West Bank and Gaza

Fiscal Year 2026

Capacity Development Activities

Anti-Money Laundering / Combating the Financing of Terrorism

Effective Implementation of TFS (April 13-15)

This mission evaluated the effectiveness of the domestic Targeted Financial Sanctions (TFS) regime and supported any needed enhancements to it. It focused on practical implementation aspects, including institutional responsibilities, processes, information flows, and controls, alongside identifying any legal or regulatory gaps that hinder effective application of TFS.

Financial Supervision and Regulation

Training on SRP/On-site Supervision (June 29-July 3)

METAC provided training for the supervisors of the Palestine Monetary Authority (PMA) to enhance their risk-based supervision (RBS) of banks and improve the capacity of on-site supervisors under the new risk assessment framework and Supervisory Review Process (SRP). This effort was part of a medium-term, multi-stage project strengthening the PMA's RBS. The training focused on improving PMA supervisors' understanding of on-site supervision processes and procedures in line with the new risk assessment framework while also helping the PMA identify areas for further improvement.

Advancing Consolidated and Cross-Border Supervision

The Palestine Monetary Authority (PMA) is taking important steps toward developing and implementing a framework for consolidated and cross-border supervision in October. METAC is supporting this effort by helping the PMA team identify regulatory gaps and design a supervisory risk assessment framework aligned with its new supervisory approach. The new consolidated and cross-border supervisory framework will follow international best practices and standards, particularly the Basel Core Principles (BCP), with a focus on Principles 3, 12, and 13. These enhancements will strengthen PMA's ability to oversee banking groups and cross-border activities, ensuring greater financial stability and compliance with global norms.

SRP Manual Development Follow Up (April 26-30)

METAC conducted a follow-up online mission to support the Palestine Monetary Authority (PMA) in completing the Supervisory Review Process (SRP)/Risk-Based Supervision (RBS) Manual, with particular focus on outstanding components not yet fully developed, including capital adequacy assessment (SREP capital), the end-to-end SREP cycle, and integration ICAAP assessment into SREP assessment.

Government Finance Statistics and Public Sector Debt Statistics

In late September, a diagnostic mission on Government Finance Statistics was delivered to the authorities to align with the international standards. The mission was met with full collaboration from the authorities in identifying gaps in the compilation and dissemination of statistics. The authorities made progress in establishing efficient system for public finance data collection and processing. This work will be the foundation for the further expansion of coverage and introduction of additional reporting tables.

Public Financial Management

Review and Update of the Sop on Cash Management (April 20-30)

In response to the request from the Ministry of Finance in West Bank and Gaza, METAC undertook a desk review and update of the 2022 Manual of Work Procedures of the Cash Management Directorate to bring it into line with the good cash management practices.

Revenue Administration

Exploring CD priorities for the Palestine Authority's tax and customs administrations (January 13-15)

This mission facilitated exploration of a capacity development workplan for the Palestinian Authority's tax and customs administrations. Through dialogue with counterparts, nuances of the Palestinian Authority's unique operating context were clarified, current plans discussed, and quick wins identified.

Supporting Compliance Risk Management (CRM) and Debt Collection (April 13-May 5)

This activity delivered remote capacity development support on Compliance Risk Management (CRM) and debt collection to the Palestinian Authority's tax administration. The activity aimed to build institutional capacity in risk-based compliance and arrears management, culminating with the delivery of a focused compliance strategy to support short term revenue performance. Given the suspension field-based operations, the remote delivery modality allows support to commence immediately, in line with a request from the Ministry of Finance. This activity represents an initial step toward designing and implementing a risk-based compliance strategy explicitly designed to improve short-term revenues.

Functional Review of the Palestine Customs (PC) ASYCUDA World (AW) System (April 13-30)

This activity conducted a functional review of the Palestine Customs (PC) ASYCUDA World (AW) system to assess the extent to which the current configuration, deployment, and use of the system's functionalities align with international good practices and support effective customs administration. The review focused on identifying functional gaps, underutilized modules, and opportunities to better exploit existing AW capabilities—particularly in relation to risk management and selectivity, valuation controls, post -clearance audit (PCA), reporting and data analytics, and management oversight. In particular, the authorities are seeking to better understand what functionalities are already available within the current AW implementation; how these can be configured and deployed to align with international standards; and how AW can better support immediate operational priorities, including revenue protection and improved compliance management. With customs administration, the support is focused primarily on advancing a complete adoption of AW, improved risk analysis and selectivity, and the introduction of valuation controls. This activity is the first to be delivered and will be intentionally organized to help to orient subsequent engagement.