



FOR IMMEDIATE RELEASE

June 28, 2023

AFRITAC South to diversify portfolio to help address compound shocks

The Steering Committee of the International Monetary Fund's Regional Technical Assistance Center for Southern Africa ([AFRITAC South](#)) met in Moroni, Comoros, on June 19-20, 2023, under the Chairmanship of Hon. Ahmed Ali Bazi, Minister of Economy of the Union of Comoros and Acting Minister of Finance to review the center's activities and set the priorities for the year ahead.

The meeting was opened by Hon. Loub Yacout Zaidou, Minister of Health, acting and speaking on behalf of the president the Union of Comoros. She emphasized in her remarks the importance of responding and tailoring [capacity development](#) to country needs given the diversity of circumstances across IMF members. The Hon. Ms. Zaidou and Hon. Mr. Bazi also welcomed the IMF's new [strategy for fragile or conflict-affected states](#) which has been applied in the design of the Union of the Comoros' recently [approved Extended Credit Facility](#) program with the IMF. They also appreciated the support from AFRITAC South in helping implement the key reforms agreed in the program such as in tax administration and financial sector reform, and adjusting support to absorptive capacity

At the conclusion of the meeting, the Hon. Ahmed Ali Bazi, Chair of the Steering Committee, issued the following statement:

"Members took note of the key achievements by the 13 member countries of AFRITAC South through Phase II (August 01, 2017—April 30, 2023) amid multiple shocks they are facing. They commended the Center's swift response to demand for technical assistance and training to support policy responses to these shocks, and the rapid shift in delivery modalities to avoid disruptions in support. They also looked forward to the upcoming review of the IMF's Capacity Development (CD) strategy.

"The Committee appreciated the work program delivered in fiscal year 2023 (FY23) and the rapid return to a significant amount of in-person delivery. It endorsed the FY24 capacity development plan and budget, which continues work in traditional fiscal, monetary, financial, and statistical areas while scaling up and integrating work on climate, governance, gender, and digitalization. Given the prominence of debt and fiscal challenges, the Committee endorsed the case for diversifying the capacity development program further. This will be done by establishing a government finance statistics workstream that will work closely with

experts at AFRITAC South on public financial management, debt management, and national accounts statistics.

“The Committee took note of the financing situation of AFRITAC South. It appreciated the early contributions to Phase III from the European Union, Germany, Switzerland, Mauritius, and Botswana. At the same time, it expressed concern over the large financing gap for Phase III (May 1, 2023- April 30, 2028) and urged all development partners interested in macroeconomic capacity building in Sub-Saharan Africa to contribute at a time when the region faces major macroeconomic and structural challenges. It also supported prompt contributions from member countries to demonstrate strong ownership of CD from the Center. The Committee agreed that investments in capacity development in AFRITAC South’s workstreams are critical for building resilience in a more shock prone world and for laying the foundation for higher growth”.

The June 2023 SC was attended by officials of member countries (Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe), representatives of contributing partners (the European Union and Germany) and representatives of China, African Development Bank, European Investment Bank, the UK’s Foreign, Commonwealth and Development Office, the Southern African Development Community, the COMESA Monetary Institute, and representatives of revenue departments and statistics agencies from several AFS member countries.

The Committee thanked the Government of Comoros for their kind hospitality and the excellent organization of the meeting.