



AFRITAC South Steering Committee Meeting
(June 27-28, 2024--Hybrid)
Lehakoe Recreational and Cultural Center, Maseru, Kingdom of Lesotho

CHAIRMAN'S CLOSING REMARKS

Capacity Development (CD) remains critical for the region. We are not guessing. We know because 1. CD demand is continually growing, 2. Members, by their own admission, indicate they prefer AFS Technical Assistance (TA) compared to that of other TA providers.

We have noted and welcome the CD delivery philosophy of FIT – Flexible, Integrated and Targeted.

If your look at the newer workstream of Institutions and Anti-corruption.

Ex 1: Many surveillance missions in member states point to State Owned Enterprises (SOEs) as sources of fiscal risks. SOE failures are down to mis-governance in most instances. Some of you who are observant may have seen on the street poles placards written "LEC in Financial Mess". That is the case in point.

Ext. 2 AML/CFT supervision is nascent in most own jurisdictions and capacity needs are huge. More than that, it extends beyond traditional economic institutions – the revenue admin authorities, statistical agencies, finance and economy ministries and central banks. Law Enforcement Agencies (LEAs), Anti-Corruption Agencies and professional bodies need AML/CFT supervision capacity.

AFS may have to consider the feasibility of bringing these into the fold. With that consideration, come member responsibility to reconsider their contributions quantum.

The 2 panel discussions focused on two critically important topics.

- Digitalization of Finance Treasury Processes is a critical step of Public Financial Management (PFM) strengthening. All members get this as a development area in their Article IV reports.
- Development of Local Currency Bond/Debt Markets is a key step towards addressing the enormous financing gap in the region and in the continent. More so in the face of declining Official Development Assistance (ODA) flows, and other bilateral loan disbursements.

Having considered the FY24 CD execution review and the FY25 works program we have noted and approved a slight increase in CD volume between the two fiscal years. All in all, the current level of CD assistance is maintained.

Our funding position, if things do not improve, dictates that next year, this time when FY26 workplan is considered, it will represent a significant cutback, which is something the members cannot afford.

With these remarks, I thank everyone; Sukhwinder and the team for the tremendous work that you are doing; the meeting participants for your attendance and participation, our organizing team made up staff of the CBL, RSL and MOFDP, the support of the Lesotho Mounted Police Service (LMPS) that enabled our mobility through the city.