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MAIN HIGHLIGHTS

AFS continued to support member countries address the adverse economic effects of the COVID-19 pandemic. Responding to the emerging demands, the center delivered capacity development on (i) **revenue administration** to strengthen revenue mobilization efforts through improved audit and compliance management and business continuity, emergency management, and disaster recovery planning; (ii) **public financial management** to assess the impact of COVID-19, improve fiscal risk management and take appropriate fiscal response; and (iii) **banking supervision and regulation** to strengthen crisis management and resolution frameworks; (iv) **real sector statistics** to maintain national accounts business continuity amidst COVID-19 related challenges. This newsletter highlights some of our CD services during the quarter ending October 2020 and presents the plan for the rest of the fiscal year. The [IMF online learning](#) portal provides additional training opportunities on core macroeconomic topics and remains accessible to government officials and the general public.

EXECUTION OF THE FY21 WORK PLAN

Tax Administration

By Thabo Letjama



AFS staff joins to congratulate Mr. Thabo Letjama for his new assignment at the Fiscal Affairs Department of the IMF and to thank him for his excellent contribution to through the past four years.

Botswana: A follow-up CD support was provided to strengthen capacity of the Large Taxpayers Unit to audit and verify accuracy of reporting by taxpayers in the financial sector and improve the yield from audits.

Comoros: AFS supported the revenue authority (AGID) to improve the on-time payment rate by taxpayers. A second mission is assisting AGID to use data in management of performance and to

complete the International Survey on Revenue Administration (ISORA) for 2020.

Eswatini: The Swaziland Revenue Authority’s (SRA) capacity to manage Compliance of the Insurance Sector was enhanced.

Madagascar: The first in a series of planned missions was carried out to support the DGI to develop an internal control framework and enhance management of corporate priorities through effective enterprise and compliance risk management. AFS also supported to improve recovery of tax arrears in the context of COVID-19.

South Africa: SARS was supported to carry out an assessment of the tax system in South Africa using a tax administration diagnostic assessment tool (TADAT).

Zimbabwe: A mission conducted a series of training workshops to strengthen audit capacity of Zimbabwe Revenue Authority (ZIMRA) in ensuring accuracy of reporting. In addition, support was provided to ZIMRA to review progress and advance development of capacity on modern and effective methods for auditing of telecoms.





Customs Administration By Philip Wood

Angola: AFS assisted in further strengthening the capacity of the Angolan Revenue Authority to implement appropriate internal audit controls.

Botswana: A mission delivered the first of a series of technical workshops on 'Leadership and Management Development'. The workshops were delivered via a series of remotely facilitated webinars to selected members of the Botswana Unified Revenue Service senior management group. The second series of workshops are to be delivered in the latter part of FY2020.

Comoros: AFS provided support to develop a risk-based compliance program and the necessary data analysis skills and technical expertise to support its implementation. AFS reviewed the organizational arrangements and procedures for the establishment of a Risk Management Unit and a Risk Management Committee.

Eswatini: AFS strengthened the SRA's capacity to analyze data and to make use of the analysis to support a risk-based approach to compliance management. Following this CD support, the project team successfully completed a data matching exercise, making use of the results to identify areas of potential non-compliance, and develop a follow-up action plan.

Madagascar: A mission supported customs with the planning and delivery of a development partners' roundtable event. The event, which was opened and closed by the Minister of Finance, involved over 200 participants including all major development partners. The mission also supported the development of a project management methodology to support the implementation of the reform and modernization strategy. Working in partnership with the Malagasy customs legal committee, AFS/LEG supported drafting amendments to the customs code. The amendments aim to harmonize the existing Malagasy customs code with the customs code of the Customs Common Market for Eastern and Southern Africa (COMESA). The amendments are to be reviewed with stakeholders and then finalized in a follow-up AFS/LEG CD mission in early FY22.

Mauritius: A mission focused on supporting the Mauritius Revenue Authority to develop a National Intelligence Strategy (NIS) and to prepare a procedures manual based on good practice standards.

Seychelles: A series of technical workshops were delivered on matters relating to business continuity, emergency management, and disaster recovery planning. Work was also completed to develop terms of reference for an emergency management and business continuity committee and to finalize templates for use in business continuity and disaster recovery planning. An action plan to complete business continuity plans for selected pilot services and a disaster recovery plan has been agreed.

Zambia: A NIS was developed and a proposal for the establishment of a central intelligence unit agreed. CD support was also provided to strengthen risk management capacity making use of data generated by a previous AFS supported customs/tax data matching exercise. Risk selectivity criteria was revised, and an aide memoire prepared to assist with the completion of inspection reports.

Zimbabwe: A draft NIS and an implementation plan were agreed. The strategy includes details of activities to be completed, resource requirements and timelines for the finalization and implementation of the NIS. The existing risk criteria were reviewed, and revised criteria developed. Revised TORs were also agreed for the customs Risk Management Committee. A technical workshop on post control audit was successfully delivered and a risk-based operational plan agreed as an output.



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

Angola: AFS supported the authorities in assessing the macro-fiscal impact of the Covid-19 pandemic. Officials in the Ministry of Finance learnt how to use the new Fiscal Stress Test (FST) COVID-19 tool, developed by the Fiscal Affairs Department (FAD) of the IMF, and developed scenarios to inform the preparation of Medium-Term Fiscal Framework. The activity enhanced staff capacity and contributed towards the 2021 budget preparation.

Botswana: AFS continued to assist the authorities in developing a country-owned PFM reform strategy. Through the CD support, AFS experts addressed comments from the authorities on specific sections of the draft report.

Comoros: AFS/FAD provided CD support on implementation of fiscal response to the COVID-19 pandemic and to put in place procedures and mechanisms for effective and transparent management of related expenditures. The activity focused on the preparation of the 2021 budget and the adaptation of the expenditure chain to track and report on COVID-19 related expenditures.

Lesotho: AFS/FAD provided advice on modernizing the Public Financial Management and Accountability (PFMA) Act (2011). The mission presented a roadmap for completing work on the Bill with the support of the Office of the Parliamentary Counsel (part of the Attorney General’s Office), enabling a dialog with Ministers on new provisions and submitting the Bill to the parliament for debate.

Mauritius: AFS assisted the authorities on IPSAS implementation. This activity (i) took stock of the progress made in implementing the 2016-IPSAS roadmap and identified remaining gaps to fully comply with IPSAS by 2023, (ii) gave hands-on advice on consolidating financial statements process, including the necessary upgrades to IT system, and on auditing financial statements and value for money processes (iii) reviewed the legal framework and (iv) reviewed the Treasury’s organizational structure. Another CD support provided hands-on technical assistance on upgrading the Capital Project Process Manual (CPPM) to improve project selection and monitoring practices leading to an overall improvement in infrastructure governance in Mauritius.



Regional webinar: As part of the series “Identifying and Managing Fiscal Risks during Covid-19,” AFS in collaboration with FAD, the Africa Training Institute (ATI), and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), delivered its first module “Fiscal Risks and Debt Sustainability Analysis in Low income Countries.” This webinar involved 62 participants from 19 countries from across the Africa region and built capacity to identify and quantify fiscal risks. The participants learnt how to use the IMF-World Bank framework for Public Debt Sustainability Analysis in Low-Income Countries (LIC

DSF) to assess fiscal sustainability.

Indian Ocean Commission: AFS, in collaboration with FAD/RM, provided CD in rolling-out performance-based budgeting (PBB) within a results-based management organizational context. The activity comprised a set of interactive discussions and training sessions to the IOC’s officials on PBB.



Real Sector Statistics
By Donna Grman and Achille Pegoue

Regional Webinar: AFS conducted webinars (in English, French, and Portuguese) on consumer price index (CPI) to strengthen knowledge on relevant practices to maintain CPI business continuity amidst COVID-19 related challenges. The webinars focused on (i) alternative data collection methods to supplement in-person collection impacted



by the temporary closure of outlets and restrictions on movement; (ii) imputation methods for the treatment of missing prices and indexes; (iii) timely dissemination of CPI data and the need for detailed metadata to explain the impact of COVID-19 on the CPI; and (iv) how missing data were imputed. The webinars also allowed peer exchanges among the statistical agencies in the region.

Regional Webinar: AFS conducted webinars in French and Portuguese on national accounts to strengthen knowledge on relevant practices to maintain national accounts business continuity amidst COVID-19 related challenges. The webinars focused on (i) review of COVID-19 related methodological notes on national accounts prepared by international organizations; (ii) good practice to record government support to businesses and households; (iii) challenges posed by lack of data source and possible solutions; (iv) seasonal adjustment of COVID-19 in quarterly GDP; and (v) discussions of specific conditions to compile and disseminate the quarter 2 GDP estimates.

Angola: A CD activity supported ongoing exercise on rebasing national accounts series. AFS experts trained officials on backcasting techniques with the aim to help prepare a project document. A second mission focused on improving seasonal adjustment procedures of quarterly GDP.

Botswana: A mission continued with the development of the producer price index (PPI). A second mission continued supporting the compilation of rebased estimates of national accounts, which are planned to be disseminated in January 2021.

Comoros: AFS continued to assist the authorities in disseminating timely annual GDP estimates for the years 2018 and 2019. The mission took stock of progress made to improve the quality of source data and assisted in disseminating the 2020 private sector survey results that includes the impact of the COVID-19 on the economy; revising the GDP estimates for 2018; and compiling the preliminary GDP estimates for 2019. The mission also helped to process the 2020 private sector survey.

Eswatini: AFS supported the authorities with the development of quarterly GDP. The mission reviewed the progress made in the compilation of quarterly GDP, helped the authorities to finalize quality control of the quarterly GDP, and updated the schedule to develop the quarterly GDP.

Lesotho: A mission reviewed progress on further improving quarterly indicators for agriculture and construction and provided advice on how to estimate the second quarter GDP estimates given the challenges from COVID-19.

Madagascar: AFS continued to assist the authorities to further improve the compilation of quarterly GDP and annual GDP estimates. A CD activity reviewed progress made to improve quarterly indicators and improve the relationship between the annual and quarterly national accounts estimates. The mission discussed the quality and revision of the 2018-19 GDP estimates released and actions to improve the institutional arrangements.

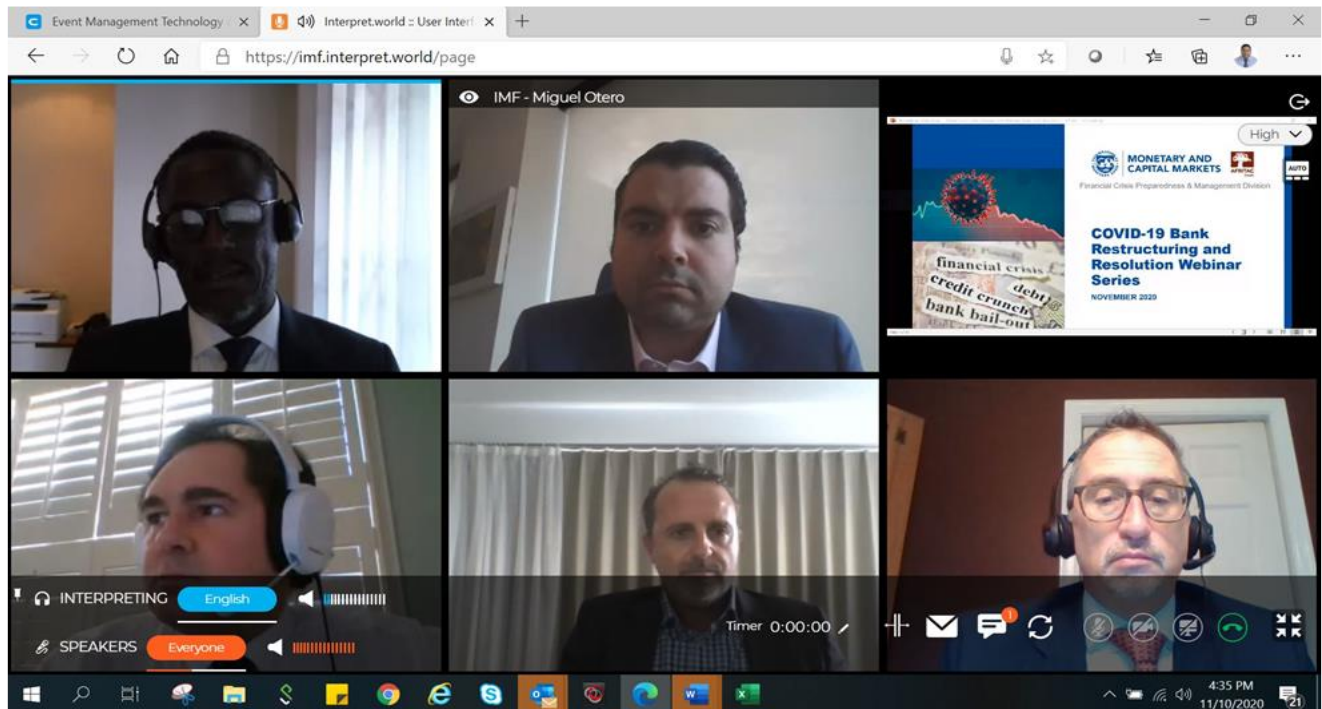
Seychelles: AFS continued to assist the authorities with the rebasing of national accounts, including reviewing and improving data sources and methods for both the annual national accounts and quarterly national accounts.

Zambia: A mission reviewed progress towards GDP rebasing, helped ZamStats develop a supply and use table (SUT) in the current GDP compilation framework, and assisted with the identification of data that can be used to populate the SUT.



Banking Regulation and Supervision By Benjamin Stefanou

Regional webinar: AFS/MCM delivered a webinar to provide an overview to AFS member countries of crisis management and resolution frameworks. The webinar forms part of a wider AFS/MCM initiative, which following on from the series could present the possibility of providing technical assistance to enhance countries' capacity in these areas, where specific gaps or development needs are identified.



Namibia: The center assisted the Bank of Namibia (BON) build capacity on prudential supervision of securitization, by reviewing and providing feedback on BON’s securitization regulations and providing training to the BON on the fundamentals of securitization.

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).

TA reports issued during the period August-October 2020 include,

Area	Country	Report Title
CADM	Comoros	Renforcement de la gestion des risques pour la sélectivité des contrôles)
CADM	Zimbabwe	Customs Valuation
CADM	Zimbabwe	Post Clearance Audit
CADM	Seychelles	Customs Procedures, Compliance Management and Governance
CADM	Madagascar	Développer une Stratégie d'Assistance au Service des Contribuables
CADM	Mauritius	Intelligence
CADM	Botswana	Leadership and Management Development
CADM	Angola	Implementação e Monitoramento do Plano Estratégico
CADM	Zambia	Building Capacity on Risk Management and Intelligence
CADM	Eswatini	Data Matching Toolkit Workshop
CADM	Comoros	Renforcement de la Fonction d 'Evaluation en Douane
PFM	Comoros	(première partie)
PFM	Botswana	Strategic Priorities in PFM Reform
PFM	Comoros	La gestion budgétaire et financière des mesures relatives à la crise COVID-19
PFM	Zambia	Report on Revenue Forecasting and Macroeconomic Scenarios for Covid-19
PFM	Zimbabwe	Report on Macro Fiscal Scenarios for COVID-19
RSS	Lesotho	Report on the National Accounts Mission
RSS	Zimbabwe	Report on National Accounts Mission
RSS	Seychelles	Report on National Accounts Mission
TADM	Zimbabwe	Enhancing Capacity of ZIMRA to Audit the Telecommunications Sector
TADM	Zambia	Advancing progress in Developing a Compliance Improvement Plan
TADM	Seychelles	Improving Compliance Planning
TADM	Madagascar	Renforcement de la gestion des arriérés fiscaux
TADM	Madagascar	La mise en place d'un service de gestion des risques de conformité
TADM	Madagascar	Développer une Stratégie d'Assistance au Service des Contribuables
TADM	Comoros	Renforcement de la capacite de contrôle de la direction des grandes entreprises
TADM	Botswana	Developing Financial Institutions Audit Capacity
TADM	Angola	GESTÃO ESTRATÉGICA E LIDERANÇA DE ALTO DESEMPENHO
TADM	Lesotho	Compliance Risk Management and Data Analysis

CADM-Customs Administration; PFM-Public Financial Management; RSS-Real Sector Statistics; TADM-Tax Administration;

FORTHCOMING CD ACTIVITIES

AFS FY21 plan includes a number of webinars/seminars and courses —some jointly with other AFRITACs, ATI, Indian Ocean Commission, and COMESA —to help countries address capacity gaps in core areas. As highlighted above, a series of webinars were held and more are planned in the rest of the year to ensure that vital training needs of countries in the region are met amid an extended lockdown condition. The table below provides the CD activities, including webinars conducted/planned in the second quarter (August-October 2020).

Area	Country	CD Activity	Start Month
BSR	Lesotho	Risk-Based Supervision	2020/11
BSR	Namibia	Securitization Training	2020/11
BSR	Regional	Webinar: Crisis Management and Resolution	2020/11
BSR	Comoros	Regulatory Framework- Basel II/III	2020/11
BSR	Eswatini	Licensing Framework	2020/12
BSR	Botswana	Regulatory Reform - Liquidity	2021/01
BSR	Mauritius	Cyber Risk	2021/01
CADM	Botswana	Leadership and Management Development Phase II	2020/11
CADM	Comoros	Excise	2020/11
CADM	Lesotho	Excise Legislation	2020/11
CADM	Namibia	Data Matching Phase II	2020/11
CADM	Seychelles	Business Continuity Planning (Phase II)	2020/11
CADM	Lesotho	Authorized Economic Operator Program	2020/12
CADM	Madagascar	Project Management (Phase IV)	2020/12
CADM	Mauritius	Intelligence Phase II	2020/12
CADM	Seychelles	Customs Valuation	2021/01
CADM	Zambia	Intelligence and Risk Management	2020/12
CADM	Zimbabwe	Coordinated Border Management	2020/12
CADM	Regional	Regional Seminar on Data Analysis	2021/01
CADM	South Africa	Legislation Led by FADR2 and LEG	2021/01
CADM	Zimbabwe	Authorized Economic Operator Program:	2021/01
CADM	Zimbabwe	Risk Management and Intelligence	2021/01
FFL	Botswana	Income Tax and VAT	2021/01
FFL	Comoros	Customs	2021/01
FMI	Botswana	Review of Oversight Guidelines	2020/12
FMI	Eswatini	Review of PFMI Assessment	2020/12
FMI	Regional	Webinar: "Digitizing Payments - Regulatory and Policy Perspectives"	2020/12
FMI	Botswana	Assessing NPS Regulatory Landscape	2021/01
FMI	Botswana	Legal TA- Review of Draft paper for development of NPS Law	2021/01
FMI	Mauritius	Fintech Initial Assessment	2021/01
PFM	Botswana	Fiscal Risks-SoE oversight	2020/11
PFM	Lesotho	PFMA Bill Review and Quality Assurance	2020/11
PFM	Regional	Multi-country Customized Peer Learning Workshop: Public Investment Management	2020/11
PFM	Mozambique	Fiscal Reporting and Asset and Liability Management --Accounting and Cash Management	2020/11
PFM	Botswana	PFM Law and Institutions-IFMIS strategy	2020/12
PFM	Eswatini	Budget Execution and Control - Commitment Control and Arrears Management	2020/12
PFM	Lesotho	Fiscal Risks--Fiscal Risks from SOEs and PPPs	2021/01
PFM	Madagascar	Budget preparation - Wage Bill and Pension Projection	2021/01
PFM	Madagascar	Budget Execution and Control--Accounting, cash management and treasury reforms	2021/01
PFM	Mauritius	Public Investment Management	2021/01
PFM	Mozambique	Fiscal reporting and Asset and Liability Management	2021/01
PFM	Namibia	Budget Preparation--Strengthen the Medium-Term Budget Framework	2021/01
PFM	South Africa	Workshop: Gender budgeting	2021/01
RSS	Seychelles	Price Statistics--Rebasing CPI	2020/11
RSS	Namibia	Price Statistics--PPI development	2020/11
RSS	Comoros	Price Statistics--Dissemination of improved CPI series	2021/01
RSS	Lesotho	National Accounts--Development QGDP and commence rebase of ANA	2021/01
RSS	Zimbabwe	Price Statistics--Development of workplan for CPI and PPI	2021/01
RSS	South Africa	National Accounts- Seasonal adjustment	2021/01
TADM	Comoros	Implementing Tax MIS	2020/11
TADM	Comoros	taxpayer registration	2021/01
TADM	Madagascar	TADAT Training	2021/01
TADM	Regional	Training and guidance on Completing ISORA 2020 (Angola and Mozambique)	2020/11
TADM	Namibia	NAMRA Establishment	2020/11
TADM	Zimbabwe	Strategic Management	2020/11
TADM	Eswatini	Insurance Sector Compliance	2020/12
TADM	Madagascar	TADAT Training	2020/12
TADM	Mozambique	IT System implementation	2020/12
TADM	Seychelles	Further Developing a CIP	2020/12
TADM	Namibia	Strategic Management	2021/01
TADM	Regional	Training: International Survey on Revenue Administration (ISORA)	2021/01

BSR-Banking Supervision and Regulation; CADM-Customs Administration; FFL-Financial and Fiscal Law; FMI-Financial Market Infrastructure; PFM-Public Financial Management; RSS-Real Sector Statistics; TADM-Tax Administration;

Note: Some dates are yet to be confirmed by authorities.

