consultation process with the financial industry.

### Enhancements to the Supervision Frameworks

PFTAC continued to support the operationalization of risk-based supervision (RBS) in **Cook Islands, FSM, RMI and Tonga**. Technical assistance focused on the implementation of upgraded prudential returns, the reporting instruments through which supervisory authorities monitor changes in banks' risk profiles and take timely corrective action. By guiding supervisory teams through the process of implementing these returns, PFTAC helped ensure that PICs were

equipped with practical tools and methodologies necessary for effective oversight and monitoring of financial institutions.

This work builds on the multi-year effort to align PICs' prudential standards with the Basel Framework, translating revised standards into practical supervisory tools embedded in day-to-day oversight.

In **Timor-Leste and Solomon Islands**, PFTAC delivered capacity development on the proportional adoption of the Basel Framework, helping supervisory staff understand how to calibrate international standards to the specific scale and risk profile of their financial systems.



Tonga Mission on Review of Prudential Standards for Banks- Audit Arrangements and Fit and Proper Policies



Participants at the AFSPC Meeting and Workshop, Timor-Leste

## BOX 9. ADVANCING SUPERVISORY PRIORITIES AND CAPACITY IN THE PACIFIC

Timor-Leste and PFTAC hosted the **20th Annual Meeting and Workshop of the AFSPC** in Dili in September 2025, bringing together supervisory authorities from across the region, alongside observers from the Australian Prudential Regulation Authority and the Reserve Bank of New Zealand. Ms. Ebru Sonbul Iskender, Senior Financial Sector Expert from MCM contributed to the event, which combined country dialogue with a technical workshop on climate-related financial risk management.



The meeting delivered a clear set of regional priorities and technical assistance needs. Members identified strengthening fin tech regulation and supervision, addressing climate-related financial risks, and developing frameworks for pension and provident funds as key gaps, alongside capacity constraints in supervisory infrastructure in smaller jurisdictions. Strong demand was expressed for continued support in risk-based supervision, cyber-risk supervision, advanced supervisory tools, and implementation of IFRS 9 and IFRS 17.

A shared reform path was agreed, focusing on full implementation of RBS frameworks, expanded training for supervisory staff, strengthened on-site inspection capacity, and a phased move toward more advanced tools such as stress testing and macroprudential frameworks. The workshop further supported these outcomes by equipping participants with practical approaches to identify regulatory gaps and initiate climate risk supervision reforms, drawing on guidance from the Basel Committee on Banking Supervision and peer country experiences.

## PUBLIC DEBT MANAGEMENT

## KEY ACHIEVEMENTS IN FY 2026

**Increased transparency in debt management** by strengthening basic reporting and institutional frameworks.

**Aligning borrowing practices** with cost and risk analysis, fiscal sustainability and market development goals.

**Developing the local currency bond markets** in the region by supporting government reform programs prepared following the diagnostic missions.

## PROGRESS IN THE IMPLEMENTATION OF THE FY 2026 WORKPLAN

The Public Debt Management program advanced country-specific capacity development across the Pacific, anchored around four core pillars: (i) strengthening debt transparency and institutional arrangements; (ii) supporting the formulation and implementation of medium-term debt management strategies (MTDS); (iii) promoting the development of local currency bond markets (LCBMs); and (iv) enhancing debt sustainability analysis. These priorities reflect the region's elevated debt vulnerabilities; seven Pacific countries currently face high debt distress risk or low debt-carrying capacity - and the continued need for foundational capacity building across most jurisdictions.

In FY 2026, the Public Debt Management Program for the Pacific region continued the implementation of country specific CD programs. The programmatic approach supported the establishment of sound debt management practices tailored to each country's institutional context, needs, and resource constraints. In parallel, regional workshops were used to introduce new frameworks and practices across the region, while collaboration with other technical assistance providers was strengthened to enhance coordination and impact.

**Transparency, Institutional framework and Debt Fundamentals**

Previous support to strengthen institutional frameworks in **Palau** and **Kiribati**, in line with international good practices, resulted in the establishment of dedicated debt management units in both countries. PFTAC further supported **Tonga** in the preparation and approval of internal procedures governing the issuance of government securities in the domestic market.

On debt reporting, support missions to **Nauru**, **Palau**, and **Tuvalu** assisted staff in preparing annual debt fact sheets. Annual debt bulletins are now published on the websites of the Ministries of Finance in **Kiribati** and **Tuvalu**, with Nauru and Palau expected to follow in the coming months.

At the regional level, PFTAC organized a workshop to strengthen the capacity of officials from small island states in the use of the MTDS template for debt reporting, coordinated with UNDP on sessions covering debt transparency and accountability. The workshop also leveraged regional expertise by engaging a staff member from Fiji's Debt Management Office, trained under the previous year's Training of Trainers initiative, as a resource person.

## Development of a Debt Management Strategy

PFTAC provided support to the **Solomon Islands** and **Fiji** to assist debt management offices in the development and publication of comprehensive debt management strategies. In the **Solomon Islands**, support under the debt management program continued to underpin a comprehensive assessment of the domestic debt market, including the identification of priority actions to strengthen market functioning, such as improving communication with market participants and enhancing transparency in debt management operations. These efforts contributed to a more robust and efficient domestic debt environment, supporting improved fiscal management. Additional support was extended to **Tonga** and **Samoa**, where authorities are now progressing with the development of their debt management strategies with minimal PFTAC involvement.

In **Vanuatu**, delivery of CD support was constrained for much of the year due to significant staff turnover, which reduced the debt management office to a single staff member. Following the staffing of the unit, PFTAC re-engaged with the authorities to assess the current state of debt management, including the adequacy of the debt database, capacity for debt

reporting, and the ability to prepare and implement a debt management strategy. The mission supported the authorities in identifying priorities and agreeing on a sequenced approach to strengthening debt management capacity.

## Development of the Local Currency Bond Market

Building on the regional LCBM workshop held in FY 2025, which introduced the LCBM framework to the five countries with active domestic debt markets (Fiji, Papua New Guinea, Solomon Islands, Tonga, and Vanuatu), the program shifted to targeted bilateral engagements in FY 2026 to deepen country-specific implementation support. Additionally, the program strengthened PFTAC-STI cooperation to enable DMO managers to exchange experiences with peers from more advanced domestic markets. This collaboration facilitated practical peer learning, strengthened institutional linkages between PFTAC and STI, and created opportunities to share knowledge and benefit from synergies across the two institutions.

In the **Solomon Islands**, PFTAC strengthened operational market practices through training on the preparation of quarterly issuance calendars, the development and dissemination of auction

announcements and results, and improved coordination between the Ministry of Finance and Treasury and the Central Bank. In **Tonga**, engagement focused on advancing domestic debt market development through a baseline assessment and the identification of short term, actionable reform priorities. In **Papua New Guinea**, the program supported the establishment of an investor relations function within the Securities Execution Branch of the Department of Treasury, the development of an investor relations strategy, and a review of investor facing websites to identify priority enhancements.

## Regional Engagement and Peer Learning

In partnership with the IMF - Singapore Regional Training Institute (STI), PFTAC enabled debt managers from four Pacific countries to participate in a regional workshop on investor relations and debt reporting. The workshop strengthened participants' understanding of good international practices in investor relations and facilitated peer learning through exchanges with counterparts from across the Asia Pacific region. This exposure to more developed market practices provides a valuable reference point as PICs advance their own domestic debt market framework.



DBM PFTAC Advisor at the Opening Session of PFTAC-STI Workshop on Investor Relations, Singapore



Workshop Participants at the PFTAC-STI Workshop on Investor Relations, Singapore

## BOX 10. STRENGTHENING DEBT REPORTING THROUGH SUB-REGIONAL CAPACITY DEVELOPMENT

**PURPOSE:** The PFTAC sub-regional workshop for small island economies on **Debt Reporting** brought together officials from Tuvalu, Kiribati, and Nauru, alongside newly appointed staff from Tonga and Samoa. The workshop was designed to address common capacity constraints across small Pacific economies by delivering targeted, hands-on training in the use of the Medium-Term Debt Management Strategy (MTDS) template for debt reporting and analysis. The program combined expert presentations, Excel-based exercises, and collaborative country work, with contributions from UNDP on debt transparency and PFTAC’s Government Finance Statistics Advisor.

**RESULTS:** Participants strengthened their technical capacity to compile debt statistics, assess cost and risk indicators, and apply the MTDS template for structured debt analysis. Each country team produced and presented a draft debt report, demonstrating improved analytical and data management skills. The workshop also reinforced understanding of debt transparency principles and promoted the adoption of standardized reporting practices across participating countries.

**IMPACT:** The sub-regional approach enabled peer learning among countries with similar institutional contexts, enhancing the relevance and effectiveness of the training. By fostering knowledge exchange and collaboration, the workshop contributed to more consistent and comparable debt reporting practices across the region. These improvements support better-informed policy decisions, strengthen debt transparency, and advance overall debt management frameworks in participating countries. Additionally, the workshop also marked the first use of a regional expert, a recent graduate of last year’s Training of Trainers workshop on the MTDS framework.



Sub-Regional Workshop on Debt Reporting, Fiji

SECTION III

PRIORITIES FOR  
FY 2027

## A

## OVERVIEW

**FY 2027 marks the midpoint of PFTAC's Phase VI operations and a moment to consolidate gains, embed reforms institutionally, and prepare the foundations for Phase VII.** The mid-term external evaluation has commenced, with a review committee comprising representatives from member countries and donor partners examining program delivery, results, and strategic direction. Lessons from the first half of Phase VI, accumulated through diagnostic assessments, regulatory reform engagements, central bank capacity building, and the integration of climate considerations across PFM and macroeconomic work inform both the FY 2027 work program and the consolidation push toward Phase VI outcomes.

**The FY 2027 program centers on putting the tools, frameworks, and reforms developed earlier in Phase VI to work in countries' day-to-day administration.** Building on FY 2026 deliverables, the Marshall Islands Consumption Tax, the Kiribati PFM Act, the Solomon Islands PEFA and PNG PIMA assessments, central bank forecasting handovers in Samoa, the Solomon Islands and Tonga, the establishment of debt management units in Palau and Kiribati, and the regional climate PFM workshop and stock take - the FY 2027 program emphasizes institutional

embedding, country-led use of tools and frameworks developed in earlier years, and the operationalization of reforms across day-to-day administration. Climate considerations, mainstreamed into core PFM and public investment work in FY 2026, will be embedded more systematically across country engagements. New entry points, including the Kiribati Financial Services Authority, Fiji's credit union framework following the 2025 Credit Unions Act, and the Solomon Islands Sovereign Wealth Fund, will also be explored as part of ongoing engagement with the authorities, including support in considering policy and institutional options alongside the broader consolidation work.

**FY 2027 Workplan in Numbers.** The FY 2027 work program comprises 179 activities, including 169 activities and 10 regional events, supplemented by targeted webinars for tailored learning. Delivery will span 2,796 TA days; an increase of 28 percent compared to FY 2026. The proposed FY 2027 budget, including the management fee, is US\$9.9 million, around US\$0.3 million higher than the previous year and above the FY 2026 outturn. This increase reflects the continued integration of the Debt Management program, the expansion of climate-focused PFM support, and modest scaling up in the RSS and MFR programs. It also incorporates additional

costs related to the new PFTAC office space and governance expenses associated with the Phase VI mid-term evaluation. Delivery will remain predominantly in person, but rising airfare costs will require selected missions to be delivered remotely or in hybrid formats to manage delivery costs without compromising quality.

**The shift toward remote and hybrid delivery is complemented by a structural change in the LTX-STX delivery mix.** The share of delivery by long-term resident advisors will rise to nearly 50 percent in FY 2027, up from the previous 40:60 LTX-STX ratio. This reflects a deliberate move to leverage resident expertise, providing more continuous, cost-effective, and responsive support to member countries in the context of rising operational costs and tighter delivery margins.

**The FY 2027 work program is organized around several cross-cutting themes that span multiple workstreams. Climate integration** is now embedded across PFM, public investment management, macroeconomic frameworks, and supervisory work, moving from regional awareness-building toward country-level operationalization through climate budget statements, climate PIM regulations, climate-related fiscal risk analysis, and climate financial supervision.

**Digitalization and data systems** continue to drive reform in revenue administration, government finance statistics compilation, and debt reporting, with growing attention to the practical use of AI tools and automation. **Fiscal risk management** is being strengthened through SOE oversight, sovereign wealth fund frameworks, debt sustainability analysis, and supervisory frameworks for climate-related financial risks, reflecting the elevated debt and climate vulnerabilities facing Pacific Island economies.

**Fragile and Conflict-Affected States will receive a higher share of resources in FY 2027.** Approximately 40 percent of planned TA days (1,133 of 2,796) are directed to the seven countries classified as fragile, a 33 percent increase over FY 2026. This reflects the IMF's strategic priority to deepen support for fragile states and PFTAC's continued focus on tailored, sustained engagement with countries facing acute capacity constraints.

**Regional activities account for around 10 percent of total TA days, with 10 events planned for FY 2027 spanning peer learning, cross country capacity**

**building, and coordination with partners.** Climate and fiscal resilience will be supported through workshops on *Climate Budget Tracking and Reporting and Fiscal Risks*, helping countries integrate climate considerations and strengthen fiscal risk management frameworks. Macroeconomic capacity will be enhanced through workshops on *Fiscal Policy and Analysis, Monetary Policy for Pacific Central Banks*, and the *Executive-Level Course on Macroeconomic Policy Communication*, alongside continued *Cohort-Based Training in Forecasting and Nowcasting* (Part II).

Financial sector oversight will be reinforced through *the AFSPC Annual Meeting and Workshop*, while the Revenue program will deliver a *Workshop on Risk Assessment and Management* to strengthen compliance risk management and tax administration practices. Debt management will host sub-regional workshops on *Medium-Term Debt Management Strategy and Annual Borrowing Plans*, and on strengthening linkages between cash management and borrowing plans.

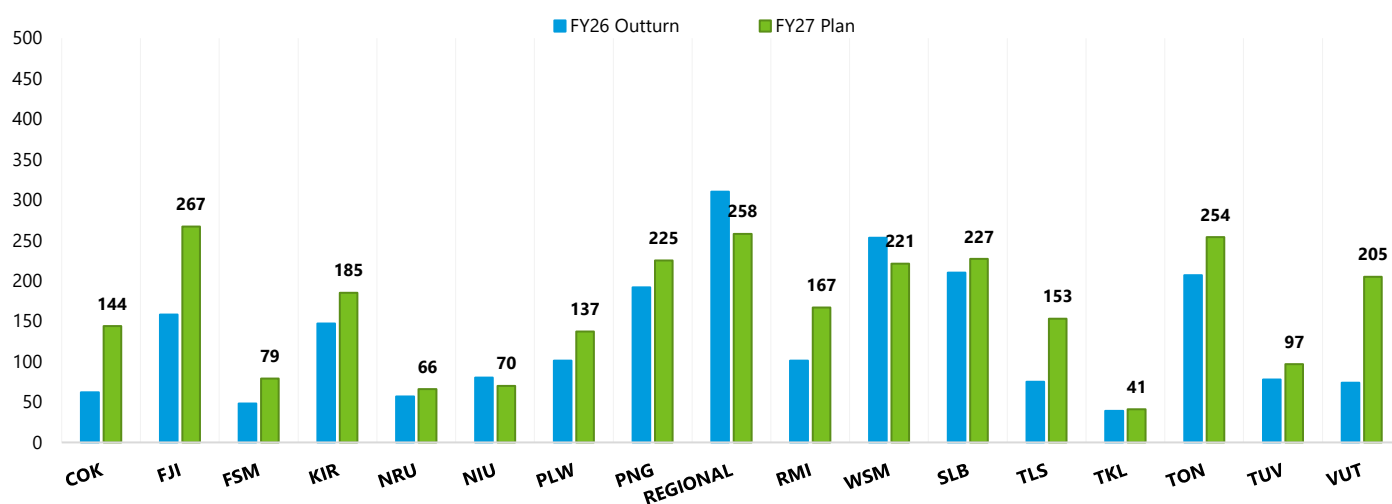
**The expansion of the donor base has strengthened the overall financing**

**position, but sufficient liquidity remains critical for operational continuity.** The total budget for Phase VI, which includes both external funding and IMF contributions, has increased to US\$50.6 million. Of this, US\$47.1 million is expected from donor partners and member countries, with the IMF contributing US\$3.5 million.

As of the end of FY 2026, 90 percent of the total Phase VI budget (US\$45.6 million) has been committed. Of these commitments, approximately 65 percent of contributions have been received, including at least one payment from all donor partners and eight member countries. Additional contributions are expected from member countries that have recently finalized Letters of Understanding (LOUs), while remaining countries are encouraged to conclude their funding agreements.

Strong support from members and donor partners will enable PFTAC to meet growing demand for CD, tackle critical issues, and effectively implement reforms as countries work towards fiscal sustainability.

**FIGURE 6. FY 2027 PLANNED WORKPLAN (2,796 DAYS) VS. FY 2026 OUTTURN (2,192 DAYS)**

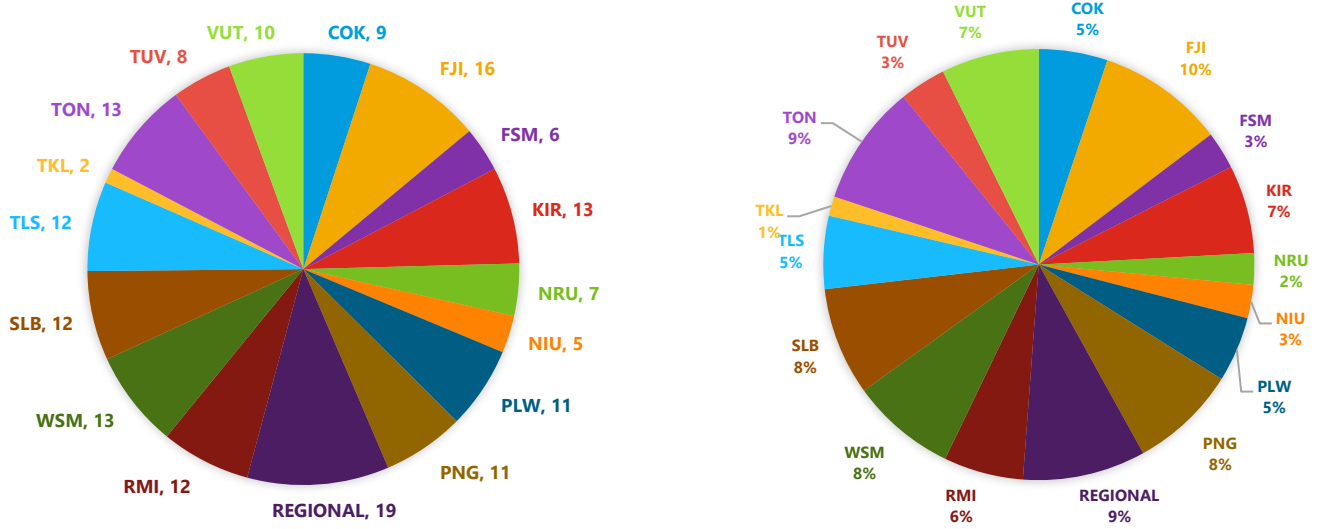


**TABLE 10. FY 2027 REGIONAL WORKSHOPS AND TRAININGS**

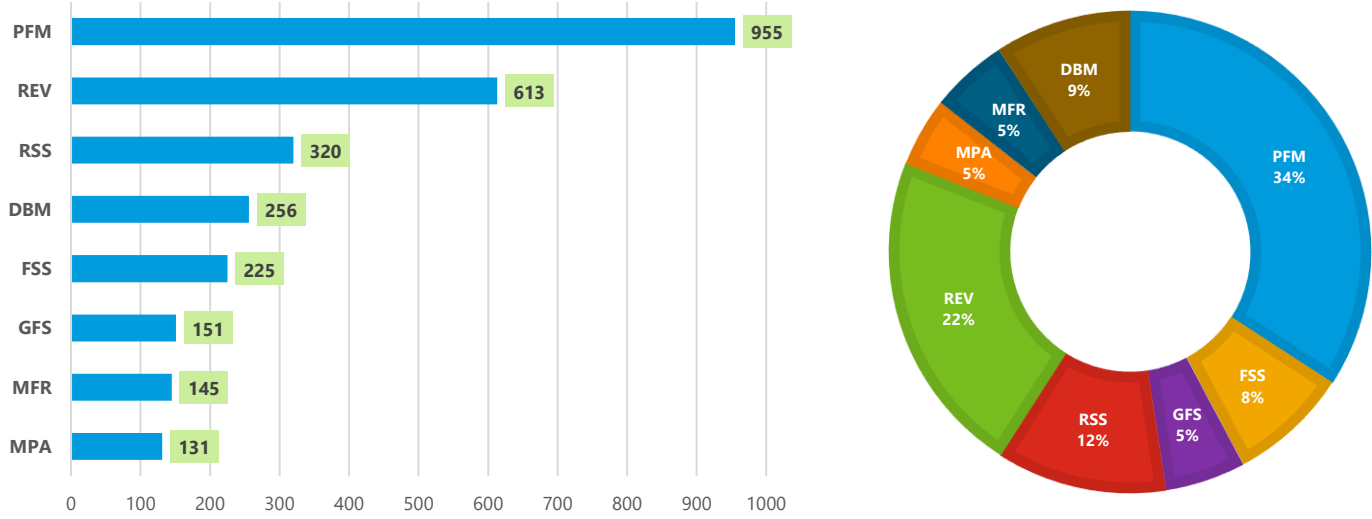
SECTOR	PARTNER	LOCATION	TOPIC	EST. DATE	DURATION (DAYS)
PFM		Fiji	Climate Budget Tracking and Reporting Workshop	Apr 5 - 9, 2027	5
PFM		Samoa	Fiscal Risks Workshop	Sep 14 - 18, 2026	5
FSS	MCM	Fiji	Annual Meeting and Workshop of Association of Financial Supervisors of Pacific Countries (AFSPC)	Nov 2 - 6, 2026	5
REV	PITAA	Fiji	Workshop on Risk Assessment and Management	Jul 13 - 17, 2026	5
MPA	STI/ ICD	Fiji	OT26.19 - Executive Level Course on Macroeconomic Policy Communication for Central Banks STI-PFTAC*	May 21 - 22, 2026	2
MPA	STI/ ICD	Samoa	Workshop on Fiscal Policy and Analysis*	Nov 9 - 21, 2026	10
MFR	STI/ JSA	Tonga	Workshop on Monetary Policy for Pacific Central Banks	Jan 2027	10
MFR	STI/ ICD	Singapore	OT26.03 - Cohort Training in Forecasting and Nowcasting - Part II	Sep 21 - Oct 2, 2026	10
DBM		Vanuatu	Sub-Regional Workshop on Medium Term Debt Management Strategy (MTDS) and Annual Borrowing Plan (ABP)	Jul 27 - 31, 2026	5
DBM		Samoa	Sub-Regional Workshop on Incorporating Linkages between Cash Management and Annual Borrowing Plan (ABP)	Jun 28- Jul 3, 2026	5
<b>GRAND TOTAL</b>					<b>62</b>

\* These courses are delivered by STI with technical backstopping from ICD and form part of the Macroeconomic Frameworks workstream. For budgeting and reporting purposes, they are classified under the Macroeconomic Programming and Analysis workstream, through which PFTAC funding is provided.

**FIGURE 7. FY 2027 PLANNED WORK PROGRAM BY COUNTRY – NUMBER OF ACTIVITIES AND PERCENT OF TA DAYS**



**FIGURE 8. FY 2027 CD COMPOSITION BY PROGRAM – NUMBER OF TA DAYS AND PERCENT OF TA DAYS**



**TABLE 11. FY 2027 PROPOSED BUDGET (US DOLLARS)**

PROJECT	PHASE VI	FY 2027	FY 2027
	Program Budget	Budget	Percent
PUBLIC FINANCIAL MANAGEMENT	11,500,000	2,700,000	27%
REVENUE ADMINISTRATION	8,500,000	1,700,000	17%
BANKING SUPERVISION AND REGULATION	4,300,000	860,000	9%
REAL SECTOR STATISTICS	4,600,000	960,000	10%
GOVERNMENT FINANCE STATISTICS	3,300,000	660,000	7%
MACROECONOMIC PROGRAMMING AND ANALYSIS	3,300,000	660,000	7%
MACROECONOMIC FRAMEWORKS	3,300,000	700,000	7%
DEBT MANAGEMENT	3,000,000	1,000,000	10%
OTHERS	2,200,000	615,000	6%
<b>TOTAL TA PROVISION/ DELIVERY</b>	<b>44,000,000</b>	<b>9,855,000</b>	<b>100%</b>
TRUST FUND MANAGEMENT	3,080,000	689,850	
<b>TOTAL</b>	<b>47,080,000</b>	<b>10,544,850</b>	
IMF CONTRIBUTION	3,500,000	834,000	
<b>TOTAL</b>	<b>50,580,000</b>	<b>11,378,850</b>	

\*Trust Fund Fee is 7 percent of the funds utilized for TA delivery

# REVENUE ADMINISTRATION

## OVERALL OBJECTIVES

The FY 2027 Revenue Administration program remains fully aligned with FAD's Capacity Development Strategy and the Fund's Domestic Revenue Mobilization (DRM) agenda. Strategic objectives are unchanged: strengthening domestic revenue systems as a foundation for fiscal sustainability, macroeconomic stability, and inclusive growth, particularly in small and fragile Pacific Island economies.

Consistent with the Managing Director's Global Policy Agenda, the FY 2027 program recognizes that member countries are operating in an environment of heightened global uncertainty, elevated public debt, and increasing exposure to climate and supply-related disruptions. In this context, reliable domestic revenue systems are a core element of economic resilience, enabling governments to respond to shocks, protect priority spending, and reduce dependence on volatile external financing. Activities and milestones will adapt accordingly, prioritizing revenue predictability, administrative credibility, and institutional durability over short-term collection gains.

Delivery will combine bilateral technical assistance, targeted regional workshops, continuous remote engagement, and peer-to-peer learning, supported by IMF headquarters and short-term experts.

Modalities will be tailored to country context, with particular attention to sequencing, cost-effectiveness, and the sustainability of reforms under constrained capacity.

### Key Themes and Strategic Initiatives

#### Strengthening DRM for Fiscal Resilience

–For Pacific Island countries, DRM is not solely about increasing collections, but about strengthening institutions, improving predictability, and supporting medium term fiscal planning. Support will remain anchored in surveillance findings and aligned with countries' medium-term fiscal frameworks.

#### From Reform Design to Measurable Outcomes

– Building on progress in recent years, support will shift from diagnostics toward operationalization translating policy intent into administratively enforceable practices and day to day operations and supporting administrations through reform adjustment, stabilization, and consolidation. In small administrations, incremental but sustained improvements can meaningfully enhance budget predictability and fiscal management.

#### Digitalization Supporting DRM

– Digitalization will continue to be treated as a business reform, not an IT exercise. FY 2027 support will prioritize data foundations and governance;

improving the effectiveness of core tax administration functions; and supporting implementation and use of existing systems rather than promoting new procurements where capacity is constrained - managing expectations around what digital solutions can realistically deliver.

#### Regional Collaboration and Partnerships

– Regional platforms remain a critical mechanism for stretching limited national capacity. In FY 2027, PFTAC will continue to leverage regional collaboration, peer learning, and coordination with development partners to reduce duplication, lower implementation risk, and support reform sustainability. Collaboration through PITAA and other regional networks will increasingly focus on implementation support and problem-solving, not only knowledge sharing. A regional Compliance Risk Management workshop will equip staff with practical CRM skills, to foster a proactive, risk-based approach to domestic revenue mobilization, supporting both improved compliance and sustainable fiscal outcomes.

## PLANNED ACTIVITIES IN FY 2027

In **Cook Islands**, support will focus on consolidating recent improvements in core tax administration functions, including registration, filing, payment, and reporting.

Attention will be given to strengthening compliance management, embedding risk based approaches, and digital solution options to support sustainable revenue performance.

In **Fiji**, FY 2027 activities will emphasize embedding ongoing reforms into operational practice. Support will focus on improving the use of existing digital tools and data, enhancing governance, strengthening compliance risk management, and supporting reforms informed by recent diagnostic and assessment work.

#### **Federated States of Micronesia**

assistance, when requested, will support tax administration modernization, including the effective use of the Tax Revenue Management System. PFTAC is also ready to assist with tax reform.

**Kiribati** is prioritizing VAT reforms, legislative improvements, and practical compliance strategies to ensure stable and sustainable tax administration. Efforts are focused on digitalization to enhance service delivery and manage expectations regarding technology's role in domestic revenue. Partnerships with PFTAC, PITAA, ADB, World Bank, and donors provide technical assistance and support for streamlined, sustainable reforms.

**Marshall Islands** FY 2027 support will help consolidate recent tax reforms, including the ongoing implementation of the consumption tax and income tax changes. Attention will be given to administrative readiness, taxpayer engagement, and effective use of new systems to support compliance and revenue stability.

In **Nauru**, activities will focus on strengthening compliance risk

management and advancing practical digital enhancements aligned with the administration's capacity. Peer learning and targeted technical assistance will support incremental improvements in the effectiveness of revenue administration.

In **Niue**, support will continue to strengthen foundational tax administration functions while assisting with legislative modernization. Emphasis will be placed on sequencing reforms to ensure implementability and sustainability.

In **Palau**, the FY 2027 work will focus on supporting digitalization readiness and implementation risk management, strengthening core processes, and embedding recent reforms into routine operations. Legislative reforms will continue to be supported as capacity allows.

In **Papua New Guinea**, assistance will focus on supporting the effective implementation of modernized income tax and tax administration legislation, alongside priority areas identified through assessment work. Emphasis will be on administrability, compliance, and institutional strengthening.

For **Samoa**, support will continue to strengthen planning, monitoring, and measurement functions, including the use of tax gap analysis to inform compliance strategies. Reforms will focus on embedding changes into day to day administration and improving organizational effectiveness.

In **Solomon Islands**, FY 2027 activities will support the ongoing modernization of revenue administration, including organizational design, process simplification, and reform management.

Coordinated partner support will help manage reform sequencing and capacity pressures.

For **Timor Leste**, preparatory work for VAT implementation will remain a priority, alongside strengthening taxpayer services, collections, and audit functions. If requested, support will emphasize readiness, staff capability, and implementation planning.

In **Tonga**, support will focus on consolidating legislative reforms, improving audit capability, and supporting modernization of the tax management system. Assistance will be sequenced to match administrative capacity and reform readiness.

For **Tuvalu**, activities will continue to strengthen audit capability, improve compliance outcomes, and enhance operational efficiency through targeted and realistic interventions.

In **Vanuatu**, if requested, PFTAC will provide support for the implementation of Income Tax and the replacement of the tax administration system. Assistance will be directed toward operational effectiveness, strengthening compliance risk management, and supporting domestic resource mobilization throughout these changes.

Together, these themes frame an FY 2027 program that prioritizes durability over rapid wins, a posture appropriate to the fiscal pressures and capacity realities facing Pacific Island administrations.

## C

PUBLIC FINANCIAL  
MANAGEMENT

## OVERALL OBJECTIVES

Building on the six thematic pillars that structured PFTAC's FY 2026 PFM program, **PFM assessments and reform planning, legislative modernization, budget process strengthening, fiscal reporting and accounting, medium-term fiscal frameworks and fiscal risk management, and climate-sensitive PFM**, the FY 2027 workplan focuses on consolidating gains where reforms are underway and opening new fronts where countries are ready to advance. Climate considerations, increasingly mainstreamed into core PFM activities in FY 2026, will be embedded more systematically across country engagements in FY 2027. Coordination with other PFM capacity development providers in the region will continue, ensuring consistent and sustainable impact.

Further, the FY 2027 PFM workplan is anchored in PFTAC's regional PFM strategy priorities: (i) supporting **realistically ambitious and implementable PFM reform plans** that reflect country capacity, opportunities, risks and challenges (including climate); (ii) **enhancing fiscal fundamentals** - budget development, reporting and transparency (including climate) by strengthening budget preparation (including budget decision-making processes) and improving budget

reporting to support fit-for-purpose fiscal rules and frameworks; (iii) strengthening **fiscal risk management**, including appropriate SOE oversight and improved understanding of climate-related risks; and (iv) **integrating climate considerations into PFM and PIM tools and systems** as business-as-usual. FY 2027 will consolidate progress where reforms are underway and expand support where countries are ready to advance, in close coordination with other capacity development partners.

**Key Themes and Strategic Initiatives****Operationalizing Climate-Sensitive PFM.**

Building on the FY 2026 regional workshop and stock take across 15 member countries, FY 2027 will shift climate-sensitive PFM from regional engagement to country-level implementation. Climate budget statements will be developed in the Cook Islands, Samoa, and Tonga; climate-informed public investment management will be strengthened in FSM, Palau, PNG, Samoa and RMI; and climate considerations will be integrated into the new PFM roadmaps for FSM, Nauru, and the Solomon Islands. A regional workshop on Climate Budget Tracking and Reporting will reinforce these efforts, including by highlighting gender-responsive approaches.

**PFM Roadmaps as the Entry Point for New Engagements.** Updated PFM reform roadmaps will be developed for FSM, Nauru, and the Solomon Islands, sequencing reforms in line with each country's institutional capacity and reform readiness. The roadmaps will incorporate climate-sensitive PFM measures and serve as the basis for prioritized, multi-year engagement.

**Deepening Fiscal Risk Management and SOE Oversight.**

Support will continue to strengthen the identification, monitoring, and management of fiscal risks in Fiji, PNG, and Samoa, and will extend to a new engagement with the Solomon Islands on the design of a Sovereign Wealth Fund framework. SOE monitoring capacity will be strengthened in Kiribati. A regional training on Fiscal Risks, supported by Samoa, will draw on lessons from the FRAT and SOE Health Check Tool work in FY 2026. The workshop will also enhance peer-to-peer learning and engagement, including by drawing on similar experiences in small developing states in the Caribbean region to strengthen cross-regional collaboration.

Two regional workshops are planned: one on *Climate Budget Tracking and Reporting* (including a session on gender-responsive/green budget tagging), and a training on *Fiscal Risks* with the support of

Samoa (including a session on climate and gender budgeting).

The FY 2027 workplan is ambitious but cognizant of real capacity pressures, with sequencing tailored to country priorities and continued coordination with other PFM capacity development providers in the region.

## PLANNED ACTIVITIES IN FY 2027

At the regional level, two workshops are planned drawing on the resources of the PFTAC resident advisors, FAD staff and STX:

- Workshop on Climate Budget Tracking and Reporting
- Regional training on Fiscal Risks

In terms of country activities, planned delivery includes the following:

In the **Cook Islands**, support will help develop climate-sensitive asset registers and strengthen the annual budget process, with a focus on developing a climate budget statement.

In **Fiji**, PFTAC will support the authorities to strengthen budget practices, including by reviewing and updating budget preparation and documentation procedures in line with international good practice. Targeted training will be provided to Internal Audit, including developing and maintaining an audit universe and adopting a risk-based approach to audit planning. Support will also continue to strengthen the analysis and disclosure of fiscal risks.

A PFM Roadmap will be developed for **FSM** to appropriately prioritize and sequence future PFM reforms. Support will also be provided to the development of credible, climate-informed public investment procedures and plans.

Assistance will be provided to **Kiribati** to produce revised financial regulations

aligned with the new PFM Act and to strengthen monitoring of State-Owned Enterprises.

Support to the **Marshall Islands** will continue, focused on strengthening budget documentation and developing analytical tools to support budget formulation, including for climate-sensitive public investment.

A PFM Roadmap will be developed for **Nauru** to appropriately prioritize and sequence future PFM reforms.

In **Niue**, PFTAC will strengthen asset and liability management by updating the cashflow forecasting model and supporting its integration into routine cash management processes to improve liquidity planning and decision-making.

Further support will be provided to **Palau** to strengthen the budget process and the quality of budget documentation and strengthen climate-sensitive public investment.

In **Papua New Guinea**, support will continue to strengthen fiscal reporting as well as enhancing fiscal risk reporting and strengthen climate-sensitive public investment.

In **Samoa**, continued support will strengthen the management of fiscal risks (including climate-related risks) and Public Investment Management (PIM), alongside reviews of cash management and financial reporting procedures, and the development of a climate budget statement.

A PFM Roadmap will be developed for the **Solomon Islands** to appropriately prioritize and sequence future PFM reforms, including measures to enhance climate-sensitivity. PFTAC will support the authorities to review budget practices and strengthen the processes and procedures underpinning budget preparation, documentation, and reporting. Support will also be provided to the authorities on

establishing a Sovereign Wealth Fund, including in-depth analysis and recommendations on objectives and trade-offs, capacity constraints, and governance arrangements.

Support is planned to produce a workplan for PFM support for **Timor-Leste**, alongside support to help them enhance debt and cash management objectives.

In **Tokelau** PFTAC will strengthen medium-term budget frameworks by providing guidance to the development of budget documentation.

An *Agile*PEFA combined with the Supplementary Framework for Assessing Climate-Responsive Public Financial Management (PEFA Climate) will be undertaken in **Tonga**. Building on the recent HQ Medium-Term Fiscal Framework (MTFF) mission, follow-up support will be provided to help integrate MTFF outputs into the annual budget process and strengthen budget documentation and reporting. Following the assessment, a mission will also assist the formulation of a prioritized and sequenced PFM Roadmap to guide future PFM reforms.

In **Tuvalu** medium-term orientation of the budget will be strengthened, including climate impacts and risks, and a review of the public accounts process and IFMIS requirements will be conducted, as well as support for strengthening internal audit.

Following the *Agile*PEFA assessment, PFTAC supported **Vanuatu** to develop its PFM reform roadmap. The roadmap highlights priority reforms to strengthen budget preparation and execution (including commitment controls), improve cash management, and enhance fiscal reporting, providing a framework for PFTAC's ongoing support to the authorities on budget practices, cash-flow forecasting, and updating the cash-flow forecasting model.

## D

# MACROECONOMIC ANALYSIS AND FRAMEWORKS

The Macroeconomic Analysis and Frameworks chapter brings together two closely coordinated workstreams: Macroeconomic Programming and Analysis, which mostly supports macro-fiscal modeling, GDP and tax modeling, and economic forecasting; and Macroeconomic Frameworks, which mostly supports nowcasting, near-term forecasting, and the development of forecasting and policy analysis systems (FPAS). Building on FY 2026 deliverables, including new macro-fiscal models in Samoa and the Solomon Islands, a fiscal projection tool in Tokelau, and the handover of central bank forecasting projects from IMF headquarters to PFTAC—the FY 2027 program shifts emphasis from tool development toward consolidation, institutional embedding, and country-led use of these tools in policy formulation. The two workstreams will continue to work in close coordination, and with the IMF's Institute for Capacity Development (ICD) and IMF - Singapore Regional Training Institute (STI), to ensure that fiscal and monetary policy analysis are grounded in consistent and reliable macroeconomic frameworks.

## MACROECONOMIC PROGRAMMING AND ANALYSIS

### OVERALL OBJECTIVES

The Macroeconomic Analysis program has four core objectives.

**Macro-fiscal modeling** capacity that is relevant to member country needs and tailored to the specific circumstances of each country:

- **Basic Budgeting** – ensuring the use of basic fiscal models in budget preparation along with relevant economic parameter inputs including forward estimates.
- **Medium term forecasting** – use of a fully integrated macro-fiscal model for medium to long run forecasting.
- **Scenario analysis** – use of a macro-fiscal model to undertake shock and scenario analysis to aid understanding of the relationship between fiscal and other macroeconomic variables; and
- **Fiscal strategy** – countries devise, publish and implements (including in legislation where appropriate) prudent fiscal frameworks.

**Forecasting key economic variables**, including GDP, inflation, the current account and foreign exchange reserves.

**Enhancing policy makers understanding** of the between fiscal policy, monetary policy, and exchange rate regimes in order to support economic growth and macroeconomic stability.

### PLANNED ACTIVITIES IN FY 2027

Building on FY 2026 deliverables, including new macro-fiscal models in Samoa and the Solomon Islands, the Cook Islands GDP(E) series, the Tokelau fiscal projection tool, and continued support to PNG's Macroeconomic Projections Tool, the FY 2027 program shifts emphasis from tool development toward institutional embedding and operational use.

A total of nine missions will be carried out in FY 2027. Macro-fiscal missions, covering both economic and fiscal forecasting are planned for **Marshall Islands, Samoa, Solomon Islands, Timor-Leste** and **Tonga**.

Financial Programming missions are scheduled for **Fiji** and **Vanuatu**. **Kiribati** will receive support on modelling oil price shocks, while **PNG** will receive support for its Macroeconomic Projection Tool.

Two workshops will also be held: a *Macroeconomic Policy Communication for Central Banks* workshop will be held in May

2026; and a *Fiscal Policy and Analysis* workshop will be held in late 2026.

In addition, the Macroeconomic program regularly receives a range of ad hoc requests from member countries including:

- Standalone forecasting models for GDP and inflation
- Tax modeling in support of tax reform, such as VAT implementation
- Industry contribution analysis

FY 2027 planned missions and workshops will contribute to four key outcomes:

**Outcome 1** - Timely, high quality macroeconomic monitoring, analysis, and research available for policy making.

**Outcome 2** - Ready public access to key monetary, fiscal, and financial soundness information.

**Outcome 3** – Sound medium-term macroeconomic framework.

**Outcome 4** – Strong institutional structures for macroeconomic policy making

## MACROECONOMIC FRAMEWORKS

### OVERALL OBJECTIVES

The primary objective remains to develop capacity in macroeconomic forecasting and policy analysis at central banks, ministries of finance, and relevant government agencies, supporting the policy decision-making and communications that underpin macroeconomic stability and long-run welfare. Building on the FY 2026 transition of central bank forecasting projects from IMF headquarters to PFTAC, including the handovers in Samoa, the Solomon Islands, and Tonga, and the Bank of Papua New Guinea's continued FPAS work, the FY 2027 program emphasizes consolidation, regionally anchored support, and the next phase of forecasting and policy analysis system development and macroeconomic stability, and long run welfare.

The Macroeconomic Frameworks program continues to work in close coordination with the Macroeconomic Programming and Analysis program, particularly in support of countries' development of sound medium-term macroeconomic frameworks.

### PLANNED ACTIVITIES IN FY 2027

Building on the FY 2026 transition of central bank forecasting projects from IMF headquarters to PFTAC, including the handovers in Samoa, the Solomon Islands, and Tonga, and the Bank of Papua New Guinea's continued FPAS work, the FY 2027 program emphasizes consolidation, regionally anchored support, and the next phase of forecasting and policy analysis system development. macroeconomic stability. The Macroeconomic Frameworks program continues to work in close coordination with the Macroeconomic Programming and Analysis program, particularly in support of countries' development of sound medium-term macroeconomic frameworks.

The Macroeconomic Frameworks program operates in close partnership with the IMF - Singapore Regional Training Institute (STI), which has been a long-standing partner in supporting central bank capacity development across the Pacific. STI co-delivery has been integral to the BPNG forecasting project since its inception in FY 2025 and underpins the joint Cohort Training in forecasting and nowcasting, which enters its second phase in FY 2027. STI advisors also contribute regularly to PFTAC's regional central bank workshops, and the two institutions coordinate closely on training content, sequencing, and country priorities to ensure complementary delivery and avoid duplication.

The FY 2027 prioritize increased demand from the membership.

Two missions to the **Reserve Bank of Fiji** (RBF) will strengthen analytical skills and macroeconomic forecasting and policy analysis capacity, with topics determined by the RBF in consultation with the Macroeconomic Frameworks adviser.

The TA program with the **Papua New Guinea Treasury** is expected to conclude in FY 2027, with planned missions completing the development of a macroeconomic projection model and its integration into the Treasury's work practices.

The **Bank of Papua New Guinea** (BPNG) project, launched in FY 2025 with STI support to enhance the Bank's forecasting capacity, will continue in FY 2027 and transition to Phase 2 by year-end, with a sharper focus on QPM development. Three missions will advance staff training and tool development, integrate the new forecasting tools into the monetary policy process, and support the BPNG's transition to its reformed policy framework.

The **Central Bank of Samoa** project, transitioned to PFTAC at the conclusion of HQ-led support, will continue in FY 2027 with a focus on reviewing the macroframework, maintaining progress,

and extending the forecasting tools at the authorities' request.

A new project with the **Banco Central de Timor-Leste** will support the enhancement of its forecasting and policy analysis system, beginning with a scoping mission on June 22–26, 2026. The detailed work program will be agreed with the authorities thereafter.

Following the conclusion of the **Central Bank of Solomon Islands** project in FY 2026 and its transition to a maintenance phase, one mission is planned in FY 2027

to review the macroframework, nowcasting and forecasting tools, and policy analysis.

The **National Reserve Bank of Tonga** project, handed over to PFTAC at the end of FY 2026, will continue in FY 2027 with extended support on FPAS and monetary policy communications.

A regional *Central Bank workshop* will be delivered in Fiji during September 2026. The workshop will provide opportunities for PFTAC central bank officials to share their experiences with forecasting policy analysis systems (FPAS): integrating nowcasting, near-term forecasting and

quarterly projection model tools into policymaking and communications. The first two days of the workshop will focus on customized training, incorporating elements from ICD courses. Peer-exchange sessions will occur throughout the week and will dominate the last three days of the workshop. These sessions will feature presentations and panel discussions with central bank officials involved in implementing FPAS.

The Macroeconomic Frameworks program of activities in FY 2027 includes supporting the second part of the cohort training to be run jointly by PFTAC and STI.

## E

## MACROECONOMIC STATISTICS

The Macroeconomic Statistics chapter covers two workstreams: Government Finance Statistics (GFS), which supports the compilation, quality, and use of fiscal and public sector debt statistics; and Real Sector Statistics (RSS), which supports the production of national accounts and price statistics. Building on FY 2026 progress, including stabilized GFS production in countries facing staff turnover, FMIS-driven compilation improvements, completed national accounts rebasing in Fiji and Vanuatu, and updated CPI in the Marshall Islands, the FY 2027 program emphasizes sustaining processes, strengthening methods, and preparation for forthcoming international standards. Both workstreams operate in close coordination with the IMF's Statistics Department and with PFTAC's PFM, Debt Management, and Macroeconomic Programming workstreams, ensuring that statistical reforms reinforce broader fiscal and economic capacity.

## GOVERNMENT FINANCE STATISTICS

## OVERALL OBJECTIVES

Fiscal statistics, compliant with the *Government Finance Statistics Manual 2014 (GFSM 2014)* framework, are a key component of fiscal transparency and are designed to assist with informed decision-making and effective policy formulation. PFTAC has supported the implementation of the *Government Finance Statistics Manual 2014 (GFSM 2014)*.

Progress on GFS is directly impacted by the scarcity of skilled resources, affecting the availability of source data and slowing the development towards the full spectrum of reporting provided within *Government Finance Statistics Manual 2014 (GFSM 2014)*. Access to data and coordination among national stakeholders is a crucial component to GFS development.

The medium-term goal is to ensure sustainable production of timely key fiscal indicators. Capacity development support will be designed to meet the individual needs of each country where staff turnover may require more hands-on support.

FY 2027 will focus on core business process documentation to support continuity, strengthen statistical classifications, seek opportunities to improve frequency and

timeliness of statistical outputs, and support national and international dissemination. Compilers will be supported to develop and routinely maintain metadata for fiscal and public sector debt statistics.

With overlapping areas of interest, internal coordination by PFTAC across RSS, PFM and Debt Management program will ensure delivery of targeted and efficient support to benefit our member countries.

## PLANNED ACTIVITIES IN FY 2027

Working with **Fiji**, the mission will explore the potential of the recent FMIS to increase the scope of GFS reporting.

In **Kiribati**, the mission will focus on stabilizing the newly developed process and enhancing dissemination and balance sheet statistics.

The **Marshall Islands** TA will concentrate on improving the timeliness of data and building national expertise.

A number of countries have experienced staff turnover, including **Cook Islands, FSM, Niue** and **Palau**. Missions will concentrate on supporting new compiler with GFS compilation and methodological concepts to maintain the existing levels of

compilation and restate plans for development of fiscal statistics.

The TA to **Samoa** and **Vanuatu** will support improved national collaboration and coordination to share knowledge and data; and work to further improve the mapping of fiscal data to the GFS framework.

**Nauru** and **Tuvalu**, with limited domestic capacity, will continue to be supported to ensure the domestic production of basic statistics and tailor the roadmap for progress to consider compiler capacity. A peer learning visit will connect officials from Samoa with Nauru promoting collaboration and knowledge sharing.

Work in **Timor-Leste** will focus on the classification of state-owned enterprises and aligning GFS with RSS. This will be supported by Vanuatu participating in peer-to-peer collaboration.

**Tonga** will be assisted with improving the classification of source data and consistency of fiscal statistics.

The PFTAC budget will be complemented by IMF's Data for Decisions (D4D) funded missions, ensuring expanded coverage of capacity development across the region. In **Papua New Guinea**, support will focus on increasing sectoral coverage, including state-owned enterprises. In **the Solomon Islands**, support will focus on training and on improving the classifications of source data.

## REAL SECTOR STATISTICS

### OVERALL OBJECTIVES

In coordination with the IMF's Statistics Department, PFTAC will continue to promote the compilation and dissemination of high-quality national accounts and price statistics data reflecting international standards and good practices.

Preparation for the implementation of the *2025 System of National Accounts (2025 SNA)* and the International Standard Industrial Classification Revision 5 (ISIC Rev 5) will commence in FY 2027. Implementation will be phased across countries based on capacity and the timing of national accounts rebases, with PFTAC providing methodological guidance and country-specific support throughout the transition.

Statistical capacity varies considerably across PFTAC member countries. Smaller administration faces acute staff shortages, hindering regular updates, while better-sourced countries are advancing methodological quality, timeliness, and frequency. The RSS program tailors its support, accordingly, providing intensive hands-on assistance for countries stabilizing core compilation, while supporting more advanced administrations through methodological deepening, rebasing exercises, and the introduction of higher-frequency statistics such as quarterly national accounts.

### PLANNED ACTIVITIES IN FY 2027

Planned country activities includes the following:

Assistance to the **Cook Islands** will focus on updating the annual GDP estimate and support rebasing the national accounts.

Development of Quarterly National Accounts (QNA) estimates for **Fiji** will commence as well as the rebasing the national and updating the CPI.

Assistance to **Kiribati** will focus on compiling the annual GDP estimates as well as commence the rebasing of the national accounts. Updating the CPI will also commence.

Assistance to **Nauru** will focus on producing an updated annual GDP estimate, review the quality of the tax data and commence the rebase of the national accounts.

Assistance to **Niue** will focus on producing an updated annual GDP estimate.

Assistance to **Palau** will focus on improving the CPI.

Assistance to **Papua New Guinea** is coordinated together with Australian Bureau of Statistics (ABS). The focus will be on rebasing the national accounts.

**Samoa** will finalize the rebasing of their national accounts, including Supply and Use Tables.

Assistance to the **Solomon Islands** will focus on mentoring the new staff who will have to take over National Accounts and assisting with the compilation of the GDP estimates.

Along with the ABS, PFTAC will support **Timor-Leste** in rebasing the national accounts and updating the CPI.

Assistance to **Tokelau** to develop GDP estimates for the latest year.

Assistance to **Tonga** will assist with the compilation of GDP estimates and training new staff. Rebasing the national accounts will also commence.

The mission to **Tuvalu** will focus on compiling the latest GDP estimates and converting the national accounts to a fiscal year.

**Vanuatu** will commence the development of QNA with the assistance of PFTAC.

## F

# FINANCIAL SECTOR SUPERVISION

## OVERALL OBJECTIVES

Building on FY 2026 progress, including diagnostic assessments and regulatory roadmaps in Palau and Kiribati, the legislative review in Samoa, advanced industry consultation on prudential standards in FSM, RMI, and Tonga, and continued operationalization of risk-based supervision frameworks in the Cook Islands, FSM, RMI, and Tonga, the FSS work program for FY 2027 will focus on four core strands:

- Review of **financial sector legislation**.
- Completing the review and the development of **prudential standards**.
- Completing the remaining elements of enhanced **risk-based supervision framework**.
- **Training supervisory staff** in the technical aspects of the prudential standards already reviewed/ developed including the impact studies and risk based supervision.

The FY 2027 program also responds to priorities articulated by member supervisory authorities at the 20th AFSPC Annual Meeting in September 2025, where members identified strengthening fintech

regulation, climate-related financial risk supervision, and frameworks for pension and provident funds as emerging gaps, alongside continued capacity needs in cyber-risk supervision, advanced supervisory tools, and IFRS 9 and IFRS 17 implementation.

## PLANNED ACTIVITIES IN FY 2027

### Review of the Financial Sector Legislation

In FY 2027, better-resourced supervisory authorities and central banks will initiate or advance reviews of financial sector legislation. PFTAC will support the desk review of **Palau's** Financial Institutions Act and, in **Samoa**, the legislative upgrades to banking and insurance laws building on earlier desk reviews.

PFTAC will support the desk review of the Financial Institutions Act of **Palau**, and the legislative upgrades for banking and insurance sectors in **Samoa**.

### Enhancements to the Prudential and Risk Management Standards

PFTAC has been assisting its member countries in upgrading and aligning their prudential standards to ensure effective coverage of financial risks facing financial

institutions. In this effort, relevant elements of Basel Framework are incorporated in the standards as needed following the concept of proportionality. From FY 2021, this project has been expanded to include the relevant elements of Basel III reforms package (Definition of Capital, Standardized Approaches for Credit and Operational Risks, Large Exposures, Liquidity Standards and monitoring tools, IRRBB).

The revision, development and implementation of this has been progressing rather slowly due to staffing and other constraints faced by different countries. Some countries are still in the process of fully understanding the envisioned reforms, while other countries are ready to undertake impact studies.

**Kiribati** has set up a new Financial Services Authority and PFTAC will now be working with them to, in a sequenced manner, introduce regulatory and supervisory frameworks for financial institutions.

**Vanuatu**, following the recommendations from the Financial Stability Review, will implement a set of key prudential standards enhancing regulation of risk, management of banks, including capital adequacy requirements, credit risk and liquidity risk.

**Tonga**, after improving governance of banks by upgrading the Prudential Standards for Banks, is ready to introduce standards on credit risk management, large exposures, related parties, Audit Arrangements and Fit and Proper Policies. PFTAC will support the full implementation of these standards throughout FY 2027.

Several member countries, **FSM**, **RMI** and **Cook Islands**, which have completed the review of prudential regulations will proceed to finalize them in consultation with banks and taking into account the

outcomes of the impact studies. PFTAC will support them in this effort as needed.

**Fiji**, after the enactment of the Credit Unions Act 2025, will be developing and implementing appropriate regulatory and supervisory frameworks for this industry. PFTAC will support this effort through FY 2027.

### **Enhancements to Risk-Based Supervision**

During FY 2027, a series of missions will assist several jurisdictions in developing appropriate supervisory frameworks, in **Marshall Islands**, **FSM** and **Timor-Leste**.

Follow-up missions to **Cook Islands** and **Tonga** would train staff in practical application of the supervisory rating model already developed.

# PUBLIC DEBT MANAGEMENT

## OVERALL OBJECTIVES

All Monetary and Capital Markets Department's (MCM) CD is tailored specifically to country needs, in coordination with the IMF's country teams, as well as the Fiscal Affairs Department (FAD), Legal Department (LEG), Strategy, Policy and Review Department (SPR), and the Institute for Capacity Development (ICD), and through regional debt management advisors. More specifically, the Debt Management work program in PFTAC for FY 2027, will continue to aim at strengthening public debt management capacity by focusing on the following topics:

- Strengthening the **institutional arrangements** for debt management.
- Building capacity on **debt related analysis, recording and reporting** to increase transparency.
- Building capacity to formulate and **implement debt management strategy** and risk management frameworks.
- Assisting governments in the region to continue developing **domestic debt markets**.
- Enhancing knowledge of the **debt sustainability analysis framework** and tool.

Demand for capacity development in public debt management across the Pacific region remains strong. Countries are increasingly seeking to strengthen transparency and accountability in debt management to build investor confidence and support informed policymaking. This need is particularly acute as many Pacific economies face elevated debt levels and heightened vulnerability to economic shocks, underscoring the importance of developing and implementing effective debt management strategies.

Building on the progress achieved under the FY 2026 program, capacity development in FY 2027 will continue to focus on strengthening the core principles of public debt management, including support for institutional frameworks and debt transparency. In addition, the FY 2027 program will further strengthen local currency government debt markets in the five countries with existing markets, supporting the development of sustainable, long-term, and cost effective financing.

Effective coordination and collaboration will remain one of the pillars for continuing implementing the program in the Pacific region. Close engagement with development partners, including the World Bank, the Asian Development Bank, and UNDP, will help enhance the effectiveness

and complementarity of capacity development efforts.

Another priority for the program is to develop regional technical capacity to enable experts to participate in technical assistance in the region. Lastly, the program aims to boost its impact by utilizing current delivery methods, including remote support from staff and consultants, as well as the MCM online training tools. This approach provides flexible and accessible training for Pacific region stakeholders, equipping them with the skills to manage public debt effectively.

## PLANNED ACTIVITIES IN FY 2027

### Regional Events

The debt management program will deliver a range of regional capacity development activities. In collaboration with FAD and the PFM program, a regional workshop will be organized to strengthen the understanding of Treasury and DMO staff on the linkages between cash management and government debt issuance. A second regional workshop will focus on the application of the MTDS analytical template to support improved debt strategy formulation and enhanced debt reporting. In addition, the program will design and deliver a series of webinars for DMO staff addressing emerging and operational issues, including climate

finance instruments, the use of artificial intelligence in debt reporting, and core topics in government debt markets such as auction design, benchmarking, and bond pricing.

### **Formulate and Implement Debt Management Strategy**

Building on the progress achieved to date, PFTAC will continue to support countries in the preparation, publication, and implementation of medium term debt management strategies. Capacity development will focus on strengthening countries' use of the joint IMF–World Bank MTDS framework and Analytical Tool, with the objective of expanding the number of countries actively applying the framework in their debt management practices.

Activities will also continue to build capacity in the preparation of annual borrowing plans and issuance calendars, supporting more effective and transparent debt operations.

Support will be tailored to country needs and the capacity of debt management offices. More advanced countries will primarily receive remote assistance, while countries at earlier stages of debt strategy development will benefit from targeted in person support, including hands on guidance from the advisor.

To increase the number of countries preparing and publishing their own debt

management strategies, **Solomon Islands** will receive remote support while **Vanuatu**, **Samoa**, **Timor-Leste**, **Tonga** will receive in-person support.

### **Strengthening Institutional Arrangements for Debt Management**

In FY 2027, the program will undertake a targeted support mission to **Vanuatu** to assist in the preparation and approval of standardized procedures guiding debt reporting workflows and the formulation of a medium term debt management strategy.

### **Develop and Strengthen Processes for Accurate Debt Recording, Reporting, and Monitoring**

Building on the success of the program in FY 2026, when three additional countries began publishing annual public debt reports, the FY 2027 program will focus on expanding the scope and coverage of debt reporting. Capacity development will aim to support the inclusion of state owned enterprise (SOE) debt in public debt bulletins, further strengthening transparency and comprehensiveness of debt information. Targeted support missions will be undertaken in **Kiribati** and **Palau** to advance this objective.

### **Develop Market Infrastructure and Capacity for Cost Effective Financing**

PFTAC will continue to support countries in strengthening local currency bond markets, with a particular focus on developing the primary market for domestic market based issuance. Assistance will cover key areas such as issuance practices, investor relations, and market infrastructure. A full diagnostic mission to **Fiji** has been scheduled, along with follow up missions to **Solomon Islands**, **Tonga**, and **Papua New Guinea**. These missions will regularly assess progress in implementing previous recommendations and address countries' specific constraints to reform. This sustained engagement will support the effective implementation of reforms, while also facilitating the sharing of sound practices and lessons learned across the region.

### **Debt Sustainability Framework**

The debt management program will also coordinate closely with the IMF's Strategy, Policy, and Review Department (SPR) in the delivery of targeted debt sustainability analysis (DSA) training activities. This collaboration will support the organization of workshops or tailored training events aimed at strengthening country capacity to understand, apply, and interpret DSA frameworks, while ensuring consistency with broader IMF surveillance and policy guidance.

# ANNEX

## ANNEX 1. WORK PROGRAM EXECUTION IN FY 2027

### A. REVENUE ADMINISTRATION

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: BETTER REVENUE ADMINISTRATION, MANAGEMENT AND GOVERNANCE ARRANGEMENTS</b>				
<b>Cook Islands</b>	Desk Review of reform progress, check-in with authorities	Need to understand reform progress, check-in with authorities, plan support.	Staff capability is enhanced and knowledge applied to support progress.	
<b>Cook Islands</b>	Developing Change Management	Greater clarity is required to effectively support Developing Change Management.	Key staff are better able to plan for and manage change.	
<b>Cook Islands</b>	Support Digitalization - Options and Planning	Capabilities remain limited in terms of what is required in a digital revenue system.	Clear plan for digital implementation and CD plan to support this.	
<b>Fiji</b>	Desk Review of reform progress, check-in with authorities	Need to understand reform progress, check-in with authorities, plan support.	Staff capability is enhanced and knowledge applied.	
<b>Fiji</b>	HQ led-Review & Capacity Building for Risk and Governance Team	Review & Capacity Building for Risk and Governance Team are seeking to improve effectiveness.	Risk and governance capability is strengthened through targeted review findings and practical capacity-building support.	
<b>FSM</b>	Desk Review of reform progress, check-in with authorities	Need to understand reform progress, check-in with authorities, plan support.	Staff capability is enhanced and knowledge applied.	
<b>Kiribati</b>	Mutual Administrative Assistance in Tax Matters (MACT) Accession Analysis and Digitalization	Greater clarity is required to advise government on MACT Accession.	MACT options note completed and government decision pathway agreed.	
<b>Kiribati</b>	Digitalization Support	Capabilities remain limited in terms of what is required to support Digitalization.	Clear plan for digital implementation and CD plan to support this.	
<b>Kiribati</b>	Strengthen Voluntary Compliance	There is a need to effectively support Strengthen Voluntary Compliance.	Clear plan for implementation of taxpayer services to support tax reform voluntary compliance.	
<b>Marshall Islands</b>	Tax Reform and Modernization Support	Further work is needed to effectively support Tax Reform and Modernization.	Reform plan updated with sequencing and governance agreed.	
<b>Marshall Islands</b>	Organization Structure and Transition	At present, arrangements do not yet adequately support needs for tax reform implementation and operation.	Review the organizational structure, its implementation and operation providing advice on improvements.	
<b>Marshall Islands</b>	HQ Review and Support	Greater clarity is required to effectively support HQ Review and Support.	Reform plan updated with sequencing agreed.	
<b>Marshall Islands</b>	HQ Tax Administration Reform (Design & Monitoring)	Capabilities remain limited in terms of what is required to support HQ Tax Administration Functions.	Improved understanding and capability in undertaking planning, design, monitoring, and reporting functions. An action plan for implementation on return to the office.	

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>Marshall Islands</b>	Tax Reform Readiness	Assessment required of Tax Reform Readiness as implementation approaches.	Reform plan updated with pragmatic needs assessment, sequencing and governance agreed.	
<b>Nauru</b>	Organizational ICT Infrastructure Upgrade – Small State Tax System	Further work is needed to effectively support 'fit-for-purpose' Small State Tax System.	Authorities assess options and endorse roadmap for a small-state tax system.	
<b>Nauru</b>	Review Digitalization Progress	Need to assess current arrangements to support Digitalization.	Clear understanding of digitalization progress and where additional assistance may be required.	
<b>Niue</b>	Organizational ICT Infrastructure Upgrade – Small State Tax System	Further work is needed to effectively support 'fit-for-purpose' Small State Tax System.	Authorities assess options and endorse roadmap for a small-state tax system.	
<b>Palau</b>	Modernization of ICT Infrastructure and Digitalization	Capabilities remain limited in terms of what is required to support Modernization of ICT Infrastructure and Digitalization.	ICT modernization roadmap, plan to begin implementation, and priority deliverables agreed.	
<b>Palau</b>	Customized Diagnostics and TADAT Training	There is a need to assess the current core capabilities to support future modernization.	A report of the current core capabilities with prioritization of immediate focus areas.	
<b>Palau</b>	PGST Reform, Risk assessment and Improving Compliance	Further work is needed to effectively support PGST Reform, Risk assessment to Improve Compliance.	Staff capability enhanced and data analysis skills applied to identify real risk to revenue, including Compliance Improvement Plan.	
<b>Palau</b>	Tax Reform Phase 2 Planning (incl possible Customized MTRS)	At present, arrangements have not completed priority Tax Reforms.	Phase 2 reform scope, sequencing, and next steps are agreed to guide implementation.	
<b>Samoa</b>	Digitalization (IRAS) Desk Support	Greater clarity is required to effectively support Digitalization.	IRAS support issues addressed and next actions agreed.	
<b>Samoa</b>	Provide Digitalization Procurement Support	Capabilities remain limited in terms of what is required to support Provide Digitalization Procurement Support.	IRAS support issues addressed and next actions agreed toward a procurement activity to upgrade or replace the existing system.	
<b>Samoa</b>	Refresh structure and human resource impacts	Ministry of Revenue is now split from Customs, needing a refresh of structures to support revenue administration.	Review the organizational structure, its implementation and operation providing advice on potential improvements.	
<b>Timor-Leste</b>	Desk Review of reform progress, check-in with authorities	Need to understand reform progress, check-in with authorities, plan support.	Staff capability is enhanced and knowledge applied to plan future reform and support.	
<b>Timor-Leste</b>	Scoping Visit	At present, reform support requirements and timing, particularly for VAT, are unclear.	A prioritized scope and delivery plan is agreed, aligned with authorities' needs and implementation capacity.	
<b>Timor-Leste</b>	VAT Implementation Review	Greater clarity is required to effectively support VAT Implementation.	Review report and recommendations on plans and actions to support implementation.	
<b>Tonga</b>	Accession to Convention on Mutual Administrative Assistance in Tax Matters (MACC)	Capabilities remain limited in terms of what is required to support Accession to MACC.	MACC accession pathway and required reforms agreed, with options note completed for government.	

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
Tonga	Organizational ICT Infrastructure Upgrade – Business Case & Policy	There is a need for support to progress requirements for an Organizational ICT Infrastructure Upgrade.	A business case and implementation pathway are agreed to guide ICT modernization decisions.	
Tonga	IRAS Replacement & Digitalisation Procurement Support	Further work is needed to effectively support IRAS Replacement & Digitalization Procurement Support.	Clear plan for digital implementation and CD plan to support this.	
Tonga	Organizational Capability: HR & Shared Services Development	At present, arrangements do not yet adequately support Organizational Capability: HR & Shared Services Development.	A fit-for-purpose HR and shared services model is agreed to support sustainable operations.	
Tuvalu	Organizational ICT Infrastructure Upgrade – Small State Tax System	Greater clarity is required to effectively support Organizational ICT Infrastructure Upgrade – Small State Tax System.	Tax system upgrade plan and requirements agreed.	
Tuvalu	Strengthen Compliance Management - Tax Policy Follow-up	Capabilities remain limited in what is required to Strengthen Compliance Management and progress Tax Policy advice.	Advice provided on an optimal organization tax administration design, in context.	
Tuvalu	DRM and Digitalization Planning	Further work is needed to effectively support 'fit-for-purpose' Small State Tax System.	Authorities assess options and endorse roadmap for a small-state tax system.	
Vanuatu	Desk Review of reform progress, check-in with authorities	Need to understand reform progress, check-in with authorities, plan support.	Staff capability is enhanced and knowledge applied to enhance progress.	
Regional	Workshop on Risk Assessment and Management	Regional assessment indicates the need for greater understanding of Risk Assessment and Management.	Participating authorities strengthen understanding of risk assessment and risk management approaches through regional training.	
Regional	Follow-up: Workshop on Risk Assessment and Management	Support is required to embed learning from the workshop.	Participating authorities strengthen understanding of risk assessment and risk management approaches through bilateral support.	
Regional	Attend PITAA Heads Annual Meeting	Attend PITAA Heads Annual Meeting.	Attend, report on behalf of PFTAC, and contribute to PITAA Heads Meeting.	
Regional	Regional Webinar on Tax Gap Assessment Methods	Authorities will benefit from understanding what revenue should be collected and is not.	Countries identify areas to enhance revenue collection and take action to close the gap.	
<b>STRATEGIC OBJECTIVE 2: STRENGTHENED CORE FUNCTIONS EVIDENCED BY AN ACCURATE TAXPAYER BASE, TAXPAYER SERVICES SUPPORTING VOLUNTARY COMPLIANCE, IMPROVEMENTS IN FILING, PAYMENT AND AUDIT SERVICES</b>				
Cook Islands	Strengthening Audit Capability	Further work is needed to effectively support Strengthening Audit Capability.	Staff capability in Audit results in improved audit assessments and results.	
Fiji	Cleansing Taxpayer Register	At present, arrangements do not yet adequately support Cleansing Taxpayer Register.	Communication and training materials that can be used for improving the taxpayer register, and training staff.	

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>Kiribati</b>	Managing Risk (Four Pillars)	Greater clarity is required to effectively support Managing Risk across core capabilities.	Four Pillars baseline completed, priorities identified, and implementation workplan agreed.	
<b>Marshall Islands</b>	Strengthening Registration, Filing and Payment	Capabilities remain limited in core capabilities of Registration, Filing, Payment, and Accuracy.	Registration, Filing and Payment recommendations endorsed with transition actions agreed.	
<b>Niue</b>	Provide Core Tax Training (Four pillars)	There is a need to effectively support Core Tax Capability development (Four pillars).	Strengthened capability to apply risk assessment and risk management approaches through training.	
<b>Samoa</b>	Establish Tax Evasion Work Program (Sector Specific Audit support)	Further work is needed to build capability to support the Tax Evasion Work Program (Sector Specific Audit support).	Sector-based tax evasion work and capability building support program agreed.	
<b>Solomon Islands</b>	Strengthening the Taxpayer Service Framework	Gaps persist in the Taxpayer Service Framework.	Taxpayer service framework improved to include core components with an implementation plan and KPIs agreed.	
<b>Solomon Islands</b>	Taxpayer Education - Registration	Greater clarity is required to effectively support Taxpayer Education with a focus on Registration.	Participants are confident in their ability to implement the TPS initiatives they identified.	
<b>Solomon Islands</b>	Risk-Based Compliance and Audit Capability Development	Capabilities remain limited in terms of what is required to support Risk-Based Compliance and Audit Capability Development.	Improved understanding and capability in undertaking planning, design, monitoring, and reporting functions.	
<b>Solomon Islands</b>	VAT Implementation Prevent Refund Fraud	There is a need to effectively support VAT Implementation to identify risk and minimize Refund Fraud.	VAT fraud risk support is provided in line with the VAT Implementation plan to ensure go-live in January 2027.	
<b>Regional</b>	Webinar: Improving Large Taxpayers Accurate Reporting and Payment	Ongoing training to tax officials in improving Large Taxpayers Accurate Reporting and Payment.	Participating authorities strengthen capacity to improve large taxpayer reporting and payment compliance.	
<b>Regional</b>	Large Taxpayers Accurate Collection Workshop Follow-up	Support is required to embed learning from the workshop.	Participating authorities strengthen capacity to improve large taxpayer reporting and payment compliance through bilateral support.	

## B. PUBLIC FINANCIAL MANAGEMENT

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: BUILD SUSTAINABLE FISCAL INSTITUTIONS - SFI</b>				
FSM	Strengthen Climate Public Investment Management	Mission planned for November 2026.	Updated procedures for climate-sensitive public investment management.	
FSM	Develop PFM Roadmap	Planned.	Updated PFM Roadmap.	
Kiribati	Develop Financial Regulations	In execution. Mission will commence May 5	Updated financial regulations that reflect the newly passed Public Finance Management Act.	
Kiribati	SOE Monitoring Capacity Building	Planned.	The SOE monitoring unit in MFED have stronger capacity to monitor SOE performance.	
Marshall Islands	Strengthen Climate Public Investment Management	PRIF has been requested to support updated RMI NIIP. PFTAC will participate in work.	Finalized NIIP with clear focus on climate analysis and budget integration.	
Nauru	PFM Follow-Up and Scoping Mission	Planned.	Updated PFM Roadmap.	
Palau	Strengthen Climate Public Investment Management	PRIF has been requested to support updated Palau NIIP. PFTAC will participate in work.	Finalized NIIP with clear focus on climate analysis and budget integration.	
Papua New Guinea	Develop Climate PIM Guideline	PIM regulation prepared in February 2026 requires changes in PIM guidelines.	Updated PIM guideline with clear climate provisions.	
Solomon Islands	Develop PFM Roadmap	Planned.	Produce PFM Roadmap	
Tonga	PEFA Assessment including Climate module	Planned.	Complete PEFA and Climate PEFA Assessment	
Timor-Leste	PFM Scoping Mission	Planned.	To develop a work plan for PFTAC PFM support.	
<b>STRATEGIC OBJECTIVE 2: IMPROVE FISCAL TRANSPARENCY AND REPORTING - FTR</b>				
Fiji	Strengthen Internal Audit Support	Planned.	Review of current process and training Workshop.	
Papua New Guinea	Review of Bank Reconciliation	In execution. Mission will commence May 25.	A set of recommendations to strengthen bank reconciliation procedures that will ultimately contribute to higher quality fiscal reporting.	
Papua New Guinea	Strengthen Financial Reporting of Statutory Bodies	Planned.	Procedures and templates for the production of financial reports for statutory bodies that lead to higher quality fiscal reporting.	
Samoa	Strengthen Financial Reporting	Planned.	Recommendations on improving the preparation of the public accounts to ensure more timely and higher quality financial reporting.	
Tuvalu	Strengthen Internal Audit Support	Planned.	The internal audit unit has greater capacity to plan and conduct internal audits leading to stronger internal control.	
<b>STRATEGIC OBJECTIVE 3: STRENGTHEN BUDGET MANAGEMENT - SBM</b>				
Cook Islands	Develop Climate Budget Statement	Current budget provides limited information on climate spending.	Climate statement in budget document.	
Fiji	Strengthen Medium Term Expenditure Framework (MTEF)	Planned.	Improved documentation and process of the MTEF approach	
Marshall Islands	Improve Budget Process and Documentation	Planned.	Recommendations on improving the budget process and documentation to strengthen fiscal planning and transparency.	
Niue	Review and Strengthen Cash Flow Forecasting	Planned.	Updated cashflow forecasting, development of new tools.	
Palau	Improve Budget Process and Documentation	Planned.	Recommendations on improving the budget process and documentation to strengthen fiscal planning and transparency.	
Samoa	Strengthen Cash Management	Planned.	Recommendations on improving cash management and forecasting that lead to a more efficient use of fiscal resources.	
Samoa	Climate PFM - Develop Climate Statement	Current budget provides limited information on climate spending.	Climate statement in budget document.	

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>Solomon Islands</b>	Strengthen Medium Term Expenditure Framework (MTEF)	Planned.	Improved documentation and process of the MTEF approach	
<b>Tokelau</b>	Strengthen Medium Term Expenditure Framework (MTEF)	Planned.	Improved documentation and process of the MTEF approach	
<b>Tuvalu</b>	Strengthen Medium Term Budget Framework (MTBF)	Planned.	Procedures, templates, and tools for implementing medium-term budget that leads to more sustainable public finances.	
<b>Vanuatu</b>	Strengthen Medium Term Expenditure Framework (MTEF)	Planned.	Improved documentation and process of the MTEF approach	
<b>Vanuatu</b>	Review and Strengthen Cash Flow Forecasting	Planned.	Updated cashflow forecasting, development of new tools.	
<b>Regional</b>	Workshop: Climate Budget Tracking and Reporting	No PICs provide transparent tracking and reporting of climate spending.	Define and apply regional approaches for basic tracking and reporting of climate spending.	
<b>STRATEGIC OBJECTIVE 4: STRENGTHEN MACRO FISCAL FRAMEWORKS - SMF</b>				
<b>Fiji</b>	Follow-up - Broadening Fiscal Risks Analysis	Planned.	Improved awareness and documentation of fiscal risks	
<b>Papua New Guinea</b>	Strengthen Reporting of Fiscal Risks	In execution. Mission will commence June 8.	Training on fiscal risks reporting formats and analytical tools to enhance the reporting of fiscal risks.	
<b>Tuvalu</b>	Reporting of Climate Fiscal Risks	No systematic analysis and reporting of climate fiscal risks.	Include climate fiscal risks in fiscal risk statement.	
<b>Solomon Islands</b>	PFTAC HQ Strengthening Sovereign Wealth Funds: Mission	Planned.	Improved controls, processes and understanding of SWF.	
<b>Regional</b>	Fiscal Risks Workshop	Planned.	Improved awareness and documentation of fiscal risks	

## C. MACROECONOMIC PROGRAMMING AND ANALYSIS

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: STRONGER ANALYTICAL SKILLS AND BETTER MACROECONOMIC FORECASTING AND POLICY ANALYSIS</b>				
<b>Fiji</b>	Financial Programming - Monetary Block	Not fully incorporated into model	Full incorporation into model	Nil
<b>Kiribati</b>	Provide Macro-Fiscal Support - Oil Price Shock Modeling	Scheduled mission	Excel based model able to undertake oil price shock analysis	Limited policy responses available
<b>Marshall Islands</b>	Provide Macro-Fiscal Support	No macro-fiscal model	Straightforward macro-fiscal model	Need to co-ordinate with Graduate School
<b>Papua New Guinea</b>	Macroeconomic Frameworks Support	Have a GDP(P) based macroeconomic framework		May not meet Treasury needs. A GDP(E) based model likely more useful
<b>Samoa</b>	Macro-Fiscal Modeling	Have a comprehensive macro-fiscal model	Further enhancements to the model could be made	Any loss of key personal could lead to inability to update or use model
<b>Solomon Islands</b>	Macro-Fiscal Modeling - Follow-up	Mission scheduled to enhance model and to assist with updates	Successful enhancements to the model	Any loss of key personal could lead to inability to update or use model
<b>Timor-Leste</b>	Financial Programming Follow-up	Have a basic FPP style model	Further refinement of model	Any loss of key personal could lead to inability to update or use model
<b>Tonga</b>	Provide Follow-up Support on Macro-Fiscal Modeling	Have a comprehensive macro-fiscal model	Further refinement of model	Any loss of key personal could lead to inability to update or use model
<b>Vanuatu</b>	Financial Programming - Follow-up	Have a basic FPP style model	Further refinement of model	Any loss of key personal could lead to inability to update or use model
<b>Regional</b>	OT26.19 - Executive Level Course on Macroeconomic Policy Communication for Central Banks STI-PFTAC*	Course not offered previously	Improvement in participants macroeconomic policy communication skills	
<b>Regional</b>	Workshop on Fiscal Policy and Analysis*	High demand for this or similar course	Improvement in participants fiscal policy advice and implementation	

\* These courses are delivered by STI with technical backstopping from ICD and form part of the Macroeconomic Frameworks workstream. For budgeting and reporting purposes, they are classified under the Macroeconomic Programming and Analysis workstream, through which PFTAC funding is provided.

## D. MACROECONOMIC FRAMEWORKS

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: DEVELOP CAPACITY IN MACROECONOMIC FORECASTING AND POLICY ANALYSIS TO SUPPORT POLICY DECISION MAKING AND COMMUNICATIONS</b>				
<b>Fiji</b>	Macroeconomics Frameworks Training with Reserve Bank of Fiji	Limited training on key topics required for core monetary policy function - Training on topics selected by the Reserve Bank of Fiji.		Officials receive training customized to the specific needs of the Reserve Bank of Fiji that support forecasting, monetary policy formation and analysis for improved monetary policy decision making.
<b>Fiji</b>	Macroeconomics Frameworks Training with Reserve Bank of Fiji	Limited training on key topics required for core monetary policy function - Training on topics selected by the Reserve Bank of Fiji.		Officials receive training customized to the specific needs of the Reserve Bank of Fiji that support forecasting, monetary policy formation and analysis for improved monetary policy decision making.
<b>Papua New Guinea</b>	Financial Programming with Department of Treasury	Macroframework GDP Expenditure tool nearing completion		User manual is developed and tool is operational
<b>Papua New Guinea</b>	Nowcasting/ Forecasting with Bank of Papua New	Macroframework GDP Expenditure tool and nowcasting tools nearing completion		Tools nearing completion. Work practices are further developed to enhance support to the Monetary Policy Committee's decision making process.
<b>Papua New Guinea</b>	Nowcasting/Forecasting with Bank of Papua New Guinea	Macroframework GDP Expenditure tool and nowcasting tools nearing completion		Tools nearing completion. Work practices are further developed to enhance support to the Monetary Policy Committee's decision making process.
<b>Papua New Guinea</b>	Macroeconomic Frameworks - Phase II QPM	Quarterly Projection model not developed		QPM is introduced, Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity
<b>Samoa</b>	Forecasting and Nowcasting - QPM Extensions with Central Bank of Samoa	Project concluded and entered into maintenance phase		Review of operational nowcasting/ forecasting models and tools that have been developed.
<b>Solomon Islands</b>	Macroeconomic Frameworks - Review of FPAS	Project concluded and entered into maintenance phase		Review of operational nowcasting/ forecasting models and tools that have been developed.
<b>Timor-Leste</b>	Macroeconomic Frameworks - Scoping Mission with Banco Central de Timor-Leste	Project kick-off		Scoping mission and agreement on the TA project workplan
<b>Timor-Leste</b>	Macroeconomic Frameworks - TA mission I	no nowcasting/forecasting models and tools		training on nowcasting and tools are developed and operational
<b>Tonga</b>	Macroeconomic Frameworks - with Reserve Bank of Tonga	Project concluded and entered into maintenance phase		Review of operational nowcasting/ forecasting models and tools that have been developed.
<b>Regional</b>	Workshop on Monetary Policy for Pacific Central Banks	Training in forecasting topics, peer-exchange on forecasting and policy analysis technical assistance projects.		Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity
<b>STRATEGIC OBJECTIVE 2: PARTICIPANTS EFFECTIVELY ACQUIRE KNOWLEDGE AND SKILLS TAUGHT IN THE MACROECONOMIC DIAGNOSTICS (MDS) COURSE</b>				
<b>Regional</b>	OT26.03 - Cohort Training in Forecasting and Nowcasting - Part II	The first phase of the training commenced in March 2026.		Improved analytical skills, and better nowcasting/ macroeconomic forecasting and policy analysis capacity

## E. GOVERNMENT FINANCE STATISTICS

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN COMPILATION AND DISSEMINATION OF FISCAL STATISTICS</b>				
<b>Cook Islands</b>	Compilation of GFS for GG operations - Strengthening data analysis and building quality assurance	A new compiler has been assigned to GFS compilation. A compilation process has been developed with a high degree of automation.	Supporting and upskilling the new compiler to sustain ongoing GFS compilation and increase validation/consistency checks and reconcile the statistics with the public accounts.	Reliance on a single compiler poses a risk in the event of staff turnover.
<b>Fiji</b>	Compilation of GFS for GG operations - Working towards consolidated general government compilation	FMIS reforms have improved availability of source data to compile BCG. Challenges remain to extend compilation to general government.	Develop the balance sheet for budgetary central government and enhance coordination between the Ministry of Finance and statistics office.	Delays to data for EBUs and reconciliation challenges persist.
<b>FSM</b>	Compilation of GFS for GG operations - Continued development of GFS outputs	FSM relies on audited annual financial statements for compilation. A new compiler has been assigned and trained on the compilation process.	Leverage FMIS reforms to support more timely and automated GFS reporting. Extend compilation to high frequency reporting.	Audit delays and limited compilation capacity pose a risk to regular GFS production. Diverging state chart of accounts will complicate consolidation.
<b>Kiribati</b>	Compilation of GFS for GG operations - Developing balance sheet statistics and expanding coverage to non-financial public corporations	GFS compilation has resumed. Gaps in donor funded transactions have been identified and initial steps taken to address these.	Establish a collection process for off-budget donor flows to address the current gaps in the fiscal statistics. Regular dissemination of time-series GFS.	Delays to capturing the donor flows may limit the usefulness of the statistics for policy analysis.
<b>Marshall Islands</b>	Expanding coverage to general government operations - Establish high-frequency compilation of aggregate data	GFS for BCG can be compiled using reports directly from the FMIS. Data for EBUs can be compiled from annual financial statements.	Sustain regular production and dissemination of GFS and pilot high-frequency reports.	Compilation is reliant on a single compiler.
<b>Nauru</b>	Expanding coverage to general government operations	Nauru Bureau of Statistics has taken responsibility for compilation of GFS. A process has been developed and demonstrated to the compiler.	Deliver training to support continuous maintenance of the COA-to-GFS mappings and regular domestic compilation.	Collaboration between DOF and NBS is crucial to ensure regular provision of source data to compile GFS.
<b>Niue</b>	Expanding GFS coverage - Automating the mapping from FMIS to produce GFS data	The FMIS can report the GFS economic classifications allowing the compilation process to be largely automated.	Focus on development of COFOG statistics.	Limited resources constrain development of statistical outputs.
<b>Palau</b>	Compilation of GFS for GG operations	Staff turnover has disrupted compilation with additional delays to the audits of annual financial statements.	Develop compiler capacity and focus on using FMIS data to compile cash-based statistics.	Lack of process documentation and an established handover process is a significant continuity risk.
<b>Papua New* Guinea</b>	Strengthen compilation and dissemination of Government Finance Statistics	Authorities have focused on gathering data from public bodies, statutory authorities and state-owned enterprises to perform institutional sectorization.	Supporting the scope of general government and public sector statistics.	A long-standing recommendation to create a GFS technical and sectorization committee has not yet been met.
<b>Samoa</b>	Compilation of GFS for GG operations - Continued development of GFS outputs	Delays with the provision of source data from the FMIS have delayed compilation of GFS and reconciliation of the budget and fiscal statistics.	Review the COA for consistency with the GFS methodology and resume regular and timely compilation.	Integrated institutional coordination must be formalized to support GFS compilation.
<b>Solomon Islands*</b>	Strengthen compilation and dissemination of Government Finance Statistics	A review and restructuring of the COA is needed to align the accounting and statistical standards, supporting GFS compilation.	Increasing the quality and timeliness of quarterly GFS reporting.	Capacity constraints have slowed the progress of the FMIS and impact on GFS compilation.
<b>Timor-Leste</b>	Compilation of GFS for GG operations	Successive changes to the COA have meant GFS compilation has not yet stabilized.	Assess the current version of the COA in use and update the mapping to the GFS framework.	A stable COA is required to provide a platform to build and develop GFS.
<b>Tonga</b>	Compilation of GFS for GG operations - Improving process for compilation of GFS	Longstanding classification issues in the budget and GFS have been identified, and a suite of recommendations have been communicated to the authorities.	Enhance the alignment of the presentation of the budget and fiscal statistics. Work with the FMIS to directly produce GFS reports.	Delays implementing the mission recommendations will directly impact on the quality and timeliness of GFS.

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN COMPILATION AND DISSEMINATION OF FISCAL STATISTICS</b>				
<b>Tuvalu</b>	GFS for BCG operations - Development of national compilation process	A simplified compilation tool has been demonstrated to a newly assigned compiler, and a set of process documentation has been developed.	Training the new compiler to support independent domestic compilation.	Capacity constraints limit the rate of development of fiscal statistics.
<b>Vanuatu</b>	Compilation of GFS for GG operations - Focus on balance sheet data	Domestic budget execution reports are aligned to the GFS methodology. GFS for BCG can be compiled using FMIS reports.	Train the new budget and debt management officers on statistical concepts and methodologies to support ongoing fiscal reporting.	Delays to audited financial statements hamper broader coverage and limit identification of fiscal risks.

\* Funded by Data for Decisions Thematic Fund and to be delivered by STA

## F. REAL SECTOR STATISTICS

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN COMPILATION AND DISSEMINATION OF NATIONAL PRODUCTION, INCOME AND EXPENDITURE ACCOUNTS - PIE</b>				
<b>Fiji</b>	Development of Quarterly National Accounts and Rebase	QNA not produced currently and NA base year needs to be updated	QNA are produced and NA base year is updated	Tax data to be available
<b>Cook Islands</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Kiribati</b>	Assess data sources (VAT Data and HIES)		VAT and HIES data suitable for rebasing and ongoing compilation of GDP	Data needs to be available
<b>Kiribati</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Niue</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Nauru</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Nauru</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Papua New Guinea</b>	Rebasing GDP	NA base year needs to be updated	NA base year is updated	HIES data is available. Australian Bureau of Statistics provides support as well.
<b>Samoa</b>	Update GDP and Compile 2023 Supply and Use Tables (SUT)	Rebasing exercise well underway. Sources and methods for ongoing GDP compilation is updated	Rebased estimates are finalized	
<b>Samoa</b>	Update GDP and Compile 2023 Supply and Use Tables (SUT)	Rebasing exercise well underway. Sources and methods for ongoing GDP compilation is updated	Rebased estimates are finalized	
<b>Solomon Islands</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Solomon Islands</b>	Compiling Annual National Accounts (ANA)	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Tokelau</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Tonga</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Tuvalu</b>	Update GDP	Latest year GDP estimates need to be produced	Latest year GDP estimates are produced	Source data needs to be available
<b>Vanuatu</b>	Update GDP and QNA Development	QNA not produced currently and latest year GDP estimates produced	QNA are produced and latest year GDP produced	Tax data to be available
<b>STRATEGIC OBJECTIVE 2: STRENGTHEN COMPILATION AND DISSEMINATION OF NAS - COMPREHENSIVE UPDATES AND REBASING - NAR</b>				

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>Timor-Leste</b>	Rebasing ANA and QNA development	QNA not produced currently and NA base year needs to be updated	QNA are produced and NA base year is updated	Tax data to be available
<b>STRATEGIC OBJECTIVE 3: STRENGTHEN COMPILATION AND DISSEMINATION OF CONSUMER PRICE STATISTICS (CPP)</b>				
<b>Fiji</b>	Updating Consumer Price Index (CPI)	CPI weights and basket need to be updated	CPI weights and basket are updated	Source data needs to be available
<b>Kiribati</b>	Updating Consumer Price Index (CPI)	CPI weights and basket need to be updated	CPI weights and basket are updated	Source data needs to be available
<b>Palau</b>	Updating Consumer Price Index (CPI)	CPI weights and basket need to be updated	CPI weights and basket are updated	Source data needs to be available
<b>Timor-Leste</b>	Updating Consumer Price Index (CPI)	CPI weights and basket need to be updated	CPI weights and basket are updated	Source data needs to be available

## G. FINANCIAL SECTOR SUPERVISION

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: DEVELOP AND STRENGTHEN BANKING REGULATIONS AND SUPERVISION FRAMEWORK</b>				
<b>Cook Islands</b>	Strengthen Risk Based Supervision	Further work is needed to fully operationalize the risk rating model for supervision	Staff capacity to perform risk-based supervision for on-site inspections	Low staffing levels and/or high turnover
<b>Cook Islands</b>	Risk Based Supervision Implementation	Follow-up to provide the required support in finalizing adoption of risk rating model	Staff capacity to perform risk-based supervision for on-site inspections	Low staffing levels and/or high turnover
<b>FSM</b>	Implementation of Risk Based Supervision	Build capacity to enable required changes in supervision approach	Build staff capacity to undertake on-site risk based inspections	Low absorption capacity
<b>FSM</b>	Implementation of Risk Based Supervision	Follow-up to reinforce the adoption of risk based approach	Build staff capacity to undertake on-site risk based inspections	Low absorption capacity
<b>Kiribati</b>	Development of Prudential Standards and Returns	Support the development of regulatory framework in line with international practices	Development of key prudential standards	Low absorption capacity
<b>Marshall Islands</b>	Implementation of Risk Based Supervision	Build capacity to enable required changes in supervision approach	Build staff capacity to undertake on-site risk based inspections	
<b>Marshall Islands</b>	Implementation of Risk Based Supervision	Follow-up to reinforce the adoption of risk based approach	Build staff capacity to undertake on-site risk based inspections	
<b>Palau</b>	Development of Prudential Standards	Support the upgrade of prudential standards	Development of key prudential standards	Low staffing levels and/or high turnover
<b>Palau</b>	Development of Prudential Standards	Follow-up to support the consultation process with banks	Key prudential standards being discussed with banks	Low staffing levels and/or high turnover
<b>Papua New Guinea</b>	Implementation of Consolidated Capital Regulation	Provide support for the adoption of capital regulation on a consolidated basis	Upgraded prudential standards for capital regulation	
<b>Tonga</b>	Risk Based Supervision Implementation	Follow-up on the implementation of new supervisory framework	Design a pilot test for the upgraded supervisory framework	Low staff levels
<b>Tonga</b>	Risk Based Supervision Implementation	Support the final adoption of the risk-based supervisory framework	Review of results of pilot test and obtaining final approval from the authorities	Low staff levels
<b>Timor-Leste</b>	Risk Based Supervision Implementation	Follow-up on the development of a risk - based supervisory framework	Finalize supervisory manuals and processes	
<b>Vanuatu</b>	Development of Prudential Standards	Implementation of key prudential standards	Finalization of key prudential standards	
<b>Vanuatu</b>	Development of Prudential Standards	Follow-up to support the implementation of prudential standards -consultation process	Support the adoption of prudential standards	
<b>Regional</b>	Annual Meeting and Workshop of Association of Financial Supervisors of Pacific Countries (AFSPC)	Provide training on FinTech supervision and regulation	Regional supervisors better equipped for the supervision and regulation of FinTech in their jurisdictions	

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 2: DEVELOP/STRENGTHEN NON-BANK CREDIT INSTITUTIONS' REGULATION AND SUPERVISION FRAMEWORKS - NBC</b>				
<b>Fiji</b>	Development of Prudential Guidelines for Credit Unions	Finalize the development and implementation of prudential standards required by the new Credit Unions Act	issuance of the required prudential standards	
<b>Fiji</b>	Development of Risk Based Supervision for Credit Unions	Develop and implement a risk-based supervision framework for Credit Unions	Develop supervisory manual and processes	
<b>Tonga</b>	Development of Regulatory and Supervisory Frameworks for NBFIs	Provide the required support for NBRT to implement prudential standards for NBFIs	Start the consultation process with industry	

## H. PUBLIC DEBT MANAGEMENT

Beneficiary	Activities	Current Position	Expected Outcomes	Comments/ Risk
<b>STRATEGIC OBJECTIVE 1: FORMULATE AND IMPLEMENT A MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS)</b>				
<b>Fiji</b>	Support government efforts to update the DMS for the new fiscal year	DMS has been prepared and approved	Formulate and implement a medium-term debt management strategy (MTDS) - MTD	Debt Management Strategy is updated, approved and published
<b>Samoa</b>	Support government efforts to update the DMS for the new fiscal year	DMS has been prepared and approved	Formulate and implement a medium-term debt management strategy (MTDS) - MTD	Assist Government in updating Strategy
<b>Timor-Leste</b>	Support government to prepare a first DMS and scoop domestic market	No DMS produced	Formulate and implement a medium-term debt management strategy (MTDS) - MTD	Assist Government in updating Strategy
<b>Vanuatu</b>	Train new government officials in MTDS	No DMS produced	Formulate and implement a medium-term debt management strategy (MTDS) - MTD	Assist new staff in updating Strategy
<b>Regional</b>	Webinar on Climate Related Financing Instruments	No climate related instruments are incorporated into the strategy	Formulate and implement a medium-term debt management strategy (MTDS) - MTD	Staff is aware of climate related financial options to feed into the Debt Management Strategy
<b>Regional</b>	Workshop on Medium Term Debt Management Strategy (MTDS) and Annual Borrowing Plan (ABP)	Only two Regional countries are producing ABP from strategy document	An annual borrowing plan is published that is consistent with the debt management strategy.	Proceed to assist Governments to implement a Debt Management Strategy
<b>Regional</b>	Workshop on Incorporating Linkages between Cash Management and Annual Borrowing Plan (ABP)	! St time this methodology will be brought into the Region	An annual borrowing plan is published that is consistent with the debt management strategy.	Proceed to assist Governments to implement a Debt Management Strategy
<b>STRATEGIC OBJECTIVE 3: ESTABLISH EFFICIENT INSTITUTIONAL FRAMEWORK FOR DEBT MANAGEMENT</b>				
<b>Kiribati</b>	SOE debt recording and reporting	No SOE debt included in the report	Strengthened practices for debt recording, reporting, and monitoring - DRR	Expand coverage to include SOE debt
<b>Nauru</b>	SOE debt recording and reporting	No SOE debt included in the report	Strengthened practices for debt recording, reporting, and monitoring - DRR	Expand coverage to include SOE debt
<b>Palau</b>	SOE debt recording and reporting	No SOE debt included in the report	Strengthened practices for debt recording, reporting, and monitoring - DRR	Expand coverage to include SOE debt
<b>Regional</b>	Webinar on Debt Reporting and Analytical Tool	Only 5 countries at the regional level using MTDS template for debt reporting	Strengthened practices for debt recording, reporting, and monitoring - DRR	Share, at the regional level, the use of the MTDS tool for debt reporting
<b>Regional</b>	Webinar on Debt Procedures	Only few countries need to include procedures	Strengthened practices for debt recording, reporting, and monitoring - DRR	Make available, at the Regional Level, procedures for preparing a DMS
<b>STRATEGIC OBJECTIVE 4: DEVELOP MARKET INFRASTRUCTURE AND CAPACITY FOR COST EFFECTIVE FINANCING</b>				
<b>Fiji</b>	Local Currency Bond Market (LCBM) Assessment Mission	No Assessment has been conducted yet	Develop market infrastructure and capacity for cost-effective financing - CCF	Full LCBM assessment
<b>Solomon Islands</b>	Follow-up on Local Currency Bond Market mission	Initial assessment has taken place	Develop market infrastructure and capacity for cost-effective financing - CCF	Follow up
<b>Tonga</b>	Follow-up on Local Currency Bond Market mission	Initial assessment has taken place	Develop market infrastructure and capacity for cost-effective financing - CCF	Follow up
<b>Regional</b>	Webinar on Market Communications	No previous training conducted on this subject	Develop market infrastructure and capacity for cost-effective financing - CCF	Part of the webinar series

## ANNEX 2. PFTAC STAFF PROFILE

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**Centre Director - Samir Jahjah** joined PFTAC in August 2022. Prior to joining the PFTAC team Samir served as Center Director of AFRITAC West – the IMF’s West African Assistance Center based in Abidjan. With more than 20 years as an IMF economist, he has extensive experience in program and surveillance work – his most recent assignments include IMF mission chief for the Central African Republic, IMF Resident Representative for Ghana and for the Democratic Republic of Congo. In these assignments he played a key role in program design, negotiations, and program monitoring – supporting the authorities implement their development, capacity development, and economic agenda and engaging closely with development partners and various stakeholders. Before joining the IMF, Samir was an assistant professor for several years at the Université Libre de Bruxelles in Belgium. Samir holds a PhD in Economics and a Master in Econometrics. Samir is a Belgian national.

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**PFM Advisor - Sean O’Grady** joined PFTAC in July 2025 and has over 25 years’ experience in public financial management. Prior to joining PFTAC, Sean worked as an advisor in South Sudan, Kiribati, Papua New Guinea, Tonga, Vanuatu, Timor-Leste, and Indonesia, supporting reforms in areas such as macro-fiscal forecasting, performance based and medium-term budgeting, fiscal reporting, cash management, and public finance legislation. Before becoming an advisor, Sean worked for the Australian Government in the Department of Finance, Australian Taxation Office, Commonwealth Grants Commission, and Department of the Prime Minister and Cabinet. Sean has graduate qualifications in economics, accounting, and public policy, and is a member of Chartered Accountants Australia and New Zealand and CPA Australia.

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**PFM Advisor - Colin Owen** joined PFTAC in May 2025. Previously, he worked at CARTAC, the Caribbean Regional Technical Assistance Centre, for five years. At CARTAC, Colin provided invaluable advice on PFM to various governmental bodies across the Caribbean region, demonstrating his commitment to enhancing financial governance and accountability. With over 30 years of dedicated service in the public sector, he held key positions as an Audit Manager at both the Audit Commission and PKF. His expertise in audit processes led to his appointment as the Auditor General for Saint Helena, where he played a crucial role in ensuring transparency and integrity in the territory’s financial operations. Colin transitioned to the role of Financial Secretary, a position he held for eight years. He served first in Saint Helena and then in Montserrat, where he was instrumental in driving financial reforms aimed at improving fiscal policies and enhancing public service efficiency. Colin’s academic foundation includes a Bachelor of Arts in Business Studies from Birmingham City University. He is also a qualified accountant and a Fellow of both the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Chartered Certified Accountants (ACCA).

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**PFM Advisor - Eivind Tandberg** is a climate public financial management (PFM) advisor at PFTAC. This is a new position, supported by the EU, which will help Pacific countries incorporate climate considerations in their PFM systems. Eivind Tandberg has been deputy director general in the Norwegian Ministry of Finance, representing the ministry in negotiating the UN Climate Convention, task team leader for the Prototype Carbon Fund at the World Bank, deputy division chief for Public Financial Management at the IMF, director general for Environment and Transport in the Oslo City Government and partner in Norwegian consulting firm Vista Analyse. He has contributed to assessment and development of public management and governance in 150 countries and participated in the development of several international standards and evaluation frameworks. The last few years he has been particularly engaged in infrastructure governance, climate-sensitive public investment and public financial management, governance and budgeting of public institutions and oversight of public corporations, and management of fiscal risks. He has a master's degree in economics from the Norwegian School of Economics and Business Administration in 1990.

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**GFS Advisor - Stephen McDonagh** joined PFTAC in January 2025 as the Government Finance Statistics advisor. An Irish national, Stephen has almost 20 years' experience with the Irish Central Statistics Office across balance of payments and national accounts. He was the Senior Statistician for the Government Accounts Compilation and Outputs Division which played a pivotal role in compiling and analyzing government financial statistics, contributing to the transparency and accountability of public finances in Ireland. Stephen has worked on promoting the use and enhancing the understanding of government finance statistics among users by engaging with stakeholders and increasing and simplifying dissemination of data and analysis. He has also worked on the Irish national advisory committee on the implementation of accrual accounting in the public sector ensuring that these reforms will complement and support fiscal analysis.

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**RSS Advisor - Donna Grcman** joined PFTAC in June 2024 as the Real Sector Statistics (i.e., national accounts and price statistics) Advisor. Before her assignment at PFTAC, Donna spent five years working as the real sector statistics advisor in AFRITAC West 2 and five years in AFRITAC South. Prior to this, she worked for the Australian Bureau of Statistics in various economic statistical areas. She spent the majority of time working on the production of the Australian National Accounts as well as classifications and business surveys. She has also been engaged as an expert in the IMF missions on national accounts statistics: to Botswana, Namibia and Mauritius in Africa; and Laos in South-East Asia prior to working at AFRITAC West 2.

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**Revenue Advisor - John McAlister** comes from Thimphu Bhutan where he was the Resident Advisor. Over 35 years, John has led large and complex change programs that have changed the way that people deal with tax authorities, how businesses deal with government and each other. This includes working in Whole-of Government programs, the Australian Taxation Office, private sector business change and digital enablement and with IMF. Most recently John has supported the Royal Government of Bhutan with preparation for a Goods and Services Tax, including development of skills, capability, and design processes for all aspects of the implementation along with the new Bhutan Integrated Taxation (Administration) System (BITS). John is passionate about innovation, business process reengineering and the transformational benefits of 'digital' in addressing disadvantage, creating transparency, delivering better business outcomes and improved user experience. He understands that data is the lifeblood of administration and has never been more in focus than in the modern digital economy.

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**Revenue Advisor - Vincent de Paul Koukpaizan** is a Senior Economist in the Revenue Administration Division of the Fiscal Affairs Department at the International Monetary Fund (IMF). On December 1, 2025, Vincent joined PFTAC as a Revenue Advisor, bringing over three decades of expertise in revenue administration. Throughout his career at the IMF, Vincent has assisted countries in advancing revenue administration reforms and building sustainable systems across diverse regions. He previously served as a resident advisor in tax and revenue administration at the Regional Technical Assistance Centers for West Africa and Central Africa, where he provided strategic guidance and hands-on support to governments. Before joining the IMF, Vincent held several senior leadership positions, including Director of the Large Taxpayer Office at the General Directorate of Taxes in Benin. He holds an MBA in Taxation from San José State University, California, and a Tax Administrator diploma from the École Nationale d'Administration in Benin.

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**FSS Advisor - Juan Pablo Arango** is a Colombian national who joined PFTAC on August 4, 2025, as the Financial Sector Supervision (FSS) resident advisor. Before PFTAC, Juan Pablo completed a multi-topic three-year assignment as resident advisor on banking regulation and supervision with the Bank of Sierra Leone. He brings with him extensive experience in financial sector regulation, banking supervision, and macro prudential policies, which he gained through his 29-year long career with Banco de la Republica, Deposit Insurance Fund, and Superintendencia Financiera de Colombia. Juan Pablo also worked for six years with the Toronto Leadership Centre delivering training to supervisors in the Latin American region – Colombia, Costa Rica, Ecuador, El Salvador, Honduras, and Panama – as well as in Pakistan. In Sierra Leone, Juan Pablo helped Bank of Sierra Leone introduce critical financial regulation – Corporate Governance, Credit Risk, Operational Risk, Operational Resilience and Third-Party Risk; he also contributed to the upgrade of the Bank of Sierra Leone’s supervisory framework, as well as to enhance the effectiveness of supervisory work. Juan Pablo holds an MBA in Finance.

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**Macro Advisor - Andrew Beaumont** joined PFTAC in February 2020 and has 20 years of experience in macro-fiscal and broader macroeconomic analysis and forecasting including at the Australian Treasury where he worked on monetary and fiscal policy, macroprudential regulation and the labor market. Additionally, Andrew has five years of experience in the Pacific region, having worked as an Australian Treasury embedded technical advisor in both PNG (macro-fiscal) and Solomon Islands (economic reform). Andrew was also previously the Senior Advisor G20 and International economy at the Australian Department of Prime Minister and Cabinet working on global debt sustainability and macroeconomic policy responses to the Global Financial Crisis. Most recently, he was the Executive Branch Manager responsible for economic and revenue forecasting, macroeconomic reporting, demographic projections, long term fiscal modelling and tax expenditure analysis for the ACT Treasury.

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**Macro Advisor - Hayk Karapetyan** joined PFTAC in September 2025 as a Resident Macroeconomic Frameworks Advisor, to support Pacific countries in strengthening their forecasting and policy analysis capacities. Prior to joining the IMF, he spent 10 years at the Central Bank of Armenia (CBA) in the Monetary Policy Department. He began his career in 2015 as a macroeconomist in the Real Sector Forecasting and Analysis Division, became Head of the Division in 2020, and since 2022, coordinated the preparation of the Bank’s monetary policy programs. In this role, he worked closely with colleagues across the department to design and deliver monetary policy programs to the CBA Board and to external stakeholders. A major focus of his work was on the development and enhancement of the Forecasting and Policy Analysis System (FPAS) at the CBA. One of Hayk’s key contributions was leading the transition to the new Forecasting and Policy Analysis System (FPAS) framework, that explicitly incorporates risk management into the policy framework and support policy communication using scenario based forward guidance.

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**Public Debt Management Advisor - Juan Carlos Vilanova Pardo** recently joined the IMF as LTX in May 2024 as Public Debt Management Resident Advisor in PFTAC. He is a Spanish national with over 25 years professional experience in strategic analysis of debt in a policy advisory context, including, public debt management strategy, fiscal sustainability analysis and resource mobilization strategies. His experience covers over 30 countries in Africa, Asia, Europe, Latin America and the Pacific. He has been supporting Government officials, at various levels, in formulating debt management strategies, developing domestic currency bond market and assessing the existing debt management framework.



**Office Manager - Nina Samuela** joined the Centre in 1993. Prior to this she worked in Tapa Tours Ltd as a travel consultant and American Express Supervisor and 3 years with USAID. Nina leads a team of four local staff who provide support to the 6 PFTAC programs, Financial Sector Supervision, Government Finance Statistics, Macro-Economics, Public Financial Management, Real Sector Statistics and Revenue Administration. She provides support to the Center Coordinator and is responsible for office management.



**Economic Analyst - Shane Prasad** joined PFTAC in August 2018. She assists the Centre Director and Resident Advisors in the production of annual workplans, preparing quarterly and annual reports, and monitoring the implementation of program activities and budget. She also supports the development and maintenance of the results-based management (RBM) framework at the Centre. Before joining PFTAC, Shane worked at Fiji Revenue and Customs Service and holds a bachelor's degree in Accounting and Economics with a Master of Commerce in Accounting from University of the South Pacific.



**Administrative Assistant – Kalara Raidruta** joined the PFTAC team in June 2019. In addition to general administrative responsibilities of the Centre, she provides support to the Financial Sector Supervision, Revenue Administration and Public Financial Management programs. Kalara previously worked at the Australian High Commission in Suva.

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**Administrative Assistant – Roznin Rukshana** joined the Centre in September 2023. Prior to this she worked at the High Commission of India. She comes with 16 years of experience in Diplomatic Organization, Ticketing officer, International / Domestic and Human Resources at Air Fiji Limited. In addition to the administrative responsibilities of the Centre, including the first face and voice of PFTAC for visitors and callers, Roznin provides support to the Macroeconomic Advisors.



**Administrative Assistant – Pretti Lata** Pretti Lata joined the Pacific Financial Technical Assistance Centre (PFTAC) in July 2025 as a Senior Administrative Assistant, supporting the Public Financial Management (PFM) program. Prior to rejoining PFTAC, she served as a Human Resource Associate with the United Nations Children’s Fund (UNICEF), bringing substantial experience in administration, human resources, and operational support across international development organizations. Pretti previously worked with PFTAC for four years, where she provided administrative support to both the Revenue and Macro programs. She also has over 17 years of industry experience from FijiCare Insurance Limited, where she developed strong technical expertise in insurance operations and client services. She holds a Master of Commerce in Management and Public Administration from the University of the South Pacific (USP), along with a Postgraduate Diploma in Management and Public Administration, and a Bachelor of Arts in Management, Public Administration, and Economics. Her role at PFTAC focuses on delivering high quality administrative coordination, workshop and mission support, and operational assistance to strengthen PFM engagements across member countries



**Receptionist and Driver - Pio Rokosuli** joined PFTAC on 1 November 2024 and provides administrative assistance to the team. In addition to these responsibilities at the Centre, Pio is the first face and voice of PFTAC for visitors and callers. Prior to joining PFTAC, he was a senior security officer at the Reserve Bank of Fiji for about 15 years. In his other engagements, Pio was enlisted in the Fiji Military Forces and served in the Middle East for 5 years. In addition, he was also a driver for the CEO-Ministry of Finance for a period of 2 years and a driver for the ADB Regional Director for the same period.





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