Pacific Forum on Sustainable Development & Capacity Building: inputs from PFTAC

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SDGs and the IMF

Which SDGs do the work and mandate of the IMF mostly contribute towards?

- **SDG8: promoting sustainable and inclusive growth**
  - The SDG that is most closely aligned with role and objectives of the IMF as an international institution focused on national macroeconomic issues and regional and global interconnections and spillovers.
  - A sound macroeconomic environment with strong institutions support robust, inclusive, sustainable growth

- **To varying degrees of direct impact, the work of the IMF supports progress towards:***
  - **SDG1: eradicating poverty** – inclusive and sustained growth lifts more out of poverty
  - **SDG5: achieving gender equality** – for example, greater Female Workforce Participation can contribute to higher growth and other better outcomes
  - **SDG10: reducing inequality** – growth is constrained if not inclusive
  - **SDG13: controlling Climate Change** – a macro critical issue
PFTAC and Capacity Development in the Pacific

- CD is one of three core IMF mandates along with Surveillance and Lending

- **PFTAC established in 1993**: first IMF Regional Technical Assistance Center and now one of a network of 17 RTACs

- **PFTAC is the IMF’s main vehicle to deliver Capacity Development (CD) in the Pacific** comprising Technical Assistance and Training

- **Based in Fiji** serving 13 IMF member countries and three New Zealand territories

- **Demand Driven** through a team of resident and short-term experts in core programs:
  - Fiscal: Public Financial Management (PFM) and Revenue Policy and Administration
  - Macroeconomic Statistics: Real Sector, External Sector, GFS
  - Financial Sector Supervision
  - Macroeconomic Programming and Forecasting
COVID: Uninterrupted PFTAC Operations

PFTAC operations pivoted in March 2020 in response to the COVID-19 crisis:

- **Remote Operations:** from March until gradual return to office since August with all TA and training (other than in Fiji) delivered virtually, and likely to continue into 2021

- **What we have done and where since May 2020:** 47 missions plus 7 regional training events delivered remotely to 14 of 16 PFTAC member countries to end-October; top 5 beneficiaries so far: Samoa (9 missions); Tonga (7); Marshall Islands (5); Solomon Islands (4); and Cook Islands (4)

- **Pivoting to COVID:**
  - Work programs usually have a medium-term horizon with outcome achievements several years out
  - All TA is demand-driven, but flexible and nimble to respond to newer, more urgent needs
  - Collaborate closely with development partners (like ESCAP) to maximize comparative advantages and competencies for best result for the client
How is PFTAC helping respond to COVID-19?

Using a simple scoring system, we have classified all FY2021 activities as follows:

1. **Not COVID-19 related**

2. **Indirectly COVID-19 related** – while the objective of the TA is unrelated to responding to the COVID-19 crisis, indirect benefits to the response may result, e.g. inflation forecasting.

3. **Moderately COVID-19 related** – while the original objective of the TA is unrelated, the impact and benefits are more directly related to responding to the crisis. Examples include cyber risks for financial sector supervision, training on fiscal frameworks.

4. **Predominantly COVID-19 related** – possibly in direct response to a request from the authorities, or existing work that is already strongly correlated to the crisis response or is after some recalibration. Examples include Quarterly National Accounts, post-COVID taxpayer compliance, cash management.
Post-COVID and the Future

Future Priorities:
- Even more emphasis on recent work, particularly around PFM, Public Investment Management, Revenue Mobilization, fiscal risks, more timely statistics, and financial stability
- Sustainability and management of rising levels of debt a future focus
- Climate Change challenges, such as access to climate financing and public investment

Drawing on Recent/Forthcoming Reviews:
- Mid-term external PFTAC evaluation now wrapping-up, draft report before Christmas
- Sept 2020 IMF Working Paper review of PFM Reforms in Pacific since 2010
- IMF Independent Evaluation Office Review on Small Island Developing States due in 2022

PFTAC and the Future:
- Fifth phase ending in 2022 (scheduled April)
- Extension to October 2022 from COVID travel savings and new donor with contribution from United States
- Strategy and design of Phase VI to launch in 2021 (Steering Committee in May) to produce a Program Document by late-2021 for fund-raising ahead of November 2022 start of 5-year phase through end-2027
Thanks, and any questions?