

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

## QUARTERLY REPORT

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## I. Introduction<sup>1</sup>

This report covers the third quarter of the 2022 Fiscal Year (FY2022/Q3) for the period November 1, 2021 to January 31, 2022. All capacity development (CD) continues to be provided remotely with 28 distinct missions or activities launched or completed that utilized 424 TA days during the quarter, accounting for around 17 percent of the adjusted workplan, and 18 percent of planned activities. Activity traditionally slows during the third quarter given the holiday period, and then typically rebounds in the fourth quarter. In comparison to the same period in FY2021, 40 percent more missions were undertaken (up from 20 to 28) using 73 percent more resources (up from 244 to 424 TA days). Despite much innovation and adaptation over the past two years, the challenges of remotely delivering CD have intensified. Prospects however are emerging that a gradual resumption of travel and in-person engagement may be on the horizon, hopefully by the start of FY2023.

**Crisis continues to challenge the resiliency of the region.** The sympathies and support of PFTAC and the world are extended to **Tonga** that is dealing with the twin disasters of a COVID-19 outbreak and devastation from the eruption of the Tonga Hunga Ha'apai underwater volcano and the resultant tsunami and ash fallout that caused death, destruction, and temporarily cut Tonga off from the world. Support from the international community and the Tongan diaspora was swift. Tonga was heading to be the largest beneficiary of PFTAC support in FY2022 that is now paused as the nation responds to the impact of the eruption. PFTAC stands ready to resume delivery against existing plans, or adjustments to respond to newer more urgent priorities that have arisen.

**Across the Pacific the COVID-19 situation remains mixed,** with several nations that had otherwise been infection free now dealing with outbreaks, but encouragingly more vaccines are reaching the region – with examples of strong vaccine rollout programs and high vaccination rates in some countries, but more needed in others. Those with high vaccination rates are shifting their focus towards economic recovery. To revive its dominant tourism industry, **Fiji** reopened its borders for travel partner countries from December 1, 2021, initially facing challenges by the emergence of a wave of the Omicron variant that now seems to be receding. Provided the COVID-19 situation improves and a transition to endemicity is observed, hopefully more borders will reopen with a resumption of travel and trade accompanied by improving health and economic recovery prospects.

**On December 2, a virtual mid-year meeting of the PFTAC Steering Committee (SC)** deliberated key issues relating to the extension of Phase V, plans for Phase VI, the Mid-Term External Evaluation action plan, and proposals to enhance SC effectiveness.

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<sup>1</sup> PFTAC is generously funded by Australia, Korea, New Zealand, the Asian Development Bank (ADB), and the European Union, the Government of Canada from November 2019, and from December 30, 2020, the United States Treasury. From the start of Phase V in November 2016, member countries have also agreed to financially contribute to PFTAC costs. The IMF covers the salaries for the coordinator and local administrative staff, as well as various administrative costs.



The team of PFTAC resident advisors is now complete with the recent arrival in Fiji of the second Revenue advisor, Ms. Katrina Williams and the new Debt Management advisor, Ms. Briar Ferguson. Ms. Williams and Ms. Ferguson are pictured from left to right in the PFTAC office with the PFTAC Office Manager, Ms. Nina Samuela.

Workplan prioritization for the next financial year, FY2023 is underway with a series of meetings and consultations with the IMF's Asia Pacific Department (APD) country mission chiefs and teams convened between December 2021 and February 2022.

## II. News

### Steering Committee

The mid-year SC meetings was convened virtually on December 2, 2021. A total of 58 participants representing 10 of the 16 PFTAC member countries, 5 of 7 Phase V donors, a wide range of IMF officials, and representatives of 9 observer organizations joined the meeting. Deputy Governor Esala Masitabua from the Reserve Bank of Fiji (RBF) chaired the sessions on behalf of the Fijian authorities as the host of PFTAC, following on from the 2021 annual meetings. Ms. Ann-Margret Westin, Deputy Chief of the IMF's Global Partnerships Division shared perspectives on recent developments related to the Fund's CD agenda in terms of stepped up effort on existing and new areas such as climate change, digitalization, gender, inclusion, and the importance of partnerships and donor funding to the CD mandate of the IMF.

The SC endorsed three key agenda items – first, the adjusted FY2022 workplans that aims to deliver 158 missions and activities versus the original plan of 200, a reduction of 21 percent using 2,455 TA days, a 9 percent reduction over the original plan. The reduced workplan is mostly due to a deferral of missions or activities until FY2023 when travel is hoped to rebound. Second, the earlier endorsed extension to Phase V was affirmed for one full year from May 1, 2022 through April 30, 2023 given the estimated FY2022 budget utilization of 60 percent at midyear and a robust balance of funds remaining that are projected between US\$ 7.6 million and US\$ 8.6 million at the end of FY2022. A detailed full-year FY2023 workplan and budget will be submitted for consideration and endorsement at the May 2022 SC meeting based on the actual FY2022 outturn. Third, the member country contribution formula introduced in Phase V will be retained so that member countries continue to contribute 10 percent of the Phase VI fund-raising target.

The SC was briefed on tax reform developments in Palau. The Director of the Palau Bureau of Revenue and Taxation, Mr. Rhinehart Silas explained the authorities' efforts to implement a comprehensive tax reform including the introduction of Value Added Tax (VAT) that was recently approved by the Palau Congress, acknowledging the extensive PFTAC support that has been provided and is ongoing to implement the reforms.

A recently published IMF departmental paper<sup>2</sup> on '*Unlocking Access to Climate Finance in Pacific Island Countries*' was presented by Ms. Natalija Novta, a member of the team from the IMF's Fiscal Affairs Department and APD that completed the underlying research and drafted the paper. The report provides an overview of accessing climate finance in the Pacific, evaluating successes and challenges faced by countries in the region and recommendations to help unlock access. The Pacific Islands have a very large climate finance gap and the requirements to access climate finance are focused heavily on public financial management (PFM) provisions. PFTAC provides CD to strengthen PFM systems in PICs as well as helping integrate climate considerations into PFM reform plans that may contribute to greater access to climate funds.

<sup>2</sup> <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2021/09/23/Unlocking-Access-to-Climate-Finance-for-Pacific-Islands-Countries-464709>

**An Action Plan responding to the external evaluator’s mid-term recommendations was presented by Mr. James Yoo from the Global Partnerships Division.** This covered actions to address operational and strategic issues, governance, delivery modalities, human resource issues, results based management, and strategic priorities and their integration. This was followed by discussions about the proposal for the sixth phase of PFTAC operations and financing and finally a session to further elaborate ideas to help strengthen SC effectiveness.

**The 2022 Annual SC Meeting is planned for May 25 and/or 26.** Unfortunately plans to convene in-person in Niue in May 2022 cannot proceed given too much uncertainty around travel, border, and transit restrictions still in place in many PICs, and as flights to and from Niue are yet to return to their pre-COVID frequency. A hybrid meeting is under consideration to be held in Fiji for those SC members and observers based in Suva and for those able to travel without excessive difficulty or constraints, such as mandatory quarantine on return. The ease of travel into and out of Fiji has been improving, and barring a reversal in COVID-19 requirements, a reasonable proportion of in-person attendance may be feasible depending on travel requirements in the originating countries of participants.

### Phase VI Developments

**Phase VI plans, priorities, and resource implications have taken further shape.** With the work of the IMF’s Interdepartmental Working Group (IWG) wrapping up in November after drawing extensively on the inputs from the 2021 Steering Committee and the stakeholder virtual working groups that informed the SC, a Phase VI Strategy Note was finalized and approved by the IMF. The details of the Strategy Note were explained at the December 2, 2021 virtual SC meeting.

**Phase VI CD priorities will reflect the policy needs of member countries.** Several long-standing priorities have crystallized from the pandemic, including fiscal risks of rising debt and contingent liabilities (e.g., SOEs), macroeconomic and financial stability (e.g., lower budget revenues and increased vulnerabilities), and diminished growth prospects from natural disasters and climate change. Medium-term frameworks and strategies supported by CD will help ensure the institutional capacity and legal frameworks are implemented to address the fiscal, debt, balance of payments and growth challenges arising from the pandemic and other shocks, while continuing to strengthen resilience to disasters and climate change. The Phase VI strategy aims to meet the rising and evolving CD needs that have intensified with the COVID-19 pandemic while enhancing the CD’s impact, traction, and sustainability, as underscored by the external evaluation.

**To respond to post-COVID-19 priorities, current PFTAC programs will continue in Phase VI, with targeted expansion responding to needs but within the delivery and absorptive constraints of the region.** The Financial Sector Supervision (FSS), Revenue, Real Sector Statistics (RSS), and the current Macro programs would all continue into Phase VI, and the long-term expert (LTX) position for the Government Finance Statistics (GFS) program that was discontinued in August 2021 will be reinstated to additionally cover Public Sector Debt Statistics (PSDS). With increasing demand for CD to strengthen PFM systems to be responsive to climate change issues and for member countries to potentially qualify for access to climate change financing, further efforts under the PFM program are planned with a third LTX devoted to climate issues. An additional PFM resource focused on climate change would provide space for the other PFM advisors to respond more deeply to other PFM topics where country demand exists such as fiscal transparency and gender aspects of PFM. Finally, a second Macroeconomic advisor and program is proposed with backstopping by ICD with a focus on macroeconomic frameworks, work that has begun in FY2022 with IMF financing. Greater emphasis and support to fragile states is anticipated, in absolute terms and to expand the Phase V average share of resources and delivery beyond 34 percent. Severe capacity limitations in a number of micro-states including fragile states, require innovative approaches to move from capacity supplementation to impactful and sustainable CD.

**Proposed resources will expand from the Phase V average of seven LTX to ten resident advisors.** This comprises: (1) five fiscal LTX, two each for PFM and Revenue and a new third PFM advisor focused on climate change; (2) two Statistics, one each for RSS and GFS/PSDS; and (3) an LTX each for FSS, the APD-backstopped Macro program, and the proposed ICD-backstopped Macro Frameworks program. These numbers are exclusive of the Debt Management program and LTX that is financed by the Government of Japan through end-FY24. **A fund-raising envelope of \$US 40 million is targeted over five years (FY24 – FY28)** sufficient to finance the proposed ten advisors and programs based on an average Phase V annual cost of approximately \$US 6 million for seven advisors (i.e., \$US 30 million over five years). At least a further \$US 3.5 million IMF contribution will finance the director, local staff, and other overheads as in Phase V at an average annual cost of at least \$US700,000.

**Release of a draft Phase VI Program Document is imminent.** Following an initial internal review of a complete document that is underway, an updated version is expected to be released to SC members before the end of February for review and feedback by mid-March. Review of an updated version is expected to be completed by mid-April to enable a final version to be available with ample lead-time ahead of the May 2022 SC meeting when initial pledges are expected from several donors and potential commitments from others. Sufficient Letters of Understanding are expected to be signed and in place to facilitate initial financial contributions in late 2022 to ensure a seamless transition to Phase VI on May 1, 2023.

### Proposal for SC Governance Enhancement

**Various ideas were presented for SC consideration at the December 2021 meeting that aim to strengthen SC governance and effectiveness.** Possibilities were noted at the June 2021 annual SC meeting, and were also identified by the mid-term external evaluation. A short note explaining the measures was tabled along with draft SC Operational Guidelines that would be used to document whatever provisions ultimately receive SC endorsement. SC members were encouraged to consult among their national agencies that interact with PFTAC to determine a national position for further discussion at the 2022 SC meeting for debate and eventually a consensus on the measures that can be embraced by the membership. Issues presented for consideration of the SC include:

- Regular Virtual SC meetings between annual in-person meetings
- Establishing tenure for the chairperson with clear succession processes, possibly including creation of a Vice Chair position
- Creating an Executive Committee of the SC
- Establishing a SC quorum requirement
- Possibility of SC representation by constituencies of member countries
- Decision making by consensus (as now, but formally articulated), with special provisions for endorsement of work plans

### Workplan Formulation

**The formulation of workplans is a collaborative and inter-departmental exercise comprising APD, the CD delivery departments, and the PFTAC team.** Workplans have a medium-term horizon, but are substantially updated each fiscal year to reflect developments and progress as well as changing priorities and resource constraints. In preparation for the new fiscal year that begins on May 1, workplans are developed to guide CD delivery to member countries across and between the PFTAC programs. They provide details of planned activities at the mission and activity level for the upcoming financial year and at more aggregate levels over the

medium term. The process is launched during December – January with PFTAC convening a series of consultative meetings with APD country mission chiefs and teams between December – February to discuss the country priorities. This draws on the country team policy dialogue with the authorities and the PFTAC team’s close working relationship with the country CD beneficiary agencies. Further inputs arising from Spring Meeting consultations with member countries usually see workplans and budgets for the forthcoming fiscal year fully crystallized by late April.

**The PFTAC team periodically updates short country notes** (for internal use) to inform discussions by documenting the CD engagement overall and by program, progress against RBM objectives and outcomes, past and planned resource utilization, risk assessment views at the country and program level, and summarized information about each program in the country. Coordination with APD is critical to ensure CD remains closely integrated with IMF surveillance and lending. Through Article IV consultations and bilateral discussions with member countries, APD helps identify technical issues and vulnerabilities where CD may have the most meaningful impact. PFTAC provides first-hand information on member country requests and absorptive capacity, development partners engagement and support, and the resource envelope. Inputs from CD departments ensure that CD strategies and activities correspond to issues identified in the surveillance and lending context, and that CD activities are effectively designed and sequenced, technically sound, and appropriately resourced. This integrated approach and close coordination is crucial in ensuring member countries needs are effectively prioritized. Finalized workplans with their associated budgets are presented at the annual SC meeting for endorsement. Since 2021, this step occurs after the start of the fiscal year in May or June, whereas until 2020 this occurred before the end of the preceding fiscal year in March.

### III. PFTAC Developments

#### FY2022/Q3 Activity – by country and program

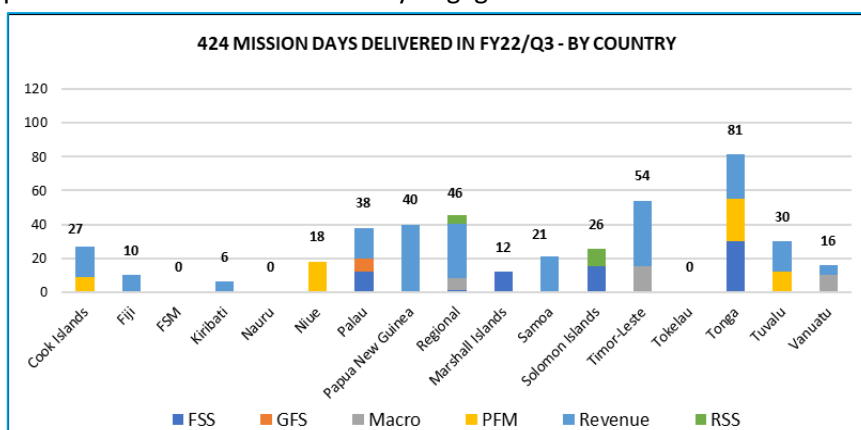
##### Activity – by program

Program	Quarter 3 Outturn			
	LTX	STX	Total	Missions
Public Financial Management	19	45	64	4
Financial Sector Supervision	31	40	71	4
Government Finance Statistics	0	8	8	1
Real Sector Statistics	15	0	15	2
Revenue Administration	30	167	197	12
Legal/Tax Policy	0	37	37	3
Macroeconomic Programming and Analysis	33	0	33	3
<b>Total</b>	<b>128</b>	<b>297</b>	<b>424</b>	<b>28</b>

**PFTAC delivered 25 distinct missions and 3 regional webinars** (excluding non-training regional support for the Correspondent Banking Relationship (CBR) initiative) over 424 TA days during the third quarter between November 2021 and January 2022. CD delivery fell behind expectations with work plan execution continuing to be affected by ongoing COVID-19 constraints.

While remote engagement produces real benefits such as increased member country participation rates in missions and training given greater flexibility, there is an overall fatigue setting in with prolonged virtual engagements and a strong desire and preference to return to in-country engagement once travel resumes.

**The revenue program accounted for almost half the activity in the period** with 15 missions (including legal) over 234 TA days. With the second revenue advisor on board from October, both LTX undertook reviews of tax reforms in five countries (**Cook Islands, Kiribati, Samoa, Tuvalu, and Vanuatu**). A high-level diagnostic assessment of the newly established **Timor Leste**



Tax Authority (TLTA) was completed, and a reform roadmap designed to support domestic revenue mobilization and implementation of a modern tax administration. Other than regional training, this was PFTAC's first Revenue related CD for Timor Leste. Following earlier support on the development and introduction of a new organizational structure, further assistance was provided to **Papua New Guinea** to help in its implementation. Missions to **Tonga** and **Palau** commenced at the end of the previous quarter focused on improving risk management/compliance improvement strategies and reviewed the ICT system with support to **Tuvalu** on strengthening core tax functions. Three countries received legal assistance to help finalize tax legislation (**Cook Islands** and **Fiji**) and **Samoa** for implementation of Base Erosion and Profit Shifting (BEPS) legislation. Finally, a regional initiative supported member countries to finalize inputs for the 2021 International Survey on Revenue Administration (ISORA).

**Four PFM missions were delivered over 64 TA days.** Assistance to **Niue** strengthened the legal framework with a review of the Public Financial Management Act (PFMA) undertaken to incorporate additional provisions at the request of the authorities. **Tonga** requested PFTAC's assistance to finalize a plan for the implementation of their Asset Management Framework while **Tuvalu** received support on implementing arrears management and commitment controls. Missions to **Tonga** and **Cook Islands** initiated earlier reached a completion with finalization of the PFM Act and roadmap development respectively. A single FSS mission to **Marshall Islands** during the quarter assisted with the finalization of prudential standards and conducted an impact study of the revised standards on the financial position of specific bank. Several protracted missions from the previous quarter concluded during the third quarter with the completion of a comprehensive diagnostic mission to **Tonga** on the financial sector and a review of prudential standards for **Solomon Islands** including assistance to **Palau** on reviewing risk management standards.

**The Macro program undertook two financial programming engagements jointly with the Singapore Training Institute (STI)** and trained the **Timor-Leste** and **Vanuatu** officials on macroeconomic accounts, macroeconomic diagnostics, and forecasting. The resident advisor participated in a scoping mission to **Timor-Leste** in December led by the Institute for Capacity Development (ICD). In addition, the Macro program provides ongoing support towards the Correspondent Banking Relationship project. The Statistics program completed two missions during the quarter, first with real sector assistance to **Solomon Islands** with training on quarterly national accounts (QNA) compilation with GFS assistance on improving the quality and coverage of GFS and public sector debt statistics (PSDS) to **Palau**. Three national accounts missions planned for Fiji, Marshall Islands and Samoa were postponed at the request of authorities.

During the quarter, three virtual workshops were convened across the FSS, Revenue, and RSS programs. A one day high level webinar on ***Implications of Climate Change Risk on Financial Sector Supervision*** was jointly organized by the Monetary and Capital Markets Department (MCM) and PFTAC in November. The webinar aimed to raise awareness on climate-related risks and emerging supervisory practices with 30 supervisors from nine member countries attending (**Micronesia, Fiji, Marshall Islands, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, and Vanuatu**). Over a five day duration between November 9 – 20, 2021, the Revenue program in conjunction with the Pacific Islands Tax Administrators Association (PITAA) delivered a virtual workshop on ***Improving The Integrity Of The Taxpayer Register*** and supporting registration processes. The workshop built on the registration concerns highlighted in the PFTAC Pacific Island Review of Tax Reforms (2017 – 2020) with 52 participants from 14 member countries joining the virtual training. Additionally, a non-training event assisted member countries with the finalization and submission of country-specific tax administration dataset for 2021 ISORA. Finally, the RSS program delivered a virtual workshop on ***Annual National Accounts Compilation*** from November 23 – December 8, 2021. This follows an earlier workshop in September 2021 that trained statistics officials on Quarterly National Accounts (QNA) compilation. The Debt Management program completed the second half of the ***Fundamentals of Debt Reporting and Monitoring*** workshop during November with 29 participants from 12 countries.

**At the end of quarter three, 79 missions across 1,252 TA days have been delivered** with assistance provided to all PFTAC member countries except Tokelau accounting for 51 percent of the mid-year adjusted workplan in TA days (2,455) and 50 percent of planned missions (158). Interestingly this is exactly the same number of activities delivered at the end

Program	Delivered thru end-Jan 2022			
	LTX	STX	Total	Missions
Public Financial Management	65	106	171	10
Financial Sector Supervision	64	85	149	8
Government Finance Statistics	10	33	43	5
Real Sector Statistics	60	43	103	10
Revenue Administration	68	479	547	28
Legal/Tax Policy	0	51	51	6
Macroeconomic Programming and Analysis	120	69	189	12
<b>Total</b>	<b>386</b>	<b>866</b>	<b>1252</b>	<b>79</b>

of the third quarter in FY2021, but utilizing 50 percent more resources (1,252 TA days versus 823 TA days at the same point a year earlier). This has previously been explained that after a year of remote CD necessitated by COVID-19, missions are taking longer, often stretching over several months instead of weeks and requiring more resources, sometimes because of the nature of the CD like diagnostic missions.

**At the mid-point of FY2022 some activities were postponed towards the end of the fiscal year in favor of in-country delivery given expectations that travel would have resumed.** This has not eventuated and almost all delivery for the remainder of FY2022 is expected to be remote. While the final quarter is expected to be a very busy TA delivery period, the overall PFTAC outturn is likely not to exceed 70 percent of the mid-year adjusted workplan both in activity and budget terms given several challenges – member countries are strongly opting for in-country delivery versus remote engagements postponing current year plans to FY2023, while expectations around a gradual resumption of travel in the Pacific are hampered by the new Omicron variant further delaying border reopening plans, particularly as previously uninfected countries now deal with outbreaks. Furthermore, other risks such as natural disasters pose difficulties for member countries to receive planned CD, as their efforts and priorities are understandably diverted to recovery and rehabilitation works.

### Financial Report

The endorsed FY2022 budget of US\$7.335 million inclusive of trust fund fee, has a projected outturn by year-end around US\$ 4.5 million, or 60 percent of the budget if achieved, potentially up from US\$ 4.0 million in FY2021. The budgets for the LTX Travel and Training/Seminars/Workshops remain unutilized while the STX category mainly covering expert salaries is projected to reach an 80 percent outturn. Accounting under the new CD-MAP platform and methodology is headed on a similar trajectory with the year-end projections unlikely to exceed US\$ 4.5 million resulting in savings in the range of US\$ 4.0 – US\$ 4.5 million based on the updated FY2022 workplans. The unspent balance arising from current savings and carryforward from previous financial years of US\$ 7.9 million will fund FY2023 operations – the final year of Phase V, following a one-year extension endorsed by the SC in December. This will be able underwrite a very ambitious program for the last year of PFTAC's fifth phase that must draw to a close on April 30, 2023 given restrictions for some donors that will preclude any further extension.

## IV. Report on Program Activities and Achievements

### Public Financial Management (PFM)

**Niue:** short term expert (STX) Lynne McKenzie **undertook a virtual mission between November 2021 - January 2022 to review the draft Public Finance Management Act (PFMA) and to incorporate the appropriate aspects of the new government's policies on internal audit and fraud prevention.** The Government of Niue received TA in 2019 and 2020 to prepare a draft PFMA covering the full range of public finance arrangements. The Ministry of Finance requested further assistance to support the mandate of the new government to strengthen internal control, accountability, responsibilities for government employees, and adoption of zero-tolerance to fraud. The mission worked to review the Act to incorporate the priorities of the new government and to re-open dialogue on finalization of the draft act.

**Tonga:** remote assistance was provided by STX Julie Cooper **to implement Tonga's Asset Management Framework to ensure the government's fixed assets are properly recorded, valued, and reported as required under Treasury Instructions 2010.** The authorities provided a draft framework to government that was completed with PFTAC assistance in June 2020. With limited internal capacity, the government requested further support towards the implementation of the framework. The mission assessed the existing asset management systems and procedures, reviewed the asset registers, and recommended strategies to improve the management of fixed assets. A training session on asset management was also provide for staff.

**Tuvalu:** a remote mission by STX Chita Marzan **assisted the Ministry of Finance to strengthen budgetary controls by implementing a quarterly warranting system and strengthening commitment controls to facilitate the automation of these controls within the new FMIS.** The FMIS was implemented in FY2021, but implementation of the supply chain management module incorporating purchase order functionality is scheduled for 2022. Recommendations were made to extend commitment control coverage to all categories of expenditure along with the drafting of a detailed action plan to implement the warranting and commitment control functionality in the FMIS.

### Revenue Policy and Administration

**Cook Islands:** a remote mission by the resident Revenue advisors (Georg Eysselein and Katrina Williams) **reviewed the Cook Islands Revenue Management Division (RMD) tax administration reforms.** Over the past three years with the expansion of the Revenue program, the RMD has received substantial CD support from PFTAC. The mission noted the RMD is under considerable pressure from the pandemic with additional administrative responsibilities to implement the government's support measures. Discussions covered feedback on past PFTAC assistance, an update on implementation progress and priority needs for the remainder of FY22 as well as the FY23 needs.

**Legal STX Lee Burns provided remote support to finalize the draft Tax Administration Act (TAA).** The preparation of the TAA requires the relocation of most of the procedural and administrative rules from the primary taxing statutes to specialized tax administration legislation. RMD has provided PFTAC with comments on the third draft and a proposed timeline for enactment and implementation of the TAA including feedback on the consequential amendments to the VATA, ITA, and Departure Tax Act. **The mission finalized the third draft of the TAA and the detailed technical notes to explain the TAA plus a draft of the consequential amendments. To aid understanding of the changes, a cross-reference table was included to indicate where the existing procedural and administrative provisions are located within the TAA.**

**Fiji:** PFTAC and the IMF Legal Department provided assistance to rewrite the Value Added Tax Act (VATA) since August 2018. **The remote mission in November further assisted the Fiji Revenue and Customs Service to**



**finalize the VAT legislation.** The April 2021 tax policy review mission provided several recommendations on the draft legislation. The recommendations concerning cross-border digital transactions were accepted and a sixth draft was prepared in September 2021. The final draft will be prepared based on the submissions received from internal and external consultations of the sixth draft of the VATA.

**Kiribati:** during December, the resident advisors **undertook a review of PFTAC's previous CD recommendations provided to the Kiribati Tax Division (KTD)** and discussed future CD needs with the authorities. While **progress is noted on revenue collections that remained stable with improvements in tax administration capacity**, KTD face several challenges around capacity, processes, technology, and legislation. KTD requested further assistance so PFTAC will identify resources and a timeframe on the needs identified through discussions with the Commissioner. The mission also met with the European Union (EU) delegation project manager as well as the tax and legal advisors funded by the EU to understand progress to date and activities planned under the EU project to ensure alignment and coordination of assistance delivered by the EU and PFTAC.

**Papua New Guinea:** STX Alison Lendon and Raelene Vivian **continued to support the Papua New Guinea (PNG) Internal Revenue Commission (IRC) with detailed planning and implementation of the new organizational structure.** The previous mission developed a transition plan to implement the new structure and roles, and a road map to establish new business functions with a targeted start of January 1, 2022. The mission assisted the authorities to review the checklist and provided recommendations to successfully implement the new structure by the target date – covering the interim structure and implementation schedule, identifying and filling key leadership positions, establishing a Governance and Reform division, developing detailed structures below leadership levels, and undertaking detailed planning for the new Operations business group.

**Regional Assistance with the completion of the 2021 ISORA Survey.** Between December 2021 and January 2022, STX Topping assisted the IRC of Papua New Guinea and other Pacific Island administrations requiring support, in the submission of quality responses to the ISORA 2021 Survey. Effort was made to contact all potential participating administrations including those that had already completed the survey. Where requested, virtual meetings were conducted, and guidance provided. In other cases, administrations provided written responses to review queries. **Overall quality and completeness of responses significantly improved when compared with earlier versions of the survey and the most complete response from PFTAC countries in an ISORA survey.**

**Samoa:** legal STX Lee Burns provided **remote assistance to the Ministry of Customs and Revenue (MCR) on legislative measures to implement Base Erosion and Profit Shifting (BEPS) reforms.** Samoa is committed to BEPS implementation to respond to inclusion in the listing of non-cooperative jurisdictions (blacklist) for tax purposes by the European Union. Samoa was admitted as member of the BEPS Inclusive Framework in February 2021 and is required to implement BEPS minimum standards. The mission reviewed the basic international tax rules in the Income Tax Act and VAT Act to prepare legislative reforms including explanatory notes to implement BEPS actions based on Samoa's priorities.

**Timor-Leste:** STX Thomas Story and Anna O'Keefe **undertook a high-level diagnostic assessment of the newly established Timor Leste Tax Authority (TLTA).** PFTAC had not previously provided any tax administration CD to the tax authority except for some regional training initiatives. The diagnostic review focused on identifying the current challenges of the TLTA, including the organizational structure, staffing levels, compliance levels, and existing IT capability to facilitate modern tax administration. **A one day training session on TADAT and implications to support domestic revenue mobilization was provided at the request of TLTA. Based on the diagnostic review, a reform roadmap has been designed identifying priority areas and the sequencing of a CD program.**

### Webinar on Taxpayer Register and Data Cleansing: November 9 - 20, 2021

A virtual workshop on improving the integrity of the taxpayer register and supporting registration processes was delivered as a joint initiative of PFTAC and the Pacific Islands Tax Administrators Association (PITAA) Secretariat to 52 participants from 14 member countries in the Pacific region. The workshop provided participants with a good understanding of: (1) the legal and policy framework for taxpayer registration; (2) IT system requirements for high integrity of the register; (3) requirements for maintaining and cleansing data to deliver an accurate and reliable registration database; (4) organizational capability needs; (5) strategies to identify unregistered taxpayers; and (6) designing the future of registration. This workshop built on the registration issues raised in the PFTAC Pacific Island Review of Tax Reforms (2017 – 2020)

Participants, both at managerial and operational levels improved their understanding of contemporary international good practice and were equipped to practically develop and implement improvements to their registration database and supporting processes. Good practice to improve voluntary compliance and identify unregistered taxpayers was also shared with participants. Other contemporary good practice techniques introduced were: (1) taxpayer centered design approaches; (2) use of third-party data; (3) emerging technologies; and (4) reinforced by respective TADAT Performance Outcome Areas. The workshop materials presented were supported by OECD and IMF good practice publications and practical international examples.

The criticality of having an accurate and reliable registration database as well as a supporting legal and policy framework to support the work of the revenue administration was emphasized. Through workshop exercises and practical international examples, participants learned the value of these approaches. Each of the participating countries developed and presented a high-level report showing progress and priority improvement strategies against key elements of the taxpayer registration function. Participants were encouraged to discuss these reports with their executives and incorporate them into existing business and operational plans.



**Tuvalu:** During January 2022, the resident advisors undertook a review of the Tuvalu Inland Revenue Department (IRD) tax administration reforms. The IRD has experienced many challenges in recent years. With the focus of the current director on integration of the tax and customs departments, combined with reduced capability particularly in the audit area, and low capability in taxpayer services, the strategic and operational plans have been refreshed and refocused with shorter term horizons. **The tax reforms over the last two years were discussed and with the current change agenda, priority assistance needs will be included in the FY2023 workplan**

STX Rick Fisher started assistance to the IRD during the last week of January that is ongoing. Its purpose is to improve core tax functions, **prioritizing those areas identified through recent PFTAC assistance and the newly developed 2022 Operational Plan** with emphasis on collectively strengthening the taxpayer experience, aiming to influence taxpayer behavior, and improve the quality of the IRD registration and filing processes.

**Vanuatu:** during January 2022, the Revenue advisors **undertook a review of the Vanuatu Department of Customs and Revenue (DCIR) tax administration reforms. PFTAC has provided extensive CD covering strategic planning and supported the development of core tax administration functions. Recent progress by the DCIR include the gradual implementation of the Tax Administration Act.** Despite progress, the DCIR faces persistent barriers and challenges, including high vacancy rates and thinly spread knowledge and skills among key managers and just a small group of experienced staff. The impact on Vanuatu from COVID-19 and Cyclone Harold has been significant. Combined with falling revenue from tourism, GDP is expected to decline and place pressure on DCIR to further improve revenue collection capability. Against this assessment, the mission also discussed CD needs for the remainder of FY2022 and FY2023 planning.

### Financial Sector Supervision (FSS)

#### High Level Webinar on Addressing Climate Risks in Prudential Supervision and Regulation: November 19, 2021

The IMF Monetary and Capital Markets Department (MCM) and PFTAC jointly organized a remote regional webinar on addressing climate risks in prudential supervision and regulation. The webinar aimed to raise awareness and establish contact with/among banking supervisors from PICs on climate-related risks and emerging supervisory practices. Approximately 30 supervisors, senior managers and board members from **Micronesia, Fiji, Marshall Islands, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga,** and **Vanuatu** participated in the webinar.

**The webinar introduced regulatory topics focused on climate risk** which are relatively new for agencies in the region. The presentations provided information about the latest development in regulation of climate related financial risks, including the latest work of the Basel Committee for Banking Supervision (BCBS) and other international organizations. Basic concepts of climate related risk regulation were explained.

**The representatives of the international supervisory community shared their experience in establishing the agenda across supervisory topics.** The participants had an opportunity to learn about approaches from the authorities in the United States, the Philippines, and Malaysia. The presentations had a broad focus, to allow contextualized understanding of climate related risks and sustainability concepts. Detailed presentations of these country cases also elaborated prioritized steps that the countries had to take and the challenges they faced. This provided a solid ground for discussions that took place after each session.

Preceding the webinar, **a stock taking questionnaire elaborated by MCM facilitated an understanding of the perceived importance of climate related risks,** existing initiatives to address climate related risks, and expectations from the authorities regarding the identification, assessment, management, and supervision of climate-related risks. The survey revealed that the authorities were becoming increasingly aware of the relevance of climate-related risks in regulation and supervision of financial institutions, though supervisory interventions to address these risks were still not a short-term priority for most countries. Nearly half of the countries that responded to the survey had an implicit mandate to address climate-related risks as part of their responsibility to maintain financial stability. However, for various reasons including the lack of expertise, insufficient data, and non-availability of appropriate processes and methodologies to analyze climate risks, most countries had not yet analyzed the materiality and potential sources of climate-related risks, or formulated a strategy to embed climate-related risks into regulation and supervision, though they were monitoring emerging practices.

PFTAC will maintain dialogue with the supervisors about regulation of climate related financial risks in order to identify their TA needs and provide essential guidance about the sources of relevant information. The authorities will benefit from the documents provided in the webinar to further enhance their awareness. The FSS resident advisor will also monitor the development of the climate change related agendas across the region.

Bilateral TA will be ready to start once the international standards/framework are adopted and MCM is sufficiently experienced with their application, and when specific requests are received for TA.

**Marshall Islands:** As part of the Supervision Framework Enhancement Program (SFEP) PFTAC is helping implement in RMI, two missions undertaken in July 2018 and March 2021 assisted the Marshall Islands Banking Commission (MIBC) to review and develop prudential standards. Several of these standards (e.g., capital adequacy, credit risk management, liquidity risk management, interest rate risk in the banking book) may have financial implications for banks in terms of their capital adequacy, profitability, and liquidity positions, while others (e.g., large exposures, related parties' transactions) may directly affect lending to the real sector. It is prudent to assess the likely impact of these standards on the financial position of banks. Therefore, in response to MIBC's request, the FSS Advisor conducted a virtual mission during November – December 2021 to develop Excel-based templates to conduct the impact study of revised/newly developed standards. The revised standards incorporate several elements of Basel III and Basel Core Principles, some of which are technical in nature. **PFTAC will assist the MIBC as needed to train its staff in technical aspects of the prudential standards.**

### Real Sector Statistics (RSS)

**Solomon Islands:** a remote mission by LTX Scheiblecker during December 2021 **assisted the Central Bank of the Solomon Islands (CBSI) with the implementation of a quarterly national accounts (QNA) program.** The last mission planned in FY2021 was deferred due to the unavailability of source data. In continuation of the previous support, the mission trained the compilers on indicator selection, benchmarking techniques, and quality checks, and assisted with the development of benchmarking models for ISIC industries, assessed the impact of the pandemic and treatment with regard to a methodological note prepared by the IMF and other international organizations, along with assistance on evaluating the quality of the results.

#### Workshop on Annual National Accounts: November 23 – December 8, 2021

This PFTAC workshop on National Accounts concepts and methods targeted both recently recruited and experienced staff of National Statistical Offices (NSO). A special module at the end of the workshop was dedicated to the peculiarities of recording of COVID19 related policy measures in national accounts.

For this remote workshop delivered remotely from Suva, 17 staff comprising 13 women and four men from five PFTAC member countries registered.

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

### Government Finance Statistics (GFS)

**Palau:** a remote TA mission assisted the Office of Planning and Statistics (OPS) in their efforts to improve the quality and coverage of GFS and public sector debt statistics (PSDS). Based on the recommendations from the September 2020 mission, the **authorities compiled and submitted provisional budgetary central government (BCG) GFS for FY19 using administrative data from the financial management integrated system (FMIS) and completed for the first time a consolidated general government (GG) GFS time series FY 2008–18. The mission additionally assisted the compiler to fill the World Bank quarterly public sector debt (QPSD) questionnaire for FY19.** The mission recommended the authorities to complete PSDS for the public sector (FY2019) and submit to the World Bank, compile and disseminate BCG GFS for FY2020 upon receiving the annual financial statements after audit completion as well as consolidated GG GFS FY2020 and PSDS FY2020 along with advice on releasing COVID-19 expenditure report on Bureau of National Treasury website.

## Macroeconomic Analysis and Programming

**Timor-Leste:** A joint remote mission between PFTAC's Macroeconomic adviser and the IMF's Singapore Training Institute (STI) undertook a Financial Programming engagement with Timorese authorities during January 2022. This initially consisted of nine half days of mentored training on macroeconomic accounts, macroeconomic diagnostics, and forecasting. This was followed up with an additional 13 half days of Financial Programming model construction, which was carried out jointly with the Timorese authorities. The overall objective of this mission was to raise the understanding of the Timorese authorities about the interrelations within the Timorese economy, particularly the impacts of economic policy changes and shocks on different parts of the economy. Follow up engagement is scheduled for mid-2022.

**Vanuatu:** In November 2021, a joint remote mission between PFTAC's Macroeconomic Adviser and STI undertook a Financial Programming engagement with the Vanuatu authorities. This initially consisted of nine half days of mentored training on macroeconomic accounts, macroeconomic diagnostics, and forecasting. This initial training will be followed up with further engagement and model construction in February 2022. The overall objective of the mission is to raise the understanding of Vanuatuan authorities about the interrelations within the Vanuatu economy, particularly the impacts of economic policy changes and shocks on different parts of the economy.

### PFTAC Macro Program collaboration with ICD Macro Programs

In order to enhance PFTAC member countries' understanding of the interrelations between different sectors within their respective economies, a program was developed for more formalized and longer term training to be offered to interested member countries to build capacity. This is the basis of recent efforts by PFTAC's Macroeconomic Adviser working in conjunction with the IMF's Singapore Training Institute (STI) to conduct two long term programs of training and modelling missions at the request of the authorities of Timor-Leste and Vanuatu.

These missions start with participants undertaking formalized IMF courses on Macroeconomic Accounts, Macroeconomic Analysis, or Macroeconomic Forecasting. These courses are conducted by the PFTAC and STI Advisers and are designed to be very interactive for attendees while allowing the presenters to overlay the course with additional judgement and experience.

The next step in these missions is the joint construction of a Financial Programming model with the authorities. This entails a detailed analysis of existing economic and fiscal data, an exploration of the linkages between each parameter and other parts of the economy or government accounts, and the eventual modelling of these relationships.

The final product of these engagements will be a sophisticated macro-fiscal model that the authorities will be able to utilize to better understand the impacts of changes in economic policy or shocks on their economies. This analysis will also be enhanced as a result of participants improved understanding of the range of dynamic relationships occurring within their economies.

## Debt Management

**Papua New Guinea:** during November 2021, STX Juan Pradelli and Sanga Sangarabalan delivered remote training on financial and loan analysis to Papua New Guinea Ministry of Finance officials. Papua New Guinea has access to both a domestic debt market and external financing and CD of officials in financial and loan analysis is part of the foundations for improving debt management practices. **The training focused on building capacity in financial and market concepts, debt and liability management operation instruments, loan structures and cashflows, and portfolio risk indicator analysis.** Enhancing the foundational knowledge of officials is also fundamental towards Papua New Guinea's aim to raise overall Debt Management Performance Assessment (DeMPA) scores. The DeMPA is a diagnostic of government debt management practices and institutions.

**Tonga:** In response to request from Tonga Ministry of Finance, a virtual mission by the resident Debt Management advisor Briar Ferguson and STX Michele Robinson **assisted the authorities to develop and strengthen capacity in debt management reporting and monitoring through hands-on training.** Debt management reporting ceased in March 2016 due to capacity and resource constraints, and technical difficulties in the debt recording system, CS-DRMS. Despite the constraints, the Tongan authorities are committed to reviving debt reporting practices and recognize the importance of debt transparency. **The mission provided hands-on and country context training to officials to enhance capacity in debt reporting. The training focused on understanding debt data and debt coverage, aggregating debt data for reporting, cost and risk in debt management, presenting debt data, and monitoring of debt.** At the conclusion of the training, Tongan debt management officials produced an enhanced quarterly debt bulletin template.

**Fundamentals of Debt Reporting and Monitoring Workshop:  
October 25 – 29, 2021/November 8 – 12, 2021**

A regional training workshop was conducted virtually over two separate weeks, Oct 25–29 and Nov 8-12, 2021 on the ***Fundamentals of Debt Reporting and Monitoring***. Twenty-nine participants from twelve countries in the Pacific region undertook the training, the first training workshop under the new PFTAC debt management program.

The workshop provided capacity building on sound practices in debt reporting and monitoring, supporting debt management operations and debt transparency. It enabled participants to understand the benefits and key requirements of publishing reliable, comprehensive, timely, and accurate debt data. It also builds on the joint IMF-WB Multipronged Approach on Debt Vulnerabilities (MPA) and its emphasis on strengthening debt transparency.

Participants were able to share country experiences, from those who have frequent debt reporting, to those who are developing their capacity in this area. Individual and group exercises allowed participants to put their new knowledge into practice, culminating in a final group exercise that required participants to develop and present a debt bulletin.

The participants developed an understanding of the institutional arrangements necessary for good transparency practices, understanding debt data requirements and standards, how to effectively use this data for reporting purposes and understanding the cost and risk within the debt portfolio, and how to effectively communicate key messages within the debt data to external and internal stakeholders.

Feedback verified that participants recognized the importance of reliable, comprehensive, and frequent debt reporting, and the importance of this training to their work.

## V. Planned TA Activities FY22/Q4: February – April 2022

### February 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Developing Standard Operating procedures for core tax functions	STX – Bell STX – Field STX – Vivian	Feb 14 --Mar 14 (15 TA days each)
	Revenue	Review AEOL-process	STX – Velji	Feb 2– 28 (15 TA days)
Fiji	Revenue	Review of ASYCUDA and Customs Processes	STX – Norkunes STX - Kerswell	Feb 7 -Mar 18 (30 TA days each)
FSM	GFS	Compilation of GFS	STX – Luis	Feb 7 – 11 (8 TA days)
	Macro/ Revenue	Tax reform modelling	LTX – Beaumont STX – Mullins	Feb – Mar (5 LTX and 15 STX days)
Kiribati	Macro	Macro-Fiscal Framework	STX – Rahman	Feb – Mar (12 TA days)
	PFM	Quarterly warranting and commitment controls	STX – TBC	Feb 28 – Mar 11
Marshall Islands	PFM	Strengthening Budget Transparency (remote from Fiji and Australia)	LTX – Seeds STX – Higgins	Feb 4 - 11
Nauru	PFM	Agile PEFA & Gender Responsive assessment	LTX – Lavea LTX – Seeds STX – Uluinaceva STX - Keith	Feb – Mar (33 LTX days & 24 STX days)
Niue	Revenue	Implement reform process	STX - Shrosbree	Feb 7 – Mar 9 (18 TA days)
Palau	Revenue	Implementation of VAT	STX – Piper	Feb 14 – 25
	Revenue	Regulations for the PGST and business profit tax	STX – Burns	Feb 14 - Mar 31 (10 TA days)
	DM	Develop high level debt management policy	LTX – Ferguson STX – TBC	Feb 28 – Mar 11
Papua New Guinea	FSS	Prudential Standards - Development of Impact Study Templates	LTX – Kumar	Feb 7 – Mar 7 (10 TA days)

Regional	Revenue	Workshop on Leadership, Governance and Integrity [2]	LTX – Eysselein LTX – Williams STX – Shrosbree STX – Vivian	Feb 2 – Apr 12 (5 TA days per LTX/ 6 TA days per STX)
Samoa	RSS	Reduce discrepancy between GDP(P) and GDP(E)	STX - Abbasi	Feb 28 – Mar 11
Solomon Islands	Revenue	Review of reform progress	LTX – Eysselein LTX – Williams	Feb 21 – Mar 7 (3 TA days each)
Tokelau	PFM	Strengthen Budget & Planning Process for Quality Spending	LTX – Lavea STX – Keith	Feb 14 – 28
Timor-Leste	PFM	Developing a PFM Roadmap (with FAD)	LTX – Seeds	Feb 21 – Mar 4
	Revenue	Prepare amendments to the Taxes and Duties Act to implement the electronic tax system	STX Burns	Feb 21 – Mar 31 (3 TA days)
	Revenue	Enhance public information and website	STX O’Keefe	Feb 7 – 18 (12 TA days)
Tuvalu	Macro	Macro-fiscal modelling	LTX - Beaumont	Feb - March
	FSS	Financial Risk Analysis and Reporting	LTX-Kumar STX- Jones	February-March (4 LTX TA days & 8 STX TA days)
Vanuatu	Macro	Scoping mission – in conjunction with ICD	LTX – Beaumont	Feb 14 – 18
	Revenue	Strengthening audit	STX – Home	Feb 2– March 2 (14 TA days)



### March 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Implementation of organizational structure	STX – Shrosbree	Mar – Apr (12 TA days)
Fiji	PFM	Implementing risk based audit standards	STX – Morrison	Mar 14 – 25
	Revenue	Enhancing compliance improvement strategies, risk management and data analysis	STX – Hamilton STX – Shrosbree	Mar 7 – 18
Niue	PFM	Updating the PFMA	STX – McKenzie	Mar – Apr (5 TA days)
Papua New Guinea	FSS	Prudential Standards - Development of Impact Study Templates	LTX – Kumar	Mar (10 TA days)
	DM	Review of organizational structure TA	LTX – Ferguson STX – TBC	Mar 7 – 18
Regional	PFM	PFM Symposium for the FEMM	LTX – Lavea LTX – Seeds	Mar 23 – 25
Samoa	PFM	Strengthening Cash Management	LTX – Seeds STX - TBC	Mar 28 – Apr 8
	Macro	Tax change modelling	LTX – Beaumont STX – Miller STX – Burns	March (5 LTX days & 2x10 STX days)
	Revenue	Strengthening return filing and tax arrears management	STX – Field	Mar – Apr (12 TA days)
	Revenue	Renewal of Corporate Strategic Plan	LTX – Eysselein STX – Shrosbree	Mar 28 – Apr 8
Solomon Islands	Macro	Inflation Forecasting follow-up	STX – Bullen	Mar 1 – 8 (5 TA days)
	RSS	Provide training on QNA compilation	LTX – Scheiblecker	Mar 7 – 18
Tonga	Revenue	Review of Electronic Sales Register System regulations	STX Burns	Mar 20 -Apr 10 (3 TA days)
	FSS	Diagnostic and development of regulatory framework for non-banking financial entities.	LTX-Kumar, STX- Awayiga STX- Kacani	Mar - Apr (TBC) (9 LTX days & 12 STX days)

	FSS	Review of select prudential standards for banks - Diagnostic of Money Lending Sector and other Financial Companies	LTX – Kumar STX – Awayiga STX – Pailhe	Mar -Apr (TBC) (10 LTX days & 23 STX days)
Tuvalu	RSS	BoP mission work on updating ESS data	STX – TBC	Mar 7 – 18
	RSS	Analyze benchmark source data and update GDP	STX – Andrews	Mar 14 – 25
	FSS	Development of a consolidated prudential standard for commercial and development banks	LTX- Kumar	March LTX-15 days
Vanuatu	DM	Medium-Term Debt Management Strategy	LTX – Ferguson STX – TBC	Mar – Apr (TBC) (12 LTX days & 14 STX days)
	Revenue	TADAT Assessment Training	STX – Woods	Mar 21 – 30
	Revenue	Develop taxpayer service strategy	STX – Vivian STX - Lendon	Mar 15 – Apr 12 (14 days each)

### April 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Fiji	PFM	Improving fiscal risk analysis (remote from Australia)	STX – Colvin	Apr 18 - 29
FSM	PFM	Review of Annual Financial Statements	LTX – Lavea STX – TBC	Apr 18 – 29
Marshall Islands	Revenue	Improving tax arrears and returns management	STX – Piper	Apr 18 – 29
	PFM	Strengthening financial reporting, including alignment of the Chart of Accounts to GFSM2014	STX - Higgins	Apr 18 – 29 (12 TA days)
Papua New Guinea	Revenue	Support implementation of taxpayer services strategy	STX – Lendon STX – Vivian	Apr 4 – 15
	Macro	Financial programing	LTX - Beaumont STX - Evans	April
	PFM/Debt Management	Integrating Debt and Cash Management (remote from Fiji)	LTX – Seeds LTX - Ferguson	Apr 18 – 29
Regional	Revenue	Workshop on VAT Risks and Investigations	LTX – Eysselein LTX – Williams STX – Bell STX – Kerswell	Apr 8 – 11 (10 TA days each)
	FSS	Workshop on Basel III	HQ Staff - Chon LTX - Kumar STX - Cristina STX - de Bie	April 26-29
	PFM/Macro	Workshop on Cash Flow Forecasting (including forecasting of Fisheries Revenues)	LTX – Lavea LTX – Seeds LTX - Beaumont	April 27 – 29
Samoa	Revenue	Implementation of Taxpayer Services Strategy	STX – O’Keefe STX – Lendon	Apr 18 – 29
	RSS	Review of seasonal adjusted GDP (Remote from Fiji)	LTX – Scheiblecker	Apr 1 – 11

Solomon Islands	FSS	Review of Prudential Standards for Credit Unions and Development Bank	LTX – Kumar STX – TBC	April (5 LTX TA days & 10 STX TA days)
	FSS	Development of Impact Study Templates	LTX – Kumar STX – TBC	April (9 LTX TA days & 6 STX TA days)
	GFS	Compilation of Public Sector Debt Statistics (remote from Washington DC)	HQ – Rattakul	Apr (12 TA days)
Tonga	Macro	Support the use of the Tonga macroeconomic programming framework in budget preparations	LTX – Beaumont	Apr (5 TA days)
	RSS	Provide training on QNA compilation	LTX – TBC	April
	Revenue	Debt and Returns Management	STX – Field STX – Lendon	Apr 5 – 25 (12 TA days each)
Tuvalu	Revenue	Improve Core Tax Functions	STX – Fisher	Apr 18 – 29
	DM	Development of Comprehensive Debt Reporting TA	LTX – Ferguson STX – TBC	April (TBC) (7 LTX days & 7 STX days)

## Outturn of TA Activities FY2022/Q3: November 2021 – January 2022

### November 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Finalize VAT Bill (remote from Australia)	STX – Burns	Nov 15 – 24 (10 TA days)
Kiribati	Revenue	Review of revenue reforms (remote from Fiji and New Zealand)	LTX – Eysselein LTX – Williams	Nov 30 – Dec 2 (3 TA days each)
Marshall Islands	FSS	Review of Prudential standards- Impact Study (remote from Fiji)	LTX – Kumar	Nov 15 – Dec 31 (12 TA days)
Niue	PFM	Reviewing PFMA (remote from Fiji and New Zealand)	LTX – Lavea STX – McKenzie	Nov 15 – 24
Palau	GFS	GFS for General Government Operations (remote from Spain)	STX – Temes	Nov 15 – 19
Papua New Guinea	DM	Loan and Financial Analysis Workshop (Remote from UK and US)	STX – Pradelli STX – Sangarabalan	Nov 22 – 26
Regional	DM	Fundamentals of Debt Reporting and Monitoring Workshop [2] (remote from United Kingdom, Australia, Switzerland, Jamaica)	LTX – Ferguson STX – Hardy STX – Scipioni STX – Robinson	Nov 8 – 12
	FSS	High Level Webinar on Implications of Climate Change Risk on Financial Sector Supervision (remote from Fiji and United States)	LTX – Kumar HQ – Rozumek	Nov 19
	Revenue	Workshop on Taxpayer Register and Data Cleansing (remote from Australia)	STX – Clayton STX – Vivian	Nov 9 – 20 (14 TA days each)
	RSS	Workshop on Annual National Accounts Compilation (remote from Fiji)	LTX – Scheiblecker	Nov 23 – Dec 8
Samoa	Revenue	BEPS Implementation (remote from Australia)	STX – Burns	Nov 22 – Dec 6 (15 TA days)

Solomon Islands	RSS	Provide training on QNA compilation (remote from Fiji)	LTX – Scheiblecker	Nov 29 – Dec 10
Timor-Leste	Revenue	Diagnostic Review (remote from New Zealand and Australia)	STX – O’Keefe STX – Story STX – Woods	Nov 16 – 30 Nov 28 – 30 Nov 16 – 30 (2x 18 TA days + 1x 3 TA days)
Tonga	DM	Development of Comprehensive Debt Reporting (remote from United Kingdom and Jamaica)	LTX – Ferguson STX – Robinson	Nov 22 – 26
	PFM	Implement Asset Management Framework (remote from Australia)	LTX – Lavea STX – Cooper	Nov 15 – 29
Tuvalu	PFM	Implementing arrears management and commitment controls (remote from Philippines)	STX – Marzan	Nov 15 – 26
Vanuatu	Macro	GDP (I) Modelling, Revenue Forecasting, Macro Fiscal Framework – training in conjunction with STI (remote from Fiji, Singapore, and New Zealand)	LTX – Beaumont STX – Claus STI – Govil	Nov 1 – 12

### December 2021 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Review of reform progress (remote from Fiji and New Zealand)	LTX – Eysselein	Dec 10 – 17
			LTX - Williams	(3 TA days each)
Papua New Guinea	Revenue	Implementation of New Organization Structure (remote from Australia)	STX – Lendon	Dec 8 – Jan 28
			STX – Vivian	(20 TA days each)
	Revenue	Assist with finalization of ISORA 2021 (remote from Australia)	STX – Topping	Dec 17 – Jan 20 (8 TA days)
Regional	Revenue	Assist with finalization of ISORA 2021 (remote from Australia)	STX – Topping	Dec 17 – Jan 20 (8 TA days)
Timor-Leste	Macro	Scoping mission (in conjunction with ICD) (remote from Fiji)	LTX – Beaumont	Dec 13 – 17
Vanuatu	Revenue	Review of reform progress (remote from Fiji and New Zealand)	LTX – Eysselein	Dec 15 – 23
			LTX - Williams	(3 TA days each)

### January 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Finalization of Tax Administration Act (remote from Australia)	STX – Burns	Jan 24 – Feb 2
Samoa	Revenue	Review of Tax Administration reforms	LTX – Williams LTX - Eysselein	Jan 18 – Feb 4 (3 TA days each)
Timor Leste	Macro	Macro-fiscal framework, including FP1.0 – training in conjunction with STI (remote from Fiji)	LTX – Beaumont STX – Claus STI – Govil	Jan 17 – 28 (10 TA days)
Tuvalu	Revenue	Improve core tax functions	STX - Fisher	Jan 27 – Feb 18 (12 TA days)
	Revenue	Review of tax administration reforms	LTX – Williams LTX - Eysselein	Jan 20 - Feb 10 (3 TA days each)



## Meetings, Seminars, and Training

November 2021 – January 2022

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Debt Management	Fundamentals of Debt Reporting and Monitoring	Virtual	LTX – Ferguson STX – Hardy STX – Scipioni STX – Robinson	5	13	13	Nov 8 -12, 2021
Financial Sector Supervision	High Level Webinar on Implications of Climate Change Risk on Financial Sector Supervision	Virtual	LTX – Kumar HQ – Rozumek	1	12	15	Nov 19, 2021
Revenue Administration	Taxpayer Register and Data Cleansing	Virtual	STX – Clayton STX – Vivian	5	26	26	Nov 9 – 11, 2021 Nov 16 – 18, 2021
Real Sector Statistics	Annual National Accounts (QNA) Compilation	Virtual	LTX – Scheiblecker	5	12	6	Nov 23 – Dec 8, 2021

## TA Reports Transmitted to Country Authorities & Pending Finalization

**November 2021 – January 2022**

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
<b>Public Financial Management</b>	Cook Islands	PFM Roadmap	Lavea/ Marzan	Sep-Oct 21	Not Finalized
	Marshall Islands	Strengthen Budget Transparency	Seeds/ Higgins	Jan-22	Not Finalized
	Niue	Review of PFMA	Lavea/ McKenzie	Nov-21	Not Finalized
	Tonga	Review existing legislation, reforms, expectation	McKenzie	Sep-20	Not Finalized
	Tonga	Finalizing PFMA	Lavea/ McKenzie	Aug-21	Not Finalized
	Tonga	Implement Improvements to Reconciliation process	Lavea/ Kauffmann	Sep-21	Not Finalized
	Tonga	Implement Asset Management Framework	Lavea/ Cooper	Nov-21	Not Finalized
	Tuvalu	Implementing arrears management and commitment controls	Marzan	Nov-21	18-Jan-2022
<b>Financial Sector Supervision</b>	Cook Islands	Off-site Supervision & Risk Rating Frameworks	Kumar	Aug-Sep 21	28-Jul-2021
	FSM	Banking Regulatory Reform	Hefty	Jun-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
	Marshall Islands	Banking Law and Regulations	Kumar/ Awayiga	Mar-21	14-Dec-2021
	Marshall Islands	Review of Prudential standards- Impact Study	Kumar	Nov-Dec 21	Not Finalized
	Palau	Review of risk Management Standards	Kumar/ Kacani	Jul-Aug 21	Not Finalized
	Papua New Guinea	SFEP-Regulatory Framework-Prudential Standards	Kumar/ Pandey/ De Bie/ Henderson	Mar-Apr 21	Not Finalized
	Solomon Islands	SFEP – Regulatory Framework – Prudential Standards	Kumar/ De Bie	Dec-20	06-Jan-2022
	Solomon Islands	SFEP-Financial Risk Analysis Process	Kumar	Apr-May 21	Not Finalized
	Solomon Islands	Review of Prudential and Risk Management Standards	Kumar/ Jones	Oct-Nov 21	Not Finalized
	Solomon Islands	FSI for Insurance Sector	Hafeman	Nov-Dec 21	Not Finalized
	Tonga	Diagnostics of financial sector and review of select prudential standards	Kumar/ Awayiga/ Henderson	Aug-Oct- 21	Not Finalized
	Tuvalu	Training on Off-Site Financial Risk Analysis	Kumar	Jul-21	11-Feb-2022

<b>Debt Management</b>	Cook Islands	Medium Term Debt Management Strategy (MTDS)	Ferguson/Vilanova	Oct-21	13-Jan-2022
<b>Macroeconomic Programming</b>	Solomon Islands	Inflation Forecasting	Beaumont/ Bullen	Jun-21	Not Finalized
<b>Revenue Administration</b>	Cook Islands	Debt and Returns Management	Field	Jun-21	Not Finalized
	Marshall Islands	Review Tax Reforms and Core Tax Functions	Piper	Apr-May 21	Not Finalized
	Niue	Strengthen Core Tax Functions	Shrosbree	Sep-Oct 21	Not Finalized
	Papua New Guinea	Development and Introduction of New Organizational Structure	Vivian/ Williams	Jun-Jul 21	Not Finalized
	Palau	Preparation for Tax Reform Implementation	Piper	Sep-Oct 21	11-Jan-2022
	Palau	Progressing the Implementation of the Palau Tax Reform Bill	Piper	May-Oct 21	11-Jan-2022
	Papua New Guinea	Implementation of New Organization Structure	Lendon/ Vivian	Dec-Jan 21	Not Finalized
	Solomon Islands	Implementation of Large Taxpayer Office	Shrosbree	May-Jun 21	Not Finalized
	Timor-Leste	Diagnostic Review	O'Keefe/ Story/ Woods	Nov-21	Not Finalized
	Tonga	Renewal of Corporate Strategy	Fisher	Aug-21	11-Jan-2022
	Tonga	Development of POS guidelines	Fisher	Aug-Sep 21	Not Finalized
	Tonga	Renewal of Compliance Improvement Strategy	Home/ Shrosbree	Oct-Nov 21	Not Finalized
	Vanuatu	Review RMS Master Service Agreement	Grant	Aug-21	7-Dec-2021
Vanuatu	Debt and Returns Management	Field/ Lendon	Sep-21	10-Dec-2021	

	Cook Islands	Decrease difference between GDP(P) and GDP(E)	Andrews	Aug-Sep 21	Not Finalized
	Fiji	Implement new annual benchmarks in QNA	Scheiblecker	Nov-21	Not Finalized
	FSM	GFS for General Government Operations	Temes	Oct-21	Not Finalized
	Kiribati	National Accounts Update to FY2020	McAllister	Oct-21	06-Dec-2021
	Marshall Islands	Training on the compilation of non-market value-added	Scheiblecker	Aug-21	24-Nov-2021
	Marshall Islands	Implementing non-market production	Scheiblecker	Jan-22	Not Finalized
	Marshall Islands	GFS for General Government Operations	Temes	Set-Oct 21	Not Finalized
<b>Macroeconomic Statistics</b>	Niue	Update Annual National Accounts to 2018	Scheiblecker/ Freeman	May-21	Not Finalized
	Nauru	Rebase GDP(P)	Scheiblecker	Jan-21	11-Jun-2021
	Nauru	Update Annual National Accounts to 2019	Scheiblecker	Jul-21	26-Nov-2021
	Palau	GFS for General Government Operations	Temes	Nov-21	Not Finalized
	Samoa	GFS for General Government Operations	Temes	Aug-21	Not Finalized
	Samoa	Review of Seasonal Adjusted GDP	Scheiblecker	Jan-22	Not Finalized
	Solomon Islands	Training on QNA Compilation	Scheiblecker	Nov-Dec 21	Not Finalized
	Tonga	QNA Compilation	Scheiblecker	Sep-Oct 21	Not Finalized
	Tuvalu	Rebase and Update GDP(P)	Andrews	Mar-21	28-Jul-2021