

AFRITAC South Seminars: May 2017–April 2018

*Improving
macroeconomic
management
frameworks to foster
sustainable growth and
poverty reduction in
Southern Africa*

Financial Year
2018



AFRITAC South Seminar/Course- recently held and forthcoming The venue is AFS, Ebene, Mauritius, unless otherwise stated	Dates
Financial Development and Financial Inclusion Course Coordinator: Mr. Dmitriy Rozhkov	June 19-30, 2017
Fiscal Risk Analysis and Management; Theory and Practices Seminar Coordinator: Mr. Sybi Hida.	July 31- August 8, 2017
Enhancing the Basel Process -Recent Developments in Basel II & Basel III Seminar Coordinator: Mr. Ravi Mohan P.R	August 21-25, 2017
FX Market Dealing Simulation Workshop for Central Banks Officials Seminar Coordinators: Ms. Carina Selander and Mr. Zsolt Ersek Venue: Johannesburg, South Africa	September 4-8, 2017
Monetary Policy Communication Seminar Coordinators: Ms. Carina Selander and Mr. Zsolt Ersek Venue: Accra, Ghana	September 25-29, 2017
Intelligence and Investigation in Customs Course Coordinator: Mr. Kenneth Head	September 25-October 6, 2017
Macroprudential Approach to Supervision and Managing Systemic Risk Seminar Coordinator: Mr. Ravi Mohan P.R	October 23-27, 2017
Prevention and Management of Government Expenditure Arrears: Theory and Practices Seminar Coordinators: Mr. Jean Luc Helis	October 30-November 3, 2017
Modernizing the Legal Framework in Compliance with the CPSS-IOSCO Principles for Financial Market Infrastructures Seminar Coordinator: Ms. Faith Stewart	November 27-December 1, 2017
Compilation of National Accounts Seminar Coordinator: Mr. Gregory Legoff	December 4-8, 2017
Financial Market Infrastructure and Payments System (TBC) Seminar Coordinator: Ms. Faith Stewart <i>(Overview forthcoming)</i>	January 15-19, 2018
Compilation of Price Statistics Seminar Coordinator Mr. Gregory Legoff	February 19-23, 2018
Fiscal Policy Analysis Course Coordinator: Ms. Alina Carare	February 26- March 9, 2018
International Survey on Revenue Administration (ISORA) and Managing Performance Seminar Coordinator: Mr. Thabo Letjama	March 12-16, 2018
Developing ICT Based Budget Formulation and Management Systems/Modules – Theory and Practices Seminar Coordinator: Mr. Peter Murphy	March 19-23, 2018
Leading a Revenue Administration Seminar Coordinator: Mr. Thabo Letjama Date and venue: To be determined	

FINANCIAL DEVELOPMENT AND FINANCIAL INCLUSION
COURSE COORDINATOR: MR. DMITRIY ROZHKOV

Area of technical assistance:

Targeted audience:	Mid- and senior-level officials in central banks and ministries of finance or economy involved with the financial sector and its regulation and supervision
Participation:	About 30 participants from 13 country members of AFRITAC South
Dates:	June 19-30, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	May 27, 2017

Course description

This course, presented by the IMF's Institute for Capacity Development, outlines the macroeconomic relevance of financial development and financial inclusion. Beginning with an analytical framework that defines the role of finance in the economy, the course reviews the conceptual and empirical literature on the impact of finance on macroeconomic stabilization and growth. It also addresses key policy issues to encourage financial development (market enabling policies) and limit its potential destabilizing effects (market harnessing policies). The course introduces financial inclusion as an integral dimension of financial development, reviews the indicators used to measure financial inclusion, the distinct macroeconomic impact of financial inclusion, and the main policy strategies that have been pursued

Language requirements:

The course will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

FISCAL RISK ANALYSIS AND MANAGEMENT: THEORY AND PRACTICE
SEMINAR COORDINATOR: MR. SYBI HIDA

Area of technical assistance:

Targeted audience:	Senior technical staff of macro-fiscal units and budget departments from AFS member countries.
Participation:	Two–three participants per country
Dates:	July 31 – August 4, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	May 31, 2017

Seminar description

Monitoring and managing fiscal risks—factors that may cause fiscal outcomes to deviate from expectations or forecasts—are always key aspects of policymaking. Common sources of fiscal risks include natural disasters or shocks to such macroeconomic variables as exchange rates and interest rates, but also the fiscal implications of bail-outs of banks, public enterprises, pension funds, and local governments, or other contingent liabilities, such as guarantees (including those embedded in public-private partnerships) and legal claims against the government. In addition, accuracy and transparency of the central government’s fiscal accounts reduce the likelihood that debts and deficits will be unexpectedly revised upward at a later stage. Indeed, lack of accurate information can be a source of risks.¹

Governments need a more complete understanding of fiscal risks and their potential threats to their fiscal position. Existing fiscal risk disclosure and analysis practices tend to be incomplete, fragmented, and qualitative in nature. A more comprehensive and integrated assessment of the potential shocks to government finances, in the form of a fiscal stress test, can help policymakers simulate the effects of shocks to their central forecasts and their implications for government solvency, liquidity, and financing needs. Comprehensive, reliable, and timely fiscal data covering all public entities, stocks, and flows are a necessary foundation for such analysis.

Policymakers should also take fiscal risks into account when formulating fiscal targets. Many countries have included public debt ceilings as a part of their medium-term fiscal frameworks. To assess whether policies are consistent with keeping public debt below these ceilings, it is essential to understand the size of fiscal risks and their potential effect on public debt ratios in case they materialize.

The seminar will bring together senior PFM government officials from AFS countries and will provide a platform for the participants to develop and exchange knowledge with peers, including ideas and experiences for strengthening fiscal risks management. The aim will be to combine international knowledge and AFS country experiences to ensure effective knowledge transfer. AFS will liaise with the IMF’s Fiscal Affairs Department to mobilize international experts in fiscal risks management. Observers from regional organizations and blocs will also provide a regional integration perspective of the ongoing initiatives intended to achieve and maintain macroeconomic stability in the region.

¹ International Monetary Fund (IMF). 2015. “Monitoring and Managing Fiscal Risks in the East African Community.” African Department Paper, Washington. <http://www.imf.org/~media/Websites/IMF/imported-full-text-pdf/external/pubs/ft/dp/2015/ afr1507.ashx>

The seminar content will cover the following main topics:

What are the sources of fiscal risks? This will entail a review of three main sources of fiscal risks: (i) macroeconomic risks: natural disasters or shocks to such macroeconomic variables; (ii) specific risks: explicit or implicit commitments of the central government to public enterprise, local governments, commercial banks, public private partnerships, and other contingent liabilities; and (iii) institutional risks: risks associated with weakness of the PFM system.

How to disclose and manage fiscal risks? This will entail a review of identification and disclosure of information on fiscal risks, how governments mitigate fiscal risks in a cost-effective manner, and what legal and administrative frameworks are needed for an effective management of fiscal risks.

To what extent to integrate fiscal risks management into the budget process and medium-term fiscal frameworks (MTFF)? While respecting fiscal rules or determining fiscal targets, allowance needs to be made for the possibility that some risks will materialize. This topic will deal with the relationship between fiscal risks management and the integrity of the budget and MTFF.

Tools that help government to manage fiscal risks. This topic will discuss the proposed fiscal stress test (FST) and fiscal risk toolkit at the IMF's FAD paper.² The FST integrates analysis of macroeconomic shocks and the realization of contingent liabilities using historical data. The FST examines the impact of such shocks on not only fiscal flow variables (such as government revenue, expenditure, and financing), but also stock variables (such as government liabilities, assets, and overall net worth), to which most existing methods pay limited attention.

Country experiences on fiscal risks management in AFS and other countries will be discussed.

References:

IMF Fiscal Transparency Code <http://www.imf.org/external/np/fad/trans/>
International Monetary Fund (IMF). 2016. "Analyzing and Managing Fiscal Risks-Best Practices." Fiscal Affairs Department Policy Paper, Washington. <http://www.imf.org/en/publications/policy-papers/issues/2016/12/31/analyzing-and-managing-fiscal-risks-best-practices-pp5042>
International Monetary Fund (IMF). 2015. "Monitoring and Managing Fiscal Risks in the East African Community." African Department Paper, Washington. http://www.imf.org/~media/Websites/IMF/imported-full-text-pdf/external/pubs/ft/dp/2015/_afr1507.ashx

Language requirements:

The seminar will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

² International Monetary Fund (IMF). 2016. "Analyzing and Managing Fiscal Risks-Best Practices." Fiscal Affairs Department Policy Paper, Washington.

ENHANCING THE BASEL PROCESS -RECENT DEVELOPMENTS IN BASEL II & III
SEMINAR COORDINATOR: Mr. RAVI MOHAN P.R

Area of technical assistance:	Financial Sector Supervision
Targeted audience:	Senior staff of central banks and supervisory agencies from AFS, AFE and COMESA countries in supervisory policy, prudential regulation, off-site and on-site examination in the supervision department, and macroprudential supervision
Participation:	Two–three participants per country
Dates:	August 21-25, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	June 23, 2017

Seminar description

Implementation of the Basel III framework is a key global regulatory reform priority. Full and consistent implementation within the internationally agreed timeframe is aimed at strengthening the resilience of the banking system, improving market confidence in regulatory ratios and promoting a level playing field. Developments are taking place in implementing different facets of Basel III such as the leverage ratio, liquidity requirements, and capital buffers. The seminar is designed to familiarize participants with the underlying concepts of these requirements and equip them with the tools and techniques for conducting supervision of banks/financial institutions under the revised framework in the most effective way.

The seminar will provide participants an opportunity to discuss the following issues:

- Revisions to standardized approaches for credit, market and operational risks—concepts, framework and implementation challenges
- Impact of the revision to standardized approaches on the Basel II implementation plan of countries in sub-Saharan Africa
- Developments relating to Basel III—Definition of capital, capital buffers, leverage ratio, liquidity requirements, SIFI, etc.
- Roundtable discussion on implementation framework for the sub-Saharan African countries.

The seminar will require close interaction among the participants, with the resource persons guiding the interactions. Participants from select countries will be asked to make presentations on their country experiences. Presentations will be given by international experts, including from IMF headquarters.

Participants should go through the following references to prepare themselves for effective participation in the seminar:

Reference documents:

Progress report on implementation of the Basel regulatory framework, BCBS. www.bis.org/publ/bcbs.pdf
 Basel III regulatory consistency assessment programme. <http://www.bis.org/publ/bcbs.htm>
 Operational risk – Revisions to simpler approaches-Consultative document –October 2014
<https://www.bis.org/publ/bcbs291.pdf>

Fundamental review of the trading book –Outstanding issues-Consultative document –December 2014 - <https://www.bis.org/bcbs/publ/d305.pdf>

Implementation of Basel Standards –A report to G 20 Leaders on implementation of Basel III regulatory reforms November 2015 - <https://www.bis.org/bcbs/publ/d345.pdf>

Revisions to standardized approaches for credit risk –second Consultative document-December 2015 -- <https://www.bis.org/bcbs/publ/d347.pdf>

Minimum capital requirements for market risk –January 2016 --- <https://www.bis.org/bcbs/publ/d352.pdf>

Basel III monitoring report March 2016 - <https://www.bis.org/bcbs/publ/d354.pdf>

This seminar will be conducted in collaboration with East AFRITAC East and COMESA.

Language requirements:

The seminar will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

**FX MARKET DEALING SIMULATION WORKSHOP FOR CENTRAL BANKS
OFFICIALS**

SEMINAR COORDINATORS: MS. CARINA SELANDER AND MR. ZSOLT ERSEK

Area of technical assistance:	Monetary Policy and operations
Targeted audience:	Senior- and mid-level experts working in foreign exchange market operations and very closely related areas like FX reserve management and risk management.
Participation:	Two-three participants per country from central banks of the following countries: Angola, Botswana, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia (the selection of countries is based on their current exchange rate regime and the level of the advancement of the FX market)
Dates:	September 4-8, 2017
Venue:	Johannesburg, South Africa
Nomination deadline:	June 30, 2017

Workshop description

Recent experience of exchange rate volatility in sub-Saharan African countries has forced many central banks to rethink their foreign exchange market operations. Inefficiency of market movement shows there is a general need to move away from pure administrative measures towards more market conforming methods and to deepen the understanding of money and foreign exchange market dynamics. Thus, central banks in the region are currently striving to improve their market intelligence for better understanding of market dynamics, to update market conventions and regulations and to enhance the instruments used horizontally on the foreign exchange, as well as, for central bank operations to increase market efficiency and price discovery. To complement regular TA within this area, this workshop will provide for both theoretical fundamental knowledge and practical skills training.

This workshop's intensive program will provide for close to real-life simulations of trade in a foreign exchange market environment. It is tailored to central banks and deals extensively with market conventions, intervention techniques, role of central banks in the foreign exchange markets and forward transactions. The workshop will have several sessions with foreign exchange market simulation exercises which are carried out on electronic trading platform. The participants will trade with each other while market news are coming in, central banks intervene etc. In addition, the workshop will include sessions on interbank market conventions, central bank intervention strategies, main characteristics of spot and forward markets, fundamental and technical analysis of price developments.

This unique program is delivered by the ACI Australia, which has long experience in running this type of forex market simulation courses. More information about the ACI and the dealing simulations can be found at <http://aciaustralia.com.au/>. As the event is held jointly with AFRITAC West 2 it will provide an excellent forum for experts from West and South African central banks to meet and exchange experiences. The workshop will also help participants to prepare for ACI dealing certificate exams, which is a longstanding and frequently occurring TA recommendation to countries in this field.

Language requirements:

The seminar will be conducted in English and good working knowledge of English is required.

MONETARY POLICY COMMUNICATION

SEMINAR COORDINATOR: MS. CARINA SELANDER and MR. ZSOLT ERSEK

Area of technical assistance:	Monetary Policy and Operations
Targeted audience:	Senior- and mid-level experts and policymakers involved in preparing and delivering internal and/or external monetary policy reports, including inputs to the analysis and forecasts, and other external communications
Participation:	Maximum two participants per country, from central banks
Dates:	September 25-29, 2017
Venue:	Accra, Ghana
Nomination deadline:	July 14, 2017

Seminar description

Communication is key for building credibility for monetary policy. It is also crucial to consolidate the gains and ensure the continued progress in the areas of inflation forecasting, monetary policy analysis and monetary policy implementation that has already occurred in the region. Communication also plays an important role in building general knowledge about the central bank and its role in the economy. As central banks in the region develop, they also become more transparent in line with best practice. Being transparent, however, is not necessarily the same as communicating, and the demand from central banks for assistance in building their communications capacity is steadily increasing.

The purpose of this jointly organized seminar is to further develop central banks' capacity to communicate monetary policy in a way that is suitable to their overall capacity and the prevailing environment in each country, thereby strengthening the implementation of monetary policy. The seminar will discuss the role of communications units, the nature of communication in the daily work of a central bank, and relevant strategic documents. Moreover, it will involve developing tools/channels for communication (webpage, reports, speeches, press releases, etc) and relations with stakeholders, especially with the media. The seminar will also cover internal communication of monetary policy, which is another important element in effective communication.

Some central banks in the region have already started to establish communication units and to develop communication strategies and policies, while others are just realizing this need. One valuable objective of the seminar will be peer learning by having the more experienced participants share their knowledge and experience. The joint participation of AFRITACs South and West 2 provides an opportunity for a richer and broader exchange of views and experiences. Other challenges facing central banks in the sub-Saharan African region, such as language barriers, relative financial illiteracy, and limited internet access, will also be discussed during the seminar.

The seminar will require close interaction among the participants, with the resource persons guiding the interactions. Representatives from select countries will be asked to make presentations based on their experience and current practice in some areas. The practical workshops during the seminar are designed to enhance the participants' ability to use different tools/channels in communication and to think more strategically about communication.

Language requirements:

The seminar will be conducted in English and full competence of English is required.

INTELLIGENCE AND INVESTIGATION IN CUSTOMS
COURSE COORDINATOR: MR. KENNETH HEAD

<i>Area of technical assistance:</i>	<i>Revenue Administration (Customs)</i>
Targeted audience:	Officials from customs administrations responsible for participating in and managing the intelligence and investigation functions. Participants are expected to be familiar with the principals of gathering, evaluating and disseminating intelligence and the investigation of customs and fraud offences.
Participation:	Three officials from the customs administration.
Dates:	September 25 to October 6, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	July 31, 2017

Course description

The course will provide a forum for discussion to explore the challenges to Customs intelligence and investigation programs and build capacity of the participants by looking at:

- the systematic collection and processing of intelligence information;
- the various components involved in the gathering, evaluation, collation, analysis and dissemination of information;
- the principles and procedures associated with the investigation of customs and fraud offences; and
- an investigation (case study) from the point of referral through to the end of the civil assessment and/or prosecution in court.

Language requirements:

The course will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

MACROPRUDENTIAL APPROACH TO SUPERVISION AND MANAGING SYSTEMIC RISK
SEMINAR COORDINATOR: Mr. RAVI MOHAN P.R

Area of technical assistance:	Financial Sector Supervision
Targeted audience:	Senior staff in the following areas: Supervisory policy, off-site and on-site examination in the supervision department, macroprudential supervision, and financial stability.
Participation:	Limited to two–three participants per country
Dates:	October 23-27, 2017
Venue:	South African Reserve Bank’s Academy, Pretoria
Nomination deadline:	September 22, 2017

Seminar description

While many countries in the southern African region are implementing select elements of the Basel III Capital Adequacy Standard, there are policy and strategic demands on a number of them to complete implementation of Basel II and adopt some of the elements of Basel III. Further, several countries in the region are adopting a macroprudential approach to supervision and putting in place macroprudential regulations. In addition, many central banks in the region are setting up financial stability frameworks, which have a macroprudential dimension. With the increasing adoption of macroprudential tools as part of regulatory frameworks, the focus has now shifted to the implementation of these tools. This seminar will highlight practical implementation issues of interest to practitioners and policymakers. Particular emphasis will be put on discussing and drawing lessons from the experience of authorities around the world in implementing various elements of the macroprudential toolbox. The primary goal of the seminar is to make the participants aware of the inter-linkages, overlaps and similarities amongst these standards and frameworks. Aided by this awareness, officials will be better equipped to design supervisory frameworks appropriate for their jurisdictions.

The participants will have the opportunity to discuss and learn the following:

- microprudential and macroprudential supervision: concepts, history, and current thinking
- Basel II and Basel III: evolution of the supervisory reform agenda
- designing macroprudential tools – conceptual aspects and governance arrangements
- the buffers in Basel III
- countercyclical toolkit and recent experiences
- leverage requirement in Basel III
- capital requirement for *systemically important banks* under Basel III and Supervisory review Process (SRP) for *systemically important banks* under Pillar 2 of Basel II
- liquidity requirement under Basel III and liquidity risk assessment under Pillar 2 of Basel II
- microprudential stress testing under Basel II and macroprudential stress testing: concepts and case studies
- risk-based supervision (RBS), Pillar 2 of Basel II and macroprudential approach to supervision in Basel III
- presentation by participants of country experiences

The seminar will require close interaction among the participants, with the resource persons guiding the interactions. Participants from select countries will be asked to make presentations on their country experiences. Presentations will be made by international experts, including from IMF headquarters. Participants are expected review the reading materials on the list of references.

This course will be conducted in collaboration with the South African Reserve Bank’s Academy.

References:

Fundamental Principles of Financial Regulation, Geneva Report on the World Economy 11, ICMB International Centre for Monetary and Banking Studies: Markus Brunnermeier, Andrew Crocket, Charles Goodhart et al, www.princeton.edu/~markus/research/papers/Geneva11.pdf

Marrying the micro - and macro-prudential dimensions of financial stability, remarks by Andrew D Crockett, General Manager of the Bank for International Settlements and Chairman of the Financial Stability Forum, before the Eleventh International Conference of Banking Supervisors, held in Basel, 20-21 September 2000. www.bis.org/speeches/sp000921.htm

Borio, C. (2003), "Towards a Macroprudential Framework for Financial Supervision and Regulation?" BIS Working Papers, no 128, Basel, February, www.bis.org/publ/work128.pdf

Marrying the micro - and macroprudential dimensions of financial stability: six years on Address by Mr. Malcolm D Knight, General Manager of the BIS, at the 14th International Conference of Banking Supervisors, Mérida, 4-5 October 2006. www.bis.org/speeches/sp061005.htm

Implementing the macroprudential approach to financial regulation and supervision by Claudio Borio *Head of Research and Policy Analysis, Bank for International Settlements*, September 2009. www.banque-france.fr/fileadmin/user.../etude04_rsf_0909.pdf

Macroprudential and Microprudential Policies: Toward Cohabitation, IMF Staff Discussion Note, Jacek Osinski, Katherine Seal and Lex Hoogduin, Monetary and Capital Markets Department, IMF, June 2013 www.imf.org/external/pubs/ft/sdn/2013/sdn1305.pdf

Perspectives on Macroprudential Supervision from Individual Financial Institutions by Kim Chang-Lok. <https://www.imf.org/external/np/seminars/eng/2006/.../ChangLok.pdf>

Stress Testing - The Link between Macro and Micro, Introduction to a Special Issue of the International Journal of Central Banking, Iman van Lelyveld. www.ijcb.org/journal/ijcb09q3intro.pdf

Progress report on implementation of the Basel regulatory framework, April 2014 BCBS. www.bis.org/publ/bcbs281.pdf

Basel III regulatory consistency assessment programme. <http://www.bis.org/publ/bcbs216.htm>

Basel III regulatory consistency assessment (Level 2) Japan, October 2012, BCBS. www.bis.org/bcbs/implementation/l2_jp.pdf

Macrofinancial Stress Testing: Principles and Practices, prepared by the Monetary and Capital Markets Department, approved by José Viñals, August 22, 2012. www.imf.org/external/np/pp/eng/2012/082212.pdf

Attributing systemic risk to individual institutions: Methodology and Policy Applications, by Nikola Tarashev, Claudio Borio and Kostas Tsatsaronis BIS Working Paper No 308, Monetary and Economic Department, May 2010. www.bis.org/publ/work308.pdf

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

**PREVENTION AND MANAGEMENT OF GOVERNMENT EXPENDITURE ARREARS;
THEORY AND PRACTICE**
SEMINAR COORDINATOR: MR. JEAN LUC HELIS

Area of technical assistance:	Public Financial Management
Targeted audience:	Senior technical staff of Budget and Treasury Departments from AFS member countries
Participation:	Three participants per country
Dates:	October 30 – November 3, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	August 31, 2017

Seminar description

The accumulation of government expenditure arrears is one of the biggest challenges in public financial management (PFM). A recent survey of 121 Public Expenditure and Financial Accountability (PEFA) assessments revealed that in only 31 percent of countries was the stock of central government arrears less than 2 percent of total central government expenditure. In almost 20 percent of countries it was more than 10 percent; in 22 percent it was between 2 and 10 percent; and in 28 percent the information was not available demonstrating lack of both adequate reporting and control. AFS countries are also concerned by this issue. The accumulation of expenditure arrears by governments can have a serious negative effect on the economy: a large flow of arrears may disguise the true size of the government deficit, significantly reduce the impact of fiscal policy on aggregate demand, and potentially undermine macroeconomic stability.

Government expenditure arrears are financial obligations that have been incurred by any level of the public sector for which payments have not been made by the due date. Payments may be overdue based on a legal obligation (such as payment of social security benefits, or salaries), a specific contractual commitment (such as payment for construction of a road), or a continuing service arrangement (such as payment for electricity supply). The value of expenditure arrears constitutes the amount of the original overdue payment, as well as any interest or financial penalties that the government might accrue (and not pay) as a result.

Persistent expenditure arrears are typically a symptom of underlying weaknesses in a country's PFM system. Expenditure arrears can be the result of failures at any or all stages of the PFM cycle, including: an inadequate legal framework; unrealistic budgeting; weak or cumbersome commitment or expenditure controls; inefficient cash management; lack of or problems with the integrity and functionality of the financial management information system (FMIS); or gaps in fiscal reporting. Another reason that expenditure arrears can accumulate is that governments are not aware of them. The most effective approach to dealing with expenditure arrears, therefore, depends on their underlying causes and usually requires concerted action in a number of PFM areas.

The most effective way to control the accumulation of arrears is to prevent them. Once the causes have been identified, a range of potential remedies can be used to prevent and manage expenditure arrears, including: strengthening the legal and regulatory framework; enhancing the credibility and realism of the budget; strengthening commitment controls; Improving cash and debt management; improving accounting and reporting; enhancing oversight of subnational governments and state-owned enterprises; and upgrading the government FMIS. In particular, a focus on comprehensive commitment control can be justified on the grounds of its important role in developing an effective expenditure control framework, as well as controlling the accumulation of payment arrears.

Once a country has designed the measures to prevent the accumulation of arrears, it needs to develop a strategy to eliminate the outstanding stock. This strategy should communicate to stakeholders the government's plan, timetable,

and criteria for the liquidation of arrears, the mechanism to be used (budgetary provision, securitization, debt reduction etc.) thereby minimizing any possibility for any perception of favoritism and corruption in the selection of creditors to be paid.

The seminar will bring together senior PFM government officials from AFS countries and will provide a platform for the participants to develop and exchange knowledge with peers, including ideas and experiences for strengthening internal control and arrears management. The aim will be to combine international knowledge and AFS country experiences to ensure effective knowledge transfer. AFS will liaise with the IMF's Fiscal Affairs Department to mobilize international experts in internal control and arrears management.

The seminar content will cover the following main topics:

- what are the definition of expenditure arrears and their typology?
- what is the economic impact of chronic expenditure arrears accumulation?
- what are the underlying causes of expenditure arrears?
- what are the mechanisms for preventing and controlling expenditure arrears?
- how can a strengthened internal control system help to control the accumulation of payment arrears?
- what are the strategies for managing and clearing expenditure arrears?

Country experiences on fiscal risks management. Country experiences in AFS countries and other countries will be discussed.

References:

International Monetary Fund (IMF). 2014. "Prevention and Management of Government Expenditure Arrears" Fiscal Affairs Department technical note, Washington. <https://www.imf.org/external/pubs/ft/tnm/2014/tnm1403.pdf>

International Monetary Fund (IMF). 2007. "Commitment controls", Fiscal Affairs Department technical note Washington. <https://www.imf.org/external/pubs/ft/tnm/2009/tnm0904.pdf>

OECD. 2001. "A Reference Book for Transition Countries" (Chapter 10). www.oecd-ilibrary.org/governance/managing-public-expenditure_9789264192607-en

Language requirements:

The seminar will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

**MODERNIZING THE LEGAL FRAMEWORK IN COMPLIANCE WITH THE CPSS-
IOSCO PRINCIPLES FOR FINANCIAL MARKET INFRASTRUCTURES**
SEMINAR COORDINATOR: MS. STEWART FAITH

Area of technical assistance:		Financial Market Infrastructures & Payments
Targeted audience:		Senior- and mid-level legal professionals responsible for drafting laws related to the payment, clearing & settlement systems
Participation:		Maximum two participants per country: from central banks and securities regulators
Dates:		November 27 – December 1, 2017
Venue:		Ebene, Mauritius
Nomination deadline:		September 27, 2017

Background and description

The financial market infrastructures (FMIs) are generally sophisticated multilateral systems that handle significant transaction volumes and sizable monetary values. These systems are used for the purposes of clearing, settling, or recording payments, securities, derivatives, or other financial transactions. FMIs allow participants to manage their risks more effectively and efficiently, and, in some instances, reduce or eliminate certain risks. Some are critical to helping central banks conduct monetary policy and maintain financial stability. By performing centralized activities, however, FMIs concentrate risks and create interdependencies between and among FMIs and participating institutions.

In 2012, the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements and the Technical Committee for the International Organization of Securities Commissions (IOSCO) published new risk management and oversight standards for the FMIs: the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI) and the related Disclosure Framework and Assessment Methodology. Principle 1 of the PFMI prescribes the requirements for mitigating and assessing legal risk.

Legal risk is the risk of the unexpected application of a law or regulation, usually resulting in a loss. Legal risk can also arise if the application of relevant laws and regulations is uncertain. For example, legal risk encompasses the risk that a counterparty faces from an unexpected application of a law that renders contracts illegal or unenforceable. Legal risk also includes the risk of loss resulting from a delay in the recovery of financial assets or a freezing of positions resulting from a legal procedure. In cross-border as well as some national contexts, different bodies of law can apply to a single transaction, activity, or participant. In such instances, an FMI and its participants may face losses resulting from the unexpected application of a law, or the application of a law different from that specified in a contract, by a court in a relevant jurisdiction.

Purpose of the Workshop

The workshop is a joint initiative with the IMF's Regional Technical Assistance Center in East Africa (East AFRITAC). Accordingly, a combined total of twenty countries are targeted. It is intended for senior and mid-level officials of the

legal departments of the regulatory agencies involved with the drafting of relevant laws and regulations for the payment, clearing and settlement systems. The purpose of the workshop is to contribute towards meeting the needs of AFS member countries in strengthening compliance with Principle 1 (Legal Basis) of the PFMI, and to put in place a robust legal framework. It will provide a forum to discuss the key legal issues guided by legal experts conversant with the requirements of the standards. The workshop which is being hosted in conjunction with the IMF's Legal department aims to build internal legal capacity within both central banks and securities regulators in order to standardize practices and enhance internal capability to upgrade and harmonize the legal and regulatory frameworks for the FMIs. It will consider domestic and regional issues that have a bearing on the management of legal risk and the fulfilment of the responsibilities of central banks and other market regulators for FMIs.

Methodology

Selected participants will be requested to make presentations on the key features of their domestic, legal environment. Using a case study approach, participants will be provided with the opportunity to apply Principle 1 to a hypothetical country, identify weaknesses and propose recommendations, drawing parallels with their own countries.

Language requirements:

The Workshop will be conducted in English with simultaneous interpretation into French and Portuguese, if required.

COMPILATION OF NATIONAL ACCOUNTS
SEMINAR COORDINATOR: MR. GREGORY LEGOFF

Area of technical assistance:	Statistics
Targeted audience:	The seminar is primarily designed for national accounts compilers from the statistical agencies responsible for official national accounts data. Participants from other government institutions and agencies as main users of economic statistics will be welcome.
Participation:	Limited to two–three participants per country
Dates:	December 4-8, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	October 6, 2017

Seminar description

The main objective is to strengthen knowledge of the national accounts concepts and methods. The seminar will consist of lectures and workshop sessions covering methodological and compilation issues based on the *2008 System of National Accounts*.

Proficiency in Microsoft Excel is required.

Reference:

System of National Accounts 2008; New York, 2009; European Commission, International Monetary Fund, Organization for Economic Co-operation and Development, United Nations, World Bank.

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

TO BE DETERMINED

SEMINAR COORDINATOR: MS. FAITH STEWART

Area of technical assistance:

Targeted audience:	To be determined
Participation:	Three participants per country
Dates:	January 15-19, 2017
Venue:	Ebene, Mauritius
Nomination deadline:	To be determined

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

COMPILATION OF PRICE STATISTICS

SEMINAR COORDINATOR: MR. GREGORY LEGOFF

<i>Area of technical assistance:</i>	<i>Statistics</i>
Targeted audience:	The seminar is designed for officials responsible for compiling and further developing methodologies of price indices.
Participation:	Limited to two–three participants per country
Dates:	February 19–23, 2018
Venue:	Ebene, Mauritius
Nomination deadline:	December 22, 2017

Seminar description

The main objective is to strengthen the participants' knowledge of price index concepts and methods. The focus will be on specific data sources and compilation procedures.

This five-day seminar will focus on specific issues and challenges relating to the implementation of international standards and best practices regarding the compilation of price indices. Topics will include general price indices issues, challenges, and problems such as developing/updating weights, selecting samples, quality adjustment issues, pricing difficult items, and others. Participants will be invited to list specific questions, topics, issues which will be discussed during the seminar.

Proficiency in Microsoft Excel is required

Reference to the methodological manuals:

Practical Guide to Producing Consumer Price Indices; 2009; United Nations Economic Commission for Europe, International Labour Office, International Monetary Fund, Organisation for Economic Co-operation and Development, Statistical Office of the European Communities, The World Bank Office for National Statistics of the United Kingdom.

Producer Price Index Manual: Theory and Practice, 2004, International Labour Organization, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations Economic Commission for Europe, and World Bank.

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

FISCAL POLICY ANALYSIS

COURSE COORDINATOR: MS. ALINA CARARE

Area of technical assistance:

Targeted audience:	Junior- to senior-level officials interested in the analysis of fiscal policy and its macroeconomic implications
Participation:	Limited to two–three participants per country
Dates:	February 26–March 9, 2018
Venue:	Ebene, Mauritius
Nomination deadline:	December 22, 2017

Course description

This course, presented by the IMF's Institute for Capacity Development, aims at providing an overview of the key fiscal policy concepts and techniques used to analyze how fiscal policy can help ensure macroeconomic stability and sustainable long-term growth. This hands-on course is built around core macro-fiscal topics needed to analyze fiscal policy. Units will be substantiated by general empirical findings, Excel-based workshops, case studies, and selected topics of regional interest. The course will be of interest to officials who wish to gain a broad understanding of the impact of fiscal policy on the economy and related tools of analysis.

Course objectives:

Upon completion of this course, participants should be able to:

- discuss the role of fiscal policy in attaining the key objectives of the government's macroeconomic stability, equity and efficiency, and sustainable long-term growth; and
- use the relevant tools and techniques to assess the fiscal stance, fiscal multipliers, and debt sustainability.

The course will also review the key elements of tax and expenditure policy: concepts and best practices.

Language requirements:

The Course will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

INTERNATIONAL SURVEY ON REVENUE ADMINISTRATION (ISORA) AND MANAGING PERFORMANCE

SEMINAR COORDINATOR: MR. THABO LETJAMA

Area of technical assistance:	Tax Administration
Targeted audience:	Officers responsible for setting, analyzing, monitoring and evaluating corporate performance
Participation:	Three participants from each country
Dates:	March 12-16, 2018
Venue:	Ebene, Mauritius
Nomination deadline:	January 15, 2018

Seminar description:

Revenue administrations are responsible for administering and providing information for analysis of tax policy. To be effective in their mandate and efficient in managing compliance, revenue administrations need information for control and decision making. They need to set and monitor clearly defined performance indicators, at all levels (strategic, operational and tactical) across the entire revenue authority.

This is a seminar for officers responsible for managing corporate performance and it shall cover the role of data in effective management of performance in a revenue administration. It shall cover how revenue administrations could use data analysis to “put a finger on the pulse” of the revenue administration business and on how to allocate finite resources to manage infinite challenges to ultimately optimize revenue performance. The seminar shall carry the participants through a deep dive exercise into the international survey on revenue administration (ISORA) and the findings of the November 2016 round. It shall also provide an opportunity for officers from the 13 AFS countries to share country experiences and learn from each other on overcoming challenges to institutionalizing good performance management practices for enhancing revenue performance.

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

**DEVELOPING ICT BASED BUDGET FORMULATION AND MANAGEMENT
SYSTEMS/MODULES – THEORY AND PRACTICE**
SEMINAR COORDINATOR: MR. PETER MURPHY

Area of technical assistance:	Public Financial Management
Targeted audience:	Senior technical staff of Budget Departments from AFS member countries.
Participation:	Three participants per country
Dates:	March 19-23, 2018
Venue:	Ebene, Mauritius
Nomination deadline:	January 15, 2018

Seminar description

Several AFS countries are currently experiencing significant challenges with the operation of their budget management systems. AFS countries typically rely on a combination of excel/word based models to analyze, formulate, integrate, aggregate and present their annual budgets. In some countries, the information generated by the budget models is subsequently transferred to the Treasury Financial Management Systems (FMIS) to facilitate budget execution. In the face of tight budget deadlines this budget systems framework typically results in considerable budget directorate effort to ensure the integrity of budget data and limit the scope of budget analysis and presentation. Such constraints negatively affect budget analysts' ability to: (i) consider alternative budget options; (ii) provide an effective budget challenge function; (iii) ensure the timeliness of budget analysis and submissions; and (iv) ensure the quality, accessibility and credibility of the final budget. Ultimately these challenges combine to undermine effective budget implementation and management.

To address these challenges AFS countries are beginning to explore the design and implementation of new Information and Communication Technology based budget systems designed to strengthen budget formulation and management. The design and implementation of a modern ICT based budget management module entails:

- developing a clear conceptual framework which will outline the scope, coverage, and required budget management functionalities, considering the initial legislative, organizational and broader PFM system conditions in place;
- defining the classification (e.g. GFSM2014) and business processes (formulation, submission, analysis, consolidation, presentation) that will be implemented within the Budget Module, the outputs (e.g. MTBF, Annual Budget, Warrants etc.) to be produced and identifying other processes/systems that will be interfaced/integrated (e.g. IFMS) with the Budget module;
- defining the organizational arrangements and capacity building strategy required to support implementation and sustainable maintenance; and,
- defining the implementation sequencing for piloting, testing, setup and configuration, going live and progressive roll out of functions.

Keys design issues to be addressed by the Seminar will include:

- implementing a unified approach to operational and development budgeting based on GFSM2014 classification;
- facilitating a budget calendar that accommodates two discrete phases:
 - policy-based resource allocation, and
 - detailed budget preparation
- developing the MTEF constraints consistent with MTFF and hard budget ceilings for the second phase of the budget preparation process;

- preparing strategic medium term budget submissions with clear identification, analysis and presentation of budget implications of any proposed changes (policy, technical, efficiency, new initiatives) and savings;
- reconciliation at aggregate level between consolidated budget submissions and MTFF;
- work flow support for budget preparation and budget management;
- availability of multiple classification based budget consolidation and reporting options;
- provision for multi –year budgeting;
- provision for phased release of commitment limits to facilitate effective budgetary control and support cash management;
- provision for in year budget changes (reallocations, supplementaries etc);
- support for in year budget reporting and analysis (in conjunction with execution model); and
- decentralised budget preparation and management

The seminar will introduce participants to the knowledge and the tools necessary to support the design of an ICT based budget module, its acquisition and the subsequent management of its implementation. This will include discussing a range of options for budget module application development and acquisition and the technologies available to support implementation. These will include in-house development, extension of existing IFMIS software, acquisition of a third-party package and application service provider approaches. The seminar will assist participants to explore the nature of these options, the costs and benefits of the different approaches, the challenges arising and their appropriateness given the initial conditions.

References:

IMF Fiscal Transparency Code <http://www.imf.org/external/np/fad/trans/>

Public Financial Management and Its Emerging Architecture, FAD, Cangiano et al, April 2013

Language requirements:

The seminar will be conducted in English with a simultaneous interpretation into French and Portuguese, if required.

LEADING A REVENUE ADMINISTRATION

SEMINAR COORDINATOR: Mr. THABO LETJAMA

<i>Area of technical assistance:</i>	<i>Monetary Policy and Operations</i>
Targeted audience:	Senior- and mid-level experts and policymakers involved in preparing and delivering internal and/or external monetary policy reports, including inputs to the analysis and forecasts, and other external communications
Participation:	Maximum two participants per country, from central banks
Dates:	To be determined
Venue:	To be determined
Nomination deadline:	To be determined

Seminar description:

This is a high-level Seminar for heads of revenue administrations, or heads of domestic taxes departments and heads responsible for planning, modernization and corporate performance monitoring and evaluation.

The seminar will cover best practices for leading a revenue administration covering strategy development, strategy execution, monitoring, and evaluation. Key competencies for effective leadership in a revenue administration like integrity, performance management, change management, managing compliance risk and performance management shall be covered. The seminar shall also provide an opportunity for peer learning among the senior executives and to share experiences from their own respective countries.

Language requirements:

The seminar will be conducted in English with simultaneous interpretation into French and Portuguese, if required.