

PALAU : FY18 Work Plan - May 2017 to April 2018 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	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.														
Macroeconomic Management	1. Improved macroeconomic policy advice to government and central bank management	Palau	1.1 Improved quality and frequency of macroeconomic surveillance and policy/research available for policymaking	Develop GDP and revenue forecasting methodology.	0	-	-	-	12		12	1	0%	December 2017	(1) GDP forecasts are independently produced (Dec. 19). (2) Economic and fiscal forecasts are consistent (Oct. 18). (3) Advice on tax reform is empirically based (Apr. 19).		Claus
Public Financial Management	1. Improved laws and effective PFM institutions	Palau	1.2 MoF capacity can meet enacted PFM responsibilities	PEFA Self-Assessment	7	18	25	1	7	18	25	1	0%	Feb 2018	PEFA Self-Assessment completed Feb 2018	Developed by authorities and reviewed by PFTAC	Neves/TBA
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making; compilation methodologies in line with international standards for GFS	Palau	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	1	5	-	5	-	60%	Remote	• Compile and disseminate annual data for budgetary central government for FY16 by November 2017. • Investigate general government elimination entries in preparation for consolidation by April 2018. [RBM – GO – 12.3]	GFS for general government operations are compiled and disseminated on an annual basis.	DeLaBeer
Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Palau	1.1 Reform strategy and implementation governance framework adopted and institutionalized	Strategy and governance arrangements in place to support reform initiatives. Review overall reforms and governance framework.	1	-	1	1	1	-	1	1	100%	May 12	Reform strategy and governance framework designed and agreed to by 06/30/2018.	Review overall reform progress and support the development of a more structured approach to reforms. Overlaps STX mission for Organization Reform below	Shrosbree
			1.2 Organizational arrangements enable more effective delivery of strategy and reforms	Strengthen organizational design. BTB with Taxpayer Services Mission under 2.2	-	8	8	-	6	6	-	6	-	100%	May 8 - 19	Organizational structure in place and suitably staffed by 12/31/2018.	Palau has accepted PFTAC recommendations and implemented a function based structure
Revenue Administration	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	Palau	2.2 Taxpayer Services initiatives to support voluntary compliance strengthened	Strengthen the taxpayer services function. BTB with Organization Mission 1.2	-	15	15	-	-	10	10	-	100%	May 8 - 19	Taxpayer services strategy designed by 07/31/2017 and implemented by 12/31/2017 and aligned to TADAT dimensions.	Palau has accepted PFTAC recommendations to introduce a new function based structure and will need additional TA to build an effective taxpayer services program.	McNeill

Original Plan Total Days:	18	53	71	4
Updated Plan Total Days:	30	46	76	4
Delivered by Oct 31:	4	16	20	1
Percentage of Revised Plan:	13%	35%	26%	25%