



PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

Newsletter: November 2023

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HIGHLIGHTS



United States Announces Support for PFTAC. In September, the United States announced a US \$1.25 million support for PFTAC Phase VI operations as part of *Enhancing the U.S.-Pacific Islands Partnership initiative* [FACT SHEET: Enhancing the U.S.-Pacific Islands Partnership | The White House](#).

The United States became PFTAC donor during Phase V, joining other members and donors in supporting PFTAC’s goal to promote macroeconomic and financial stability in Pacific Island members. The United States strong and enduring interest in the

region is well recognized and further support will strengthen PFTAC’s ability to develop the capacity of Pacific countries to design and implement sound macroeconomic and financial policies, including expanded support for climate-related public financial management.

In August, the U.S. Department of the Treasury met with PFTAC on the margins of the Pacific Islands Forum Economic Ministers Meeting. The meeting discussed region’s macroeconomic outlook, regional policy priorities relating to correspondent banking issues and finance, IMF’s role in the Pacific along with U.S. support for PFTAC.



[On mission to Vanuatu, PFTAC Director met with country authorities and key stakeholders to discuss CD priorities and strategies.](#) The discussion focused on

assessing the effectiveness of PFTAC support and ways to further improve it, identifying CD priorities for the current financial year and the medium term, as well as flagging opportunities for additional assistance and collaboration. The Reserve Bank of Vanuatu is appreciative of PFTAC support in financial sector supervision and macroeconomic modeling and training.

The Vanuatu Bureau of Statistics aims to

update the national accounts, establish a new base and develop quarterly national accounts. A formal request for PFTAC support and training was submitted and two RSS activities are aligned in response to this request. The Department of Customs and Inland Revenue (DCIR) is interested in strengthening VAT

compliance and audit mechanisms and training needs were identified through Pacific Islands Tax Administrators Association (PITAA). PFTAC main donors are present in Vanuatu and keen to collaborate on selected PFM topics and AML/CFT issues.

PFTAC is going cashless and pilots the use of debit cards for per diems of workshop participants.

IMF rolled out debit cards to replace cash for per diem allowances. PFTAC is one of the first RCDC's to trial the debit cards and piloted its use in two of its recent regional workshops. Cards are issued in the name of the center and are assigned to participants by adding their contact information. They can be used internationally for ATM cash withdrawals and payments in shops. Cards are denominated in USD, but withdrawals and payments can be made in any currency. The shift to cashless mode is a milestone, greatly reducing costs and risks involved with cash handling. PFTAC greatly appreciates this innovation, a smarter way forward in disbursing per diems and allowances.

FEATURE: DIGITALIZATION OF TAX ADMINISTRATION – COLLABORATION WITH ADB

Technological innovation is transforming the way tax administrations operate. Digitalization of tax administrations significantly help achieve the domestic resource mobilization agenda. Digitalization can help tax administrations lower compliance and administrative costs, collect revenues efficiently, enhance transparency and services to taxpayers and accommodate large data streams to support analytical work for policy and strategy formulation.

Digital transformation is a pressing need across all Pacific tax administrations. The current system of small countries is largely manual (Excel based) with no or limited online services. Many countries' current tax system is end of life and requires upgrading, along with staff skilling and development. And few who are advanced require training on analytics and reporting to improve compliance. Additionally, the cost of replacement and upgrades is a concern, as investment are not without costs. Despite this, tax administrations cannot stay behind in the leveraging digital technologies to optimize their operations.

PFTAC and PITAA acknowledge the support of Asian Development Bank (ADB) and the Domestic Resource Mobilization Trust Funds towards the modernization of revenue administrations in the Pacific. [The collaboration has resulted in a project to design country specific digital transformation roadmaps for two PFTAC member countries – Nauru and Niue.](#) The project is fully aligned with Nauru and Niue governments' efforts to leverage the potential of digital information systems to improve compliance, widen the tax base, manage compliance and enforcement and cross border exchange of information.

This work is fully aligned with PITAA's Strategic Plan 2022 to 2024 and PFTAC capacity development objectives. PFTAC has previously supported its member countries on IT system quality review (Fiji), IT system implementation (Fiji), IT strategy (Samoa), review of service agreement and VAT electronic fiscal device implementation (Vanuatu), review of IT system and developing user specifications (Palau), ICT tender specifications (PNG) along with two regional workshops on *Effective Revenue Management System* and *Regional IT Network*. These works are critical and provide a coordinated approach to support member countries move towards a modernized system.

During the PITAA Heads meeting, representatives of Nauru (Mr. Geoffrey Smith) and Niue (Mr. Peniamina Tanaki), PFTAC Revenue adviser (Mr. John McAlister), the PITAA Head of Secretariat (Mr. George Mow) and ADB Tax Specialist (Ms. Sathi Meyer-Nandi) commemorated the project approval.



CD HIGHLIGHTS BY WORK AREA (AUG – OCT)

PUBLIC FINANCIAL MANAGEMENT

Fiji: the mission provided assistance to broaden the scope and coverage of fiscal risk analysis. The mission through the use of hands-on workshops provided guidance to analyze general fiscal risk using the Fiscal Risk Assessment Tool (FRAT) and natural disaster related fiscal risks. Fiji's 2023-24 Budget contains a small section on fiscal risks, highlighting macroeconomic fiscal risks, contingent liabilities, SOE, and natural disaster fiscal risks. The training under this mission will assist authorities to further update fiscal risk narrative in future Fiscal Strategies and Budgets.

Palau: following the 2023 Public Expenditure and Financial Accountability (PEFA) assessment that provided diagnostic analysis of Palau's PFM performance, the mission **assisted the Ministry of Finance in developing a PFM Roadmap with a prioritized and sequenced action plan.** The mission provided the draft roadmap and action plan matrix detailing planned PFM activities and proposed governance arrangements, required for monitoring effective implementation of the roadmap. The roadmap also looked at PFM reforms needs for supporting the Palau Development Plan (PDP), and the seven pillars under the recently enacted Fiscal Responsibility and Debt Management Act (FRDMA), as well as taking on board climate considerations. The Ministry of Finance will now finalize the roadmap and seek its formal endorsement.

Samoa: the mission **assisted Ministry of Finance strengthen cash management practices and banking arrangements.** Good progress from earlier missions was noted – the Cash Flow Management Committee (CFMC) is operational and cash flow forecast demonstrates appropriate profiling of inflows/outflows. The Cash Management Unit and Technical Working Group provide technical support to the CFMC meetings which are held regularly every month. The mission proposed a summary of TSA activity in the forecasting template for focused cash management purposes to complement the holistic overview of budget implementation. Guidance was provided to strengthen analysis of forecasting variances and proposed some minor enhancements to forecasting templates and practices.

The Palau Public Expenditure and Financial Accountability (PEFA) Assessment Report



The PEFA assesses the government's performance of PFM systems and practices. **PFTAC undertook an AgilePEFA assessment in conjunction with the Government of Palau in November 2022.** The AgilePEFA is PFTAC's preferred approach to PEFA assessments as it retains the full rigor of the mainstream approach but presents the data and findings in a format which is easy to digest and disseminate.

In accordance with the process pre-defined by the PEFA Secretariat, the assessment was subjected to rigorous peer review. This peer review was undertaken by: (i) the Palau Government (PEFA Oversight) Team; (ii) Stephen Savage US Department of Interior; (iii) Rommel Flores Rabanal, Asian Development Bank; and (iv) Antonio Blasco from the PEFA Secretariat.

During the current quarter, the PEFA Secretariat issued its "PEFA Check" which verifies that the assessment meets the quality assurance guidelines. The Palau Ministry of Finance (MoF) approved the publication of the assessment, available on PEFA website: <https://www.pefa.org/>

The report highlights Palau's PFM strengths and weaknesses and the underlying causes of performance, including the status of ongoing reforms. It was clear that COVID had an impact on some of the indicators assessed and this was duly discussed in the report. On balance, the assessment reflected sound performance in a number of areas including budget classification; coverage of financial reports; budget documentation; several elements of policy based fiscal strategy and budgeting; and management of expenditure arears. Issues emanating from the COVID pandemic resulted in delays to the completion, audit and publication of annual financial statements, which in-turn impacted the scoring of several indicators.

The MoF is currently using the outcomes and findings from the PEFA in the design and implementation of a PFM Reform Action, which aims to progressively implement good practice and standards into PFM systems and practices.

REVENUE ADMINISTRATION

Kiribati: the mission **helped improve tax audit and compliance capability of the Kiribati Tax Department (KTD)**. Customer service was highlighted as one of the areas for improvements through increased awareness, reminders, and collaboration with stakeholders. Training was provided on large taxpayer audits and risk analysis of VAT registered taxpayers. The mission recommended to review debt recovery approach for targeted debt collection and reduction approach.

Nauru: the mission **provided audit training to build staff capacity and reviewed the compliance improvement strategy (CIS)**. The training focused on legislation and the technical elements of audit such as the audit process, pre-audit analysis and questioning techniques for conducting audits. The mission provided advice to enhance the CIS, incorporating the risks from third party datasets into the CIS.

Palau: the mission **reviewed the progress of tax reform implementation and priorities going forward**. The recently introduced Palau Goods and Service Tax (PGST) is generating strong revenue, albeit against a low refund level. Significant progress has been made in establishing performance standards, operating plans, and operational reporting. A Taxpayer Charter will be published soon to improve accountability. The mission recommended to improve coordination of operational work, currently affected by staffing constraint. With support of donors and PFTAC, the next priority is to develop a digital roadmap.

Papua New Guinea: the mission **reviewed the recommendation of previous CD on Portfolio Change Impact Assessment**. The Inland Revenue Commission (IRC) continues to need help managing its transformational effort involving people, legislative, and systems change. The Program has broad and deep impacts on the organization and its stakeholders, with a high degree of change to job responsibilities, knowledge, and skill requirements. **Some progress with the organizational structure has been made**. Significant effort is required to plan, coordinate, and execute the entire program. IRC has engaged a long-term advisor to support the organizational transition.

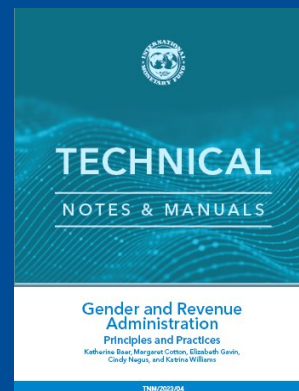
Papua New Guinea: the visit **reviewed progress following a series of previous CD assistance**. IRC leadership is committed to change and the Medium-Term Revenue Strategy (MTRS) but are hindered by external decision-making. IRC requested that the IMF lead a repeat TADAT in August 2024. In preparation, the strategic plan and MTRS are derived from findings of the TADAT in 2019 and focus on moving IRC toward good practice. With the World Bank's support, a self-assessment will be conducted to assess readiness.

Samoa: the mission assessed the Samoan Ministry of Customs and Revenue's (MCR) progress in meeting the requirements of the Organization for Economic Cooperation and Development's (OECD) Base Erosion and Profit Shifting (BEPS) Inclusive Framework (IF). **Assistance was provided on implementing the Country-by-Country Reporting (CbCR) process** as prescribed under BEPS Action 13 and how the

reports and information received via CbCR could be used for audit purposes. Recommendations and a high-level summary on the latest updates on Action 1 for Pillar 1 and Pillar 2 were also provided.

IMF Technical Note on Gender and Revenue Administration

IMF recently published the first technical note on Gender and Revenue Administration. Katrina Williams, PFTAC Revenue Administration advisor was one of the contributors to this note. It recognizes the potential gains gender equality can bring and provides an overview of current issues and areas revenue administrations can consider. It focuses on revenue administrations and creating a gender balanced and inclusive workforce; as well as what revenue administrations can do in administering tax and trade laws to reduce barriers to women's employment, entrepreneurship and trade.



The note is not a comprehensive study, rather a collection of ideas and tried and true methods to enable women in particular to contribute to the economy. For many people, Katrina believes the focus on gender can seem theoretic, tick the box. But in reality, it is about how we enable people to overcome barriers and be active participants, contributing to our communities. Equality can only come about when we acknowledge that we are not all starting from the same base – so how do we even the playing field, so we at least all get the same opportunity?

Several PFTAC activities centered on gender themes as well as regional trainings have been targeted to PICs and will continue to be mainstreamed across PFTAC programs. The technical note is accessible here <https://www.imf.org/-/media/Files/Publications/TNM/2023/English/TNMEA2023004.ashx>

Solomon Islands: the mission **assisted with preparations for the proposed introduction of VAT.**

Guidelines were provided for the transitional phase in which registered taxpayers could claim input tax credits (ITC) for customs duty and goods tax paid on inventory on hand at the commencement date. Additionally, the mission provided support to estimate the revenue impact of such input tax credit claims.

Timor-Leste: the visit at the request of the Commissioner of Timor Leste Tax Authority (TLTA) helped establish a good understanding of the capability and capacity of TLTA. **There is high level commitment to introduce VAT.** For a successful project delivery, the governance and decision-making framework needs to be strengthened along with a review of organizational structure, economic impact assessment analysis and establishment of VAT law. The mission met with the new VAT Implementation Project Lead and recommended to work closely with Palau and Solomon Islands with recent VAT experience.

Taxpayer Services Training in Timor Leste Tax Authority - October, 2023

The capacity development mission to TLTA included a seminar on the importance of an effective **Taxpayer Services** program. The webinar attended by twenty-three people from across the organization highlighted how a Taxpayer Services program is crucial to promoting



voluntary compliance by educating and informing taxpayers about their tax obligations and responsibilities. The importance of providing accessible and helpful services, including a modern website and a social media strategy was highlighted together with the importance of developing a channel strategy that caters to the diverse needs and preferences of taxpayers. Outcomes of the seminar recognized Taxpayer Services as a core tax function with a primary focus on promoting voluntary compliance and public confidence in the tax system. Participants agreed that in the current environment more could be achieved in this area with positive results for both taxpayers and the TLTA.

Timor-Leste: the mission at the request of authorities **provided advice on improving the taxpayer services function.** A draft Taxpayer Services Strategy was produced that will ensure an integrated and efficient approach is adopted in service delivery. Additionally, a draft Taxpayer Charter including the basic taxpayer rights and obligations was developed and discussed with management. It was agreed that its implementation will be a key priority. Work sessions were also held with staff to expand their understanding of the role of the taxpayer services function in facilitating compliance.

Timor-Leste: the back-to-back mission **provided advice on improving the taxpayer registration function.** This included: (a) comparing current processes for taxpayer registration and Taxpayer Identification Number (TIN) issuance in Timor Leste to international good practice; (b) considering how a customer centered intent of having a one-stop-shop can be accommodated in any recommended new approach; (c) facilitating a proposal to ensure tax registration process in TLTA meet the needs of its high-level action plan; and (d) providing guidance and coaching as required.

Tonga: the **mission assessed implementation of previous recommendations.** The Ministry of Revenue and Customs (MoRC) planning is robust. A new Corporate Plan, Compliance Improvement Strategy (CIS) and a compliance risk management governance committee is on track. A new service oriented organizational structure has been established. MoRC undertakes community outreach program for

taxpayer awareness and is implementing electronic fiscal devices as intended. The short-term priorities focus on e-filing, tax processing system, taxpayer services and Heilala program.

Tonga: the mission **facilitated the development of a draft Taxpayer Services Charter, taxpayer service standards and taxpayer services strategy that aligns with the MoRC mission and values.** The mission also reviewed the channels and media used to communicate with taxpayers and provided an updated approach to proactive education. A high-level introductory customer services workshop was also delivered to staff.

Regional: the **Webinar on Analytics for Tax Leaders** comprised of two online seminars on data analytics for Compliance Risk Management (CRM) to Pacific Island tax administration leaders. To pave the way for the risk analysis workshop in November, three analytic tools were described and demonstrated: an Excel based Interactive Risk Differentiation Framework for comparative analysis of taxpayer segments; the use of ChatGPT3.5 to assist in CRM; and the use of a KNIME Predictive Analytics Workflow for audit case selection. The webinar also discussed pitfalls of using analytic inappropriately and measures to avoid this.

FINANCIAL SECTOR SUPERVISION

FSM: the mission **assisted the Banking Board of the Federated States of Micronesia (FSMBB) in developing select prudential and risk management standards for banks that are aligned with Basel Framework and international good practices with appropriate application of proportionality.** The four topics covered included (a) risk management and governance, (b) definition of capital, (c) credit risk management including asset classification, regulatory and accounting provisions, and (d) liquidity risk management. To help the FSMBB conduct quantitative impact study, the mission developed impact study templates for the prudential standards on definition of regulatory capital, credit risk management and liquidity risk management.

Marshall Islands: the mission **assisted the Marshall Islands Banking Commission** in: (a) implementing standardized approach for credit risk thereby strengthening the capital adequacy framework, and (b) developing a Profit and Loss Return with a set up Profitability Indicators to support risk-based supervision and linking it with relevant Prudential Returns (PRs).

Papua New Guinea: In response to a request from the BPNG and in continuation of the Supervision Framework Enhancement Program (SFEP) initiated in 2017, a field-based **mission assisted the BPNG in developing select prudential standards and related reporting, training supervision staff in financial risk analysis and conducting an impact study of the prudential standards developed by a previous mission.**

MACROECONOMIC PROGRAMMING AND FRAMEWORK

Samoa: the ICD HQ led mission team provided further technical assistance on nowcasting quarterly Gross Domestic Product (GDP). Econometrics training was delivered to further enhance and strengthen the CBS' forecasting capacity to support the development and implementation of nowcasting models. To support the overall policy decision cycle, guidance was given on data management, communications, a calendar of activities and integration of the nowcasting tools into the CBS policy meetings cycle.

Vanuatu: two missions were delivered in parallel to Vanuatu, one coordinated by the Ministry of Finance and Economic Management's Department of Finance and Treasury (DoFT) and the other by the Reserve Bank of Vanuatu (RBV). Both missions were hosted by the RBV.

The DoFT coordinated mission continued the development of the accounting based macroeconomic projection tool (MPT) used by both the DoFT and RBV. The application of nowcasting techniques enabled a variety of key data to be estimated, of note are several components of GDP. The techniques have been implemented to enable on-going re-estimates to be made, including the current year's final numbers.

The RBV coordinated mission worked with officials on supporting the formation of a Research and Forecasting Unity within the Department of Economics; data sources and forecasting; and training. Training on a range of macroeconomic topics, including nowcasting, was delivered jointly as a component of both missions. The enhancements to the MPT which facilitate a regular, higher-frequency decision making cycle. Officials have been encouraged to consider placing their decision-making processes on a regular, pre-announced cycle.

DEBT MANAGEMENT

Fiji: the mission provided assistance on liability management operations (LMO). The mission provided an analysis of the domestic debt portfolio and recommendations to undertake LMO in line with the current Medium Term Debt Strategy (MTDS) and government intentions to reduce debt-to-GDP over the medium term. The mission provided recommendations on the necessary process and associated tasks, such as investor relations, to maintain confidence and liquidity in the domestic debt market.

Papua New Guinea: the mission delivered training on developing an Annual Borrowing Plan (ABP) and an issuance calendar for government securities issued in the domestic market. Papua New Guinea has one of the larger debt management functions in the Pacific and can access the domestic and the external debt markets. Following a PFTAC MTDS mission in July 2022, PNG have made efforts recently to enhance their MTDS by preparing a detailed and stand-alone document to be published, a change from previous practice where debt management strategies incorporated into budget documents lacked

detail. Local currency bond market participants highlighted the need for enhanced transparency and predictability in issuance, as no annual borrowing plan or issuance calendars are published, and issuance deviates from the debt management strategy.

Solomon Islands: in response to a request from the Ministry of Finance & Treasury (MoFT), **the mission assessed the primary domestic government debt market, including the local investor appetite for government securities.** The objective was to assist the authorities in the development of the government securities market and enhance public debt management. The key focus, in consultation with the Debt Management Unit in the MoFT, was to consider gaps in the primary markets' framework, debt transparency, and investor communications.

GOVERNMENT FINANCE STATISTICS

Papua New Guinea: the mission met with the Department of Treasury (DOT) officials to revitalize the Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) development. The mission provided a combination of formal training and technical assistance on the priority development areas, notably on the resolution of the general data quality issues, the expansion of the GFS coverage to the provincial tier of government, and the compilation of debt statistics for the state-owned enterprises (SOEs).

Solomon Islands: the mission assisted the Central Bank of Solomon Islands (CBSI) in reestablishing the collection and processing of granular financial data and in improving the GFS and PSDS compilation and dissemination. To that end, the mission developed new bridging tables for the economic and functional breakdowns of the above-the-line data, reviewed the methods for measuring donor aid, and explored a selection of general methodological issues identified during the previous data submissions.

Tuvalu: the aim of the mission was to examine the feasibility of establishing a sustainable compilation of fiscal and debt statistics in the country and developing an action plan for the Central Statistics Division (CSD) within the Ministry of Finance. The mission evaluated data sources, set up an Excel-based compilation module, and provided a combination of formal training and applied technical assistance on data collection and processing. The mission also compiled an experimental GFS dataset for the fiscal years (FY) 2018 to 2022, covering most of budgetary central (BCG) and local government (LG) subsectors.

REAL SECTOR STATISTICS

Niue: two missions were undertaken in this quarter; a remote mission in mid-September **focused on analyzing survey data** not previously been incorporated into the national accounts estimates due to time constraints in a standard-length mission; and an in person mission in late September **that used the results of this mission to rebase the National Accounts**. The rebased accounts incorporate Aid-Funded activities that were not previously incorporated in the accounts. A draft methodological note on compilation of new benchmarks, including an analysis of the results was prepared.

Nauru: the **mission assisted the Nauru Bureau of Statistics (NBS) to compile GDP estimates for 2022** and revised figures for prior years. It also **developed a policy for biannual publication and a draft publication bulletin**. These policy and draft were discussed and agreed with the Deputy Secretary Treasury and the area department team for Nauru who were in country at the time.

Samoa: the **mission implemented improvements in source data to reduce the gap between the GDP by expenditure and production estimates**. It also **documented data sources and methods used for the 2013 and 2018 Supply and Use Tables (SUT)** and assessed data sources for the 2023 SUT and identified data gaps. Training on data quality assurance and producing SUT were provided and a work program to compile the 2023 SUT and GDP rebase was prepared.

Tuvalu: the mission **provided technical assistance in national accounts statistics to the Central Statistics Division (CSD)**, Ministry of Finance in Funafuti, Tuvalu. **GDP estimates were compiled for 2022 in both current and constant 2016 prices, with minor revisions to prior years.**

REGIONAL WORKSHOPS

20TH ANNUAL PITAA HEADS MEETING



The [20th annual PITAA Heads Meeting](#) was hosted by Papua New Guinea, Internal Revenue Commission, in the Western Highlands city of Mount Hagen. PFTAC continues its strategic partnership with PITAA and collaborated for the 2023 Annual Heads meeting and the follow-up ***Analytics for Tax Compliance Workshop***.

The theme, ***Unleashing Innovation and Collaboration for a Sustainable Future*** encouraged participants to share information and develop collaboration in Tax Regulatory Reforms for a Sustainable Future, Leveraging Technology and Data for Efficient Tax Administration, Combatting Illicit Financial Flows and Mobilizing Revenue through Collaboration, and the Developing of Sustainable Tax Administrations.

The conference theme aligns with both PITAA and PFTAC’s purpose of capacity development to modernize and enhance tax administration effectiveness and efficiency. The meeting highlighted the need for innovative approaches and collaborative efforts of all members and partners to reform and enhance tax systems.

By driving innovation, tax administration bodies can explore new methods and technologies to streamline tax administration, improve compliance, increase revenue, and adopt good practices. Moreover, by

fostering collaboration among tax authorities, policymakers, development partners, businesses, and others we can enable pooling of expertise, resources, and perspectives to develop innovative strategies that promote sustainable taxation practices, thus contributing to social and economic goals nationally and regionally.

Participants included heads of tax administrations and representatives from various Pacific Islands countries including Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu. The meeting also drew international stakeholders and partners including the ADB, Australian Tax Office (ATO), Bearing Point Caribbean, Commonwealth Association of Tax Administration (CATA), Data Tech International, Governful LLC, IMF, Oceania Customs Organization (OCO), Organization for Economic Co-operation and Development (OECD), and Data Torque.

AFSPC ANNUAL MEETING AND WORKSHOP

The 2023 [Association of Financial Supervisors of Pacific Countries \(AFSPC\) meeting](#) was hosted by Marshall Islands comprising two day meeting and a three-day workshop and attended by 13 Pacific Island countries (PICs). As Secretariat of the AFSPC, the PFTAC Financial Supervision resident advisor coordinated the event.

A wide array of stakeholders joined the event. Mr. Casten N. Nemra, Minister of Finance, Banking and Postal Services of the RMI delivered the opening remarks. Mr. Derek Taylor, Charge de Affairs, Australian Embassy attended the opening session. The Australian Prudential Regulatory Authority (APRA) and Reserve Bank of New Zealand (RBNZ) participated in the entire event as observers and delivered a session at the workshop. Representatives of World Bank and ADB attended the meeting virtually as observers.



The AFSPC is an important platform for countries to exchange financial sector information and discuss common themes. Representatives of 13 PICs, Australia and New Zealand presented their country reports at the meeting. The workshop provided introductory training to staff of the supervisory authorities on the implementation of the new accounting standard IFRS 9 (and equivalent accounting standard under US GAAP) with

focus on measurement of expected credit loss-based provisioning by financial institutions, mainly banks. Participants learnt from the experience of APRA and RBNZ IFRS 9 implementation.

Participants covered the topic relevant to ensure robust implementation of IFRS 9 in their jurisdictions. Rising levels of non-performing loans was identified as a major supervisory issue in most PICs. The training was timely given IFRS 9 substantially affects the financial sector by changing the approach to measuring provisions required to absorb credit losses. IFRS 9 has introduced a methodology to measure provisions based on expected credit losses that applies at the time when exposures are originated rather than based on an incurred loss-based approach that applies only after an exposure is in default. This is a technical topic and requires understanding expected credit loss models including models to measure probability of defaults and the losses that could materialize after default has taken place. The participants also highlighted the need for assistance on issuing guidance on management of climate change risks by banks and its supervision by the banking supervisory authorities.

MACROECONOMIC DIAGNOSTICS COURSE

PFTAC in conjunction with the IMF Singapore Training Institute (STI) conducted a one week ***Macroeconomic Diagnostics (MDS) Course*** in Nuku'alofa, Tonga. Forty-two participants from 10 PFTAC member countries (Cook Islands, Fiji, Niue, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga and Vanuatu) attended the course. Of the forty-two participants, twelve were from Institutional and Social Fragile States (four each from Papua New Guinea, Timor-Leste and Solomon Islands). The average test score increase between the pre-course MDS test, and post-course was 20.3 percentage points, indicating reasonable knowledge improvement.

The Tonga Minister for Finance, Hon. Tiofilusi Tiueti formally opened the course. The Australian Deputy High Commissioner (Erin Gleeson), U.S. Charge de Affairs (Austin Lewis) and New Zealand High Commission First Secretary Development (Olivia Philpott), attended the opening ceremony.

The course represented a collaboration between PFTAC and STI with significant work being undertaken to ensure that the course material was strongly tailored to PFTAC member countries. In particular, the course incorporated a large number of practical excel based exercises aimed at teaching a range of economic concepts from the course using PFTAC member country data.

Participants provided a high rating of 4.8/5. The course received a high degree of positive user feedback:

'Very useful, particularly the linkages on the four important sectors of the economy.'

'This is indeed very helpful. This course help[s] me to understand more macroeconomic indicators to better assess Timor-Leste economic condition in the future.'

'Very clear explanation and discussion were given from the lecturers.'

'It covers many topics that I have never learn[t] before. This course helps me improve my understanding of macroeconomic indicators and my analytical skill.'

Considerable effort was put into helping participants understand how relevant the concepts were to their own countries specifics (i.e., very small, relatively open, island economies with fixed or pegged exchange rates in most cases). For instance, considerable skill is needed to analyze the Output Gap in

countries where imported inflation is prevalent, a large part of the working-age population is employed informally, and there is limited flexibility in supply responses.



OUTREACH AND PARTNER COOPERATION



The Real Sector Statistics (RSS) resident advisor attended the 6th Regional Conference of Heads of Planning and Statistics (HOPS) in October. The

HOPS brings together the most senior officials responsible for the production and use of statistics at national levels around the Pacific region. HOPS provides a regular institutional interface between

National Statistics Offices (NSOs), senior national planning and policy analysts, development partners and SPC to build and sustain collaborative relationships which are crucial to the successful implementation of the Strategic Framework for Pacific Statistics Strategy.

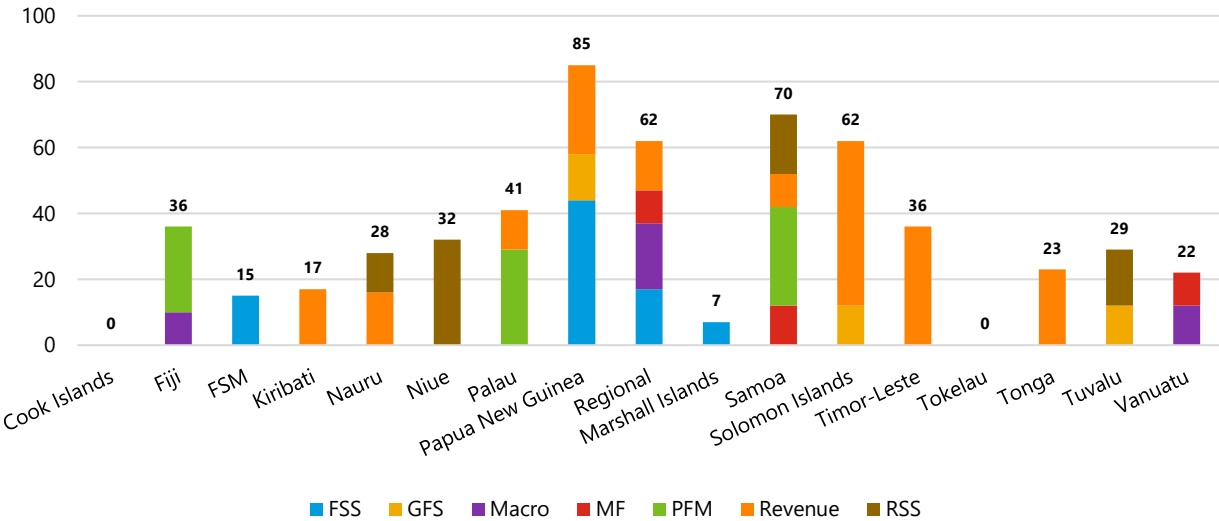
A presentation on Pacific economic outlook and the role of good statistics in policy formulation with IMF's current work in the statistical space was provided. It underscored the importance of capacity building on compilation of robust statistics to ensure surveillance and policy advice is effective and targeted.

The RSS resident advisor also joined the 4th Meeting of the Donor and Development Partners Group, with PFTAC assuming the chair for next meeting.

SUMMARY OF PFTAC ACTIVITIES

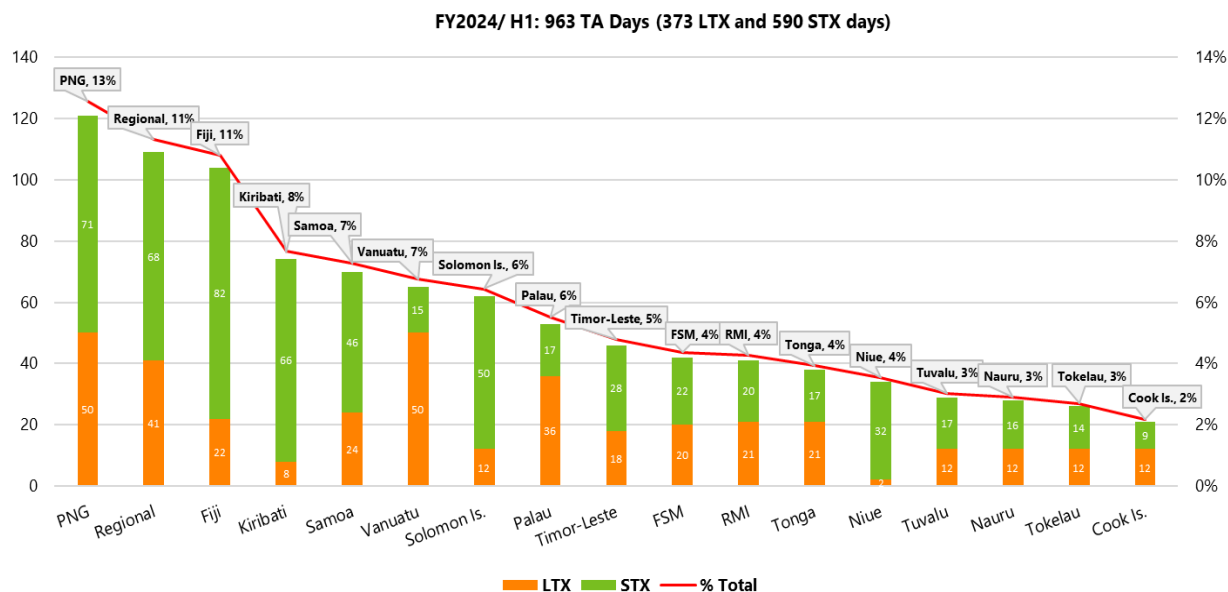
FY 2024 Q2 Execution. During the second quarter (August – October 2023), thirty-four in-country technical assistance activities and four regional events were delivered over 565 TA days. All member countries received CD support except Cook Islands and Tokelau. The regional events included a *Macroeconomic Diagnostics* Course to the Pacific audience supported by STI and Institute of Capacity Development (ICD) – the course featured a number of innovations and received enthusiastic evaluation from the participants. Key lessons emphasized tailored training, involving participants in course design and case study preparation to foster ownership and post course follow-up virtual meetings to further develop technical skills. The *Webinar on Analytics for Tax Leaders* provided data analytics training for Compliance Risk Management and shared analytical tools – Risk Differentiation Framework, use of ChatGPT3.5 to assist in CRM and KNIME Predictive Analysis Workflow for audit. PFTAC as a strategic partner of AFSPC and PITAA supported the respective annual meetings held in Marshall Islands and Papua New Guinea during September. AFSPC and PITAA are the key forums that promote regional collaboration on financial sector and tax issues.

565 MISSION DAYS DELIVERED IN FY24/Q2 - BY COUNTRY



FY 2024 CD Execution at Mid-Year. At the mid-point of FY 2024 (May – October 2023), PFTAC delivered sixty-three technical assistance activities and seven regional events over 963 TA days. The workplan completion rate in terms of TA days stands at 45 percent. All PFTAC member countries benefitted from at least one CD activity by end October with Papua New Guinea as the largest beneficiary. Capacity development to fragile and conflict affected states (FCS) saw a substantial increase in the first half. Around 43 percent of total TA days (415 of 963) was dedicated to seven FCS – FSM, Kiribati, Marshall Islands, Papua New Guinea, Timor-Leste, Solomon Islands and Tuvalu. Of the 963 TA days, 11 percent was

devoted to regional activities – 7 of 18 events planned for FY 2024 have been completed, training 185 officials from member countries. In terms of program execution, the FSS program achieved highest execution rate followed by Revenue and Macro program that delivered around half of the adjusted workplans. RSS completed 40 percent while GFS, MF and PFM delivered slightly more than a third of adjusted days.

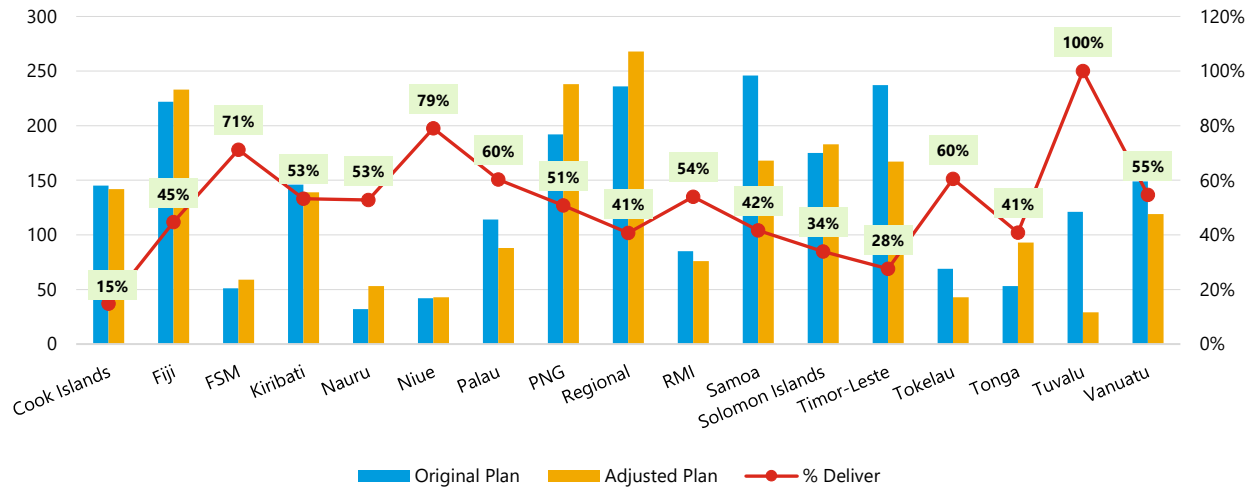


FY 2024 Mid-Year Workplan Update. At end October, PFTAC work programs were reviewed to reflect execution, new requests or changing circumstances. The baseline workplan comprised of 171 planned activities over 2315 TA days. The revised workplan aims to deliver 154 activities (10 percent reduction) over 2141 TA days (8 percent reduction). The downward adjustments reflect the need to remain within budget, have realistic workplans and accommodative of member countries absorptive capacity. Several missions are rescheduled to beginning of next fiscal year. A handful of activities had also commenced remotely and partially completed at mid-point, bringing the expected H2 outturn in line with H1 activity level. Four of the workstreams note an increase in TA days – FSS, MF, Revenue and RSS while a decline is noted for remaining three – PFM, GFS and Macro.

For the second half of FY 2024, 85 activities inclusive of eleven regional events are planned over 1178 TA days. Seven countries (Fiji, FSM, Niue, Nauru, PNG, Solomon Islands, Tonga) plus the regional category see increase in volume of TA they will receive from adjusted workplans with net declines shared across other nine countries. Of these nine countries, Samoa and Tuvalu account for 50 percent of the total reduction in TA days. Ten countries (FSM, Nauru, Niue, Kiribati, Palau, PNG, RMI, Tokelau, Tuvalu, Vanuatu) have received half or more of their intended delivery against the revised workplans with remaining countries (Cook Islands, Fiji, Samoa, Solomon Islands, Tonga, Timor-Leste) and regional category to receive more than half of their planned TA in the second half of FY2024.

The mid-year adjusted country and program workplans are available on PFTAC website [countries-wp1](https://pftac.org/countries-wp1) ([pftac.org](https://pftac.org/countries-wp1)) / [mid-termwp](https://pftac.org/mid-termwp) ([pftac.org](https://pftac.org/mid-termwp))

FY24 Baseline (2,315) vs Adjusted Workplan (2,141) and H1 Execution (963)



FY 2024 Mid-Year Budget and Financial Update. The mid-year budget outturn is 39 percent (US\$ 2.9m of US\$ 7.5m) while commitments for remainder of FY2024 indicate a trajectory towards yearend budget outturn of 95 percent (US\$ 7.1m of US\$ 7.5m), in line with FY2023 budget outturn. Despite PFTAC embracing a hybrid CD delivery approach, remote delivery has decreased in comparison to previous fiscal year. Members prefer in-country engagement and given high airfares across the region; budget utilization rate is closely monitored to avoid operational disruptions.

PFTAC Mid-Year Budget Update

As of Oct 31, 2023

(In U.S. Dollars)

Project	FY2024		
	Working Budget	Expenses	Execution (%)
Public Financial Management	1,700,000	520,345	31%
Revenue Administration	1,700,000	736,002	43%
Financial Sector Supervision	860,000	387,546	45%
Real Sector Statistics	860,000	303,637	35%
Government Finance Statistics	660,000	160,826	24%
Macroeconomic Programming	660,000	391,624	59%
Macroeconomic Frameworks (ICD)	600,000	249,417	42%
Other	410,000	124,224	30%
Sub Total	7,450,000	2,873,621	39%
Trust Fund Management	521,500	201,153	
Total	7,971,500	3,074,775	39%

During the quarter, Samoa signed the Letter of Understanding (LOU), bringing the total number of countries with finalized LOUs to four.

Total disbursed contributions from donors (of the US \$20.7 million pledge) and one member country (Tonga) amounted to US \$13.0 million.

Timor-Leste and Samoa have contributed an additional US \$0.15 million bringing the total contributions to US \$13.2 million.

The U.S. has announced a US \$1.25 million funding to support Phase VI operations subject to Congressional notification, reducing the funding gap to US \$13.9 million.

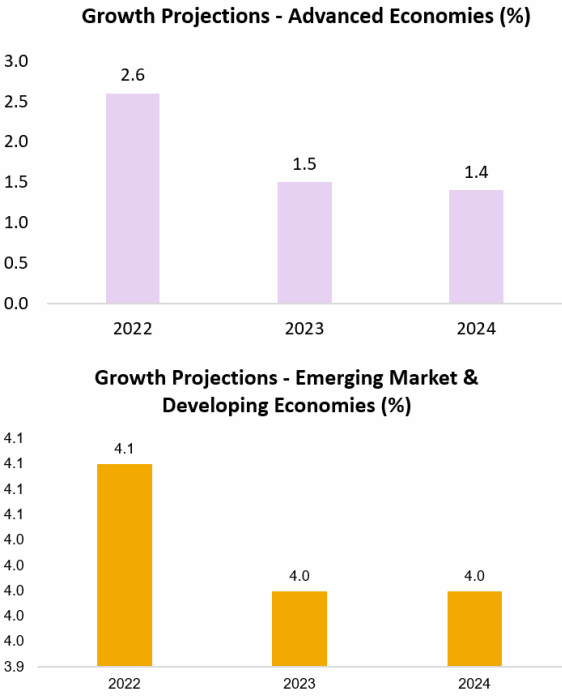
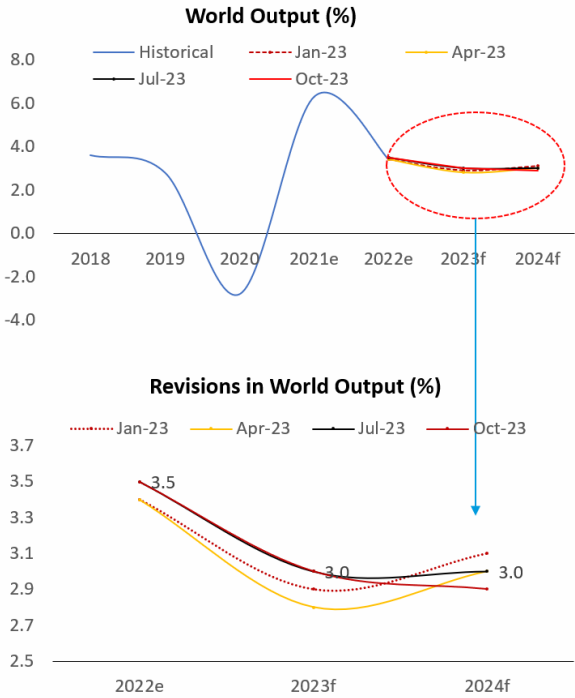
Fund raising remains a priority to meet the escalating needs of PFTAC members as they emerge from the pandemic and confront the fallout of global crises, including challenges posed by climate change.

Discussions are ongoing with potential partners to secure additional support and avoid scaling down of PFTAC operations in the outer years of the Phase.

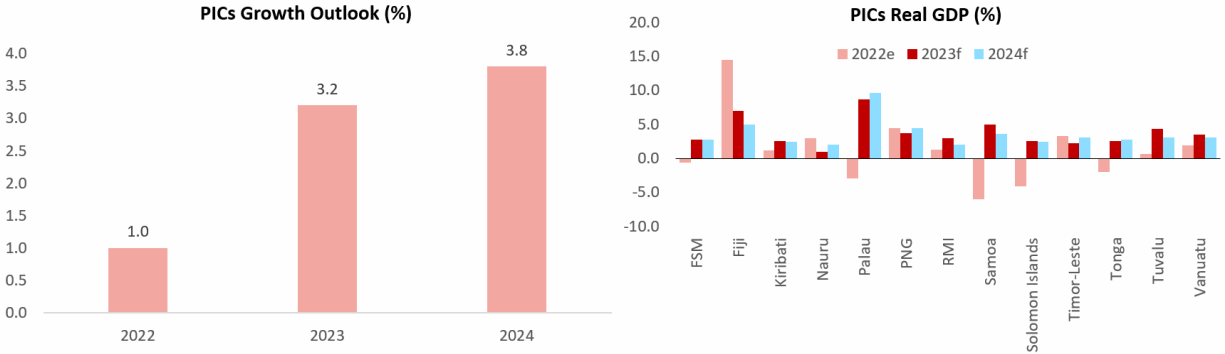
Phase VI Member and Donor Contributions to PFTAC Funding (US\$)			
	Proposed Contributions	Contributions Received	LoU Status
Member Countries			
Fiji	\$705,000	-	Pending
Cook Islands	\$115,000	-	Pending
Kiribati	\$85,000	-	Pending
Marshall Islands	\$115,000	-	Pending
Micronesia	\$115,000	-	Pending
Nauru	\$85,000	-	Pending
Niue	\$30,000	-	Pending
Palau	\$115,000	-	Pending
Papua New Guinea	\$1,410,000	-	Pending
Samoa	\$170,000	\$34,000	✓
Solomon Islands	\$170,000	-	Pending
Timor Leste	\$560,000	\$112,000	✓
Tokelau	\$10,000	-	✓
Tonga	\$175,000	\$83,000	✓
Tuvalu	\$30,000	-	Pending
Vanuatu	\$170,000	-	Pending
Sub-Total Member:	\$4,060,000	\$229,000	
Donors			
Asian Development Bank	\$1,000,000	\$500,000	✓
Australia	\$7,340,674	\$2,665,200	✓
European Commission	\$5,183,000	\$2,591,500	✓
Korea	\$3,500,000	\$3,500,000	✓
New Zealand	\$3,699,821	\$3,705,594	✓
Sub-Total Donors:	\$20,723,495	\$12,962,294	
Total	\$24,783,495	\$13,191,294	
Funding Gap	\$15,216,505	\$26,808,706	
Program Document Budget	\$40,000,000		

ECONOMIC UPDATE

Global economy. The global economy continues to recover from the pandemic, Russia’s invasion of Ukraine and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite war-disrupted energy and food markets and unprecedented monetary tightening to combat decades-high inflation, economic activity has slowed but not stalled. Even so, growth remains slow and uneven, with widening divergences. According to our latest projections, world economic growth will slow from 3.5 percent in 2022 to 3.0 percent this year and 2.9 percent next year, a 0.1 percentage point downgrade for 2024 from July. This remains well below the historical average. Headline inflation continues to decelerate, from 9.2 percent in 2022 on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. Core inflation, which excludes food and energy prices, is also projected to decline, albeit more gradually, to 4.5 percent next year. Most countries are not likely to return inflation to target until 2025. While some of the extreme risks—such as severe banking instability—have moderated since April, the balance remains tilted to the downside.



Pacific region. The Pacific is part of the dynamic Asia-Pacific region, which has remained resilient despite the global economic challenges this year. The Pacific region has not been immune from the economic impacts of the war in Ukraine. Just as the Pacific was set to begin its post-pandemic recovery, it has been dealt with another shock. Rising global energy and food prices have strained Pacific budgets, added to inflation, and ultimately increased the cost of living for families across the region. Nonetheless, the full reopening of borders has helped boost tourism across Pacific Island countries, with growth expected to accelerate to 3.2 percent this year and grow by a further 3.8 percent next year. However, output remains below pre-pandemic levels, and policy space is shrinking as debt pressures remain elevated. Inflationary pressures has mostly peaked in the first half of 2023, with consumer prices projected to fall in every PIC except Samoa. Overall, policymakers are urged to boost sustainable growth, minimize debt and fiscal vulnerabilities.



[Regional Economic Outlook for Asia and Pacific, October 2023 \(imf.org\)](https://www.imf.org/en/Publications/Regional-Economic-Outlook-for-Asia-and-Pacific/Issues/2023/10)

[World Economic Outlook, October 2023: Navigating Global Divergences \(imf.org\)](https://www.imf.org/en/Publications/World-Economic-Outlook/Issues/2023/10)

ANNEX

MID-YEAR WORKPLAN ADJUSTMENT AND OUTTURN

PROGRAM	BASELINE FY24 WORKPLAN				MID-FY24 UPDATED WORKPLAN				% CHG. UPDATED/ ORIGINAL PLAN			
	LTX	STX	Total	Missions	LTX	STX	Total	Missions	LTX	STX	Total	Missions
PUBLIC FINANCIAL MANAGEMENT	274	419	693	27	168	255	423	20	-39%	-39%	-39%	-26%
FINANCIAL SECTOR SUPERVISION	76	91	167	19	108	102	210	16	42%	12%	26%	-16%
GOVERNMENT FINANCE STATISTICS	102	52	154	12	116	22	138	12	14%	-58%	-10%	0%
REAL SECTOR STATISTICS	118	155	273	21	135	155	290	22	14%	0%	6%	5%
REVENUE ADMINISTRATION	143	487	630	55	111	600	711	55	-22%	23%	13%	0%
LEGAL/TAX POLICY	0	25	25	3	0	14	14	2	-	-44%	-44%	-33%
MACROECONOMIC PROGRAMMING AND ANALYSIS	149	82	231	16	116	89	205	15	-22%	9%	-11%	-6%
MACROECONOMIC FRAMEWORKS	120	22	142	18	150	0	150	12	25%	-100%	6%	-33%
SUB-TOTAL	982	1333	2315	171	904	1237	2141	154	-8%	-7%	-8%	-10%
DEBT MANAGEMENT	65	281	346	14	0	178	178	8	-100%	-37%	-49%	-43%
TOTAL	1047	1614	2661	185	904	1415	2319	162	-14%	-12%	-13%	-12%
	DELIVERED THRU END-OCT 2023				% ORIG. PLAN DELIVERED				% UPDATED PLAN DELIVERED			
PUBLIC FINANCIAL MANAGEMENT	62	85	147	6	23%	20%	21%	22%	37%	33%	35%	30%
FINANCIAL SECTOR SUPERVISION	74	73	147	10	97%	80%	88%	53%	69%	72%	70%	63%
GOVERNMENT FINANCE STATISTICS	50	0	50	4	49%	0%	32%	33%	43%	0%	36%	33%
REAL SECTOR STATISTICS	24	91	115	8	20%	59%	42%	38%	18%	59%	40%	36%
REVENUE ADMINISTRATION	56	281	337	28	39%	58%	53%	51%	50%	47%	47%	51%
LEGAL/TAX POLICY	0	0	0	0	-	0%	0%	0%	-	0%	0%	0%
MACROECONOMIC PROGRAMMING AND ANALYSIS	55	60	115	8	37%	73%	50%	47%	47%	67%	56%	50%
MACROECONOMIC FRAMEWORKS	52	0	52	6	43%	0%	37%	33%	35%	-	35%	50%
SUB-TOTAL	373	590	963	70	38%	44%	42%	41%	41%	48%	45%	45%
DEBT MANAGEMENT	0	86	86	3	0%	31%	25%	21%	-	48%	48%	38%
TOTAL	373	676	1049	73	36%	42%	39%	39%	41%	48%	45%	45%

FY2024 Q3: PLAN (NOV-JAN)

NOVEMBER

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Basel III Standardized Approaches for Measurement of Various Risks	LTX – Kumar STX – Fiennes	Nov 6 – 15
	Revenue	Tax Policy Review	STX – Mullins	Nov 20 – Dec 8
Fiji	Macro	Macro-fiscal modelling (continuation)	LTX – Beaumont LTX – Nield	Nov 20 – Dec 1
	Revenue	Performance Management Implementation Training	LTX – Williams STX – Reardon	Nov 20 – Dec 1
	RSS	Improved Methodology for Constant Price Estimates	LTX – Powell	Nov 20 – Dec 1
Kiribati	RSS	Complete the current price revisions (including the use of the updated CPI)	STX – McAllister	Nov 10 – 22
Nauru	Macro	Macro-Fiscal Modelling	STX – Crooke	Nov 11 – 20
Palau	Revenue	Tax reform review and digitalization	LTX – McAlister	Nov 14 – 26
	RSS	Develop Producer Price Index (PPI)	STX – Draper	Nov 6 – 17
Regional	DM	Pacific Regional DSA training (Led by HQ)	HQX – Broek HQX – Disu HQX – Manoel	Nov 13 – 17
	PFM	Strengthening Public Investment Management Workshop (to be held in Apia, Samoa)	LTX – Seeds LTX – Lavea STX – Du Preez STX – Tandberg	Nov 27 – Dec 1
	Revenue	Regional Training on Risk Analysis (to be held in Fiji)	LTX – McAlister STX – Hamilton	Nov 6 – 10
	Revenue	Regional IT Network Webinar	STX – Grant STX – Lewis	Nov 17
Samoa	PFM	PEFA Training	LTX – Seeds	Oct 30 – Nov 3

	PFM	Introduction to Fiscal Risk Analysis Tools	LTX – Seeds STX – Barry	Oct 30 – Nov 10
Solomon Islands	Macro	Economic and fiscal forecasting diagnostics	STX – Rahman	Nov 19 – Dec 5
Timor-Leste	DM	Develop and implement debt management organizational structure	STX – Horman STX – Vilanova	Nov 11 – 28
	Revenue	Develop Internal Audit Plan and Training	STX – Story	Nov 28 – Dec 8
Tokelau	RSS	Updating national accounts	STX – Krishna	Oct 30 – Nov 10
Tonga	GFS	Reconciling GFS data sources and facilitating consolidation	LTX – Moskalenko	Nov 6 – 17
	Revenue	Develop Job Descriptions	STX – Lendon	Nov 1 – 10
Vanuatu	RSS	Updating GDP to 2022	LTX – Powell	Nov 6 – 17

DECEMBER

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	Develop an asset management framework	LTX – Lavea STX – Youngberry	Dec 4 – 15
Fiji	Macro	Fiscal Sustainability Training	LTX – Beaumont LTX – Nield	Dec 4 – 8
Samoa	Macro	Macro-Fiscal Scoping	LTX – Beaumont	Dec 9 – 14
Solomon Islands	DM	Local currency bond market development - Auctioning CD	STX – Appleby STX – Northfield	Dec 11 – 15
	RSS	Updating Quarterly GDP	LTX – Powell	Dec 4 – 16

JANUARY

Country	Program	Description	Advisor/s	Dates
FSM	GFS	Increasing the timeliness of the data and assisting with the chart of accounts reform	LTX – Moskalenko	Jan 22 – 26
Kiribati	Revenue	Tax Policy Reform - Phase 2 (VAT/ GST)	STX – Mullins	Jan 22 – Feb 2
Marshall Islands	GFS	Assist Economic Policy, Planning and Statistics Office (EPPSO) in improving the compilation and dissemination of GFS	LTX – Moskalenko	Jan 15 – 19
Nauru	RSS	Updating national accounts to 2021-22	LTX – Powell	Jan 8 – 12
Papua New Guinea	Macro	Financial Programming	LTX – Beaumont	Jan 15 – 26
	MF	Financial Programming	LTX – Nield	Jan 15 – 26
Regional	Revenue	Follow up on Risk Analysis Training	STX – Hamilton	Jan 15 – Mar 15
Samoa	Revenue	Support data cleansing and write-off of irrecoverable duties	STX – Udy	Jan 15 – 26
Solomon Islands	Revenue	Skills Gap Analysis Assistance	STX – Lendon	Jan 29 – Feb 9
	Revenue	Strengthening Design and Monitoring Section	STX – Vivian	Jan 29 – Feb 9
	RSS	Updating national accounts to 2021-22	LTX – Powell	Jan 15 – 26
Timor-Leste	PFM	Budgeting practices and budget documentation	LTX – Seeds STX – Emery	Jan 22 – Feb 2
	Revenue	Assist with implementation of VAT	STX – Ledua	Jan 29 – Feb 16

FY2024 Q2: OUTTURN (AUG-OCT)

AUGUST

Country	Program	Description	Advisor/s	Dates
Fiji	PFM	Broadening the scope of risks analyzed and disclosed in Fiscal Risk Statement	LTX – Seeds STX – Rahman	Aug 7 – 18
FSM	FSS	Review of Prudential and Risk Management Regulations	LTX – Kumar	Aug 21 – Sep 1
Nauru	Revenue	Risk management of tax collection and tax audit capability development	STX – Ledua	Aug 27 – Sep 7
Niue	RSS	New GDP Benchmarks - Data Sources (remote)	STX – Freeman	Aug 6 – Sep 5
Palau	PFM	Develop PFM Roadmap	LTX – Seeds STX – Marzan	Aug 14 – 25
	Revenue	Review reform progress	LTX – McAlister	Aug 23 – Sep 5
Papua New Guinea	GFS	Expanding the coverage of the GFS to lower tiers of government	LTX – Moskalenko	Aug 2 – 15
Regional	Macro/ MF	Macroeconomics Diagnostics Workshop (held in Tonga)	LTX – Beaumont LTX – Nield STI – Claus	Aug 28 – Sep 1
Samoa	Revenue	Inclusive Framework on Base Erosion and Profit Shifting (BEPS) implementation	STX – Velji	Aug 14 – Sep 29
Solomon Islands	DM	Local currency bond market development	STX – Appleby STX – Northfield	Aug 8 – 21
Tonga	Revenue	Review reform progress	LTX – Williams	Aug 14 – 18

SEPTEMBER

Country	Program	Description	Advisor/s	Dates
Fiji	DM	Liability Management Operations	STX – Katz STX – Williams	Sep 4 – 15
	FSS	Review of Banking Act ¹	LTX – Kumar STX – Tutsch HQ – Kroytor	Sep 11 – 19
	Macro	Macro-Fiscal Modelling	LTX – Beaumont	Sep 11 – 27
Kiribati	Revenue	Strengthening Tax Audit (International) and Collection	STX – Ledua	Sep 22 – Oct 4
Marshall Islands	FSS	Review of Prudential Standards and Prudential Returns	LTX – Kumar	Sep 4 – 8
Nauru	RSS	Updating national accounts to 2021-22	LTX – Powell	Sep 4 – 15
Niue	RSS	New GDP Benchmarks – Publication	STX – Freeman	Sep 11 – 25
Papua New Guinea	DM	Capacity development in formulating annual borrowing plan and issuance calendar	STX – Presciuttini STX – Vilanova	Sep 25 – 29
	FSS	Financial Sector Stability Review (FSSR) – Scoping Mission	LTX – Kumar	Sep 26 – 28
	Revenue	Program and change management support (hybrid)	STX – Singh	Sep 11 – 15
Regional	FSS	Association of Financial Supervisors of Pacific Countries Meeting and Workshop (held in Marshall Islands)	LTX – Kumar STX – Mcintosh	Sep 18 – 22
	Revenue	Annual PITAA Heads Meeting and Analytics for Tax Compliance Workshop (held in Papua New Guinea)	LTX – McAlister HQX – Akol	Sep 25 – 29
Samoa	MF	FPAS/ Nowcasting	LTX – Nield	Sep 18 – 29
	PFM	Strengthening cash management and banking arrangements	LTX – Seeds STX – Higgins	Sep 11 – 22

¹ Date change from Q1 to Q2

	RSS	Reduce Expenditure/Production discrepancy and provide recommendations for Supply & Use table development	STX – Abbasi	Sep 18 – 28
Solomon Islands	Revenue	VAT Transition ITC Analysis and Approach	STX – Ettridge	Sep 28 – Oct 12
Timor-Leste	Revenue	VAT Implementation Plan	LTX – Williams	Sep 20 – 27
Tonga	Revenue	Taxpayer Services Charter and Strategy	STX – O’Keefe	Sep 25 – Oct 6
Tuvalu	GFS	Establishing GFS compilation	LTX – Moskalenko	Sep 18 – 29
	RSS	Updating national accounts to 2022	STX – Andrews	Sep 4 – 15

OCTOBER

Country	Program	Description	Advisor/s	Dates
Papua New Guinea	FSS	Basel III Approaches and Off-Site Financial Risk Analysis	LTX – Kumar STX – Fiennes	Sep 29 – Oct 11 Oct 2 – 13
	Revenue	Review of tax reforms and TADAT implementation	LTX – McAlister	Oct 2 – 6
Regional	Revenue	Regional Webinar - Analytics for Tax Leaders	STX – Hamilton	Oct 17
Solomon Islands	GFS	Compiling GFS for GG operations	LTX – Moskalenko	Oct 23 – Nov 3
Timor-Leste	Revenue	Develop Taxpayer Services Strategy	STX – Shrosbree	Oct 2 – 13
	Revenue	Business case support to return registration function to TLTA control (hybrid)	STX – Shrosbree	Oct 16 – 20
Vanuatu	Macro	Financial Programming, FPAS and Nowcasting	LTX – Beaumont	Oct 2 – 13
	MF	Financial Programming, FPAS and Nowcasting	LTX – Nield	Oct 2 – 13

Q1 AND Q2 ACTIVITIES IN PROGRESS²

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Review Organization Design and Structure (remote)	STX – Vivian	Oct 23 – Nov 24 (20 STX days)
	Revenue	Consolidating International Tax Work Program (remote)	STX – Velji	Oct 16 – Nov 10 (20 STX days)
Fiji	Revenue	Transfer Pricing Regulations (remote)	STX – Burns	Jul 3 – Dec 8 (10 STX days)
Nauru	Revenue	Enhance Compliance Improvement Strategy and improve core tax functions (remote)	STX – Ledua	Sep 13 – Dec 13 (10 STX days)
Niue	Revenue	Facilitating capacity support (remote)	LTX – Williams	Aug 25 – Dec 8 (5 LTX days)
	Revenue	Tax Administration Act (TAA) Amendments and NCTA – Digital Transactions (remote)	STX – Burns	Sep 25 – Dec 8 (4 STX days)
Papua New Guinea	Revenue	ICT Evaluation (remote)	STX – Grant	Jul 10 – Dec 15 (5 STX days)
	Revenue	Performance Management System Implementation and Training (remote)	STX – Reardon	Aug 28 – Jan 26 (15 STX days)
Regional	Revenue	Facilitating ISORA for the Pacific (remote)	STX – O'Keefe	Sep 18 – Dec 15 (17 STX days)
Samoa	Revenue	Renewal of Corporate Strategic Plan (remote)	STX – Vave	Aug 28 – Dec 15 (10 STX days)

² Activities yet to be completed as of reporting date; excluded from outturn analysis and transmittal table for TA Reports; to be included in Quarter 3 Report

FY2024 Q2: REGIONAL EVENTS

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Financial Sector Supervision	Association of Financial Supervisors of Pacific Countries Meeting and Workshop	Marshall Islands	LTX – Kumar STX – McIntosh	5	14	17	Sep 18 – 22
Macroeconomic Programming and Analysis	Macroeconomics Diagnostics Workshop (joint with Macroeconomics Frameworks)	Tonga	LTX – Beaumont LTX – Nield STI – Claus	5	26	16	Aug 28 – Sep 1
Revenue Administration	Regional Webinar - Analytics for Tax Leaders	Virtual	STX – Hamilton	1	15	22	Oct 17

TA Sector	Description	Location	Attended By:	Mission Days	Month
Revenue Administration	PITAA Heads Meeting	Papua New Guinea	LTX – McAlister HQX – Akol	5	Sep 25 – 29

TA REPORTS TRANSMITTAL STATUS

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Public Financial Management	Fiji	Strengthening Fiscal Risk Statement	Seeds/ Rahman	Aug-23	Not Finalized
	Marshall Islands	Strengthening Budget Practices	Seeds/ Higgins	Jul-23	Not Finalized
	Nauru	Develop PFM Roadmap	Lavea/ Marzan	Feb-Mar 23	Finalized ³
	Niue	Review of PFMA	Lavea/ McKenzie	Nov-21	Not Finalized
	Niue	Draft Public Financial Management Act (PFMA)	Lavea/ McKenzie	May-Jun 22	Not Finalized
	Palau	Agile PEFA Assessment ⁴	Seeds/ Iulai/ Marzan/ Emery/ PASAI - Poutoa	Nov-22	31-Oct-2023
	Palau	Develop PFM Roadmap	Seeds/ Marzan	Aug-23	Not Finalized
	Samoa	Strengthening cash management and banking arrangements	Seeds/ Higgins	Sep-23	Not Finalized
	Tokelau	Strengthen Budget & Planning Process for Quality Spending	Lavea/ Keith	Apr-May 22	Not Finalized
	Tokelau	Develop Framework to enhance Budget Transparency and Credibility	Lavea/ Youngberry	May-23	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	Finalized ³
Financial Sector Supervision	Tonga	Asset Management Framework – Training	Lavea/ Youngberry	Sep-Oct 22	Not Finalized
	Cook Islands	Review and Development of Prudential Standards for Banks	Kumar/ Fiennes	Oct-Nov 22	Not Finalized
	Fiji	Training - On-site examination of a bank's cyber risk exposure	Wilson	Jun-23	Not Finalized
	Fiji	Review of Banking Act 1985	Kumar/ Tutsch/ Kroytor	Sep-23	Not Finalized
	FSM	Banking Regulatory Reform	Hefty	Jun-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
FSM	Review of Prudential and Risk Management Regulations	Kumar	Aug-23	Not Finalized	

³ Authorities granted clearance via email to publish the TA reports

⁴ Report finalized and published on PEFA website

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Marshall Islands	Regulatory Framework for MIDB and other NBFIs	Kumar/ Fiennes	Oct-22	Not Finalized
	Marshall Islands	Prudential Standards- Impact Study & Industry consultation	Kumar	Apr-23	Not Finalized
	Marshall Islands	Review of Prudential Standards and Prudential Returns	Kumar	Sep-23	Not Finalized
	Palau	Development of Prudential Standards for Banks	Kumar	Jun-23	Not Finalized
	Papua New Guinea	Basel III Approaches and Off-Site Financial Risk Analysis	Kumar/ Fiennes	Sep-Oct 23	Not Finalized
	Samoa	Cyber Security – On-Site Examination	Wilson	Mar-23	Not Finalized
	Solomon Islands	Developing Regulatory Framework for NBCIs	Kumar/ Awayiga	May-Jun 22	Not Finalized
	Solomon Islands	Diagnostic and FSI for Financial Sector	Hafeman	Jan-23	Not Finalized
	Solomon Islands	Prudential Standards – Impact Study and Financial Risk Analysis Training	Kumar/ Fiennes	Mar-23	Not Finalized
	Tonga	Diagnostic and Developing Regulatory Framework for NBFIs	Kumar/ Kacani	Jul-22	Not Finalized
	Tonga	Review of Prudential and Risk Management Standards	Kumar/ De Bie	Aug-Sep 22	Not Finalized
	Tonga	Impact Study Templates and Financial Risk Analysis	Kumar/ Fiennes	Jan-Feb 23	Not Finalized
	Tonga	Training - On-site examination of a bank's cyber risk exposure	Kumar/ Gaidosch	Jun-23	Not Finalized
	Tuvalu	Development of a Consolidated Prudential Standard for Commercial and Development Banks	Kumar	Mar-22	Not Finalized
	Tuvalu	Prudential Regulations – Impact Study and Industry Consultation	Kumar	Sep-Oct 22	Not Finalized
	Vanuatu	Review of Prudential and Risk Management Standards	Kumar/ Sirin	Jul-Aug 22	18-Oct-2023
	Vanuatu	Review of Prudential Standards and Development of Impact Study Templates	Kumar/ Asmui/ Close	Feb-23	Not Finalized
	Vanuatu	Risk-Based Supervision - Training on Financial Risk Analysis and Review of Bank Risk Model	Kumar	Jul-23	Not Finalized
Debt Management	Fiji	Liability Management Operations	Katz/ Williams	Sep-23	Not Finalized
	Papua New Guinea	Formulating Annual Borrowing Plan and Issuance Calendar	Presciuttini/ Vilanova	Sep-23	NO TAR ⁵
	Solomon Islands	Local currency bond market development	Appleby/ Northfield	Aug-23	Not Finalized

⁵ Training mission

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Macroeconomic Programming	Fiji	Macro-Fiscal Modelling	Beaumont	Sep-Nov 23	Not Finalized
	FSM	Macro-Fiscal Modelling	Orsmond	Jul-23	06-Sep-2023
	Timor-Leste	Financial Programming Training	Beaumont	Feb-23	Not Finalized
	Timor-Leste	Support for Financial Programming	Beaumont	Jun-23	No TAR ⁶
	Tonga	Macro-Fiscal Framework	Beaumont	Mar-Apr 23	No TAR ⁷
	Vanuatu	Financial Programming Training	Beaumont	Feb-23	Not Finalized
	Vanuatu	Support for Financial Programming	Beaumont	Jun-23	No TAR ⁶
	Vanuatu	Support for Financial Programming	Beaumont	Oct-23	No TAR ⁶
Macroeconomic Frameworks	Samoa	FPAS/ Nowcasting	Nield	Sep-23	No TAR
	Vanuatu	Financial Programming and Policies Analysis/ FPAS & Nowcasting	Nield	Oct-23	No TAR
Revenue Administration	Fiji	Top 20 Taxpayers – Large Taxpayers Office	Shrosbree/ Velji	Mar-Apr 23	22-Nov-2023
	Fiji	BEPS and Inclusive Framework	Velji	Jan-23	Not Finalized
	Fiji	Developing Audit Plans for Large Taxpayers	Velji	Jul-23	31-Oct-2023
	Kiribati	Progressing Taxpayer Services to Support Voluntary Compliance	Lendon	May-Jun 23	No TAR ⁸
	Kiribati	Strengthening Tax Audit (International) and Collection	Ledua	Sep-Oct 23	Not Finalized
	Nauru	Enhance Compliance Improvement Strategy and Improve Core Tax Functions	McAlister/ Lewis	Feb-23	11-Oct-2023
	Nauru	Risk management of tax collection and tax audit capability development	Ledua	Aug-23	Not Finalized
	Niue	Reform Progress Review	O'Keefe	Sep-Oct 22	Not Finalized
	Palau	Implementation of Tax Reforms	Piper	Jun-Jul 22	Not Finalized
	Palau	Implementation readiness for tax reform	Piper	Nov-Dec 22	Not Finalized
	Palau	Review reform progress	McAlister	Aug-Sep 23	No TAR
	Papua New Guinea	Implementation of Organizational Structure	O'Keefe	Feb-Apr 23	No TAR ⁸

⁶ End of Project Report will be released upon Phase II completion in December 2024

⁷ TA Report will be released upon completion of second mission planned for April 2024

⁸ Visit Summary provided to Authorities

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Papua New Guinea	Establish Workload Metrics and Productivity Benchmarks	O'Keefe	May-Jun 23	No TAR8
	Papua New Guinea	Enable a seamless flow between HQ Design and Monitoring & Operational Work	Vivian	Jul-Aug 23	No TAR
	Papua New Guinea	Program and change management support	Singh	Sep-23	Not Finalized
	Papua New Guinea	Review of tax reforms and TADAT implementation	McAlister	Oct-23	No TAR
	Samoa	Inclusive Framework on Base Erosion and Profit Shifting (BEPS) implementation	Velji	Aug-Sep 23	Not Finalized
	Solomon Islands	Human Resource Capability Uplift	Lendon	Jul-Aug 23	No TAR
	Solomon Islands	Organization structure introduction and LTO operations support	Vivian	Jul-Aug 2023	No TAR
	Solomon Islands	VAT Transition ITC Analysis and Approach	Ettridge	Sep-Oct 23	Not Finalized
	Timor-Leste	VAT Implementation Plan	Williams	Sep-23	No TAR ⁸
	Timor-Leste	Develop Taxpayer Services Strategy	Shrosbree	Oct-23	22-Nov-2023
	Timor-Leste	Business case support to return registration function to TLTA control	Shrosbree	Oct-23	Not Finalized
	Tonga	Review reform progress	Williams	Aug-23	No TAR ⁸
	Tonga	Taxpayer Services Charter and Strategy	O'Keefe	Sep-Oct 23	Not Finalized
Government Finance Statistics	Cook Islands	Building Consolidated General Government Sector Datasets	Moskalenko	Jun-23	29-Aug-2023
	Kiribati	Expand coverage to public nonfinancial corporations and for public sector debt statistics (PSDS)	Tillmann-Zorn	Jan-Feb 23	14-Sep-2023
	Papua New Guinea	Expanding the coverage of the GFS to lower tiers of government	Moskalenko/ De La Beer	Aug-23	30-Oct-2023
	Solomon Islands	Compiling GFS for GG Operations	Moskalenko	Oct 23 – Nov 3	Not Finalized
	Tuvalu	Establishing GFS Compilation	Moskalenko	Sep-23	Not Finalized
Real Sector Statistics	Cook Islands	National Accounts Training and Update of Annual GDP	Krishna	Feb-23	Not Finalized
	Cook Islands	Compilation of Balance of Payments Statistics	Angulo	Jul-23	Not Finalized
	Fiji	Implement new annual benchmarks in QNA	Scheiblecker	Nov-21	Not Finalized
	Fiji	Review GDP by expenditures at constant prices	Freeman	Apr-May 23	Not Finalized
	Fiji	Reducing statistical discrepancy for Balance of Payments	Borys	Jul-23	13-Oct-2023
	Kiribati	Mapping 2019 HIES to National Accounts	Powell	Oct-22	Not Finalized

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Kiribati	Updating National Accounts to 2021	McAllister	Nov-22	Not Finalized
	Nauru	Update Annual National Accounts to 2021	Powell	Nov-22	Not Finalized
	Nauru	Updating National Accounts to 2021-22	Powell	Sep-23	Not Finalized
	Niue	Updating GDP to 2020-21	Freeman	Oct-22	Not Finalized
	Niue	New GDP Benchmark – Data Sources	Freeman	Aug-23	Not Finalized
	Niue	New GP Benchmarks – Publication	Freeman	Sep-23	Not Finalized
	Palau	Improvements to GDP Estimates – GDP Deflators and Developing Producer Price Indexes (PPI)	Powell/ Draper	Nov-22	Not Finalized
	Papua New Guinea	User liaison and dissemination of National Accounts	Davies	Apr-May 23	Not Finalized
	Samoa	Reduce Expenditure/Production discrepancy and provide recommendations for Supply & Use table development	Abbasi	Sep-23	Not Finalized
	Solomon Islands	Compile SUTs	Powell/ Achille	Mar-Apr 22	Not Finalized
	Solomon Islands	Develop System for Production of Quarterly Activity Indicators	Powell	Jul-Sep 22	Not Finalized
	Solomon Islands	Updating National Accounts to 2021	Powell	Sep-22	Not Finalized
	Solomon Islands	Updating national accounts to 2021	Davies	Apr-23	Not Finalized
	Tonga	QNA compilation - Training	Scheiblecker	Apr-22	Not Finalized
	Tonga	Quarterly GDP(P) compilation	Powell	Jun-Aug 22	Not Finalized
	Tonga	Maintaining Annual GDP Production	Powell	Jun-23	Not Finalized
	Tuvalu	Balance of Payments	Rikardsson	Mar-22	Not Finalized
	Tuvalu	Update National Accounts to 2021	Andrews	May-22	18-Aug-2023
	Tuvalu	Balance of Payments	Rikardsson	Mar-23	Not Finalized
	Tuvalu	Updating National Accounts to 2022	Andrews	Sep-23	Not Finalized

NO TAR – indicates that the mission did not produce a technical assistance report - mission was training based or required a back to office report only.

