

FY19 PFTAC Work Plan - May 2018 to April 2019: Federated States of Micronesia (FSM) - MID-YEAR UPDATE

TA Area	Objective	Country	Outcome Targeted	Activity	May 2018 - April 2019 (in person-days)			Number of Missions/Activities	Updated Inputs at Oct 3, 2018 (person-days - changes in red)			Number of Missions/Activities	% of updated plan delivered at end-Oct	Delivery Status	Milestones	Comments	Planned Date	Experts				
					PFTAC resident advisors	ST experts	Total		PFTAC resident advisors	ST experts	Total											
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	FSM	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses	First Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards										- Amendments and redrafting of laws, regulations in line with BCP 11 April 2019	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up.	June 2018	Legal STX					
			Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment			16	16	1	0	10	10	1	0%	Feb 2019				- Applicable guidelines and regulations are drafted. April 2018				
			Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile															- Applicable guidelines and regulations are drafted. April 2018				
			Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards															- Amendments and redrafting of laws, regulations in line with BCP 11 April 2019	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. Second follow-up.	March 2019	Joel Hefty / LEG
			Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment			10	10	1	0	0	0	0	0%	Cancelled				- Applicable guidelines and regulations are finalized and formally issued April 2019				
			Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile															- Applicable guidelines and regulations are finalized and formally issued April 2019				
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	FSM	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.	5	-	5	Remote	2	-	2	Remote		• Compile and disseminate annual data for budgetary central government and state governments for (FY17) by November 2018. [RBM – GO – 12.3]	GFS for general government operations are compiled and disseminated on an annual basis.	Remote	De La Beer					
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.	FSM	1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	Train local staff to produce independent estimates of GDP	7	-	7	1	5	0	5	1	0%	Feb 25 - Mar 1, 2019	Relative to the baseline, the number of staff trained to compile and/or disseminate these statistics is adequate by April 2019	(Back-to-back with Northern Pacific Workshop) • Scoping work to develop an annual business survey (April 2019) • Staff further trained/rehearsed in independent, local compilation (April 2019)		Marcus				
			1.21 Business processes documentation for compilation and/or dissemination of macroeconomic and financial statistics is stored, accessed and regularly updated	Review and update previous BPD in line with latest system's operation											Relative to the baseline, business processes documentation has been improved by becoming adequate, stored, accessible, and/or regularly updated by April 2019	• Existing documentation is reviewed by PFTAC, explained further to staff (April 2019)						
Revenue Administration	1. Strengthened revenue administration management and governance arrangements	FSM	1.1 Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.	Review current reform progress	7	-	7	1	0	0	0	0	0%	FY20	Reform strategy and governance framework designed and implemented by 12/31/2018.	Although PFTAC has provided a substantial amount of TA at the request of the authorities progress is slow.	7/14/2018 - 7/20/2018	Shrosbree				
			2.3 A larger proportion of taxpayers meet their filing obligations as required by law.	Strengthen strategies to improve on-time filing.		4	4		0	6	6	1	0%	Mar 18 - 23, 2019	On-time Filing operating at improved efficiency levels by 12/31/2019 and measured against TADAT dimensions.	Compliance levels are low with a considerable commitment required by the authorities to improve current compliance trends.	8/6/2018 - 8/9/2018	Lawrence				
	2.4 A larger proportion of taxpayers meet their payment obligations as required by law.		Strengthen strategies to improve on-time payment.		4	4	1	0	6	6		0%	Mar 24 - 29, 2019	On-time payment operating at improved efficiency levels by 12/31/2019 and measured against TADAT dimensions.	Compliance levels are low with a considerable commitment required by the authorities to improve current compliance trends.	8/10/2018 - 8/13/2018						
	2.2 Taxpayer Services initiatives to support voluntary compliance are strengthened.		Strengthen the taxpayer services functions to further improve voluntary compliance levels.		4	4		0	16	16	1	0%	Feb 1 - 16, 2019	Taxpayer services operating at increased efficiency levels and measured against TADAT dimensions.	A taxpayer services strategy is in place but needs to be driven by senior management.	8/14/2018 - 8/17/2018						
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	FSM	3. Sound medium-term macroeconomic programming framework.	Develop a medium-term fiscal framework for use in budget preparations and policy analysis.	12	0	12	1	1.5	0	1.5	1	0%	Feb 25 - Mar 1, 2019	(1) The impacts of Compact grant funding terminating are analyzed (Apr. 19).		Feb. 19	Claus				

Totals: 31 38 69 6 9 38 47 5  
 Updated Plan Total Days

Delivered by Oct 31: 0 0 0 0  
 Percentage of Revised Plan: 0% 0% 0% 0%