



Asia & Pacific SMALL STATES MONITOR

April 2019

Issue 10

In this issue of the APD *Small States Monitor*...

Unique challenges faced by small states have often led to low growth and a high degree of volatility. We highlight the work of Fund in the region as we jointly focus on addressing these challenges.

A resumption of oil production in PNG drives a rebound in 2019 whereas buoyant fishing revenues, tourism and reconstruction activity contribute to growth in other states

We report on PFTAC's 25th Anniversary celebrations in December 2018. Deputy Managing Director Carla Grasso joined the events. Former Prime Minister of New Zealand and Head of UNDP, Helen Clark joined as the Guest of Honor. We feature excerpts from her interview.

At a meeting in Central Bank Governors affirm their commitment to leverage technology to deepen and enhance the efficiency of financial systems.

We share a note prepared by staff on 'Central Bank Digital Currency and other forms of Crypto-assets' in response to inquiries from member countries.

It's been a busy time for the Resident Representative Office in Fiji. Leni Hunter shares on three management visits to the region in the second half of 2018.



DMD Grasso with PFTAC 25th Anniversary Winners of the Photo and Essay Youth Competition

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The analysis and policy considerations discussed in this publication are those of the IMF staff and do not represent official IMF policy or the views of IMF Executive Directors or their national authorities.

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Key Policy Challenges and IMF work in the Pacific

Raising long-term growth and generating resources to reach Sustainable Development Goals (SDGs) remain key challenges in the region. Pacific Island Countries (PICs) face unique challenges due to their small size, remoteness and high vulnerability to natural disasters and climate change. Additionally, most countries in the region face large infrastructure gaps and expenditure needs to reach the SDGs. Growth has been uneven and opportunities vary by country. Some could benefit more from tourism, others from natural resources, either nonrenewable minerals, or renewable resources such as fisheries and forests. Policy focus is needed to take advantage of new opportunities, growth aspirations and attaining the SDGs including by balancing competing demands on resources and sources of financing.

The Fund is working with the small states to address these specific challenges. In most countries, policy advice during the Article IV missions has focused on strengthening fiscal management, broader macro stability, institutional reform and strengthening buffers to smooth the effects of shocks. Putting in place the right policies is difficult in countries which have huge spending needs and limited ability to mobilize the necessary resources. In this regard, solutions have been tailored to individual country characteristics including by closely aligning discussions under Article IV surveillance with capacity development needs.

An Overview of the focus of Surveillance, Capacity Development and Training in the Region

Country Surveillance
<ul style="list-style-type: none"> • Integration with Capacity Development: for example, for Solomon Islands, PFTAC staff overlapped with the Article IV mission and followed up on revenue mobilization, public financial management, and the financial sector. • Adjusting for Natural Disasters: a working paper <i>The Economic Impact of Natural Disasters in Pacific Island Countries: Adaptation and Preparedness</i>, published in May 2018 proposes a consistent method to adjust macroeconomic projections and debt sustainability analysis to take into account natural disaster shocks. • Non-Technical Summary for Cabinet: in response to a request from member countries, the Samoa team prepared a summary of Article IV discussions the end of the 2019 Article IV. This will be rolled out to all PICs. • Note on Central Bank Digital Currency: included in this publication • Paper on Correspondent Banking and Paper on Fintech
Capacity Development & Tailored Training
<ul style="list-style-type: none"> • Scaling up revenue mobilization: IMF review of tax reforms in the region provides a guiding framework • Joint CARTAC/PFTAC workshop: for officials from the Pacific and Caribbean countries held in July 2018 to discuss challenges and share experiences. • Macro-training (PNG/Solomon Islands): tailored to country needs • More tailored training on Fiscal Sustainability for Low Income Countries, Debt Sustainability Analysis, and AML/CFT. • Roundtables on Correspondent Banking to facilitate dialogue among all parties to achieve practical solutions. • Strengthening member country capacity to effectively implement AML/CFT and regulatory and supervisory frameworks in line with international standards.

Recent Developments and Near-term Outlook

Growth slowed in the Pacific island countries (PICs) in 2018 due to the impact of the earthquake in PNG. At the individual country level, some experienced strong growth supported by tourism and fisheries sectors. Fishing revenues have performed well with the higher license fees and higher activity through the Nauru agreement and tourism has been robust benefiting from sustained arrivals from New Zealand and Australia as well as arrivals from new markets (China). In other countries, weather-related disasters hampered growth, notably Tonga, while a major earthquake in Papua New Guinea reduced growth to zero. Inflation in the region remained low, reflecting exchange rate stability and weak import prices.

Spending pressures have increased in some countries. Rising spending needs have partly offset revenue gains (from fishing licenses in Kiribati for instance). In some countries, the increase in spending reflects post cyclone reconstruction (Tonga) but in others it is due to increased spending on goods and services (for example Samoa) and an expansion of the wage bill (PNG and Kiribati). For Timor-Leste, capital spending is expected to resume after a sharp contraction in 2018. Fiscal balances have deteriorated and are generally projected to decline this year despite steady or higher growth, implying a more expansionary stance.

The setting of a slightly more expansionary fiscal stance is against a backdrop where debt has risen in some countries. Debt ratios vary across countries, the vulnerability of the region to natural disasters underscores the need to maintain significant fiscal space to cope with such disasters. As noted above, fiscal positions are projected to weaken with higher spending in many states. In some instances, there are good reasons to raise borrowing (especially on concessional terms) to reduce infrastructure gaps and build resilient infrastructure. However, it reflects in some cases a legacy of weak enforcement of fiscal rules.

For 2019, growth in the region is expected to pick up though with significant variation among countries. Resumption of PNG's oil production following disruption in 2018 due to the earthquake drives the rebound. Whereas reconstruction and recovery from Cyclone Gita is expected to boost growth in Tonga. Tourism is positive factor for Fiji, Samoa and Vanuatu. Continued buoyancy of fishing revenues and infrastructure related investments will also boost growth in other economies.

Short-term risks are tilted to the downside. As observed over the years, natural disasters can dramatically cut growth in individual countries and across the region. This is an ever present risk. In addition, global growth momentum has been easing, and trade in some key Asian economies has slowed recent months. If sustained, the slowing of growth in Asia could dampen tourism earnings in the region, as well as slow growth, indirectly, if the Australian and New Zealand economies experience significant spillovers from Asia.

Long-term trends add to macroeconomic challenges in the region. These include the impact of climate change, non-communicable diseases, and demographic shifts due to outward migration. These risks weigh on long-term growth prospects. For instance, Tuvalu estimates that it is already spending about 10 percent of GDP a year on non-communicable diseases (including though sending patients abroad for treatment).

Regional Developments and Outlook

APD Small States: Real GDP
(Year-on-year change; in percent)

	2018	2019 (proj)	2020 (proj)	2021 (proj)
Bhutan	5.8	4.8	6.3	6.0
Fiji	3.2	3.4	3.3	3.3
Kiribati	2.3	2.3	2.3	2.0
Maldives	7.0	6.3	5.5	5.5
Marshall Islands	2.4	2.3	2.0	1.8
Micronesia	2.1	1.2	0.7	0.7
Nauru	-2.4	-1.0	0.1	0.7
Palau	0.4	2.0	2.5	2.2
Papua New Guinea	0.0	3.8	3.1	3.6
Samoa	0.9	3.4	4.4	2.2
Solomon Islands	3.4	2.9	2.8	2.7
Timor-Leste ¹	0.8	5.0	4.8	4.8
Tonga	1.8	4.6	4.9	3.8
Tuvalu	4.3	4.1	4.4	4.2
Vanuatu	3.2	3.0	2.8	2.8
APD small states and Pacific islands ²	2.2	4.2	4.0	4.1
Small Pacific island countries ^{2, 3}	2.8	3.2	3.3	3.0

1/ Non-oil GDP; 2/ Weighted average by PPPGDP;

3/ Includes Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Opportunities for the future

Increasing interconnectedness is offering new growth opportunities to the region. The wave of investment in undersea cables and other modern communications infrastructure, supported by the ADB, the World Bank and development partners, has the potential to boost productivity and inclusion in the region. Whereas most PICs were not connected to modern, cabled internet in 2010, the situation is rapidly changing and by 2020 the region will be almost completely connected, with some further investments needed to extend networks to more remote islands.

Strong regulatory environments and adequate infrastructure are needed to reap the benefits of increased connectivity. PICs should align their future budgets with investments that will support countries to derive the most from technology. Countries will require adequate supporting infrastructure including electricity, investment in education, and a strengthened business environment to promote innovation and competition. In addition, strong regulatory and legislative frameworks are needed to create enabling environments for businesses to invest, and consumers are confident to take-up new technology.

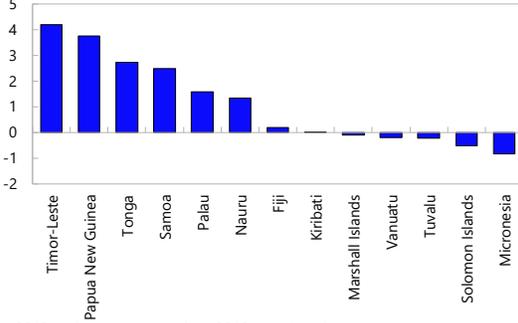
Regional approaches could provide opportunities for Pacific Island countries to benefit from economies of scale and shared knowledge in four areas. Collaboration through the Parties to the Nauru Agreement has helped to regulate tuna fishery and increase fishing revenues in member countries. Coordination on financial inclusion at the regional level is promising. There is scope for better collaboration in tourism to generate economies of scale—through joint marketing of tourism products and better coordination among airlines.

Regional Developments and Outlook

Regional growth expected to improve in 2019

Real GDP Growth Projections - 2019 compared to 2018

(In percentage point)

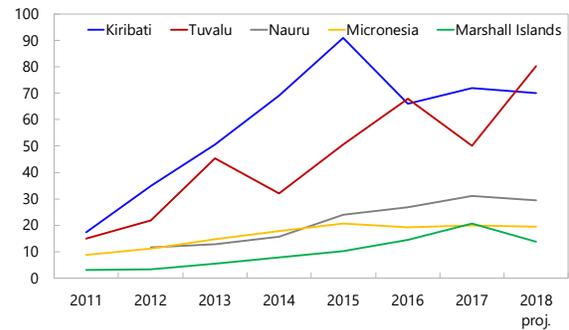


Note: 2019 projected growth minus 2018 growth estimates.
Sources: WEO.

...benefiting from increased fishing revenue

Outlook on Fishing Revenue in the Pacific

(Fishing revenue in percent of GDP)

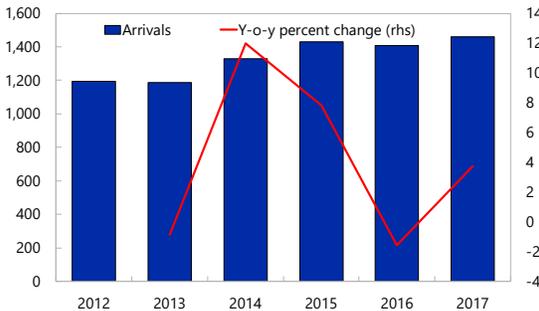


Sources: Countries authorities, and IMF staff projections.

Tourism outlook remains positive

Visitor Arrivals in Selected Pacific Island Countries

(In thousands of persons)

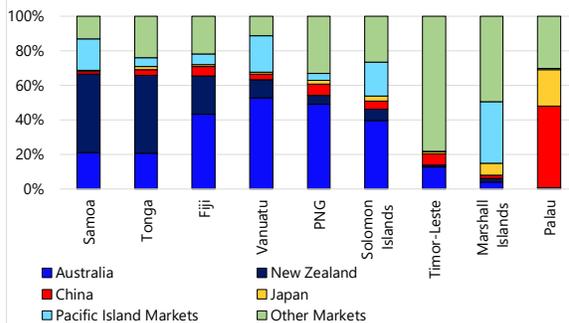


Note: Includes Fiji, Samoa, Palau, PNG, Solomon Islands, Tonga and Vanuatu.
Sources: South Pacific Tourism Organisation (SPTO).

...with Australia and New Zealand being important markets

Share of Visitor Arrivals, by Source Markets

(In percent of Total Arrivals)

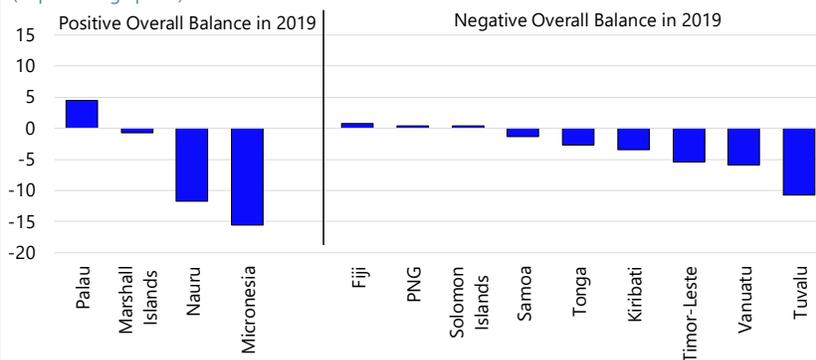


Source: South Pacific Tourism Organisation (SPTO).

Fiscal position projected to weaken

Change in Overall Balance as a percent of GDP between 2018 and 2019

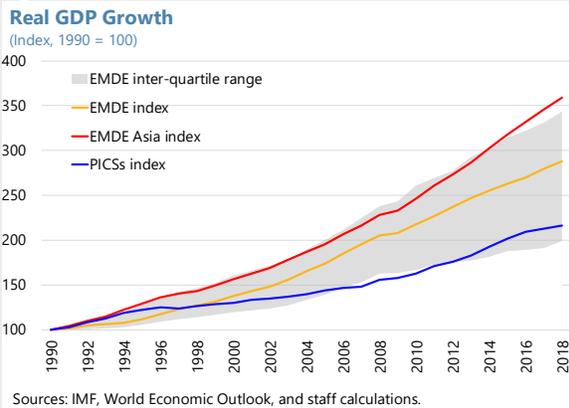
(In percentage point)



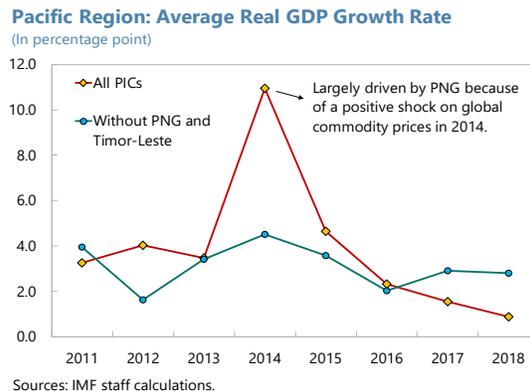
Note: 2019 projections minus 2018 estimates.
Source: WEO.

...due to higher spending

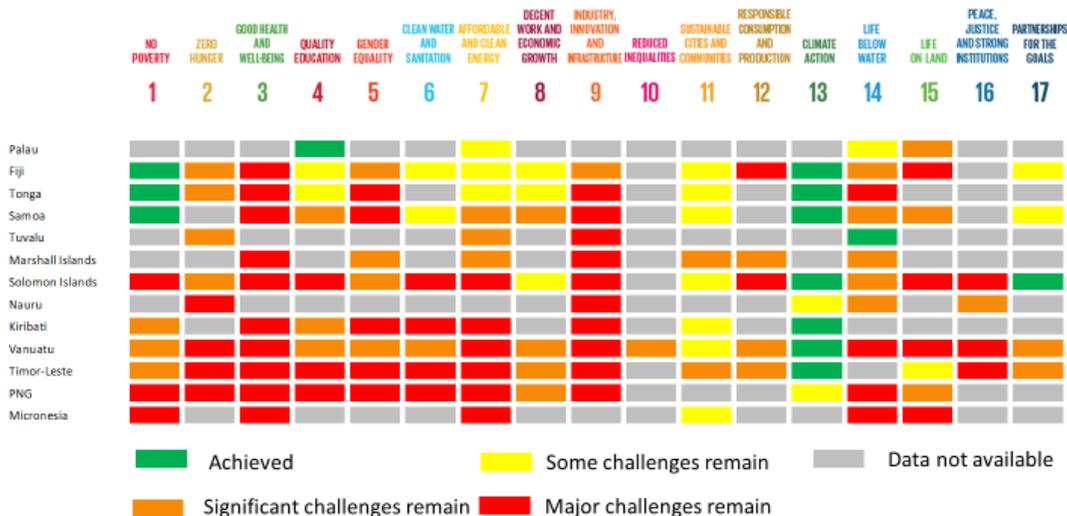
Overall, growth in the Pacific still lags that of other regions



...and growth has been volatile



There is a lot more to do to reach the SDGs

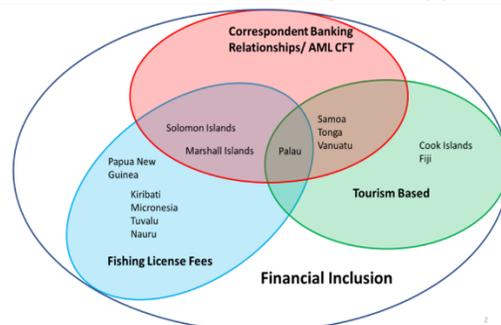


Increased connectivity could offer more growth opportunities



Regional approaches could offer opportunities to benefit from economies of scale and shared knowledge

Pacific Island Countries: Regional Approaches



Prepared by IMF Staff.

25th Anniversary of the Pacific Financial Technical Assistance Training Centre

'Happy Birthday to PFTAC, congratulations on a job well done, and my best wishes for another successful 25 years.' DMD Grasso in her remarks at the PFTAC 25th anniversary event.

In December 2018, a high-level dialogue and workshop celebrated PFTAC's 25th Anniversary—as the first technical assistance center established by the IMF. The dialogue's theme was *Capacity Development (CD) and Growth*. The events highlighted the role of IMF's CD in contributing to countries efforts to make the best of growth opportunities, build resilience to natural disasters, and attain the Sustainable Development Goals (SDGs). A short video was premiered of Fiji's effective use of PFTAC support to mobilize revenue to provide medical services to its citizens:

<https://www.pftac.org/content/dam/PFTAC/Videos/PFTAC25years.mp4>

DMD Grasso gave an opening speech at the event, held bilateral meetings, met with development partners and women leaders in Fiji, and made donations to two charities on behalf of the IMF Giving Campaign. DMD Grasso also acknowledged the long and dedicated service of Ms. Nina Samuela (pictured right) who has been a local Fund employee for the past 25 years, from the first day of PFTAC's existence.



The event brought together ministers, central bank governors and other financial sector regulators, heads of finance ministries, revenue agencies, and statistical offices. Development partners were well represented including all five PFTAC donors and the World Bank. The event was preceded by a three-day workshop for technical staff.

The opening session of the high-level dialogue *Growth Opportunities for the Pacific and Achievement of the Sustainable Development Goals (SDGs)*, set the stage for discussions at the conference. The distinguished panel was chaired by Honorable Aiyaz Sayed-Khaiyum, Acting Prime Minister, Attorney General and Minister for Economy in Fiji and included Honorable Maatia Toafa Deputy Prime Minister and Minister of Finance and Economic Development, Tuvalu; Honorable Sili Epa Tuioti Minister of Finance, Samoa; Robert Utz from the World Bank, and Mr. Kolone Vaai, of KVA Consulting Samoa.

The youth were also represented at the conference. The DMD acknowledged the important role of the youth in her remarks:

'I am also excited that we have young people amidst us at this conference. Our decisions affect their future – so the IMF has regular conversations with youth about issues they care about.'

The DMD presented awards to winners of two youth competitions showcasing success stories on development and growth in their home countries.

(Picture: Mr. Binsar de Jesus from Timor-Leste receiving his award from DMD Grasso with Governor de Vasconcelos of Banco Central de Timor-Leste present).



25th Anniversary of the Pacific Financial Technical Assistance Training Centre

- The photographic competition targeted youths aged between 16-24 years. The topic was to provide a photograph of 'a success story which is raising living standards for everyone'. The competition was run through social media. Recognition and prizes were awarded for entries from Fiji, Solomon Islands, and Timor-Leste.
- The essay competition targeted students in the final two years of high school in the 16-18 age group. It required a short essay of up to 500 words. The topic was the same as the photography competition: 'a story on raising standards of living for everyone'. The competition was open to schools in the Nadi area, to enable winning students and their teachers to easily attend the conference and be recognized for their efforts.

DMD Grasso's presence in Fiji reinforced the commitment the IMF attaches to PFTAC and CD in the region.

'Strong economic institutions are crucial to the long-term development and resilience of a country. So, the IMF will continue to work with countries to provide technical assistance and training, enabling countries to formulate and implement policies that improve inclusive growth and create jobs.'

One on One Conversation with Helen Clark, Former Prime Minister of New Zealand and Former Head of UNDP with Robin Harding, FT, Tokyo, PFTAC 25th Anniversary

The highlight of the two-day event was a thought provoking hour-long conversation between Ms. Helen Clark, the former Prime Minister of New Zealand and former head of the United Nations Development Program (UNDP), and the Financial Times Tokyo Bureau Chief, Mr. Robin Harding.

The discussion spanned a wide range of topics—multilateralism, SDGs; addressing development issues in the Pacific including challenges of climate change; strategies to raise growth; debt sustainability; gender equality and challenges facing aspiring women leaders (the interview can be viewed at: https://www.facebook.com/FijiPFTAC/videos/283976758953830/?_rdc=1&_rdr).



Ms. Clark sees the Pacific as an area of significant geopolitical interest which brings advantages and disadvantages. She advises careful investment and debt management. The support of multilaterals like the IMF, World Bank and ADB is important as policymakers chart their economic course.

In her view, the SDG goals are too numerous, not concise and many cannot be measured; as head of UNDP, she advocated for a small set of concise and measurable goals. Prioritization is needed, and an opportunity to prioritize may arise when a report on progress is discussed at the High-Level Political Forum at the UN General Assembly in September 2019. For the Pacific small states, Ms. Clark singled out health, especially non-communicable diseases; climate change; oceans and jobs for the youth in small states as the most important goals.

On growth opportunities for the Pacific, Ms Clark highlighted the presence of affluent markets and big developing economies in the region, presenting opportunities for developing high value-added activities such as eco-tourism. In addition, improved connectivity, will offer countries with higher education skills to expand business in the digital economy and access to new markets.

Ms. Clark advised countries to build capacity to grow their economies, assess and collect tax, and strengthen anti-corruption measures to raise the revenue take. Whereas development financing has a role, seeking concessional financing is advisable to maintain prudent debt levels—borrowing should be at a level that does not result in debt distress or result in cut backs on the fundamentals of education, health services, basic water and sanitation.

Ms. Clark called for sustained efforts in tackling climate change. For small island states, adaptation is much more important than mitigation and the needs are huge. However, commitments to the Green Climate Fund is way off course—the \$100 bn that was promised in Paris by 2020 is not materializing, the GCF it is only at \$10 bn (commitments).

Finally, Ms Clark welcomed the broader agenda in the work of the Fund—climate change, gender, and resilience. The broader understanding of fiscal risks is a substantial improvement. She called on IMF staff to understand the context, the people and the need for fiscal space in the countries on which they work and an acknowledgement that it may not be possible to solve problems in two years in small countries, but progress should be welcomed even if the pace is slow.

The Central Bank Governors of the South Pacific Region met in Samoa in November

2018. At the end of the meeting the Governors announced a Samoa Commitment for the Pacific Islands:

"We the Pacific Central Bank Governors affirm our intention to leverage information technology to deepen and enhance the efficiency of our financial systems, so as to best support economic development and inclusion in our region.

The specific strategic initiative agreed to at the meeting is to lead the development of a regional 'know your customer' facility and associated regionally-linked payment and settlement arrangements.

We believe leadership from the Governors is necessary to bring a timely solution to a critical component of regional infrastructure. We will be looking to coordinate relevant international agencies, and private sector banks and service providers, to partner in this important initiative."

Full press release attached:

<https://www.rba.gov.au/media-releases/2018/mr-18-30.html>

Seminar on FinTech and Financial Inclusion in Samoa on November 13, 2018

The Governors meeting was preceded by a Joint IMF, ADB and Bank of Samoa workshop on Financial Inclusion and Fintech organized by Mr. Siegfried Steinlein and Mr. Masud Nizami (ADB). IMF staff Mr. Kenneth Kang, Deputy Director Asia Pacific Department, Alison Stuart, Division Chief Small States Division, Asia Pacific Department; Tomasso Mancini Griffoli, Deputy Division Chief (MCM); David Kloeden, PFTAC coordinator and Ben Stefanou, PFTAC Long Term Expert participated in the event.

The IMF's Regional Office for Asia and the Pacific, in cooperation with the ADB and Central Bank of Samoa, organized a seminar on FinTech and Financial Inclusion in the Pacific. Discussions prioritized fostering financial inclusion by closing basic infrastructure gaps in electricity and telecommunication and taking regional approaches towards digital IDs, Know Your Customer (KYC) utilities, innovation hubs and the assessment of crypto asset proposals by third parties. On this and on cross border remittances, PIC authorities were looking for a roadmap of concrete steps, supported by the Fund's assistance.

Speakers were mostly from outside the region and shared rich global experience, ranging from traditional to cutting-edge FinTech, i.e. from mobile payments to private crypto assets and CBDC. A presentation on MPesa by former Kenyan Central Bank Governor Njuguna Ndung'u drew particularly wide interest. The seminar also had a strong regulatory component, provided by Tommaso Mancini Griffoli (MCM) and speakers from the US Federal Reserve, the Philippine and Thai central banks, and Australian Securities and Investment Commission (ASIC). The audience consisted mainly of governors and other delegates to the subsequent South Pacific Central Bank Governors' meeting on November 14/15. Some commercial banks and MTOs were also present.

Central Bank Governors Meeting

Expanding basic infrastructure is a priority for lifting the low financial inclusion rates in the Pacific Island Countries via mobile financial services. Greater internet connectivity will also facilitate the addition of mobile financial services beyond payments. Aligning incentives and fostering partnerships between incumbents, new players and the public sector will be important. Regional coordination towards developing basic infrastructure would also help scale up market size – a factor that could raise returns to investing and servicing the Pacific. In a similar vein, coordination among development partners is crucial. A first, basic priority would be to develop digital national IDs that could adhere to commonly recognized standards across the region. This could then lead to a regionally coordinated approach to Customer Identification Program—Know Your Customer (KYC) requirements. Regional innovation incubators, initially focused on digital IDs and KYC, could also help promote domestic sources of FinTech activity. On the demand side, strong consumer and investor protection will help maintain and build trust in FinTech. After basic requirements are met, cutting-edge FinTech solutions for financial inclusion and cross-border payments could be considered.

Agenda and presentations can be found at:

<https://www.imf.org/en/News/Seminars/Conferences/2018/11/24/joint-cbs-imf-ADB-regional-seminar-on-fintech>



Joint CB-IMF-ADB Regional Seminar on Fintech and Financial Inclusion in the Pacific Island Countries, Samoa



Kenneth Kang, Deputy Director, APD, at the Central Bank Governors Meeting in Samoa

CBDC vs. Sovereign Cryptocurrencies, LEG, MCM, & RES

**SPECIAL
TOPIC**

Central Bank Digital Currency and How it Differs from A Crypto-Asset

This note responds to inquiries raised in discussions with member countries to explain the differences between central bank digital currency (CBDC) and crypto-assets. The note first reviews the design, functions and uses of CBDC, then summarizes its potential benefits and risks. Next, privately issued crypto-assets are discussed, emphasizing their limitations and risks. It concludes by underscoring differences between CBDC and crypto-assets, including those that have been recognized as legal tender by some governments. The note is intended for information only to provide a summary of salient issues, without going into technical or implementation details. It is not proposing that countries adopt a particular policy stance with respect to central bank digital currency, since the feasibility and desirability of central bank digital currency will differ depending on the country specifics and importantly on physical infrastructure and IT connectivity in the countries concerned.

A. Central Bank Digital Currency

What is a central bank digital currency?

A central bank digital currency (CBDC) is a widely accessible digital form of fiat money that could be used as legal tender. Like cash, it is a central bank liability, denominated in the same unit of account as the legal tender, and is part of the monetary base. CBDC is discussed in more detail in a 2018 IMF Staff Discussion Note.¹

This note focuses on retail CBDC, a potentially universally accessible form of money available for all types of transactions including person-to-person, person-to-business, and business-to-business transactions, in any amount, more readily than cash.²

¹ Mancini-Griffoli and others (2018), "Casting light on central bank digital currencies," IMF Staff Discussion Note 18/08, November.

² A wholesale CBDC is also possible and arguably already exists in the form of central bank reserves available only to selected banks for final inter-bank settlement.

CBDC could be account- or token-based. The former involves the transfer of a claims recorded on an account. A transaction in account-based CBDC would resemble today's transactions between commercial bank depositors, except that in the case of the CBDC the account would ultimately be held with the central bank (even if it could be administered by a commercial bank). An important difference between an account-based CBDC and an account with a commercial bank relates to the credit or default risk associated with the two types of institutions issuing these liabilities. Because the central bank issues CBDC, there would be no default risk associated with an account with the central bank. This is not true in the case of deposits with commercial banks since there is a risk that, if a bank becomes insolvent or illiquid, its depositors might lose access to their funds. Of course, if there is a credible and well-funded deposit insurance system, and a strong prudential regulatory framework, such risk may be largely mitigated. But this may not be the case in numerous jurisdictions.

A token-based CBDC transaction would entail the direct transfer of electronic tokens from payer to recipient wallets. Token verification and settlement could be centralized or decentralized, depending on the technology used. Distributed ledger technology (DLT) could potentially allow for decentralized settlement. However, the technology is still developing and currently falls short in scalability, energy efficiency, and payment finality. Central banks would likely prefer a closed ("permissioned") network managed by themselves. Other types of centralized settlement technologies would likely prove more efficient.

Why would central banks consider introducing CBDC? What are the benefits of CBDC?

Central banks are considering introducing CBDC for a variety of reasons. In advanced economies, rationales include offering an alternative means of payment given the declining use of cash and mitigating the operational risks and distortions associated with the growth of private payment monopolies. In emerging market economies, an important goal in introducing CBDC may be to foster financial inclusion by reaching out to the unbanked segments of the population, although in many cases cell-phone mobile money transfer and peer- peer systems perform a similar function. Some central banks also cite reducing the costs and risks associated with the distribution of physical cash. Other means exist to help satisfy some of these goals, though issuing CBDC in some cases may be the most direct or effective solution. Work is currently being undertaken to evaluate costs and benefits of alternative approaches.

While there are potential motivations for introducing CBDC, it is too early to draw firm conclusions on the net benefits of CBDC and there is no universal case for adoption. Benefits will depend on country circumstances and on the design of CBDC, such as the degree of anonymity (transaction traceability), transaction and holding limits, and interest earned.

End-user demand will depend on the attractiveness of alternative forms of money. Legal tender legislation—whether merchants and private-sector parties are obligated to accept CBDC—is also relevant. In advanced economies where high-value transactions are performed through financial institutions, there may be scope for CBDC to substitute for cash in small-value transactions. But it will be hard to beat commercial bank deposits in countries that offer 24/7 fast payments services including cheap and immediate settlement of funds, especially considering that banks can offer

clients extra services (e.g. credit). To some extent, mobile (and online) payment operators as PayPal, PayTM, AliPay and WePay will also compete with CBDC on convenience and speed of settlement.³

In countries with limited banking sector penetration and inefficient settlement systems, CBDC may be more attractive to users, especially in the absence of other reliable payments service providers, although the presence of a network, means of transfer and reliable connectivity would be pre-requisites.

CBDC may also help meet other public policy goals. Not only could it reduce the costs stemming from cash maintenance and distribution, and promote financial inclusion, but also it could also protect consumers and strengthen the stability of payment systems where regulation does not adequately contain private monopolies.

Monetary policy transmission is unlikely to be significantly affected and may even benefit from greater financial inclusion with CBDC adoption. Interest-bearing CBDC would eliminate the effective lower bound on interest rate policy, but only with constraints on cash usage.

What are risks and costs of CBDC?

CBDC could raise significant financial integrity risks, as it could be misused for criminal purposes (e.g. money laundering, terrorist financing, or other crimes). Risks will vary greatly depending on the design features of CBDC. If CBDC were to be entirely anonymous or pseudonymous,⁴ it would provide no or little improvement over physical cash and could prove more vulnerable than current noncash funds transfer systems. No central bank, however, is likely to offer fully anonymous CBDC, unless there is proven lower risk of misuse, for example through strictly enforced very low transaction limits.

To mitigate such risks, strong anti-money laundering and combating the financing of terrorism (AML/CFT) measures should be implemented. These include for instance effective identification of the user and beneficial owner, transaction monitoring and reporting of suspicious transactions. The users' legitimate rights to privacy can still be respected (e.g., by ensuring that user identity is not available to unauthorized third parties) as long as they do not impede effective AML/CFT action.

Importantly, many questions remain unanswered at this stage, such as who should implement the AML/CFT measures in the context of a CBDC.

Account-based CBDC could increase bank funding costs and lending rates, as banks compete to retain customer deposits or substitute these for other type of liabilities. CBDC could also intensify the risk of a run on bank deposits in some circumstances.

Moreover, the management of operational and reputational risks arising from digital infrastructure malfunctions or cyberattacks are also likely to be challenges.

What are some open questions associated with CBDC?

CBDC is new and there are many questions surrounding not only its potential benefits, but also its implementation.

³ Stored value facilities provide private e-money to users against funds received and placed in custodian accounts. Transactions occur between electronic wallets installed on handheld devices, can be of any size and are centrally cleared, but are restricted to participants in the same network.

⁴ For instance, ownership identity is linked to an IP address which does not reveal the true name and identity of the owner.

Important legal and regulatory questions will need to be resolved. How and who should implement AML/CFT measures to mitigate the financial integrity risks? What will be the legal status of CBDC? What will be central bank's mandate with regard to CBDC?

Operations raise multiple issues. The technical feasibility of introducing CBDC must still be evaluated, and costs better understood. In part, central banks would have to determine the degree of outsourcing. Most pilots to date have outsourced key operations, albeit under close supervision. These include digital note production, ledger maintenance, electronic wallet provision, "storefront" operations, and help desks.

Robust governance and risk management standards would have to be developed. For example, CBDC issuance will put a premium on state-of-the-art cyber risk management, given the huge operational and reputational risks involved.

Cross-border implications of introducing CBDC are particularly challenging. For example, how might central banks cooperate to manage CBDC flows across borders? Would access to a reserve currency CBDC significantly reduce the demand for the local currency in countries with weak institutions? Should tourists have access to CBDC?

B. Privately-Issued Crypto-Assets

What are privately-issued crypto-assets and should they be classified as money?

Crypto-assets are private-sector digital assets that use DLT to provide complete and secure transaction records without using a central registry. Different terminologies may be used to describe them (such as "virtual assets" in the context of the standard for AML/CFT). Internal protocols govern the system's operation. Depending on the protocol, system participants may be rewarded in newly minted crypto-assets to verify transactions. Most such systems limit the issuance of crypto-assets in some way.

In contrast, with government-issued cash or CBDC, which are central bank liabilities, crypto-assets are not the liability of any person, firm, or institution. As such, they resemble a commodity more closely than a currency, though classification depends on usage and applicable law. Their value is thus not rooted in a solid balance sheet, or cash stream, such as official currency which is ultimately backed by tax revenues.

Crypto-assets face multiple limitations. They do not fulfill any of the three basic functions of money. In most cases, the elevated volatility of their nominal value prevents them from being a stable store of value. As usage remains limited, they are not yet a satisfactory medium of exchange. As a result, they do not represent a stable or desirable unit of account. Moreover, most are limited in scalability, sustainability and transaction processing speed.

However, technological advancements might overcome such challenges and unlock further potential benefits, including for cross-border payments.

What are the risks associated with crypto-assets?

Unless effective AML/CFT measures are implemented, crypto-assets can be misused for money laundering, terrorist financing, tax evasion, and other crimes. In October 2018, the Financial Action Task Force (FATF, the standard setter for AML/CFT) amended its recommendations to include explicit

references to virtual asset service providers. This notably means that such providers should conduct customer due diligence, report suspicious transactions, and be monitored for AML/CFT purposes.

Moreover, crypto-assets pose risks to consumers given their highly volatile prices. Proper consumer protection regulation needs to be developed and deployed actively.

C. The Problem of Recognizing a Crypto-Asset as Legal Tender

What if crypto-assets were recognized as legal tender—would they be equivalent to CBDC and what additional risks might emerge?

Even if crypto-assets were granted “official status” (what some call “sovereign crypto-currency”) by being recognized as legal tender, they would not be equivalent to CBDC. This is so because they (i) are not a central bank liability or part of the monetary base, (ii) would not necessarily be convertible at par with cash and central bank reserves, and (iii) are unlikely to fulfill the functions of money.

The first and second points warrant special attention. The value of crypto-assets would not be controlled by monetary policy. If their usage picked up, countries would risk introducing dual currency regimes. ***This would greatly complicate monetary policy implementation and effectiveness, and macro-economic stabilization.*** There could be volatile and large fluctuations in the crypto-asset’s value, making it difficult to exchange it for other goods and services. If the crypto-asset were issued in large amounts, its value would be eroded, much like a monetary expansion leading to inflation. Price volatility of the crypto-asset could complicate public finances and result in loss of revenue if taxes were set and collected in the crypto-asset. Banks could also face problems if they were required to accept the crypto-asset for the repayment of debt as this would lead to mismatched balance sheets (with more crypto-assets and less foreign currency on the asset side, and thus U.S. dollar liquidity risks).

Also, as noted, crypto-assets raise ***significant risks to financial integrity.*** The additional risk in this case is of discrediting the government altogether if the government endorses the crypto-asset without taking the necessary risk-mitigating measures. This could have stark implications on correspondent banking relations, capital flows, exchange rate pressures, and possibly sanctions.

**Mareta Kaiteie, Special Appointee from Kiribati bids farewell**

Mareta Kaiteie completed her Special Appointee assignment in March 2019. In this article Mareta shares her parting words reflecting on key takeaways from the experience and advice to future special appointees.

The experience is an eye opener but one should be prepared to work and operate outside their comfort zone. Transition is quite a challenge especially coming from a different environment and lifestyle, but that said, the experience is very rewarding offering opportunities in areas you have never ventured into before. The more you embrace the challenges the more you will unlock the barriers that seemed so hard to break through before offering opportunities to achieving future goals.

The exposure to understand a country's macro-framework and hands on experience to analyze economic performance in a country have offered a solid foundation to develop sound policies and recommendations for my own country's stability going forward. The missions that I participated in have deepened my understanding of sectoral linkages and an appreciation of the importance of data in understanding trends in the past and present, and thus aiding policy and decision makers in projecting where the country's future is heading. This, among many other areas will add value and complement my future work in the Pacific small states.

I am forever grateful to the IMF for extending such programs to the Pacific and hope to see more participants from the region in future. I extend special gratitude to APD and the Director Changyong Rhee for instituting a division focused on the small states in the Pacific. This has sharpened to focus on issues in the small states which are unique and different from other economies. To my Division Chief Ms. Alison Stuart, I am thankful for her great leadership and guidance, especially during my transition and all the time I have been here at the Fund. I also appreciate the guidance, insights and experience gained on missions led by Joong Shik Kang and Deniz Igan. Finally, I truly value my experience and time with you all that I have worked with closely during my time at the Fund.

Kam Bati N Rabwa!**We welcome Aishath Sajny, joining the Division as a special appointee:**

Aishath Sajny, a national of the Maldives, joined the Small States Division of the IMF as a Special Appointee in February 2019. She has over seven years of experience in monetary policy, open market operations, government securities market and public debt management. Prior to joining the IMF, she was an economist at the Maldives Monetary Authority, and served as the head of Research Division. Her main responsibilities included overseeing economic and financial analysis conducted by the division, as well as publications-related work of the division; and carrying out in-depth research on topics related to key economic and financial issues. She holds a bachelor's degree in Economics and Finance from the University of London and earned a master's degree in Applied Economics from the Eastern Michigan University as a Fulbright Scholar.



Prepared by Ananya Shukla

The gleaming waters of Nauru

Stepping on to the tarmac, I was instantly dazzled by the blinding sun, the lush greenery and the sound of the ocean. A speck in the Pacific Ocean, the Republic of Nauru sits on eight sq. miles of land with a population of about 10,000. In May 2018, I had the unique opportunity to join an IMF mission to Nauru, once the second richest country in the world by GDP per capita.

Sitting behind my desk in D.C., analyzing statistics and constructing complex models could not have prepared me for the micro-cosmos that Nauru is. We interacted with ministers, technical staff, private sector representatives, and the local people, trying to understand the state of the economy and its challenges. In order to draw a holistic picture of the Nauruan economy, we needed a clear perspective on the key challenges facing the country and a systematic plan to plug the large number of data deficiencies.

What struck me as the biggest challenge was the asymmetry in the information gathered from various sources. Moving from one meeting to another, we received conflicting information on the same subjects from different stakeholders. The experience of gaining a holistic perspective and making an informed assessment of Nauru's macroeconomic position could never have been possible only on the basis of stock information or by remotely corresponding with the Nauruan authorities.

Nauru demonstrated, to me, the intricate interplay of socio-cultural complexities and economic problems, and hence, the consequent imperative to find customized solutions. From the moment I landed on the Island, I was intrigued by the absence of tourism as a revenue stream, despite Nauru's picturesque beauty. When I could finally seize an opportunity to raise this question in a meeting at the Treasury, I learnt, much to my surprise, of Nauru's complex land ownership customs. All land there is privately owned and passed down within families, such that one small plot of land is typically fragmented into several hundred pieces. This significantly explained the absence of major private sector activity. Equipped with this important insight, we made a mental note to initiate future meetings with private sector stakeholders in the country in order to better understand the barriers to doing business.

Our interaction with various stakeholders revealed a country in need of infrastructure, capacity, and opportunities. Many more insights, gleaned from these meetings, helped us to comprehend the challenges faced by this state, enabling a more meaningful analysis of this youngest member of the IMF. In our concluding meeting with the Finance Minister, we articulated the major near-term risks facing the economy, and suggested buffers that could be put in place. Having identified the capacity constraints, we also discussed areas that could benefit from the IMF's technical assistance.

I will long cherish this unique opportunity. The experience in Nauru made me appreciate the responsibility that comes with representing the IMF and the challenge of thinking through conflicting information to arrive at balanced decisions. Most importantly, Nauru was a powerful reminder of how there is more to every story and so much to learn from each unique experience, and that it is imperative to look beyond the constructed narrative, dig deeper, seek underlying complexities, and shrug generalizations.



New Mission Chief for Tuvalu



Chad Steinberg is a Deputy Division Chief for the Lending Policy Division in the Strategy, Policy, and Review Department (SPR). He has worked at the IMF since 2002 and was a representative at the IMF's Regional Office for Asia and the Pacific in Tokyo from 2008-2012. More recently, he has been busy with reviewing Fund lending activities and has helped spearhead the Fund's Review of Program Design and Conditionality. He also worked on policy papers that introduced a blueprint for a new swap line and the Policy Coordination Instrument (PCI). Prior to joining the IMF, Chad held various positions, including as a consultant to the Government of Peru and as a *salaryman* at Pioneer Electronic Corporation in Japan. Chad is a U.S. national and holds a Ph.D. from Harvard University.

Resident Representative's Corner



Prepared by Leni Hunter, Resident Representative of Pacific Island Countries Pacific

Bula Vinaka, and warm Pacific greetings. In the second half of 2018 our office assisted with the organization of three Management visits to the region.

The Managing Director, Christine Lagarde, visited Papua New Guinea for the APEC Leaders' Summit, where she met Prime Minister O'Neill and other Leaders, and presented the Fund's views on the economic outlook and fintech. The MD also joined the Leaders' Dialogue with Pacific Leaders, highlighting the importance of ex-ante resilience to natural disasters.

Deputy Managing Director (DMD) Zhang visited Tonga, to discuss the challenges facing Tonga and other Pacific Island countries.

DMD Zhang met with Prime Minister Hon. Samuela 'Akilisi Pohiva, Acting Finance Minister, Minister of Commerce, Consumer, Trade, Innovation and Labor Hon. Dr. Tevita Tu'i Uata, Governor Sione Kioa, and other senior officials. The DMD also made a charitable donation to the Women' and Children's Crisis Center.



PM O'Neill and MD Lagarde during APEC



Odd Per Brekk, Leni Hunter, Governor Sione Kioa, DMD Tao Zhang, Hon. Dr. Tevita Tu'i Uata, Steve Barnett.

Resident Representative's Corner

DMD Carla Grasso visited Fiji for the 25th Anniversary of PFTAC. DMD Grasso delivered an opening address, and also took time to host a lunch with women leaders in Fiji. Key themes from the lunch discussion were the importance of increased female participation in parliament and improved access to affordable childcare. DMD Grasso made two charitable donations while she was in Fiji, one to support early childcare education and the other to the environmental conservation group, NatureFiji.

In addition, Leni also joined the Fiji Article IV in December. Jacinta presented work on potential output at the inaugural South Pacific Central Bank workshop in December. Looking ahead, Reshika and Leni will join the FSM Article IV, coming up in June.



DMD Carla Grasso's Women's Lunch, Fiji.

PFTAC News and Events



Prepared by David Kloeden, PFTAC Coordinator

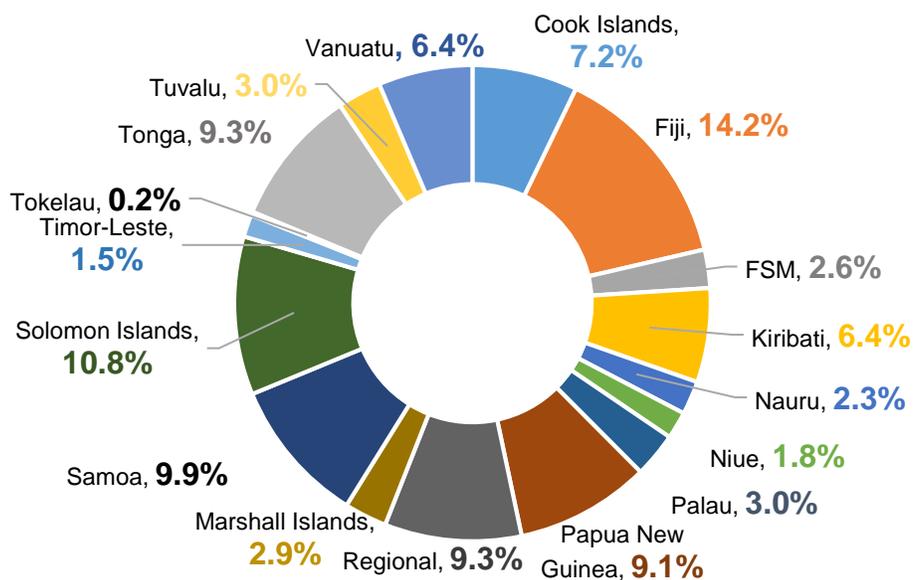
In late March 2019, Papua New Guinea hosted the 2019 PFTAC Steering Committee meeting at the impressive APEC Haus (pictured left) where the membership provides strategic direction for PFTAC operations, reviews the results from FY2019, and endorses plans and budgets for FY2020. The draft FY2019 Annual Report is available at www.pftac.org with key performance indicators highlighted below. FY2019 was the busiest year yet for PFTAC despite the turnover of four of the seven resident advisors. A significant contributor to the growth has been an expansion of the Revenue program that began scaling-up in October 2018 following additional donor financing to support revenue mobilization generally, and more specifically to assist with reforms for signatories to the PACER Plus trade agreement that need to find suitable alternatives to replace revenue collections from trade taxes.



PFTAC: Key indicators in execution of the FY2019 work program

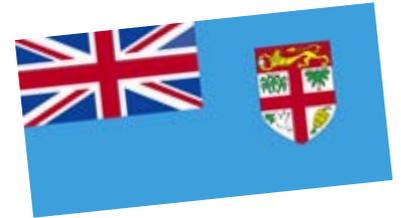
<p>2,110 field person days of CD delivered</p> <p>151 activities executed by PFTAC advisors and experts, comprising 17 seminars and 134 missions to member countries of 1 – 2 weeks duration</p> <p>94% execution rate of the work plan (2,110 TA days versus 2,238 planned), and 88% of missions (151 of 173 planned)</p>	<p>549 professional government staff (of which 40 percent were women) were trained from the 16 PFTAC member countries in 17 regional workshops totaling 2,011-person days of training</p> <p>30% of CD is delivered by the team of seven resident PFTAC advisors (636 of 2,110 TA field days), and 70 percent by members of the IMF’s roster of short-term experts</p> <p>\$ 6.34 million of projected expenses from a budget of US\$ 7.43 million (approx. 85%), excluding the 7% trust fund fee</p>	<p>62% of CD was fiscal, either PFM or Revenue (1,302 of 2,110 field days), with 40% just Revenue (834 days)</p> <p>\$ 20.5 million contributions received of approx. US\$ 30.7 million pledged by five donors and 13 of 16 PFTAC countries so far</p> <p>37% of resources (771 days) provided to seven countries designated as fragile (Kiribati, Micronesia, Marshall Islands, Papua New Guinea, Solomon Islands, Timor-Leste, and Tuvalu)</p>
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CHART. FY2019: 2,110 TECHNICAL ASSISTANCE DAYS BY COUNTRY



On February 12, 2019, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Republic of Fiji and considered and endorsed the staff appraisal without a meeting.

The economy is recovering well from several natural disasters and is expected to record its ninth consecutive year of expansion in 2018. The fiscal stance has eased substantially in fiscal year 2017/18 and external conditions are becoming less favorable due to lower sugar prices, higher oil prices, and slowing growth in main trading partners. Growth is expected to pick up to about 3.2 percent in 2018, underpinned by consumption and public investment. The growth momentum is projected to continue in the coming years. Headline inflation increased to 5.2 percent in November reflecting higher taxes on tobacco and alcohol as well as higher prices for yaqona caused by floods in April. Inflation is projected to decline to 3 percent in 2019–20 as supply conditions normalized.



Policies should aim to increase Fiji's resilience to shocks and strengthen growth performance. Faster fiscal consolidation is needed to rebuild fiscal space and support external stability. Improving the business environment and governance will raise potential growth by mobilizing private investment, enhancing productivity, and diversifying the economy.

IMF staff visited Tarawa at the end of October 2018 and the IMF Executive Board concluded the 2018 Article IV consultation for Kiribati in January 2019.

Growth has been strong in recent years and some moderation is expected, with risks skewed to the downside. High fishing revenues improved the fiscal position, but generated pressure to increase spending. There has been progress on fiscal and structural reforms. Yet, public spending needs are large, driven by an infrastructure gap and climate adaptation costs, and the country remains at high risk of debt distress. The key policy challenge is leveraging the recent gains to ensure inclusive, sustainable growth in the long run. This requires further progress in reforms, as well as securing support from development partners. Staff recommends priority is given to three action areas: reinforcing the fiscal framework, creating an environment for a dynamic private sector, and enhancing governance. [Kiribati 2018 [Staff Report](#)]

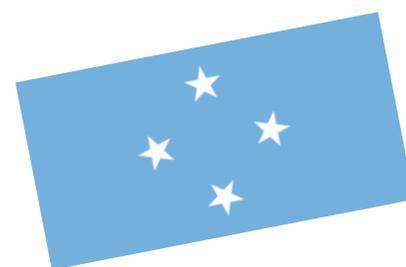


IMF staff visited the Federated States of Micronesia during January 24–30, 2019, to review economic developments and assess progress on the reform agenda ahead of discussions for the 2019 Article IV consultation—expected to take place in mid-2019.

Staff found that the Micronesian economy performed well in recent years. According to the latest available data, GDP growth reached 2.4 percent in FY2017 (ending September 30), supported by a pickup in public investment, while headline inflation remained very low at 0.1 percent due to a moderation in food prices. The overall fiscal balance registered a surplus of 14.6 percent of GDP, the highest level since the fiscal balance turned into surplus in FY2012, owing to a strong collection of fishing license fees and a surge in corporate taxes.

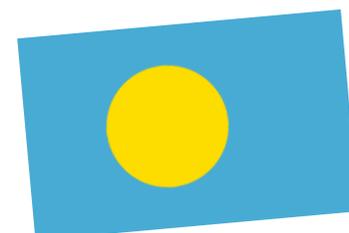
Despite these positive developments, significant challenges remain. Most importantly, the fiscal balance is expected to turn into deficit in FY2024 after the U.S. Compact grants expire in FY2023. To cope with this, gradual fiscal consolidation through a combination of domestic revenue mobilization and expenditure reforms would be needed over the medium-term. In addition, a further buildup of fiscal reserves should provide for a much-needed cushion against fiscal risks beyond FY2023. In that spirit, staff welcomed the authorities' decision to save most of the recent corporate tax windfall into the FSM Trust Fund.

The FSM also faces the medium-term challenge of coping with climate change and weak private sector growth. Continuing efforts to adapt to climate change, including developing diverse sources for contingent natural disaster financing, would be vital. Promoting private sector development would require increasing access to finance, improving the investment climate, and reducing impediments to doing business. These issues will be further discussed in the upcoming 2019 Article IV consultation.



IMF staff visited Koror for the Article IV Consultation during October–November 2018 and the IMF Executive Board concluded the 2018 Article IV Consultation for Palau in February 2019.

Palau's economic growth is projected to recover moderately to 0.4 percent in FY2018 and increase to 2 percent in FY2019 with a recovery in construction activities and tourism. Inflation is projected to rise by 2.8 percent in FY2018, as commodity prices increase. The current account deficit is projected to come down to around 13 percent of GDP with a recovery of the tourism sector and the completion of major infrastructure projects. The fiscal position is projected to improve in the near-term as the overall fiscal balance is boosted temporarily after the disbursement of the Compact capital grants. Risks to the economic outlook are tilted to the downside. Economic downturn due to lower than expected tourism arrivals would worsen the fiscal position and the external sector. A shortfall of non-Compact capital grants would lead to lower infrastructure investment and lower economic growth. Palau remains vulnerable to natural disasters and climate change as in other Pacific Island economies. The main economic policy priorities for Palau are to develop a medium-term fiscal framework and strategy to help manage fiscal risks and the expiration of the Compact grants, to raise public investment, to protect social spending, to make growth more resilient and sustainable through other reforms, and to preserve financial stability and integrity. [Republic of Palau 2018 [Staff Report](#)]



IMF staff visited Samoa for the Article IV Consultation in February-

March 2019. Samoa faces several challenges but continues to show resilience and a high level of engagement with the Fund. After reaching a five-year low due to the Yazaki manufacturing plant closure and the impact of Cyclone Gita, growth is projected to rebound to 3.4 percent in 2018/19, driven by infrastructure spending, and the development of the communication sector. Growth in 2019/20 is expected to spike to 4.4 percent driven by Samoa's hosting of the Pacific Games, before normalizing at about 2.2 percent in the medium term. Risks are weighted to the downside, stemming from vulnerabilities to natural disasters and loss of



correspondent banking relationships (CBRs). Policy priorities are: embarking on a comprehensive fiscal strategy, including strengthening tax administration and public financial management (PFM), and lowering the public debt-to-GDP target from 50 to 40 percent of GDP in the long term; enhancing the effectiveness of the AML/CFT regime to mitigate risks from CBR pressures; and focus structural reforms on boosting potential growth and making it more inclusive, including by building resilience to natural disasters, improving the business environment, and supporting exports.

**IMF staff concluded the 2019 Article IV Consultation Mission to Timor-Leste, January 2019.**

Political uncertainty adversely affected Timor-Leste's economic activity in 2017 and for most of 2018. However, with government spending expected to regain momentum in 2019, non-oil GDP growth is projected to recover to around 5 percent in 2019. Inflation rose in 2018 and is expected to reach around 3 percent by end-2019, below the government's target of 4 percent. Fiscal spending will continue to rely on withdrawals from the Petroleum Fund as domestic revenue sources remain low. The external current account deficit improved in 2017-18 amid lower fiscal spending.



The IMF team met with Prime Minister Taur Matan Ruak.

At the conclusion of the visit IMF staff laid out the main policy recommendations. The IMF team highlighted that a fiscal strategy is needed to ensure long-term fiscal sustainability and safeguard the assets of the Petroleum Fund. The strategy should focus on strengthening control and efficiency of spending, mobilizing domestic revenue by increasing tax compliance and implementing a value added tax, and making effective use of concessional borrowing. Furthermore, the team emphasized that boosting private sector growth and job opportunities for a rapidly-growing working force should be a priority. To this end, it will be crucial to improve quality and access to education and healthcare, reduce existing and emerging skill-shortages, and address gender and rural-urban inequalities. In addition, improving the business environment should help encourage business formation, promote private investment, and generate employment opportunities. The team recognized the progress made so far in the development of the payments system and the



implementation of the financial inclusion agenda. Continued efforts to develop the financial sector should help channel domestic savings to productive investments, while expanding access to financial services will be essential to facilitate diversification and promote inclusive growth. Ensuring a strong and effective regulatory and supervisory framework will be important to safeguard financial stability as the financial sector develops

Tonga

Country Note

Tonga Staff Visit, February 2019

Tonga's economy is not performing as well as expected due to slow-arriving donor grant flows and modest progress with reconstruction following Cyclone Gita (TCG), while the medium-term outlook is favorable. The delay of some investment projects after TCG resulted in an overall fiscal surplus of 1.6 percent of GDP for FY2018. The external current account deficit was broadly stable at 6.7 percent of GDP, reflecting limited donor grants received up to June 2018. In the next two years, growth is projected at 3.5–4.5 percent, supported by cyclone reconstruction, strong private sector credit growth, and remittances-based consumption.



The site of Captain Cook's landing in 1777



Tropical Cyclone Pola
February 2019

The main domestic risks relate to Tonga's continuing high vulnerability to cyclones and associated financing of reconstruction, while weaker-than-expected global growth could lower grants and remittances flows. Political tensions in Tonga are escalating, inducing heightened political and economic uncertainty. Following the tabling of four petitions in recent weeks supporting the call for King Tupou VI to dissolve the Tongan Parliament and establish a Royal Commission to investigate Prime Minister Pohiva's government, there has been a spike in political uncertainty.

Tongan authorities were extremely welcoming and helpful, despite the fact that during the staff visit Tropical Cyclone Pola came close to the main island of Tongatapu (and the capital city of Nuku'alofa) in southern Tonga.

Recent and Upcoming Events on Asia and Pacific Small States

Recent Events

**PFTAC 25th Anniversary – Technical Level
Workshop on Growth & Productivity**

December 3-5 2018, Nadi, Fiji

**PFTAC 25th Anniversary – High Level Dialogue on
Capacity Development & Growth**

December 5-7 2018, Nadi, Fiji

PFTAC Steering Committee

March 27-28, 2018, Suva, Fiji

Upcoming Events

Spring Meetings

April 10-12, 2019, Washington, D.C.

ADB Annual Meetings

May 2-5, 2019, Nadi, Fiji

FEMM

May 7-9, 2019

Pacific Workshop on CBR Issues

May 16-17, Auckland, New Zealand