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### MAIN HIGHLIGHTS

Amidst the challenges posed by the COVID-19, the center continued to support member countries during the first quarter of FY21 by sustaining the delivery of critical capacity development (CD) services. These services are helping members advance their medium-term reform agenda and support policies to mitigate the impact of the COVID-19 pandemic. Engagement with members and regional partners remained strong through remote missions and webinars on fiscal, monetary, financial, and statistical issues. We continued to ensure that enough support is provided to our priority and non-Anglophone countries. This bulletin, inter-alia, offers an overview of the key CD services delivered during the first quarter of FY21 and the plan for the second quarter.

### EXECUTION OF THE FY21 WORK PLAN

#### Customs Administration By Philip Wood



**Angola:** AFS supported the Angolan Revenue Authority (AGT) with the design, structuring and implementation of a project management office and associated operational framework. This was undertaken as an integral part of the redesign of the organizational structure –the redesign

being required to support the delivery of the new strategic plan.

**Comoros:** A remote CD activity focused on supporting the customs department (Direction Générale des Douanes) 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 2017) customs valuation activity plan.

**Comoros:** Mentoring support has been provided to the Head of the Oils Unit to assist with the implementation of the agreed action plan for the establishment and operationalization of the unit. Procedural training has been designed and delivered on the control of petroleum products.

**Eswatini:** A mission supported the Swaziland Revenue Authority (SRA) to build the necessary skills and capacity to utilize data to assist with the identification of serious non-compliance, the aim being to increase revenues. The mission used a revised version of the Data Matching (DM) toolkit to train and guide the SRA through the activities required to undertake a DM exercise.

**Madagascar:** A mission worked to review and finalize the modernization program and to select and plan for the implementation of a suitable modernization program execution model. Support was also provided to finalize the monitoring and evaluation framework and to develop outline proposals for several new units that will be critical to the successful implementation of the modernization program.

**Seychelles:** A mission supported the Seychelles Revenue Commission (SRC) with the planning and implementation of a pilot project designed to automate entry processing procedures at Mahe Airport. A full range of implementation products and guidelines were provided for consideration to the SRC working group responsible for overseeing the project.

**Zambia:** A mission focused on supporting Zambia Revenue Authority with the implementation of the previously agreed National Intelligence Strategy. Support was also provided to strengthen the risk management capacity. -

**Zimbabwe:** A mission focused on supporting Zimbabwe Revenue Authority (ZIMRA) with the with the implementation of the previously agreed National Intelligence Strategy. Support was also provided to the customs Risk Management Unit



with the implementation of the previously agreed action plans. The National Intelligence Strategy has now been signed off by the Commissioner Revenue Assurance Division and work has commenced on setting-up the National Intelligence Unit.

**Zimbabwe:** A series of technical workshops were designed and delivered to 25 officers from the Customs Division of ZIMRA. Topics covered included customs valuation methodology, practical aspects of valuation control, risk management, establishing valuation databases, and strengthening of valuation infrastructure. In addition, facilitated sessions were held on transfer pricing and its specific relevance to customs valuation. A follow-up mission was agreed and ZIMRA is to prepare an activity plan to implement the key learning from the workshops.

**Zimbabwe:** A remote support was provided to develop capacity to carry out post clearance audits as part of a risk-based approach to compliance management.

## Tax Administration By Thabo Letjama



**Angola:** A mission strengthened the capacity of the Angola Revenue Authority's (AGT) new senior management team to effectively implement and manage a reform and modernization program. This support worked with AGT to map-out development needs for the Executive Leadership Team, which culminated in a design of a Leadership Development Program that was submitted for approval by AGT. Advice was also provided on implementation of the strategic and project management units. The annual strategic planning calendar was proposed and is scheduled to be rolled out in late July 2020.

**Comoros:** AFS supported to further strengthen the audit capacity of the large taxpayer office. The mission guided AGID to review the 2020 audit plan to reflect the impact of COVID-19 on revenues.

**Lesotho:** A follow-up mission supported the Lesotho Revenue Authority to strengthen compliance risk management and data analytics capacity. The mission worked with the LRA to review progress on implementation of risk management best practice and provided guidance on addressing challenges to implementation and advancing progress.

**Madagascar:** A mission contributed towards strengthening the capacity of the Madagascar Tax Administration- Direction Générale des Impôts (DGI) to better manage corporate priorities through effective risk management. The mission worked with the DGI to help in setting up a risk management unit and to better respond to the impact of COVID-19 on revenues. Another CD activity assisted the Madagascar Tax Administration – Direction Générale des Impôts (DGI) – to develop and implement a Taxpayer Services Strategy to improve voluntary compliance. This mission continued the development of the strategy that began during a remote mission in March 2020. The technical assistance also provided guidance on broader needs of the DGI in strategic planning and reform coordination. A series of webinars was also held and it guided DGI on strengthening compliance in the aftermath of COVID-19. The webinars were based on the series of FAD notes developed in response to the COVID crisis.

**Seychelles:** A series of three webinars guided the Seychelles Revenue Commission in strengthening compliance in the aftermath of COVID-19 and supported efforts to strengthen revenue management. Another mission assisted the SRC to develop a compliance improvement plan.

**Zambia:** A CD activity further strengthened the capacity of the Zambia Revenue Authority to advance progress in developing a compliance improvement plan (CPI). The mission provided advice to ZRA on review of the current CPI to incorporate measures required to mitigate the impact of COVID-19.



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

**Indian Ocean Commission (Webinar):** AFS delivered a training webinar to IOC officials on program-based budgeting. The IOC plans to roll-out PBB within the institution as part of a broader institutional strengthening program revolving around results-based management funded by the EU. The webinar was also an excellent outreach opportunity –with opening remarks from Secretary General of IOC, AFS/ATI Center Coordinator, Deputy Head of Mission from the EU, and President of the IOC Council.

**Angola (Webinar):** AFS organized a 4-day training (webinar) for 31 officers from different departments and units of Ministry of Finance on improving budget preparation and execution processes to respond to needs posed by COVID-19. The webinar provided a platform for the participants to exchange on measures taken by Angola in response to COVID19,

and to draw on the knowledge and experience of IMF experts on key topics including, (i) budget formulation and preparation; (ii) budget execution (control, cash-planning, accounting and reporting); and (iii) best practices to adjust PFM system and fiscal rules to better respond to COVID-19 needs.

**Botswana:** Based on the findings of the self-assessed PEFA 2018/2019 (among other recent PFM reviews/evaluations) a remote mission assisted the authorities develop a country-owned PFM reform strategy with achievable and measurable outcomes. The mission provided advice on identifying priority reforms that are essential for enhancing the credibility of the PFM system, to promote fiscal transparency, to manage fiscal risks more effectively, and on designing an effective PFM reform strategy.

**Comoros:** Two FAD/AFS missions supported the authorities in their efforts to put in place procedures and mechanisms for a sound and transparent management of expenditures linked to the COVID-19 pandemic. The mission worked closely with a multidisciplinary working group and identified areas that helped the authorities to address the country's fiscal response to the COVID-19 pandemic. The outcomes of this assistance included the enactment of an emergency decree, the preparation of supplementary budget (to be tabled in the parliament by October 2020), and the finalization of COVID-19 related accounting and reporting mechanisms.

**Madagascar:** A joint FAD/AFS CD mission assisted in implementing an effective and transparent management of donors' support-funds received to meet needs posed by COVID-19 pandemic. The mission was delivered remotely including remote conferences, facilitation of working groups and analytical work during the equivalent of 15 effective days spread over a period of more than two months. The mission helped the authorities in drafting an appropriate legal framework to ensure transparency in managing COVID-19-related funds. This legal framework has been adopted and published. The main outcomes of this assistance: the supplementary budget published and the COVID19 fund established.

**Mozambique:** A joint FAD/AFS CD mission supported the Mozambique Ministry of Economy and Finance in the preparation of the Fiscal Risk Statement 2021 and a Medium-Term Fiscal Framework (MTFF) informed by an assessment of the impact of Covid-19 on the economy. Officials learnt how to use FAD's new COVID-19 Fiscal Stress Test (FST) methodology to assess the impact of the lockdown and global pandemic on the Mozambican economy.

**Zambia:** A joint FAD/AFS CD mission supported the Zambia Ministry of Finance and Zambia Revenue Authority in revenue forecasting and preparation of a Medium-Term Fiscal Framework informed by an assessment of the impact of COVID-19 on the economy. Using FAD's new COVID-19 Fiscal Stress Test methodology, officials learnt how to prepare revenue forecasts and scenarios to assess the impact of the lockdown and global pandemic on growth, fiscal indicators and public debt.

**Zimbabwe:** A joint FAD/AFS CD mission supported the Zimbabwe Ministry of Finance and Economic Development and trained staff from the Macro Working Group on the FAD methodology for Fiscal Stress Tests. Staff learnt how to calibrate the new tool and estimated scenarios on the impact of the COVID-19 lockdown and duration of the confinement on Zimbabwe's macro-fiscal outlook.



### *Real Sector Statistics* *By Donna Grman and Achille Pegoue*

**Sub-regional Webinars:** Two national accounts webinars strengthened awareness on COVID-19 related challenges in compiling GDP. The webinars focused on (i) review 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.

### **Technical Assistance missions:**

**Angola:** A mission assisted the Instituto Nacional de Estatística to manage COVID-19 related challenges in compiling the CPI.

**Botswana:** A mission reviewed 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. Improvements were identified which Statistics Botswana is now working to implement.

**Comoros:** AFS assisted the National Institute of Statistics and Demographic Study to manage COVID-19 related challenges in compiling CPI. Key outcomes include: (i) demonstrating and discussing imputation methods for transacted and non-transacted goods and services; and (ii) assisting with developing a statement on the impact of COVID-19 on the CPI.

**Lesotho:** AFS assisted the Bureau of Statistics with updating the consumer price index.

**Namibia:** The review of the revised annual national account estimates was commenced with AFS support.

**Seychelles:** A mission reviewed the compilation of the rebased GVA estimates for select industries. The rebased annual national accounts estimates were due to be released at the end of July 2020, but this has been delayed to October 2020 due to the impact of COVID-19.

**Zambia:** AFS assisted with developing the producer price index. Key outcomes achieved include updating the selection of industries, updating the establishment sample and weights, and developing procedures for recruiting establishments.

**Zimbabwe:** A mission reviewed the 2019 annual national accounts rebased to the year 2019. It also reviewed progress made on the development of the quarterly national accounts and the implementation of recommendations made regarding the development of the regional GDP.

All technical assistance missions have been conducted remotely since March 2020 due to COVID-19 travel restrictions. The workplan assumes CD services will continue to be delivered remotely until the end of the fiscal year. Technical assistance missions planned for August to October include Lesotho, Namibia, South Africa and Botswana for National Accounts and Botswana for price statistics. A webinar on CPI business continuity will be held in August. A Joint AFC-AFW-AFS webinar on COVID-19 related challenges in compiling GDP for francophone countries and Joint AFC-AFW-AFW2-AFS webinar on COVID-19 related challenges in compiling GDP for Lusophone countries. TA missions will also cover Angola, Comoros, Eswatini, Madagascar, Zambia



### *Banking Regulation and Supervision* *By Benjamin Stefanou*

During the quarter AFS, in collaboration with Monetary and Capital Markets Department of IMF, hosted a series of webinars in banking supervision and regulation, and central bank operations. The overarching goals of the webinars were to make participants aware of the risks to the financial sector posed by the COVID-19 pandemic and to suggest policy responses. The events also facilitated exchanges between peers and provided a forum to share information on CD plans. The webinars included,

- a roundtable discussion on the banking regulatory and supervisory policy measures taken in relation to the COVID-19 pandemic. The webinar provided an overview of operational challenges posed by the pandemic to supervisors and suggested policy responses based on IMF/WB Notes (Special Series on COVID-19);
- a roundtable on cybersecurity of remote work during the pandemic, which provided an overview of current global cybersecurity issues and IMF MCM guidelines; and facilitated peer exchange on regulatory/supervisory responses to enhanced cybersecurity threats; and
- an insurance regulation and supervision roundtable which provided an overview of operational challenges posed by the COVID-19 pandemic to insurance supervisors and the IMF's suggested policy responses, based on IMF/WB Notes.

**Mozambique:** AFS undertook a mission to assist the Central Bank of Mozambique (CBM) with implementing Basel II and select elements of Basel III. The mission worked with the CBM to build the technical capacity for implementing Basel II/III. It specifically looked into the process of implementation of Pillar 2 of Basel II and reviewed the progress made by the authorities in implementing the recommendations of the previous missions. It also assisted the authorities in capacity building of the supervisory staff. The mission was undertaken remotely, due to travel restrictions.

### **Financial and Fiscal Law**

**Led by Legal Department of the IMF**

**Angola:** The Legal Department of the IMF provided remote support to the central bank on amendment to the Central Bank Law.

### **AFS TA REPORTS TRANSMITTED TO AUTHORITIES**

Members of the AFS Steering Committee are encouraged to register to access confidential TA-related information from the center's secure website. The site provides a broad range of information, including TA reports, status of milestones,

minutes of Steering Committee meetings, and forward-looking TA mission plans. To acquire access, please contact Mr. J. Kawal ([jkawaljeewan@imf.org](mailto:jkawaljeewan@imf.org)) or Mr. D. Chundunsing ([DChundunsing@imf.org](mailto:DChundunsing@imf.org)).

TA reports issued during the period May-July 2020 include,

Project	Country	Report Title
TADM	Lesotho	Compliance Risk Management and Data Analysis
RSS	Namibia	Report on National Accounts Mission
RSS	Botswana	Report on the National Accounts mission
CADM	Angola	Planejamento e Gestão Estratégica - 2020 – 2024: Elaborando a Estratégia during May 18 - June 5, 2020
CADM	Comoros	Renforcement de la fonction d'évaluation en douane
CADM	Madagascar	Strategic Planning and Reform Management
CADM	Comoros	Accises – Produits Pétroliers

## STAFF NEWS

**New Financial Market Infrastructures and Fintech Advisor:** Mr. Anrich Daseman will be joining AFS as the new advisor for the Financial Market Infrastructures and Fintech project. He will be succeeding Ms. Faith Stewart, whose contract ended on March 8, 2020. Pending the lockdown, AFS expects him to start his assignment remotely from South Africa with an effective date of September 1, 2020.

## FORTHCOMING CD ACTIVITIES

AFS FY21 plan includes a number of webinars/seminars and courses —some jointly with other AFRITACs, ATI, Indian Ocean Commission, and COMESA —to help countries address capacity gaps in core areas. As highlighted above, a series of webinars were held and more are planned in the rest of the year to ensure that vital training needs of countries in the region are met amid an extended lockdown condition. The table below provides the CD activities, including webinars conducted/planned in the second quarter (August-October 2020).

Project	Country	Start Month	CD activity
PFM	Angola	2020/08	Medium-Term Fiscal Framework and Fiscal Risks
CADM	Botswana	2020/08	Leadership Management Development Phase II
TADM	Botswana	2020/08	Further enhancing compliance of the Finance Sector
PFM	Botswana	2020/08	Fiscal risks -SOE oversight
PFM	Comoros	2020/08	Medium-Term Fiscal Framework
CADM	Comoros	2020/08	Risk Management
TADM	Madagascar	2020/08	Tax Arrears
TADM	Madagascar	2020/08	Strategic Management
CADM	Madagascar	2020/08	Project Management Phase II
CADM	Mauritius	2020/08	Intelligence
CADM	Namibia	2020/08	Data Matching Phase 2
TADM	Zimbabwe	2020/08	Follow up on Audit (Telecoms)
RSS	Angola	2020/08	COVID-19 National Accounts - Compilation of rebased national accounts series
RSS	Lesotho	2020/08	National Accounts- Development QGDP and commence rebase of ANA
RSS	AFRITAC South	2020/08	Training: Webinar on CPI Business Continuity (with EDD2)
RSS	AFRITAC South	2020/08	Training (Regional): Covid 19 challenges in compiling GDP- French
RSS	Zambia	2020/08	National Accounts-GDP Rebasing
PFM	Botswana	2020/09	Macro frameworks and fiscal reporting
PFM	Comoros	2020/09	Budget Execution and Control - Accounting and Cash Management
PFM	Eswatini	2020/09	Budget Execution and Control - Commitment Control and Arrears Management
CADM	Eswatini	2020/09	Data Matching Phase 2
TADM	Eswatini	2020/09	Enhance Compliance of the Insurance Sector
PFM	Lesotho	2020/09	PFM Law and Institutions - review new PFM act and regulations
CADM	Madagascar	2020/09	Legislation
TADM	Madagascar	2020/09	Enterprise Risks and Internal Controls
PFM	AFRITAC South	2020/09	PBB/RBM for Indian Ocean Commission (IOC)
PFM	AFRITAC South	2020/09	Webinar on Fiscal Risks and Debt Sustainability Analysis in Low Income Countries
PFM	Mozambique	2020/09	Training on using PFRAM to analyze risks from PPP
PFM	Mozambique	2020/09	Assessing macroeconomic impact of COVID19
TADM	Namibia	2020/09	Strategic Management

Project	Country	Start Month	CD activity
CADM	South Africa	2020/09	Legislation
CADM	Seychelles	2020/09	Business Continuity Planning (Phase I)
CADM	Seychelles	2020/09	Customs Clearance Procedures (Phase II)
TADM	Zimbabwe	2020/09	Strategiy Setting and RMTF Review
BSR	Botswana	2020/09	(COVID) Stress Testing
BSR	Comoros	2020/09	(COVID) Basel II/III
BSR	Lesotho	2020/09	(COVID) Risk-Based Supervision
RSS	AFRITAC South	2020/09	Training (Regional): National Accounts
RSS	Eswatini	2020/09	National Accounts- Seasonal adjustment of quarterly GDP
RSS	Madagascar	2020/09	National Accounts- Development of quarterly GDP series at current prices
PFM	Angola	2020/10	Follow up mission on Public Investment Management
CADM	Seychelles	2020/10	Customs Valuation
CADM	Comoros	2020/10	Legislation
PFM	Eswatini	2020/10	Budget preparation - MTBF to support fiscal adjustment strategy
TADM	Madagascar	2020/10	Data Analysis
PFM	AFRITAC South	2020/10	Webinar --Building Resilience to Natural Disasters and Climate Change
PFM	Mauritius	2020/10	Budget Preparation - PIM selection and preparation
PFM	Namibia	2020/10	Budget Preparation - Strengthen the medium term budget formulation framework
TADM	AFRITAC South	2020/10	ATAF meeting --4th High Level Tax Policy Dialogue
TADM	Zimbabwe	2020/10	Leadership and Change Management
TADM	Zimbabwe	2020/10	Audit Capacity
PFM	Zimbabwe	2020/10	Fiscal risks- Fiscal risks from SOEs and PPPs
FFL	Comoros	2020/10	TAX - Customs
FMI	Angola	2020/10	AFS: Diagnostic
BSR	South Africa	2020/10	Training Risk-Based Supervision
RSS	Angola	2020/10	National Accounts- Seasonal adjustment of quarterly GDP
RSS	Botswana	2020/10	Rebasing national accounts and QNA improvement
RSS	Botswana	2020/10	Price Statistics- PPI development
RSS	Comoros	2020/10	National Accounts- Compilation of the 2018-2019 national accounts
RSS	Seychelles	2020/10	National Accounts- Rebasing ANA
RSS	South Africa	2020/10	National Accounts- Seasonal Adjustment
RSS	Zimbabwe	2020/10	Price Statistics- Development of workplan for CPI and PPI

PFM-Public Financial Management; TADM-Tax Administration; CADM-Customs Administration; BSR-Banking Supervision and Regulation;

MFxMO-Money and Foreign Exchange Market Operation; RSS-Real Sector Statistics; FFL-Financial and Fiscal Law

Note: Some dates are yet to be confirmed by authorities. AFS plan also includes remote TA to Mozambique and Namibia on BASEL II/III and to Lesotho on risk-based supervision.

Note: The above activities will be held remotely –some may be carried forward to the second semester.

