

# AFRITAC South Seminars: May 2017–April 2018

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

Financial Year  
2018



<b>AFRITAC South Seminar/Course- recently held and forthcoming</b> The venue is AFS, Ebene, Mauritius, unless otherwise stated	<b>Dates</b>
<b>Financial Development and Financial Inclusion</b> Course Coordinator: Mr. Dmitriy Rozhkov	June 19-30, 2017
<b>Fiscal Risk Analysis and Management; Theory and Practices</b> Seminar Coordinator: Mr. Sybi Hida.	July 31- August 8, 2017
<b>Enhancing the Basel Process -Recent Developments in Basel II &amp; Basel III</b> Seminar Coordinator: Mr. Ravi Mohan P.R	August 21-25, 2017
<b>FX Market Dealing Simulation Workshop for Central Banks Officials</b> Seminar Coordinators: Ms. Carina Selander and Mr. Zsolt Ersek <b>Venue: Johannesburg, South Africa</b>	September 4-8, 2017
<b>Monetary Policy Communication</b> Seminar Coordinators: Ms. Carina Selander and Mr. Zsolt Ersek <b>Venue: Accra, Ghana</b>	September 25-29, 2017
<b>Intelligence and Investigation in Customs</b> Course Coordinator: Mr. Kenneth Head	September 25-October 6, 2017
<b>Macroprudential Approach to Supervision and Managing Systemic Risk</b> Seminar Coordinator: Mr. Ravi Mohan P.R <b>Venue: SARB Academy, Pretoria, South Africa</b>	October 30-November 3, 2017
<b>Prevention and Management of Government Expenditure Arrears: Theory and Practices</b> Seminar Coordinators: Mr. Jean Luc Helis	October 30-November 3, 2017
<b>Modernizing the Legal Framework in Compliance with the CPSS-IOSCO Principles for Financial Market Infrastructures</b> Seminar Coordinator: Ms. Faith Stewart	November 27-December 1, 2017
<b>Compilation of National Accounts</b> Seminar Coordinator: Mr. Gregory Legoff	December 4-8, 2017
<b>Managing Macroeconomic Statistics</b> Seminar Coordinator: Mr. Gregory Legoff <b>Venue: Intercontinental Hotel, South Africa</b>	February 1-2, 2018
<b>Compilation of Price Statistics</b> Seminar Coordinator: Mr. Gregory Legoff	February 19-23, 2018
<b>Fiscal Policy Analysis</b> Course Coordinator: Ms. Anna Unigovskaya	February 26- March 9, 2018
<b>International Survey on Revenue Administration (ISORA) and Managing Performance</b> Seminar Coordinator: Mr. Thabo Letjama <b>Venue: Intercontinental Hotel, South Africa</b>	March 12-16, 2018
<b>Leading a Revenue Administration</b> Seminar Coordinator: Mr. Thabo Letjama <b>Venue: Zambia</b>	March 19-23, 2018
<b>International Financial Reporting Standards</b> Seminar Coordinator: Mr. Ravi Mohan P.R	March 19-23, 2018

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

**Area of technical assistance:**

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

<b>Targeted audience:</b>	Senior technical staff of macro-fiscal units and budget departments from AFS member countries.
<b>Participation:</b>	Two–three participants per country
<b>Dates:</b>	July 31 – August 4, 2017
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	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.<sup>1</sup>

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.

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<sup>1</sup> 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.<sup>2</sup> 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](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.

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<sup>2</sup> 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

<b>Area of technical assistance:</b>	<b>Financial Sector Supervision</b>
<b>Targeted audience:</b>	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
<b>Participation:</b>	Two–three participants per country
<b>Dates:</b>	August 21-25, 2017
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	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](http://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

<b>Area of technical assistance:</b>	<b>Monetary Policy and operations</b>
<b>Targeted audience:</b>	Senior- and mid-level experts working in foreign exchange market operations and very closely related areas like FX reserve management and risk management.
<b>Participation:</b>	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)
<b>Dates:</b>	September 4-8, 2017
<b>Venue:</b>	Johannesburg, South Africa
<b>Nomination deadline:</b>	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

<i>Area of technical assistance:</i>	<i>Monetary Policy and Operations</i>
<b>Targeted audience:</b>	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
<b>Participation:</b>	Maximum two participants per country, from central banks
<b>Dates:</b>	September 25-29, 2017
<b>Venue:</b>	Accra, Ghana
<b>Nomination deadline:</b>	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

<b>Area of technical assistance:</b>	<b>Revenue Administration (Customs)</b>
<b>Targeted audience:</b>	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.
<b>Participation:</b>	Three officials from the customs administration.
<b>Dates:</b>	September 25 to October 6, 2017
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	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**

<b>Area of technical assistance:</b>	<b>Financial Sector Supervision</b>
<b>Targeted audience:</b>	Senior staff in the following areas: Supervisory policy, off-site and on-site examination in the supervision department, macroprudential supervision, and financial stability.
<b>Participation:</b>	Limited to two–three participants per country
<b>Dates:</b>	October 30–November 3, 2017
<b>Venue:</b>	South African Reserve Bank’s Academy, Pretoria
<b>Nomination deadline:</b>	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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.ijcb.org/journal/ijcb09q3intro.pdf)

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

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

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

<b>Area of technical assistance:</b>	<b>Statistics</b>
<b>Targeted audience:</b>	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.
<b>Participation:</b>	Limited to two–three participants per country
<b>Dates:</b>	December 4-8, 2017
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	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.

**MANAGING MACROECONOMIC STATISTICS**  
SEMINAR COORDINATOR: MR. GREGORY LEGOFF

**Area of technical assistance:**

<b>Targeted audience:</b>	<b>Heads of macroeconomic statistics</b>
<b>Participation:</b>	One per country
<b>Dates:</b>	February 1-2, 2018
<b>Venue:</b>	Intercontinental Hotel, OR Tambo International Airport, Johannesburg South Africa
<b>Nomination deadline:</b>	December 22, 2017

**Seminar description**

The purpose of the seminar is to develop and strengthen statistical leadership, assist in better meeting the needs of decision makers by producing relevant statistics and to support the development of practical strategies.

The following topics will be covered:

- roles and responsibilities of a national statistical office;
- demand for statistics for policy formulation;
- statistical leadership;
- statistical standards;
- dissemination of data and metadata;
- data quality;
- development of practical strategies;
- the IMF's Results-Based Management Framework.

**Language requirements:**

The seminar will be conducted in English

## COMPILATION OF PRICE STATISTICS

SEMINAR COORDINATOR: MR. GREGORY LEGOFF

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

### **Area of technical assistance:**

<b>Targeted audience:</b>	Junior- to senior-level officials interested in the analysis of fiscal policy and its macroeconomic implications
<b>Participation:</b>	Limited to two–three participants per country
<b>Dates:</b>	February 26–March 9, 2018
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	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 seminar will be conducted in English and good working knowledge of English is required.

## INTERNATIONAL SURVEY ON REVENUE ADMINISTRATION (ISORA) AND MANAGING PERFORMANCE

SEMINAR COORDINATOR: MR. THABO LETJAMA

<b>Area of technical assistance:</b>	<b>Tax Administration</b>
<b>Targeted audience:</b>	Coordinators of the ISORA for tax administrations
<b>Participation:</b>	one participant from each AFS country
<b>Dates:</b>	February 26-March 2, 2018
<b>Venue:</b>	Intercontinental Hotel, OR Tambo International Airport, Johannesburg South Africa
<b>Nomination deadline:</b>	January 15, 2018

### Seminar description:

Revenue administrations are responsible for administering revenue laws and collecting revenue. They also have to provide advice to Ministries of Finance to help in the analysis of tax policy. To be effective and efficient in managing their performance on influencing compliance, and in meeting their external reporting requirements, revenue administrations need data. They need to base decisions on good information and intelligence, derived from analysis of quality data.

In response to this need, the IMF's Regional Technical Assistance Center for Southern Africa (AFRITAC South) will jointly host a Seminar on the *International Survey on Revenue Administration (ISORA) and Managing Performance in a tax administration with AFRITAC East (AFE) and AFRITAC West 2 (AFW2)*. The program is sponsored jointly by the regional technical assistance centers (RTAC) and the IMF's Fiscal Affairs Department (FAD). It is designed for coordinators of the ISORA for Tax administration. The 5-day seminar will be held in Johannesburg, South Africa at the OR Tambo International Airport Intercontinental Hotel, during the week February 26- March 2, 2018.

The purpose of the seminar is to discuss the importance of performance management in enabling tax administrations to be effective and efficient. It will focus on the role of the ISORA in enhancing the effectiveness of performance measurement through providing revenue administration management with relevant information for control and decision making.

The seminar will cover the following main topics:

- The purpose and usefulness of performance management in a revenue administration – at the Strategic and Operational levels.
- How executive information is identified and reported and used for external reporting requirements.
- role of ISORA in performance management in a tax administration.
- Review and analysis of the ISORA 2014 and 2015 results.
- Update on the changes on the survey from the last round in November 2016 (covering 2014 and 2015) and guidance on completion of the next round covering 2016 and 2017 data.
- Guidance to the tax survey coordinators on making a business case for using ISORA to make performance management effective in their own revenue administrations.

### 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>Revenue Administration</i>
<b>Targeted audience:</b>	Seminar is aimed at Commissioner Generals and senior officers responsible for planning, modernization and corporate performance measurement in revenue administrations.
<b>Participation:</b>	2 participants per country from revenue authorities.
<b>Dates:</b>	March 19-23, 2018
<b>Venue:</b>	Zambia
<b>Nomination deadline:</b>	February 15, 2018

### Seminar description:

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

The purpose of the seminar is to create a platform for senior executives to discuss and share experiences in effective practices for enhancing performance of the revenue authorities on their mandate. The seminar will cover good practices for leading a revenue administration reform agenda covering strategy development, implementation, monitoring, and evaluation of outcomes for a revenue authority.

Key tools and practices for supporting an effective reform implementation in a revenue administration like performance management, change management, and managing risk shall be covered. In addition, management assurance programs as a tool for ensuring accountability, transparency and consistency in the role of management shall be discussed. The seminar shall also provide an opportunity for networking among the senior executives and peer learning on experiences from their respective countries.

An overview of the following tools and their role in supporting strategy execution shall be provided.

- Revenue Administration Fiscal Information Tool (RA-FIT), also referred to as the International Survey on Revenue Administrations (ISORA);
- Results Based Management (RBM) framework; and
- Tax Administration Diagnostic Assessment Tool (TADAT).

### *Language requirements:*

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

## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

SEMINAR COORDINATOR: Mr. RAVI MOHAN P.R

<i>Area of technical assistance:</i>	<i>Financial Sector Supervision</i>
<b>Targeted audience:</b>	Mid to Senior staff in the following areas: Supervisory policy, off-site and on-site examination in the supervision department, macroprudential supervision, and prudential regulation/accounting/financial stability.
<b>Participation:</b>	Limited to two–three participants per country
<b>Dates:</b>	March 19-23,2018
<b>Venue:</b>	Ebene, Mauritius
<b>Nomination deadline:</b>	January 19, 2018

### Seminar description:

This seminar is designed for mid- to senior-level officials in central banks and bank supervisory agencies directly responsible for prudential regulation, on-site and off-site supervision of banks. The seminar will be held in Mauritius, during March 19-23, 2018.

IFRS has been adopted in most countries in the region and the implementation of IFRS 9 from January 2018 is expected to usher in a paradigm shift, in the manner in which financial institutions classify, measure, and account for impairment of financial instruments. Intricately connected to IFRS 9 are two other accounting standards, IFRS 7 (Financial Instruments: Disclosure) and IFRS 13 (Fair value measurement of financial instruments). The goal of the seminar is to enhance the ability of prudential regulators and bank supervisors/examiners to understand the implementation challenges of IFRS with specific focus on these standards. The seminar is designed to expose officials to the underlying concepts of these standards and equip them with the tools and techniques for conducting supervision of banks/financial institutions under the new framework in the most effective way.

A key objective will be to raise awareness of the inter-linkages among these standards and implementation challenges. After completing the seminar, officials will gain insight into the implications of IFRS 9 on credit risk models and blend the IFRS 9 requirements with existing methods and models used for risk and regulatory purpose. The seminar will help prepare participants for an efficient transition to IFRS 9 and design supervisory frameworks appropriate for their jurisdictions. Participants will have the opportunity to discuss and learn the following:

- Critical aspects of IFRS 7, IFRS 9, and IFRS 13
- Classification and Measurement and Impairment of Financial Instruments under IAS 39 & IFRS 9
- Asset classification & Provisioning -Regulatory Approach
- Disclosure requirements of IFRS 7
- Fair Value Accounting -IFRS 13
- BCBS guidance on accounting for Expected Losses

- Transition arrangements of IFRS 9
- Implementation issues in IFRS 9
- Country experiences. Presentation by participants

***Language requirements:***

**The seminar will be conducted in English only, without interpretation or translation.**

**References:**

- IASB
  - IFRS 7, IFRS 9 & IFRS 13
- IMF
  - Supervisory roles in loan loss provisioning in countries implementing IFRS, Working Paper (WP/14/170)
- BCBS
  - Developments in credit risk management across sectors: current practices and recommendations (June 2015)
  - Guidance on credit risk and accounting for expected credit losses (December 2015)
  - The interplay of accounting and regulation and its impact on bank behaviour: Literature review, Working Paper 28 (January 2015)
  - BCBS, Guidelines, Prudential Treatment of Problem Assets—Definitions of Non-Performing Exposures and Forbearance
  - BCBS, Regulatory Treatment of accounting provisions- interim approach and transitional arrangements, March 2017
  - Financial Stability Institute, Prudential Policy considerations under Expected Loss Provisioning: Lessons from Asia, October 2017
- EBA
  - Consultation paper on draft guidelines of BCBS December 2015
  - Draft Guidance to banks on non-performing loans September 2016
  - EDTF (Enhanced Disclosure Task Force), Impact of Expected Credit Loss Approaches on Bank's Risk Disclosures, November 2015
- Other

Implementation of IFRS 9 impairment requirements by banks GPPC –June 2016