



	Page
Main Highlights	1
Execution of FY21 CD Plan	1
Customs Administration	1
Tax Administration	2
Public Financial Management	2
Real Sector Statistics	3
Financial Market Infrastructure & Fintec	3
Banking Regulation and Supervision	3
Monetary Policy Operations	4
CD Activities-August to October 2021	4
Forthcoming CD Activities	5
Staff News	6

AFRITAC South (AFS)
 7th Floor Bramer House
 66C2, Cybercity Ebene, Mauritius
 Tel: +230 4012500
 E-mail: AFSWeb@IMF.org
 Website: <https://www.southafrillac.org/>
 Like us on : @AfrillacSouth

MAIN HIGHLIGHTS



AFS continued to support member countries to mitigate the impact of the COVID-19 pandemic and make progress on their reform plans. Technical assistance (TA) and training continued to be delivered through remote modalities. Member countries

were supported in tax and customs administration, public financial management, monetary policy operations, banking supervision and regulation, financial market infrastructure and statistics areas. Twenty-eight capacity development (CD) interventions, including training events, delivered during the period will allow authorities to make further progress on key milestones and outcomes. Fragile countries remained key recipients with around 38 percent of the support delivered to the group. This bulletin highlights the CD areas covered by the center during the quarter ending July 2021 and provides the CD plans till October 2021.

EXECUTION OF THE FY21 CD PLAN

Customs Administration

By Philip Wood



Angola: AFS assisted the Angolan Revenue Authority (Autoridade Geral Tributária-AGT) to establish a business process management unit, including the definition of roles and responsibilities, basic training material, and operational calendar for 2021-2022. Assistance was also provided to finalize the operating manual and associated procedures for the internal audit function. A technical workshop was delivered to support the implementation of an enterprise risk management framework, including a clear risk management process to inform the selection of cases and risk treatment strategies.

Comoros: A mission focused on supporting the customs department to comply with the requirements of the World Trade Organization’s customs valuation agreement and assessing progress with the implementation of a previously agreed (June 2020) customs valuation strategy. Overall progress has been reasonably positive with activities completed to implement several key components of the customs valuation strategy.

Eswatini: A mission reviewed progress with the implementation of the Data Match exercise action plan prepared during a previous mission.

Lesotho: AFS expert reviewed the updated version of the draft Excise Bill and the draft regulations. A procedures manual was prepared which includes details of the various excise risk areas. A manual setting out the key elements of the regulations was also developed for use by the business community. As the excise rules and rates are aligned throughout Southern African Customs Union, the mission team concentrated on providing advice on the control of the excise traders who account for and pay excise in Lesotho.

Madagascar: As part of the ongoing CD support a mission strengthened the capacity of the General Directorate of Customs (GDC) to effectively implement and manage the reform and modernization program. The mission supported the GDC to: (i)



finalize a series of project management training modules; (ii) put in place appropriate monitoring and evaluation processes; (iii) develop a user requirement for a proposed performance management reporting system (PMRS); and (v) complete an evaluation of the overall maturity growth of GDC in the area of project management.

Namibia: AFS supported the Post Clearance Audit (PAC) unit of the Customs and Excise Department to develop standard operating procedures (SOPs). Workshop sessions were used to assist with the implementation of the revised SOPs. The SOPs now await final approval and sign-off. A risk-based operational plan was also developed for the PCA unit.

Seychelles: AFS supported the ongoing implementation of the phased pilot program designed to automate customs entry processing procedures at Mahe airport and the Port of Victoria seaport.

Zimbabwe: A mission helped develop the capacity of the Customs and Excise Division to carry out post clearance audits as part of a risk-based approach to compliance management. Since the previous AFS mission in July 2020 the legislation has been amended to ensure that it fully supports PCA. The standard operating procedures (SOPs) have been finalized and adopted. The development of new data analysis tools has allowed for easier risk assessment. Workshop sessions were used to assist with the implementation of the revised SOPs along with a risk-based operational plan for the PCA unit.

Tax Administration By Faith Mazani



Comoros: A mission to strengthen the capacity of the tax administration to improve compliance management identified compliance risks and provided practical remedial actions, including, enforcement of the use of cash registers to improve the yield of the goods and services tax.

Namibia: A follow-up mission assisted the Namibia Revenue Authority (NamRA) to adopt and institutionalize a strategic management framework and develop a clear reform strategy. The mission assisted NamRA to finalize its strategic plan; facilitated the development of a portfolio of strategic projects; reviewed and improved the annual operational plans; facilitated the cascading of the strategic plan into performance scorecards for the Executive Committee; and provided guidance on the monitoring and evaluation of the strategy. The mission also reviewed and provided recommendations on the change and project management practices.

Madagascar: A mission to strengthen the compliance risk management capacity of the tax administration focused on data analysis. The mission identified some challenges relating to management of tax information, and priority actions were discussed with management. A sample of the available information was cross-matched with internal data and 56 risks were identified. An instructive workshop was organized for the auditors on the audit of the 56 cases.

Regional Audit Training: AFS conducted Phase 1 of a regional webinar on “**Modern Tax Audit Techniques**” for tax auditors and managers. 52 audit staff from nine countries (Botswana, Eswatini, Lesotho, Mauritius, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe) were exposed to modern audit concepts and methodologies that contribute to an effective audit design at each stage of the audit process. The webinar also demonstrated the importance of Risk Assessment and Computer Aided Auditing Tools as critical components in executing an effective tax audit. The training will enhance the ability of the tax administrations to conduct a self-assessment of audit practices, techniques, and performance.



Public Financial Management (PFM) By Moulay El Omari, Robert Clifton and Camilo Gomez Osorio

Madagascar: At the request of the Ministry of Economy and Finance, an AFS mission (i) took stock of the progress made since the February 2020 mission and provided advice on how to move towards active cash-management and extend the coverage of the Treasury Single Account (TSA) and (ii) delivered a 2-day hands-on training including a presentation of the excel-based tool for cash-flow forecasting developed by FAD for fragile States.

South Africa: A joint FAD/AFS mission reviewed the status of gender responsive budgeting in government and advised on a strategy to roll-out GRB tools in the budget and the broader PFM cycle.

Botswana: A joint FAD/AFS mission worked remotely with the Minister of Finance and Economic Development (MFED) to strengthen fiscal risk management drawing on FAD's fiscal risk toolkit. The team presented analyses of potential risks in Botswana to help the authorities build capacity in their assessment of fiscal risks. The team delivered a two-day workshop on Fiscal Risk Management with participants across the MFED, members of the Macro-fiscal Working Group (MFWG), and other key institutions.

Comoros: AFS provided a follow up mission to support the Ministry of Economy and Finance (MEF) in revising the 2012 Organic Law on State Finances (*Loi sur les opérations financières de l'Etat – LOFE*).



Real Sector Statistics

By Donna Grzman and Elka Artanasova

Madagascar: A mission assessed the institutional arrangements to compile the annual GDP and provided advice on further improving compilation and dissemination of GDP estimates. The mission also discussed the progress made toward the rebasing project of National accounts data



Zambia: A mission assessed the progress made at collecting data required to compile and disseminate the producer price index. The mission proposed a revised questionnaire and trained staff on data quality requirements.

Zimbabwe: A joint IMF/World Bank TA mission reviewed the provisional 2019 GDP estimates produced by the Zimbabwe National Statistical Agency. The mission also discussed the method to back cast the series.

Seychelles: A mission assisted the authorities to finalize the rebasing of national accounts.

Financial Market Infrastructure and Fintech

By Anrich Daseman

Seychelles: At the request of the central bank, AFS provided guidance and training on the oversight of payment systems, market conduct for retail payment systems, and a framework for collaboration with other regulatory authorities. The mission assisted in developing an oversight framework, oversight tools, and guidance on practices for delivering efficient oversight including market conduct for retail payment systems and guidance on collaboration with other regulatory authorities.



Namibia: A virtual technical assistance mission was undertaken to review the recently completed self-assessment of the Automated Clearing House, NamClear (Namibia Clearing Company). The review provides support to Namibia in building technical competence and capacity towards the achievement of financial market infrastructures complying with the international standards, the Principles for Financial Market infrastructures.

Botswana: AFS and the Legal Department of IMF, delivered a virtual technical assistance mission to assist the Bank of Botswana in developing a new legislation for the national payment system in line with international best practices. This mission followed up on technical assistance provided in March 2021, on the implementation of the payment system oversight policy framework. Legal assistance was previously provided to Bank of Botswana on the drafting of its current Electronic Payments Services Regulations in Botswana.



Banking Regulation and Supervision

By Benjamin Stefanou

Angola: AFS assisted the central bank to operationalize its newly developed Supervisory Review and Evaluation Process (SREP) framework by remotely providing comprehensive classroom training to BNA supervisors on the concepts and theory of SREP implementation, including assessment of key risk areas

(including governance and risk management capability); assessment of Internal Capital Adequacy Assessment Process (ICAAPs) and (Internal Liquidity Adequacy Assessment Process) ILAAPs, and determination of any capital and liquidity measures. This training will be followed up in November with hands-on review and feedback on completed SREP reports.

Lesotho: Two missions assisted the Central Bank of Lesotho (CBL) to develop a process for the effective assessment of ICAAP submissions and enhance the efficiency and effectiveness of its risk-rating and supervisory action planning process. Both these missions are supporting the enhancement of CBL’s risk-based supervision framework.

Mauritius: AFS provided training and information on developing an operational supervisory licensing framework for digital banks, to assist the Bank of Mauritius to develop and implement operational capacity for licensing digital banks. A separate mission assisted the Bank of Mauritius in developing a cybersecurity regulation, by reviewing and providing feedback on their draft regulation. This mission followed-up on the training provided in February 2021, which has assisted the officials in developing a draft cybersecurity regulation.

Regional Webinar: A joint AFS/MCM regional webinar offered guidance and broad principles to AFS member countries for managing the exit from banking regulatory and supervisory measures implemented in response to the COVID-19 pandemic. The event was attended by senior managers responsible for banking regulation, supervision, resolution and financial stability.



Monetary Policy Operations

By Marin Molosag

Botswana: In response to a request from the Bank of Botswana central bank, a virtual TA mission provided technical support and guidance to improve the use of Business Expectations Survey (BES) in near-term forecasting framework. The outcome targeted is to have an operations near-term forecasting toolkit, to be used in regular forecasting exercise rounds, and regularly updated.

CD ACTIVITIES : AUGUST-OCTOBER, 2021

The table below shows additional reports transmitted to authorities during the period May-July 2021.

Country	TA Report
Lesotho	Risk Based Supervision
Comoros	Regulatory Framework – Basel II and III Review
Mauritius	Strengthening Capacity for improved PIM
Angola	<i>Apoio À Preparação Do Quadro De Despesas De Médio Prazo</i>
Seychelles	Report on the National Accounts Mission
Mauritius	Report on the National Accounts Mission
Seychelles	Strategy to improve PFM Capacity Through IFMIS
Angola	Liderança, Gestão de Mudanças e Inovação
Lesotho	Report on the National Accounts Mission
Zambia	Report on the National Accounts Mission
Comoros	Report of Mission on Price Statistics
Madagascar	Rapport sur les Comptes Nationaux
Seychelles	Business Continuity Plan – Phase III
Lesotho	Coordinated Border Management and Authorized Economic Operator
Botswana	Report on the National Accounts Mission
Eswatini	Report on Review of the Consumer and Producer Price Indexes Mission
Seychelles	Customs Valuation
Comoros	Législation - Arrêtes d’application de l’instruction cadre sur la procédure
Eswatini	Report on the National Accounts Mission
Madagascar	Rapport d’Assistance Technique en Matière d’Administration Fiscale - Juillet 2021
Zimbabwe	Coordinated Border Management
Madagascar	Project Management
Zimbabwe	Post Clearance Audit
Lesotho	Excise Duty
Seychelles	Customs Procedures
Madagascar	Project Management

FORTHCOMING CD ACTIVITIES

The table below provides the CD activities, including webinars, already undertaken or planned during the period August-October, 2020

Country	CD Activity	Start Date
Banking Supervision and Regulation		
Zimbabwe	Risk Based Supervision	9/6/2021
Zimbabwe	Risk-Based Supervision Framework Enhancement	10/4/2021
Seychelles	Basel II/III - Regulatory Reform	8/16/2021
Namibia	RBS Framework Enhancement - Assessment of Current Off-site Analysis	8/16/2021
Namibia	RBS Framework Enhancement - Off-Site Supervision - Training on In-Depth Financial Risk Analysis and Supervisory Review and Evaluation Process Assessments	10/11/2021
Botswana	Liquidity Risk Regulatory Reform - LCR NSFR Impact Assessment	8/9/2021
Customs Administration		
Zimbabwe	Coordinated Border Management	10/4/2021
Zambia	Intelligence and Risk Management	8/30/2021
Seychelles	Post Control Audit	9/6/2021
Mozambique	Post Control Audit and Governance	10/4/2021
Mauritius	Customs Valuation	10/4/2021
Madagascar	Legislation	10/4/2021
Lesotho	Authorized Economic Operator and Coordinated Border Management	8/9/2021
Comoros	Risk Management	8/23/2021
Angola	Project Management	8/16/2021
Angola	Internal Audit Phase 2	10/25/2021
Financial Market Infrastructures & Fintech		
Mozambique	Drafting of NPS Law	9/13/2021
Zimbabwe	E Money Supervision & Oversight	9/27/2021
Angola	Diagnostic	10/18/2021
Mauritius	Fintech Innovation Facilitator	10/28/2021
Monetary Policy Operations		
Zimbabwe	Monetary Policy Implementation and Operation	09/13/2021
Zambia	Monetary Policy Implementation and Operation	09/06/2021
Seychelles	Monetary Policy Communications	09/07/2021
Mozambique	Design of a Comprehensive Operational Strategy for the Migration to IT	10/25/2021
Mauritius	Central Bank Monetary Policy Communications	09/07/2021
Madagascar	Monetary Policy Implementation and Operation	10/04/2021
Madagascar	FX Operations	09/13/2021
Public Financial Management		
Zimbabwe	Public Investment Management Planning	10/18/2021
Zimbabwe	Fiscal Risks	8/2/2021
Seychelles	Integrated Financial Management Information System Strategy	9/13/2021
Seychelles	Budget Preparation and Debt Management	8/23/2021
Regional Webinar	Fiscal Risks and Debt Sustainability	9/13/2021
Namibia	Budget Preparation	8/23/2021
Namibia	Budget Preparation	8/23/2021
Mauritius	Implementing PIM Manual	8/11/2021
Mauritius	International Public Sector Accounting Standards Roadmap	9/1/2021
Madagascar	Fiscal Risk Management	10/14/2021
Madagascar	Public Investment Management Manual	9/6/2021
Lesotho	Public Investment Management Manual	10/12/2021
Eswatini	Managing Fiscal Risks from SOEs	9/13/2021
Comoros	Medium-Term Budget Framework	10/4/2021
Angola	Cash Management	9/7/2021
Real Sector Statistics		
Zimbabwe	Review 2020 GDP Estimates	8/31/2021

Zambia	Improvement and Dissemination of National Accounts Data	8/23/2021
Namibia	Development of Agricultural Land Price Index	8/17/2021
Mozambique	Rebasing Annual National Accounts	10/18/2021
Mauritius	Review the Alignment of Residential Property Price Index	10/4/2021
Madagascar	Updating Consumer Price Index	10/25/2021
Madagascar	Improving Quarterly and Annual National Accounts	9/13/2021
Lesotho	Updating Consumer Price Index	8/23/2021
Lesotho	Rebasing Annual National Accounts and Improving Quarterly National Accounts	8/23/2021
Eswatini	Review Producer Price Index calculation system	10/18/2021
Eswatini	Rebasing Annual National Accounts	8/23/2021
Comoros	Improvement of National Accounts	8/23/2021
Botswana	Rebasing Annual National Accounts and Improving Quarterly National Accounts	9/13/2021
Angola	Seasonal Adjustment of Quarterly GDP	10/26/2021
Angola	Backcasting of Annual GDP	9/6/2021

Tax Administration

Zimbabwe	Audit	10/18/2021
Zimbabwe	Debt Recovery	8/16/2021
Zambia	Sector Specific Compliance	10/11/2021
Seychelles	Compliance Improvement Plan	10/11/2021
Seychelles	Audit	9/20/2021
Regional	Webinar on Modern Tax Audit Management Principles Phase II	8/16/2021
Namibia	Audit	9/6/2021
Madagascar	Tax Administration Diagnostic Assessment Tool	9/6/2021
Madagascar	Taxpayer Services	10/18/2021
Eswatini	Insurance	9/13/2021
Comoros	Registration	9/6/2021
Botswana	Self-Assessment	8/30/2021
Botswana	Specific Sector	8/16/2021
Regional	MFA/Nowcasting	10/25/21

STAFF NEWS



Mr. Raphael Kamoto is joining AFS on September 1, 2021 as the new tax administration advisor. Raphael is a national of Malawi and he will replace Ms. Faith Mazani who will move to the Fiscal Affairs Department of the IMF. Raphael has extensive experience in tax policy and tax administration reforms, strategic management, energy policy and regulation, international relations, financial and management accounting, and auditing. For over 24 years, he has overseen institutions in taxation, energy and petroleum, and manufacturing.



Mr. Ashwin Kumar Madhou joined AFS as Economist Analyst on July 1, 2021. He held the position of Economist at the Bank of Mauritius, where he developed extensive experience in monetary policy, forecasting and applied economic research. Prior to that he worked at the State Revenue Office in Australia and held academic positions in Singapore, Malaysia, Australia, and Mauritius.

