

**REGIONAL TECHNICAL  
ASSISTANCE CENTER  
FOR SOUTHERN AFRICA**

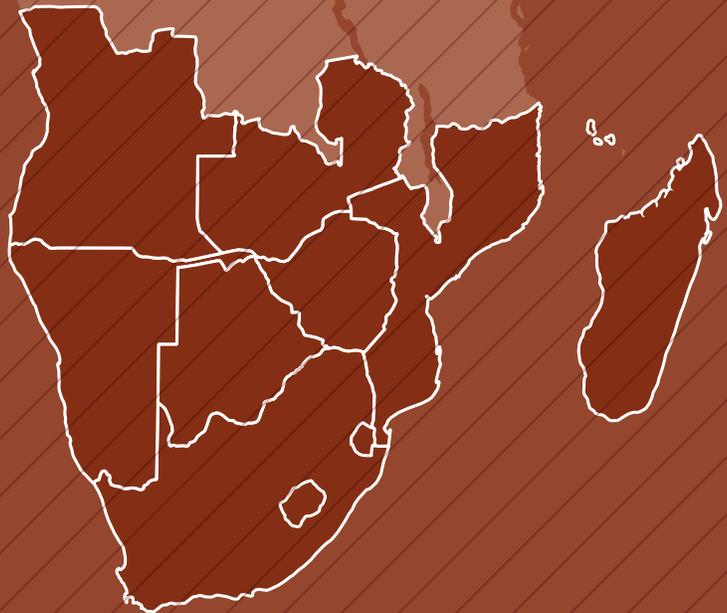


**AFRITAC**  
South

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**ANNUAL  
REPORT  
2020**

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AFRITAC South is an IMF initiative supported by the following member countries and development partners:



Angola



Botswana



Comoros



Eswatini



Lesotho



Madagascar



Mauritius



Mozambique



Namibia



Seychelles



South Africa



Zambia



Zimbabwe



Ministry of Foreign Affairs of the Netherlands



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# ACRONYMS AND ABBREVIATIONS

<b>AFC</b>	AFRITAC Central	<b>IPSAS</b>	International Public-Sector Accounting Standards
<b>AFE</b>	East AFRITAC	<b>LEG</b>	IMF's Legal Department
<b>AFS</b>	AFRITAC South	<b>MCM</b>	IMF's Monetary and Capital Markets Department
<b>AFR</b>	African Department of the IMF	<b>MoF</b>	Ministry of finance
<b>AFW</b>	AFRITAC West	<b>MTBF</b>	Medium-term budget framework
<b>AML/CFT</b>	Anti-Money Laundering/Combating the Financing of Terrorism	<b>MTFF</b>	Medium-term fiscal framework
<b>ATAF</b>	African Tax Administration Forum	<b>PIM</b>	Public Investment Management
<b>ATI</b>	Africa Training Institute	<b>PIMA</b>	Public Investment Management Assessment
<b>CCRT</b>	Catastrophe Containment and Relief Trust	<b>PAP</b>	Professional attachment program
<b>CD</b>	Capacity development	<b>PCA</b>	Post clearance audit
<b>COMESA</b>	Common Market for Eastern and Southern Africa	<b>PFMI</b>	Principles of Financial Market Infrastructures
<b>COVID-19</b>	Coronavirus disease 2019	<b>PPPs</b>	Public Private Partnerships
<b>CPI</b>	Consumer Price Index	<b>RBM</b>	Results-based management
<b>FAD</b>	IMF's Fiscal Affairs Department	<b>RBS</b>	Risk-based supervision
<b>Fintech</b>	Financial Technologies	<b>RCF</b>	Rapid Credit Facility
<b>FMI</b>	Financial Market infrastructures	<b>RFI</b>	Rapid Financing Instrument
<b>FPAS</b>	Forecasting and Policy Analysis System	<b>RM</b>	Risk management
<b>FRS</b>	Fiscal risks statement	<b>SADC</b>	Southern African Development Community
<b>FTE</b>	Full-time equivalent	<b>SARB</b>	South African Reserve Bank
<b>FY</b>	Financial year	<b>SDDS</b>	Special Data Dissemination Standards Standard
<b>ICD</b>	IMF's Institute for Capacity Development	<b>SOEs</b>	State-owned enterprises
<b>IFMIS</b>	Integrated Financial Management Information Systems	<b>SSA</b>	Sub-Saharan Africa
<b>IFRS</b>	International Financial Reporting Standards	<b>TA</b>	Technical Assistance
<b>IMF</b>	International Monetary Fund		

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**SECTION I**

JOINT MESSAGE OF  
THE CHAIRPERSON  
AND THE CENTER  
COORDINATOR

# JOINT MESSAGE OF THE CHAIRPERSON AND THE CENTER COORDINATOR



**Abdoul Aziz Wane**  
Center Coordinator



**Nicola Isabel Lemos de Mvuayi**  
Chairperson, AFS Steering  
Committee (Angola)

**This report is being presented at a time when concerted effort is being made by the international community to help countries better respond to the COVID-19 pandemic and to mitigate its impact.** We have the pleasure to highlight in this report the realizations of AFRITAC South's countries through FY20<sup>1</sup> and present an updated capacity development (CD) plan for FY21. The latter, inter-alia, reflects feedback from members on technical assistance (TA) and training priorities to better respond to a worsening macroeconomic context and to expedite the execution of reform plans. Amidst the lack of visibility on an easing of travel ban soon the center will continue to use remote channels to deliver this program.

**In FY20 the center's commitment to step up engagement in countries facing fragile situations was fully**

**achieved with 30 percent of CD resources allocated to this group.**

Overall, the volume of CD delivery grew in FY20 -largely supported by good traction during the pre COVID-19 period. Efforts to further integrate TA and training continued with increased number of missions supporting member countries' absorptive capacities via customized workshops and peer learning programs. In line with IMF/AFR priorities the center delivered CD services to further strengthen fiscal, monetary and legislative frameworks governance. Work on gender is being supported through collaboration with the Africa Training Institute (ATI), IMF headquarters (HQ), and UN Women. The PFM portfolio is supporting climate resilience initiatives and providing training on gender macroeconomics.

**The prolongation of the travel ban and a worsening international and regional macroeconomic condition now pose an even greater challenge to providers of CD services.** Worsening macroeconomic outlook, fluctuations in oil prices, geopolitical tensions, and the lack of visibility on trade prospects signify possible reprioritization of CD needs by member countries in the near-term. *Governments' responses* to COVID-19, largely funded by special financing facilities made available by the IMF and development partners, are providing urgent relief to countries to support the health sector and to shield the vulnerable section of the population and businesses. With the recent new wave of COVID-19 cases across many countries and an extension of lockdowns, a greater challenge

looms ahead for countries with limited fiscal space and technical capacity. The updated FY21 CD plan aims to support the policy responses being formulated by governments to address the shocks, while maintaining the momentum of ongoing reforms.

**An early recovery however depends on swift response by authorities to implement reform priorities and on an effective use of both financial and CD resources set aside by the Fund and development partners.** Recent roundtables with member countries and regional partners have been effective and hint towards an increased reliance on more targeted CD support to mitigate the impact of the crisis and to work towards an early recovery. Agility and flexibility to sustain the provision of relevant CD services thus remain essential to better respond to countries' needs. AFS will continue engaging authorities on CD priorities and options for offsite support by leveraging virtual communication channels.

This report features an overview of the macroeconomic situation (Section II), AFS work on governance and corruption (Section III), execution of the FY20 CD plan and progress on the implementation of the FY21 plan, including updated priorities for the rest of the year (Section IV), AFS budget and financing (Section V), and risks and mitigation (Section VI). It has three information annexes: FY21 Work Plan Execution—Q1: May - July 2020 (Annex I); Updated FY21 Work Plan, August 2020-April 2021 (Annex II); and AFS Updated FY21 Seminars/Webinars (Annex III).

<sup>1</sup> The center provides services in public financial management, tax administration, customs administration, banking supervision and regulation, money and FX market operations, financial market infrastructures, real sector statistics, financial and fiscal law, and macroeconomic training. The financial year starts on May 1. The report is a revised version of the CD plan circulated to the Steering Community in April 2020.

**SECTION II**

OVERVIEW OF THE  
MACROECONOMIC  
SITUATION

# OVERVIEW OF THE MACROECONOMIC SITUATION

**Recent IMF update<sup>2</sup> indicates a greater impact of the COVID-19 pandemic on economic activity during the first half of 2020 - triggering a further worsening of this year's macroeconomic outlook.** With most countries recording negative per capita income growth in 2020, the recent assessment also projects global economic activity to contract by 4.9 percent and the Sub-Saharan Africa region by 3.2 percent. This is worse than a contraction of 3.0 and 1.6 percent respectively projected in April 2020. Tourism dependent and oil exporting countries remain more vulnerable to the worsening conditions and are likely to record the highest drop in output in decades. Pressures on the fiscal, external, and financial conditions are thus likely to increase through 2020 (Figure 1-4).

**Fiscal conditions are expected to deteriorate further driven by more pronounced output and revenue declines and difficulties at containing spending.** Fiscal expenditures are expected to increase, especially to counter the growing health crisis and to keep the vulnerable sections of the population and businesses afloat. Weakening debt sustainability indicators and the risk of accumulation of arrears might impact on the sustainability of social and stimulus programs in the absence of appropriate policy response or with delays in the execution of reform plans. A stronger government response towards public financial management, fiscal governance, and revenue administration reforms should contribute to improve fiscal balances in the medium- and long-term. While debt and debt service reliefs are providing short-term respite to the most vulnerable countries, a judicious use of emergency funding from international financial institutions, including the IMF (Box 1) and the donor community, remain essential given the existing financing gap to overcome the crisis and to return to sustainable growth path.

<sup>2</sup> World Economic Outlook Update, June 2020.

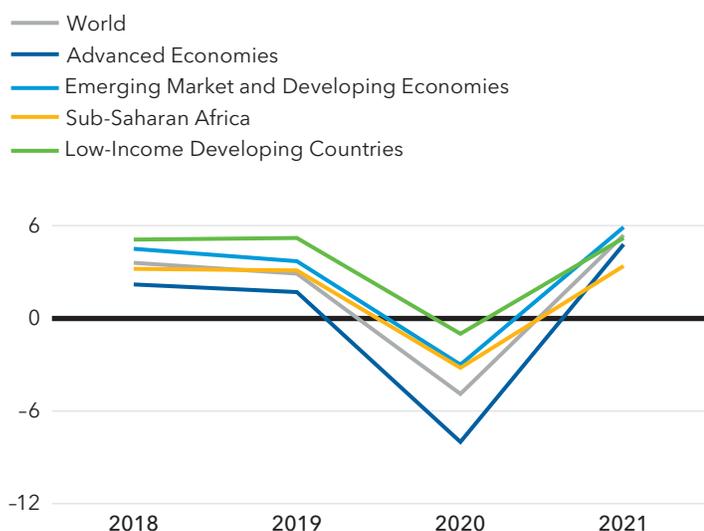
**Recent progress to foster financial inclusion and financial sector stability are also at risk by the COVID-19 pandemic.** The worsened economic outlook is likely to further weaken households' and firms' balance sheets and impair their ability to meet their financial commitments. In addition, given the depletion in fiscal buffers, monetary authorities and financial sector supervisors are formulating policy responses to support government initiatives. On the monetary side, central banks have been cutting

borrowing costs and providing liquidity to firms and households. Regulators should try to strike a balance between preserving financial stability and sustaining economic activity. Prudent renegotiation of loan terms and the preservation of the integrity of loan classification and provisioning standards are important principles to uphold in that regard.

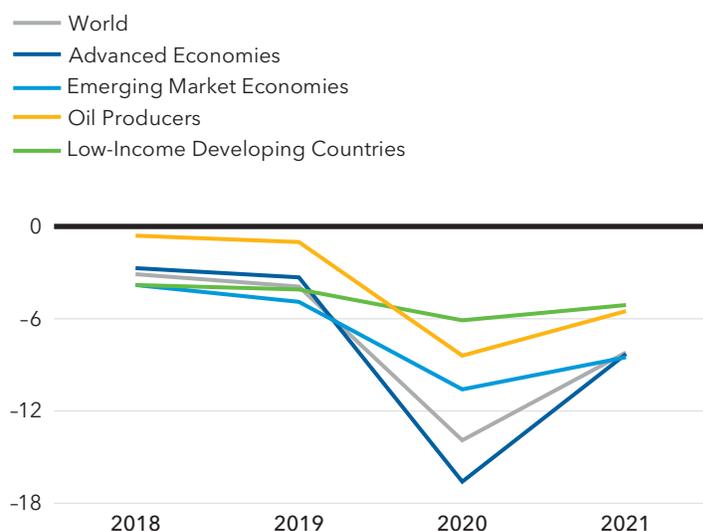
**The number of CD activities undertaken during the first quarter of FY21 has been encouraging for most member countries.** While countries

are adapting to the new CD vehicles, the center's proactive engagement through remote modalities has allowed to reach out to all member countries in the recent months to discuss policy responses, provide guidance, and review CD priorities. A series of webinars were successfully held in core fiscal, monetary, and statistics areas and more are planned in the rest of the year. The webinars are based on the series of IMF notes developed in response to the COVID crisis.

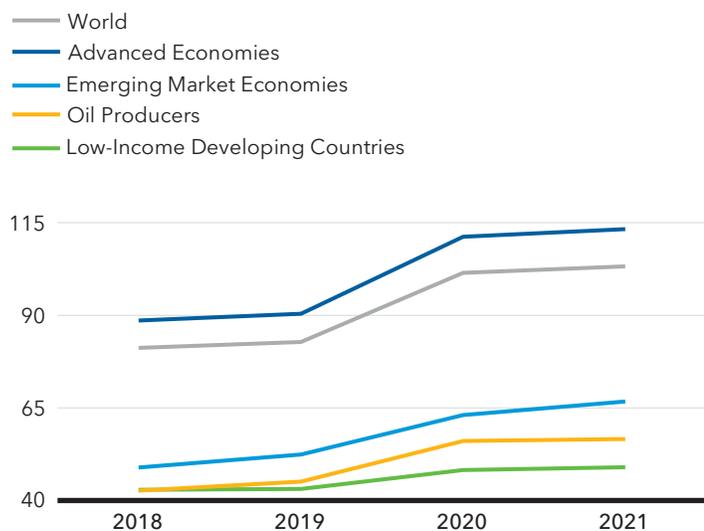
**FIGURE 1. GDP GROWTH RATED, 2018-21**



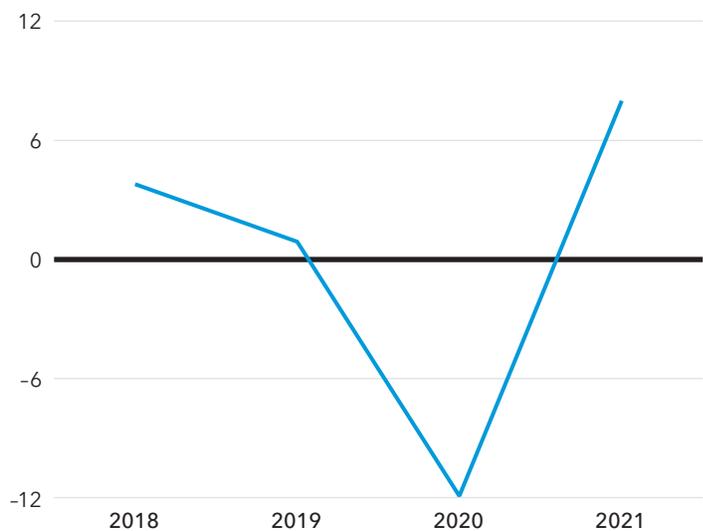
**FIGURE 2. GENERAL FISCAL BALANCE, 2018-21**



**FIGURE 3. GENERAL GOVERNMENT GROSS DEBT, 2018-21**



**FIGURE 4. GROWTH IN WORLD VOLUME, 2018-21**



## BOX 1. WHAT IS THE FUND DOING TO HELP COUNTRIES DURING THE COVID-19 CRISIS?

The Fund's priority has been to respond to the extraordinary spike in requests for emergency finance, so countries can implement the necessary policies to protect the health of their people as well as their economies. The IMF has the following facilities and instruments to help countries respond to the economic impact of the coronavirus.

**Emergency financing.** The recent increase in access limits on its emergency financing facilities will allow the IMF to meet the expected demand. The Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI) provide emergency financial assistance. The RCF is interest-free and available to low-income members, while the RFI is available to all Fund members. Financing under the RCF and the RFI are being disbursed very quickly to assist member countries in implementing policies to address emergencies.

**Grants for debt relief.** The Fund also has a Catastrophe Containment and Relief Trust (CCRT), which provides upfront grants to cover, on behalf of eligible low-income countries, their debt service obligations to the IMF. This facility was used to support Guinea, Liberia, and Sierra Leone during the 2014 Ebola outbreak. In a direct response to the COVID-19 pandemic, the CCRT was recently enhanced to provide urgent debt service relief to the world's poorest and most vulnerable countries, thereby freeing up scarce resources for medical spending and health-related and other immediate needs during the pandemic. A fund-raising effort is underway to replenish the CCRT so that it can provide debt service relief for up to two years.

The Fund's Executive Board approved immediate debt service relief to countries to help address the impact of the COVID-19 pandemic.<sup>3</sup> The facility will provide grants to cover IMF debt obligations for an initial phase of six months to three AFS members: Comoros, Madagascar, and Mozambique.

More broadly, member countries can draw on the Fund's overall firepower of \$1 trillion by requesting new or augmenting existing financing arrangements. Working closely with its development partners—World Bank, World Health Organization, and many regional institutions, the Fund continues to provide timely policy advice and technical assistance. A Special Series of practical notes with policy options and a policy tracker tool, summarizing the responses of countries, were produced to help countries address the economic effects of this pandemic.

AFS is providing support to help countries implement the policy advice and guidance provided by the Fund. The center will continue to facilitate learning from other regions in the monitoring and management of risks stemming from the pandemic.

<sup>3</sup> Under the IMF's revamped Catastrophe Containment and Relief Trust (CCRT) beneficiary countries of debt service relief include: Afghanistan, Benin, Burkina Faso, Central African Republic, Chad, Comoros, Congo, D.R., The Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Tajikistan, Togo, and Yemen.

**SECTION III**

AFS WORK ON  
GOVERNANCE  
AND CORRUPTION

# AFS WORK ON GOVERNANCE AND CORRUPTION

**Governance remains a key concern of African citizens.** The recent literature on governance shows that Africa has large potential payoffs in terms of growth, government revenue, quality of public services, and social inclusion from governance reforms. The public sector interventions to address the COVID-19 crisis will increase the size of government and make governance reforms even more urgent, including to ensuring the effective and efficient use of the additional public spending. Transparency in the use of public resources to cope with the impact of the disease will boost the legitimacy of the policy response and secure public buy-in. The center envisions pursuing its efforts to support countries' governance reforms in collaboration with the ATI and IMF HQ.

**AFS CD services include TA and training aimed at improving the institutional governance structures and governance practices within organizations.** Support provided in coordination with the Fiscal Affairs Department (FAD) on fiscal governance through

the public financial management and revenue administration portfolios are, *inter-alia*, helping countries in enhancing transparency of fiscal operations, strengthening fiscal institutions, improving natural resource management, reviewing public investment management, and improving compliance to revenue laws by improving information systems, enhancing audit capacity and data matching, as well as analysis to identify revenue risks. In coordination with the Monetary and Capital Markets Department (MCM), the center is gradually increasing CD under the monetary policy operations and banking supervision portfolios to address issues pertaining to financial sector oversight and central bank governance. With the support of the Legal Department (LEG), CD delivery under the financial and fiscal law project is helping countries align legal and governance frameworks with international standards. Good quality statistics have an important role to foster transparency, and the center is continuing to support good-quality national accounts and price statistics.

**The FY21 plan includes CD activities in the governance area and makes special provisions for Zimbabwe and Mozambique** to implement the recommendations of the Fund's January 2020 report on 'Governance and Anti-Corruption Assessment' and the August 2019 'Diagnostic Report on Transparency, Governance and Corruption', respectively. The development of course materials and the delivery of seminars/webinars covering elements of fiscal governance and banking sector governance is ongoing in collaboration with the ATI, FAD, LEG, and MCM. AFS foresees increased engagement of member countries to deliver customized training and for reviewing legal frameworks. To ensure progress by member countries on the implementation of recommended action plans, the center is working closely with the African Department (AFR), IMF CD Departments, ATI, regional partners, and the donor community. Given the cross-cutting nature of the topic, the center has provided for resources in FY21 under different portfolio.

**SECTION IV**

EXECUTION OF  
FY20 WORK PLAN  
AND UPDATED FY21  
CD PRIORITIES  
BY TOPIC

# EXECUTION OF FY20 WORK PLAN AND UPDATED FY21 CD PRIORITIES BY TOPIC

**AFS countries made further progress on targeted milestones during FY20.** As of end-April 2020, nearly 75 percent of the rated milestones set since the start of phase II were either fully or largely achieved while progress was noted on around 20 percent.<sup>4</sup> The number of milestones and their status varied across CD projects (Figure 5). The topical sections of the report highlight the main achievements by countries<sup>5</sup> during FY20. In volume terms, CD

services reached 18.0 full-time equivalent (FTE) years with a record 30 percent supporting three fragile countries<sup>6</sup> (Table 1). Unforeseen cancellations and postponements of activities in the last quarter due to travel restrictions and a high turnover of resident advisors<sup>7</sup> however impacted on the full execution of the FY20 plan and on progress of some milestones. AFS expects countries to make progress on the pending milestones in FY21.

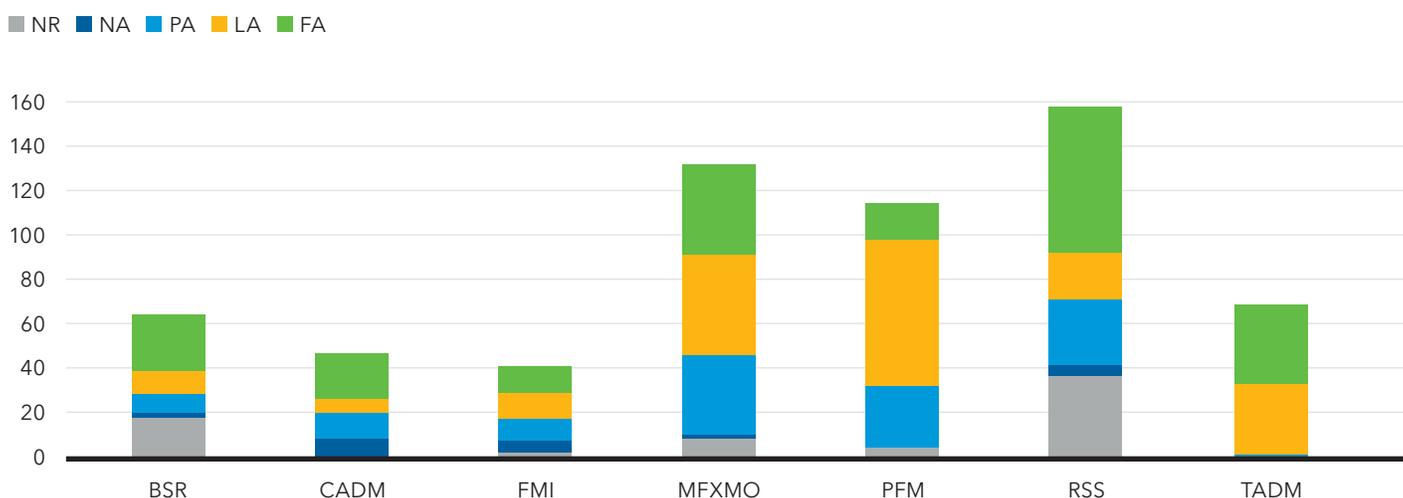
<sup>4</sup> Milestones are rated as fully, largely, partially or not achieved in line with the IMF RBM framework. The ratings cover all the milestones since the start of phase II. This assessment excludes the unrated milestones where information from authorities on status still needs to be clarified, the Fiscal ad Fiscal Law project and the customized FPAS training project.

<sup>5</sup> More information could be accessed from the center's quarterly newsletters.

<sup>6</sup> Includes resource allocated to Madagascar which remains a priority country but no longer in the list of countries facing fragile conditions.

<sup>7</sup> The positions of three resident advisors were pending recruitment as of end FY20.

**FIGURE 5. NUMBER AND STATUS MILESTONES BY PROJECT, FY18-FY20**



FA = Fully achieved; LA = Largely achieved; PA = Partially achieved; NA = Not achieved; NR = Not rated; BSR-Banking Supervision and Regulation; CADM-Customs Administration; FMI-Financial Market Infrastructure; MFXMO = Money and Foreign Exchange Market Operation; PFM-Public Financial Management; RSS-Real Sector Statistics; and TADM-Tax Administration.

Note: Given the disparate nature of workstreams, milestone ratings data are not necessarily comparable across them.

**TABLE 1. FY20 RESOURCE ALLOCATION, BY COUNTRY AND BY TOPIC (IN FULL-TIME EQUIVALED YEARS)**

Beneficiary Country	BSR	Customs	FFL	FMI	MFXMO	PFM	RSS	Tax	Other 1/	Total
Regional 2/	0.74	0.93	0.00	0.28	0.58	2.32	1.57	0.84	0.17	7.43
Angola	0.00	0.11	0.23	0.00	0.14	0.18	0.18	0.19	0.00	1.03
Botswana	0.04	0.10	0.14	0.00	0.21	0.30	0.07	0.08	0.00	0.94
Comoros	0.02	0.16	0.00	0.02	0.02	0.43	0.27	0.20	0.01	1.11
Eswatini	0.03	0.13	0.15	0.07	0.00	0.26	0.13	0.17	0.01	0.94
Lesotho	0.01	0.08	0.00	0.08	0.00	0.69	0.07	0.11	0.01	1.05
Madagascar	0.06	0.33	0.05	0.00	0.08	0.68	0.04	0.41	0.01	1.66
Mauritius	0.09	0.11	0.00	0.02	0.16	0.41	0.01	0.06	0.00	0.86
Mozambique	0.00	0.00	0.00	0.00	0.00	0.14	0.12	0.00	0.00	0.26
Namibia	0.00	0.15	0.00	0.06	0.00	0.00	0.12	0.00	0.00	0.33
Seychelles	0.05	0.08	0.00	0.00	0.00	0.28	0.13	0.15	0.01	0.70
South Africa	0.07	0.00	0.00	0.00	0.00	0.07	0.06	0.14	0.02	0.36
Zambia	0.00	0.15	0.00	0.07	0.14	0.03	0.03	0.06	0.00	0.48
Zimbabwe	0.00	0.21	0.00	0.00	0.00	0.19	0.14	0.34	0.00	0.89
<b>Grand Total</b>	<b>1.12</b>	<b>2.54</b>	<b>0.56</b>	<b>0.59</b>	<b>1.33</b>	<b>5.98</b>	<b>2.93</b>	<b>2.74</b>	<b>0.24</b>	<b>18.0</b>
Fragile Countries	0.25	0.90	0.05	0.08	0.23	1.84	0.81	1.14	0.06	5.37
Share	22%	36%	9%	14%	17%	31%	28%	42%	25%	30%

1/ Includes ICD-led macroeconomic training courses and outreaches to AFS countries.

2/ Includes regional and sub-regional seminars, customized workshops, and peer learning activities.

Source: AFS Staff

## A

# FISCAL PROGRAM – ADDRESSING COVID-19 CHALLENGES AND CONSOLIDATING GOVERNANCE FRAMEWORKS FOR IMPROVED FISCAL PERFORMANCE

**The center’s fiscal program has been revisited to support member countries to better respond to the COVID-19 pandemic while at the same time supporting fiscal reforms underway in the PFM and revenue administration areas.** In FY20, AFS provided CD services to Ministries of Finance in the areas of fiscal governance; fiscal frameworks; fiscal transparency (reporting);

public investment management; debt management; fiscal oversight; fiscal risk analysis and management; budget preparation, execution and control, including cash management, accounting and financial reporting; and PFM legislation. To support member countries in their revenue mobilization effort, CD delivery focused on risk management and intelligence, excise

regimes, valuation, audit, compliance management, and IT systems and processes. The fiscal program for FY21 remains broadly unchanged except for an increased focus on remote deliveries. Information annexes I and II provide the execution of the CD plan during the first quarter of FY21 and an update of the CD priorities for the rest of FY21 respectively.

**Public Financial Management - Addressing COVID-19 challenges and building on country achievements through customized training and peer exchanges – Robert Clifton, EL Omari Moulay, Camilo Gomez Osorio**



## EXECUTION OF FY20 WORK PLAN

**Most countries are making good progress towards milestones and outcomes.** By end-April 2020, nearly 75 percent of the rated milestones were fully or largely achieved while good progress was noted on the rest. Further progress on the pending milestones are likely during FY21 – though full realization of targets are likely to be impaired by the extended duration of the COVID-19 pandemic. The volume of CD reached 6.0 FTE years, with around a third going to countries facing fragile conditions. Despite the COVID-19 pandemic and staff turnover, the volume of CD delivered in FY20 was slightly above FY19 level. During FY20 AFS countries reached additional milestones as follows:

- **Comprehensive, Credible and Policy-Based Budget Preparation:** Angola made progress by approving the Fiscal Responsibility Law (FRL) in July 2020 and the implementation is ongoing, in particular on its monitoring requirements; Botswana strengthened appraisal capacity for infrastructure investment; Comoros is working with AFS to further improve the budget framework, including for the medium-term budget framework (MTBF) and medium-term fiscal framework (MTFF); Lesotho has strengthened the Budget Strategy Paper with AFS support to improve the financial programming framework and forecasting tools; Eswatini improved medium-term macro fiscal forecasting by building a 4-sector financial programming model and other forecasting tools; Madagascar upgraded its Public Investment Management Manual including improved processes for appraisal and selection of projects; Mauritius received TA to strengthen its Capital Process Planning Manual; Mozambique finalized a new macro-fiscal forecasting manual that will improve estimation methodologies and reduce budget deviations;

and Seychelles completed a review of the PFM legal framework and re-aligned it with international good practice and applied a new method to assess the budget baseline and the forward estimates. Zambia strengthened its revenue forecasting methods; and Zimbabwe developed a draft Fiscal Risk Statement (FRS) to inform the development of the MTF. All these countries also gained from customized workshops in the respective areas during the TA missions (Angola and Madagascar on cash Management, Mauritius on International Public-Sector Accounting standards–IPSAS).

- **Strengthened Identification, Monitoring and Management of Fiscal Risks:** Botswana received support in strengthening financial oversight of state-owned enterprises (SOEs). A joint FAD/AFS mission to Comoros provided advice on a reform strategy for overseeing public agencies and SOEs, identified related fiscal risks, and delivered a one-day training to around 40 participants; a mission to Madagascar on improving fiscal risk management, including risks arising from PPPs and SOEs. Zimbabwe is working towards improving the assessment of fiscal risks with focus on SOEs.
- **Infrastructure Governance:** AFS provided to Botswana’s officials hands-on CD services in infrastructure project appraisal using the 3-stage approach, risk analysis, project prioritization in the context of a mid-term review of National Development Plan 11, and enhancements to the Development Project Monitoring System; Angola and Eswatini undertook a Public Investment Management Assessment (PIMA); Madagascar is developing a Public Investment Management (PIM) manual which will be used to prepare the FY21 budget; and Mauritius was supported on enhancing project pre-screening, appraisal, and

monitoring as a follow-up on related recommendations from the 2017 Mauritius PIMA.

- **Improved Financial Control, Accounting and Reporting:** An FAD/AFS mission assisted Angola on improving fiscal reporting by diagnosing the information requirements and constraints to quality, comprehensiveness, and timeliness of the quarterly and annual fiscal reports; Botswana was supported in developing Statement of User Requirements (SOUR) and Integrated Financial Management Information Systems (IFMIS) strategy through a two-week hands-on training; Comoros made further progress towards improving the public accounting system, treasury single account (the TSA covers the central government and a plan to extend it to general government has been developed) and gained from a customized two-day workshop on IPSAS cash-basis standard and cash-management tools; Eswatini worked with AFS to develop a roadmap to move towards IPSAS cash basis for the medium-term and accrual basis for the long-term and benefited from a one-day hands-on training; Lesotho finalized the roll-out of its IFMS upgrade; the Mauritian authorities benefited from CD support on adopting IPSAS; and Madagascar made progress towards improving wage bill projections.
- **Improved Integration of Assets and Liability Management Frameworks:** Angola, Comoros, and Madagascar were supported on cash management to prevent expenditure arrears.

## FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM

**Customized workshops:** In view of the growing demand for customized training to further enhance capacity in implementing PFM reform plans,

AFS organized several customized workshops during TA missions. To support ongoing reforms of SOEs, AFS organized a customized sub-regional workshop on 'Strengthening Oversight and Monitoring of SOEs' for staff of SOE Oversight units from Botswana, Namibia, Seychelles, and South Africa which facilitated both capacity building and peer exchange. While these customized workshops are helping better integrate TA and training, they also have the merit of reaching out a wider group of stakeholders involved in executing domestic reform plans.

**Regional seminars/webinars:** In support of the Fund's work on gender, the center delivered a regional seminar on "Fiscal Transparency and Gender Responsiveness in Budgeting" for senior budget officials to develop and exchange knowledge with peers and IMF experts. The workshop was designed around the concepts and frameworks for fiscal transparency and gender-responsive budgeting with focus on current practices across countries and reform challenges. Jointly with the ATI, a regional seminar on "Strengthening Fiscal Institutions and Managing Fiscal Risks" was delivered to 33 participants from 20 African countries, including 8 fragile states. The seminar laid strong emphasis on practical experiences and lessons on fiscal risk management from the region (Zimbabwe) and drew from the successful Georgian experience on fiscal risk management. AFS also delivered a regional webinar on "Strengthening Public Debt Management and Managing Public Wealth" for participants from nine member countries. This was the first virtual CD activity to be delivered against the backdrop of COVID-19.

**Professional Attachment Program (PAP) and collaboration with regional experts:** Under the PAP, two officials from the Debt Department of the Ministry of Finance of Botswana participated in a program hosted by the Danmarks Nationalbank in

Copenhagen; two officials from the Public Entities Monitoring Unit of Seychelles participated in a regional workshop on SOEs in Dar Es Salaam, Tanzania; and two officials from National Treasury, South Africa participated in separate missions of fiscal decentralization in Lesotho and baseline assessment in Seychelles. Several experts from the region participated on AFS missions (including from Eswatini, Lesotho, Zimbabwe, and Seychelles). New experts from the AFS countries were included in the IMF FAD roster of experts.

### FY21 CD PRIORITIES

**The focus of CD in FY21 is on supporting (i) countries address fiscal challenges from the COVID-19 pandemic; (ii) ongoing PFM reform action plans of member countries; and (iii) priority areas such as fiscal risk management, governance, climate resilience, and gender.** Under the COVID-19 scenario, alternative delivery mechanisms for remote and 'on-demand' CD delivery are being used to ensure that implementation continues as long as restricted travel and social distancing measures are in place. CD delivery through remote mentoring/webinars remains critical, especially to assess the impact of COVID-19 -such as costing of COVID-19 related interventions and reprioritization of spending, managing the materialization and mitigation of fiscal risks, ensuring timely availability of funds to service delivery units, and treasury operational adjustments required due to new remote working arrangements. Going forward, CD delivery will remain flexible to support countries in their fiscal responses to COVID-19 and to implement IMF's policy support mechanisms (e.g., rapid credit facilities, rapid financing instruments, and grants for debt relief).

**AFS countries are also being supported through more customized workshops and peer learning.** Training and peer learning programs are being revisited to take aboard

specific demands from member countries. Customized workshops remain an essential component of PFM CD services given the increasing demand from authorities and their relevance for successful and speedy implementation of domestic reform plans. AFS work plan for FY21 is particularly focusing on:

- **Angola:** Strengthening PIM (implementing PIMA recommendations), continuation of capacity building in cash-management and arrears prevention and development of a MTBF.
- **Botswana:** Strengthening fiscal risk management through enhanced SOE oversight and fiscal rules and improving financial control and accounting and reporting through upgrades to IFMS and strengthened organizational capacity of the Ministry of Finance.
- **Comoros:** Budget framework, accounting, fiscal reporting and fiscal risk to ensure the best use of IMF's RCF and RFI.
- **Eswatini:** Budget preparation by strengthening the MTBF and supporting the development of a fiscal strategy. The focus is also on commitment control and arrears management.
- **Lesotho:** Strengthening fiscal management through enhanced oversight of SOEs and PPPs and strengthening the PFM legal framework.
- **Madagascar:** Cash-management and accounting system to better report on and accounting for funds received from IMF through RCF and on fiscal risk management/SOEs oversight.
- **Mauritius:** Supporting improvements in fiscal reporting and the transition to IPSAS, as well as stronger budget preparation through PIM selection and project preparation.

- **Mozambique:** Strengthening cash-management and the MTFF.
- **Namibia:** Budget preparation – especially on strengthening the MTBF.
- **Seychelles:** PFM law and institutions by supporting the development of an IFMIS strategy.
- **South Africa:** Strengthening budget preparation and reporting through improvements in targeting fiscal objectives and implementing gender-responsive enhancements to the budget documentation.
- **Zambia:** Fiscal risk management, particularly in public corporations and on PIM implementation.
- **Zimbabwe:** Fiscal risk management, improving budget preparation through capacity development in baseline budgeting, and implementing improvement in governance with a focus on financial control.

## FY21 Q1 EXECUTION

Progress was noted on the execution of the FY21 CD plan during the first quarter (May–July 2020). CD activities included: developing a country-owned PFM reform strategy (Botswana); support to put in place procedures and mechanisms for a sound and transparent management of expenditures linked to the COVID-19 pandemic (Comoros); support to implement an effective and transparent management of donors’ support-funds received to meet needs posed by COVID-19 pandemic (Madagascar); support to prepare the Fiscal Risk Statement 2021 and MTFF informed by an assessment of the impact of Covid-19 (Mozambique); assistance in revenue forecasting and preparation MTFF informed by an assessment of the impact of COVID-19 (Zambia); and hands-on training on scenario analysis to assess the impact of the COVID-19 pandemic on macro-fiscal forecasts and the classification and reporting of COVID-19 measures (Zimbabwe).

The PFM team, in coordination with FAD, also conducted webinars and high-level discussion forums with member countries and regional partners. These included (i) a customized support to the Indian Ocean Commission on PBB (May 2020); (ii) a roundtable with member countries on IMF CD

for overcoming current Macro-Fiscal/ PFM Challenges (May 2020); and (iii) a webinar on budget processes in the context of COVID-19 for Angola (May 2020).

Forthcoming training events, in collaboration with HQ, include webinars on

- Fiscal Risks and Debt Sustainability Analysis in Low Income Countries (September 2020);
- Computerization and Digitalization to Enhance PFM Transparency (March 2021);
- Fiscal Risks and COVID-19 Fiscal Stress tests with ATI (October 2020)
- Public Investment Management targeting a select number of countries and with possible participation of officials from other AFRITACs (AFE, AFW2) (November 2020);
- Sustainable financing for infrastructure (DFID China Project) to be conducted in collaboration with AFR (Date TBD); and
- Building Resilience to Natural Disasters and Climate Change (January 2021).

## Tax Administration–Strengthening the fundamentals for improved revenue performance – Thabo Letjama



## EXECUTION OF FY20 WORK PLAN

**The tax administration program continued to assist countries in optimizing revenue collection.** The volume of CD reached 2.7 FTE years with a record 42 percent reaching AFS's fragile countries and Madagascar. Most countries made good progress towards milestones through FY20. By end-April 2020 almost all rated milestones were fully or largely achieved. Key activities undertaken and achievements during FY20 included:

- **Angola:** The revenue administration in Angola (AGT) developed key performance indicators (KPIs) and targets for the 2020-2024 strategic plan and cascaded the corporate strategy to the tactical and operational levels. AGT also assessed the readiness of all tax information systems to support the rollout of a value added tax (VAT) regime for the first time in Angola.
- **Botswana:** The Botswana Unified Revenue Service continued to strengthen capacity to manage compliance of the financial sector.
- **Comoros:** The Administration Générale des Impôts et des Domaines (AGID) continued to
- **Eswatini:** Swaziland Revenue Authority (SRA) continued to solidify its expertise to audit the life insurance subsector and building its readiness for administering compliance under the proposed new International financial reporting standard (IFRS) 17 for insurance contracts. SRA also evaluated progress made on implementation of the modules covered under the Revenue Mobilization Trust Fund project which aims to strengthen compliance risk management, enhance organizational arrangements for domestic taxes, and implement self-assessment. The SRA assessed strengths and weaknesses of the tax administration

improve payment compliance, reduce the level of tax arrears, and prevent accumulation of tax debt. In addition, AFS and FAD assisted the AGID and Customs to assess the effectiveness and efficiency of tax and customs operations and identified high-level priorities for reform. AGID also developed a taxpayer services strategy, a risk-based audit program, and expanded a large taxpayer unit (LTU) to include qualifying taxpayers in Anjouan and Moheli.

system using a Tax Administration Diagnostic Assessment Tool (TADAT) methodology.

- **Lesotho:** The Lesotho Revenue Authority (LRA) continued to build capacity to analyze data and derive intelligence for use in managing compliance risks.
- **Madagascar:** A FAD-led assignment assisted both the tax administration (Direction Générale des Impôts-DGI) and customs administration to assess their effectiveness and efficiency and identify high-level priorities for reform. DGI also continued to improve its capacity to audit taxpayers and ensure they report accurately, advanced progress on strengthening management of tax arrears, and began work to develop a taxpayer services strategy.
- **Mauritius:** The Mauritius Revenue Authority made further progress towards utilizing advanced data analytics to identify, assess, quantify, prioritize, analyze, and mitigate compliance risks.
- **Namibia:** Assessed progress in establishing NAMRA and identified capacity development needs for its launch and modernization.

## BOX 2. TA ON TRANSFER PRICING (TP) TO SOUTH AFRICAN REVENUE SERVICE (SARS)

Following a FAD-led scoping visit in 2017, a capacity building program was agreed and a first TP course was delivered in April 2018. At the end of 2019, the following were achieved under the program:

- An Introduction to TP (ITP) course was developed and later customized to fit the South African context;
- A course for TP in customs was developed and launched in October 2019;
- 322 officers were trained;
- A SARS trainer is now conducting the training with only oversight support from AFS;
- A seminar on TP in the mining area was organized by the Tax, Customs and Excise Institute (TCEI) and was attended by approximately 125 participants; and
- A seminar on TP in the financial and banking area was organized by the TCEI and was delivered to approximately 140 participants.

The TP program, initially aimed for auditors in the TP Case Selection Unit and TP auditors in the Large Business Centre, has now been expanded to include all units within the audit value chain, including Investigative Audits, the Customs and Excise Audit, Case Selection Unit in Customs, Legal, Governance and Taxpayer Services.

- **Seychelles:** The Seychelles Revenue Commission assessed its strengths and weaknesses in the tax administration system, using a TADAT methodology.
- **Zambia:** The Zambia Revenue Authority strengthened capacity for analyzing taxpayer's behavior and its drivers and developed a compliance improvement plan for the next three years (2020-22).
- **Zimbabwe:** The Zimbabwe Revenue Authority (ZIMRA) developed a business requirement specification for a new tax revenue management system and developed a criterion for evaluating shortlisted bids for the system's procurement. ZIMRA further trained auditors on using modern audit techniques (including use of computer Assisted Audit Techniques-CAATs) in the audit of taxpayers in the telecommunications industry. In addition, the revenue authority reviewed the KPIs and strategic targets for 2020; evaluated the project and change management methodologies; developed a monitoring and evaluation tool; and cascaded strategic objectives into operational plans for 2020. In addition, the customs department of ZIMRA requested and received CD on customs valuation to strengthen technical valuation skills.

## **FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM**

**High-Level Tax Policy Dialogue on Taxation of the Digital Economy:** The Resident Tax Administration Advisor participated in the seminar conducted by the African Tax Administration Forum (ATAF) and was a speaker in a panel that discussed how African countries could take part in the global discussions on the taxation of the digital economy and contribute their technical expertise, and knowledge of their markets and economies to the global discussion.

**Taxpayer Registration Seminar– Participation of Madagascar and Comoros Officers:** Four officers – two from each of Comoros and Madagascar–participated in a sub-regional customized seminar on taxpayer registration organized by AFW1. The seminar familiarized participants with modern practices for registering taxpayers, identifying unregistered taxpayers, and establishing controls to strengthen integrity and reliability of the taxpayer register. The collaboration with other AFRITACs remains another window of opportunity for AFS officials to peer learn from the rest of the continent.

**High-Level Regional Seminar on Revenue Administration Governance and Autonomy:** The seminar was jointly hosted by the FAD and three AFRITACs (AFE, AFS and AFW2), and supported the IMF/AFR to increase focus on governance frameworks within tax administrations. The seminar drew participants from 20 countries including Principal Secretaries, Board Chairpersons, Commissioners or Directors General, and the Secretaries General of ATAF and Collaborative Africa Budget Reform Initiative (CABRI). The AFS Director delivered the opening address on the Framework for Enhanced Fund Engagement on Governance and the importance of improving governance frameworks for SSA countries to improve economic outcomes.

**Customized Audit Seminar for Comoros and Madagascar Officers:** AFS organized a customized audit seminar for Madagascar and Comoros aimed at empowering officials in ensuring accuracy of reporting by taxpayers in their respective jurisdictions. The seminar provided a platform for exchange of experiences and peer learning between audit officers from the two countries.

## **FY21 CD PRIORITIES**

**FY21 work plan needs to be more dynamic to accommodate emerging and urgent needs for capacity development to respond to the COVID-19 pandemic.** Whereas most of the workplan components are likely to remain relevant, immediate focus is on helping countries to better respond to the pandemic and its after-shocks to: (i) effectively manage risk encompassing enterprise risks with focus on business continuity as well as effective mitigation of compliance risks; (ii) strengthen leadership and management capabilities for building agile and resilient organizations; (iii) automate to enable online services offerings; (iv) simplify processes and devise administrative measures to ease compliance burden and provide relief to taxpayers where needed; and (v) run peer-learning events to share experiences and lessons and to embrace good practice.

**The updated FY21 tax administration work plan is focusing on:**

- developing and rolling out of a leadership management program to strengthen capacity to manage reforms successfully (**Angola, Madagascar (TADAT); Mozambique, South Africa (TADAT) and Zimbabwe**);
- strengthening compliance risk management practices (**Lesotho, Madagascar, Mauritius, Seychelles, and Zambia**);
- developing an internal control framework to effectively manage operational risk (**Madagascar**);
- continuous improvement of audit capacity to improve audit yield and increase the impact of audits on overall compliance (**Comoros, Madagascar, and Zimbabwe**);
- improving capacity for managing compliance of specialized sectors (Botswana-financial sector, Kingdom

of Eswatini-insurance sector, and Zimbabwe-telecoms sector);

- implementing new tax administration information management systems (**Comoros**);
- managing tax arrears (**Comoros and Madagascar**); and
- streamlining the taxpayer registration process (**Comoros**).

FY21 Q1 Execution: Good progress was noted on the execution of the FY21 CD plan. AFS CD activities included support to: strengthen the capacity of senior management team to effectively implement and manage a reform and modernization program (Angola); (ii) further strengthen the audit capacity of the large taxpayer office (Comoros); strengthen compliance risk management and data analytics capacity (Lesotho); better manage corporate priorities through effective risk management, including establishment of risk management unit (Madagascar) and developing a compliance improvement plan (Zambia, and Seychelles); development and implementation of a Taxpayer Services Strategy to improve voluntary compliance (Madagascar); webinars to strengthen compliance in the aftermath of COVID-19 and strengthen revenue management (Seychelles and Madagascar).

**In view of the extension of the travel ban due to COVID-19, the FY21 regional training and peer-learning program is most likely to be conducted remotely through webinars.** Plans going forward include a regional seminar on 'Business Continuity Plan' (jointly with Customs) in March 2021 and a joint AFS/FAD/AFE training on ISORA 2020 (January 2021).

## EXECUTION OF FY20 WORK PLAN

**The customs program continued to support countries in maximizing revenue collection, facilitating trade, and protecting society from prohibited and restricted goods such as drugs and firearms.** The volume of CD reached 2.5 FTE years (compared to around 2.2 FTE years in FY19) with around 36 percent supporting the two designated fragile countries and Madagascar. Most countries made good progress towards milestones. By April 2020 over bulk of the rated milestones were fully, largely, or partially achieved. Customs administrations realized milestones as follows:

- **Angola:** AGT strengthened its strategic management and leadership through the development of a three-year strategic plan. An evaluation was completed on the impact of previously delivered leadership and management development training to senior managers in customs and tax areas.
- **Botswana:** Standard operating procedures and a supporting management assurance plan were developed for the central unit responsible for processing customs declarations. Draft procedures have been prepared for the

## Customs Administration - Building the foundations for successful delivery – Philip Wood



implementation of an advance rulings system for classification and origin. Training on customs valuation was designed and delivered and guidance provided on the appropriate development and application of the valuation database as a risk-assessment tool. Customs selectivity criteria have been reviewed and updated and procedures put in place for future periodic reviews. Remote support was provided to assist with the development of a leadership and management development program. This work was undertaken as part of a joint response to the COVID-19 crisis.

- **Comoros:** AFS provided CD support to address revenue losses included changes to tax points, the reconfiguration of the customs processing system (ASYCUDA) and the introduction of fuel markers. Remote support was also provided to assist the newly appointed head of the Oils Unit to take forward the implementation of an agreed activity plan. This work was undertaken as part of a program of work to assist customs with the implementation of a range of emergency measures as part of the government's response to the COVID-19.
- **Eswatini:** A workshop on the modernization of excise controls was designed and delivered. The workshop produced schemes of control, and risk-based audit plans for the two largest distilleries. The workshop also defined the data requirements for the operation of the warehouse module in ASYCUDA. An action plan to strengthen excise controls has been agreed. Remote support was also provided with the preparation for a data matching project. This work was also undertaken as part of a joint response to the COVID-19 crisis.

- **Lesotho:** A Post Clearance Audit (PCA) procedures manual has been finalized and a PCA database has been developed and can now be accessed by all auditors. An Authorized Economic Operator project has been designed and is being implemented in accordance with good practice standards.
- **Madagascar:** CD was provided to support the Customs Commissioner and his management team to develop and validate new Vision, Mission and Value statements. A set of strategic goals, supporting objectives and performance indicators have also been developed. Customs provisions required to harmonize the Madagascar Customs Code with the requirements of the World Trade Organization (WTO) Trade Facilitation Agreement have been drafted.
- **Mauritius:** A series of workshops contributed to further build capacity on intelligence and informant handling procedures.
- **Namibia:** Draft standard operating procedures for PCA have been prepared and CD support provided to support implementation. A risk-based operational plan and a supporting implementation action plan have been developed and agreed. A review of exemptions from customs duties and taxes has been completed and an action plan developed to reduce potential revenue losses. CD support was also provided to the risk management unit to review and develop revised profiles and selectivity criteria. A national Intelligence strategy and an implementation plan was prepared.
- **Seychelles:** Revised procedures and management controls were prepared for the processing of entries by Entry Processing Units. Proposals

for the full automation of customs procedures have been agreed and a pilot project initiated.

- **Zambia:** A stakeholder engagement training event was designed and delivered to 16 participants from various business areas including domestic tax, customs and enterprise-level units (99.5 percent of ratings at the good or very good standard). The knowledge and skills acquired by the participants have been used to support the implementation of the reform and modernization program and, specifically, to inform the development of an associated communications strategy. Project proposal documentation has been developed and agreed for a customs Business Process Mapping program and the extension of the data-matching project. A National Intelligence Strategy has been developed and a proposal for the establishment of a central intelligence unit has also been agreed.
- **Zimbabwe:** Risk criteria have been reviewed, and revised criteria developed. A draft National Intelligence Strategy has been prepared. Capacity on the implementation of a risk-based compliance program has been developed and is evidenced by reports of an increased number of offences being detected, improved revenue receipts and a reduction in the number of physical examinations being conducted.

#### **FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM**

- A regional seminar designed to build the capacity of administrations to implement and apply the WTO Customs Valuation Agreement was attended by representatives from 11 AFS member countries. The seminar focused on the

### BOX 3. CASE STUDY—DATA MATCHING (LESOTHO)

The Data Matching (DM) CD support assisted the project team established by the Lesotho Revenue Authority to identify compliance risks in registration, filing, payment, and accurate reporting of taxpayers. The project team reviewed data from the largest 94 importers and

23 exporters which represented over 75 percent of the total value of imports and exports in Lesotho. It ranked and scored all the identified major traders across 58 compliance risk factors; identified significant compliance risks totalling several US\$ billion in trade value as well

as systemic risks to revenue; and, prepared a detailed action plan (short- and medium-term) to validate the anomalies and mitigate the identified potential risks of non-compliance. The plan has been agreed and is being implemented with ongoing support from AFS.

implementation of the World Customs Organization good practice guidelines for the establishment and operation of a customs valuation unit and the latest FAD Technical Note on valuation matters. The seminar identified key risk areas and supported the participating administrations to develop appropriate risk-mitigation strategies designed to improve compliance, facilitate trade, and increase revenue yield.

- A regional seminar, delivered in partnership with AFE and the COMESA, focused on building the capacity of participating officers to effectively utilize data as part of a risk-based approach to compliance management. The event included interactive discussions covering international best practice, regional initiatives and country experiences.

#### FY21 CD PRIORITIES

**AFS work plan for the customs component is supporting member countries to address challenges arising from the COVID-19 while at the same time targeting milestones focusing on:**

- the development of project and change management capability to improve the transparency and governance and modernization programs (**Angola and Madagascar**);
- improvement in customs controls through the implementation of risk-based compliance management and data matching programs (**Angola, Comoros, Eswatini, Botswana, Namibia and Zambia**);
- development of Coordinated Border Management strategies and the design and implementation of preferred trader programs to facilitate legitimate trade and voluntary compliance (**Lesotho and Zimbabwe**);
- modernizing legislative frameworks (**Comoros, Lesotho, South Africa, and Madagascar**);
- strengthening post clearance audit and anti-smuggling programs (**Comoros, Zambia, and Zimbabwe**) and;
- strengthening the control and monitoring of exemptions from customs duties and taxes and excise administration (**Comoros, Eswatini, Lesotho, and Zimbabwe**).

**FY21 Q1 Execution: Good traction was noted during the first quarter on the execution of the FY21 work plan.** AFS supported Angola with the design, structuring and implementation of a project management office; **Comoros** on the requirements of the WTO's customs valuation agreement and on the operationalization of the Oils Unit; **Eswatini** on building capacity to utilize data to assist with the identification of serious non-compliances; **Madagascar** to finalize the modernization program; **Seychelles** to automate entry processing procedures at Mahe Airport; **Zambia** to implement the National Intelligence Strategy; and **Zimbabwe** to implement the National Intelligence Strategy and on customs valuation methodology and post clearance audit.

**FY21 Regional training and peer-learning program include:**

- a webinar on Data Analysis (January 2021)
- a webinar on Leadership and Management Development with AFE (February 2021); and
- a joint (Tax and Customs) webinar on Business Continuity and Disaster Management with AFE (March 2021).

## B

# MONETARY AND FINANCIAL SECTOR DEVELOPMENT PROGRAM

**Through FY20 the center's monetary and financial sector development program focused on benchmarking the supervisory and regulatory architecture and financial market infrastructures (FMIs) to best international practices and further improving money and FX market operations.**

AFS continued to support members in their efforts to strengthen the stability and resilience of the financial sector;

Basel II and Basel III implementation; upgrade oversight policy framework on supervision; enhance risk-based supervision (RBS); gain proficiency in adoption of IFRS 9; upgrade legal and oversight frameworks of FMIs, improve modeling and forecasting and policy analysis system (FPAS); enhance the analytical skills and understanding of money, securities and FX markets and improve monetary policy

communication. The updated FY21 plan will ensure continued support in these areas while at the same time helping member countries better address issues arising from the COVID-19. Resources have been earmarked for addressing cyber risks and fintech issues. The delay noted in the arrival of new resident advisors may however pose a challenge in delivering the FY21 program.

**Banking Supervision and Regulation - Benchmarking regulatory and supervisory architecture to best international practices –Benjamin Stefanou**



## EXECUTION OF FY20 WORK PLAN

**The volume of CD reached 1.2 FTE years.** Most countries made good progress towards milestones. By April 2020, almost all rated milestones were fully or largely achieved or showed good progress. Milestones achieved by member countries included:

**Botswana:** The Bank of Botswana (BoB) has implemented Basel II for its banks with AFS support and is now implementing select elements of Basel III, especially the liquidity requirements. The outcome targeted is for banks to have a robust liquidity position in the short-term and a wealth of stable funding sources to finance their longer-term assets. The BoB further enhanced the technical capacity of its staff in implementing the advanced requirements.

**Eswatini:** The Central Bank of Eswatini has been implementing Basel II for its banks in a phased manner. The short-term objective is to ensure that the level of banks' capital reflects their risk profile, their business strategy and their risk acceptance levels. A mission focusing on Basel II and select elements of Basel III allowed the authorities to expedite the finalization of draft guidelines for banks covering the three pillars of Basel II and strengthen capacity of the supervisory staff to work on Basel III.

**Madagascar:** Madagascar is making progress towards implementation of a risk-based supervision approach. AFS assisted the Commission for the Supervision of Banks and Finance towards implementation of RBS approach in accordance with the

recommendations of the Financial Sector Assessment Program, and the February 2018 AFS mission. In FY20 the risk profiling of institutions was completed, a risk matrix developed, and on-site supervisors started conducting examinations under a risk-based approach. AFS also assisted in the implementation of Pillar 2 of Basel II, especially the interlinkages between RBS and Pillar 2.

## FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM

**Regional seminars, customized training and peer learning activities remained closely linked to the ongoing reforms being implemented in the region.** The events conducted during the year included:

### BOX 4. SEYCHELLES MAKING PROGRESS IN IMPLEMENTING IFRS 9

The Central Bank of Seychelles (CBS) received high level TA over the years which helped build staff knowledge and capacity within the banking supervision area. This in turn has intensified the supervision of financial institutions within the banking sector.

One of the most relevant areas in which TA was provided relates to the implementation of IFRS 9 and other related standards. The focus was on capacity building for CBS staff to oversee the implementation of IFRS 9 effectively. Trainings covered different aspects, namely classification and measurement of financial instruments, impairment provisioning processes, and methodologies and disclosures. The CBS also benefited from overseas trainings on regulation and supervision. Of utmost importance were training opportunities on IFRS 9 and implementation of the Basel Standards. CBS staff attended training sessions in Mauritius pertaining to IFRS 9 in 2018 and 2019. Furthermore, in 2018,

CBS staff participated in a seminar to discuss the impact of Basel III reforms. This was in relation to the implementation of Basel II and III in emerging markets and developing economies. The aim of the seminar was to share views and experiences of countries in relation to the implementation of the Basel Framework.

With AFS support the CBS formalized a set of returns and guidelines to collect data from financial institutions on IFRS 9 reporting. Guidance was also provided on the approaches of refining the regulations related to provisioning. The CBS staff is now able to conduct evaluation of the financial institutions' financials from both a supervisory and a financial stability perspective.

Moreover, AFS conducted meetings with financial institutions to assess their implementation process against the BCBS guidance on Credit Risk and accounting for expected losses (December 2015). The guidance was

utilized to assess the governance process of developing the Expected Credit Losses (ECL) model. This helped CBS in working with financial institutions to enhance governance structures in terms of IFRS 9 implementation.

During its last visit in October 2019, AFS provided training on IFRS 9 and on fair value accounting, disclosure requirement and the modelling validation. AFS reviewed a sample of certain financial institutions audited financial statements for the year ended 2018 and made recommendations to CBS for improvement in relation to IFRS 9 reporting. AFS experts attended meetings with financial institutions and their auditors to discuss areas for improvement such as the disclosure of IFRS 9 implementation, change in accounting policy and the financial instrument and provisions in stages. The exercise has been useful and would enable CBS staff to better review the financial institutions' ECL models and financial statements.

- a seminar on 'Risk-focused Supervision of Cross-Border Transactions' for officials of the South African Reserve Bank (SARB) and other central banks (Eswatini, Lesotho, Namibia, and Seychelles). The seminar focused on the concepts, operational aspects and implementation challenges of cross border supervision including the Basel Core Principle dealing with this aspect and the details of the work done by the Working Group on Supervisory Colleges of Basel Committee on Banking Supervision;
- a seminar on IFRS enhanced the ability of 30 mid- to senior-level regulators/supervisors from 10 countries to understand implementation challenges. The seminar familiarized participants with the underlying concepts of the standards and equipped them with the tools and techniques for conducting supervision of banks/ financial institutions under the new framework;
- a seminar for officials of the Southern African Development Community (SADC) on 'Corporate Governance Issues in Banking Sector' covered the concepts, operational aspects, and implementation challenges of corporate governance issues including the OECD and Basel Principle dealing with this aspect. The event enhanced the skills and knowledge of participants. AFS has been able to develop excellent traction with the SADC through these CD efforts and expect further cooperation with the forum in future. The event was also an excellent outreach event and enhanced regional integration efforts;
- a customized workshop on 'Risk Based Approach to AML/CFT Supervision' for the Bank of Mauritius designed to enhance the ability to judge the quality and effectiveness of the institutions' AML/CFT frameworks and to enhance the

supervisory capabilities with a view to ensuring compliance with the *Financial Action Task Force (FATF) Standards*;

- participation of AFS Resident Advisor in a Fintech seminar organized by the IMF in Botswana in the 18<sup>th</sup> Annual Conference and Meeting of the Francophone Institute for Financial Regulation organized in collaboration with the Financial Services Commission of Mauritius. The former was the fifth in a sequence of seminars that followed the IMF and World Bank Annual Meetings in Bali in October 2018, which called for the dissemination of information about the innovations in the technological front, their advantages, the inherent risks involved and risk mitigation techniques.

#### FY21 CD PRIORITIES

**AFS is continuing to help build capacity to enable the completion of financial sector reforms, facilitate the adoption of international best practice in financial sector regulation and supervision, and support member countries to better respond to the challenges from the COVID-19.** The IMF supports an approach to regulation and supervision whereby supervisory practices are applied, commensurate with the risk profile and systemic importance across a broad set of financial institutions, and different stages of development and complexity of financial systems. AFS is replicating this approach in the work program of FY21, taking into account possible assistance needs of central banks and regulators, to implement their strategies to stem the growth impact of the COVID-19 pandemic, while safeguarding financial sector stability. Overall, the updated FY21 plan targets milestones to help countries in the region to:

- address challenges to the financial sector arising from the COVID-19 pandemic;
- implement International Financial Reporting Standard (IFRS 9);

- ensure strengthening of oversight of supervisory framework with reference to enhancement of risk based supervisory framework;
- improve compliance with international standards, especially Basel II and Basel III; and
- ensure financial stability through macroprudential supervision on a sound, transparent and enforceable legal basis.

**The AFS efforts in assisting countries to enhance their regulatory and supervisory frameworks take on a heightened urgency given the potential impacts to financial sector stability from the COVID-19 pandemic and associated economic adjustments.** In continuing CD work, AFS is working closely with member countries to help ensure assistance is targeted and flexible to changing CD needs.

**FY21 Q1 Execution: During the quarter ending July 2020 AFS, in collaboration with MCM, hosted three webinars to discuss with member countries the risks to the financial sector posed by the COVID-19 pandemic and to suggest policy responses based on IMF/WB Notes (Special Series on COVID-19).** The webinars included roundtables on (i) banking regulatory and supervisory policy which provided an overview of operational challenges to supervisors; (ii) cybersecurity of remote work during the pandemic which provided an overview of current global cybersecurity issues and IMF MCM guidelines; and (iii) insurance regulation and supervision which provided an overview of operational challenges to insurance supervisors and the IMF's suggested policy responses. In addition, AFS assisted the Central Bank of Mozambique with implementing Basel II and select elements of Basel III.

## FY21 Regional training and peer-learning program include:

- a seminar on Governance in the Banking Sector (jointly with COMESA April 2021);
- a seminar on IFRS (April 2020); and
- a webinar on Crisis Management (October/November 2020).

## EXECUTION OF FY20 WORK PLAN

**The volume of CD was around 1.3 FTE year with around 17 percent supporting the fragile countries and Madagascar.** By end-April almost all rated milestones were fully or largely achieved or showed good progress. Key achievements during FY20 included:

**Botswana:** The central bank has made progress on liquidity forecasting framework to guide the liquidity management operations and in disseminating information to stakeholders. A mission assisted the BoB to strengthen the Near-Term Forecasting (NTF) framework and implement an upgraded database, data process, and Forecasting and FPAS infrastructure. The team worked on parallel tracks to (i) finalize the project on the database, data management and data process started through previous off-site assistance, (ii) continue developing the NTF framework with focus on GDP, and (iii) follow-up and ensure the efficient use and implementation of the previously upgraded Business Expectations Survey into the framework.

**Mauritius:** An FPAS mission focused on developing the NTF toolkit and a comprehensive NTF framework. The mission built on the work started through an FPAS mission in November 2018. During that mission a system of NTF models was created for GDP, and this mission continued building on this system and trained staff in how to optimally use it. The mission also



## Money and Foreign Exchange Market Operations - Improved monetary policy frameworks and increased central bank transparency

started building a similar system for CPI. In addition, the mission worked on clarifying the role and responsibilities of the sector experts, within and in between forecast rounds.

**Zambia:** Through an FPAS mission the central bank further developed its NTF framework (including incorporating business survey data and information). It also started developing the analysis and forecast of the foreign sector and gained from the training in the use of the Quarterly Projection Model.

### FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM

**To further support monetary policy implementation, AFS funded training and peer learning activities in core areas as follows:**

- a seminar on 'Monetary Policy Implementation and Financial Market Development', conducted jointly with the SARB, allowed participants to learn about the latest trends on monetary policy implementation and operations and to further strengthen their ability to assess different monetary policy implementation frameworks. Participants welcomed its peer-to-peer sharing elements and the 'speed-dating' session organized on the last day;

- an orientation program for the Central Bank of Comoros (CBC) on the 'Core Functions of Modern Central Banks' allowed some 50 staff from various departments to familiarize with the core functions of modern central banking and the linkages between the various functions. Ms. Selander, Ms. Stewart, and Mr. Ravi Mohan, AFS resident advisors for Monetary Policy Operations, Financial Market Infrastructure, and Banking Supervision and Regulation respectively also assessed CD priorities through the program. The feedbacks suggest similar program could be delivered to other central banks;
- a customized training program for the central banks of Botswana and Mauritius to further develop the liquidity forecasting frameworks and to train staff in operating and managing the databases, tools, models, and templates for this purpose;
- a two-part peer-to-peer exchange with the Central Bank of Seychelles was organized to assist the Banky Foiben'i Madagasikara in their process of transitioning from a fixed money targeting to an interest rate-based framework. Part 1 of the

peer-to-peer exchanged constituted a customized seminar in Madagascar, where staff from the CBS formed part of the mission team. Part 2 was a study visit to the CBS where staff from Madagascar had the opportunity to see the results of the transition in Seychelles, take part in the day-to-day work, and learn more about the challenges; and

- an attachment program with Danmarks Nationalbank (DNB) for the staff of the central bank and the Ministry of Finance (MoF) of Botswana to learn about effective debt management and market development. The program included discussions and presentations with the Financial Markets Department – in particular, the Debt Management Office led by Mr. Lars Mayland Nielsen at the DNB. The Botswana team also visited the MoF where Mr. Frederik Munk presented the role of the ministry in debt strategy and management.

## FY21 CD PRIORITIES<sup>8</sup>

**AFS will continue to build capacity to support ongoing monetary policy reforms and facilitate the adoption of modern international best/good practices in the areas of modeling and forecasting, communication and monetary policy implementation to stimulate market development in the region.** Modernized monetary policy frameworks in combination with sound financial systems help keep inflation low and improve the access to finance. CD support in FPAS has been appreciated in the region and will continue, and delivery modalities will be aligned with its policy impact. While demand for and traction of CD on monetary policy operations has weakened in some countries it will remain core priority for countries that are in the process of transitioning into present and more modern monetary policy frameworks.

### **Overall, the FY21 plan targets to help countries in the region to:**

- continue, and in some cases possibly finalize, the implementation of FPAS for better informed monetary policy;
- increase transparency and accountability and increase the effectiveness of monetary policy by strengthening communication capacity of the central banks;
- support central banks in their efforts to develop the financial markets; and
- increase and broaden the general capacity and skills in monetary policy in the region.

## FINANCIAL MARKET INFRASTRUCTURE

### EXECUTION OF FY20 WORK PLAN

**AFS countries continued to make progress on their modernization agendas:** upgrading legal and oversight frameworks and undertaking initial assessments of the financial market infrastructures (FMIs) against the international standards, and the CPSS-IOSCO Principles for financial market infrastructures (PFMI). AFS focused on training and capacity building primarily to enhance FMI assessment proficiency and support initiatives on both fronts. The volume of CD almost doubled to reach 0.6 FTE years. The key activities and progress on milestones included:

- **Eswatini:** A mission reviewed the draft Central Securities Depository rules and made suggestions for their enhancement prior to their finalization and publication. The activity also helped to remove the impasse by clarifying the respective roles of the central bank and securities regulator, the Financial Services Regulatory Authority in the oversight of CSDs.
- **Lesotho:** AFS support helped to elucidate and differentiate the roles of the different departments in fulfilling the CBL's mandates as payments system overseer, operator and financial sector supervisor.
- **Namibia:** FY20 was AFS's first engagement with a private sector FMI, the Namibia Clearing Company (Namclear), the Automated Clearing House (ACH) operator. The Bank of Namibia (BoN) has designated Namclear a systemically important payment system, and therefore an FMI. AFS training allowed the BoN staff to enhance knowledge on the use of various monitoring tools to enhance oversight.

<sup>8</sup> Delay in the recruitment of resident advisor is likely to impact on CD delivery during FY21.

- **Zambia:** AFS helped the central bank to identify strategies to improve FMI resilience and enhance compliance with principle 17 (operational risk) of the PFMI. It also gave practical guidance and solutions for enhancing cyber-resilience.
- **Zambia:** AFS TA elaborated the legal requirements for oversight and settlement finality to comply with principles 1 and 8 of the PFMI. LEG subsequently reviewed and gave feedback to enhance the amended NPS law.

#### **FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM**

**Regional PFMI workshop:** AFS delivered a regional workshop jointly with AFE and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) to de-mystify the standards and strengthen compliance with the Responsibilities A-E and with select principles of the PFMI. The workshop also examined new and emerging practices in electronic money regulation and oversight. The workshop had three important 'firsts': (i) MEFMI collaboration: This was AFS's

first engagement with MEFMI in the FMI&P topic area; (ii) broader mix of participants: Delegates included a private sector FMI operator and two CDS operators. In the past only central bankers (operators of the real-time gross settlement systems, overseers and lawyers) and securities regulators participated; and new case study for the PFMI responsibilities: A separate case study was included for a full assessment of the regulators and overseers' fulfilment of the 5 PFMI responsibilities. Previous case study exercises focused on FMI risk management, assessing legal, financial and operational risks.

**Professional Attachments:** Delegates from Botswana, Eswatini and Zambia benefitted from an attachment program at the Bank of Ghana (BoG), gaining insights into FMI and fintech risk management and oversight and cyber resilience in the financial sector. The BoG is widely respected for its innovative and progressive approach to National Payments System (NPS) development -and more recently for the advances within the central bank and nationally on cybercrime initiatives. Participants identified implementable actions for their respective jurisdictions based on the

observations and lessons learnt in Ghana, some of which may require TA support going forward.

**Other Achievements:** To further mitigate risk in the FMIs, Namibia has now achieved its strategic objective and discontinued the use of checks, a first among African countries.

#### **FY21 CD PRIORITIES<sup>9</sup>**

**AFS will continue to help build capacity to enable the completion of NPS reforms and aid the adoption of international best practice for risk management and oversight of the FMIs.** Overall, the FY21 plan is targeting milestones to help countries in the region achieve the following outcomes: (i) the oversight and supervisory framework for FMIs is set up by the relevant authorities according to their statutory powers; (ii) systemically important FMIs comply fully with international standards; and (iii) ensure FMIs operate on a sound, transparent and enforceable legal basis.

#### **Regional training activities planned for FY21 include:**

- a webinar on Cyber Risks (January 2021); and
- a webinar on Fintech (jointly with COMESA-April 2021).

<sup>9</sup> Delay in the recruitment of resident advisor is likely to impact on CD delivery during FY21.

## STATISTICS PROGRAM

**EXECUTION OF FY20 WORK PLAN**

**AFS countries made progress on updating and implementing methodological concepts and standards pertaining to national accounts and price statistics.** A key achievement of FY20 was gaining traction in Botswana, South Africa, and Zimbabwe where AFS had limited or no visits for a variety of reasons in the past. The volume of CD reached 2.9 FTE years in FY20 compared to 2.5 FTE years in FY19. Fragile countries and Madagascar

absorbed around 28 percent of the CD resources. Over 95 percent of the rated milestones were fully or largely achieved by end-April 2020 or showed good progress. Key progress by statistical agencies during FY20 included:

- **Angola:** Launching of preliminary works to disseminate seasonally adjusted quarterly GDP;
- **Botswana:** Progress on rebasing of the national accounts;

**Real Sector Statistics - Strengthen compilation and dissemination of data on macroeconomic statistics for decision making according to the internationally accepted statistical standards – Achille Pegoue and Donna Grman**



- **Comoros:** Timely dissemination of annual GDP, dissemination of improved consumer price index (CPI);
- **Eswatini:** Dissemination of consistent annual and quarterly GDP;
- **Lesotho:** Released a revision of the public sector estimates and financial sector estimates in the national accounts
- **Madagascar:** Improvement of methods to measure GDP by expenditure and GDP deflator;
- **Mauritius:** Improvement of institutional arrangements to gathering data and measuring informal economy;
- **Mozambique, Namibia:** Release of rebased GDP;
- **Seychelles:** Finalization of Supply and Use Tables for rebase of GDP;
- **South Africa:** Improve seasonal adjustment methods for rebase of GDP;
- **Zambia:** Preparation of frameworks to compile Supply and Use tables within the upcoming rebased GDP; and
- **Zimbabwe:** Re-denomination of the GDP and prices underlying the CPI and development of producer price index (PPI) for agriculture.

## **FY20 REGIONAL SEMINARS, CUSTOMIZED TRAINING AND PEER LEARNING PROGRAM**

### **AFS FY20 regional seminars included:**

- a customized workshop for Angola National Institute of Statistics, Ministry of Finance, Ministry of Economy and Planning and Central Bank on 'Basics of Seasonal Adjustment Methods and Practices';
- a regional seminar on 'Volume and Price Measures in National Accounts'; and
- a regional seminar on 'Fundamentals of the Consumer Price Index'.

**The center continued its collaboration with regional and international partners to further support statistical work in the region.** This year the collaboration included

- a workshop on volume and price measures in national accounts jointly organized with COMESA and AFE;
- a joint national accounts mission with the United Nations Economic Commission for Africa in Seychelles;
- a joint national accounts mission with the World Bank in Zimbabwe; and
- participation of AFS in the 26<sup>th</sup> SADC Statistics Committee.

### **FY21 CD PRIORITIES**

**In line with the phase II program and in coordination with the IMF's Statistics Department, AFS is**

**continuing to promote quality data to achieve international standards while at the same time strengthening awareness on COVID-19 related challenges in compiling GDP.** The center supports ongoing initiatives aimed at updating methodologies and implementing advanced standards: the enhanced General Data Dissemination System (eGDDS), the Special Data Dissemination Standards (SDDS), and SDDS Plus. In FY21 the focus remains on improving source data, methodological soundness, accuracy, reliability, serviceability, accessibility, and timeliness of statistics across member countries based on progress, absorption capacity of statistical agencies, and CD priorities agreed between statistical agencies and AFS. CD interventions in FY21 will work towards achievement milestones in the following key areas:

- dissemination of rebased/revised/improved annual GDP estimates: **Angola, Botswana, Comoros, Lesotho, Seychelles, South Africa, and Zambia**
- develop/improve quarterly national accounts: **Angola, Eswatini, Madagascar, Mozambique, Namibia, and Zimbabwe**
- dissemination of rebased/improved CPI: **Comoros, Eswatini, Lesotho, and Seychelles**
- develop/update the PPI: **Botswana, Eswatini, Namibia, Zambia, and Zimbabwe**

## **BOX 5. REDENOMINATION OF GDP AND PRICES UNDERLYING THE CPI IN ZIMBABWE**

The new Zimbabwean Government that was sworn into office following the July 2018 elections tightened the fiscal stance since September 2018 and introduced a new domestic currency in February 2019. On June 24, 2019, the government officially

ended the multi-currency regime, and set the new Zimbabwe dollar as sole legal tender. The authorities are also advancing on structural reforms as elaborated in their Transitional Stabilization Program. As a result of the currency reform, many statistical

series (e.g. GDP and CPI) have been re-estimated in the new currency, i.e. the Zimbabwe Dollar. ZIMSTAT, with the assistance of AFS, revised macroeconomic statistics series accordingly, as this is required to guide policy discussions.

**FY21 Q1 Execution: Good progress has been noted on the execution of the FY21 work plan.** During the quarter ending July 2020, AFS organized two sub-regional webinars to strengthen awareness on COVID-19 related challenges in compiling GDP with focus on (i) reviewing of COVID-19 related methodological notes on national accounts prepared by international organizations; (ii) good practice to record government support to businesses and households; (iii) challenges posed by lack of data source and possible solutions; and (iv) discussions of specific conditions to compile and disseminate the second quarter GDP estimates.

TA was provided to assist in: managing COVID-19 related challenges in compiling the CPI (Angola); developing the statistical frame and grossing up factors which will be applied to the Economic Census results as well as the calculation of gross value added (GVA) for the finance sector and the wage cost index (Botswana); Statistics and Demographic Study to manage COVID-19 related challenges in compiling CPI (Comoros); updating the consumer price index (Lesotho); reviewing the revised annual national account estimates (Namibia); reviewing the compilation of the rebased GVA estimates for select industries (Seychelles); developing the producer price index (Zambia); and rebasing the annual national accounts as well as developing the quarterly national accounts (Zimbabwe).

**Regional activities planned for the rest of FY21 include:**

- joint (AFS, AFC, AFW, AFW2) webinars on CPI Business Continuity (August, September);
- joint (AFS, AFC, AFW, AFW2) webinars on national accounts (August, September); a seminar on national accounts for beginners on basics of national accounts compilation methods and practices (April 2021);
- a seminar on national accounts with AFW (April 2021); and
- a seminar on development of PPI (April 2021).

**Good quality data are essential for policy making especially in times of crisis such as the current COVID-19 pandemic.** Through FY21 AFS will continue to provide advice on the compilation of national accounts and price statistics in an environment where

data collection and compilation has become a challenge due to the lock-downs. The IMF's Statistics Department has prepared notes to support the compilation of national accounts and price statistics during this time. AFS will be contributing to the formulation of this document and will support the implementation of these guidelines.

**In the area of real sector statistics AFS country members have quickly adapted to the new delivery mode of remote TA missions.** However, remote delivery of the regional workshops has yet to be considered to ensure that the objectives are achieved. Moreover, reduced capacity of some AFS country members due to lockdown or flexible work arrangements that include work on a rotational basis may extend the deadline of scheduled activities. Finally, emerging priorities that include health, security and economic recovery might divert scarce financial resources from donors and appropriations that were already allocated for statistical works.

## FINANCIAL AND FISCAL LAW

**Work in this area aims at improving legal and regulatory frameworks—mainly fiscal (including tax), banking, and financial laws.** The center funded TA to Angola on central bank legislation, Botswana on the banking law, Eswatini on PFM law and Madagascar on customs legislation. The support to Angola aim at strengthening the central bank law by addressing weaknesses observed in the context of the 2019 safeguards assessment—in particular, reviewing the mandate, decision-making structures, autonomy, and accountability. The mission to Botswana reviewed the draft Banking Act, both on supervisory and resolution matters, and provided redrafting suggestions thereon.

**FY21 priority remains on finalization of reforms initiated with AFS support in the targeted areas and countries, and especially where needs and traction have been high.** The center is working with HQ and ATI to support member countries modernize their legal frameworks—such as the tax law project (Botswana and Comoros), PFM law (Angola), and the central bank law reforms (Mauritius and Mozambique).

# MACROECONOMIC TRAINING PROGRAM (ICD-LED)

**In FY20, AFS macroeconomic training program included a course on 'Financial Development and Financial Inclusion' led by the IMF's Institute for Capacity Development.**

This training, inter- alia, focused on the macroeconomic importance of financial development and inclusion, policies to promote financial development and inclusion, and indicators used to measure financial

development and inclusion. In FY21 AFS plans to deliver the same course given the high demand and its relevance to AFS member countries. In addition, AFS also plans a webinar on 'Monetary Policy Frameworks and Operations' jointly with the ATI. Courses delivered by the ATI and on-line by the Fund remain the main window providing learning opportunities to the region.



**SECTION V**

AFS BUDGET  
AND FINANCING

# AFS BUDGET AND FINANCING

FY20 expenses amounted to \$10 million compared to the \$10.1 million in FY19. The under execution across projects is mainly explained by unforeseen cancellation of most March-April 2020 onsite CD activities and a high turnover of resident advisors during the year. The SC endorsed a budget of \$13.7 million for FY21. The center however foresees some savings during this fiscal year mainly from the travel budget, some delay in the recruitment of resident advisors, and possible postponement of missions to FY22 –mainly where onsite delivery is envisaged.

**As of end-July 2020, contributions received to AFS Phase II amounted to \$45.3 million** (Table 3). The total reflects contributions from the European Commission, Germany, the United Kingdom, Switzerland, China, the Netherlands, the European Investment Bank, Australia, and the host country Mauritius. Nine members have now signed contribution agreements. The center’s funding gap as of end-April 2020 stood at \$4.9 million.

**TABLE 2. BUDGET AND EXECUTION**

Project	Phase Summary			FY2020		FY2021
	Program Budget	Working Budget	Expenses	Working Budget	Expenses	Working Budget
<b>Public Financial Management</b>	<b>15.2</b>	<b>14.3</b>	<b>7.9</b>	<b>3.2</b>	<b>2.6</b>	<b>3.4</b>
LTX, STX, and HQ Delivery 1/	12.9	12.5	7.0	2.9	2.3	2.9
Others 2/	2.4	1.8	0.8	0.4	0.3	0.5
<b>Customs Administration</b>	<b>5.1</b>	<b>6.1</b>	<b>3.6</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>
LTX, STX, and HQ Delivery 1/	4.2	4.9	2.8	1.0	1.0	1.2
Others 2/	0.9	1.2	0.8	0.2	0.3	0.2
<b>Tax Administration</b>	<b>5.2</b>	<b>5.7</b>	<b>3.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.4</b>
LTX, STX, and HQ Delivery 1/	4.2	4.8	2.8	1.1	0.9	1.1
Others 2/	1.0	0.9	0.5	0.2	0.2	0.3
<b>Banking Supervision and Regulation</b>	<b>5.0</b>	<b>4.4</b>	<b>2.2</b>	<b>1.1</b>	<b>0.6</b>	<b>1.1</b>
LTX, STX, and HQ Delivery 1/	3.6	3.2	1.6	0.8	0.4	0.8
Others 2/	1.5	1.2	0.6	0.2	0.2	0.3
<b>Monetary Policy Operations</b>	<b>5.0</b>	<b>4.7</b>	<b>2.5</b>	<b>1.0</b>	<b>0.7</b>	<b>1.2</b>
LTX, STX, and HQ Delivery 1/	4.2	3.7	2.0	0.8	0.5	0.9
Others 2/	0.8	1.0	0.5	0.2	0.2	0.3
<b>Financial Market Infrastructures</b>	<b>2.5</b>	<b>2.2</b>	<b>0.9</b>	<b>0.5</b>	<b>0.4</b>	<b>0.7</b>
LTX, STX, and HQ Delivery 1/	1.9	1.7	0.7	0.4	0.3	0.6
Others 2/	0.6	0.5	0.2	0.1	0.1	0.2
<b>Real Sector Statistics</b>	<b>7.7</b>	<b>6.9</b>	<b>3.7</b>	<b>1.6</b>	<b>1.3</b>	<b>1.7</b>
LTX, STX, and HQ Delivery 1/	6.1	5.2	2.6	1.3	1.0	1.4
Others 2/	1.6	1.7	1.0	0.3	0.3	0.3
<b>Financial and Fiscal Law</b>	<b>1.2</b>	<b>1.1</b>	<b>0.9</b>	<b>0.5</b>	<b>0.3</b>	<b>0.1</b>
LTX, STX, and HQ Delivery 1/	1.1	1.0	0.8	0.4	0.3	0.1
Others 2/	0.1	0.1	0.1	0.1	0.0	0.0
<b>Admin Project</b>	<b>3.7</b>	<b>3.5</b>	<b>2.0</b>	<b>0.8</b>	<b>0.6</b>	<b>0.9</b>
Local Staff	2.7	2.0	1.1	0.4	0.3	0.5
Facilities and related expenses	0.8	1.1	0.7	0.3	0.2	0.3
Other	0.2	0.4	0.2	0.0	0.1	0.0
<b>Customized Training</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Training project	0.5	0.8	0.4	0.4	0.2	0.2
<b>Governance</b>	<b>0.7</b>	<b>0.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Strategic Budget Reserve</b>	<b>1.0</b>	<b>0.2</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>
<b>Sub Total</b>	<b>53.1</b>	<b>50.4</b>	<b>27.5</b>	<b>11.7</b>	<b>9.2</b>	<b>12.6</b>
Trust Fund Management	3.7	3.5	1.9	0.8	0.6	0.9
IMF Expenses	2.8	2.6	1.0	0.6	0.2	0.3
Host Country In-kind	-	-	-	-	-	-
<b>Total</b>	<b>59.6</b>	<b>56.5</b>	<b>30.4</b>	<b>13.1</b>	<b>10.0</b>	<b>13.7</b>

Source: IMF's Institute for Capacity Development, Global Partnerships Division

**TABLE 3. STATUS OF FINANCIAL CONTRIBUTIONS**

Agreement/Amendment Information			Contribution Received	Contribution Expected (U.S. Dollars)	
Partners/Members	Signed Date 1/	U.S.Dollars	U.S.Dollars	Requested	Future Contributions 2/
<b>Partners</b>		<b>44.4</b>	<b>41.1</b>	-	<b>3.4</b>
Australia	23/05/2016	0.2	0.2	-	-
China	13/07/2018	2.0	2.0	-	-
European Commission	Pending	24.7	22.1	-	2.6
European Investment Bank	19/04/2018	0.2	0.2	-	-
Germany	11/12/2018	2.8	2.8	-	-
Germany	30/11/2017	3.0	2.9	-	-
Netherlands	06/11/2015	1.1	1.2	-	-
Switzerland	08/10/2016	5.1	5.1	-	-
United Kingdom	12/12/2018	3.7	3.0	-	0.8
United Kingdom	11/10/2017	1.5	1.5	-	-
<b>Members</b>		<b>3.5</b>	<b>1.9</b>	<b>0.5</b>	<b>1.2</b>
Angola	01/10/2018	0.3	0.3	-	-
Botswana	28/08/2017	0.5	0.2	0.1	0.2
Madagascar	21/12/2018	0.5	0.1	0.3	0.1
Mozambique, Republic Of	22/12/2017	0.5	0.5	-	-
Namibia	02/12/2019	0.5	0.3	-	0.3
Seychelles	20/12/2017	0.5	0.2	0.1	0.2
South Africa	21/03/2018	0.3	0.2	0.0	-
Zambia	28/08/2017	0.5	0.1	-	0.4
<b>Internal Transfers 3/</b>		<b>0.2</b>	<b>0.2</b>	-	-
<b>Under Negotiation</b>		<b>2.0</b>	-	-	-
Comoros		0.5			
Eswatini		0.5			
Lesotho		0.5			
Zimbabwe		0.5			
<b>Host Country</b>		<b>2.0</b>	<b>1.2</b>	-	<b>0.8</b>
Cash		2.0	0.8	-	0.8
In-Kind		-			
<b>IMF</b>		<b>2.9</b>	<b>0.0</b>	-	-
Grand Total		54.6	45.3	0.5	5.3
Program Document Budget		59.6			
<b>Funding Gap</b>		<b>-4.9</b>			

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g. flexible/umbrella agreements).

2/ The future contributions amount is set to zero for completed installments.

3/ Refers to transfers from one program phase to another (e.g. phase rollovers).

**SECTION VI**

RISKS AND MITIGATION

# RISKS AND MITIGATION

## **Full implementation of the updated CD plan depends on various factors.**

An extended duration of the lockdown, concentration of efforts by authorities on health and security matters in the near-term, lack of effective IT tools in some countries for offsite CD delivery, and political economy forces pose significant challenges. The Fund and development partners are supporting countries through emergency financing, Article IV discussions, and provision of tailored CD services to better respond to the COVID-19 pandemic and implement policies for an early economic recovery.

## **The center is working with the authorities via remote channels to deliver critical CD needs.**

Recent roundtables and CD activities delivered through webinars, video conferencing, and WebEx and/or Zoom platforms have been encouraging. The center's forward-looking CD plan includes more remote delivery of TA and work on training during the travel ban. Engagement of authorities with the center remains essential to make an effective use of the CD resources set aside for FY21. The center will continue to hold routable discussions with authorities to ensure timely support to policy responses to address growing challenges from COVID-19 and to make progress on targeted reform milestones. Political commitment considerations are taken into account at least implicitly in advice on implementing reforms especially in terms of the quality of consultation and extension of timelines.

## **AFS is collaborating with the ATI and IMF HQ in delivering new courses, including on topics covering macro-economic impact of the COVID-19 pandemic, fiscal risks analysis and management under the crisis, governance, gender and climate change.**

These courses are being delivered online and complement the existing AFS seminars and ICD-led online courses. During the lockdown period officials should take advantage of the free on-line courses which are highly relevant under current macroeconomic context. Putting in place some basic IT infrastructure should help member countries improve coordination with staff and CD providers during the lockdown. The center will remain flexible on approaches based on country circumstances.





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## Information Annex I--FY21 Work Plan Execution (May - July 2020)

Project 1/	Country	Topic	Resource	Days
BSR	Regional	Webinar on Regulatory and Supervisory Responses to the Pandemic	STX	1
BSR	Regional	Webinar on Cybersecurity Risk of Remote Work during the Pandemic	STX	1
BSR	Regional	Webinar on Insurance Sector --Regulatory and Supervisory Response	STX	1
BSR	Mozambique	Basel II/III	STX	12
CADM	Angola	Project Management Office	STX	12
CADM	Angola	Project Management Office	STX	12
CADM	Comoros	Building capacity in Customs Valuation	STX	13
CADM	Eswatini	Data Matching Phase	STX	8
CADM	Eswatini	Data Matching Phase	STX	8
CADM	Seychelles	Customs Clearance Procedures	STX	12
CADM	Zambia	Intelligence & Risk Management	STX	12
CADM	Zimbabwe	Building capacity on Risk Management and Intelligence	STX	12
CADM	Zimbabwe	Customs Valuation	STX	8
CADM	Zimbabwe	Post Clearance Audit	STX	13
CADM	Madagascar	Project Management	STX	15
CADM	Comoros	Excise	STX	12
CADM	Zimbabwe	Building Capacity on Risk Management and Intelligence	STX	12
CADM	Zambia	Intelligence & Risk Management	STX	12
CADM	Angola	Strategic and Project Management	STX	14
CADM	Angola	Strategic and Project Management	STX	14
FFL	Mozambique	Amendment of the Central Bank Law	HQ	12
FFL	Mozambique	Amendment of the Central Bank Law	HQ	12
FFL	Mozambique	Amendment of the Central Bank Law	HQ	12
PFM	Regional	Webinar on PBB: Indian Ocean Commission (IOC)	LTX	5
PFM	Regional	Webinar on PFM in times of COVID-19	LTX	2
PFM	Lesotho	Desk Review of PFM Law	LTX	5
PFM	Botswana	PFM reform strategy	STX	18
PFM	Botswana	PFM reform strategy	STX	18
PFM	Comoros	Budget preparation - Strengthening budget framework	STX	16
PFM	Comoros	Budget preparation - Strengthening budget framework	STX	14
PFM	Comoros	Support for implementation of COVID 19 response	STX	15
PFM	Mozambique	Fiscal risks, MTF and fiscal risk management	STX	9
PFM	Zambia	Medium-Term Fiscal Framework (COVID19)	STX	12
PFM	Zambia	Medium-Term Fiscal Framework (COVID19)	STX	7
PFM	Zimbabwe	Fiscal risks	STX	11
PFM	Madagascar	Implementation of COVID 19 response	STX	15
PFM	Angola	Webinar: Customized Training on Budget Processes (COVID-19)	STX	9
PFM	Angola	Webinar: Customized Training on Budget Processes (COVID-19)	STX	9
RSS	Botswana	National Accounts - Rebasing national accounts and QNA	LTX	5
RSS	Namibia	National Accounts-Improving QGDP re-referecning GDP rebasing ANA	LTX	5
RSS	Regional	Training (Regional): Preliminary discussion on Covid-19 challenges in compiling GDP	LTX	8
RSS	Seychelles	National Accounts- Rebasing ANA	LTX	12
RSS	Regional	Training (Regional): Covid-19 challenges in compiling GDP	HQ	5
RSS	Regional	Training (Regional): Covid-19 challenges in compiling GDP	LTX	5
RSS	Regional	Training (Regional): Covid-19 challenges in compiling GDP	LTX	5

**Information Annex I--FY21 Work Plan Execution (May - July 2020)**

Project 1/	Country	Topic	Resource	Days
RSS	Zambia	Price Statistics- PPI Development	STX	8
RSS	Angola	Dissemination of improved CPI series	STX	5
RSS	Zimbabwe	National Accounts COVID	STX	15
RSS	Lesotho	Price Statistics - Updating CPI	HQ	5
RSS	Comoros	Price Statistics	HQ	5
TADM	Angola	Training on high-performance leadership change management and innovation skills	STX	20
TADM	Angola	Training on high-performance leadership change management and innovation skills	STX	20
TADM	Comoros	Audit capacity for the Large Taxpayer Office	STX	15
TADM	Comoros	Audit capacity for the Large Taxpayer Office	LTX	12
TADM	Lesotho	Data Analysis	STX	15
TADM	Madagascar	Webinars on compliance management	STX	7
TADM	Madagascar	Set up of a Risk Management Unit	STX	15
TADM	Madagascar	Develop and implement a Taxpayer Services Strategy	STX	15
TADM	Seychelles	Webinar on Effective Compliance Management in a Crisis	LTX	3
TADM	Seychelles	Webinar on Effective Compliance Management in a Crisis	STX	7
TADM	Seychelles	Developing a Compliance Improvement Plan	STX	15
TADM	Zambia	Advancing progress in developing a compliance improvement plan	STX	15
TADM	Zambia	Advancing progress in developing a compliance improvement plan	STX	15

1/ PFM-Public Financial Management; TADM-Tax Administration; CADM-Customs Administration; BSR-Banking Supervision and Regulation; MFXMO-Money and Foreign Exchange Market Operation; FMIP—Financial Market Infrastructure and Payments; RSS-Real Sector Statistics, FFL-Financial and Fiscal Law.

2/ LTX-Long-term advisors; STX-Short-term advisors; HQ-Staff from IMF headquarters.

## Information Annex II--Updated FY21 Work Plan (August 2020-April 2021)

Project 1/ Country	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
BSR	Angola	1	BASEL II/III	LTX	12
BSR	Angola	1	BASEL II/III	STX	12
BSR	Botswana	1	Stress Testing	LTX	12
BSR	Botswana	1	Stress Testing	STX	12
BSR	Comoros	1	BASEL II/III	STX	12
BSR	Comoros	2	Risk-Based Supervision	STX	12
BSR	Comoros	2	Risk-Based Supervision	STX	12
BSR	Eswatini	1	Stress Testing	LTX	12
BSR	Eswatini	1	Stress Testing	STX	12
BSR	Lesotho	1	Risk-Based Supervision	STX	12
BSR	Madagascar	1	Risk-Based Supervision	LTX	12
BSR	Madagascar	2	BASEL II/III	STX	12
BSR	Madagascar	2	BASEL II/III	STX	12
BSR	Mauritius	1	Consolidated Supervision	LTX	12
BSR	Mauritius	1	Consolidated Supervision	STX	12
BSR	Mozambique	1	Governance - Follow up	STX	12
BSR	Namibia	1	Securitization	STX	12
BSR	Namibia	1	Securitization	STX	12
BSR	Namibia	1	Securitization	STX	12
BSR	Seychelles	1	Risk-Based Supervision	LTX	12
BSR	Seychelles	1	Risk-Based Supervision	STX	12
BSR	South Africa	1	Customised Training-Risk-Based Supervision	LTX	5
BSR	South Africa	1	Customised Training-Risk-Based Supervision	STX	5
BSR	South Africa	1	Customised Training-Risk-Based Supervision	STX	5
BSR	Zambia	1	BASEL II/III	STX	12
BSR	Zambia	1	BASEL II/III	LTX	12
BSR	Zimbabwe	1	Risk-Based Supervision	STX	12
BSR	Zimbabwe	1	Risk-Based Supervision	LTX	12
BSR	Zimbabwe	2	Governance - Diagnostic and follow up	STX	12
BSR	Zimbabwe	3	Crisis Management	STX	12
BSR	Regional	1	MCM Retreat	LTX	5
BSR	Regional	1	Webinar on International Financial Reporting Standards	LTX	5
BSR	Regional	1	Webinar on International Financial Reporting Standards	STX	12
BSR	Regional	1	Webinar on International Financial Reporting Standards	STX	12
BSR	Regional	2	Webinar on Governance in the Banking Sector	STX	12
BSR	Regional	2	Webinar on Governance in the Banking Sector	LTX	5
BSR	Regional	2	Webinar on Governance in the Banking Sector	STX	12
BSR	Regional	1	Webinar on Governance in the Banking Sector	LTX	2
BSR	Regional	1	Webinar on Crisis Management	LTX	1
BSR	Regional	1	AFS Steering Committee	LTX	2
FFL	Angola	1	PFM Law	HQ	8
FFL	Botswana	1	Income Tax and VAT	STX	10
FFL	Comoros	1	Tax - Customs	STX	10
FFL	Mauritius	1	Training of DNFBPs supervisors	HQ	8
FFL	Mozambique	1	Review of Central Bank Organic Law	HQ	8
ICD Course	Regional	1	Macroeconomic Training Course on FDFI	HQ	12
ICD Course	Regional	1	Macroeconomic Training Course on FDFI	STX	12
ICD Course	Regional	1	Monetary Policy Implementation and Operation Frameworks	HQ	12
ICD Course	Regional	1	Monetary Policy Implementation and Operation Frameworks	STX	12
CADM	Angola	1	Data Matching	STX	15
CADM	Angola	1	Data Matching	STX	15
CADM	Botswana	1	Leadership and Management Development	STX	10
CADM	Botswana	1	Leadership and Management Development	STX	10
CADM	Botswana	2	Leadership and Management Development (Phase II)	STX	16
CADM	Botswana	2	Leadership and Management Development (Phase II)	STX	16
CADM	Comoros	1	Excise	STX	19
CADM	Comoros	2	Risk Management	STX	13
CADM	Comoros	3	Legal TA	STX	11
CADM	Comoros	4	Training and Development	STX	16
CADM	Comoros	5	HQ mission	HQ	19

Project 1/	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
CADM	Comoros	5	HQ mission	STX	19
CADM	Comoros	5	HQ mission	LTX	14
CADM	Eswatini	1	Data Matching (Phase II)	STX	10
CADM	Eswatini	1	Data Matching (Phase II)	STX	5
CADM	Lesotho	1	Stakeholder Engagement and Excise Legislation	LTX	5
CADM	Lesotho	1	Stakeholder Engagement and Excise Legislation	STX	15
CADM	Lesotho	2	AEO and Stakeholder Engagement	LTX	5
CADM	Lesotho	2	AEO and Stakeholder Engagement	STX	15
CADM	Madagascar	1	Legal TA	STX	11
CADM	Madagascar	2	Project Management (Phase II)	STX	10
CADM	Madagascar	3	Valuation	STX	15
CADM	Mauritius	1	Intelligence	STX	12
CADM	Mauritius	1	Intelligence	STX	12
CADM	Mauritius	2	Intelligence (Phase II)	STX	12
CADM	Mauritius	2	Intelligence (Phase II)	STX	12
CADM	Mozambique	1	Governance	LTX	10
CADM	Mozambique	1	Governance	STX	15
CADM	Namibia	1	Data Matching	STX	8
CADM	Namibia	1	Data Matching	STX	8
CADM	Namibia	2	Data Matching (Phase II)	STX	8
CADM	Namibia	2	Data Matching (Phase II)	STX	8
CADM	Seychelles	1	Clearance Procedures and SE (Phase II)	STX	13
CADM	Seychelles	2	Business Continuity planning (Phase I)	STX	12
CADM	Seychelles	2	Business Continuity planning (Phase I)	STX	12
CADM	Seychelles	3	Business Continuity planning (Phase Iii)	STX	15
CADM	Seychelles	3	Business Continuity planning (Phase Iii)	STX	15
CADM	Seychelles	4	Customs Valuation	STX	7
CADM	Seychelles	5	Customs Valuation (Phase II)	STX	19
CADM	South Africa	1	Legal TA	LTX	14
CADM	Zambia	1	Intelligence and Risk Management	STX	7
CADM	Zambia	1	Intelligence and Risk Management	STX	7
CADM	Zambia	1	Intelligence and Risk Management	STX	7
CADM	Zambia	2	Post Control Audit	STX	11
CADM	Zimbabwe	1	Coordinated Border Management	LTX	5
CADM	Zimbabwe	1	Coordinated Border Management	STX	15
CADM	Zimbabwe	2	Customs Valuation	STX	8
CADM	Zimbabwe	3	Governance - Diagnostic and follow up	STX	14
CADM	Regional	1	FAD Retreat	LTX	9
CADM	Regional	1	Regional seminar on Data Matching	LTX	5
CADM	Regional	1	Regional seminar on Data Matching	STX	13
CADM	Regional	1	Regional seminar on Data Matching	STX	13
CADM	Regional	2	Regional Seminar on Leadership and Management Development	LTX	5
CADM	Regional	2	Regional Seminar on Leadership and Management Development	HQ	5
CADM	Regional	2	Regional Seminar on Leadership and Management Development	STX	10
CADM	Regional	3	Joint Tax and Customs Seminar Business Continuity Planning	STX	12
CADM	Regional	3	Joint Tax and Customs Seminar Business Continuity Planning	LTX	5
CADM	Regional	1	AFS Steering Committee	LTX	2
RSS	Angola	1	Compilation of rebased national accounts series	LTX	12
RSS	Angola	2	Seasonal adjustment of quarterly GDP	STX	5
RSS	Botswana	1	Rebasing national accounts and QNA improvement	LTX	12
RSS	Botswana	2	Rebasing national accounts and QNA improvement	LTX	5
RSS	Botswana	3	PPI development	STX	15
RSS	Comoros	1	Training on processing of source data and national accounts concepts	STX	12
RSS	Comoros	2	Compilation of the 2017-2019 national accounts	LTX	12
RSS	Comoros	3	Dissemination of improved CPI series	STX	12
RSS	Comoros	4	Training (in-country) national accounts	STX	19
RSS	Lesotho	1	Development QGDP and commence rebase of ANA	LTX	12
RSS	Lesotho	2	Development QGDP and commence rebase of ANA	LTX	12
RSS	Madagascar	1	Development of quarterly GDP series at current prices	LTX	12
RSS	Madagascar	2	Review of annual national accounts sources data and methods	LTX	12
RSS	Madagascar	3	Dissemination of rebased CPI	STX	12
RSS	Mauritius	1	Compilation of financial accounts and balance sheets	STX	12

Project 1/	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
RSS	Mauritius	2	Measurement of informal economy; Reviewing the discrepancy between the GDP by production and expenditure approaches	STX	12
RSS	Mauritius	2	Measurement of informal economy; Reviewing the discrepancy between the GDP by production and expenditure approaches	LTX	12
RSS	Mozambique	1	Improve QGDP	STX	15
RSS	Mozambique	2	Improve QGDP	STX	15
RSS	Mozambique	3	Rebasing CPI	STX	15
RSS	Mozambique	3	Governance - Follow up	STX	9
RSS	Namibia	1	Improving QGDP, re-referecing GDP and commence rebasing ANA	LTX	12
RSS	Namibia	2	PPI development	STX	15
RSS	Seychelles	1	Rebasing ANA	LTX	12
RSS	Seychelles	2	Rebasing ANA	LTX	12
RSS	Seychelles	3	Rebasing CPI	STX	15
RSS	South Africa	1	Seasonal adjustment	STX	15
RSS	South Africa	1	Seasonal adjustment	STX	15
RSS	South Africa	2	Residential Property Price Indices	STX	15
RSS	Eswatini	1	Dissemination of experimental quarterly GDP series	LTX	12
RSS	Eswatini	2	Seasonal adjustment of quarterly GDP (one-week in country off-site workshop and one-week TA)	LTX	12
RSS	Eswatini	2	Seasonal adjustment of quarterly GDP (one-week in country off-site workshop and one-week TA)	STX	19
RSS	Eswatini	3	Dissemination of the new PPI series and improvement of the computer-based tool	STX	5
RSS	Zambia	1	Compilation of improved GDP by expenditure	LTX	12
RSS	Zambia	2	Compilation of improved GDP by production/expenditure	LTX	12
RSS	Zimbabwe	1	Development of QGDP	STX	15
RSS	Zimbabwe	2	Development of workplan for CPI and PPI	STX	15
RSS	Zimbabwe	3	Governance - Diagnostic and follow up	STX	20
RSS	Regional	1	AFS Steering Committee	LTX	2
RSS	Regional	1	AFS Steering Committee	LTX	2
RSS	Regional	1	STA Retreat	LTX	5
RSS	Regional	2	STA Retreat	LTX	5
RSS	Regional	1	Two Webinars on CPI Business Continuity (French and Portuguese)	LTX	2
RSS	Regional	1	Regional Seminar on National Accounts	LTX	5
RSS	Regional	1	Regional Seminar on National Accounts	LTX	5
RSS	Regional	2	Regional Seminar on Prices	STX	5
RSS	Regional	2	Regional Seminar on Prices	STX	5
RSS	Regional	3	Training (Regional): Covid-19 challenges in compiling GDP (French and Portuguese)	LTX	10
RSS	Regional	4	Customised regional seminar on National Accounts	LTX	5
TADM	Angola	1	Strategic Management	STX	15
TADM	Angola	1	Strategic Management	LTX	7
TADM	Botswana	1	Compliance Management --Financial Sector	STX	15
TADM	Comoros	1	Tax Arrears	STX	15
TADM	Comoros	2	Taxpayer Registration	STX	15
TADM	Comoros	2	Taxpayer Registration	LTX	12
TADM	Comoros	3	Implementing Tax MIS	STX	15
TADM	Comoros	3	Implementing Tax MIS	LTX	5
TADM	Eswatini	1	Managing compliance of the insurance sector	LTX	5
TADM	Eswatini	1	Managing compliance of the insurance sector	STX	15
TADM	Lesotho	1	Data Analysis - Follow-up	STX	15
TADM	Madagascar	1	Strategic Management	STX	15
TADM	Madagascar	1	Strategic Management	LTX	12
TADM	Madagascar	2	Enterprise Risks and Internal Controls	STX	15
TADM	Madagascar	3	Tax Arrears	STX	15
TADM	Madagascar	4	Tax Audit	STX	15
TADM	Mauritius	1	Advanced Data Analysis	STX	24
TADM	Mozambique	1	Governance	LTX	14
TADM	Mozambique	2	Governance - Follow up	STX	9
TADM	Namibia	1	Strategic Management	LTX	7
TADM	Namibia	1	Strategic Management	STX	19
TADM	Namibia	1	Strategic Management	STX	17
TADM	Namibia	2	NAMRA Establishment	STX	15

Project 1/	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
TADM	Seychelles	1	Business Continuity Plan	LTX	12
TADM	Seychelles	1	Business Continuity Plan	STX	15
TADM	Seychelles	1	Business Continuity Plan	STX	15
TADM	Seychelles	2	Business Continuity Plan	STX	15
TADM	Seychelles	2	Business Continuity Plan	STX	15
TADM	South Africa	1	TADAT -follow up	HQ	12
TADM	South Africa	1	TADAT -follow up	STX	15
TADM	South Africa	1	TADAT -follow up	LTX	12
TADM	South Africa	2	Program review - Transfer Pricing	STX	15
TADM	Zimbabwe	1	Audit of Telecoms	STX	15
TADM	Zimbabwe	2	Strategy Setting and RMTF Review	LTX	14
TADM	Zimbabwe	3	Leadership and Change Management	LTX	5
TADM	Zimbabwe	3	Leadership and Change Management	STX	15
TADM	Zimbabwe	3	Leadership and Change Management	STX	15
TADM	Zimbabwe	4	Governance - Diagnostic and follow up	STX	12
TADM	Regional	1	FAD Retreat	LTX	9
TADM	Regional	1	SADC Meeting	LTX	3
TADM	Regional	1	ATAF Meeting	LTX	3
TADM	Regional	1	Training on International Survey on Revenue Administration (ISORA)	LTX	7
TADM	Regional	2	Joint Tax and Customs Seminar Business Continuity Planning	STX	12
TADM	Regional	2	Joint Tax and Customs Seminar Business Continuity Planning	STX	12
TADM	Regional	2	Joint Tax and Customs Seminar Business Continuity Planning	LTX	5
TADM	Regional	1	AFS Steering Committee	LTX	2
TADM	Regional	1	Professional Attachment Program	LTX	10
MFEMO	Angola	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Angola	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Angola	2	MPIO	STX	20
MFEMO	Angola	2	MPIO	LTX	14
MFEMO	Botswana	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Botswana	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Comoros	1	MPIO	STX	20
MFEMO	Comoros	1	MPIO	LTX	14
MFEMO	Lesotho	1	TBD	STX	20
MFEMO	Lesotho	1	TBD	LTX	14
MFEMO	Madagascar	1	Forecasting and Policy Analysis System	STX	16
MFEMO	Madagascar	1	Forecasting and Policy Analysis System	LTX	10
MFEMO	Madagascar	2	Forecasting and Policy Analysis System	STX	20
MFEMO	Madagascar	2	Forecasting and Policy Analysis System	STX	20
MFEMO	Mauritius	1	FOREX	LTX	8
MFEMO	Mauritius	1	FOREX	STX	16
MFEMO	Mauritius	2	Forecasting and Policy Analysis System	STX	20
MFEMO	Mauritius	2	Forecasting and Policy Analysis System	STX	20
MFEMO	Mauritius	2	Forecasting and Policy Analysis System	LTX	12
MFEMO	Mozambique	1	Governance - Follow up	STX	9
MFEMO	Seychelles	1	Financial Market Development	LTX	14
MFEMO	Seychelles	1	Financial Market Development	STX	20
MFEMO	Zambia	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Zambia	1	Forecasting and Policy Analysis System	STX	20
MFEMO	Zambia	2	FOREX	STX	20
MFEMO	Zambia	2	FOREX	LTX	14
MFEMO	Zimbabwe	1	TBD	STX	20
MFEMO	Zimbabwe	1	TBD	LTX	14
MFEMO	Zimbabwe	2	Governance - Diagnostic and follow up	STX	20
MFEMO	Regional	1	MCM Retreat	LTX	9
MFEMO	Regional	1	Regional Seminar on Debt Management (with PFM)	LTX	5
MFEMO	Regional	1	Regional Seminar on Debt Management (with PFM)	STX	14
MFEMO	Regional	2	Regional Seminar - Topic to be determined	LTX	5
MFEMO	Regional	2	Regional Seminar - Topic to be determined	STX	13
MFEMO	Regional	2	Regional Seminar - Topic to be determined	STX	13
MFEMO	Regional	1	AFS Steering Committee	LTX	2
FMI	Angola	1	Diagnostic	STX	17
FMI	Angola	1	Diagnostic	LTX	13
FMI	Botswana	1	Draft Guidelines	LTX	12

Project 1/	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
FMI	Botswana	1	Draft Guidelines	STX	21
FMI	Botswana	2	Legal TA	STX	13
FMI	Lesotho	1	FMI Assessment	LTX	12
FMI	Mozambique	1	Legal TA	LTX	9
FMI	Mozambique	1	Legal TA	STX	20
FMI	Mozambique	2	Governance - Follow up	STX	9
FMI	Mauritius	1	FMI Assessment	STX	20
FMI	Mauritius	1	FMI Assessment	LTX	5
FMI	Eswatini	1	Review	STX	13
FMI	Eswatini	1	Review	LTX	9
FMI	Seychelles	1	TBD	LTX	9
FMI	Seychelles	1	TBD	STX	13
FMI	Zimbabwe	1	TBD	LTX	17
FMI	Zimbabwe	2	Fintech: E-money supervision and regulation	STX	13
FMI	Zimbabwe	3	Governance - Diagnostic and follow up	STX	20
FMI	Regional	1	MCM Retreat	LTX	9
FMI	Regional	1	Regional Seminar on Cyber risks	LTX	5
FMI	Regional	1	Regional Seminar on Cyber risks	STX	28
FMI	Regional	1	Regional Seminar on Cyber risks	HQ	5
FMI	Regional	2	Regional Seminar on Fintech	LTX	5
FMI	Regional	2	Regional Seminar on Fintech	STX	28
FMI	Regional	2	Regional Seminar on Fintech	HQ	5
FMI	Regional	1	AFS Steering Committee	LTX	2
PFM	Regional	1	Webinar on Computerization and Digitalization to Enhance PFM Transparency	LTX	12
PFM	Regional	1	Webinar on Computerization and Digitalization to Enhance PFM Transparency	STX	12
PFM	Regional	1	Webinar on Computerization and Digitalization to Enhance PFM Transparency	STX	12
PFM	Regional	1	Multi-country customized peer learning workshops Public Investment Management	LTX	5
PFM	Regional	1	Multi-country customized peer learning workshops Public Investment Management	STX	5
PFM	Regional	1	Multi-country customized peer learning workshops Public Investment Management	STX	5
PFM	Regional	1	Mission on PBB/RBM for Indian Ocean Commission (IOC)	LTX	3
PFM	Regional	1	Mission on PBB/RBM for Indian Ocean Commission (IOC)	LTX	3
PFM	Regional	1	Mission on PBB/RBM for Indian Ocean Commission (IOC)	STX	12
PFM	Regional	1	Mission on PBB/RBM for Indian Ocean Commission (IOC)	HQ	12
PFM	Regional	2	Webinar on Fiscal Risks and Debt Sustainability Analysis in Low Income Countries	LTX	10
PFM	Regional	2	Webinar on Fiscal Risks and Debt Sustainability Analysis in Low Income Countries	STX	10
PFM	Regional	2	Webinar on Fiscal Risks and Debt Sustainability Analysis in Low Income Countries	STX	10
PFM	Regional	3	Webinar on Building Resilience to Natural Disasters and Climate Change	LTX	12
PFM	Regional	3	Webinar on Building Resilience to Natural Disasters and Climate Change	STX	12
PFM	Regional	3	Webinar on Building Resilience to Natural Disasters and Climate Change	STX	12
PFM	Regional	4	Workshops on sustainable financing for infrastructure	LTX	12
PFM	Regional	5	Steering Committee Governance & Evaluation	LTX	2
PFM	Regional	5	Steering Committee Governance & Evaluation	LTX	2
PFM	Regional	5	Steering Committee Governance & Evaluation	LTX	2
PFM	Regional	6	AFS Professional Attachment Program	LTX	5
PFM	AFRITAC South	1	FAD Retreat	LTX	5
PFM	AFRITAC South	1	FAD Retreat	LTX	5
PFM	AFRITAC South	1	FAD Retreat	LTX	5
PFM	Angola	1	MTFF and Fiscal Risks	LTX	10
PFM	Angola	2	Follow up mission on Public Investment Management	STX	12
PFM	Angola	3	Cash Management and Expenditure Arrears	LTX	12
PFM	Angola	3	Cash Management and Expenditure Arrears	STX	12
PFM	Botswana	1	Fiscal risks -SoE oversight	STX	14
PFM	Botswana	1	Fiscal risks -SOE Oversight	STX	14
PFM	Botswana	1	Fiscal risks -SOE Oversight	LTX	5
PFM	Botswana	2	Macroeconomic Frameworks and Analysis - Fiscal Rules	LTX	7
PFM	Botswana	2	Macroeconomic Frameworks and Analysis - Fiscal Rules	STX	13
PFM	Botswana	3	PFM Law and Institutions - IFMIS strategy	LTX	12
PFM	Botswana	3	PFM Law and Institutions - IFMIS strategy	STX	12
PFM	Comoros	1	Medium-Term Fiscal Framework	HQ	14
PFM	Comoros	1	Medium-Term Fiscal Framework	STX	14
PFM	Comoros	1	Medium-Term Fiscal Framework	STX	14
PFM	Comoros	1	Medium-Term Fiscal Framework	HQ	14
PFM	Comoros	2	Budget execution & control - Accounting and Cash-management	LTX	12

Project 1/	Beneficiary Country	No. of Missions	Topic	Resource Type 2/	Days
PFM	Comoros	2	Budget execution & control- Accounting and Cash-management	STX	12
PFM	Comoros	2	Budget execution & control- Accounting and Cash-management	STX	12
PFM	Comoros	3	Fiscal Risks-Follow-up on FAD mission on SOEs	STX	20
PFM	Comoros	3	Fiscal Risks-Follow-up on FAD mission on SOEs	STX	20
PFM	Comoros	4	Fiscal Reporting - Improving fiscal reports and financial statement quality	LTX	14
PFM	Comoros	4	Fiscal Reporting - Improving fiscal reports and financial statement quality	STX	14
PFM	Eswatini	1	Budget Execution and Control - Commitment control and arrears management	LTX	12
PFM	Eswatini	1	Budget execution and control - Commitment control and arrears management	STX	12
PFM	Eswatini	2	Budget preparation - MTBF to support fiscal adjustment strategy	LTX	7
PFM	Eswatini	2	Budget preparation - MTBF to support fiscal adjustment strategy	STX	20
PFM	Eswatini	2	Budget preparation - MTBF to support fiscal adjustment strategy	STX	20
PFM	Lesotho	1	PFM Law and Institutions - Review PFM Law	LTX	12
PFM	Lesotho	1	PFM Law and Institutions - Review PFM Law	HQ	12
PFM	Lesotho	1	PFM Law and Institutions - Review PFM Law	HQ	12
PFM	Lesotho	1	PFM Law and Institutions - Review PFM Law	STX	12
PFM	Lesotho	2	PFM Law and Institutions - Review new PFM act and regulatons	LTX	5
PFM	Lesotho	2	PFM Law and Institutions - Review new PFM act and regulatons	STX	12
PFM	Lesotho	2	PFM Law and Institutions - Review new PFM act and regulatons	STX	12
PFM	Lesotho	3	Fiscal Risks -Fiscal risks from SOEs and PPPs	LTX	5
PFM	Lesotho	3	Fiscal Risks -Fiscal risks from SOEs and PPPs	STX	12
PFM	Lesotho	3	Fiscal Risks -Fiscal risks from SOEs and PPPs	STX	12
PFM	Madagascar	1	Budget Preparation - Wage bill and pension projection	STX	12
PFM	Madagascar	2	Budget execution and control: Accounting, cash-management and treasury reforms	LTX	12
PFM	Madagascar	2	Budget execution and control: Accounting, cash-management and treasury reforms	STX	12
PFM	Madagascar	2	Budget execution and control: Accounting, cash-management and treasury reforms	STX	12
PFM	Madagascar	3	Fiscal Risks: Follow-up on FAD mission on fiscal risk management	STX	12
PFM	Madagascar	3	Fiscal Risks: Follow-up on FAD mission on fiscal risk management	STX	12
PFM	Mauritius	1	Budget Preparation - PIM selection and preparation	LTX	3
PFM	Mauritius	1	Budget Preparation - PIM selection and preparation	STX	9
PFM	Mauritius	2	Fiscal Reporting and Asset and Liability Management follow up	LTX	12
PFM	Mauritius	2	Fiscal Reporting and Asset and Liability Management follow up	STX	12
PFM	Mauritius	3	Fiscal reporting and Asset and Liability Management -Transition to IPSAS	LTX	12
PFM	Mauritius	3	Fiscal reporting and Asset and Liability Management -Transition to IPSAS	STX	12
PFM	Mauritius	3	Fiscal reporting and Asset and Liability Management -Transition to IPSAS	STX	12
PFM	Mozambique	1	Training on using PFRAM to analyze risks from PPP	HQ	9
PFM	Mozambique	2	Fiscal Reporting and Asset and Liability Management --Accounting and Cash Managemen	LTX	12
PFM	Mozambique	2	Fiscal Reporting and Asset and Liability Management --Accounting and Cash Managemen	STX	12
PFM	Mozambique	2	Fiscal Reporting and Asset and Liability Management --Accounting and Cash Managemen	STX	12
PFM	Mozambique	3	Governance - Follow up	STX	12
PFM	Namibia	1	Budget Preparation - Strengthen the medium term budget formulation framework	STX	12
PFM	Namibia	1	Budget Preparation - Strengthen the medium term budget formulation framework	STX	12
PFM	Namibia	1	Budget Preparation - Strengthen the medium term budget formulation framework	LTX	12
PFM	Seychelles	1	PFM Law and Institutions - IFMIS Strategy	LTX	2
PFM	Seychelles	1	PFM Law and Institutions - IFMIS Strategy	STX	12
PFM	Seychelles	1	PFM Law and Institutions - IFMIS Strategy	STX	9
PFM	South Africa	1	Fiscal Objectives and Gender Budgeting workshop	HQ	14
PFM	South Africa	1	Fiscal Objectives and Gender Budgeting workshop	HQ	14
PFM	South Africa	1	Fiscal Objectives and Gender Budgeting workshop	STX	14
PFM	South Africa	1	Fiscal Objectives and Gender Budgeting workshop	STX	14
PFM	South Africa	2	Budget Preparation--Gender Responsive Budgeting	LTX	5
PFM	South Africa	2	Budget Preparation--Gender Responsive Budgeting	STX	5
PFM	South Africa	2	Budget Preparation--Gender Responsive Budgeting	STX	5
PFM	Zambia	1	Budget Execution & Control - PIM Implementation	STX	12
PFM	Zimbabwe	1	Fiscal risks- Fiscal risks from SOEs and PPPs	LTX	5
PFM	Zimbabwe	2	Budget Preparation - Baseline costing	LTX	5
PFM	Zimbabwe	2	Budget Preparation - Baseline Costing	STX	12
PFM	Zimbabwe	2	Budget Preparation - Baseline Costing	STX	12
PFM	Zimbabwe	3	PFM Law and Institutions- Governance Follow up	LTX	5
PFM	Zimbabwe	3	PFM Law and Institutions- Governance Follow up	STX	12
PFM	Zimbabwe	3	PFM Law and Institutions- Governance Follow up	STX	12

1/ PFM-Public Financial Management; TADM-Tax Administration; CADM-Customs Administration; BSR-Banking Supervision and Regulation; MFXMO-Money and Foreign Exchange Market Operation; FMIP—Financial Market Infrastructures; RSS-Real Sector Statistics; FFL-Financial and Fiscal Law.

2/ LTX-Long-term advisors; STX-Short-term advisors; HQ-Staff from IMF headquarters.

## Information Annex III--AFS Updated FY21 Seminars/Webinars

Project /1	Topic
PFM	Webinar on PBB (Indian Ocean Commission)
	Webinar on PFM in times of COVID-19
	Webinar on IMF Capacity Development for Overcoming Current Macro-Fiscal/PFM Challenges
	Webinar on Budget Processes in the context of COVID-19- Angola
	Webinar on Fiscal Risks and Debt Sustainability Analysis (DSA) in Low Income Countries (September 2020)
	Webinar on Fiscal Risks and Covid- 19 Fiscal Stress tests (October 2020)
	Webinar on Building Resilience to natural disasters and climate change (January 2021)
	Multi-country customized peer learning workshop on Public Investment Management (November 2020)
Tax	Webinar on Computerization and Digitalization to Enhance PFM Transparency (March 2021)
	Customized webinar for Madagascar on managing tax compliance during the COVID19 pandemic
	Joint Tax and Customs Seminar on Business Continuity Planning (March 2021)
Customs	Webinar on International Survey on Revenue Administration (January 2021)
	Webinar on Data Analysis with AFE & COMESA (January 2020);
	Webinar on Business Continuity and Disaster Management with AFE (March 2021); and Webinar on Leadership and Management Development with AFE (February 2020).
BSR	Roundtable Discussion on Cybersecurity Risk of Remote Work during the COVID-19
	Roundtable Discussion on Central Bank Support to Financial Markets during the COVID-19 Pandemic
	Roundtable Discussion - Insurance Regulatory and Supervisory Responses During the COVID-19
	Seminar on Governance in the Banking Sector (April 2021)
	Webinar on Crisis Management (October/November, 2020)
FMI	Seminar on IFRS (April 2020)
	Webinar on Cyber Risks (January 2021)
	Webinar on Fintech jointly with COMESA (April 2021)
RSS	Webinars Sub-regional to strengthen awareness on COVID-19 related challenges in compiling GDP
	Training (Regional): Preliminary discussion on Covid-19 challenges in compiling GDP
	Webinars on CPI Business Continuity (August and September 2020);
	Seminar on national accounts for beginners- AFS on basics of national accounts compilation methods and practices with AFW (April 2020)
	Seminar on national accounts with AFW (April 2021)
Macroeconomic Training (ICD)	Seminar on development of PPI (April 2021)
	Financial Development and Financial Inclusion
	Monetary Policy Frameworks and Operations with ATI (February 2021)

1/ PFM-Public Financial Management; TADM-Tax Administration; CADM-Customs Administration; BSR-Banking Supervision and Regulation; FMIP—Financial Market Infrastructures; and RSS-Real Statistics.