

FY18 Work Plan - May 2017 to April 2018: Financial Sector Supervision (FSS) - 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	1. Develop and strengthen banking regulations in line with international standards	Cook Islands	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 capital adequacy in relation to their risk profile	RBS framework enhancement program. First follow-up mission. Develop a comprehensive suite of prudential statements.	7	16	23	1	7	16	23	1	100%	June 2017	i) Applicable guidelines and regulations are drafted by April 2018 ii) Applicable guidelines and regulations are finalized and formally issued. April 2019	RBS enhancement program was initiated in FY2017. The program will provide technical assistance in key components of RBS framework – regulations; risk identification and assessment; risk rating; and supervisory action planning.	Stefanou/ Expert
			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.												i) Applicable guidelines and regulations are drafted by April 2018 ii) Applicable guidelines and regulations are finalized and formally issued. April 2019		
		Fiji	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 capital adequacy in relation to their risk profile	Assistance with finalizing draft Credit Union legislation and by-laws	-	12	12	1	-	7	7	1	0%	April 2018	i) Credit Union legislation and by-laws finalized and issued. April 2019	Continuation of work on developing credit union supervision undertaken by PFTAC with the RBF.	Expert
		FSM	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 capital adequacy in relation to their risk profile	Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards - Postponed until FY19	5	12	17	1	-	-	-	-	0%	Postponed until FY19 May 2018	i) Applicable guidelines and regulations are drafted. April 2018	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.	Stefanou/ Expert
			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.												i) Applicable guidelines and regulations are drafted. April 2018		
		Kiribati	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 capital adequacy in relation to their risk profile	Assistance with developing credit union supervision	-	16	16	1	-	16	16	1	0%	November 2017	i) Credit union supervision training delivered to supervisors ii) Supervision development and TA plan established	Continuation of work on developing credit union supervision undertaken by PFTAC.	Expert
		Palau	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 capital adequacy in relation to their risk profile	Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	5	12	17	1	5	12	17	1	0%	March 2018	i) Applicable guidelines and regulations are drafted. April 2018	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.	Stefanou/ LEG / Expert
			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.												i) Applicable guidelines and regulations are drafted. April 2018		
		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 capital adequacy in relation to their risk profile	Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	5	12	17	1	-	12	12	1	0%	March 2018	i) Applicable guidelines and regulations are drafted. April 2018	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.	Stefanou/ LEG / Expert
			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.												i) Applicable guidelines and regulations are drafted. April 2018		
Regional	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 capital adequacy in relation to their risk profile	Workshop on Banking Legislation and Prudential Standards - sub-regional for Northern Pacific members (FSM, Palau, RMI, Kiribati)	5	12	17	1	5	12	17	1	100%	July 2017	i) Applicable guidelines and regulations are drafted. April 2018	Workshop to review and establish revision plan for banking legislation and prudential standards. Workshop will be followed up with bilateral missions to each country to follow-up on and progress reform.	Stefanou/ LEG / Expert		
	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.												i) Applicable guidelines and regulations are drafted. April 2018				
Regional	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 capital adequacy in relation to their risk profile	Workshop on Insurance Legislation and Prudential Standards - sub-regional for Southern Pacific members	5	12	17	1	5	9	14	1	0%	April 2018	i) Applicable guidelines and regulations are drafted. April 2019	Workshop to review and establish revision plan for insurance legislation and prudential standards. Workshop will be followed up with bilateral missions to each country to follow-up on and progress reform.	Stefanou/ MCM / Expert		
	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.												i) Applicable guidelines and regulations are drafted. April 2019				
Financial Sector Supervision	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Cook Islands	2.4 Strengthened institutional structure and operational and procedures for RBS implementation	RBS framework enhancement program. Second follow-up mission. Develop more in-depth and risk-based on-site examination assessment.	7	16	23	1	10	16	26	1	0%	Feb 2018	i) Risk rating model, including impact index, is developed and implemented. October 2018 ii) Risk-based supervisory action planning process developed and implemented. October 2018	Assisting with documenting on-site examination framework, on-the-job training and technical training in assessment of key bank risk areas.	Stefanou/Expert
		FSM	2.6 Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Provide training to supervisors on supervision and assessment of banking key risk areas - Postponed until FY19	-	12	12	1	-	-	-	-	0%	Postponed until FY19 May 2018	1. A training program is designed and delivered to supervisors	Training is the assessment of credit risk, operational risk, liquidity risk, market risk and investment risk. Training mission to be followed up in 2019 with on-site examination on-the-job training.	Expert
		RMI	2.4 Strengthened institutional structure and operational and procedures for RBS implementation	Provide guidance and training for on-site examination, using an actual on-site examination as a working case.	-	19	19	1	-	19	19	1	100%	July 2017	i) Use of CAMELS assessment framework embedded in organization. April 2018	Follow-up TA mission to the on-site examination mission undertaken in February 2017	Expert
		PNG	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%	June 2017	i) RBS Framework Enhancement Strategy and TA Plan developed and initiated. April 2018	Initial mission to determine current RBS implementation status and identify priority TA	Stefanou/ Expert

**FY18 Work Plan - May 2017 to April 2018: Financial Sector Supervision (FSS) - 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						
	2.4 Strengthened institutional structure and operational and procedures for RBS implementation		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: Risk Rating and Supervisory Action Planning	7	16	23	1	10	16	26	1	0%	November 2017	i) Risk rating model, including impact index, is developed and implemented. October 2018 ii) Risk-based supervisory action planning process developed and implemented. October 2018 iii) Supervisory attention framework developed and implemented. April 2019	Continuation of RBS framework enhancement program. Risk rating and supervisory action planning.	Stefanou/ Expert
				RBS framework enhancement program. Second follow-up mission from diagnostic. MCMFR led. LTX manage. Focus to be on a key RBS component: Risk Identification and Assessment - on-site examination.	-	-	-	-	5	-	5	1	0%	February 2018	i) Risk-based supervisory action planning process developed and implemented. October 2018 ii) Supervisory attention framework developed and implemented. April 2019	Mission from HQ - LTX managing as part of PFTAC / Bank PNG supervision framework enhancement program	Stefanou/ MCM / Expert
Solomon Islands	2.4 Strengthened institutional structure and operational and procedures for RBS implementation		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	5	12	17	1	7	12	19	1	100%	September 2017	i) RBS Framework Enhancement Strategy and TA Plan developed and initiated. April 2018	Initial mission to determine current RBS implementation status and identify priority TA	Stefanou/ Expert
				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	12	17	1	10	12	22	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
Timor-Leste	2.6 Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.		2.6 Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Provide training to supervisors on supervision and assessment of banking key risk areas - postponed until FY19	5	-	5	1	-	-	-	-	0%	Postponed until FY19	1. A training program is designed and delivered to supervisors	Training is the assessment of credit risk, operational risk, liquidity risk, market risk and investment risk. Training mission to be followed up in 2019 with on-site examination on-the-job training.	Expert
Tuvalu	2.3 Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved.		2.3 Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved.	Development of basic prudential reporting framework	5	-	5	1	3	-	3	1	0%	November 2017	i) Revised Reporting templates are developed. April 2019	This work will be in addition to the Banking Supervision Program, initiated by PFTAC in FY2017.	Stefanou
Vanuatu	2.4 Strengthened institutional structure and operational and procedures for RBS implementation		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
				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
Regional	2.6 Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.		2.6 Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	AFSPC Annual Meeting. Introduction to: Resolution Frameworks; and Fintech and Supervision	5	12	17	1	5	7	12	1	100%	August 2017	i) Workshop on Resolution Framework delivered ii) Workshop on Fintech and Supervision delivered		Stefanou/ MCMFC
				SEACEN: Provide training to supervisors on supervision and assessment of banking key risk areas	5	-	5	1	3	-	3	1	0%	April 2018	i) SEACEN supervision training delivered.	SEACEN is developing a foundation supervision training course. PFTAC will assist SEACEN in delivery of course for PFTAC members.	Stefanou
<b>Original Plan Total Days:</b>					<b>95</b>	<b>254</b>	<b>349</b>	<b>21</b>									

**Updated Plan Total Days:**

<b>97</b>	<b>211</b>	<b>308</b>	<b>19</b>
-----------	------------	------------	-----------

Delivered by Oct 31:

<b>38</b>	<b>98</b>	<b>136</b>	<b>7</b>
-----------	-----------	------------	----------

Percentage of Revised Plan:

<b>39%</b>	<b>46%</b>	<b>44%</b>	<b>37%</b>
------------	------------	------------	------------