

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

## QUARTERLY REPORT

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

**This report covers the first quarter of the 2023 Fiscal Year for the period May 1, 2022, to July 31, 2022.** FY2023 is the final year of the Phase V operating cycle as approved by the Steering Committee members in FY2022. The FY2023 work programs strive for a very ambitious increase on pre-COVID activity levels to respond to the substantial pent-up demand for delivery, particularly the resumption of in-person engagement of new and delayed CD. During quarter one, 31 missions over 502 TA days were delivered providing assistance to 12 member countries. Improvements in the COVID situation saw the gradual resumption of in-person CD delivery to member countries, a positive development since the onset of the pandemic in late FY2020.

PFTAC hosted the 2022 Steering Committee (SC) meeting in Nadi, Fiji between May 24 - 25, 2022. It was the first time the PFTAC community came together in-person since the SC meeting more than three years ago in Papua New Guinea. The SC was honored by the presence of IMF Deputy Managing Director (DMD) Bo Li during his first visit to the region. The Memorandum of Understanding for the ongoing hosting of PFTAC was formalized. The SC meeting deliberated key issues relating to Phase VI operations, SC governance and heard views from the three key PFTAC constituencies, first from DMD Li on behalf of the IMF, representatives of the beneficiary member countries as well as PFTAC donors. The SC endorsed the recruitment of three new resident advisors from around mid FY2023, and the FY2023 workplan and budget. The next SC meeting was confirmed to be hosted by Niue in June 2023.

During June, David Kloeden departed after 5 ½ years as the PFTAC director with the appointment of the new PFTAC director, Samir Jahjah joining from AFRITAC West (AFW), the IMF's equivalent center in Francophone West Africa located in Abidjan, Côte d'Ivoire. Mr. Kloeden and Mr. Jahjah overlapped in Fiji early August for a one week briefing and handover period as well as introduction to the PFTAC team, development partners, and key IMF counterparts. Mr. Jahjah returned to Fiji in late August.

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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.

## II. News

### Steering Committee Meeting Update

**The hybrid PFTAC SC meeting was convened on May 24 – 25, 2022 in Nadi, Fiji.** Six of the 16 PFTAC member countries joined the meeting in-person with officials attending from the Cook Islands, Nauru, Niue, Papua New Guinea, Solomon Islands and Fiji, plus donor representatives from Australia, Asian Development Bank (ADB), European Union (EU), and the United States as well as several observers. A strong virtual turnout was noted with members and observers joining from New Zealand and Korea plus additional representatives from Australia and the ADB as well as seven other member countries comprising Kiribati, Marshall Islands, Samoa, Tokelau, Tonga, Tuvalu, and Vanuatu. 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. Also in attendance were IMF officials including the Deputy Managing Director Dr. Bo Li, Pacific Islands Division Chief Todd Schneider, and Susan George from Monetary and Capital Markets Department.

**The SC was honored by the presence of IMF Deputy Managing Director (DMD) Bo Li as well as the Minister of Economy and Attorney General of Fiji, Hon. Aiyaz Sayed-Khaiyum.** The guests of honor spoke in their addresses about the challenges faced globally and in Fiji over the past two years in responding to COVID-19 and other crises and how recovery is now taking off while new challenges are faced from global developments. The SC witnessed the formalization and signing of the Memorandum of Understanding by the Minister on behalf of the Government of Fiji and DMD Li on behalf of the IMF for the ongoing hosting of PFTAC that concluded a long standing informal arrangement in place since the creation of PFTAC as the IMF's first regional capacity development center in 1993. The Government of Fiji has been a gracious host to PFTAC for the last 29 years.



**The SC addressed two key issues beginning with an overview of the next five-year phase of PFTAC operations and financing that is due to commence in May 2023.** A collaborative and inclusive process over more than one year led to the articulation of the future focus and resource needs for PFTAC to continue delivering the critical financial and economic services that are well appreciated by the membership as well as by the donors. The SC heard views from DMD Li, representatives of the beneficiary member countries, and current donors reiterating that the ongoing need for PFTAC is very well appreciated in the region noting its critical role in leveraging and extending the impact of the complementary support provided by donors and development partners. Phase VI is heavily influenced by the anticipated post- COVID recovery and the need to address imbalances and capacity weaknesses, in particular debt sustainability, climate change, and vulnerability to disasters.

In Phase VI, all existing PFTAC programs will be retained with the number of resident advisor otherwise known as long-term experts (LTX) increasing from 7 to 10 including a return of the resident GFS advisor, a new Macroeconomic Framework advisor, and a third PFM advisor on Climate Change. Phase VI will be over a 5-year period and represents an increase of close to 25 percent in inputs, activity levels, and outputs. The fund-raising target is \$US 40 million, of which \$US 36 million is sought from donors and the balance from member countries

under the current contribution formula. The IMF is expected to continue covering costs of at least \$US 3 million over 5 years. While the donors signaled support for next phase of operations, the IMF and beneficiary countries emphasized the importance of getting a sufficient mass of pledges in the coming months to ensure sufficient liquidity for operational continuity without the risk of disruption from any abrupt scaling back. The EU pledged a well advanced commitment of Euro 5 million towards Phase VI operations and other donors were similarly encouraged to continue support through financial contributions.

**The SC also deliberated several issues aimed towards enhancing the effectiveness and governance of the SC.**

The Phase V Mid-Term External Evaluation made recommendations to strengthen SC governance, including establishment of an Executive Committee (EC), and developing a guidance document of the role and responsibilities of the SC, its members, and the proposed EC. These issues were first tabled in June 2021 and further elaborated in December 2021 at the SC meeting through an explanatory note for members consideration, views that were solicited for discussion at the 2022 SC meeting. To assist the SC members to focus on these issues, an online survey was circulated in early April to garner the views of the members with responses received from 4 of the 7 donors and 5 of the 16 member countries. The survey covered the following issues:

- **Tenure Term of Chair** – the tenure of the SC chair has implications with respect to continuity in terms of familiarity, commitment, and potential regional leadership. Current arrangements are not articulated and comprises a rotation each year to a representative of the country hosting the annual SC meeting. The survey sought members views on having a definite term rather than an annual rotation. Although 8 of the 9 respondents favored a defined term rather than an annual rotation, (5 favored a two-year term, 3 favored a three-year term), an alternative arrangement based on a ‘Troika’ model was proposed by Cook Islands, Niue, and Papua New Guinea that would comprise the past chair, the current chair, and the incoming chair from the 16 member countries to provide a degree of continuity and consistency in PFTAC governance over a clear 2 – 3-year horizon. It was proposed to reflect this updated suggestion in the SC Guidelines accordingly for members endorsement on a lapse of time basis.
- **Creation of Vice Chair position** – the creation of a vice-chair position was intended to provide a clear deputy to act on behalf of the chair when unavailable and provide certainty about the succession of the chair when the incumbent reaches the end of their term or otherwise resigns their position earlier. Due to the Troika model suggested in the preceding provision, the creation of vice-chair position became redundant with the revolving group of three chairs providing necessary continuity.
- **Creating an Executive Committee** – the external evaluation proposed an ‘Executive Committee’ to assist the chair and secretary. Other sub-committees and working groups can be constituted as needed. From the survey, 7 of the 9 survey responses saw merit in providing for sub-committees. Given the consensus on the Troika model, it essentially constitutes an executive sub-committee. This was adopted to be taken forward with the refinement of the SC Operational Guideline.
- **Establishing a SC quorum requirement** – SC decisions are by consensus. Currently, the SC constitutes a total of 24 equal voices – each of the 16 member countries, 7 current donors and the IMF. A quorum means a percentage of 24 voices needing to be involved in any decision making. From the survey, 7 of the 9 respondents favored a quorum. Of these, one favored a low threshold in the range of 20 – 30 percent of the membership, whereas a further 3 favored a minority in the range of 30 – 50 percent of the membership, and another 3 favored a majority above 50 percent. The SC meeting adopted a 50 percent quorum.
- **SC Meeting Frequency and Modality** – annual in-person meetings will continue if travel is possible, scheduled within two months of the start of the IMF fiscal year on May 1. The 2021 external evaluation

proposition to hold four meetings per year was considered excessive. From the survey, 7 of the 9 respondents were satisfied to meet just once per year, including two that believed a virtual meeting was sufficient. The other two respondents favored twice per year, in-person for the annual meeting and once virtually midyear. A proposal on a mid-year meeting was suggested for regular engagement with SC members ensuring timely endorsements of key issues/items discussions which can be protracted over several years. A decision on this item was yet to be finalized and subject to further discussions.

- **Need for Constituencies** - finally, a provision for constituencies was explored with 5 of the 9 responses favoring some version where one member could represent two or more members. There were divergent views on how formalized or temporary any constituencies would be. However, as per the discussions under the quorum requirement, the constituency option or proxy representation was not supported.
- **SC Operational Guideline** – a three-page guideline was drafted and circulated formalizing several arrangements for convening and chairing SC meetings but leaving flexibility where appropriate. All clauses were open to discussion and subject to consensus of current SC members and their interest to document the role of the SC going forward. All 9 respondents of the survey found merit in the Steering Committee being guided by Operational Guidelines.

The draft SC Operational Guideline will be amended to include the updated provisions of the Troika model, incorporating option of subcommittees and a quorum of 50 percent of the SC membership as discussed by the SC members during the meeting and endorsement will be sought on lapse of time basis. A decision was yet to be made on the frequency of the SC meeting.

**On day two of the SC meeting, Lisa Kolovich from the IMF’s Strategy, Policy and Review Department shared highlights of IMF’s *Strategy Toward Mainstreaming Gender*, approved in July 2022.** The multiplicity of crises such as the pandemic and wars along with the effect of climate change and global fragility are taking an enormous toll on women’s lives and livelihoods. The Fund’s gender strategy is one more way in which the IMF is responding to the evolving needs, challenges, and priorities faced by member countries. The overarching vision of the Gender Mainstreaming Strategy calls for applying a gender lens to all aspects of the IMF’s core activities that includes surveillance, lending, and capacity development. The gender strategy comprises four key pillars – (i) data and modeling tools to enable Fund staff to conduct policy analysis, (ii) robust governance framework and internal organizational structure to ensure prioritization based on the level of macro-criticality of gender with support to members and country teams, (iii) strengthened collaboration with external partners to benefit from knowledge sharing and peer learning and (iv) more efficient use of resources allocated to gender-related work. On this front, PFTAC has previously engaged in a few gender-based budgeting training and workshops over the years including a Gender Responsive PFM module of PEFA assessment recently undertaken in Nauru. One activity is planned in fiscal year 2023 with staff from Fiscal Affairs Department (FAD).

**A review of the FY2022 activity outturn and financial report was presented to the SC.** Protracted COVID restrictions and increasing delivery challenges were reflected in outturn metrics, with a 14 percent reduction in the number of missions and activities down from 130 in FY2021 to 111 in FY2022. Overall delivery was about 70 percent of the workplan as per midyear adjustments, similar to the FY2021 outturn. However, the number of TA days needed to deliver these 111 activities was up 15 percent to 1,929 TA days from 1,677 days in FY2021, reflecting an increase in the average number of days requiring more resources to execute missions. With no travel and no in-person training, large but temporary budget savings arose. The budget execution stood at 60 percent (US\$ 4.4 million expenditure against US\$ 7.3 million budget). The overall financial situation remains stable as PFTAC operations move into the final year. The financial contribution targets are largely reached with total commitments from external partners and member countries at \$US 38.5 million. Of this \$US 38.5 million, just over \$US 37 million has been received in cash contributions, approximately 93 percent of phase budget

with \$US 800,000 in member country contributions pending. Members were requested to consider their outstanding contributions to further strengthen the financial position of the final year. The IMF contribution will be increased commensurately following the 12-month extension of the phase.

**Updates for PFTAC programs with respect to FY2022 efforts as well as plans for FY2023 were provided to the SC accompanied by briefings from a country or regional official on recent PFTAC engagement.** The Revenue program continued to operate at a scaled-up level responding to demand that has not diminished. Meanwhile the Macro program expanded during the year with coverage extended to previously unsupported countries across a wider array of topics. The Debt Management program that is part of PFTAC but financed separately by the Government of Japan has been operational for a full year. The Public Financial Management program provided wide-ranging support to the Cook Islands in the development of a PFM Roadmap following on from the Agile PEFA assessment completed the year before, and work on another Agile PEFA assessment is almost complete for Nauru that also benefited from an assessment of how Gender Responsive their PFM systems are using the PEFA gender module. Extensive support was provided to Palau recently that elevated them to fourth largest beneficiary in FY2022. This entailed several programs in support of major reforms including an overhaul of the tax system that is now close to fruition. And support to fragile states that had declined in FY2021 is now reversing, particularly due to stepped-up engagement with Timor-Leste.

Member countries provided insights on recent PFTAC assistance that supported the completion of important economic outcomes such as designing a fiscal model in Nauru, an assessment of the revenue management system in Fiji, PFM trainings on financial reporting, adoption of cash IPSAS, alignment of charts of accounts with international standards in Tuvalu, development of debt management strategy in Cook Islands and financial sector assistance on prudential supervision and regulation in Solomon Islands. The Secretariat of the Pacific Community (SPC) acknowledged PFTAC's work across macroeconomic statistics that are crucial for monitoring and reporting of economic activities as well as its joint reporting with PFTAC towards Forum Economic Ministers Meeting (FEMM).

**An overview of the FY2023 workplans and budget was presented to the SC.** Excluding the Debt Management Program, a total of 228 activities are planned for FY2023, comprising 203 missions and 25 training events, more than double or 105 percent over the 111 activities in FY2022. These 228 activities will require 3,962 field days and if accomplished, will be 105 percent up from the 1,929 days delivered in FY2022. All programs are expected to deliver substantially more CD in FY2023 surpassing pre-COVID peaks. The proposed FY2023 work program for the final year of Phase V is very ambitious and targets CD delivery at a level higher than before the onset of COVID and greater than ever achieved by PFTAC in any year. This reflects the enormous pent-up demand for a return to in-country delivery and in-person training, as well as ensuring there is sufficient supply to deliver on these needs. The ambitious workplan also strives to maximize the utilization of remaining Phase V funds before the end of April 2023. The original budget proposal for FY2023 is \$US 9.3 million and will support the launch of several initiatives in preparation for Phase VI namely the scaling up of CD delivery and return to pre-COVID delivery levels. PFTAC will have the highest annual execution for Phase V as indicated by FY2023 projections but well within the \$US 9.3 million envelope.

**Finally, the SC endorsed two key items on the proposed early launch of Phase VI initiatives and the FY2023 workplan and budget.** PFTAC sought endorsement to launch the recruitment of three new resident advisors for Phase VI. The Phase VI Program Document outlined an expansion in the number of resident advisors from 7 to 10 (excluding the Government of Japan financed Debt Management program and advisor) entailing the return of a resident advisor supporting the GFS/Public Sector Debt Statistics (PSDS) program; the appointment of a third PFM advisor focused on climate change issues; and the launch of a new Macroeconomics Frameworks program and advisor. The earlier appointment of the new advisors will ensure the programs have reached a near steady state when Phase VI begins on May 1, 2023, rather than just beginning to launch and only reach this state well into FY2024. The early launch is also motivated by the sizeable funding envelope on hand for FY2023 that is greater than the budget envelope available in any prior year of PFTAC operations before COVID.



These costs are embedded in the budget incorporating half-year salary costs for each of the three new advisors, plus very modest introductory CD for the development/ expansion of their programs.

The SC provided endorsement of the proposed FY2023 budget and workplan as presented. The cost of the proposed workplan includes a small unfunded component so endorsement was sought on extenuating grounds given the final year of Phase V cannot be extended further, and the massive post-pandemic increase in planned activity. The FY2022 expenses noted in the Annual Report was US\$ 3.58 million (including trust fund fee) were adjusted upwards to US\$ 4.4 million to reflect late and final adjustments. This amounts to \$US 29.9 million Phase V accumulated expenses at end of FY2022. Available Phase V funds contributed by donors, member countries, and rolled-over balances from Phase IV total US\$ 38.25 million on May 1, 2022, leaving a budget envelope for the remainder of Phase V of US\$ 8.4 million. With interest income added, the total cash flow availability accumulates to US\$ 8.7 million. Workplans and budget execution are monitored closely and adjusted at mid-year to reflect realities. This will be very much the case in FY2023 where delivery and costs will be assiduously monitored and adjusted to safeguard against any likelihood of overspending.



2022 PFTAC Steering Committee Meeting, May 24-25, 2022, Nadi, Fiji

## Staff Update



Samir Jahjah joined PFTAC in August 2022. Prior to joining the PFTAC team Samir served as Center Director of AFRITAC West – the IMF’s West African Assistance Center based in Abidjan. With more than 20 years as an IMF economist, he has extensive experience in program and surveillance work – his most recent assignments include IMF mission chief for the Central African Republic, IMF Resident Representative for Ghana and for the Democratic Republic of Congo. In these assignments he played a key role in program design, negotiations, and program monitoring – supporting the authorities implement their development,

capacity development, and economic agenda and engaging closely with development partners and various stakeholders. Before joining the IMF, Samir was an assistant professor for several years at the Université Libre de Bruxelles in Belgium. Samir holds a PhD in Economics and a Master in Econometrics. Samir is a Belgian national.

### III. PFTAC Developments

#### FY2023/Q1 Activity – by country and program

##### Activity – by program

Program	Quarter 1 Outturn			
	LTX	STX	Total	Missions
Public Financial Management	5	39	44	4 <sup>1</sup>
Financial Sector Supervision	37	46	83	4
Government Finance Statistics	0	13	13	1
Real Sector Statistics	34	13	47	4
Revenue Administration	12	241	253	13
Legal/Tax Policy	0	12	12	2
Macroeconomic Programming and Analysis	25	25	50	3
<b>Total</b>	<b>113</b>	<b>489</b>	<b>502</b>	<b>31<sup>2</sup></b>
DM	5	49	54	2
<b>Grand Total</b>	<b>118</b>	<b>438</b>	<b>556</b>	<b>33<sup>3</sup></b>

<sup>1</sup> Rounded figure [actual 3.6 inclusive of partially completed missions]

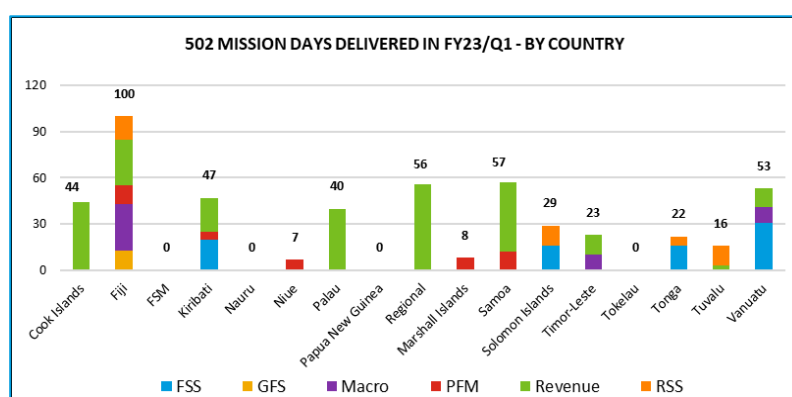
<sup>2</sup> Rounded figure [actual 30.6 due to note i]

<sup>3</sup> Rounded figure [actual 32.6 due to note i]

PFTAC delivered 27 missions and 4 regional events during quarter one between May and July 2022 excluding the Debt Management (DM) program that delivered 2 missions over 54 days. This resulted in overall execution of 33 missions comprising 556 TA days. The Revenue program accounted for more than half of the efforts at 53 percent with the rest of the programs accounting for remaining 47 percent led by Financial Sector Supervision (FSS) at 17 percent, Macro at 10 percent, Statistics at 12 percent and Public Financial Management at 9 percent. At the quarter way point of the fiscal year, around 13 percent of the planned full-year program has been delivered excluding DM program, indicating extensive effort and huge turnaround in mission execution needed in subsequent quarters.

Although quarter one delivery is closely in line with last quarter execution (FY2022 Q4) and pre-COVID trend of FY2020 that noted 33 missions in Q1, the lower percentage is attributed to an ambitious FY2023 baseline workplan that targets delivery at a level higher than before the onset of COVID and greater than any previous PFTAC achievement. The workplan targets a large backlog of postponed missions and work that urgently needs to move forward. With both the beneficiary countries and PFTAC team ready and the COVID situation normalizing, the overall PFTAC program and budget utilization is expected to soon be back on track. The first quarter benefited from a full contingent of seven resident advisors (excluding the DM resident advisor) that is expected to slightly change given the imminent departure of one of the revenue resident advisors in October and further staff movement expected at midyear when three new resident advisors (GFS, PFM – Climate Change and Macroeconomic Frameworks) will be recruited. The recruitment for the revenue resident advisor, currently underway and additional LTXs will support the execution of FY2023 workplan.

Beyond country participation in regional training events, direct TA was provided to 12 of the 16 PFTAC member countries, with **Fiji**, **Samoa**, **Vanuatu** and **Kiribati** being the biggest beneficiaries and accounting for half of all PFTAC delivered CD during the first quarter. **Fiji** received extensive support across all programs with the exception of FSS. **Cook Islands**, **Palau**, **Solomon Islands**, **Timor-Leste** and **Tonga** were the next biggest recipients with a third of TA assistance received followed by remaining three countries, **Tuvalu**, **Marshall Islands** and **Niue**.



In the Pacific region, countries are now beginning to look at how to ease travel restrictions that were put in place to limit the spread of COVID-19. As vaccines roll out and improvement is noted in selected countries,



international travel begins to resume with easing of restrictive COVID travel measures. This allowed PFTAC to deliver three in-country missions using external short term experts (STX), the first since the onset of COVID in late FY2020. The Revenue program provided assistance to Palau on implementation of tax reforms. The STX remained in Palau for a month between June and July assisting authorities on preparations for wide ranging tax reforms due to be implemented in January 2023. The Macro program mobilized a STX from Canada to support Fiji's VAT modelling exercise during May and recently the GFS program hired an STX from Spain to assist Fiji's Ministry of Economy and Fiji Bureau of Statistics on improving GFS compilation and dissemination. This mission adopted a cross sectoral approach incorporating two guest presentations by the PFTAC DM and PFM advisor. The debt management presentation highlighted the importance of sound debt management policies and medium-term debt strategies that directly link to improved and comprehensive debt reporting. The PFM presentation highlighted the value of good PFM reforms on improving fiscal reporting. These presentations also emphasized the strong coordination and cooperation that debt management and the PFM workstreams have in common with GFS and PSDS compilation and dissemination. More in-country engagements are envisaged in coming months as COVID situation remains stable/ improves further.

During the first quarter, four regional events were delivered under the Revenue program. The first event was a continuation of a webinar introduced in FY2022 focusing on **Leadership, Governance and Integrity** with the third module delivered during May 2 – June 10, 2022. At the end of May, the Revenue program delivered a second remote workshop on **VAT Risks and Investigations** in collaboration with Oceania Customs Organization (OCO) and the Pacific Islands Tax Administrators Association (PITAA). This virtual workshop was the first joint training undertaken by PFTAC in conjunction with OCO aiming to strengthen the working relationship between the tax and customs compliance teams in Pacific Island Countries. Finally, a new **Planning Series for Senior Leaders** was introduced, designed to provide an introduction/ refresher to topics that are current for senior leaders with the ability to adapt as needs change especially in the COVID context given governments need as much revenue as possible. Two webinars were delivered in June and July covering **Strategic Planning** and **Operational Planning** aspect of revenue administrations. In the next quarter, eight regional events are planned, six under the Revenue program. The final session on the planning series for senior leaders will be convened on Business Continuity Planning. Following annual PITAA Heads meeting scheduled for August 22 – 23, 2022, three workshops spanning a single day each will be organized in-person in Nadi focused on Gender in Tax Administration, Effective Information Systems Management and Investing in Tax Administration. An additional workshop in October is planned on Data and Analytics. Between August and September, the PFM program will conduct a workshop on Public Investment Management Assessment (PIMA) and finally a workshop on Annual National Accounts under RSS program in October.

## Financial Report

Table: Phase V Member and Donor Contributions to PFTAC Funding			
	Proposed Contributions for Phase V (US\$)	Contributions Received	LoU Status
<b>Member Countries</b>			
Fiji	\$ 687,500	\$ 687,500	✓
Cook Islands	\$ 110,000	\$ 90,040	✓
Nauru	\$ 82,500	\$ 81,968	✓
Tokelau	\$ 11,000	\$ 11,000	✓
Vanuatu	\$ 165,000	\$ 150,000	✓
Kiribati	\$ 82,500	\$ 65,975	✓
Tonga	\$ 110,000	\$ 49,975	✓
Samoa	\$ 165,000	\$ 165,000	✓
Tuvalu	\$ 27,500	\$ 17,500	✓
Niue	\$ 27,500	\$ 19,975	✓
Solomon Islands	\$ 165,000	\$ 167,646	✓
PNG	\$ 1,375,000	\$ 1,375,000	✓
Marshall Islands (RMI)	\$ 110,000	\$ 50,000	✓
Palau	\$ 110,000	\$ 80,000	✓
Federated States of Micronesia	\$ 110,000	\$ 40,000	✓
Timor-Leste	\$ 550,000	\$ -	Pending
<b>Sub-Total Member:</b>	<b>\$ 3,888,500</b>	<b>\$ 3,051,579</b>	
<b>Donors</b>			
ADB	\$ 800,000	\$ 800,000	✓
Korea	\$ 2,500,000	\$ 2,500,000	✓
New Zealand	\$ 12,145,192	\$ 12,145,192	✓
Australia	\$ 9,229,929	\$ 9,267,870	✓
Canada	\$ 1,136,191	\$ 1,136,191	✓
EU	\$ 6,829,713	\$ 6,829,713	✓
USA	\$ 2,000,000	\$ 2,000,000	✓
<b>Sub-Total Donors:</b>	<b>\$ 34,641,025</b>	<b>\$ 34,678,966</b>	
<b>Total</b>	<b>\$ 38,529,525</b>	<b>\$ 37,730,545</b>	
Baseline Funding Gap <sup>1/</sup>	\$ (3,229,525)	\$ (2,430,545)	
Aspirational Funding Gap <sup>2/</sup>	\$ 1,170,475	\$ 1,969,455	
1/ Baseline Budget Target	\$ 35,300,000		
2/ Aspirational Budget Target	\$ 39,700,000		

On budget execution and expense tracking, the FY2022 expenses noted in the Annual Report was US\$ 3.58 million (including trust fund fee) constituting just under half (49 percent) of the US\$ 7.33 million budget. FY2022 was the first full year under which new IT platforms and significantly overhauled accounting practices were instituted. During the annual reporting period, processes were still bedding down with updating and access to the latest information still evolving. After the fiscal year had fully closed in April with final adjustments and postings completed at the end of May, the actual FY2022 outturn was confirmed to be higher at US\$ 4.4 million. As a result of this final outcome, Phase V expenses through the end of FY2022 now stands at \$US 29.9 million including the trust fund fee (\$US 29.15 million reported in the annual report). Available Phase V funds contributed by donors, member countries, and rolled-over balances from Phase IV total US\$ 38.25 on May 1, 2022, leaving a budget envelope for the remainder of Phase V of US\$ 8.4 million (\$US 9.1 million reported in annual report). With interest income added, the total cash flow availability accumulates to US\$ 8.7 million. The proposed FY2023 budget is \$US 9.3 million including the management fee and exceeds currently available funds with a \$US 0.53 million funding gap that may reduce further if outstanding country contributions of US\$ 800,000 materialize. Workplans and budget execution will be monitored closely and adjusted at mid-year to reflect realities to safeguard against any likelihood of

overspending as proposed during the SC meeting and ultimately endorsed by the members.

## IV. Report on Program Activities and Achievements

### Public Financial Management (PFM)

**Fiji:** STX Tony Prceovich **provided remote assistance to the Internal Audit and Good Governance (IAGG) division of the Ministry of Economy (MoE) to finalize the Internal Audit and Internal Audit Committee Charters.** The mission reviewed the drafts prepared by IAGG and made recommendations for additions and edits to strengthen conformity with the standards of the Institute of Internal Auditors' standards. There will now be a consultation process with the Solicitor General and the charters will be formally adopted towards the end of the calendar year.

**Kiribati:** STX Lynne McKenzie is continuing to remotely **assist with the drafting and finalization of the PFM Act (PFMA).** During Q4 of FY22, drafts were provided for each chapter of the PFMA, which are undergoing review within the MoF. During the current quarter, a redrafting of the Wealth Fund Act was provided and the MoF is considering whether to address this as part of the PFMA or whether there is a preference for separate legislation needed. This remote mission is being conducted over a long, elapsed timeframe (into Q2) to allow for an iterative process of review and revision between the MoF and STX.

**Marshall Islands:** resident advisor Paul Seeds and STX Anthony Higgins are **providing remote assistance to strengthen budget preparation practices.** Discussions have been held with the MoF and the implementing consultants for the new FMIS currently being implemented. Guidance has been provided on the treatment of different categories of transfers, aligning to GFSM2014 standards. This work is ongoing, and advice will continue into Q2, to facilitate the development of budget book tables to be produced through the FMIS Budget Preparation Module (BPM). The intention is to table the budget book along with the appropriation bill.

**Niue: Support to draft the PFMA was provided by STX Lynne McKenzie.** The work included weekly discussions with Ministry of Finance personnel and staff from the Attorney General's office on the draft PFMA. Two chapters remain to be discussed and made consistent with the rest of the draft. Support will continue to finalize the draft bill for Cabinet consideration. The authorities have also requested assistance to develop the (i) internal audit policy; (ii) fraud prevention policy; and (iii) procurement policy.

These policies will be aligned to the provisions in the draft PFMA and will take into account similar policies from Australia and New Zealand, tailored to Niue's situation.

**Samoa:** STX Susan Morrison **provided remote assistance to the Internal Audit and Investigation Division (IAID) of the Ministry of Finance (MoF) in the development of a Quality Assurance Improvement Program (QAIP).** The IAID has established the Internal Auditors Forum (IAF) and is in the process of updating it, including formalizing the reporting arrangements and position descriptions. The mission supported the development of a QAIP, which is a preparatory step for the restructuring and requirement under the Internal Auditors International Professional Practices Framework (IIA-IPPF). It will provide a standard framework for strengthening the quality process for the internal audit function throughout the whole of government.

### Revenue Policy and Administration

**Cook Islands:** during May, a remote mission by STX Mark Bell and Jonathan Matthews **assisted the Cook Islands Revenue Management Division (RMD) enhance their audit program to improve taxpayer compliance.** Recently, standard operating procedures (SOPs) for Services, Debt and Return Management, and Audit functions were developed. With preliminary assistance completed to strengthen audit capability, the mission **updated and developed audit training products with final audit training planned later in the year. The**

**training materials developed focus on introductory and intermediate audit skill levels to ensure new recruits are on-boarded and trained quickly.** The products will also be used by existing staff for refresher training.

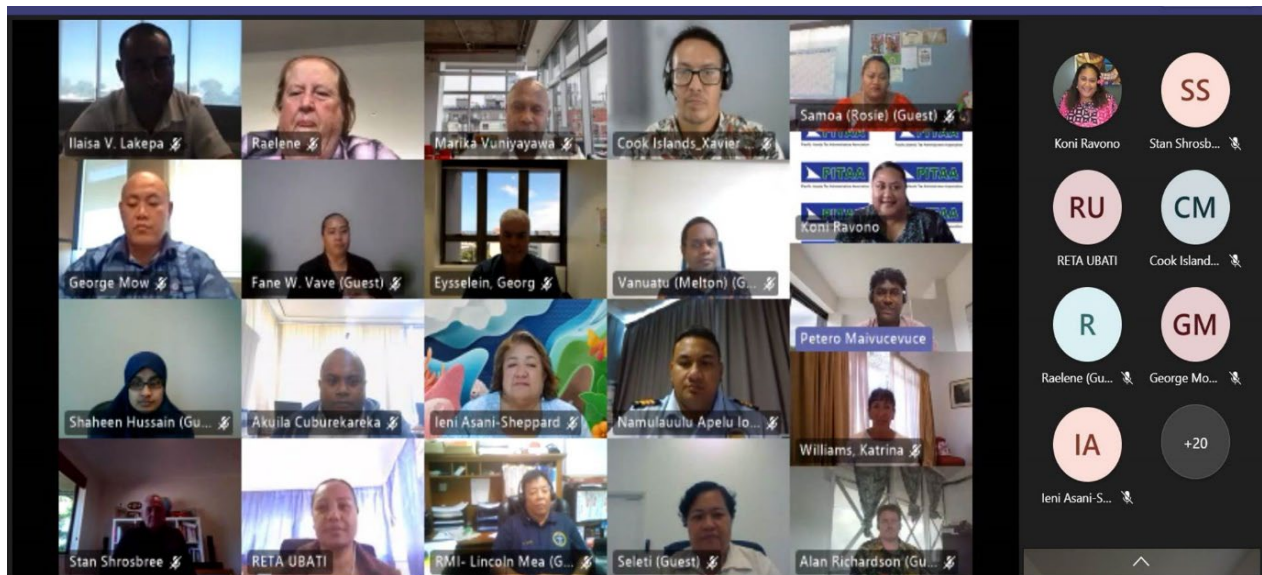
Following on from the February mission **to design SOPs, further assistance helped finalize the full set of business process documentation.** The standardized business processes will be used for staff training and undertaking quality reviews to ensure execution of work to consistent standards and will provide taxpayers with a consistent level of service and interaction.

### Revenue Planning Series for Senior Leaders

**Strategic Planning: June 16 – 24, 2022/Operational Planning: July 15 – 22, 2022**

Since October 2021, PFTAC in conjunction with the Pacific Islands Tax Administrators Association (PITAA) has been **delivering workshops by webinar for senior leaders.** The topics for these workshops were identified through the annual Learning Needs Analysis (LNA) undertaken by PITAA with all PITAA member countries. Leadership, governance, and integrity were raised in the LNA undertaken in 2021, however as the webinars have progressed, the topics of relevance for senior leaders have changed. The seminars are designed to provide an introduction or a refresher to a topic that is current for senior leaders with the ability to adapt as needs change. They are purposely short and targeted in nature, in recognition of the busy schedules of revenue administration leaders.

Two webinars on planning were delivered in June and July.



Good revenue administration and results do not happen by chance. The best administrations take a planned and proactive approach. With many administrations coming out of a reactive COVID era, and borders opening, countries are adjusting to a new operating environment and governments need as much revenue as possible. There is no better time to review and refresh strategic plans. **The June seminar on strategic planning provided senior leaders with a good strategic planning process** to use in developing or refreshing their administration's strategic plan.

In July the seminar described **good practice in operational planning, supported by live examples from some tax administrations in the Pacific.** It explained the role of the senior leader in operational planning and the tension as a senior leader between 'doing', 'managing' and 'leading'.

**22 senior leaders attended the Strategic Planning seminar, and 30 leaders joined the Operational Planning seminar.**

**The gender split was 36 percent female to 64 percent male and 47 percent female to 53 percent for the seminars respectively.**

**Fiji:** the assignment **assisted the Fiji Revenue and Customs Service (FRCS) to review its human resource management (HRM) system.** The mission conducted a survey of all FRCS staff including interviews with key executive staff and a face to face workshop. Additionally, several internal documents and processes were reviewed. The mission identified areas for improvements covering key elements of a HRM system focusing on pay and conditions, performance management, learning and development, rewards and recognition as well as human resource analytics. This will assist FRCS to identify and fill gaps to drive a strong performance culture going forward.

**Kiribati:** starting in July, STX Kriti Velji **assisted the Kiribati Taxation Division (KTD) to understand the implications for KTD of joining the OECD Inclusive Framework (IF) and the requirements of the four minimum standards on Base Erosion Profit Sharing (BEPS).** An analysis of the current tax system and legislation, and an indicative view of the level of tax evasion risk is being undertaken as well as an outline of the administrative effort and costs associated with meeting the IF requirements. This assignment is due for completion mid-August.

**Palau:** the in-country capacity development assignment of STX David Piper **assisted the Palau Bureau of Revenue and Taxation (BRT) with preparations for wide-ranging tax reforms to be implemented in January 2023** and followed on from two remotely delivered missions. **BRT preparedness, strengthening staff knowledge and engagement on implementation of the tax reforms and ensuring taxpayer readiness for the introduction of Palau Goods and Service Tax (PGST) and Business Profit Tax (BPT) were the focus of the assignment. BRT staff received training on the tax reform generally and in-depth PGST and BPT training and guidance in outreach with businesses.** Information sessions were facilitated between BRT staff and accountants from larger businesses. The expert worked closely with the Asian Development Bank (ADB) resident advisor and the Australian Taxation Office (ATO).

A second mission during July by STX Lee Burns provided **remote assistance to prepare Regulations for the PGST and BPT. Draft PGST and BPT Regulations along with technical notes for the PGST Regulations were delivered.** Early preparation of the technical notes was prioritized for this new tax to help BRT staff understand the operation of the PGST in accordance with the Regulations. Technical notes for the BPT Regulations will be prepared during the second stage of the assistance planned for September 2022.

**Samoa:** at the request of the Chief Executive Officer, Samoa Ministry of Customs and Revenue (MCR), the remote mission by STX Cheryl-Lea Field and David Udy provided **assistance on outsourcing debt collection.** The new government has signaled planned changes for government departments including the MCR. Amongst several changes, one of the proposals is to outsource the tax debt collection function to the private sector. **The mission detailed the factors to consider when outsourcing tax debt collection, the associated implications, risks and opportunities for the MCR.** A second mission during July **assisted the MCR to identify options to further enhance the collection of tax debt arrears using the current legislation and operating procedures.**

**Timor-Leste:** at the request of Timor-Leste Tax Authority (TLTA), a remote mission in May reviewed the development of a strategic plan, needed to drive the tax reform underway at TLTA. As per the Government's request, the TLTA has already developed and submitted a strategic plan for a five year period (2023-2027) in the Tetum language to the Vice-Minister. The experts **focused on understanding the content of the strategic plan against the outputs of the earlier diagnostic mission in November 2021 to ensure key activities from the roadmap are included and to identify any gaps. The TLTA strategic plan includes key elements of a good strategic planning framework such as mission, vision, values, strategic priorities and objectives. The mission additionally highlighted areas for further attention and provided a revised capability development plan for the TLTA.**

**Tuvalu:** a remote STX mission was the first of a series of assignments to help **the Tuvalu Revenue and Customs Department (TRCD) implement its Operational Plan (OP) and Compliance Improvement Plan (CIP).** The



mission reviewed the progress with implementation of the TRCD performance management framework and provided guidance to improve the monitoring and management of the 2022 OP and CIP. An updated Compliance Dashboard is in place to monitor registration and filing/payment compliance levels. Management review of TRCD operations was completed and priorities identified for June 2022. Status reports for May 2022 and progress with implementation of OP and CIP for quarters 1 and 2 were discussed at management meetings. Going forward, the 2022 TRCD Operational Plan will be updated to reflect activities for quarters 3 and 4.

**Customs Valuation, Value Added Tax and Compliance Virtual Workshop: May 31 – Jun 2, 2022**

This virtual workshop was the **first joint training undertaken by PFTAC in conjunction with the Oceania Customs Organization (OCO) and the Pacific Islands Tax Administrators Association (PITAA).**

Delivered over three days by Customs experts on behalf of OCO, and by short-term expert (STX) Stuart Hamilton, guest presenter Alipate Ledua, and PFTAC revenue advisor Katrina Williams, **the purpose was to strengthen the working relationship between the tax and customs compliance teams in Pacific Island Countries (PIC) through an understanding the work and roles of each administration.** The target audience was Customs Post Clearance Audit (PCA) officers, Customs Officers dealing with Valuation issues and Tax Officers dealing with Value Added Tax (VAT) compliance and audit. The need for this training was identified during a joint OCO, PITAA, PFTAC relationship meeting.

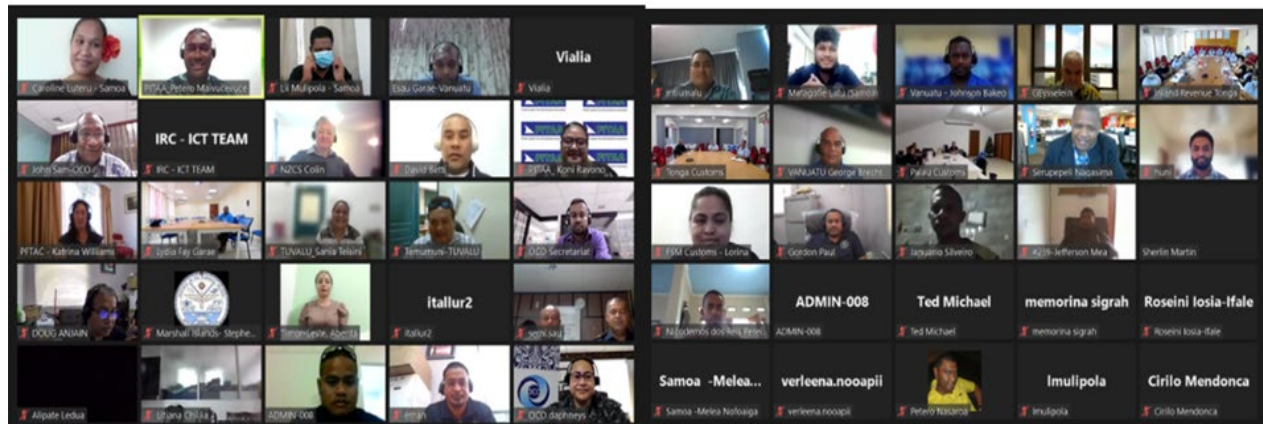
**The workshop achieved its outcomes to develop a better understanding of the work of Customs and Tax administrations and where there are opportunities to work together.** The workshop evaluation supported further joint Customs and Tax events with many citing they had gained new knowledge because of the workshops. 93 percent of those participants who completed an evaluation ‘Strongly agreed’ or ‘Agreed’ with the 11 indicators they were asked to rate against. The area that rated lowest was the time allotted for the workshop. The workshop could have been longer based on the number of questions and interest however, the most persistent questions were tax related and of no relevance to the Customs participants.

The training and the questions asked signal a **need for more training on VAT and audit case management** in tax administrations across the Pacific.

**PITAA-OCO-PFTAC Regional Workshop on**  
**Customs Valuation, VAT, and Compliance**



31 May - 2 June 2022  
ZOOM Platform



**Vanuatu:** the legal mission led by STX Lee Burns commenced assistance to prepare legislation to introduce a substantial economic presence (SEP) requirement for foreign entities established in Vanuatu. Vanuatu is included on the European Union's list of non-cooperative jurisdictions for tax purposes as it does not comply with the real economic substance requirement related to offshore structures and arrangements. This work involves liaison with relevant stakeholders such as the Department of Customs and Inland Revenue (DCIR) and the Vanuatu Financial Services Commission. The draft legislation will be subject to public consultation with a final version expected by end July and planned for parliamentary submission in November.

A second mission by STX Lance Home provided remote assistance to strengthen DCIR's audit capability. The mission reviewed the implementation progress of audit recommendations provided during February 2022. **PFTAC has worked in collaboration with the DCIR team to update the Audit Manual and develop audit standard operating procedures (SOPs) and Guidance Notes.** This remote assignment, the first in a series of short regular reviews, will monitor the implementation of the audit changes and the identification of any weaknesses in audit system and provide expertise when needed as unplanned issues emerge.

### Financial Sector Supervision (FSS)

**Kiribati:** the Government of Kiribati intends to operationalize recently enacted financial sector legislations viz, the Financial Supervisory Authority of Kiribati Act (FSAKA) 2021 and the Kiribati Financial Institutions Act (KFIA) 2021. Operationalization will be carried out in two sequential steps with a detailed plan developed first to establish the Financial Supervisory Authority (FSA) as envisaged under FSAKA and secondly a comprehensive diagnostic of the financial sector to identify the FSA's supervisory priorities and develop a roadmap for establishing regulatory and supervisory frameworks for various segments of the financial sector. **The remote mission delivered between May and July by resident advisor, Rajinder Kumar and STX Toby Fiennes assisted with the first component to establish the FSA and provided advice on processes to select executive management, board arrangements, organizational structure including the finance and risk management aspects.**

**Solomon Islands:** PFTAC has been assisting Central Bank of Solomon Islands (CBSI) since September 2017 to strengthen financial sector regulation and supervision by aligning it with international standards. The work focused on the banking sector and progressed well. Recently, the authorities requested PFTAC to assist with the development of a regulatory framework for the non-bank credit institutions (NBCIs) taking into account the size and complexity of these institutions. The remote mission between May and June by resident advisor, Rajinder Kumar and STX Joseph Awayiga **assisted CBSI develop a prudential standard for NBCIs on corporate governance and risk management. The draft standard will include a single prudential return on various risks.**

**Tonga:** at the request of National Reserve Bank of Tonga (NRBT), PFTAC had conducted a mission between August and November 2021 to perform a diagnostic of Tonga's banking and non-banking financial sectors (micro-finance institutions and credit unions) and to review select prudential and risk management standards for banks issued by the NRBT. **In continuation of this project, a remote mission by resident advisor, Rajinder Kumar and STX Jonida Kacani provided further assistance to NRBT to review select prudential standards for banks and conduct a diagnostic of the remittance and foreign exchange companies.** The NRBT intends to establish a regulatory and supervisory framework for these entities in view of their importance in handling international remittances that are critical for the Tonga economy.

**Vanuatu:** PFTAC and the Reserve Bank of Vanuatu (RBV) initiated the Supervision Framework Enhancement Program (SFEP) in FY2018. The SFEP covers development and enhancement of risk rating; supervisory action planning; on-site examination; financial analysis; and a review and update of legislation and prudential standards. With the assistance of PFTAC, the RBV has developed a draft risk rating and supervisory action framework and a revised quarterly financial analysis process. **RBV has requested further assistance in the review of its prudential and risk management standards and align them with the international standards to**

the extent appropriate for Vanuatu's banking system. A remote mission in July led by resident advisor, Rajinder Kumar and STX Sirin Kumar provided assistance on enhancing the prudential and risk management standards.

### Real Sector Statistics (RSS)

**Fiji:** an in person mission by resident advisor, Matthew Powell worked with the Fiji Bureau of Statistics to develop a system that produces a constant price constant price version of their measures of GDP by expenditure component.

**Solomon Islands:** a remote mission by resident advisor, Matthew Powell worked with the Central Bank of the Solomon Islands (CBSI) real sector research and statistics staff to develop a system of quarterly indicators and with the CBSI and Solomon Islands Statistics Office (SINSO) to clarify the status of a SINSO/ADB project to develop a supply and use table (SUT) and revise PFTAC's SUT program with the CBSI /CBSI SUT accordingly.

**Tonga:** a brief remote mission by the resident advisor, Matthew Powell reviewed progress of the development of Quarterly National Accounts (QNA) over the four missions since the program was launched in 2019. The aim was to suggest a feasible path towards publication and estimate the number of further missions required.

**Tuvalu:** a technical assistance mission conducted remotely during May 1–15, 2022 by STX Michael Andrews assisted the authorities with updating the national accounts estimates to December 2021, in current and constant 2016 prices, building on the previous missions' implementation of rebased national accounts. The Central Statistics Division (CSD) provided the mission with excellent support in obtaining data necessary to compile the 2020 and 2021 estimates. However, some data were incomplete and missing data values needed to be replaced by estimates. Government accounts data and employment data were the main sources used. Financial statements for major public corporations were not yet available for the 2020 or 2021 year. The mission recommended to disseminate the national account tables on the statistics portal as soon as possible after each update, CSD to investigate how source data (consumption tax and employment data) could be improved and the allocating additional staff to the production of economic statistics.

**Conferences/Meetings:** the resident advisor made remote presentations to two workshops; a presentation on GDP and Welfare for a workshop on *Using Data to Monitor the National Plan* organized for the government of PNG by the Secretariat of the Pacific Community (SPC), and a presentation on developing capacity to monitor SDGs at a provincial level for a workshop on *Enhancing National to Local Institutional Coordination and Monitoring Mechanisms for NSDP/SDG Implementation* organized by the UN Project Office on governance for Provincial leaders in Vanuatu.

### Government Finance Statistics (GFS)

**Fiji:** in response to a request from the Fijian authorities, a hybrid mission was delivered to Fiji Bureau of Statistics (FBoS) and Ministry of Economy (MoE). The first component of the mission was conducted in person during July 25–29 by STX Luis Temes and will continue virtually from August 15–19. A virtual GFS mission during March 2021 assisted the authorities in improving the compilation processes and expanding the GFS coverage. The mission followed-up on the recommendations of previous TA mission providing further assistance to the authorities to improve the quality, frequency, and coverage of GFS and Public Sector Debt Statistics (PSDS) and to strengthen the compilation and dissemination of macroeconomic and financial statistics with specific focus on further resolving and reconciling data imbalances that impact full general government consolidation.

## Macroeconomic Analysis and Programming

**Fiji:** in response to a request from the Fijian Ministry of Economy, an in-country mission led by resident advisor Andrew Beaumont, and STX Marc Seguin during May provided assistance to develop a VAT revenue model for the analysis of the existing VAT system and costing potential VAT policy changes. The mission worked with officials from the Ministry of Economy (MOE), the Bureau of Statistics (FBOS) and the Fiji Revenue and Customs Service (FRCS) and built a Microsoft Excel model using data from the Fiji 2011 Supply and Use Tables (SUTs) and relevant growth factors with the current forecast period being 2023 - 2025.

The mission analyzed a number of scenarios of potential VAT changes to illustrate the operation of the model and provided hands-on training to MOE on use of the model as well as detailed documentation of the model including instructions for updating when the 2019 SUTs become available. The mission recommended to create a VAT working group with officials from MOE, FBOS and FRCS responsible for updating the model with new SUTs and/or new projected growth factors when a new economic forecast becomes available.

**Samoa:** at the request of the Samoan Ministry of Customs and Revenue, resident advisor Andrew Beaumont, STX Lee Burns and Bob Millar, carried out an assessment of the potential impact of a change to a Territorial Tax System. In particular, the impact of such a possible change to Samoa's International Financial Sector, Samoa's standing on the EU's list of non-cooperative jurisdictions for tax purposes as well as on government revenue.

The technical assistance report provided as part of the mission will assist Samoan Authorities in making policy decisions in regard to their taxation arrangements going forward.

**Timor-Leste:** the Macroeconomic resident advisor, Andrew Beaumont along with the IMF's Singapore Training Institute (STI) LTX, Rajan Govil, conducted a two week intensive training workshop for staff from the Central Bank of Timor-Leste and the Timor Leste Ministry of Finance. The training examined the macroeconomic relationships within the Timorese economy and worked toward the construction of a 'four' sector macroeconomic model (Real Sector, Government Sector, Monetary Sector, External Sector).

The mission examined the relationships between historical data from the different sectors. It also began the process of building in forecasts to the model, taking into account these relationship.

**Vanuatu:** the Macroeconomic resident advisor, Andrew Beaumont along with the STI LTX, Rajan Govil, conducted a two week intensive training workshop for staff from the Reserve Bank of Vanuatu and the Vanuatu Ministry of Finance. The training examined the macroeconomic relationships within the Vanuatuan economy and worked toward the construction of a 'four' sector macroeconomic model (Real Sector, Government Sector, Monetary Sector, External Sector).

The mission examined the relationships between historical data from the different sectors. It also began the process of building in forecasts to the model, taking into account these relationships.

## Debt Management

**Papua New Guinea:** in response to a request from the Papua New Guinea Department of Treasury, a remote mission convened between June 27 – July 8, 2022 assisted the authorities to develop a debt management strategy (DMS) using the Medium-Term Debt Management (MTDS) framework and its analytical tool (MTDS AT). In addition to developing a DMS, the mission trained officials on the MTDS framework and AT to build capacity within the Department of Treasury. This facilitated better understanding and control of the cost-risk tradeoff in debt management and particularly relevant given the increase in the debt portfolio in recent years.

**Tuvalu:** public debt management is in its infancy in Tuvalu and undertaken by several units within the Ministry of Finance. Public debt reporting is currently not undertaken or published by the Tuvalu authorities outside of the annual budget process and general understanding of debt management concepts and best practice is low. The Tuvalu authorities were keen to bring together all units undertaking debt management functions to increase capacity. The remote mission in May led by resident advisor Briar Ferguson and STX Michele Robinson provided **assistance on debt reporting and monitoring. It focused on sound practices in debt reporting and monitoring, supporting debt management operations and debt transparency. The training enabled officials to understand the benefits and key requirements of publishing reliable, comprehensive, timely, and accurate debt data.**



## V. Planned TA Activities FY23/Q2: August – October 2022

### August 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	Conduct Public Investment Management Assessment (PIMA)	LTX – Lavea LTX – Seeds STX – Petrie STX – Du Preez HQ – Fisher HQ – Preston HQ – Tandberg	Aug 24 – Sep 6
	Revenue	Finalize Aspire Packages	STX – Bell STX – Matthews	Aug 22 – Oct 21
Fiji	Revenue	Design and Implement Performance Management System	STX – Reardon	Aug 22 – Sep 2
	Macro	VAT Forecasting Follow-up	LTX – Beaumont STX – Seguin	Aug 22 – 26
	RSS	Strengthening dissemination and key stakeholder management for National Accounts	LTX – Powell	Aug 15 – 26
Kiribati	RSS	2022 GDP and financial accounts for large companies	STX - McAllister	Aug 15 – 26
Marshall Islands	Macro	Macro-fiscal Modelling	LTX – Beaumont	Aug 1 – 19
	RSS	Balance of Payments	STX – TBD	Aug 1 – 12
Niue	PFM	Develop Internal Audit and Fraud Prevention Policies	STX – McKenzie	Aug 8 – Oct 31
	Revenue	Reform Program Progress Review	STX – O’Keefe	Aug 2 – 15
Palau	Revenue	Tax Reform Bill Regulations #2	STX – Burns	Aug 20 – 27
Regional	GFS	Workshop and Training on GFS and PSDS	STX – Temes HQ – De La Beer	Aug 3 – 5
	Revenue	Gender and Revenue Administration	LTX – Williams STX – Vave	Aug 24
	Revenue	Effective Information Systems Management	STX – Grant	Aug 25
	Revenue	Investing in Tax Administration	STX – Shrosbree STX – Vave	Aug 26

	Revenue	PITAA Annual Meeting	LTX – Eysselein LTX – Williams	Aug 22 – 23
Samoa	Revenue	Revenue-New Organization Structure	STX – Vivian	Aug 2 – 15
	Revenue	Current State Assessment of Core Tax Functions	LTX – Eysselein STX – Shrosbree	Aug 3 – 17
	Revenue	Compliance Risk Management	STX – Hamilton	Aug 29 – Sep 23
Solomon Islands	Revenue	Develop Job Descriptions	STX – Lendon	Aug 9 – 26
	Revenue	Medium Term Revenue Strategy (MTRS)	LTX – Williams HQ – Koukpaizan	Aug 28 – Sep 3
Tonga	FSS	Review of bank prudential standards	LTX – Kumar STX – De Bie STX – Pailhe	Aug 1 – Sep 16
	GFS	GFS support on GG coverage & statistical discrepancies	STX – Temes	Aug 29 – Sep 9
	PFM	Training on Asset Management Framework (remote from Australia)	STX – Cooper	Aug 15 – Oct 31
Tuvalu	PFM	Strengthening Cash Management Practices (remote from Australia)	STX – Cooper	Aug 1 – 12
	Revenue	Monitor and review implementation of CIS and operational plan #3	STX – Fisher	Aug 1 – 5
Vanuatu	Revenue	POS System	STX – Hamilton	Aug 8 – 17

## September 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	GFS	GFS support on GG coverage & statistical discrepancies	STX – Temes	Sep 19 – 30
Fiji	Revenue	Debt and Returns Management	STX – Udy	Sep 19 – 30
	Revenue	Audit Skills Development	STX – Velji	Sep 23 – 27
	Revenue	Strengthening Audit	STX – Velji	Sep 26 – Oct 7
FSM	Revenue	Diagnostic Review	LTX – Eysselein STX – Piper	Sep 12 – 23
Kiribati	Revenue	Organizational Design	LTX – Eysselein	Sep 29 – Oct 13
	Revenue	Implementation of Small Business Tax	STX – Strong	Sep 28 – Oct 7
	Revenue	Develop SOP and Improve VAT Refunds Process	STX – Ledua	Sep 5 – 16
	Revenue	Improve taxpayer services and communication	STX – Lendon	Sep 5 – 16
Nauru	RSS	Updating national accounts to 2020-21	LTX – Powell	Sep 26 – 30
Papua New Guinea	Revenue	Review ITAS project plan and change management implementation	STX – Grant	Sep 19 – 30
Regional	PFM	PIMA Workshop	LTX – Lavea LTX – Seeds STX – Petrie STX – Du Preez HQ – Fisher HQ – Preston HQ – Tandberg	Sep 7 – 9
		Revenue	Planning Series for Senior Leadership – Business Continuity Planning	STX – Ledua STX – Shrosbree STX – Vivian
Samoa	PFM	Strengthening Cash Management	LTX – Seeds STX – Silins	Sep 12 – 23
Solomon Islands	RSS	Provide training on National Accounts	LTX – Powell	Sep 12 – 23
Timor-Leste	Revenue	Redesign/ refine tax clearance process	STX – Strong	Sep 19 – 30
	Revenue	Legal support for return registration to TLTA	STX – Aw	Sep 26 – Oct 5

Tonga	PFM	Review of Medium Term Fiscal Framework	LTX – Lavea STX – Kauffmann	Sep 8 – Oct 28
Vanuatu	DM	Medium-Term Debt Management Strategy	STX – TBD STX – TBD	Sep 19 – 30
	Macro	Macroeconomic Frameworks Training	LTX – Beaumont	Sep 12 – 23
	Revenue	Development of Standard Operating Procedures (SOPs)	STX – Field STX – Home STX – O’Keefe	Sep 5 – 16

## October 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	Prudential Standards – IRRBB and Cyber Security	LTX – Kumar STX – Pailhe	Oct 31 – Nov 8
Fiji	PFM	Fiscal Risk Analysis	LTX – Seeds STX – Rahman	Oct 3 – 14
	PFM	Internal Audit: Quality Assurance	STX – Rafuse	Oct 24 – Nov 4
	Revenue	Compliance Improvement Plan (CIS) and Revenue Compliance Action Plan (RCAP)	STX – Hamilton	Oct 10 – 21
	Revenue	Taxpayer Services	STX – O’Keefe	Oct 17 – 25
Kiribati	RSS	Improving and data editing of financial accounts for large companies	LTX – Powell	Oct 3 – 14
Nauru	PFM	Develop PFM Roadmap	LTX – Lavea STX – Marzan	Oct 10 – Dec 9
Niue	RSS	Updating GDP to 2020-21 and rebasing HIES 2015-16	STX – Freeman	Oct 17 – 28
Palau	FSS	Review of Prudential Standards	LTX – Kumar STX – TBD	Oct 3 – 14
	Macro	Macro Fiscal Modelling	LTX – Beaumont	Oct 17 – Nov 4
Papua New Guinea	FSS	Impact study and industry consultation	STX – TBD	Oct 17 – 21
	Macro	Macroeconomic Frameworks Training	STX – Roger	Oct 10 – 21
	Revenue	Develop Resource and Performance Metrics	STX – Lawrence STX – Lendon	Oct 24 – Nov 16
Regional	Revenue	Workshop on Data and Analytics	STX – Hamilton	Oct 24 – 31
	RSS	Workshop on Annual National Accounts	LTX – Powell STX – TBD	Oct 31 – Nov 4
Samoa	Revenue	BEPS Implementation	STX – Burns	Oct 31 – Nov 11
	Revenue	Renewal of Strategic Plan	STX – Shrosbree	Oct 17 – Nov 2
	Revenue	Strengthen Audit and TIMS	STX – Bell	Oct 31 – Nov 11
Solomon Islands	FSS	Prudential standards- Impact study and industry consultation	LTX – Kumar STX – TBD	Oct 19 – 26



	FSS	Diagnostic and FSI for Insurance Sector	STX – Hafeman HQ – Windsor	Oct 17 – 28
	Revenue	Change Management	STX – Reardon	Oct 3 – 14
	Revenue	Organization structure and LTO operations support	STX – Shrosbree	Oct 31 – Nov 11
Timor-Leste	DM	Strengthening Institutional Arrangements	STX – TBD	Oct 17 – 28
	GFS	GFS support on GG coverage & statistical discrepancies	STX – Osawa	Oct 24 – Nov 4
	Macro	Macroeconomic Frameworks Training	LTX – Beaumont	Oct 3 – 14
	Revenue	Redefine and modify approach to Large Taxpayers	STX – Vivian	Oct 10 – 21
	Revenue	Improve filing and tax arrears management	STX – Lawrence	Oct 10 – 26
Vanuatu	Revenue	Tax Policy Review	STX – Mullins	Oct 10 – 21
	Revenue	Data Analysis and Business Intelligence	STX – Hamilton	Oct 3 – 14

## Outturn of TA Activities FY2023/Q1: May – July 2022

### May 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Review Audit Training Products (remote from New Zealand)	STX – Bell STX – Matthews	May 2 – Jun 30 (22 days each)
Fiji	Macro	VAT Modelling (in-country)	LTX – Beaumont STX – Seguin	May 16 – Jun 20
	Revenue	Review of People Capability and Culture (in-country and remote)	LTX – Williams STX – Reardon	May 2 – Jun 10 (10 LTX and 20 STX days)
	RSS	Constant Price GDP Expenditure	LTX – Powell	May 2 – Jun 5 (15 days)
Kiribati	FSS	Establishing Financial Supervisory Authority (remote from Fiji and New Zealand)	LTX – Kumar STX – Twisleton	May 30 – Jul 15 (5 LTX and 15 STX days)
	PFM	Finalize Public Financial Management Act (PFMA)	STX – McKenzie	May 24 – Sep 30 (12 days)
Niue	PFM	Drafting Public Financial Management Act (PFMA) (remote from New Zealand)	LTX – Lavea STX – McKenzie	May 9 – Jun 30 (1 LTX and 6 STX days)
Regional	Revenue	Workshop on Leadership, Governance and Integrity #3 – jointly with PITAA (remote from New Zealand, Australia and United States)	STX – Shrosbree STX – Vave STX – Vivian	May 2 – Jun 10
	Revenue	Workshop on VAT Risks and Investigations – jointly with OCO and PITAA (remote from Fiji and Australia)	LTX – Williams STX – Hamilton	May 31 – Jun 2 (2 LTX and 5 STX days)
Solomon Islands	FSS	Developing regulatory framework for NBCIs (remote from Fiji and Ghana)	LTX – Kumar STX – Awayiga	May 30 – Jun 17 (4 LTX and 12 STX days)
Timor-Leste	Macro	Macroeconomic Frameworks Training	LTX – Beaumont	May 23 – Jun 3 (10 LTX days)

	Revenue	Develop Strategic Plan (remote from New Zealand and Australia)	STX – O’Keefe STX – Vivian	May 4 – Jun 7 (8 and 5 STX days)
Tuvalu	DM	Debt Recording, Reporting and Monitoring (remote from Fiji and Jamaica)	LTX – Ferguson STX – Robinson	May 16 – 20
	RSS	Updating national accounts to 2021 (remote from United States)	STX – Andrews	May 5 – 13

## June 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	PFM	Internal Audit Charters (remote from Vanuatu)	STX – Prcevich	Jun 6 – Aug 19 (12 STX days)
Palau	Revenue	Implementation of tax reforms #2 (in-country)	STX – Piper	Jun 3 – Jul 4 (35 STX days)
Papua New Guinea	DM	Medium-Term Debt Management Strategy (remote from Thailand, United States and Spain)	STX – Andreoli Jr STX – Presciuttini STX – Vilanova Pardo	Jun 27 – Jul 8 (14 STX days each)
Regional	Revenue	Planning Series for Senior Leaders - Strategic Planning jointly with PITAA (remote from New Zealand, Australia and United States)	STX – Shrosbree STX – Vivian STX – Vave	Jun 16 – 24 (6 STX days each)
Samoa	PFM	Internal Audit - Quality Assurance (remote from Australia)	STX – Morrison	Jun 13 – Jul 29 (12 STX days)
	Macro	Territorial Tax Assessment	LTX – Beaumont STX – Burns STX – Millar	Jun 1 – 5 (5 days each)
	Revenue	Outsourcing Debt Collection (remote from Australia and New Zealand)	STX – Field STX – Udy	Jun 15 – Jul 8 (15 STX days each)
Tonga	RSS	Review QNA progress and plan path to publication (remote from Fiji)	LTX – Powell	Jun 20 – 25
Tuvalu	Revenue	Monitor and review implementation of CIS and operational plan #2 (remote from Canada)	STX – Fisher	Jun 1 – 9 (3 STX days)
Vanuatu	Macro	Macroeconomic Frameworks Training	LTX – Beaumont STI	Jun 13 – 24 (10 LTX days)
	Revenue	Preparation of Substantial Economic Presence Legislation (remote from Australia)	STX – Burns	Jun 13 – Jul 31 (7 STX days)
	Revenue	Strengthening Audit (remote from New Zealand)	STX – Home	Jun 13 – 24 (5 STX days)

## July 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	GFS	GFS for GG operations	STX – Temes	Jul 25 – 29
Kiribati	Revenue	BEPS Inclusive Framework (remote from New Zealand)	STX – Velji	Jul 19 – Aug 9 (22 STX days)
Marshall Islands	PFM	Strengthening Budget Preparation (remote from Fiji and Australia)	LTX – Seeds STX – Higgins	Jul 4 – Aug 26 (10 LTX and 12 STX days)
Palau	Revenue	Tax Reform Bill Regulations (remote from Australia)	STX – Burns	Jul 25 – 29
Regional	Revenue	Planning Series for Senior Leaders - Operational Planning jointly with PITAA (remote from Fiji, New Zealand and United States)	STX – Ledua STX – Shrosbree STX – Vave	Jul 15 – 22 (6 STX days each)
Samoa	Revenue	Improve Debt Management (remote from New Zealand)	STX – Udy	Jul 25 – Aug 26 (15 STX days)
Solomon Islands	RSS	Develop system for production of Quarterly Activity Indicators (remote from Fiji)	LTX – Powell	Jul 1 – 29 (13 LTX days)
Tonga	FSS	Diagnostic and Developing Regulatory Framework for NBFIs (remote from Fiji and Albania)	LTX – Kumar STX – Kacani	Jul 4 – 29 (11 LTX and 5 STX days)
Vanuatu	FSS	Review of prudential and risk management standards (remote from Fiji and India)	LTX – Kumar STX – Sirin	Jul 13 – Aug 26 (17 LTX and 14 STX days)

## Meetings, Seminars, and Training

May – July 2022

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Revenue Administration	Leadership, Governance and Integrity (jointly with PITAA)	Virtual	STX – Shrosbree STX – Vave STX – Vivian	6	12	10	May 2 – June 10
	VAT Risks and Investigations (jointly with OCO and PITAA)	Virtual	LTX – Williams STX – Hamilton	3	27	60	May 31 – June 2
	Planning Series for Senior Leaders - Strategic Planning (jointly with PITAA)	Virtual	STX – Shrosbree STX – Vivian STX – Vave	6	8	14	June 16 – 24
	Planning Series for Senior Leaders - Operational Planning (jointly with PITAA)	Virtual	STX – Ledua STX – Shrosbree STX – Vave	6	14	16	July 15 – 22

## TA Reports Transmitted to Country Authorities & Pending Finalization

May – July 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
	Fiji	Internal Audit Charters	Prceвич	Jun-Aug 22	Not Finalized
	Kiribati	Draft PFM Act	McKenzie	Apr-22	Not Finalized
	Marshall Islands	Strengthen Budget Preparation	Seeds/ Higgins	Jul-Aug 22	Not Finalized
	Nauru	Agile PEFA Assessment	Lavea/ Seeds/ Uluinaceva/ Crooke	Mar-May 22	Not Finalized
	Niue	Review of PFMA	Lavea/ McKenzie	Nov-21	Not Finalized
	Niue	Draft Public Financial Management Act (PFMA)	Lavea/ McKenzie	May-Jun 22	Not Finalized
	Samoa	Internal Audit - Quality Assurance	Morrison	Jun-Jul 22	Not Finalized
	Tokelau	Strengthen Budget & Planning Process for Quality Spending	Lavea/ Keith	Apr-May 22	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	
<b>Financial Sector Supervision</b>	FSM	Banking Regulatory Reform	Hefty	Jun-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
	Kiribati	Establishing Financial Supervisory Authority	Kumar/ Twisleton	May-Jul 22	Not Finalized
	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/Henderson	Mar-Apr 21	11-Jul-2022
	Papua New Guinea	Prudential Standards - Development of Impact Study Templates	Kumar	Feb-Mar 22	Not Finalized
	Solomon Islands	SFEP-Financial Risk Analysis Process	Kumar	Apr-May 21	14-Jul-2022
	Solomon Islands	Review of Prudential and Risk Management Standards	Kumar/ Jones	Oct-Nov 21	Not Finalized
	Solomon Islands	Developing Regulatory Framework for NBCIs	Kumar/ Awayiga	May-Jun 22	Not Finalized
	Tonga	Financial Sector Diagnostic and review of select prudential standards	Kumar/ Awayiga/ Henderson	Aug-Oct- 21	Not Finalized
Tonga	Diagnostic and Developing Regulatory Framework for NBFIs	Kumar/ Kacani	Jul-22	Not Finalized	



TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Tuvalu	SFEP - Off-site Financial Risk Analysis Framework- Bank Risk Profile and Banking Sector Risk Reports	Jones	Feb-Mar 22	Not Finalized
	Tuvalu	Development of a Consolidated Prudential Standard for Commercial and Development Banks	Kumar	Mar-22	Not Finalized
	Vanuatu	Review of Prudential and Risk Management Standards	Kumar/ Sirin	Jul-Aug 22	Not Finalized
<b>Debt Management</b>	Palau	Develop high level debt management policy	Ferguson/ Boman	Feb-Mar 22	23-Jun-2022
	Papua New Guinea	Review of organizational structure TA	Robinson/ Buzas	Mar-22	Not Finalized
	Papua New Guinea	Medium-Term Debt Management Strategy	Andreoli Jr. / Presciuttini/ Vilanova Pardo	Jun-Jul 22	Not Finalized
<b>Macroeconomic Programming</b>	Fiji	VAT Modelling	Beaumont/ Seguin	May-22	15-Jul-2022
	Samoa	Tax Change Modelling	Beaumont	Feb-Apr 22	20-Jun-2022
	Tuvalu	GDP Forecasting	Beaumont	Mar-Apr 22	Not Finalized
<b>Revenue Administration</b>	Cook Islands	Develop Standard Operating procedures for Core Tax functions	Bell/ Field/ Vivian	Feb-Mar 22	16-Jun-2022
	Cook Islands	Review AEOI Process	Velji	Feb-22	23-Jun-2022
	Fiji	Review of ASYCUDA and Customs Processes	Kerswell/ Norkunas	Feb-Mar 22	26-Jul-2022
	Fiji	Review VAT Monitoring System	Fisher/ Hamilton	Mar-Apr 22	12-Jul-2022
	Fiji	Current State Assessment of Tax Administration	Shrosbree/ Topping/ Velji	Apr-22	Not Finalized
	Fiji	Review of People Capability and Culture	Williams/ Reardon	May-Jun 22	17-Aug-2022
	FSM	Tax Reform Modelling	Mullins	Feb-Mar 22	16-May-2022
	Kiribati	BEPS Inclusive Framework	Velji	Jul-Aug 22	Not Finalized
	Niue	Strengthen Core Tax Functions	Shrosbree	Sep-Oct 21	1-Jul-2022
	Niue	Implement Reform Process	Shrosbree	Feb-Mar 22	14-Jun-2022
	Palau	Implementation of Tax Reforms	Piper	Feb-Mar 22	24-Aug-2022
	Palau	Implementation of Tax Reforms	Piper	Jun-Jul 22	Not Finalized
	Samoa	Outsourcing Debt Collection	Field/ Udy	Jun-Jul 22	Not Finalized
	Samoa	Improve Debt Management	Udy	Jul-Aug 22	Not Finalized
	Solomon Islands	Implementation of Large Taxpayer Office	Shrosbree	May-Jun 21	9-Jun-2022
	Tonga	Development of POS guidelines	Fisher	Aug-Sep 21	24-Aug-2022
Tonga	Renewal of Compliance Improvement Strategy	Home/ Shrosbree	Oct-Nov 21	24-Aug-2022	
Vanuatu	Strengthening audit and audit skills development	Home	Feb-Mar 22	28-Jul-2022	

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Vanuatu	Develop Taxpayer Service Strategy	Lendon/ Vivian	Mar-Apr 22	28-Jul-2022
<b>Macroeconomic Statistics</b>	Fiji	Implement new annual benchmarks in QNA	Scheiblecker	Nov-21	Not Finalized
	Fiji	GFS for General Government Operations	Temes	Jul-22	Not Finalized
	FSM	GFS for General Government Operations	Temes	Oct-21	Not Finalized
	Marshall Islands	Implementing non-market production	Scheiblecker	Feb-Mar 22	13-Jun-2022
	Marshall Islands	GFS for General Government Operations	Temes	Set-Oct 21	Not Finalized
	Samoa	GFS for General Government Operations	Temes	Aug-21	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-22	Not Finalized
	Tonga	QNA compilation - Training	Scheiblecker	Apr-22	Not Finalized
	Tonga	Review QNA Progress	Powell	Jun-22	Not Finalized
	Tuvalu	Balance of Payments	Rikardsson	Mar-22	Not Finalized
	Tuvalu	Update National Accounts to 2021	Andrews	May-22	Not Finalized