



Topic	Page
Main Highlights	1
Execution of the FY20 work Plan	1
Customs Administration	1
Tax Administration	1
Public Financial Management	2
Real Sector Statistics	2
Forthcoming CD Activities	3
TA Reports Transmitted to Authorities	4

AFRITAC South (AFS)
 7th floor, Bramer House
 Ebène, Mauritius
 Tel: +230 401 2500
 Email: afsweb@imf.org
 Website: <http://www.southafricitac.org/>
 Like us on: @AfricitacSouth

MAIN HIGHLIGHTS

Starting March 2020, the unprecedented circumstances created by the COVID-19 pandemic impacted on in-field delivery of capacity development (CD) services. The center quickly revisited its approach to ensure continued engagement with member countries through remote modalities. Amidst the challenging new environment, the center delivered missions to 12 countries and organized its first webinar on “Strengthening Public Debt Management and Managing Public Wealth”.



The FY21 work plan recently endorsed by the AFS Steering Committee makes provisions for CD interventions to assist countries better manage the impacts of the pandemic and to sustain the reform momentum. Travel restrictions and difficult digital connectivity in some countries are likely to hamper the delivery of some services. Starting this quarter AFS is adding in the bulletin information on CD plans going forward.

EXECUTION OF THE FY20 WORK PLAN

Customs Administration

By Philip Wood



Botswana: Remote CD support with the development of materials for a Leadership and Management Development program was completed. The workshops will be delivered in FY21.

Comoros: Remote CD support was provided to the Head of the Oils Unit to assist with the implementation of the agreed action plan for the establishment and operationalization of the unit.

Namibia: CD support was provided to the risk management unit to review and develop revised profiles and selectivity criteria. The operation of the risk management committee was also assessed. A national Intelligence strategy and an implementation plan was prepared.

Mauritius: A series of facilitated workshop were delivered to assist the Mauritius Revenue Authority to further build capacity on intelligence and informant handling procedures.

Data Matching: A review of the data analysis toolkit was undertaken. The review incorporated lessons learned from previous data matching missions and also developed revised guidance to support administrations with the follow-up and implementation of results.

Tax Administration

By Thabo Letjama



Madagascar: The Tax Administration in Madagascar (DGI) strengthened its capacity to effectively manage compliance of taxpayers to payment obligations. During a visit in February 2020, DGI developed mechanisms for implementing the tax arrears management strategy to enhance on-time payment of taxes and prevent tax arrears from accumulating. In addition, during the period March 23 to April 3, 2020 another CD mission provided remote support to DGI on developing a taxpayer services strategy.



Eswatini: The Swaziland Revenue Authority (SRA) assessed strengths and weaknesses of the tax administration system in the Kingdom using a Tax Administration Diagnostic Assessment Tool (TADAT) methodology. This CD mission will help SRA in identifying reform priorities and shall create a common view of the status of the tax administration in the Kingdom of Eswatini among all stakeholders including SRA management, government, and development partners.



Public Financial Management (PFM)
By Moulay El Omari, Robert Clifton and Camilo Gomez Osorio

Mauritius: AFS provided CD in Public Investment Management for enhancing project pre-screening, appraisal, and monitoring as a follow-up on related recommendations from the 2017 Mauritius PIM Assessment.

Zimbabwe: AFS participated in a FAD-led mission to provide CD to improve the assessment of fiscal risks with focus on State-Owned Enterprises.



The Mozambique Ministry of Economy and Finance (MEF) launched [a new Manual of Macroeconomic and Fiscal Projections on March 16, 2020](#). This new comprehensive tool, supported by AFS capacity development efforts, brings more robust estimation methodologies and international best practices to reduce the risk of budget deviations, as well as builds capacity to develop a more consistent macro-fiscal framework.

Developed for the Mozambican economic context, the Manual is comprised of technical notes and Excel templates for easier and more consistent forecasting. Its practical estimation methods vary by degrees of complexity and are presented along five chapters that cover a wide range of sectors,

topics, and economic indicators, namely: (1) Institutions and Procedures for Macro-fiscal Forecasting, (2) Forecasting the Real Sector, (3) Forecasting Non-resource Revenues (tax and non-tax revenues), (4) Forecasting Public Expenditure and (5) Forecasting Financing Needs and Fiscal Sustainability.

In the words of the Minister of Finance, Mr. Adriano Maleiane, “this Manual is the result of the accumulated experience in the preparation of planning and budgeting instruments by MEF staff and other public institutions... If until now they have relied on manuals prepared in different historical contexts and empirical knowledge, as of today they have an updated analytical tool that will greatly contribute to the improvement of the quality of their work.”

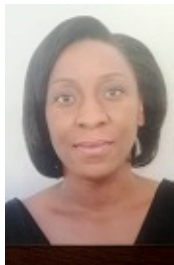
Mauritius: AFS supported the authorities in their efforts in moving towards adopting IPSAS through a two-week CD mission which included two-day workshop.

Madagascar: AFS provided two 2-week missions, respectively on (i) Wage bill projections and (ii) PFM strategy review, cash management and improving accounting quality.

Mozambique: AFS delivered a one-week training to authorities on “Non-resource revenue forecasting”

Regional webinar: AFS delivered a regional webinar on “Strengthening public debt management and managing public wealth”.

FEEDBACK



Debt Management is cardinal to fiscal management as well as to having a sustainable macro-economic framework which is all encompassing. The webinar on managing public debt and public wealth was beneficial in the areas of reporting contingent liabilities on the balance sheet, fiscal rules and fiscal risk management and the impact that Public Private Partnerships have on public wealth were clearly explained with practical examples of country experiences shared. This information will assist in strengthening our reporting on debt and PPP’s as well as to analyze the impact of debt and contribution of PPP’s to the country’s resources amidst this COVID -19 era and beyond.

Ms. Chitalu K. Mulenga, Principal Budget Analyst (Zambia)



Real Sector Statistics
By Donna Grman and Achille Pegoue

Botswana, South Africa and **Seychelles** continue to rebase their annual national accounts. They all are updating the annual methods and data sources during this process. **Mozambique** will be releasing the backcasting of the national accounts series in May 2020.



[Mozambique](#), [Namibia](#), [Lesotho](#), [Seychelles](#) and [Zimbabwe](#) are aiming to improve their quarterly national accounts by accessing administrative data and improving the methods. [South Africa](#) continue to review the seasonal adjustment processes for all its quarterly national accounts as part of the rebasing exercise.

[Namibia](#), [Lesotho](#) and [Seychelles](#) will be rebasing the Consumer Price Index as soon as the household budget survey data for each of the countries becomes available during 2020/2021. Work is also being undertaken to develop or rebase the Producer Price Index in [Botswana](#) and [Namibia](#). The Producer Price Index for Agriculture developed in [Zimbabwe](#) has been reviewed and improvements identified will be implemented prior to release in June 2020.

In-country National Accounts missions to [Botswana](#) and [Zimbabwe](#) were undertaken in February as well as the Price Statistics workshop which was conducted in [Botswana](#). Remote missions, due to Covid-19, to [Mozambique](#) (National Accounts), [Namibia](#) (Prices), [Seychelles](#) (National Accounts), [South Africa](#) (National Accounts) and [Zimbabwe](#) (Price) were undertaken during March and April to continue to build capacity..

Angola: A remote mission helped the National Institute of Statistics (INE) strengthen the implementation of seasonal adjustment methods on quarterly GDP started in November 2019. Experimental seasonally adjusted quarterly GDP obtained during the mission will be further improved. Guidance on treatment of the COVID-19 was provided in line with the business continuity note for national accounts issued by the IMF’s Statistics Department.

Madagascar: AFS is remotely assisting the Institut National de la Statistique (INSTAT) to resume the release of quarterly GDP discontinued since June 2019. The quality of source data and preliminary estimates for the four quarters of 2019 have been reviewed. Robustness test to check the quality of the new estimates after inclusion of new annual GDP for 2018 has been conducted. AFS recommended INSTAT to release the new quarterly estimates and develop a strategy to collect data while Madagascar is in a lockdown for compiling the GDP for the first quarter of 2020.

FORTHCOMING CD ACTIVITIES

AFS FY21 plan includes a number of seminars and courses —some jointly with other AFRITACs, Indian Ocean Commission, and COMESA. —to help countries address capacity gaps in core areas. The center has commenced conducting webinars to ensure that vital training needs of countries in the region are met amid the lockdown condition. The webinar on “Strengthening Public Debt Management and Managing Public Wealth” which ended on May 4, 2020 allowed participants to improve their understanding of, inter-alia, the importance of strengthening debt management functions, improving debt reporting, and improving legal frameworks specially in the context of growing debt levels in the region, on financing options, and fiscal risk management. The table below provides the CD activities, including webinars conducted/planned during May-July 2020. Updates will be made available on the center’s secure website.

Area	Beneficiary Country	CD Activity	Starts	Ends
PFM	IOC Countries	Webinar with Indian Ocean Commission	7-May	8-May
PFM	Madagascar	FAD and AFS support for the implementation of COVID 19	5-May	19-May
PFM	Comoros	FAD and AFS support for the implementation of COVID 19	6-May	20-May
PFM	Zimbabwe	Fiscal Risks Management	11-May	19-May
PFM	AFS countries - English Speaking	Webinar on IMF Capacity Development for Overcoming Current Macro-Fiscal/PFM Challenges	12-May	12-May
PFM	Angola	Asset and Liability Management	16-May	24-May
RSS	Namibia	AFS: National Accounts (WFH)	18-May	22-May
FFL	Mozambique	TA on the Amendment of the Central Bank Law	18-May	29-May
PFM	Zambia	Fiscal Risk Management	20-May	29-May
MFxMO	AFS countries	COVID-19 and Central Bank Operations	May	May
TADM	Comoros	Capacity to manage tax arrears further strengthened	25-May	12-Jun
CADM	Madagascar	Strategic Management	1-Jun	10 days
TADM	Lesotho	Strong Data Analysis Capability	15-Jun	26-Jun
TADM	Seychelles	Compliance improvement plan	22-Jun	17-Jul
BSR	AFS countries	COVID-19 and Banking Supervision and Regulation	June	1-2 hours
TADM	Eswatini	Further capacity building in the Insurance Sector	20-Jul	31-Jul
CADM	Angola	Project Management	May & June	10 days
CADM	Eswatini	Update of Data Matching Toolkit	May & June	20 days
CADM	Comoros	Establishment of an Oils Unit	May & June	5 days

PFM-Public Financial Management; TADM-Tax Administration; CADM-Customs Administration; BSR-Banking Supervision and Regulation; MFXMO-Money and Foreign Exchange Market Operation; RSS-Real Sector Statistics; FFL-Financial and Fiscal Law
Note: Some dates are yet to be confirmed by authorities. AFS plan also includes remote TA to Mozambique and Namibia on BASEL II/III and to Lesotho on risk-based supervision.

AFS TA REPORTS TRANSMITTED TO AUTHORITIES

Members of the AFS Steering Committee are encouraged to register to access confidential TA-related information from the center's secure website. The site provides a broad range of information, including TA reports, status of milestones, minutes of Steering Committee meetings, and forward-looking TA mission plans. To acquire access, please contact Mr. J. Kawal (jkawaljeewan@imf.org) or Mr. D. Chundungsing (DChundungsing@imf.org).

