

# AFRITAC SOUTH (AFS) QUARTERLY BULLETIN

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IMF REGIONAL TECHNICAL ASSISTANCE CENTER FOR SOUTHERN AFRICA

*BUILDING MACROECONOMIC CAPACITY FOR SOUTHERN AFRICA*

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## HIGHLIGHTS

**AFS concluded FY17 with a higher volume of TA delivery** - mainly supported by good traction in most AFS countries and more regional initiatives, including regional seminars and peer learning activities. Details will be highlighted in the AFS annual report due out in June 2017.

**AFS Steering Committee** - held in Swaziland on March 30-31, 2017 - welcomed the progress made by member countries during Phase I and discussed the capacity development (CD) strategy for Phase II (FY18-FY22). The five-year program will be guided by the IMF's new results based management (RBM) framework aimed to measure progress against outcomes and strategic objectives. [\(Read more\)](#)

**10 seminars/courses conducted during Q4** are expected to further support implementation of TA recommendations and reforms across AFS countries. [\(Read More\)](#)

**In Q4 AFS-backed integration and harmonization initiatives** included (i) the participation of one PFM Advisor as resource person in an East and Southern African Association of Accountants General (ESAAG) conference; (ii) the participation of the Acting Head of the Trade and Customs Delegation from the Southern African Development Community (SADC) in an AFS seminar; ....*continued on page 3*

## H.E Marjaana Sall, EU Ambassador, on IMF/AFS and EU partnership

**The EU has been a key AFS partner in strengthening capacity of government officials and institutions in the region. How do you see this partnership in meeting common goals for the region?**

First of all, I would like to highlight the good cooperation between the EU and the IMF at a global level. We are indeed natural strategic partners. The European Commission's Director-General for International Cooperation and Development, Mr. Stefano Manservigi, stated recently that working with the IMF in developing countries on strategic issues, including domestic resource mobilization, public financial management, macroeconomic and fiscal stability, and capacity building greatly supports the development objectives of the EU. The high level participation of the EU to the IMF and World Bank Spring Meetings by the President of the European Commission, Jean-Claude Juncker, the Vice-President Valdis Dombrovskis, and other key Commissioners is testimony to the commitment of the EU to the IMF collaboration.



The EU and the IMF signed a Strategic Partnership Framework in 2016 that will guide future support on boosting economic growth and stability in developing countries worldwide. The framework focuses on supporting economic institution building, including the design and implementation of macroeconomic policies and structural reforms that are key for achieving the Sustainable Development Goals (SDGs) of the UN 2030 Agenda. This strategic partnership framework is organized around three pillars namely an “Africa Flagship Initiative” to support economic growth in Africa; a “Collect More Initiative” to foster revenue mobilization; and a “Spend Better Initiative” to achieve tangible expenditure outcomes.

It is expected that through this EU/IMF collaboration, our partner countries will be better equipped for strengthened policy dialogue and ultimately better development outcomes, thereby reinforcing their efforts to implement the SDGs.

The IMF Regional Technical Assistance Centers (RTACs) are appropriate vehicles to implement development cooperation between the European Commission and the IMF, and this is why the EU supports RTACs around the world.

In this region, the EU is currently the lead donor to AFRITAC South. I am pleased that through this collaboration we can contribute to regional integration objectives, given the coverage of AFRITAC South, as well as country specific agendas. Indeed, through AFRITAC South, we have a continued close cooperation in the field between EU Delegations and the IMF through selected national programs. The priority areas in which AFS is active, namely public finance management, tax administration, customs administration, financial sector supervision, monetary policy, and statistics, are highly relevant for the EU work in the region. Independent evaluations have confirmed that the work of AFS responds to the needs of target countries and achieve EU requirements for relevance, effectiveness, efficiency and sustainability.

Therefore, I strongly believe that this EU and AFS partnership is contributing to achieving the goals for our partner countries and for the region.

#### **How important is AFS support for driving the regional integration agendas of member states?**

Regional integration is very important for the EU. This is why we are working closely with regional organizations around the world to promote regional cooperation and integration. More particularly, in this part of the African continent we are providing EUR 1.3 billion to support regional integration in the Eastern, Southern African and Indian Ocean region. AFS work in this region represents a unique opportunity for the EU and the IMF to work together in furthering the regional integration agendas already undertaken under the various regional organizations like COMESA, EAC, IOC and SADC. In this context, we have encouraged AFS to mainstream regional integration and harmonization objectives of these organizations in the Centre's activities over the next few years.

I am very pleased to announce that we are currently formalizing the EU support to AFS for its Phase II that is due to start in 2017 and will run up to 2022. It is expected that through this EU support to AFRITAC South, together we can achieve important results in the fields of:

- Improved customs and tax policy and administration in the member countries, to support trade, development, and regional integration strategies, and more efficient provision of public goods and services;
- Improved public financial management capacity in the member countries and harmonization towards regional and international standards to effectively and transparently use resources;
- A more resilient and sound financial sector in the member countries, conducive to private sector development, financial inclusion, and regional integration;
- Improved quality, coverage and timeliness of statistics in the member countries, informing macroeconomic policy and regional convergence;
- More effective and market friendly monetary policy and operations in the member countries, consistent with regional monetary integration efforts;

- Better implementation of the regional harmonization objectives of regional organizations of COMESA, EAC, IGAD, IOC, and SADC and strengthened capacity of the regional organizations themselves.

### How is the EU addressing anti-corruption, integrity and transparency issues in the region and to what extent can seminars such as the 'Integrity in Customs' help the region?

The EU firmly believes that inclusive societies and accountable, democratic institutions are preconditions for sustainable development and stability. This is embedded in our proposed new development policy called the 'European Consensus for Development'. Therefore, good governance is mainstreamed in our development cooperation.

To give you a concrete example, good governance and transparency are pre-conditions for the EU to engage in budget support operations at country level. We are one of the main donors committed to providing part of our aid through budget support, in order to build domestic accountability and use country systems: annual EU budget support disbursements were around €1.6 billion in 2015, representing 20% of ODA disbursed by the EU. The breakdown of budget support commitments by region shows that sub-Saharan Africa remains the largest recipient of budget support at 47%. All budget support operations require assessment of eligibility conditions centered on public finance management, macro-economic framework, and budget transparency. The work of the IMF RTACs, and that of AFS, is key in allowing the EU to perform this due diligence in its budget support operations.

Coming back to corruption, it remains one of the biggest challenges for all societies, as it causes significant economic losses. The fight against corruption therefore represents a considerable part of our cooperation in our pledge to contribute to business enabling environments in the region. In order to achieve this goal, the EU follows a partnership-based approach, engaging in dialogue with partner countries' governments and civil society, EU Member States and other donors. The EU has endorsed the 2017-18 G20 Anti-Corruption Action Plan to improve public and private sector transparency and integrity, implementing our stance of zero tolerance against corruption, zero loopholes in our institutions and zero barriers in our actions.

One of the components of the Africa - EU partnership is to ensure a transparent, democratic and accountable environment contributing to reducing fragility, fostering political stability and effective governance, and enabling sustainable and inclusive development and growth. Since 2014 we are implementing a 'Pan-African Financial Governance Program' which supports harmonized approaches and builds standards of public finance systems through Pan-African organizations active in the four areas of budget cycle, namely: tax policy and administration, budget reforms, external audit, and legislative oversight. The EU cooperation with Africa will be the focus of the 5th Africa-EU Summit, which will be held in Abidjan in November 2017, where our various areas of common interest will be discussed.

We appreciated the organization of a seminar in integrity in customs by AFS which I had the privilege of closing. As you know the EU is committed to trade promotion and customs is the chief enforcer of trade policy. Therefore, the consequences of corruption in customs can be daunting. I am confident that the participants in the seminar in integrity in customs organized by AFS are now better equipped to increase transparency and to fight any attempts which might affect the integrity of the customs services.

I encourage AFS to continue its good work in developing capacity in the region for better integrity and transparency in public administrations.

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#### **....Continued from page 1**

(iii) a professional attachment of an official from Namibia to the Accountant General's Office in Mauritius; and  
(iv) meeting of an AFS Advisor with the COMESA secretariat to discuss the AFS tax administration work plan and possible areas of collaboration.

**Country visit by the Center Coordinator** to Mozambique allowed further discussion on AFS CD plan for the country and its consistency with the authorities' evolving CD priorities.

**Public financial management:** Five countries benefitted from direct TA during Q4, which involved public investment management assessment (Botswana and Mauritius); medium-term budget framework (Madagascar); and budget preparation and fiscal reporting (Namibia and Zimbabwe).

**Customs and tax administration:** TA included follow-up on setting up a revenue authority (Namibia); strengthening tax audit capacity (Angola, Comoros, and Madagascar); strengthening compliance and risk management (Zimbabwe and Swaziland); data matching of customs and domestic taxes (Madagascar); implementation of the progressive income tax project and strengthening systems and control mechanisms for ensuring compliance by non-petroleum excise operators (Seychelles); tax audit and compliance management covering the insurance sector (Mauritius); review of customs processes for non-petroleum products (Angola); and customs valuation, excise regimes, and exemptions (Comoros).

**Financial sector supervision:** TA focused on the implementation of Basel II (Lesotho); Basel III (Namibia); macroprudential supervision (Angola); risk-based supervision (Comoros); stress testing framework (Zambia); International Organization of Securities Commission (IOSCO) principles (Seychelles); and banking law on crisis resolution (Mauritius).

**Monetary policy and operations:** TA included follow-up on modeling and forecasting (Angola, Botswana, Mauritius, Seychelles, and Zambia); monetary policy communication (Botswana and Seychelles); and liquidity management and development of the forex market (Madagascar).

**Financial market infrastructures and payments (FMIP):** AFS focused on the re-organization of the oversight and supervision functions and TA needs (Seychelles); a diagnostic review of the FMIP (Namibia); and reviewing the legal frameworks for the payment systems by LEG (Botswana and Swaziland).

**Real sector statistics:** AFS funded TA on methodologies used to compile annual/quarterly GDP estimates (Angola, Comoros, Namibia, Seychelles, and Swaziland); compilation of supply and use table (Zambia); improving and rebasing consumer price index (Comoros and Madagascar, respectively); development of producer price index (Zambia); and development of a residential property price index (Mauritius).

## IMPLEMENTATION BY TOPIC AREA

### Public financial management (PFM)

*By Peter Francis Murphy, Sybi Hida, and Jean-Luc Helis*

**Regional peer learning program:** AFS organized the attachment of an official from Namibia at the Mauritius Treasury and enabled the exchange of experiences and good practices on the implementation of accrual accounting and the management of integrated financial management information systems (IFMIS). The visit also helped develop and consolidate regional networks.

**Regional Harmonization and Cooperation:** An AFS Advisor participated as resource person in the annual ESAAG conference which drew some 750 participants from 13 countries. The Advisor presented and answered questions in two sessions devoted to on-going PFM challenges in sub-Saharan Africa and a pragmatic approach to transition to International Public Sector Accounting Standards (IPSAS) accrual including presentation of a roadmap.

**Sub-regional seminar:** AFS delivered a two-week seminar in Angola on 'Strengthening Medium-Term Fiscal Framework (MTFF)' to mid-career officials from five Lusophone African countries (Angola, Cabo Verde, Guinea-Bissau, Mozambique, and Sao Tome and Principe), using the facilities of the *Instituto de Formação em Gestão Económica e Financeira* (INFORFIP). The seminar combined theoretical good-practice principles with hands-on tools that can prepare governments to address fiscal challenges.



*Seminar: Strengthening Budget Documentation and Fiscal Decision Making (February 6-10, 2017), Mauritius*

**Regional Seminar:** A seminar on ‘Strengthening Budget Documentation and Fiscal Decision Making’ provided a platform for 26 participants from eight AFS countries to develop and exchange knowledge with peers, including ideas and experiences for improving the content of budget documentations. Participants shared their country experiences and discussed options for ways to best integrate and use budget documents in the budget cycle.

**Botswana:** Following on from two earlier AFS training missions on data collection, verification, and Public Investment Management Assessment (PIMA), a joint AFS/FAD mission supported the authorities to undertake an assessment of public investment practices using the PIMA diagnostic and develop a reform strategy and action plan for strengthening the planning, allocation, and utilization of public investment funds.

**Madagascar:** Following several missions on the multiyear budget preparation process, a joint AFS/FAD mission supported the formulation of the medium-term budget framework (MTBF) for 2018-20; assisted in articulating the MTBF with the development of sectoral medium-term expenditure frameworks (MTEF); and proposed a methodology to develop a well-sequenced scaling up of public investment.

**Mauritius:** Based on the joint AFS/FAD PIMA undertaken in the previous quarter, an AFS mission worked with a MoFED technical working group to incorporate the PIMA recommendations into a revised Capital Project Preparation Manual for implementation in the fiscal year commencing July 2017.

**Namibia:** Following the development by AFS of a budget consolidation database in the previous quarter, a follow-up mission was deployed to support the Budget Director to utilize the database for review and consolidation of the budget by the central budget department analysts and for production of the FY18 budget documentation.

**Zimbabwe:** AFS delivered two workshops for MoF and executing agency budget staff to facilitate understanding of the methodology needed to: (i) support compilation of a draft Budget Call Circular and a Budget Strategy Paper for formulation of the budget; and (ii) apply a standardized methodology for costing budget activities.

### Tax administration

*By Thabo Letjama*

**Angola:** AFS assisted the Angola Revenue Authority to enhance the yield of taxpayer audits. The assignment assessed the skills of the tax auditors and worked with the audit team to close prioritized gaps and weaknesses in the audit processes and auditors’ skills.

**Comoros:** An AFS mission trained auditors on case selection from tax returns and on tax audits, provided guidance on file maintenance for large taxpayers, and developed an audit plan for the rest of the fiscal year.

**Madagascar:** A mission identified major compliance risks across domestic taxes and customs and recommended mitigation measures (*see also the customs administration section below*). A back-to-back mission focused on ways to increase the yield of tax audits. The assignment trained auditors and developed an audit



*AFS experts and LTO management team, Comoros*

quality assurance process to ensure that audits are in line with operational policies and are properly supervised and managed.

**Mauritius:** An expert worked with the Mauritius Revenue Authority to optimize revenue from the insurance sector. The assignment recommended changes to the insurance tax regime and guided auditors and compliance teams on how to enhance compliance in the sector.

**Mozambique:** An AFS mission worked with the Mozambique Revenue Authority to enhance effectiveness in planning and implementing strategic reforms. The assignment has been hailed as a success by the authorities and they have requested a similar assignment to focus on the next layer of management.

**Namibia:** A follow-up mission on establishing the Namibia Revenue Authority (NAMRA) updated the project implementation plan and recommended mechanisms for recruiting the Commissioner and the Board members. The mission also made suggestions for improving the NAMRA establishment and developed work methods for the sub-teams within the main project management team.

**Seychelles:** AFS funded a mission to assist the Seychelles Revenue Commission (SRC) to implement the progressive income tax project using best practice in project and change management. The assignment clarified the roles of the senior management, project team, and SRC operations staff, and guided the SRC on best practice in managing change and gaining support of stakeholders for a successful implementation of the project.

**Swaziland:** A joint AFS/FAD mission followed-up on 2014 recommendations and to assess the implementation of the Tax Policy and Administration Topical Trust Fund (TPA-TTF) project. The assignment made proposals to further advance the Swaziland Revenue Authority (SRA)'s modernization program.

**Zambia:** AFS fielded a mission to establish how the Zambia Revenue Authority has utilized previous TA and to discuss the TA plan for the next three years.

**Zimbabwe:** A mission assisted the Zimbabwe Revenue Authority to develop a compliance risk management (CRM) framework. The assignment identified four priority compliance risks and recommended mitigation measures. The assignment also recommended establishment of a CRM unit within domestic taxes to act as the center of excellence for risk based compliance management.

**COMESA:** An AFS tax mission met the COMESA secretariat and agreed initial steps for collaboration and leveraging on AFS TA to support COMESA's regional integration agenda.

### Customs administration

*BY Kenneth Head*

**Regional Seminar:** A seminar on 'Integrity in Customs' provided a forum for discussing the challenges to integrity in customs, ways of overcoming them, and developing integrity strategies. The seminar included presentations by the Director, World Customs Organization Regional Office for Capacity Building; the Acting Head of the SADC Trade and Customs Delegation; Customs Director of the Mauritius Revenue Authority; and FAD experts. The opening remarks were delivered by [Mr. Sudhamo Lal](#), Director General of MRA, and the closing remarks by [H.E Marjaana Sall](#), EU Ambassador (see interview page 1).



H.E Marjaana Sall, EU Ambassador, (third from left) addressing participants at the closing of the seminar.

**Angola:** AFS fielded a TA mission to further simplify customs processes for non-petroleum exporters. The TA aims at supporting growth of the export-oriented agriculture and fish processing sectors.

**Comoros:** In response to requests from the Minister of Finance received at the IMF annual meetings, AFS delivered the following TA in customs:

- Experts delivered two inputs to strengthen the valuation program as part of a phased approach agreed with the authorities. A March mission involved the collection of import data from the Customs IT system.
- A second mission in April analyzed the data to assess valuation gaps with mirror statistics and using databases to detect variations in customs values. It is anticipated that the third phase will provide on-site valuation advice and guidance to Comoros Customs.
- A mission in February supported the customs administration in strengthening the control and monitoring of excise regimes specifically concerning petroleum products.
- A March mission provided TA to strengthen the control and monitoring procedures of exemptions. The assistance included preparing Customs for the introduction and implementation of an exemption management application in its IT system (ASYCUDA).



Right to left: Messrs. Dowe, Head, and Esquibet with the Malagasy Data Matching team

**Madagascar:** Following a request from the Minister of Finance and Budget, a joint tax and customs team assisted the authorities in carrying out a data matching of customs and domestic tax data. The purpose was to initiate processes to compare customs importer declaration data with domestic tax returns to verify taxpayer compliance levels; identify and mitigate the risk of non-compliance; promote voluntary compliance; and build staff capacity to conduct future data matching exercises.

**Seychelles:** TA was delivered to the SRC to help ensure that appropriate systems and control mechanisms are in place to effectively manage business activities and compliance by all non-petroleum excise operators (alcohol and tobacco products). The mission also took stock of progress on implementation of the July 2014 recommendations and that of the January 2016 FAD strategic mission.

**Swaziland:** AFS helped the SRA to further strengthen the risk management function. The TA was aimed at improving the SRA's balance between trade facilitation and compliance and directing its enforcement and compliance resources to high risk activities and transactions. The mission also assisted in the review of existing risk profiles and made recommendations.

### Financial sector supervision

By Ravi Mohan P.R.

**Regional Seminar:** A seminar on 'International Financial Reporting Standards' (IFRS) enhanced the ability of prudential regulators and bank supervisors and examiners to understand IFRS implementation challenges, familiarized them with the underlying concepts of the standard, and equipped them with the tools and techniques for conducting supervision of banks/financial institutions under the new framework. Many countries in the Southern African region are implementing IFRS and the implementation of IFRS 9 relating to financial instruments as from January 1, 2018 remains a formidable challenge. (Read closing remarks by the Governor of the Bank of Mauritius, [Mr. Rameswurlall Basant Roi](#)).



Seminar: International Financial Reporting Standards. April 3-7, 2017. Mauritius

**Angola:** A mission assisted the Banco Nacional De Angola (BNA) on macroprudential supervision. Through workshops the mission reinforced the supervisors' understanding and strengthened capacity on the macroprudential framework.

**Comoros:** AFS extended support to the Central Bank of Comoros on risk-based supervision (RBS) focusing on the robustness of the internal control and risk management framework in banks, creating risk profiles, developing suitable guidelines on risk management by banks, and providing hands-on training.

**Lesotho:** AFS supported the central bank in fine-tuning the roadmap for implementation of the three Pillars of Basel II. It also provided extensive training to the supervisory staff on various aspects of the three pillars, thereby enhancing the capabilities on the Basel II supervisory framework and providing granular timelines for implementation. Particular attention was paid to the Pillar 2 process, especially Supervisory Review and Evaluation.

**Mauritius:** In response to a request from the Bank of Mauritius, AFS supported a joint MCM/LEG mission which advised the authorities on policy and operational aspects of bank resolution and crisis management.

**Namibia:** An AFS mission reviewed the implementation of Basel III and the draft guidelines proposed to be issued to banks. The mission advised the authorities on the timelines and priorities for a phased implementation of Basel III and conducted a series of workshops to strengthen the skills of the supervisory staff.

**Seychelles:** AFS fielded a mission to the Financial Services Authority (FSA) on non-banking supervision. The mission helped the authorities to work towards completing a self-assessment of the IOSCO principles, identified gaps and made recommendations. The mission also conducted workshops relating to the supervisory process, RBS, collective investment schemes, supervision of business conduct, and internal controls for the staff in the supervisory cluster of securities market related activities. The mission studied the existing supervisory process by FSA and suggested creating a comprehensive risk profiling of supervised entities as a first step towards implementing RBS. The supervisory staff were given specimen risk profiles and off-site reporting format and encouraged to customize the documents to suit the local requirements.

**Zambia:** AFS fielded a mission to facilitate the enhancement of the stress testing framework and to strengthen the skill set and capacity of the staff for practical application of the stress testing model. The mission familiarized staff with the reporting requirements and the use of stress testing results in bank supervision, in particular Pillar 2 of Basel II, and provided hands-on training with a focus on scenario selection, developing robust linkages between macroeconomic variables and banking sector statistics, and ensuring data integrity and validity.

### Monetary policy framework and operations

*By Carina Selander*

**Angola:** As part of the ongoing Forecasting and Policy Analysis System (FPAS) project, AFS funded a mission on inflation forecasting and modeling. The BNA has been making good progress in developing its forecasting and policy analysis capacity. AFS TA missions are now working in parallel with two groups - sector experts and modelers. The work with the former focuses on data analysis and near-term forecasting and the latter on core model development and medium-term forecasting.

**Botswana:** An AFS mission to the Bank of Botswana (BoB) on inflation forecasting and modeling, which is part of the ongoing FPAS project, helped strengthen the skills of staff, management, and policymakers in the use of the tools and models employed in the policy process and their ability to interpret and analyze results. The mission assisted in formalizing the build-up of a forecasting team and defined the terms of reference of the relevant departments and divisions involved.

**Botswana:** An AFS mission to the BoB reviewed and suggested ways of reshaping the main vehicles for monetary policy communication - regular reports, press release, and policy-focused section of the official webpage. With a view to aligning these vehicles to best practice, the mission suggested new structures and formats for these key policy publications.



**Madagascar:** An AFS mission to the Banque Centrale de Madagascar (BCM) reviewed the current implementation framework for monetary policy with the aim of streamlining it. This included advice on the consistent and predictable use of instruments, such as open market operations, reserve requirements, standing facilities, and the desirability for the BCM to rely on FX operations for liquidity management purposes. In addition, the mission assisted in identifying the necessary preparations for introducing central bank repos and reverse repos and in developing financial market intelligence and communication with commercial banks.

**Madagascar:** A follow-up mission on developing the forex market reviewed the ‘convention de place’ rules document and other relevant documents regulating the forex market and assisted in developing and implementing a rule-based forex intervention strategy. The mission built on the July and December 2016 missions.

**Mauritius:** AFS fielded a mission to the Bank of Mauritius (BoM) to strengthen the FPAS processes, enhance communication of monetary policy internally and externally, and review previous missions’ recommendations. The mission worked on strengthening the skills of BoM staff and management in the use of the tools and the models employed in the policy process. It assisted in improving the use of expert judgement and policymakers’ views in constructing a baseline projection, deepening the risk analysis by further developing alternative scenarios, and properly exploring the related policy options.

**Mozambique:** An AFS mission took stock of TA provided in recent years to assist the Bank of Mozambique (BoM) in enhancing monetary policy formulation and to discuss TA needs. The mission also explored the BoM’s current plans for reforming the overall monetary and exchange rate regime. More specifically the stocktaking focused on the areas of Monetary Policy Operations and Liquidity Management; Exchange Rate Management; FPAS; Communication Tools and Procedures; and Central Bank Organization. The BoM has made good progress on recommendations in all areas and the mission identified some additional TA needs primarily linked to the recently announced shift into a more interest rate based monetary policy framework.

**Seychelles:** A follow-up AFS FPAS mission to the CBS continued to refine the core model and the reports and presentation of results generated within the current model infrastructure. In addition, the mission discussed the implementation of the new model and forecasting tools, and the progress made in the organization of different work and decision making processes.

**Seychelles:** An AFS mission to the CBS focused on developing monetary policy communication surrounding the reimplementation of the interest rate corridor and enhancing some standard tools already used such as the communique and the very recently introduced media briefing. The mission also advised on how to institutionally establish and organize this function in the CBS.

**Zambia:** An AFS FPAS mission to the Bank of Zambia continued the progress of building the Master Database and assisting staff in improving the construction of the current Composite Index of Economic Activity (CIEA) and to start developing analysis of the relation between CIEA and GDP. The mission also finished the introductory training started in December.

### Financial market infrastructure and payments

*By Faith Stewart*

**Botswana:** A follow up AFS-funded mission of the IMF’s Legal Department (LEG) reviewed the draft Electronic Payments Systems Regulations and its Annexes for consistency with international best practice considering prior LEG advice.

**Namibia:** AFS fielded a diagnostic mission to provide foundational training to the newly recruited staff of the Payment & Settlements System Department and identify capacity development priorities going forward. This mission, the first such to Namibia, laid the basis for further engagement with the central bank in this area.

**Seychelles:** In response to a request from the CBS a mission assisted in providing advice on the new arrangements and elaborating TA requirements consequent upon the re-organization of the oversight and supervision functions,

now underway. The mission provided its recommendations and an action plan, including follow up TA and capacity building proposals.

**Swaziland:** An AFS-funded mission led by LEG assisted the Central bank of Swaziland in its effort to harmonize and strengthen the legal framework for the payment, clearing, and settlement systems.

### Real sector statistics

*By Gregory Legoff*

**Regional Seminar:** AFS conducted a seminar for 40 price statistics compilers from all the 13 AFS countries. The program included sharing country experiences, practical exercises to apply concepts and methods, and limited lectures. The seminar focused on the consumer and producer price indices and was adjusted to take specific compilation issues identified by the participants during the opening session.



*Seminar: Price Statistics (March 13-17, 2017), Mauritius*

**Sub-regional seminar:** AFS brought together 24 compilers from 8 countries (Angola, Lesotho, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, and Zambia) to a seminar aimed at developing capacity to seasonally adjusted time series using the main seasonal adjustment programs. The seminar consisted of lectures and workshop sessions covering methodological and compilation issues to provide national accountants with basic knowledge of underlying concepts.

**Angola:** A mission started to review the methodologies used to compile annual and quarterly GDP estimates and found that they comply with the best internationally recommended practices. AFS also developed a work plan for the compilation of new benchmarks.

**Comoros:** During April AFS conducted a three-week mission to review annual GDP estimates recently compiled by the statistical office in collaboration with the African Development Bank. The availability of more contemporary national accounts estimates will support the formulation of better economic policies by decision makers. Later in April a mission assisted in improving the consumer price index.

**Madagascar:** AFS assisted in rebasing the consumer price index using results from the 2012-13 household survey but technical and funding issues may delay the finalization of this project to 2018.

**Mauritius:** A mission conducted in March found that source data will need improvements to develop a residential property price index. In April AFS assisted in improving sectoral accounts and balance sheets. This will enhance the quality and the consistency of the accounts.

**Namibia:** A March mission assisted in improving methodologies for the compilation of quarterly national accounts. In April AFS assisted in developing a producer price index.

**Seychelles:** A March mission assisted in finalizing annual and quarterly GDP estimates by expenditure. Estimates should be published in June 2017. In April, a mission reviewed the consumer price index and explored the possibility of compiling a residential property price index.

**Swaziland:** A mission was conducted in March to assist with the incorporation of value added tax data as a key source for the compilation of annual and quarterly GDP estimates.

**Zambia:** During February AFS assisted in compiling supply-and-use tables for 2010 which are expected to be completed in June 2017. In March a mission assisted in developing a producer price index.

## AFS SEMINARS AND COURSES IN FY17 (Q4) and FY18 (Q1)

Venue is AFS, Ebene, Mauritius, unless otherwise stated	
Title	Feb-Jul, 2017
Strengthening Budget Documentation Processes to Better Inform Fiscal Decision-making	February 6-10
Contrôle du dispositif de maîtrise des risques opérationnels - (Venue: Gabon)	February 20-24
Macroeconomic Diagnostics	Feb 27-Mar 10
Compilation of Price Statistics	March 13-17
Course on Macroeconomic Management in Resource Rich Countries - (Venue: Gabon)	March 13-17
Sub-regional seminar: Medium-Term Fiscal Framework (Venue: Angola)	March 13-24
Addressing Integrity in Customs Administration	April 3-7
International Financial Reporting Standards	April 3-7
Debt Sustainability Analysis using the joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries	April 24-28
Sub-regional Seminar on Seasonal Adjustments - (Venue: Statistics South Africa, South Africa)	April 24-28
Debt Sustainability Analysis using the IMF Sustainability Analysis for Market Access Countries	May 1-5
Financial development and financial inclusion	June 19-30,
Fiscal Risk Analysis and Management; Theory and Practices	July 31- August 4

## IMF ONLINE COURSES

Forthcoming IMF [online courses](#) available to government officials and, in some cases, to the general public include:

- Macroeconomic diagnostics, June 28 -August 9, 2017
- Financial market analysis, June 14 – August 2, 2017
- Macroeconomic forecasting, June 14 – August 16, 2017
- Financial programming and policies (FPP) Part 2: Program design, August 30 – October 18, 2017
- FPP Part 1: Macroeconomic accounts and analysis, September 13-October 26, 2017
- Macroeconomic management in resource-rich countries, October 4 – November 29, 2017
- FPP Part 1: Macroeconomic accounts and analysis, October 4- November 15 2017

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