

FY20 PFTAC Work Plan - May 2019 to April 2020: Republic of the Marshall Islands (RMI) - MID-YEAR Update at 31Oct2019

TA Area	Objective	Country	Outcome Targeted	Activity	May 2019 - April 2020 (in person-days)			Number of Missions/ Activities	Updated inputs at Oct 31, 2019 (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	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	RMI	1.4 Strengthened institutional structure and operational and procedural for RBS implementation	Diagnosis of Marshall Islands Development Bank	-	-	-	-	12	12	1	100%	Aug 12 - 22, 2019			01-Jun-19	Henderson	
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making; compilation methodologies in line with international standards for GPS	RMI	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	0	5	1	7	-	7	1	100%	Oct 21 - 26, 2019	• Compile and disseminate annual data for budgetary central government, FY18 and start expanding the coverage to the general government. • Compile and disseminate annual public sector debt statistics. (RMM – GO – 12-13)	GFS for general government operations are compiled and disseminated on an annual basis.	Oct-19	Luis
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.	RMI/PLM	1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	TA mission/workshop – Further train local staff to produce independent estimates of GDP	12	12	24	1	-	-	-	0%	Split into separate missions	• 2 Staff members of each country were trained on implementing survey and administrative data for compiling NA. • GDP estimates to be compiled independently conforming to 2008 SNA.	Improvement of imputation for mission source data points according to a state of the art approach is urgently needed in order to improve GDP quality on the next recent time period.	First time independent estimates of EPPSO (RMI) and OPS (Palau) are to be reviewed	Jun-19	Scheibacker
			1.8 A new data set has been compiled and disseminated internally and/or to the public.	Improvements to web dissemination practices	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		RMI	1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	Build independent compilation capacity	12	-	-	12	1	100%	Sep 4 - 17, 2019							Scheibacker
		RMI	1.4 Data has compiled and disseminated using the concepts and definitions of the latest manual update	Build with benchmarking and reliability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Macroeconomic Management	1. Improved macroeconomic policy advice to government and central bank management	RMI	1.1 Improved quality and frequency of macroeconomic surveillance and policy/research available for policymaking	Support empirical analysis of tax reform.	10	17	27	2	-	-	-	0%	FY21	(1) Advice on tax reform is empirically based (Apr. 20). (2) Analysis of tax reform options is published (Apr. 20).		Oct-19/ Apr-20	Claus/Expert	
			1.3 Sound medium-term macroeconomic framework	Support the use of the Marshall Islands Fiscal Model (MI-FM) in budget preparations and policy analysis and document the model.	12	-	12	1	15	0	15	1	100%	Sep 23-Oct 7, 2019 Apr 15-27, 2020	(1) The MI-FM continues to be used in budget preparations (Oct. 19). (2) The MI-FM is used for policy analysis including to develop a medium term fiscal framework (Apr. 21). (3) Quarterly GFS and outturns compared to forecasts are reported on (Apr. 23).	Assistance will be provided jointly with the PFM Advisor.	May-19	Claus Expert/Expert
Public Financial Management	2. Strengthen budget preparation towards more comprehensive, credible, and policy-oriented budget.	RMI	2.3 More credible medium-term budget framework is integrated in annual budget process	Further developing budget process; development tools to automate the process and improve budget documentation	12	0	12	1	-	-	-	0%	Cancelled	2019/20 Budget document is improved in terms of presentation and development process of the budget is improved.	Working with the Macro Advisor to enable improved budget presentation. Assisting the Mof to utilize improved budgeting development tools across government	May-19	News	
Revenue Administration	1. Strengthened revenue administration management and governance arrangements	RMI	1.5.1 - 1.5.4 Corporate priorities are better managed through effective risk management	Review compliance improvement strategy	0	16	16	1	-	6	6	0%	Apr 15 - 17, 2020	An effective CS facilitating high levels of compliance.	PFTAC has assisted in the development of a CS approach. A review will be carried out to measure its effectiveness and suggestions for its further improvement.	Jul-19	Piper	
			1.1 - 1.7. Strengthen revenue administration management and governance arrangements	Review reform progress and status of PFTAC Recommendations	1	0	1	1	1	-	1	1	100%	Sep 9 - 11, 2019	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 1 that need to be reviewed	Sep-19	Eyslein
			2.1.1 The integrity of the taxpayer base is strengthened	Review current registration processes	0	6	6	2	-	4	4	2	50%	Aug 26 - 27, 2019/ Apr 1 - 7, 2020	Data base kept up to date and accurate	A cleaned and accurately maintained taxpayer data base	Oct-19/ Apr-20	Piper
	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	RMI	2.2.1 Taxpayer services initiatives to support voluntary compliance are strengthened	Review and further enhance taxpayer service function	0	6	6	-	4	4	4	50%	Aug 28 - 29, 2019/ Apr 8 - 9, 2020	Improved delivery of taxpayer services by 31/12/2019 and measured against TADAT dimensions.	Visits included under 2.1.1 A taxpayer service plan is in place but more TA is needed to institutionalize the concept.	Oct-19/ Apr-20	Piper	
			2.3.1 - 2.3.2 A larger proportion of taxpayers meet their filing obligations as required by law	Review progress and facilitate further improvements on time filing and management of outstanding tax returns	0	14	14	-	6	6	6	50%	Aug 30 - Sep 1, 2019/ Apr 10 - 12, 2020	On-time filing operating at improved efficiency levels by 31/12/2019 and measured against TADAT dimensions.	Visits included under 2.1.1 PFTAC has assisted in setting up new processes to improve efficiency levels but more work is needed to take performance to the next level.	Oct-19/ Apr-20	Piper	
			2.4.1 - 2.4.3 A larger proportion of taxpayers meet their payment obligations as required by law	Review progress and facilitate further improvements on time payment and management of tax arrears	0	10	10	-	6	6	6	50%	Sep 2 - 4, 2019/ Apr 13 - 14, 2020	On-time payment operating at improved efficiency levels by 31/12/2019 and measured against TADAT dimensions.	Visits included under 2.1.1 PFTAC has assisted in setting up new processes to improve efficiency levels but more work is needed to take performance to the next level.	Oct-19/ Apr-20	Piper	
			2.1 - 2.6. Strengthened core tax administration functions	Review reform progress and status of PFTAC Recommendations	2	0	2	2	-	-	2	100%	Sep 9 - 11, 2019	Review overall reform progress and status of PFTAC recommendation	Visits included under 2.1.1 PFTAC has provided TA across objective 1 that needs to be reviewed	Sep-19	Eyslein	
TOTAL					54	83	135	10										
Updated Plan Total Days									50	55	105	8						
Delivered by Oct 31:									37	22	59	6						
Percentage of Revised Plan:									74%	40%	56%	75%						

Financial Sector Supervision	Legal	RMI	1.1 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 digital adequacy in relation to their risk profile	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	0	12	12	1	-	-	-	0%	Shift to FY21	Finalize revised draft legislation, for internal stakeholder and industry consultation	Workshop to review and establish revision plan for banking legislation and prudential standards held in July 2017. First follow-up bilateral mission held in June 2018. Second follow-up.	01-Jun-19	TIC LEG
			1.2 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.														
TOTAL					0	12	12	1									
Updated Plan Total Days									0	0	0	0					
Delivered by Oct 31:									-	-	-	-					
Percentage of Revised Plan:									0%	0%	0%	0%					

TOTAL					54	99	147	11									
Updated Plan Total Days									50	55	105	8					
Delivered by Oct 31:									37	22	59	6					
Percentage of Revised Plan:									74%	40%	56%	75%					