# VANUATU.: FY18 Work Plan - May 2017 to April 2018 MID-YEAR UPDATE

| TA Area | Objective | Country | Outcome Targeted | Activity | Planned Inputs (in person-days) | | | # | Updated Inputs at Nov 1 (person-days - changes in red) | | | # | % of updated plan delivered at end-Oct | Delivery Status | Milestones | Comments | Experts |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | LTX | STX | Total | | PFTAC resident advisors | ST experts | Total | | | | | | |
| Financial Sector Supervision | 2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes | Vanuatu | 2.4 Strengthened institutional structure and operational and procedures for RBS implementation | RBS framework enhancement program. Diagnostic to assess effectiveness and efficiency of RBS framework and develop TA strategy and plan | 7 | 16 | 23 | 1 | 7 | 16 | 23 | 1 | 100% | May 2017 | i) RBS Framework Enhancement Strategy and TA Plan developed and initiated. October 2017 | Initial mission to determine current RBS implementation status and identify priority TA. Mission on-site undertaken. Finalization of mission work in progress. | Stefanou/ Expert |
| | | | 2.4 Strengthened institutional structure and operational and procedures for RBS implementation | RBS framework enhancement program. First follow-up mission from diagnostic. Focus to be on a key RBS component: Regulation; Risk Identification and Assessment; Risk Rating; or Supervisory Action Planning | 5 | 19 | 24 | 1 | 8 | 13 | 21 | 1 | 0% | April 2018 | i) Milestones for follow-up missions to be based on RBS Framework Enhancement Strategy and TA Plan | Continuation of RBS framework enhancement program. Mission scope determined by diagnostic mission. | Stefanou/ Expert |
| Macroeconomic Management | 1. Improved macroeconomic policy advice to government and central bank management | Vanuatu | 1.2 Sound medium-term macroeconomic framework | Support the use of the national framework for revenue forecasting in budget preparations and the Model of the Vanuatu Economy (MOVE) to produce economic projections. | 5 | - | 5 | 1 | 10 | - | 10 | 1 | 100% | Aug 21 - Sep 1 | (1) The Model Of the Vanuatu Economy is used in monetary policy settings and policy analysis (Apr. 18). (2) The national framework for revenue forecasting is used in budget preparations (Dec. 17). (3) Documentation on the MOVE is publically available (Apr. 18). | | Claus |
| | | | | Quantify the price and inflation effects of import duty reductions. | 5 | - | 5 | 1 | 5 | - | 5 | 1 | 0% | Apr 2018 | (1) Advice on revenue reform is empirically based (Apr. 18). | The element of the mission is part of the TA PFTAC has been providing to support the implementation of income tax in Vanuatu. | Claus |
| Public Financial Management | 3. Improve budget execution and control. | Vanuatu | 3.1 Budget execution and controls are strengthened | Strengthening Internal Audit | 0 | 20 | 20 | 2 | 2 | 20 | 22 | 2 | 0% | November 2017 | 1. Payroll and procurement manual developed by PFTAC by mid November, 2017  2. Auditors trained by PFTAC and using manual by end of November 2017. | Builds on 2016 TA, involves on and off-site work; LTX will participate in the discussion of next year's work plans of auditors, back to back with another mission. | Prcevich/ Marzan |
| Public Financial Management | 4. Improve coverage and quality of fiscal reporting | Vanuatu | 4.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced | Scoping mission for capacity development on accounting and reporting | 12 | 19 | 31 | 1 | 12 | 19 | 31 | 1 | 100% | July 3 - 12 | 1. Gap analysis, action plan developed by PFTAC and adopted by authorities by October 2017; 2. Staff trained on IPSAS application on July 2017. | Part of PFM Roadmap. | Marzan/ Uluinaceva |
| | | | 4.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced | Development of Accounting Manual | 0 | 21 | 21 | 2 | 5 | 21 | 26 | 2 | 50% | From October to November 2017 | Accounting Manual drafted and adopted by authorities by January 2018. 2. Staff trained on the manual by October 2017. | Involves on and off-site work. LTX will join the onsite mission. | Uluinaceva/ Marzan |
| Real Sector Statistics | 1. Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata. | Vanuatu | 1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination | Build independent compilation capacity | 14 | - | 14 | 1 | 12 | - | 12 | 1 | 100% | August 2017 | Relative to the baseline, the number of staff trained to compile and/or disseminate these statistics is adequate [RBM NA 3.1] by August 2017 | • Two new compilers trained on revised methodology, data collection, compiling rebased GDP estimates and dissemination of rebased GDP estimates (August 2017) • Returning compiler given more in-depth training on rebasing principles and procedures (August 2017) | Wild |
| | | | 1.4 Data are compiled and disseminated using the concepts and definitions of the latest manual/guide | Refine sources/methods; revive CPI/GDP rebasing plans | | | | | | | | | | | Relative to the baseline, deviations from 2008 SNA are reduced and/or eliminated [RBM NA 4.1] by February 2018 | • Review use of VAT data to estimate output and IC for various industries (August 2017) • Update estimates of GFCE from GFS data (August 2017) • Review and update the own-account construction model (August 2017) • Rebase of GDP(P) and GDP(E) to 2010 (February 2018) • Balancing to reduce discrepancy values (February 2018) | |
| Government Finance Statistics | 1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GF | Vanuatu | 1.9 Data are compiled and disseminated using appropriate statistical techniques, including to deal with data sources, and/or assessment and validation of intermediate data and statistical outputs. | Imbalances using various data sources to compile GFS are investigated and resolved. | | | | | | | | | | | • A process be initiated to reconcile currency and deposits and other financial balance sheet transactions causing data imbalances by December 2017. • A reconciliation of transactions in the net investment of nonfinancial assets between various source data causing statistical discrepancies be initiated by December 2017. [RBM – GO – 9.8] | Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated. | Expert |
| | | | 1.12 Higher frequency data has been compiled and disseminated internally and/or to the public. | Compile, review and disseminate data to the IMF Statistics Department. | - | 21 | 21 | 1 | - | 21 | 21 | 1 | 0% | Nov 6 - 17 | • Refine and update the annual and quarterly GFS compilation process in line with GFSM 2014 guidelines and disseminate the data for the IFS by December 2017. • Compile and disseminate annual data for BCG with completing the time series of the last five years (FY12-FY16) by December 2017. • Compile and disseminate consolidated general government annual data by December 2018. [RBM – GO – 12.1 and 12.3] | GFS for general government operations are compiled and disseminated on an annual / quarterly basis. | |
| Revenue Administration | 1. Strengthened revenue administration management and governance arrangements | Vanuatu | 1.1 Reform strategy and implementation governance framework adopted and institutionalized | Review overall reforms and governance framework. | 5 | - | 5 | 1 | 5 | - | 5 | 1 | 0% | Apr 2018 | Successful implementation of a reform strategy and governance framework to manage reforms. | Review overall reform progress and reform governance framework. | Shrosbree |
| | | | 1.2 Multi year reform implementation plan in place | Modernization project plan in place | - | - | - | | | 6 | 6 | 1 | 100% | Aug 14-19 | Modernization plan leading reforms with good project management principles in place | Modernization project established and governance framework in place | McNeill |
| | | | 1.2 Organizational arrangements enable more effective delivery of strategy and reforms | Strengthen organizational design (functional structure) | - | 18 | 18 | 1 | | 6 | 6 | | 100% | Aug 20-25 | Organizational structure in place and suitably staffed by 12/31/2017. | Vanuatu recently introduced a new function based structure under PFTAC guidance – additional TA is to refine the model | McNeill |
| | | | 1.1, 1.5 Reform implementation plan adopted/mitigation of risks through a CIS | Further strengthen compliance risk management. | 12 | - | 12 | 1 | 10 | - | 10 | 1 | 100% | July 10-19 | Reform Strategy in place/Risk based compliance improvement strategy institutionalized and supported by a governance framework in line with TADAT dimensions by 12/31/2017. | A reform plan has been implemented and reviewed with progress/a compliance improvement strategy and has made some progress – TA will help institutionalize the approach. | Shrosbree |
| Revenue Administration | 2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities | Vanuatu | 2.3 Larger proportion of taxpayers meet their filing obligations as required by law | Improve on-time filing rates over time. | - | 15 | 15 | - | - | 4 | 4 | - | 100% | Aug 26 - Sept 1 | On-time filing operating at improved efficiency levels in line with TADAT dimensions and showing improvements by 12/31/2017. | Progress has been made to improve on-time filing with more work required to improve internal business processes. | McNeill |
| | | | 2.4 Larger proportion of taxpayers meet their payment obligations as required by the law | On-time payment compliance and management of arrears improves over time. | | 15 | 15 | | - | 3 | 3 | | | | On-time payment improvements demonstrated and in line with TADAT dimensions by 12/31/2017. | Vanuatu requested additional TA after an environmental scan showed opportunity to improve on-time payment ratios. | |
| | | | | Original Plan Total Days: | 65 | 164 | 229 | 14 | | | | | | | | | |