

**REGIONAL TECHNICAL
ASSISTANCE CENTER
FOR EAST AFRICA**



**ANNUAL
REPORT
2024**



AFRITAC East is an IMF initiative supported by the following member countries and development partners:



Eritrea



Ethiopia



Kenya



Malawi



Rwanda



South Sudan



Tanzania



Uganda



Ministry of Foreign Affairs of the Netherlands



European Union



Federal Ministry for Economic Cooperation and Development



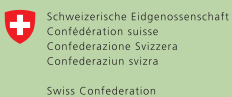
China



UK International Development
Partnership | Progress | Prosperity



Norwegian Ministry of Foreign Affairs



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



**REGIONAL TECHNICAL
ASSISTANCE CENTER
FOR EAST AFRICA**



**ANNUAL
REPORT
2024**



ACRONYMS AND ABBREVIATIONS

ACH	Automated Clearing House	DP	Development Partner
AFE/Center	AFRITAC East	DRM	Domestic Revenue Mobilization
AFRITAC	Africa Regional Technical Assistance Center	EAC	East African Community
ATS	Automated Transfer System	FAD	Fiscal Affairs Department (IMF)
BCG	Budgetary Central Government	FCS	Fragile and Conflict-Affected States
BoSS	Bank of South Sudan	FDI	Foreign Direct Investment
CBDC	Central Bank Digital Currency	FMI	Financial Market Infrastructure
CBM	Coordinated Border Management	FPAS	Forecasting and Policy Analysis System
CBT	Climate Budget Tagging	FPP	Financial Programming and Policies
CCCDI	COVID-19 Crisis CD Initiative	FPW	Field Person Weeks
CD	Capacity Development	FSR	Financial Supervision and Regulation
C-PIMA	Climate-Public Investment Management	FX	Foreign Exchange
CSD	Central Securities Depository	GFS	Government Finance Statistics
DAC	OECD Developmental Assistance Committee	GFSY	Government Finance Statistics Yearbook
DMD	Debt Management Directorate	ICD	Institute for Capacity Development (IMF)

ICT	Information and Communications Technology	Q-CRAFT	Quantitative-Climate Risk Assessment Fiscal Tool
IDRAS	Integrated Domestic Revenue Administration System	QPM	Quarterly Projection Model
IFMIS	Integrated Financial Management Information System	RA	Revenue Administration
IFRS	International Financial Reporting Standards	RBM	results-based management
IMF	International Monetary Fund	RRA	Rwanda Revenue Authority
IPSAS	International Public Sector Accounting Standards Board	RSF	Resilience and Sustainability Facility
ISORA	International Survey of Revenue Administration	RSS	Real Sector Statistics
MCM	Monetary and Capital Markets Department (IMF)	RTGS	Real-Time Gross Settlement System
MFP	Macrofiscal Policy	SOE	State-Owned Enterprise
MONOPS	Monetary Operations and Policy	SSA	Sub-Saharan Africa
MTEF	Medium-Term Expenditure Framework	SSMFF	South Sudan Macro-Fiscal Framework
MTRS	Medium-Term Revenue Strategy	TADAT	Tax Administration Diagnostic Assessment Tool
PFM	Public Financial Management	TA	Technical Assistance
PFMI	CPSS/IOSCO Principles for Financial Market Infrastructures	TRA	Tanzania Revenue Authority
PSDS	Public Sector Debt Statistics	TSA	Treasury Single Account
		VAT	Value-Added Tax

CONTENTS

ii

Acronyms and Abbreviations

iv

Contents

vii

Opening Remarks

Mr. Albert Mwenda,
Director General of the Budget,
Fiscal and Economic Affairs,
National Treasury, Kenya.

1

SECTION I

Executive Summary

2 Executive Summary

5

SECTION II

Execution FY2024
(May 2023–April 2024)

6 **A** The Macroeconomic Context

10 **B** Implementation of the
Action Plan on the Midterm
Evaluation of Phase IV

12 **C** Budget and Financing Issues

13 **D** AFRITAC East Operations

18 **E** Revenue Administration

21 **F** Public Financial Management

25 **G** Macroeconomic Analysis

28 **H** Financial Supervision and
Regulation

31 **I** Monetary Policy and
Operations

34 **J** Financial Market
Infrastructure and Payments

36 **K** Forecasting and Policy
Analysis System

37 **L** Real Sector Statistics

38 **M** Government Finance
Statistics

41 **N** Other CD Programs Hosted
at AFRITAC East

46 **O** Work on Regional Issues
(EAC)

49 **P** Attachments, Mentoring,
and Sharing of Regional
Experience

50 **Q** Regional Training and
Webinars

60

SECTION III

Work Program for FY2025

61 **A** Overview

65 **B** Revenue Administration

66 **C** Public Financial Management

67 **D** Macroeconomic Analysis

68 **E** Financial Sector Supervision
and Regulation

69 **F** Monetary Policy and
Operations

70 **G** Financial Market
Infrastructure & Payments

71 **H** Forecasting and Policy
Analysis System

72	I	Real Sector Statistics
73	J	Government Finance Statistics
74	K	Other CD Programs Hosted at AFRITAC East
75	L	Work on Regional Issues (EAC)
76	M	Attachments, Mentoring, and Sharing of Regional Expertise
77	N	Regional Training/ Webinars

78

SECTION IV

Informational annexes

FIGURES

7	Figure 1.	Sovereign Spreads, 2022-24	34	Figure 12.	AFRITAC East: Status of the FMI Outcomes
7	Figure 2.	External Funding Flows of the Public Sector	36	Figure 13.	AFRITAC East: Status of the FPAs Outcomes
8	Figure 3.	Geopolitical Risk and Shipping Costs, 2016-23	37	Figure 14.	AFRITAC East: Status of the REal Sector Statistics Outcomes
9	Figure 4.	Macroeconomic Developments in sub-Saharan Africa and the AFRITAC East Region	38	Figure 15.	AFRITAC East: Status of the GFS Outcomes
14	Figure 5.	Planned versus Actual Resources, in Field Person Weeks (FPWs)	59	Figure 16.	AFRITAC East: Workshop Training Participants over FY2024
14	Figure 6.	AFRITAC East Activities Outturns (FPWs), FY2020-24	64	Figure 17.	Resources Distribution by Country and Sector, FY2025
14	Figure 7.	Distribution of (in FPWs) Resources by Country and Sector, FY2024			
19	Figure 8.	AFRITAC East: Status of Revenue Administration Outcomes*			
21	Figure 9.	AFRITAC East: Status of the Public Financial Management Outcomes			
28	Figure 10.	AFRITAC East: Status of the Financial Supervision and Regulation Outcomes			
31	Figure 11.	AFRITAC East: Status of the Monetary Policy and Operations Outcomes			

TABLES

- 15 **Table 1.** Resources, Field Person Weeks (FPWs)*, FY2024
- 15 **Table 2.** Allocation of Resources by Country, FY2024
- 15 **Table 3.** Allocation of Resources by Sector, Field Person Weeks (FPWs), FY2023
- 59 **Table 4.** Training Participants Over FY2024
- 61 **Table 5.** AFRITAC East: Planned Resources, Field Person Weeks (FPWs), FY2025
- 62 **Table 6.** IMF AFRITAC East: Strategic Logframe, FY2022
- 63 **Table 7.** Allocation of Resources by Sector, Field Person Weeks (FPWs), FY2025
- 64 **Table 8.** Allocation of Resources by Country, Field Person Weeks (FPWs), FY2025
- 64 **Table 9.** Allocation of Resources by Country and Sector, Field Person Weeks (FPWs), FY2025

BOXES

- 16 **Box 1.** 20 Years of Building Macroeconomic Institutions
- 19 **Box 2.** Navigating Customs Valuation: Challenges and Opportunities
- 20 **Box 3.** Transforming Revenue Administration through Coordination of Partner Support
- 20 **Box 4.** Building a Modern Tax System for Tanzania: Tanzania Revenue Authority and AFRITAC East Partnership
- 23 **Box 5.** Integrating Climate Budget Tagging in the Budget Preparation Process
- 26 **Box 6.** Analyzing Climate Change Fiscal Risks in East Africa
- 30 **Box 7.** Management and Supervision of Climate-Related Financial Risks in Banking
- 33 **Box 8.** The Transitioning to Greater Exchange Rate Flexibility in AFRITAC East Countries
- 35 **Box 9.** The Status of Modernization of Payment Systems in AFRITAC East Countries
- 40 **Box 10.** Tanzania's Journey Toward Fiscal Transparency through Government Finance Statistics Dissemination
- 43 **Box 11.** Striving for Debt Transparency: South Sudan's Journey
- 45 **Box 12.** Unlocking Revenue Growth: The Crucial Role of Reform Governance in Medium-Term Revenue Strategy Implementation
- 48 **Box 13.** Forecasting and Policy Analysis System Modeling: Peer-to-Peer Learning and Country Improvements
- 52 **Box 14.** Advancing Public Investment Management through Regional Collaboration

OPENING REMARKS:



Mr Albert Mwenda,
Director General of the Budget,
Fiscal and Economic Affairs,
National Treasury, Kenya.

OPENING REMARKS TO THE 26TH AFRITAC EAST STEERING COMMITTEE MEETING AND SEMINARS

(DAR ES SALAAM, TANZANIA, JULY 10 - 11, 2024)

Dear Members of the Steering Committee, Representatives of member countries, Development partners and IMF staff, Ladies and gentlemen,

On behalf of Principal Secretary: Dr. Chris K. KIPTOO, the chair of this Steering Committee, a very warm welcome to the 26th Steering Committee meeting and seminars here in the beautiful city of Dar es Salaam. As is now our tradition, we are convening in a hybrid format, with some participants joining us remotely. Whether you are here in person or virtually, your presence is highly valued as we discuss matters concerning capacity development for the region.

I want to begin by acknowledging the Steering Committee members from all member countries. Your participation is crucial, as your feedback and guidance are integral to the management of AFRITAC East. The Steering Committee plays a vital role in overseeing the center's operations and providing strategic direction to its programs. We are here to listen to your insights and recommendations to continue propelling this initiative in the right direction.

I would like to begin by recognizing the presence of senior officials from the IMF: Ms. Catherine Pattillo, Deputy Director of the African Department, Mr. Franck Bousquet, and Ms. Michaela Erbenova, both Deputy Directors of the Institute for Capacity Development. We look forward to engaging discussions on the IMF's capacity-building efforts in the region, as well as the updated IMF capacity development strategy aimed at providing more flexible, integrated, and tailored assistance.

Additionally, I recognize the presence of our development partners. The impactful work of AFRITAC East during the past 20 years would not have been possible without your steadfast support. Your commitment has made a difference in assisting the region in building capacity for macroeconomic management. Our member countries have made significant progress over the past two decades. On behalf of my fellow member country representatives, I extend our sincere appreciation for your unwavering support. I would also like to welcome the observers of our meetings.

Ladies and gentlemen,

Member countries in the region are recovering from a series of shocks over the past four years. We faced the COVID-19 pandemic and its economic disruptions, the global inflation that led to a cost-of-living crisis, and various climate-related disasters such as floods, droughts, and landslides. These challenges have pushed millions into extreme poverty and placed significant strain on our public finances. We have witnessed the rapid accumulation of public debt, high borrowing costs, and reduced access to international capital markets.

These tight financing conditions have shrunk public spending for vital sectors like education, infrastructure, and food security. They have also reduced our ability to protect vulnerable communities, especially from climate-related disasters and extreme poverty. Indeed, they have exacerbated the ongoing challenge of mobilizing revenue to fund the Sustainable Development Goals. A recent IMF study indicates that countries in sub-Saharan Africa are at risk of missing their Sustainable Development Goals by 2030.

While our economies are yet to attain full recovery, the future is promising. Authorities in the region have done a tremendous job in navigating the recent challenges, demonstrating enhanced capacity in macroeconomic management built with the help of AFRITAC East over the past 20 years. For instance, in 2024, real GDP in the region is expected to grow at 5.2 percent, considerably higher than the sub-Saharan average of 3.4 percent, and last year's growth of 4.9 percent. Inflation in the region is on a downward trend, thanks to member countries' vigilant monetary policies. However, inflation remains elevated in some member countries. Debt-to-GDP ratios are high in some countries, and determined fiscal efforts are expected to stabilize them.

Ladies and gentlemen,

Throughout these turbulent years, IMF AFRITAC East has provided tailored support to member countries to address our long-term reform agenda and accommodate emerging challenges. The center's agility in delivering its programs has been instrumental in helping countries navigate recent difficulties. Its presence on the ground, with experts in the field, has enabled it to adapt quickly to changing needs and priorities. I take this opportunity to congratulate AFRITAC East on the quality of support provided to member countries.

However, the center is not without its challenges. Difficulties in scheduling missions and frequent postponements and cancellations have been common as authorities prioritized immediate problems. Additionally, some member institutions have not appointed capacity development coordinators to facilitate work programming. Financing agreements for member country contributions have also been delayed, with six countries yet to sign the agreement.

Considering these challenges, I call upon my fellow counterparts to improve our coordination with the center and expedite the signing of contribution agreements. We must demonstrate our commitment to, and ownership of, the center's capacity development programs.

To further appreciate the work of the center—its success and the lessons learned—a new book has been published covering 20 years of its existence since 2002. We have some sample copies here today, and you can also find them on the center's website or request the center to send a copy to you later.

Ladies and gentlemen,

Let me now turn your attention to the agenda for today and tomorrow. We have a full and exciting agenda ahead of us. After the opening, we will hear the IMF's perspectives on the role of regional centers in the IMF capacity development strategy and the financial support available from some development partners. Then, we are going to have thematic topic discussions focusing on member countries' achievements and experiences. We have a distinguished lineup of experts and panelists for each topic, as outlined in our agenda, which is to be approved shortly.

Subsequently, in the second half of tomorrow, we will discuss the center's operations for FY 2024 and the proposed work program and budgets for FY 2025. We are expected to endorse the work program and budgets for FY 2025. Please note that while most sessions are open for all to participate, some sessions are closed, relevant only to the Steering Committee members.

With these remarks, I declare the 26th Steering Committee meeting officially open.

Thank you very much for your attention.

SECTION I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



Xiangming Li
Center Director.

Sub-Saharan Africa (SSA) is on an upward economic trajectory after four tumultuous years, showing improvements in macroeconomic indicators and a promising future. Notably, median headline inflation has declined from around 10 percent in November 2022 to approximately 6 percent in February 2024, thanks in part to monetary policy tightening across the region. Fiscal policy efforts have also reduced the median fiscal deficit to 4.0 percent of GDP in 2023, the lowest since the COVID-19 pandemic began. Consequently, public debt ratios have stabilized at around 60 percent of GDP in 2023 and are anticipated to decrease further this year.

Despite these improvements, the region continues to face a funding squeeze, with high borrowing costs and rollover risks. A combination of a decrease in external financing sources and an increase in external

debt service has led to the lowest net external flows for governments since the global financial crisis. Traditional funding sources, including Official Development Assistance (ODA), have declined, prompting governments to explore alternative options like commercial debt, which in turn raises interest payments.

The tight financing conditions have necessitated reduced public spending, constraining resources for vital sectors like education, infrastructure, and food security. Furthermore, SSA is grappling with the adverse effects of climate change, including severe droughts, floods, and cyclones, hindering development efforts and straining government resources.

Despite these challenges, SSA's economic growth is projected to increase from 3.4 percent in 2023 to 3.8 percent in 2024, with further stabilization expected in the medium term. The outlook is contingent on effective implementation of macroeconomic policies and structural reforms, as well as external risks, including global economic development.

Against this background, the work of the Center continues to be geared toward supporting the implementation of macroeconomic policies and structural reforms in member countries.

- In the fiscal area, the focus is on rebuilding fiscal buffers and reducing debt through both revenue efforts and spending efficiency. On the revenue side, the focus is on boosting revenue through simplified tax policies and strengthened revenue administration. Besides supporting member countries in enhancing budgetary processes, spending control, and reporting, the Center is working with countries to incorporate climate considerations in the budgetary process and enhance the management of state-owned enterprises (SOEs) to contain contingent fiscal liability. Supporting countries in improving debt management and developing domestic financial market is another important work area. Leveraging digital technology has been a key element in enhancing efficiency in revenue administration and public financial management (PFM).
- In the monetary and financial sector area, the Center continues to (1) support countries to transition to an interest rate-based monetary policy framework, developing operational frameworks, tools, and financial market infrastructure, and (2) strengthen financial sector supervision through enhancing risk-based supervision, cybersecurity, and insurance and capital markets

supervisory frameworks. Support is also provided on evaluating the use case and feasibility of central bank digital currency (CBDC) and other e-money, supervising fintech, and integrating climate risks into the oversight of the financial systems.

- In the statistics area, ongoing efforts aim to enhance the frequency, timeliness, coverage, and quality of fiscal and real sector statistics. Providing timely and accurate macroeconomic data is essential for conducting sound policy analysis and making well-informed decisions. Assistance is also being provided to develop high-frequency economic indicators that can track rapidly evolving economic conditions.
- In the cross-cutting area, the Center assists countries in building resilience and promoting inclusive growth, including efforts to address gender inequality. This is accomplished through conducting training workshops and seminars aimed at enhancing member countries' capacities. Aligning with the IMF's ongoing initiatives to bolster support for fragile and conflict-affected states (FCS), the Center is also scaling up its assistance in these nations. This increased support is being provided in close coordination with headquarters and country teams to tailor the assistance to the specific needs of the respective authorities.

The Center's activities in FY2024 increased by around 10 percent. As the risk from COVID-19 subsided, AFRITAC East fully resumed its in-person missions, which are usually the preferred mode of delivery by member countries. The execution rate was 84 percent of the work plan in FY2024. Besides the full resumption of in-person missions, the acceleration in implementation is aided by the Center's agility in managing the work

plan, which was adjusted in response to changing priorities in capacity development of member countries and the integration of new tasks in line with member countries' responses to various socioeconomic challenges and political circumstances.

During the year, there has been progress towards outcomes under the RBM framework. The simple average of the share of fully or largely achieved outcomes have increased from 36 percent in FY2023 to 43 percent in FY2024. Notable achievements in FY2024 include:

- **Revenue administration.** Malawi, Tanzania, and Uganda worked on adopting new digital technologies by reforming their information and communications technology (ICT). Several countries worked on improving their core tax functions, including taxpayer registration and policy (Eritrea), value-added tax (VAT) (Malawi) and excise (Ethiopia) audits, compliance improvement plan for multinationals (Uganda), data analytics for both tax and customs (Kenya and Malawi), and post clearance audit (Malawi). In addition, South Sudan commenced the domestication of the East African Community (EAC) customs instruments, and Ethiopia worked to strengthen customs risk management and intelligence. Customs administration diagnostic assessments and Tax Administration Diagnostic Assessment Tool (TADAT) were conducted in Tanzania. Rwanda continues to implement the medium-term revenue strategy (MTRS), Kenya has approved its first MTRS, and Tanzania's first MTRS is expected to be approved in 2024. In addition, the Center supported member countries on areas such as modernization of customs procedures for the African Continental Free Trade Area, gender in taxation, tax gap analysis, and

digital tax administration through workshops, in collaboration with headquarters, Africa Training Institute, and the World Bank.

- **Public financial management.** Kenya and Malawi improved their budget preparation manuals. Rwanda developed a planning and budget outlook paper (PBOP), published climate budget guidelines, and drafted its first climate budget statement. Malawi continues to improve its budget execution processes and reporting as well as the SOE oversight. Meanwhile, Rwanda and Zanzibar are working to implement accrual accounting based on the International Public Sector Accounting Standards Board (IPSAS), and South Sudan received a new PFM adviser, complementing the work provided by AFRITAC East. Uganda approved a new cash management framework, and Kenya developed its climate tagging guidelines.
- **Macroeconomic analysis.** Eritrea received training on financial programming and policy, and South Sudan continued to strengthen the linkages between macroeconomic analysis and the budget. On climate change, Kenya, Uganda, and Rwanda made efforts to assess and address longer-term climate fiscal risks as well as specific risks for SOEs and public-private partnerships. These three countries also commenced the effort to integrate climate change considerations into the Public Investment Management Framework. In particular, AFRITAC East assisted headquarters-led missions to support Kenya and Uganda in completing C-PIMA. Additionally, Tanzania (Zanzibar) and Malawi strengthened their fiscal oversight of SOEs through training and hands-on support with IMF tools.

- **Financial supervision and regulation.** AFRITAC East member countries continued working on upgrading banking regulations and operational processes, enhancing supervisory capacity and competence to implement risk-based supervision and the latest accounting standards in the insurance sector, and strengthening supervisory approaches and assessment frameworks in the securities markets.
- **Monetary policy and operations.** Tanzania published its foreign exchange (FX) intervention policy, adopted an interest rate-focused monetary policy framework, and published a policy rate, a major step in modernizing its monetary policy operational framework. Rwanda was supported in developing its FX market to address macroeconomic imbalances, whereas Ethiopia received support in further operationalizing open-market functions and standing facilities.
- **Financial market infrastructure and payments.** Kenya worked on finalizing the self-assessment of the real-time gross settlement system and initiating a review of the oversight framework. South Sudan tackled operationalizing the national payment system department, drafted rules and regulations for the automated transfer system (ATS) and received support for further development of the business requirements and specifications for the real-time gross settlement system (RTGS) and to develop the project plan to implement the ATS.
- **Forecasting and policy analysis.** Kenya worked to improve its model-based forecasting and policy analysis, focusing on improving the quarterly projection model (QPM). Rwanda incorporated climate risks into nowcasting. EAC countries

exchanged insights on using nowcasting and quarterly projection models to improve monetary policymaking during a workshop.

- **Real sector statistics.** Uganda published its first-ever quarterly GDP by expenditure, and work on the monthly indicator of economic activity has been progressing well. The Uganda Index of Industrial Production is being updated to a new base. Tanzania and Malawi are about to start integrating tax data in national accounts compilation. Tanzania is preparing source data for the next benchmark and to support the compilation of institutional sector accounts. Staff training was conducted in Kenya, Rwanda, and Ethiopia, which increased the capacity of the new national accounts' compilers.
- **Government finance statistics.** For the first time since FY2018/19, Tanzania (mainland) uploaded government finance statistics (GFS) data to the IMF statistics database, covering annual GFS for the budgetary central government (BCG) from FY2019/20 to FY2022/23. Further, marking the first time in history, South Sudan disseminated GFS data to the IMF statistics database, covering annual data for BCG for FY2021/22 and FY2022/23.
- **Debt management.** Ethiopia, Kenya, South Sudan, Tanzania, and Uganda have worked to assess and improve their respective government securities markets and debt management frameworks to enhance their efficiency and functionality. South Sudan has developed an Excel spreadsheet-based database to host public debt management information, whereas Uganda is exploring sustainable debt instruments to scale up financing for sustainable development and climate

action. Rwanda is streamlining the process of projecting public debt under a variety of scenarios using an Excel-based Public Debt Dynamics Tool (DDT).

The Center took stock of the progress, success factors, and challenges over 20 years of CD delivery in the region (Box 1). The analysis reveals significant progress across AFRITAC East workstreams. In public financial management and macrofiscal policy, notable progress has been made in budgetary and accounting classifications, cash management, budget execution and fiscal forecasting capacities. Revenue administrations have enhanced organizational design, policy formulation, and adopted modern practices to improve compliance management. Bank supervisors have made substantial strides in implementing risk-based supervision and applying consolidated supervision. Statistics authorities have improved the timeliness, frequency, and coverage of real sector and government financial statistics. However, there is still ample room for improvement and modernization to address remaining challenges. For example, despite progress in many areas of revenue administration, the tax-to-GDP ratio in AFE countries remains low relative to the resources needed for funding development needs, pointing to the need for holistic reforms. Key lessons learned include the importance of countries' ownership of reforms, resource availability, and tailoring support and advice to each country's specific circumstances to achieve success. This calls for continuing to promote synergy between CD with surveillance and lending within the IMF, engage closely with authorities, and coordinate with development partners to secure countries' commitment and achieve efficiency.

SECTION II

EXECUTION FY2024
(MAY 2023-APRIL 2024)

A

THE MACROECONOMIC
CONTEXT¹

Sub-Saharan Africa's (SSA) economy appears to be gaining strength after four turbulent years, with a brighter horizon ahead. This is reflected in continued improvement in macroeconomic imbalances with declining inflation and strengthened fiscal balances (Figure 4). The median headline inflation dropped from nearly 10 percent in November 2022 to about 6 percent in February 2024, partly due to monetary policy tightening across many countries in the region. Fiscal policy efforts have lowered the median fiscal deficit to 4.0 percent of GDP in 2023, the lowest since the pandemic started. As a result, public debt ratios have stabilized at around 60 percent of GDP in 2023 and are expected to decrease this year.

Capital inflows also show tentative signs of returning. In early 2024, three countries in the region successfully issued euro bonds after a hiatus of nearly two years, and the sovereign spread narrowed (Figure 1). Furthermore, foreign direct investment (FDI) picked up in selected countries in the region, with

the inflow increasing to 2.0 percent of GDP in 2023 and announced FDI projects up by 10 percent compared with the previous year.

Despite the progress, the region still faces tight financial constraints, with high borrowing costs and rollover risks. Preliminary data show that in 2023, external financing sources for the public sector decreased, and external debt service increased. Consequently, net external inflows for the region's governments reached the lowest level since the global financial crisis (Figure 2). Particularly, one important financing source for the region, Official Development Assistance (ODA), has seen a steady decline as a percentage of the region's GDP over the past 15 years. As countries have turned to more expensive financing sources, government interest payments have risen. In 2023, interest payments consumed 12 percent of revenues (excluding grants) for the median SSA country, more than double from a decade ago. The funding pressure is likely to persist as significant external debt repayments are approaching, including \$5.9 billion on Eurobonds in 2024,

increasing to \$6.2 billion in 2025, and hefty repayments on syndicated and bilateral loans over the next two years.

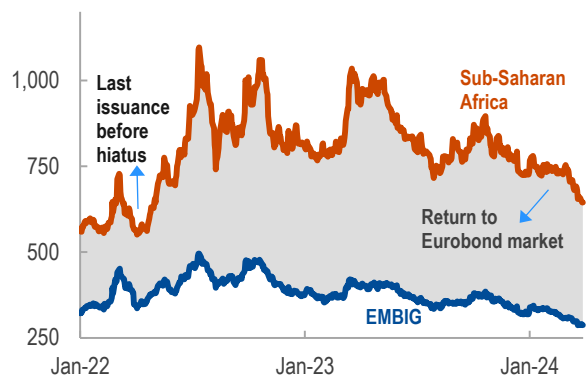
This tight funding condition has reduced fiscal space to finance development. Many countries have resorted to reducing public spending, including on education, infrastructure, and food security. Enrollment of school-aged children in primary and secondary education remained low, at 30 percent. An estimated 140 million people across the region in 2023 are faced with acute food insecurity. Meanwhile, limited fiscal space has constrained policymakers' efforts to respond effectively.

Similarly, the borrowing costs of the private sector has also risen. The real prime rate for countries with data has more than doubled in 2023, rising from about 2 percent to over 4 percent. Private sector development is further constrained in several countries that are facing foreign currency shortages or import restrictions. These tight financial conditions impede economic development.

¹ The macroeconomic context draws heavily on the April 2024 *Regional Economic Outlook for Sub-Saharan Africa*.

FIGURE 1. SOVEREIGN SPREADS, 2022-24

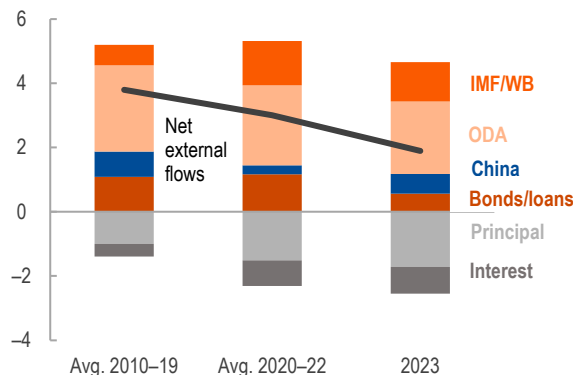
(Basis points, simple average)



Sources: Bloomberg Finance, L.P. ; and IMF staff calculations. Note: Note: Sub-Saharan Africa includes Angola, Côte d'Ivoire, Gabon, Ghana, Kenya, Mozambique, Namibia, Nigeria, Senegal, South Africa. EMBIG = Emerging Market Bond Index Global. Data up to March 29, 2024.

FIGURE 2. EXTERNAL FUNDING FLOWS OF THE PUBLIC SECTOR

(Percent of GDP)



Sources: Dealogic; IMF, World Economic Outlook database; World Bank, International Debt Statistics database, and IMF staff calculations.

Note: Excludes South Africa due to data constraints; but tentative estimates suggest that adding the country to the sample would not change the overall results. Data for 2023 are estimates. "Bonds" pertain to Eurobonds issued before May 2022. "Loans" cover both syndicated and bilateral bank loans. Principal and interest denote payments on public and publicly guaranteed debt.

Climate change is also adding to the vulnerability of the region, weighing on agricultural yields and labor productivity. SSA has faced severe droughts, floods, landslides, and devastating cyclones, which have impeded development, damaged infrastructure, and stretched government resources thin. Extreme weather events exert a heavy toll on human lives and development.

Against this background, SSA's economic growth is projected to increase from 3.4 percent in 2023 to 3.8 percent in 2024. Two-thirds of countries are expected to grow faster than the previous year. In particular, resource-intensive countries are likely to enjoy a higher growth rate. Over the medium term, the region's growth is expected to stabilize at around 4.3 percent. In contrast to the short term, over the medium term, non-resource-intensive countries are expected to grow faster, almost twice as fast as their resource-heavy counterparts, at 6.2 percent compared to 3.5 percent.

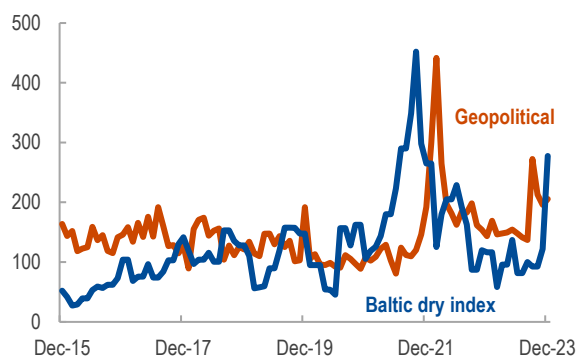
SSA's outlook, however, is subject to risks. Domestically, effective policy and reform implementation are fundamental for the projected pickup in growth. Externally, global economic development will also be important. For instance, less than expected growth in the United States, China, and the European Union could exert a powerful impact on SSA through lower export demand, exchange rate depreciation, and lower commodity prices. In addition, elevated geopolitical risks, such as the escalation of the conflict in the Middle East and further disruption of global supply chains, could affect commodities and food prices and international trade (Figure 3). Countries also face local risks, including political tensions, as a result of the cost-of-living crisis, which is accentuated by climate change, particularly through food production.

In this high borrowing costs and shock-prone world, the policy priorities for the region are threefold:

- Improving public finances without undermining development. In light of the rising debt burden and high borrowing costs, some countries face urgent needs for fiscal consolidation. The pace of consolidation and mix of revenue mobilization and spending rationalization should be calibrated to each country's specific conditions. For many countries, revenue could be boosted by simplifying the tax system, widening the tax base, improving tax compliance, and using technology. Gaining public trust will be pivotal for success. In countries with a high debt burden, enhancing debt reporting, forecasting and refinancing or reprofiling debt to smooth out repayments could also help. Strengthening the management of SOEs is also key to stemming further debt accumulation.
- Monetary policy should be geared toward maintaining price stability while supporting growth. Although headline inflation in SSA has been declining since reaching its peak

FIGURE 3. GEOPOLITICAL RISK AND SHIPPING COSTS, 2016-23

(Index, 2022 = 100)



Sources: Caldara and Iacoviello (2022); Haver Analytics; and IMF staff calculations.

Note: Caldara and Iacoviello (2022) data downloaded on February 16, 2024, from <https://matteoiacoviello.com/gpr.htm>.

In November 2022, the situation varies across countries, and roughly a third of the countries in the region still face double-digit inflation. In countries with decreased inflation pressure, central banks may consider moving to a more neutral stance to support economic recovery. In countries where inflation significantly exceeded the target, monetary policy needs to be tightened. For those falling in between, where inflation is trending lower but still above the target, a pause in policy tightening would be appropriate. In countries with a flexible exchange rate and persistent pressure, allowing the exchange rate to adjust while tightening monetary policy continues to be important. Structural reforms can broaden financing options and diversify growth. These include attracting foreign direct investment, which provides stable financing, access to technology, and jobs. So far, Africa captures only 3 percent of global FDI. Strengthening the macroeconomic and business environment can help attract FDI. Developing domestic financial markets can offer an alternative financing source. With limited

resources, improving the efficiency of public spending is vital to meeting development needs. Such improvement could come from project selection that is better aligned with strategic priorities, transparent procurement, and minimizing project management costs. Fostering diversification into manufacturing, services, and technology to expand value-added production, particularly in resource-rich economies, is key to creating jobs and building a shock-resilient economy.

International support and solidarity continue to be essential. Low-income nations in the region face substantial external financing requirements, estimated at around \$70 billion per year (equivalent to 6 percent of their combined GDP) from 2024 to 2028. Support from multilateral and official bilateral lenders is critical to bolstering efforts for domestic policy reforms and economic improvements. As creditors and donors grapple with numerous competing global financial demands on their resources, the ongoing discussion on the use of multilateral

and regional development banks' balance sheets could help deliver more financing to low-income countries.

The IMF has stepped up its financial support to SSA. Since 2020, the IMF has disbursed \$34 billion in financing, much of it on concessional terms, and has allocated another \$23 billion through the 2021 Special Drawing Rights allocations. These, along with the \$0.8 billion from the Catastrophe Containment and Relief Trust, have brought the total support to approximately \$58 billion. The IMF also placed emphasis on inclusive growth and increased its work on climate issues. Since 2022, nine countries in the region have gained access to the Resilience and Sustainability Facility (RSF). In addition, sub-Saharan Africa's voice within the IMF has been raised by adding a 25th seat to the Executive Board.

FIGURE 4. MACROECONOMIC DEVELOPMENTS IN SUB-SAHARAN AFRICA AND THE AFRITAC EAST REGION



Source: IMF, *World Economic Outlook*, April 2024.

IMPLEMENTATION OF THE ACTION PLAN ON THE MIDTERM EVALUATION OF PHASE IV

During Phase V, AFRITAC East continued to implement the action plan based on the recommendations of the midterm evaluation for Phase IV. The main developments in the past year are summarized here. Annex V gives a more comprehensive description of the action plan and AFRITAC East's progress toward meeting its goals. The procurement process for Phase V's midterm evaluation is currently underway. Similar to previous evaluations, an Evaluation Sub-Committee has been established by representative IMF departments and volunteer Steering Committee members of AFRITAC East.

- **Further improve work planning.** Consistent with previous years, the FY2024 work plan was created in consultation with member countries, donor partners, and regional organizations through annual surveys (including by AFRITAC East and by IMF African Department's survey of its country mission teams) and ongoing discussions. The process was closely coordinated with headquarters through the Capacity Development Management and Administration Program (CDMAP).

Resource allocation decisions took account of members' requests and absorptive capacity, fragile states' needs, and other development partners' (DPs) work in the same areas. Likewise, the preparation for the FY2025 work program followed the same process.

- **Improve cost effectiveness and capacity for budget management.** The CDMAP's built-in costing and budget control modules allow AFRITAC East to consider cost-effective modalities when designing missions and follow-up activities. It also facilitated coordination of the Center's activities with the IMF headquarters, which have generated savings, including in the reduction of short-term experts. In addition, desk reviews and virtual modes of working were used to conduct follow-ups and organize webinars that can draw on a wide range of expertise. Meanwhile, the work plan and budget for FY2024 were executed flexibly, with reallocations and adjustments made as needed.

- **Improve the use of results-based management (RBM) to monitor progress and manage performance.** AFRITAC East has adopted the IMF RBM Governance Framework, which was updated in 2024. It outlines how RBM data should be collected and reported to inform resource allocation decisions and set strategic objectives and priorities for member country capacity development (CD). RBM data have supported some allocation decisions made for Phase V (for example, allocating fewer resources to monetary operations due to low demand for CD support from the Center in Phase IV). Phase V logframes have considered RBM lessons learned in Phase IV (for example, setting realistic and achievable targets). AFRITAC East has begun reporting on outcomes (results) instead of milestones to align with the new governance framework. AFRITAC East also regularly shares RBM data with country authorities to receive feedback on the annual performance assessment and enhance country ownership of the RBM logframes that underpin CD support. CDMAP is used to manage the RBM system across the IMF.

- **Address gaps in AFRITAC East governance.** The Center Director visited member countries and participated in regional workshops to get feedback on the support of the Center, increasing interactions between the member countries and AFRITAC East.
- **Coordinate with other DPs as needed to avoid duplication.** The coordination with DPs and regional partners has continued. Their views on CD priorities in member countries were sought to inform the FY2024 and FY2025 work programs. During her visits to member countries, the Center Director also engaged with development partners to strengthen communication and ensure synergy in CD delivery. Long-term experts also continued to engage DPs in member countries via debriefing sessions at the end of in-person missions and participating in development partners' coordination meetings. General outreach through publications, the website, and the Facebook page continued.



BUDGET AND FINANCING ISSUES

PHASE V (FY2022-26)

As outlined in the program document, the budget for Phase V is \$59 million. Of this budget, \$50 million is expected from DPs, \$6 million (about 10 percent of the budget) from member contributions, and \$3 million from the IMF. In addition to its financial contribution as a member country, Tanzania, as the host country, will continue to provide office space and administrative staff without charge—neither is included in the budget. Workstream budget envelopes will remain indicative to allow for some flexibility.

A financing gap of about \$5.6 million from member countries for Phase V remains. So far, AFRITAC East has agreements signed for the total amount of \$44 million and received \$39.7 million from DPs, member countries, and other transfers. From seven development partners, we secured from the European Commission \$13.6 million, The Netherlands \$5.9 million, Germany \$5.5 million, Norway \$4.6 million (including a transfer of remaining funds from the now-closed South Sudan Trust Fund), China \$3.5 million, the United Kingdom \$2.9 million, and Switzerland \$1.0 million. In addition, the IMF's COVID-19 Crisis CD Initiative (CCCDI)

has contributed \$5 million. Discussions with prospective development partners continue.

The Steering Committee members approved in early 2022 equal distribution of member country contributions. So far, only Uganda and Kenya have signed an agreement for Phase V and made the contribution. The center is still working with the other member countries to sign the contribution agreements. Member country contributions are a critical source of financing for AFRITAC East, covering about 10 percent of the program. They are essential to the Center's governance structure, giving member countries a strong voice on the Steering Committee and allowing AFRITAC East to enter into long-term financial commitments (for example, hiring highly qualified advisors). Finally, they showcase the active involvement of member countries, underscoring the value of AFRITAC East's partnerships with DPs.

In addition to the activities financed through the AFRITAC East Subaccount, the Center hosted two long-term advisors funded from IMF headquarters. Revenue Mobilization Trust Fund financed one advisor to

support countries in the development of medium-term revenue strategies. Another advisor (shared with AFRITAC South) financed by Canada through CCCDI supports countries on debt management.

AFRITAC EAST OPERATIONS

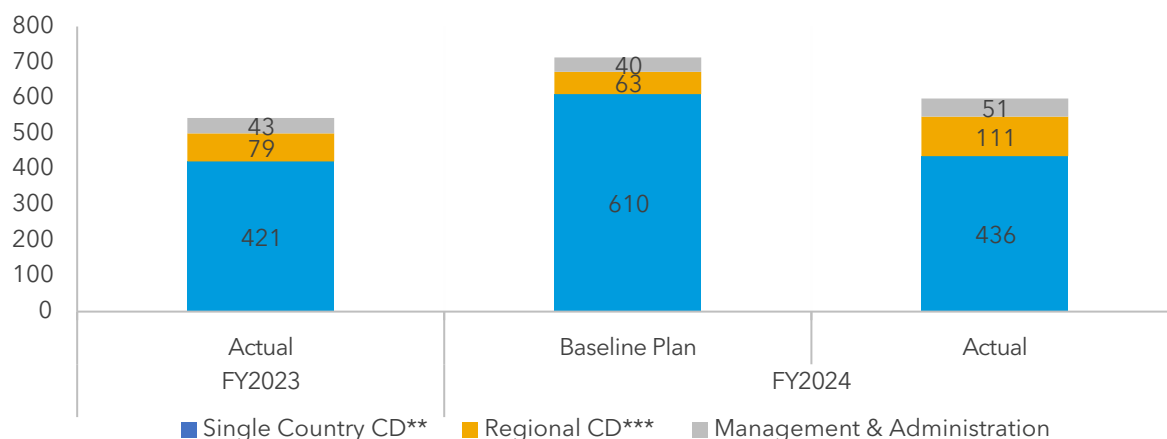
This report covers May 2023 to April 2024 (FY2024). AFRITAC East executed 84 percent of the work plan in terms of field person weeks (FPWs) (Table 1 and Figure 5). The total amount of delivery in FY2024 increased by 10 percent year on year, mainly because of increased demand that accompanies the full resumption of in-person activities after the COVID-19 pandemic. Extended vacancies for resident advisors in PFM, forecasting and policy analysis system (FPAS)—despite support provided by staff from headquarters, and the departure of the real sector statistics expert have hampered the full implementation of the work plan in those areas. However, this was partially compensated by stepped-up activities in other workstreams, as well as collaboration with IMF headquarters-funded activities. Such collaboration also led to cost savings, as headquarters funded experts, in some cases replaced the short-term experts, whom the Center would have to fund. Overall, the implementation in FY2024 has bounced back towards the pre-COVID-19 level (Figure 6). In addition, the Center collaborated with headquarters to prepare five technical notes that highlight the progress and success factors in workstreams (Box 1).

The level of engagement after the resumption of in-person missions varied across countries and work areas. Fragile and conflict-affected states (FCS), which experience connectivity challenges, benefited the most from the return of in-person delivery. About 20 percent of all resources went to FCS, namely Eritrea, Ethiopia, and South Sudan. This represents a slight decrease from FY2023, mainly due to the installation of the new PFM advisor in July 2023 in South Sudan, whose work has complemented some support that used to come from AFRITAC East (Table 2 and Figure 7). South Sudan had the highest resource execution rate (94 percent) among all countries. The resource execution rate in Ethiopia has improved significantly since FY2023, with the execution rate increasing to 89 percent (compared to 50 percent in FY2023). This positive change in part reflect the authorities' preference for in person-delivery of technical assistance (TA) activities. Meanwhile, Eritrea had the lowest execution rate (25 percent) and share of the resources (2 percent) in FY2024, while the authorities are considering their priorities.

In terms of work areas, six of nine work areas executed more than 75 percent of their work plans, with the highest execution rate recorded in training, financial market infrastructures and payments, government finance statistics, and revenue administration workstreams (Table 3). Consistent with its agile practices, AFRITAC East incorporated new activities, accommodating changes in CD priorities as member countries responded to various socioeconomic shocks and political developments.

Progress in achieving the results targeted in Phase V is reported in Figures 9 to 16 by workstreams. Factors affecting the progress in outcomes attainment include the recent shocks emanated from the COVID-19 pandemic and the War in Ukraine, changes in national priorities in response to climate related shocks and political developments, budgetary constraints affecting member countries' strategic initiatives, staff capacity and turnovers, and management stability affecting timely reform decisions.

FIGURE 5. PLANNED VERSUS ACTUAL RESOURCES, IN FIELD PERSON WEEKS (FPWS*)



Note: *1 FPW = 6 working days. **Single-country capacity development (CD) includes TA, national training, and attachments to member countries. ***Regional CD includes regional workshops (including training by the Institute for Capacity Development, ICD), webinars, and support to the East African Community.

FIGURE 6. AFRITAC EAST ACTIVITIES OUTTURNS (FPWS), FY2020-24

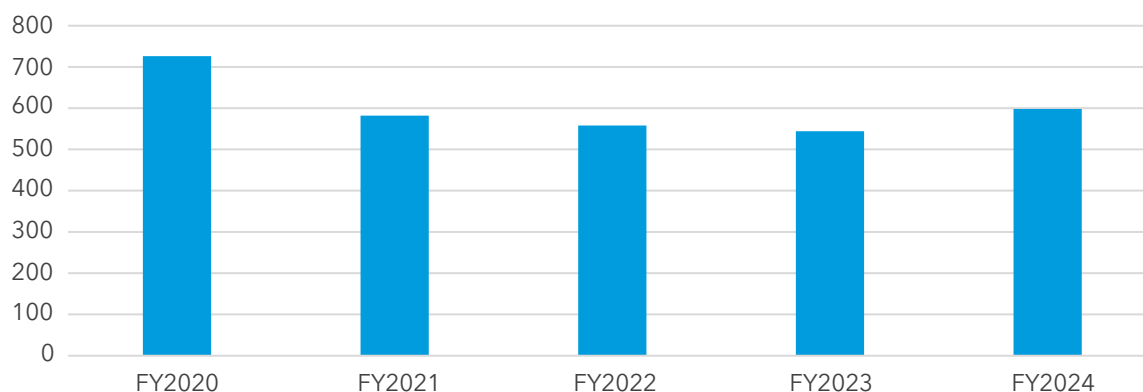
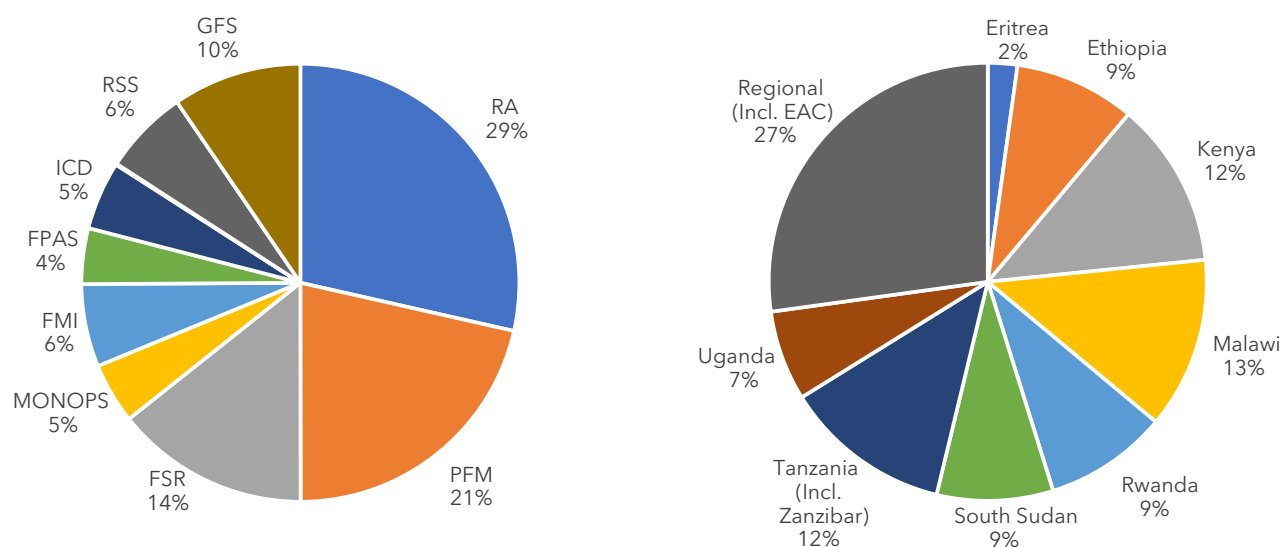


FIGURE 7. DISTRIBUTION OF (IN FPWS) RESOURCES BY COUNTRY AND SECTOR, FY2024



Note: EAC = East African Community; FMIP = Financial Market Infrastructures and Payments; FPAS = Forecasting and Policy Analysis System; FSR = Financial Sector Supervision and Regulation; GCD = Gender, Climate, and Digitalization; GFS = Government Finance Statistics; ICD = Institute for Capacity Development; PFM = Public Financial Management, includes Macrofiscal Analysis; MONOPS = Monetary Operations and Policy; RA = Revenue Administration; RSS = Real Sector Statistics; Statistics.

TABLE 1. RESOURCES, FIELD PERSON WEEKS (FPWS)*, FY2024

Type of project (FPWs)	FY2023	FY2024			
	Actual	Work Plan	Actual	Execution Rate (%)	Share of total FPWs (%)
Single country CD**	421	610	436	71	73
Regional CD***	79	63	110	175	18
Management and administration	44	40	51	128	9
Total (FPWs)	544	713	598	84	100
Resources by CD Modality (FPWs)					
Field-based work	302	484	356	74	60
Duty station-based work	157	132	105	80	18
Peer-to-peer engagement	2.8	14	9	67	2
Interactive learning and workshops	82	84	127	151	21
Total (FPWs)	544	713	598	84	100

Note: *One FPW = 6 working days. **Single-country capacity development (CD) includes technical assistance (TA), national training, and attachments delivered to member countries. ***Regional CD includes all regional workshops, webinars, and support to the East African Community.

TABLE 2. ALLOCATION OF RESOURCES BY COUNTRY, FY2024

Country (FPWs*)	FY2023	FY2024			
	Actual	Work Plan	Actual	Execution Rate (%)	Share of total FPWs (%)
Eritrea	28	51	13	25	2
Ethiopia	35	60	54	89	9
Kenya	60	94	73	78	12
Malawi	37	83	76	91	13
Rwanda	69	91	55	60	9
South Sudan	97	54	51	95	9
Tanzania (Including Zanzibar)	60	94	74	79	12
Uganda	25	72	40	55	7
Regional (Including EAC)	134	114	163	143	27
Total (FPWs)	544	713	598	84	100

Note: *One FPW = 6 working days; EAC = East African Community.

TABLE 3. ALLOCATION OF RESOURCES BY SECTOR, FIELD PERSON WEEKS (FPWS), FY2023

Workstream (FPWs*)	FY2023	FY2024			
	Actual	Work Plan	Actual	Execution Rate (%)	Share of total FPWs (%)
Revenue administration	126	154	171	111	29
Public financial management and macrofiscal analysis	186	202	128	63	21
Financial supervision and regulation	59	95	86	90	14
Monetary policy and operations	26	35	27	76	4
Financial market infrastructures and payment	12	27	37	135	6
Forecasting and policy analysis system	44	63	25	39	4
ICD training	10	17	30	177	5
Gender, Climate Change and Digitalization	1	2	1	25	0
Real sector statistics	45	67	38	56	6
Government finance statistics	36	51	57	112	10
Total (FPWs)	544	713	598	84	100

Note: One FPW = 6 working days; ICD = Institute for Capacity Development.

BOX 1. 20 YEARS OF BUILDING MACROECONOMIC INSTITUTIONS

Over the past 20 years, AFRITAC East has provided impactful capacity development (CD) aimed at building capacity in member countries for sound macroeconomic management, strong fiscal institutions and public financial management systems, and the timely and accurate collection and dissemination of economic and financial statistics. The Center's activities, generously financed by development partners and supervised by the IMF headquarters, have focused on hands-on implementation and are closely coordinated with the IMF headquarters' support, mainly in the form of diagnostics and strategic reform plans. Despite challenges posed by the COVID-19 pandemic and political instabilities in some cases, many countries in the region have made remarkable progress.

To commemorate the achievements made and capture invaluable lessons learned, the Center prepared five notes covering the key workstreams on public financial management (PFM) and macrofiscal policy (MFP), revenue mobilization, financial supervision and regulation, national accounts statistics, and government financial statistics. These notes highlight some of the Center's successes and can be leveraged to share best practices in all these workstreams. These notes serve as a repository of best practices, distilling the collective experiences and insights gained across these critical domains. These notes can facilitate the exchange of knowledge and promote the adoption of proven strategies, thereby fostering capacity building and continued progress within the region.

PFM and MFP. During the 20 years of AFRITAC East's existence, there have been notable improvements in PFM practices and MFP analysis and forecasting capacities in all member countries. These improvements

were attained through CD tailored to each country's reform priorities, absorption capacity, and readiness to implement reforms. The CD has covered an evolving range of PFM and MFP topics. These span basic reforms such as budgetary and accounting classifications, cash management, and budget execution, including commitment control and dealing with arrears, and reforms such as medium-term budget frameworks, fiscal forecasting, program budgeting, public investment management, comprehensive financial and fiscal reporting, treasury single accounts, fiscal risk management, and accrual accounting. Many PFM and MFP success stories were identified and described in the note, including the establishment of domestic macrofiscal forecasting capacities, improvements in cash planning, expanded fiscal reporting, and strengthened scrutiny of public investment proposals. Often, the main driver of success was the vision and determination of the national country authorities to implement the reforms, while an effective mix of CD delivery was also contributed. In addition, the East African Community's monetary convergence program has led to the upgrade and harmonization of PFM laws and related financial regulations of four East African Community partner states.

Revenue mobilization. The Center's support has contributed to improving the organizational design, formulating policies, and adopting modern practices to enhance compliance management. Corporate risk management units have been established, leading to improved risk analysis and tax assessment practices, and have strengthened information collection and analysis to support voluntary compliance using information technology. As a result, the repeated Tax Administration Diagnostic

Assessment Tool (TADAT) assessments as of the end of 2023 by five countries indicate that areas rated as good to very good have increased from 27 percent during the first round to 42 percent in the second round.

Financial supervision and regulation. Member countries have made substantial improvements since AFRITAC East started its activities in 2002 towards promoting financial stability through sound regulations and supervisory practices. The Center has supported members in significantly strengthening the supervisory capacity and keeping up with the latest international developments and best practices in the banking, insurance, and securities markets. On the banking supervisory front, most jurisdictions made great strides toward implementing risk-based supervision (RBS) and applying consolidated supervision. In addition, in the area of banking regulation, several member countries have advanced in implementing the Basel II capital framework, and some introduced improvements contained in Basel III. Furthermore, substantial progress has been made in adopting the International Financial Reporting Standards (IFRS), building capacity in supervising fintech, and managing cybersecurity capacity to keep pace with technological developments. Several insurance regulators have started to apply RBS and to adopt a simplified Solvency II or risk-based capital approach to insurance supervision. Capital market regulators have started to upgrade capital and liquidity standards, enhance regulations and internal processes, and apply RBS to securities firms.

National accounts statistics. The timeliness, frequency, and coverage of the data have improved across the region. In 2002, no member country

Box 1. Continued

in the AFRITAC East region produced quarterly national accounts, but today, five countries publish quarterly GDP by the production approach. Furthermore, although no country produced annual GDP by expenditure estimates in constant prices in 2002, by 2022, all countries, except Eritrea, were compiling annual estimates.

Government financial statistics.

AFRITAC East member countries achieved remarkable progress in data dissemination, which was mainly driven by the need to harmonize fiscal data following the Protocol establishing the East African Community Monetary Union (EAMU) in 2013. At the start of the Protocol, Kenya, Rwanda, and Uganda published only budgetary central government data, but owing to AFRITAC East CD, these countries now produce timely data on the general government and its sub-sectors.

LESSONS LEARNED

Regarding the Center's operation, a strategic plan that is funded adequately has been essential to securing high-caliber experts and uninterrupted delivery of support.

In addition, the Center's experiences underscored that country commitment and prioritization of reforms have led to authorities' ownership, which is a pivotal success factor. When the Center's assistance was aligned with the authorities' reform programs or commitments, progress often followed. Authorities' own medium-term or long-term strategic plans for reforms with structured implementation paths can play a critical role in this regard. One salient example is the impetus provided by the East African Monetary Union initiative in promoting the development and harmonization of government financial statistics across countries. Further increasing the levels of country ownership and commitment

continues to be a critical factor for the Center to achieve results and help member countries accelerate the pace of reforms.

Although AFRITAC East, its experts, and IMF headquarters strive to actively coordinate with other development partners, Country Steering Committee members of the Center could assume a more robust coordinating role between various national authorities and development partners active in their countries and channeling relevant information to the Center. This enhanced coordination function could improve efficiency, foster synergy, and avoid duplication, as the national authorities are best positioned to understand their priorities, ongoing projects with various partners, staff capacities and availabilities, and work timelines. The coordination function is especially important in areas where multiple partners are active.

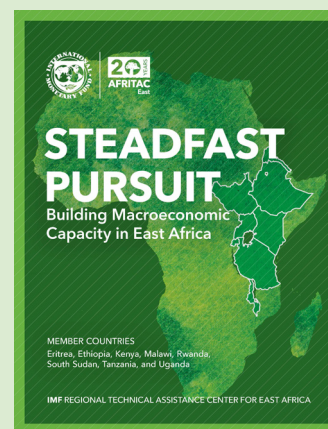
At the member country level, sustaining progress and achieving reform targets hinge on the availability of adequate resources. A common challenge among member countries is understaffing and the difficulty in hiring and retaining staff with specific skill sets. This cuts across all work-streams. Adequate staffing in the reform targeted unit is crucial in many member countries for maintaining momentum for the envisioned reform. Recipient countries' prioritization and scheduling of CD can help best use the time of country officials.

Another important lesson learned is that it is imperative to adapt the increasing refinement of the international frameworks to the specific context of each member country. For example, in the area of financial supervision, the Center's utilized the proportionality embedded within the new capital framework implementing

simpler approaches and prioritizing the adoption of reforms most relevant to each country's circumstance.

It is also essential to recognize that member countries frequently face disruptions, such as natural disasters, health crises like the COVID-19 pandemic, military conflicts, or political instability. Sustained and repeated support is vital to achieving progress amid such challenges. Notably, effecting changes in fragile and conflict-affected states requires more effort, resources, and time than these measures require in other countries. In addition, the COVID-19 pandemic underscored the importance of adapting swiftly to adverse circumstances, both in terms of operations and refocusing of advice.

Overall, despite progress, countries in the region still have room to improve and modernize. For instance, the revenue to GDP ratio remains low and inadequate to finance development. To ensure continued progress, it remain critical to securing authorities' commitment including through continued close engagement, linking CD support with the authorities' own reform programs, and coordinating with country teams to promote synergy of CD with surveillance and lending.



[Link to the report](#)

REVENUE ADMINISTRATION



Rameck Masaire, a Zimbabwean National, joined AFRITAC East in February 2022 as a Tax Administration Advisor. Before joining the center, Rameck worked for the Zimbabwe Revenue Authority (ZIMRA) as Acting Commissioner General.



Kenneth Ochola, a Kenyan national, joined AFRITAC East in September 2020 as Revenue Administration Advisor (Customs). Kenneth is a career customs specialist and worked for the Kenya Revenue Authority (KRA) for 29 years in various capacities rising to the position of Acting Commissioner of Customs and Border Control.

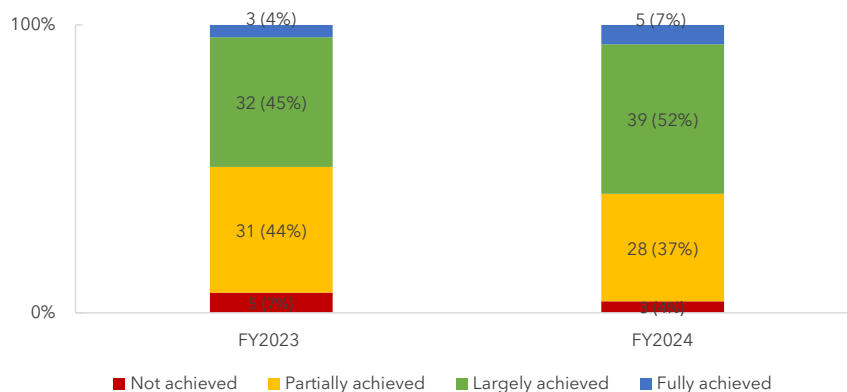
In FY2024, member countries continued to strengthen governance for revenue administration and core tax and customs functions. The resource execution rate was 110 percent of the workplan, with the largest share of it delivered to Malawi. In terms of results, 59 percent of outcomes targeted for this phase were fully or largely achieved, 37 percent partially achieved, and 4 percent not achieved (Figure 8).

The main achievements by strategic objective were as follows:

- **Strengthened revenue administration management and governance arrangements.** AFRITAC East recorded a significant increase in TA delivery in FY24, covering various areas. Notable support included TA on developing the ICT strategy in Malawi, assessing the ICT environment in preparation for the implementation of the new tax administration IT system in Tanzania, and review of the ICT strategy in Uganda.
- **Strengthened core tax administration functions.** The Malawi Revenue Authority received TA in VAT audits for the construction sector and financial services sector tax audits. In Ethiopia, the Ministry of Revenue staff received training in excise tax audits, whereas the Kenya Revenue Authority's staff received training in data analytics. AFRITAC East also contributed to the MTRS review for Rwanda, development of the first MTRS and TADAT assessment for Tanzania, and the compliance improvement plan for multinationals in Uganda. Support was also provided to Eritrea to develop the headquarters function for taxpayer registration and policy.
- **Improved core customs administration functions:** Ethiopia is supported in reviewing the operations of Special Economic Zones, which is a part of its efforts to reform customs exemption and incentive scheme management. Training in customs risk management and intelligence was also undertaken to bolster risk management capability. Kenya continued to enhance its mirror data analysis function, leveraging data analytics capabilities to support customs compliance. Malawi received TA support in data matching and analysis for both tax and customs, implemented a data matching action plan, and received further

training on post-clearance audit to strengthen its risk management capability and ensure improved compliance. Rwanda was supported in reviewing the implementation progress of MTRS. South Sudan has commenced the domestication of the EAC customs instruments process. A diagnostic assessment of customs administration for Tanzania was undertaken to identify reform priorities to facilitate trade, increase revenue performance, and enhance the effectiveness of customs functions. Uganda continues to build and manage the Extractive Industries (EI) Sector.

FIGURE 8. AFRITAC EAST: STATUS OF REVENUE ADMINISTRATION OUTCOMES*



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

BOX 2. NAVIGATING CUSTOMS VALUATION: CHALLENGES AND OPPORTUNITIES

In FY2024, AFRITAC East member countries participated in a regional workshop on customs valuation and transfer pricing. This workshop was organized in response to member countries seeking support to strengthen their valuation management capabilities amid emerging challenges in the field. Customs valuation is a critical aspect of international trade, as it determines the taxable base for duties and taxes on imported goods. For developing countries, valuation presents unique challenges intertwined with significant opportunities.

The World Trade Organization’s Agreement on Implementing Article VII of the General Agreement on Tariffs and Trade 1994 (World Trade Organization Valuation Agreement) provides a framework for establishing uniform and transparent customs valuation practices globally. Adhering to this agreement ensures fair trade practices, prevents revenue loss, and curbs illicit trade activities.

Workshop participants identified several challenges faced by AFRITAC East member countries, including (1) inadequate infrastructure and resources to implement robust customs valuation procedures effectively (limited technological capabilities and human resources hinder accurate valuation and increase the risk of revenue leakage); (2) prevalence of valuation discrepancies and under invoicing; (3) complexity of valuation methods and their application, which requires a deep understanding of international trade dynamics (developing countries often struggle with interpretation and application, resulting in inconsistencies and disputes); and (4) capacity building and training gaps.

The workshop explored opportunities to enhance the valuation function, emphasizing the establishment of Valuation Centers of Expertise by member countries. These Valuation Centers of Expertise should be equipped with resources such as advanced data analytics platforms, valuation databases, and electronic

document management systems to support efficient and accurate valuation assessments.

Additionally, developing standard operating procedures, guidelines, and manuals to ensure consistency and uniformity in valuation assessments is crucial. Customs authorities should adopt robust risk management strategies to identify high-risk transactions or commodities requiring additional scrutiny. Comprehensive training on the latest developments, regulations, and trends in customs valuation is also essential for staff.

Customs administrations should actively collaborate and share knowledge with other customs administrations, international organizations, and industry experts. This promotes the exchange of information, experiences, and best practices, leading to continuous improvement in customs valuation processes.

BOX 3. TRANSFORMING REVENUE ADMINISTRATION THROUGH COORDINATION OF PARTNER SUPPORT

Transformative revenue administration reforms are usually complex and can benefit from support from multiple development partners (DPs). Usually, the demand-driven approach starts with the government's revenue administrations identifying the required areas of support using various tools and processes that include the Tax Administration Diagnostic Assessment Tool (TADAT) assessment, International Survey of Revenue Administration (ISORA) survey results, and corporate strategic plans. After identifying the gaps or areas of reform, the revenue administrations engage with various DPs to discuss and prioritize the delivery of support based on the country's needs and expertise of the respective DPs.

All revenue authorities could benefit from a coordination function for DPs. Considering the strategic nature of the relationship, the function of DP coordination is best directly supervised by the CG/DG's office. Typical roles of the DP coordination function would include but not be limited to (1) point of contact for arranging and organizing

any DP activities, (2) institutional-level liaison with the TA beneficiary units and counterparts, (2) monitoring and evaluation of the implementation of TA recommendations, and (3) liaising with the resident advisors and DPs for the periodic evaluation of the RBM logframe and continued monitoring for relevance.

In particular, the DP coordination functions could enhance the effectiveness of AFRITAC East's support in areas such as timely response to the Center's request for needs assessments, confirmation of mission dates, and responses to nominations for participants in various activities organized by the Center. This may also apply to other DPs. Although the priorities of the revenue authorities change from time to time, postponement or cancellation of confirmed activities should be avoided and occur only sparingly and well in advance. Delayed confirmation of missions entails significant resource costs, particularly at short notice, involving consultant fees and travel costs as well as the opportunity cost of the advisor's time that could have

been used to support other members in the region. In addition, securing high-caliber, short-term experts can be challenging because of their tight schedules.

The other area in which efficiency can be gained is in monitoring the implementation of the TA recommendations through the coordination function. This starts with providing feedback on draft reports for authorities from the Center's missions. The feedback can help ensure the reports accurately reflect the discussions during the mission. Currently, most reports are finalized without feedback from the authorities. Evaluating the implementation of recommendations is another easy area to address.

BOX 4. BUILDING A MODERN TAX SYSTEM FOR TANZANIA: TANZANIA REVENUE AUTHORITY AND AFRITAC EAST PARTNERSHIP

The Tanzania Revenue Authority (TRA) is modernizing its tax administration systems and processes to collect taxes efficiently and enforce compliance by implementing a modern Integrated Domestic Revenue Administration System (IDRAS). Successful implementation of this new system would modernize and streamline tax administration processes, enhance

delivery of taxpayer services, improve taxpayer compliance, and ultimately enhance revenue collection for the government of Tanzania.

During the mission in February 2024, the AFRITAC East team worked with TRA to assess the ICT environment and review the digital strategy in preparation

for the IDRAS implementation. In particular, the mission worked with the Domestic Revenues Department, ICT Department, and project staff involved in the IDRAS design and development to analyze the existing tax administration environment. The Center's work helped TRA fine-tune the detailed road map for implementing the IDRAS.

PUBLIC FINANCIAL MANAGEMENT



Amra Srdanovic, a citizen of Bosnia and Herzegovina, joined AFRITAC East in June 2019 as a PFM Advisor. She has over 20 years of PFM experience advising Ministries of Finance.

In FY2024, member countries worked on strengthening the analysis of fiscal risks, the oversight of SOEs, budget costing techniques, project appraisal and selection techniques, cash management practices, and fiscal reporting. The resource execution rate was 63 percent of the workplan, with the largest share of it delivered to Kenya. In terms of results, 42 percent of outcomes targeted in Phase V were largely achieved, 54 percent partially achieved, and 3 percent not achieved (Figure 9).

The main achievements by strategic objective were as follows:

- **Comprehensive, credible, and policy-based budget preparation.** Support was provided to the Kenyan National Treasury to review and update the draft budget preparation manuals for national and county governments. Both manuals have now been published, and officials from the National Treasury have initiated a series of training sessions for officials in national and county governments.



Imran Aziz, a national of the United Kingdom, was a PFM advisor at AFRITAC East from June 2019 to August 2023. He has 20 years' experience in public financial management, specializing in PFM reform processes, budgeting, and management of fiscal risks.

FIGURE 9. AFRITAC EAST: STATUS OF THE PUBLIC FINANCIAL MANAGEMENT OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

- **A mission to Malawi facilitated sequential working sessions to review and update the detailed budget calendar and existing integrated planning and budgeting manual.** A core drafting team comprising divisions across the Ministry of Finance was formed to provide comments and apply adjustments. Mission outputs included a revised detailed budget calendar and a complete draft of the integrated planning and budget manual.
- **A follow-up mission in Uganda helped improve the recording of multiyear commitments for capital expenditures.** This involved updating the existing multiyear commitment template and guidelines to accommodate feedback from the last workshop in January 2023 and reviewing the multiyear commitment module in the public investment IT system. A series of training sessions were held to assist budget officers, ministries, departments, and agencies in completing the template for the first medium-term expenditure framework (MTEF) process.
- **Improved budget execution and control.** Malawi worked to strengthen its budget execution processes, in-year reporting, and the format of its annual consolidated financial statements. This was supported by the phased rollout of a new integrated financial management information system (IFMIS) and the introduction of a new commitment control framework. A two-day workshop was delivered with key internal and external stakeholders in Malawi as part of a mission from April 15 to 26, 2024.
- **Improved coverage and quality of fiscal reporting.** Zanzibar authorities commenced their planned transition to accrual accounting in line with IPSAS to strengthen their annual financial reporting. The work included a review of the draft summary road map and establishing the institutional arrangements for oversight and project management, legal and regulatory framework, chart of accounts, assets and liabilities, IFMIS functionalities, and CD required for the phased migration to accrual IPSAS. Training sessions on key aspects of the migration to accrual accounting with key stakeholders aimed to raise awareness of the importance of establishing a sound governance and project management structure as well as to review and update key aspects of the road map for PFM reform.
- **Improved asset and liability management.** South Sudan continued to work on operationalizing the recent memorandum of understanding on establishing a Treasury Single Account (TSA) and developing an annual cash plan for FY2023/24 to facilitate budget fund releases based on actual and forecasted cash availability. Progress by the Cash Management Unit (CMU) was noted in continuing to update the cash plan for FY2023/24 in line with actual revenue and expenditure outturns for quarters 1 and 2. The work on TSA continues with the Bank of South Sudan (BoSS) to produce an aggregate TSA report that includes all central government bank accounts held at BoSS. South Sudan's officials welcomed the new FAD resident PFM Adviser, based in the Treasury Directorate of the Ministry, to advise on improving budget execution, who assumed his duty in July 2023.
- **Uganda restarted implementing key reforms in TSA and cash management practices, building on the advice provided during the last AFRITAC East mission in April 2020.** Extensive discussions were held with key departments within the Ministry of Finance and Economic Development and other key stakeholders involved in the TSA and cash management reforms. Authorities were supported in developing an action plan to address institutional, capacity, and technical system constraints, including updating the cash management policy. The Cash Management Framework was approved in January 2024. Kenya's National Treasury was supported in developing the TSA model, in line with Kenya's context, and reviewing progress in strengthening the cash management framework. The proposed way forward includes a simplified model to achieve TSA arrangements in the Central Bank of Kenya by consolidating all government of Kenya's bank accounts and making the total positive balance subject to interest rate remuneration.
- **Strengthened identification, monitoring, and management of fiscal risks.** Malawi developed an outline for the annual consolidated SOE reports for FY2021/22 and FY2022/23 and finalized the FY2021/22 financial factsheets for the high-risk SOEs. Work also commenced on drafting the FY2022/23 financial factsheets for five high-risk SOEs to be included in the internal version of the FY2022/23 consolidated SOE report.

BOX 5. INTEGRATING CLIMATE BUDGET TAGGING IN THE BUDGET PREPARATION PROCESS

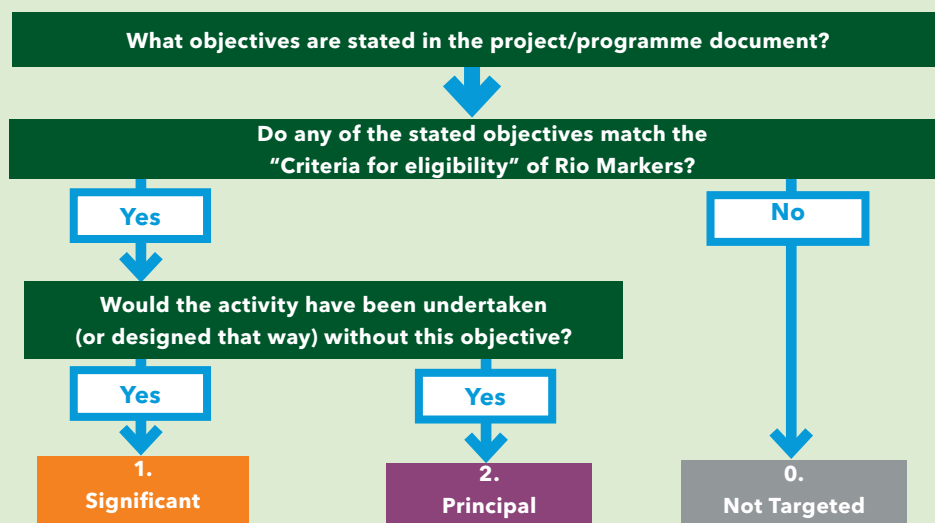
Overview of Climate Budget Tagging

Climate budget tagging (CBT) is an emerging practice aimed at identifying, measuring, and monitoring climate-relevant expenditure. CBT is a tool that can help governments integrate climate change considerations into the planning and budget process. CBT can highlight the importance of climate concerns in resource allocation and execution and the associated costs. It assesses each budget component in terms of its climate impact and assigns it a tag according to whether it is helpful or harmful to the achievement of climate objectives or if it contributes to climate objectives.

The first step in setting up the CBT framework is to develop guidelines that will systematically address the approach and methodology used for CBT, taking into consideration the country-specific context. In preparation for the development of CBT guidelines, the first step is to address the application of the OECD Developmental Assistance Committee (DAC) definitions of mitigation and adaptation and selection, often referred to as “Rio markers” (OECD DAC Rio Markers for Climate Handbook, OECD 2015; <http://oe.cd/RioMarkers>). Chart below illustrates the process and capture climate change expenditure information.

Integration in the Budget Process

CBT can be integrated at every stage of the budget cycle. Implementing CBT at the budget formulation and approval stages enables easier management during budget execution and reporting. Knowing the budget share of climate-relevant activities can help governments move toward a holistic understanding of a country’s sustainability journey.



Source: OECD Handbook 2015.

Note: In the DAC Process, projects or activities that do not have a 100 percent climate outcome but have a secondary effect are scored as Significant (1). Projects or activities that are dedicated to having a dedicated outcome to climate are scored as Principal (2). Given that secondary effects are not ranked as 100 percent, the DAC has chosen to weigh them as 50 percent.

Budget guidelines and call circulars typically provide guidance on budget tagging and its application in the budget process.

CBT for the government and people of Kenya is to be done using the integrated financial management information system (IFMIS) through the standard chart of accounts (SCOA). One consideration of using the IFMIS for tagging is how widespread the IFMIS has been deployed and its ability to incorporate the tagging during budget planning by line ministries (for example, when the budget enters the system and, possibly, when expenditures are undertaken). To minimize the impact of the introduction of the CBT, the switch should be done at the start of a new fiscal year. The shift should be technically well planned, with testing seen as a critical component of the CBT automation process.

Systematic integration of CBT looks at how climate-related projects or programs are mainstreamed into national and county government budgets using IFMIS. The suggested approach for integrating tracking of

climate change-relevant activities in the IFMIS proposes the use of the relevant segments of the SCOA. It refers to the introduction of climate change in the budgeting process as part of budget planning, implementation, expenditure management, and financing. The national and county budgeting processes provide useful opportunities to integrate climate financing. Climate change mitigation and adaptation interventions to be financed should be clearly defined in the medium-term expenditure framework budget proposals before the allocation of expenditures and validation in the budget preparation system.

In the AFRITAC East region, Kenya and Rwanda have been working on developing the climate tagging framework by focusing

on development projects in the first phase of implementation. Rwanda advanced even further by finalizing and publishing their climate tagging guidelines and by developing their first Climate Budget Statement to be annexed in the FY2025/26 Budget Framework Paper (Reports; <https://www.minecofin.gov.rw/>).

- Rwanda finalized its climate budget tagging guidelines and formulated the user requirements for integration into the IFMIS. Extensive working sessions and discussions were held with the ministry, sector ministries, and local government. The discussion focused on the appreciation that not all environmental and green budgeting expenditures are climate change related and that climate change is a subset of environment and green budgeting. A draft outline for the Climate Budget Statement was created, and the Budget Directorate committed to adopting the template as an informational annex to the Budget Framework Paper by April 2024.
- Kenya's National Treasury developed the climate change budget tagging framework and commenced work on integrating the tagging framework in the budget preparation process. A one-day workshop was held with technical staff from the Budget Department, Climate Finance Unit, and Public Investment Management and with senior staff from key sectors and intergovernmental and fiscal relations. The workshop aimed to provide an overview of climate budget tagging's key principles and elements, with practical examples from Ghana and Rwanda on establishing the climate budget tagging framework and supporting institutional arrangements. The suggested approach for integrating tracking of climate change-relevant activities in the IFMIS proposes using the spare segment in the updated Standard Chart of Accounts.

MACROFISCAL ANALYSIS



Matthew Quillinan, an Australian citizen, joined AFRITAC East in February 2020 as Macroeconomic Analysis Advisor. Previously, he worked in a variety of roles in the Australian Treasury and Tax Office and as a Resident Macroeconomic Advisor in, among other countries, the Solomon Islands, Indonesia, The Gambia, and Sierra Leone

The main achievements by strategic objective were as follows:

- Comprehensive, credible, and policy-based budget preparation.** In conjunction with the Institute for Capacity Development (ICD) and AFR, Eritrea received customized training in financial programming and policies (FPP). In South Sudan, regular missions supported the continued development and use of the South Sudan Macro-Fiscal Framework (SSMFF) and integrated results with the budget process. A workshop was organized to sensitize and discuss the SSMFF requirements with all stakeholders, including members of Parliament, the Ministry of Finance (i.e., Macroeconomic Policy, Budget, Debt, and Aid), the Central Bank, and the Ministry of Petroleum, with discussion on the theoretical basis of the model and data requirements. Macroeconomic forecasts were updated at two key stages in the budget process to provide an estimate of the resource envelope, incorporating both updated data and analytical techniques. In South Sudan, support was also provided in drafting the FY2024/25 Budget Call Circular. In Rwanda, missions were held to

improve integration between the macrofiscal framework and the budget process. Additionally, the Ministry of Finance and Economic Planning was supported in preparing the FY2024/25 Planning and Budget Outlook Paper and strengthening expenditure rationalization.

- Improved fiscal policies and institutional frameworks to combat climate change and its impacts.** Kenya developed medium-term reform measures that are supported by the IMF Resilience and Sustainability Facility (RSF) program. These measures are based on a comprehensive climate fiscal diagnostic and a full Climate PIMA (C-PIMA) that were conducted by an IMF HQ-led mission, and the Center participated in the mission. Uganda also developed a prioritized action plan for addressing climate risks, drawing on recommendations from the IMF headquarters-led climate sensitivity assessment of Uganda's PFM framework, particularly focusing on public investment management and climate change-related fiscal risks. Uganda's authorities also learned international approaches to assessing fiscal risks from climate change and identified and applied

practical approaches for climate change fiscal risk assessment, quantification, and disclosure in an annual fiscal risk statement.

- **Strengthened identification, monitoring, and management of fiscal risks.** Tanzania (Zanzibar) developed and published a report on SOE fiscal risks using the SOE Health Check Tool and an analytical framework developed with support from AFRITAC East. With the Center’s support, it also worked to strengthen the fiscal oversight of public corporations, train new staff, and develop the first budget circular and assessment framework for SOEs to improve integration of SOEs in the budget process. Malawi authorities received training on using IMF’s Debt Guarantee and Loan Assessment Tool (DGLAT) to improve fiscal risk oversight of the existing debt and guarantee portfolio and enhance decision making before issuing new loans or guarantees. Participants conducted exercises on assessing and quantifying risks and using the results in decision making for guarantee fees and other risk mitigation mechanisms

specific to the Malawi context. The tool was applied to three entities to analyze government exposure and to calculate expected losses for existing loans and guarantees based on SOE financial performance.

- **With climate change being of increasing concern to countries in the region and around the world, FAD and AFRITAC East, with the IMF more broadly, have spent considerable effort in developing tools and frameworks to evaluate climate change fiscal risks and to guide decisions on mitigation and adaptation measures.** Countries in the East African region have been at the forefront of the adoption and development of these tools. These include assessing and quantifying long-term macrofiscal risks associated with climate change, assessing specific fiscal risks, and incorporating climate change considerations in the public investment management process.

Box 6 summarizes these frameworks and their utilization in the East African region. Kenya and Uganda used the Quantitative-Climate Risk

Assessment Fiscal Tool (Q-CRAFT) to assess the long-term macrofiscal impacts of different climate change scenarios by creating a country-specific baseline and analyzing the impact of internationally agreed climate change scenarios on macroeconomic and fiscal variables through to 2100. Rwanda updated its Q-CRAFT analysis from 2023 for new data and an updated tool, one of the first countries to undertake this process. Kenya, Uganda, and Rwanda worked to prototype the development of an analytical framework for assessing specific climate change fiscal risks, particularly those associated with SOEs and PPPs. This included the development of a dedicated specific climate change fiscal risk register to support the identification, quantification, and assessment of these risks, including the impact of adaptation and mitigation measures, as well as a reporting framework. Rwanda has incorporated this into its Fiscal Risk Statement process as part of the RSF. The C-PIMA framework analysis evaluated climate integration in the public investment management process in Kenya, Rwanda, and Uganda.

BOX 6. ANALYZING CLIMATE CHANGE FISCAL RISKS IN EAST AFRICA

Climate Change Fiscal Risks in East Africa

Countries in East Africa are heavily exposed to the impact of climate change through the impact of changing temperature and precipitation patterns on rain-fed agriculture, power generation (especially hydro), and the increased prevalence and severity of natural disasters on economic production. This is despite

most countries in the region being relatively low emitters of greenhouse gases and with a high proportion of renewable power generation.

The IMF has significantly increased its capacity to support countries in measuring and addressing the impacts of climate change, particularly through the development of analytical techniques to examine the current and potential impacts

of climate change, accounting for climate impacts in investment programs and the development of financing programs, particularly the Resilience and Sustainability Facility (RSF). AFRITAC East has been at the forefront of supporting countries in using these new tools and facilities, and East Africa has been a leader in implementing these frameworks.

Long-Term Fiscal Risks from Climate Change

Many of the impacts of climate change are expected to be experienced over an extended period, as annual small increases in temperature and changing precipitation patterns build to significant impacts. The IMF Fiscal Affairs Department (FAD) has developed the Quantitative-Climate Fiscal Risk Assessment Fiscal Tool (Q-CRAFT) to support analysis of these impacts. This tool allows countries to develop a customized long-term macrofiscal baseline (out to 2100) and to examine the impact of various climate change scenarios over this period. This analysis is based on empirical evidence from IMF research that measures the country-by-country productivity impacts of higher temperatures and, therefore, long-term growth prospects.

AFRITAC East has supported countries implementing Q-CRAFT through a joint FAD/ATI/ AFRITAC East / AFRITAC South workshop in April, and more significantly through customization and implementation of the tool in Uganda, Kenya, and Rwanda, including as part of broader climate change impact analysis. Most significantly in Rwanda, the tool was customized and embedded in the Rwandan fiscal risk management structure, with the results published in the 2023/24 Fiscal Risk Statement. Undertaking this analysis was a key target for Rwanda, which was supported by the RSF, the first country in Africa to do so. Experiences in East Africa have been instrumental in the development of the tool because of different demographics and climate change risks. Countries are also interested in exploring the

underlying methodology from the Q-CRAFT framework to analyze other long-term fiscal risks such as demographic changes and pressures on health, education, and aged care.

Short-Term Fiscal Risks from Climate Change

In addition to long-term risks, the specific fiscal risks from climate change are being experienced in East Africa now through changing temperature and rainfall patterns and the increased prevalence of natural hazards, including droughts, floods, and landslides. For a region with heavy dependence on rain-fed agriculture, and with vulnerable infrastructure, this is an area of significant concern. Many of these risks stem from the exposure of SOEs and PPPs to natural hazards that are expected to be exacerbated by climate change, particularly in the transport, power, water and sanitation, agriculture, construction, and social (health and education) sectors. For example, hydropower generation can be affected by changing precipitation patterns (low power generation can be affected by lack of rainfall or an excess that damages infrastructure). The use of alternative fuels during these events tends to include sources such as heavy fuel oil or peat, which can be both more expensive and more climate damaging. Floods and landslides can damage generation and transmission infrastructure.

To assist countries in the identification, assessment, management, and mitigation of these risks, a specific climate change fiscal risk framework is being developed. The framework includes the Specific Climate Change Fiscal Risks Register (SCCFRR), and

templates for reporting individual and summary fiscal risks. The SCFCRR allows countries to, in a consistent framework, identify various specific fiscal risks (by category from type of risk, affected and responsible entity, transmission mechanism), quantification (level of fiscal exposure), likelihood, potential impact, and mitigation measures (to reduce both climate and fiscal risk vulnerability). Kenya and Uganda have both used the framework, and more recently, the framework was used to assess specific climate change fiscal risks in Rwanda.

Climate Change Public Investment Management

Addressing climate change fiscal risks requires climate change to be considered in budget decision making now, and many countries are working to mainstream climate change in their budget decision-making processes. One key aspect is decisions on public investment management. Public infrastructure is especially vulnerable to climate change risks, as it tends to operate in critical infrastructure areas such as transportation, power, and water. As decisions are made on existing and future infrastructure, climate needs to be incorporated. To aid this, the IMF has developed the Climate-Public Investment Management (C-PIMA) module. C-PIMA Assessments evaluate the procedures, tools, decision making, and monitoring processes that governments use to provide infrastructure assets and services to the public and provides guidance on strengthening them in the context of climate change. C-PIMAs have been conducted in Kenya, Uganda, and Rwanda.



FINANCIAL SUPERVISION AND REGULATION

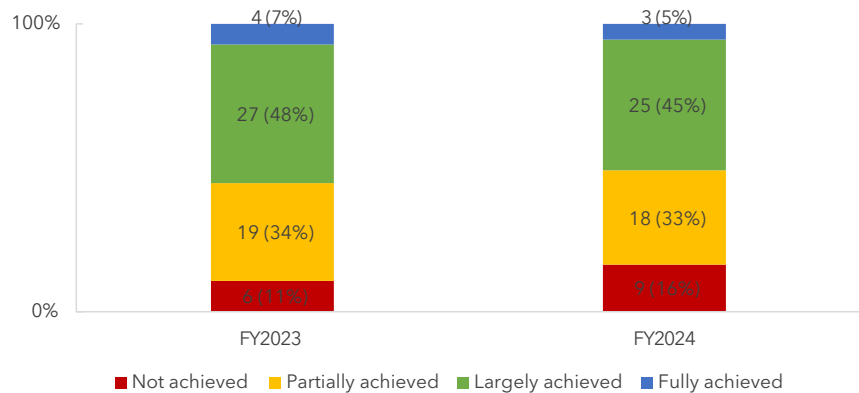


Georgios Genimakis, a Greek national, joined AFRITAC East in September 2021 as Financial Sector Supervision Advisor. He has extensive experience in prudential banking supervision having worked previously as a senior supervisor at the European Central Bank and as an onsite inspector at the Bank of Greece.

AFRITAC East member countries continued working on upgrading banking regulations and operational processes, enhancing supervisory capacity and competence to implement risk-based supervision and the latest accounting standards in the insurance sector while strengthening supervisory approaches and assessment frameworks in the securities markets. The FY2024 emphasis continued on implementing Basel reforms in the banking sector, tightening supervisory processes and manuals, promoting risk-based supervision, strengthening cybersecurity in the financial sector, building capacity

and facilitating the transition to IFRS 17 for insurance supervisors, and enriching supervisory approaches for capital markets regulators. Resource execution was 91 percent of the workplan, supported by the resumption of in-person activities. Ethiopia, Malawi, Rwanda, and Uganda received a larger share of the resources. Several benchmarking study tours and regional activities were also delivered in FY2024. In terms of results, 50 percent of outcomes targeted in Phase V were fully or largely achieved, 33 percent partially achieved, and 16 percent not achieved (Figure 10).

FIGURE 10. AFRITAC EAST: STATUS OF THE FINANCIAL SUPERVISION AND REGULATION OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

The main achievements by strategic objective were as follows:

- **Develop/strengthen banks' regulation and supervision frameworks.** Banking regulators in Eritrea, Kenya, Malawi, Rwanda, and South Sudan enriched their supervisory competence, regulations, risk-based manuals, and supervisory processes in line with international standards and best practices. The enhancement of the Basel II/III guidelines for credit, operational, and liquidity risk in Malawi and the transition to Basel III reforms with regard to incorporating liquidity coverage ratio, net stable funding ratio, and leverage ratio in Kenya have been prioritized. Moreover, banking supervisors of Eritrea, Rwanda, and South Sudan participated in professional attachment programs to interact, share experiences, and learn from peers in microfinance supervision and advanced risk-based supervision methods. Training programs also built the capacity to intensify

processes and enhance supervisory competence; two webinars were held on managing and supervising climate-related financial risks in the banking sector (Box 7) and bringing awareness to the revisions to the Basel Core Principles for effective banking supervision. Malawi and Tanzania participated in a training workshop for the Southern African Development Community member countries on the key elements and use of the Basel Core Principles.

- **Develop/strengthen cybersecurity regulations and supervisory frameworks.** Banking examiners received training that enriched their understanding of cybersecurity risk and its implications for supervised entities. Ethiopia was assisted in developing a cyber risk strategy and regulation for the financial sector, including an effective cyber risk supervisory framework aligned with international standards. New offsite and onsite supervisory manuals based on a risk-based approach have been drafted.

- **Develop/strengthen insurance companies' regulation and supervision frameworks.** Insurance supervisors in Ethiopia and Malawi benefited from AFRITAC East CD to support both regulators and industry in complying with the new IFRS 17 standard's disclosure and reporting requirements. Existing directives and reporting formats have been revisited to ensure compliance with IFRS 17.

- **Develop/strengthen the securities and derivatives regulatory and supervisory framework.** AFRITAC East provided regional guidance through a webinar on regulation, supervision, and surveillance of secondary markets. Kenya was assisted in drafting a policy and regulatory framework for crypto assets. Uganda received practical knowledge through a benchmarking study on the fundamentals of the supervision of secondary trading and how to regulate the fixed income or debt capital markets.

BOX 7. MANAGEMENT AND SUPERVISION OF CLIMATE-RELATED FINANCIAL RISKS IN BANKING

A regional webinar was delivered to AFRITAC East member countries in December 2023 on the management and supervision of climate-related financial risks in the banking sector. The webinar was co-organized with MCM and the Network for Greening the Financial System.

Climate risk is of high importance and interest to supervisory authorities all over the world. Financial stability is threatened by severe weather events, with losses from climate-related physical and transition risks. For this reason, climate change has moved to the forefront of the agenda for the financial industry, and several supervisory authorities are currently working to manage, properly supervise, and integrate the climate-related financial risks in their prudential frameworks.

A number of central banks from the East African region have already started the journey to address the impact of climate change on the financial sector and have issued guidelines to the market. Progress has,

however, been hampered by capacity constraints, lack of harmonized methodologies, data/information gaps, or lack of common international standards and practices. This is particularly the case given that climate risk is very unique and new to most supervisors. To move forward, a stronger and more coordinated push for capacity development on climate-related risks is needed.

The webinar targeted the central banks and supervisory authorities in the region, focusing on implementing the new guidelines issued in July 2022 by the Basel Committee on Banking Supervision on “Management and Supervision of Climate-Related Financial Risks” in the banking sector. It presented the new international standards on climate-related financial risks, raised awareness, and allowed the exchange of views with recipient authorities on preconditions and strategies for adapted implementation. The main outcome is that authorities have to set up a structured governance for project management and a tailored

road map for implementing an adapted framework aimed at assessing and monitoring climate-related financial risks for the financial sector, considering the specific risk profile of each country regarding the impact of climate change and the principle of proportionality regarding supervisory expectations.

The webinar had more than 100 participants from seven member countries. The participants came from a range of educational backgrounds, work experiences, and job responsibilities. The webinar was interactive, with several discussion and Q&A sessions, and included an insightful presentation by the Central Bank of Nigeria for benchmarking implementation practices and challenges.

MONETARY POLICY AND OPERATIONS

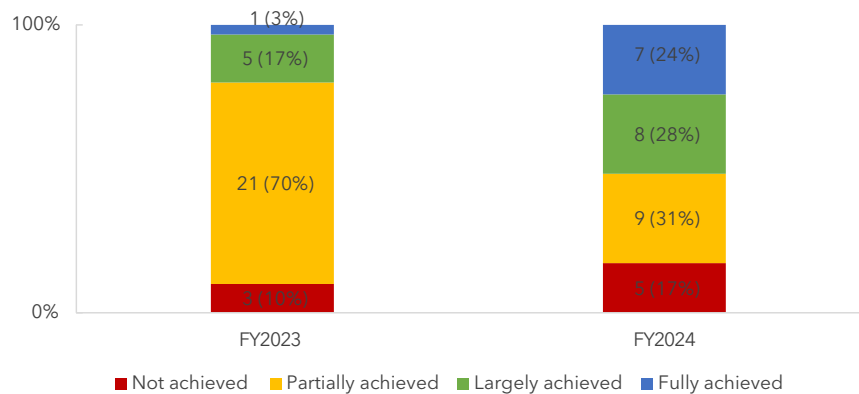


Carel Hugo, a South African national, joined AFRITAC East in October 2020 as Resident Advisor on Monetary and Foreign Exchange Operations, and Financial Market Infrastructure and Payments. Callie worked at the South African Reserve Bank for more than 30 years in several departments and a variety of capacities.

In FY2024, support to AFRITAC East member countries focused on transitioning to greater exchange rate flexibility while emphasizing FX intervention policies and operations and credible exchange rate benchmarks to enhance transparency and FX market functioning. Following the termination of most of the special COVID-19 monetary response measures, countries shifted their focus to further modernizing their monetary policy operational frameworks. However, progress among member countries with the modernization of monetary policy operational frameworks and

exchange rate reforms is diverse, and broader financial market development varies even more. This provides challenges for a more rapid transition to interest rate-focused monetary policy frameworks. The resource execution rate was 77 percent of the workplan, with the largest share of it delivered to Rwanda. In terms of results, 52 percent of outcomes targeted in Phase V were fully or largely achieved, 31 percent partially achieved, and 17 percent not achieved (Figure 11).

FIGURE 11. AFRITAC EAST: STATUS OF THE MONETARY POLICY AND OPERATIONS OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

The main achievements by strategic objective were as follows:

- **Strengthening of efficient monetary policy implementation under the existing monetary policy regime.** Continued support was provided to Tanzania, Rwanda, and Ethiopia to strengthen monetary policy operations frameworks. Assistance to member countries entails refocusing on liquidity forecasting as a prerequisite for effective liquidity management and enhancing the toolkit of monetary policy instruments. This, together with monetary policy communication, was also a key focus in TA provided to EAC in advancing toward a monetary union. TA increasingly focused on the interplay between monetary policy operations and monetary policy setting. Part and parcel of support to strengthen monetary policy transmission was the formalization of overnight rates as operating targets and the publication of central bank monetary policy rates.

- **Strengthening the conducting of foreign exchange operations, given the prevailing FX policy and monetary policy regimes.** Tanzania was assisted with formalizing and publishing an FX intervention policy and with the calculation of exchange rate benchmarks reflecting FX market fundamentals and market clearing rates. Rwanda was also supported with the calculation of exchange rate benchmarks to reflect market clearing levels. Eritrea has a pegged exchange rate regime, with no operations conducted to maintain the peg. During a scoping mission, deliberations started to assess the viability of alternative monetary policy frameworks, introducing FMIs, and broader financial market development.
- **Deepening key financial markets.** Developed and functional financial markets are preconditions for introducing an interest-rate-focused monetary policy. As such, AFRITAC East emphasized the

interconnectedness between monetary policy operations and the status of financial markets during bilateral TA and workshops. For effective monetary policy implementation, functional money markets are essential. Member countries, therefore, continued to strengthen monetary operational frameworks as the first link for effective monetary policy transition, starting with the interbank market followed by the other overnight and term rates in the market. Via these channels, the short-term rates on government securities will be affected, and a credible short-term anchor for the long-term yield curve in the market will be established. Developing interest rate benchmarks remains a key factor in monitoring interest rate transmission. Continued support is provided to develop repo markets and FX swaps to mitigate interbank segmentation.

BOX 8. THE TRANSITIONING TO GREATER EXCHANGE RATE FLEXIBILITY IN AFRITAC EAST COUNTRIES

Exchange rate flexibility and foreign exchange (FX) intervention policies are priority areas in AFRITAC East countries. Authoritative research on the transitioning to inflation-targeting monetary policy frameworks concludes that there is no clear set of preconditions or standard sequencing of actions to finalize the process. However, certain prerequisites for a forward-looking monetary policy framework include flexible exchange rates. Exchange rate flexibility would be a helpful line of defense to partly absorb external shocks like higher commodity prices or lower tourism demand and other factors affecting imports and exports, whereas reserve buffers could be used to prevent episodes of disorderly market conditions. A flexible exchange rate also allows for an independent monetary policy that can be set based on the needs of the domestic economy, thereby allowing for better macroeconomic management. As a result, flexible regimes can achieve more stable macroeconomic conditions over time. A flexible exchange rate also reduces—and often eliminates—the need for costly currency defenses.

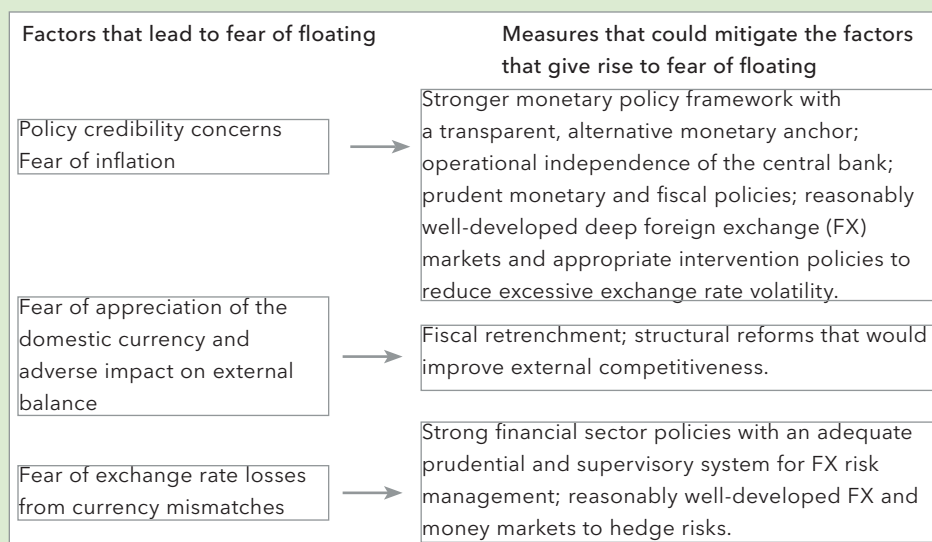
In AFRITAC East, with the exception of Eritrea, which is pursuing a pegged exchange rate regime, all member countries *de jure* have floating exchange rate policies. However, these countries *de facto* have managed exchange rates. Globally, there has often been a reluctance to let go of pegged exchange rates despite the benefits of flexible rates. In AFRITAC East, there seems to be a similar reluctance to introduce reforms that promote greater exchange rate flexibility. The extensive institutional and operational requirements needed to support a higher degree of a floating

exchange rate, as well as difficulties in assessing the right time and manner to exit, tend to be additional factors in this reluctance (the so-called fear of floating).

An operational framework for moving from fixed to floating exchange rate regimes or transitioning toward greater exchange rate flexibility focuses on country-specific issues such as institutional, operational, and technical issues. The timing and priority in this transition process might vary from country to country depending on initial conditions and economic conditions. The ingredients entail the following:

- The development of deep and liquid FX markets, both spot and derivative markets. A well-functioning FX market allows the exchange rate to respond to market forces, helps minimize disruptive day-to-day fluctuations in the exchange rate, and facilitates exchange rate risk management.
- Development of credible exchange rate benchmarks.

- Formulating FX intervention policies consistent with the new exchange rate regime. FX intervention should be considered only to address excess liquidity and should not be aimed at influencing the level of the exchange rate or to replace the necessary monetary policy adjustment to achieve central bank objectives.
- Establishing an alternative nominal anchor in the context of the monetary policy framework and development of supportive markets.
- Reviewing exchange rate exposures and building the capacity of market participants to manage exchange rate risks and of the supervisory authority to regulate and monitor them.
- Establishment of appropriate market forums to engage with all market participants regularly.



FINANCIAL MARKET INFRASTRUCTURE AND PAYMENTS

AFRITAC East member countries continued modernizing national payment systems, with an increasing focus on self-assessments of financial market infrastructures, strengthening oversight frameworks, and reviewing payment system legislation and regulation. Digital money, with an increased focus on exploring the feasibility of CBDC, remains a priority for an increasing number of member countries as a key element of the review of national payment strategies to address constraints to deepen financial inclusion in the economy. The resource execution rate was high at 133 percent as new activities were added in response to changes in demand. In terms of results, 65 percent of outcomes targeted in Phase V were fully or largely achieved, 17 percent partially achieved, and 17 percent not achieved (Figure 12).

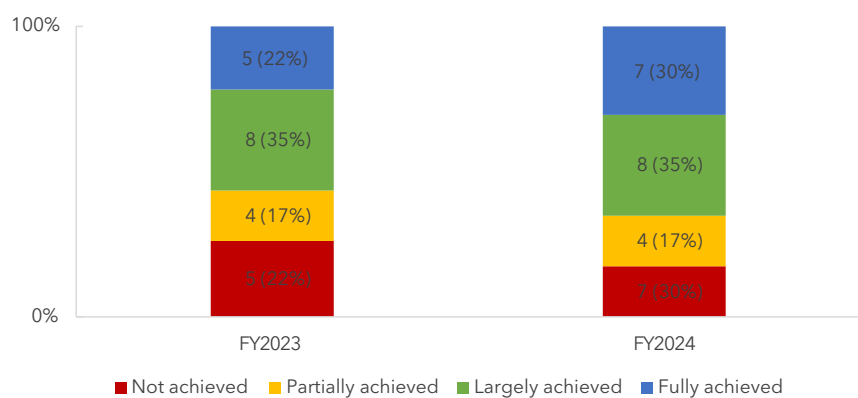
The main achievements by strategic objective were as follows:

National payment system development and reform—enhancing the safety and efficiency of the financial system. Kenya benefitted from TA to finalize the RTGS self-assessment and ensure compliance with the global disclosure framework and standards as well as guidelines for the review of the oversight framework.

AFRITAC East further assisted South Sudan with capacity building to enhance the functioning of the NPSD, including, among others, facilitating a professional attachment for BoSS officials at the National Bank of Rwanda. During TA missions, BoSS also assisted in drafting the Terms of Reference for an IT Vendor to implement FMIs, as well as the drafting of Rules and Regulations for the Automated Transfer System (ATS), comprising the RTGS and the Automated Clearing House (ACH). The Rules were based on the CPSS-IOSCO Principles for Financial Market Infrastructure (PFMI). Support was also provided to design and integrate a switching module with the ACH. This initiative will be a key

focus area of the EAC payment system integration project. A one-week virtual webinar on CBDC was organized as a national event in Uganda. The purpose was to assist the authorities in better understanding the implications of issuing a CBDC for various aspects such as monetary policy, financial stability, financial inclusion, risks, and design choices. Some of the design choices include distribution architecture, ledger design, access models, and interoperability of payments. Legal and supervisory frameworks, as well as compliance with regulations related to anti-money laundering/combating the financing of terrorism, were other considerations.

FIGURE 12. AFRITAC EAST: STATUS OF THE FMI OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

BOX 9. THE STATUS OF MODERNIZATION OF PAYMENT SYSTEMS IN AFRITAC EAST COUNTRIES

Financial market infrastructure refers to the real-time gross settlement system (RTGS), automated clearing house (ACH), security settlement systems (SSSs), and central securities depository (CSD). The modernization of payment systems refers to measures to ensure a secure and efficient payment framework that enables seamless transactions between individuals, businesses, and financial institutions. It uses cutting-edge technology and various methods like account-to-account payments and various forms of fast payments. Modernized payment platforms offer significant advantages, including reusability, simplified infrastructure, product standardization, streamlined operations, enhanced fraud and risk management, and support for product innovation. Globally, modern payments use cash substitutes as compared to traditional payment systems.

The CPSS-IOSCO Principles for FMIs set the guidelines for compliance with the global standard for the operations of the FMI and the appropriate risk management and oversight frameworks. National Payment Strategies refer to the process of implementing base payment strategies and adjusting these strategies to incorporate new

technologies (fintech innovations) and new forms of money (digital money such as e-money and central bank digital currency) and stablecoins.

Modernization further entails changes to legal and regulatory frameworks and risk management frameworks.

In the AFRITAC East context, the status of modernization entails the following:

- In Eritrea, with the exception of an ACH for the Bank of Eritrea and the commercial banks in Asmara, no other FMI exists.
- In South Sudan, a National Payment System Department was established in 2022, and an RTGS, ACH, and CSD will be implemented in November 2024. The initiative to integrate the locally developed National Switching model with the ACH will be a major achievement and could be used in other countries to support interoperability and further integrate payment systems in the East African Community.
- The other six AFRITAC East member countries have functional RTGSs, with five implementing operational CSDs.

- Legal and regulatory frameworks are in place but are subject to continuous review and refinement to ensure compliance with global practice.
- TA is needed to ensure the continuous review of NPS strategies to keep track of fintech innovation (including crypto innovations), digitalization, and financial inclusion.

Financial innovation in East Africa is achieved via e-money innovation, such as m-Pesa (Kenya, Tanzania) and m-Gurus (South Sudan). Tanzania has developed and implemented its own fast payment system. Globally, more than 100 countries are exploring CBDC. Although only four countries have launched CBDC (with very low rates of adoption), several countries are expected to launch CBDC as part of the modernization of payment systems in the near future, and AFRITAC East countries are exploring achieving both higher levels of financial inclusion and improving payment systems. Cross-border payment is a priority for further modernization of payment infrastructure.

FORECASTING AND POLICY ANALYSIS SYSTEM



Jianping Zhou is a senior economist at the Monetary and Macprudential Policy Division of the Monetary and Capital Market Department. She has led recent FPAS TA missions to Kenya, Rwanda, and Tanzania.



Mission to Kenya on Quarterly Projection Model (QPM), April 22-26, 2024.

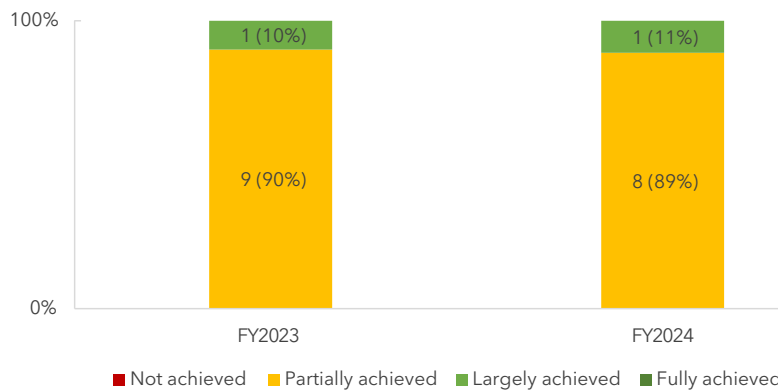
In FY2024, AFRITAC East continued to provide support to member countries on developing modeling, forecasting and analysis techniques. In FY2024, the execution of the FPAS workplan was affected by an extended vacancy of the resident advisor position for the duration of the year. With the help of IMF headquarters staff, the execution rate was 40 percent of the work plan, with Kenya, Rwanda, and Tanzania receiving the largest share of the resources. In terms of results, 11 percent of outcomes targeted in Phase V were largely achieved, and 89 percent of outcomes were partially achieved (Figure 13).

The main achievements by strategic objective were as follows:

- **Developing modeling, forecasting, and analysis.** Kenya was assisted in further developing its FPAS and enhancing its capacity for model-based forecasting and policy analysis, focusing on improving the QPM model. An FPAS TA to Rwanda

in December helped incorporate climate risks into nowcasting by establishing a system for analyzing the impact of weather shocks, particularly rainfall, on food crop production and food prices.

FIGURE 13. AFRITAC EAST: STATUS OF THE FPAS OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.



REAL SECTOR STATISTICS



Timmi Rolle Graversen, a Danish national, joined AFRITAC East in January 2021 as the Real Sector Statistics Advisor. He had worked for more than 25 years at Statistics Denmark covering various areas of national accounts and was for 10 years Deputy Head of the National Accounts Division, overseeing the units that publish Danish quarterly national accounts and labor market accounts. He also participated in several IMF missions, some in Africa, as a short-term advisor.

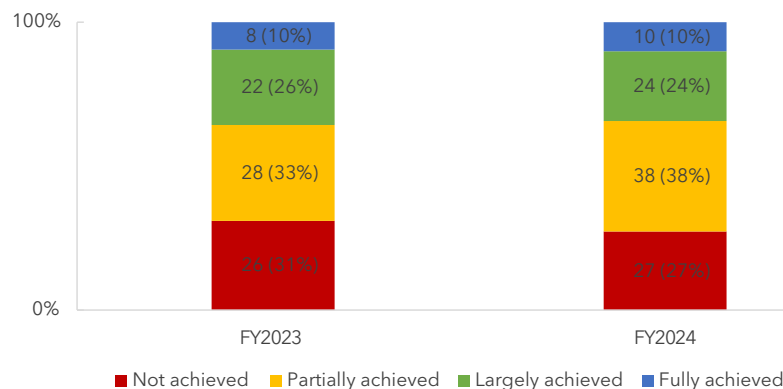
In FY2024, AFRITAC East provided both technical assistance missions and training to several countries in the region. The resource execution rate was 57 percent of the workplan, with Ethiopia, Kenya, and Tanzania receiving a large share of the total resources. In terms of results, 34 percent of outcomes targeted in Phase V were fully or largely achieved, 38 percent partially achieved, and 27 percent not achieved (Figure 14). Training in national accounts was the most sought after activity due to staff attrition in national statistical offices.

benchmark national accounts statistics. Tanzania also received TA on developing an Institution Sector Account (ISA). Uganda continued working on improving the quarterly GDP compilation and monthly indicator of economic activity (MIEA) coordinated with headquarters staff. Kenya and Rwanda received training of newly recruited staff in national accounts. Ethiopia received virtual training on compiling quarterly national accounts after many years. The training was well attended and included the regional staff.

The main achievements by strategic objective were as follows:

- **National accounts statistics.** AFRITAC East supported Tanzania in preparing the source data to
- **Price statistics.** Kenya continued developing the export and import price index. Although no mission on prices was delivered to Ethiopia, staff have been working on the producer price index for construction.

FIGURE 14. AFRITAC EAST: STATUS OF THE REAL SECTOR STATISTICS OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

GOVERNMENT FINANCE STATISTICS



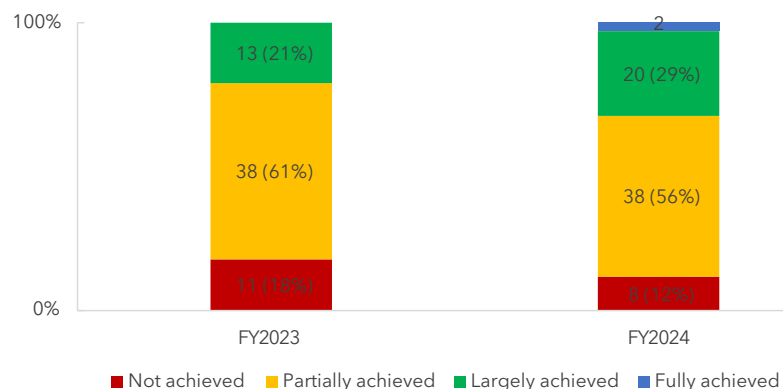
Christelle Groenewald, a South African national, joined AFRITAC East in February 2023 as the Government Finance Statistics Advisor. She has more than 22 years of experience in public finance at the Reserve Bank of South Africa (SARB), where she was overseeing the unit responsible for compiling government finance and public sector debt statistics.

In FY2024, the GFS workstream facilitated the expansion of coverage, frequency, and quality of fiscal and debt statistics for member countries. The resource execution rate was 112 percent of the work plan, with the largest share of it delivered to South Sudan and Tanzania. In terms of results, 32 percent of outcomes targeted in Phase V were fully or largely achieved, 56 percent partially achieved, and 12 percent not achieved (Figure 15).

The main achievements by strategic objective were as follows:

- Fiscal data quality improvement.** Tanzania improved its IFMIS classification codes and aligned IFMIS reporting with the Public Sector Institutional Table (PSIT). Uganda committed to separating budgetary central government (BCG) transactions from extrabudgetary units (EBU) to improve the consolidation of general government finance statistics. Uganda, Tanzania, and Ethiopia have developed business process documentation to compile GFS to ensure continuity and mitigate risks associated with high staff turnover. Kenya and Rwanda improved their sector classification

FIGURE 15. AFRITAC EAST: STATUS OF THE GFS OUTCOMES



Note: The figure shows outcomes targeted in Phase V, which includes new outcomes and some of the outcomes from Phase IV. Please note that outcome statuses are not comparable between workstreams.

of public institutions, particularly focusing on the delineation between general government and public corporations. Malawi has expanded the implementation of IFMIS to all BCG units, which is expected to enhance the quality and coverage of GFS. This reform is also expected to improve the timeliness and consistency of GFS reporting.

- **High-frequency fiscal data.**

Malawi now compiles the GFS Statement of Operations for BCG monthly, with a one-month time lag. Rwanda compiles quarterly (classification of Function of Government) expenditure data for BCG with a two-month time lag.

- **Expansion of coverage to the public sector.**

Tanzania (mainland) has analyzed its social security funds for the past four fiscal years and will include the data in its 2024 submission to the IMF statistical GFS database. Zanzibar included local government data in its GFS analysis. Malawi has also compiled annual GFS for local government up to FY2021/22, and work on compiling GFS for EBUs is ongoing. Representatives from Kenya county (local) governments received basic GFS training to aid in quarterly GFS reporting.



Mission to Ethiopia on Compilation and Dissemination of GFS, November 13-24, 2023.

- **Public debt data improvement.**

Uganda resumed the dissemination of Public Sector Debt Statistics (PSDS) to the joint IMF and World Bank's quarterly public sector debt database from 2020. Malawi migrated its debt data to the Meridian debt recording management system, which will make it easier for Malawi to compile and disseminate debt data to the IMF and World Bank. Rwanda has compiled and disseminated PSDS for the general government up to 2022 Q4.

BOX 10. TANZANIA'S JOURNEY TOWARD FISCAL TRANSPARENCY THROUGH GOVERNMENT FINANCE STATISTICS DISSEMINATION

Tanzania (mainland) has made considerable progress in improving the quality of Government Finance Statistics (GFS) in recent years. In 2023, it resumed reporting to the IMF Statistics Department by submitting annual GFS data for the budgetary central government (BCG) from fiscal year (FY) 2019/20 to FY 2022/23. Additionally, the authorities improved GFS coverage by analyzing the finances of their Social Security Funds.

The Government Finance Statistics Yearbook (GFSY), an IMF Statistics Department Database, offers comprehensive and internationally comparable data on government finances for many countries worldwide. The GFSY provides detailed statistics on various aspects of government finances, including revenue, expenditure, net lending/borrowing, and financing. These statistics adhere to internationally agreed standards and classifications, detailed in the Government Finance Statistics Manual (GFSM2014), ensuring consistency and comparability across countries.

The data within GFSY serves as a valuable resource for policymakers, economists, researchers, and international organizations. It enables analysis of trends in government finances, assessment of fiscal sustainability, and comparison of fiscal policies and performance across countries. Moreover, GFSY plays a crucial role in promoting transparency, accountability, and sound fiscal management at both national and international levels.

By disseminating GFS to the GFSY of the IMF, Tanzania has taken the initial step to gain several advantages. These include but are not limited to the following:

- **Transparency and accountability.** The GFSY serves as a pivotal tool in promoting transparency and accountability within Tanzania's governmental financial operations. By providing standardized and reliable data on government finances, authorities enable public access to fiscal information. This accessibility enhances the understanding of fiscal policies and fosters trust in its government institutions. Moreover, citizens can scrutinize government spending patterns, thereby promoting greater accountability and trust between the government and its citizens.
- **Support for economic analysis.** GFSY data plays a crucial role in conducting macroeconomic analysis and forecasting. By offering reliable statistics on government finances, Tanzanian authorities enable economists and policymakers to understand the intricate dynamics between fiscal policies and various economic variables. Such insights support informed decision-making processes concerning fiscal matters, contributing to overall economic stability and growth.
- **Improving governance.** Transparent fiscal data provided by GFSY aids policymakers in Tanzania in effectively allocating budgets and managing resources. By offering clear insights into Tanzania's government's financial position, strengths, and weaknesses, the GFSY facilitates more strategic planning and resource management. Additionally, the timely publication of fiscal data assists Tanzania's government in responding effectively to economic challenges, thereby enhancing governance practices.
- **Building investor confidence.** Accurate and up-to-date financial information provided by the GFSY is instrumental in attracting both domestic and foreign investment in Tanzania. Investors rely on fiscal data to assess Tanzania's economic stability and credibility, which significantly influence their investment decisions. Therefore, transparent fiscal data not only fosters investor confidence but also promotes economic growth in Tanzania through increased investment and lending opportunities.

OTHER CD PROGRAMS HOSTED AT AFRITAC EAST



Tiviniton Makuve, a Zimbabwean national, joined AFRITAC East in October 2022 as a Debt Management Advisor. He has more than 10 years of experience in sovereign debt management as a practitioner and advisor.

Debt Management

The main achievements by strategic objective were as follows:

Strengthened practices for debt recording, reporting, and monitoring. AFRITAC East assisted South Sudan's government in developing an Excel-based database to record public and publicly guaranteed debt instruments. The officials were also trained in interpreting loan agreements, generating cash flows, and using Excel functions to update the debt database, produce reports, and monitor the evolution of debt over time. By the end of the mission, the Debt Management Unit and Bank of South Sudan officials had begun to register some information on external loans to build a comprehensive debt database.

- AFRITAC East also trained government officials in Uganda on using the joint IMF/World Bank Debt Sustainability Framework for Low-Income Countries to assess the sustainability of public and publicly guaranteed debt. The training enhanced officials' capacity to use the framework to guide government borrowing decisions. The officials are expected to use

the knowledge and skills acquired to assess the sustainability of their country's public debt and to draft a debt sustainability analysis report in compliance with debt management legal requirements.

- **Establish efficient institutional structure and appropriate legislation for debt management.** To support authorities' efforts to modernize the legal framework for debt management, a joint AFRITAC East and LEG mission conducted a gap analysis on Tanzania's legislation for public debt management. Through a desk review, the mission assessed existing legislation to identify areas for improvement. A TA report summarizing the mission's findings and recommendations was produced and shared with the authorities. Follow-up missions expect to support the authorities in drafting the primary and secondary legislation revisions to align them with sound practices.
- **Develop market infrastructure and capacity for cost-effective financing.** AFRITAC East, in collaboration with the World Bank, assisted the authorities in Ethiopia in identifying key constraints to the functionalities of the government securities

market. Based on the outcome of the assessment, the authorities prepared a sequence of actions and measures of policy reform efforts to address the identified gaps across the six building blocks of the government securities market, namely money market, primary market, secondary market, investor base, legal and regulatory framework, and the financial market infrastructure. At the same time, the missions' findings helped AFRITAC East update the workplan to reflect potential areas for capacity building to support the authorities' efforts to address the identified gaps.

- In Kenya, AFRITAC East provided TA to develop the domestic government debt market. The assistance focused on four key areas: (1) the institutional arrangements for conducting the domestic debt borrowing program, (2) the framework of the primary domestic debt market, (3) the structure of the secondary market, and (4) investor relations concerning domestic debt. A holistic set of recommendations was provided to streamline and enhance the efficiency of the market's institutional frameworks, reduce market fragmentation, improve the functionality of both the primary and the secondary markets, and broaden the scope of investor relations practices to include the domestic debt market. Implementing these recommendations can significantly improve the domestic borrowing environment, foster enhanced market liquidity, and develop a more inclusive and robust domestic debt market. AFRITAC East is ready to support the authorities in implementing the recommended reforms.



Mission to South Sudan on building the public debt database, Juba, South Sudan, September 19-28, 2023.

- In Uganda, AFRITAC East raised awareness among government officials on thematic debt instruments that follow internationally acknowledged sustainability principles, namely the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, and the Sustainability-Linked Bond Principles. The authorities are exploring the potential of using these instruments to finance sustainable development and climate action in the context of the country's Nationally Determined Contribution. As for any borrowing instrument, the decision to issue these bonds needs anchoring within the framework of a medium-term debt management strategy, which captures the government's preferences on the cost-risk trade-offs and the domestic debt market development considerations. AFRITAC East's support strengthened government

officials' foundational knowledge of thematic debt instruments. This is expected to inform the decision-making process, ensuring that the costs and risks associated with these instruments are clearly recognized and identified in the overall debt management strategy context. AFRITAC East will continue to support the authorities' efforts to integrate thematic bonds into the overall debt management strategy and to ensure the government is well placed to take advantage of new borrowing opportunities in a considered and risk-conscious way.

BOX 11. STRIVING FOR DEBT TRANSPARENCY: SOUTH SUDAN'S JOURNEY

Public debt transparency refers to processes and outputs through which timely, accurate, and sufficiently comprehensive information on public debt—and related procedures and policies—is available to stakeholders (IMF, 2023). To effectively record, monitor, and report public debt consistently requires a robust governance framework, effective organizational structure, adequate staff capacity, and a functional debt recording system. As a young country, South Sudan is still developing and strengthening these key elements for debt transparency. Green shoots are emerging amid long-standing challenges.

In 2020, the government of South Sudan recommitted to implementing Public Financing Management (PFM) reforms in line with the Revitalized Agreement of the Resolution of the Conflict in South Sudan (R-ARCSS).¹ The R-ARCSS established a range of PFM priority reforms² to ensure effective, transparent, and accountable management of national resources. Public debt management is an integral part of the PFM reforms. As part

of the reforms, the Technical Loan Committee was reconstituted under the Ministry of Finance and Planning, and this is expected to facilitate the flow of information on new loans to the Debt Management Directorate (DMD) for recording. Further, the existing debt management policy framework was updated in 2023, and the Debt Management Unit was upgraded to a standalone directorate in 2024. The authorities are currently reviewing the existing legal and institutional frameworks for debt management to align them with sound practices.

Strengthening public debt recording, monitoring, and reporting is critical to debt transparency. In 2022, the authorities undertook an external debt and guaranteed stock-take exercise, and its findings were published on the Ministry of Finance and Planning website in line with sound practices. An IMF mission in December 2022 recommended that the authorities create an Excel spreadsheet-based template to host debt management information in the interim, pending the procurement of a full-fledged, computer-based debt management system. To this end, the authorities developed an Excel spreadsheet-based debt database in 2023 with assistance from AFRITAC East. The spreadsheet allows the authorities to (1) record and maintain all debt-related transactions, including terms and conditions, commitments, disbursements, and debt service payments; (2) produce payment projections of principal, interest, and other fees; and (3) generate reports at individual instrument and portfolio levels. Staff in the DMD were also trained in the interpretation of loan agreements, debt recording, and using Excel functions to update the database, produce reports, and monitor the evolution of debt over time.

The government plans to put procedures in place to obtain, on a regular basis, information on existing and new borrowing and other transactions that affect the debt stock. This will address the inadequate interagency and intra-agency information flows on public debt that hamper the DMD's ability to effectively record and report on public debt. Negotiations are ongoing to procure a full-fledged, computer-based debt management system, which will address the existing weak information technology. The authorities are also committed to strengthening the debt data recording and reporting capacity. They are working with AFRITAC East to develop a tailored capacity development program for DMD staff. The program aims to enhance DMD's technical and functional capacity to generate debt information and produce meaningful statistical and analytical reports on public debt sustainably, consistently, and periodically.

Building on progress under ongoing initiatives, measures in several reform areas promise to advance the transparency agenda further.

¹ Roadmap: Implementing the Public Financial Management priorities in the Revitalized Agreement of the Resolution of the Conflict in South Sudan. https://mofp.gov.ss/doc/PFMRS_Concept_Note_v9-2.pdf

² The R-ARCSS identifies 11 priority reforms: Implement the treasury single account; Strengthen Cash Management; Relocate Technical Loan Committee to MoFP; Review, verify, and clear all arrears; Review and verify loans and contracts collateralized or guaranteed against crude oil; Strengthen the Anti-Corruption Commission and the National Audit Chamber; Establish a Public Procurement and Asset Disposal Authority; Rollout electronic payroll using biometric system; Strengthen Fiscal and Financial Allocation Monitoring Commission; Strengthen macro-fiscal framework; and Strengthen the budget process and budget credibility. Details are in the strategy document:



Faith Mazani, a Zimbabwean national, joined AFRITAC East in January 2024 as a Revenue Administration Advisor supporting four countries in developing and implementing medium-term revenue strategies (MTRS). Faith joined the Center from IMF HQ, where she was a Technical Assistance Advisor. She was also an Advisor in AFRITAC West 2 and AFRITAC South and served as the Commissioner General of the Zimbabwe Revenue Authority.



Dumisani Masilela was a Revenue Administration Advisor at AFRITAC East from February 2022 to December 2023, responsible for coordinating MTRS in four countries in the region. He is a former commissioner general of the Eswatini Revenue Authority. Before this, he was the principal secretary in Eswatini's Ministry of Finance.

Medium-Term Revenue Strategy

The main achievements by strategic objective were as follows:

Improved domestic resource mobilization through tax systems reform. Uganda and Rwanda were among the first countries to develop and implement tax reforms using the MTRS framework, and their first strategies are scheduled to end in June 2024. Kenya and Ethiopia have followed suit, and Tanzania has also requested support to develop its MTRS by June 2024 as part of program negotiations with the IMF. Although the revenue growth over the COVID-19 pandemic period was minimal, the Domestic Revenue Mobilization (DRM) strategies helped implementing countries absorb the impact of the shocks.

Strengthened revenue administration management and governance arrangements. All MTRS implementing countries have made deliberate efforts to ensure that the MTRS is aligned with national development plans and that revenue administration strategic plans (SP) are aligned with the MTRS. The Rwanda Revenue Authorities (RRA) is developing its SP for 2024/25 to 2026/27 to be aligned with the second National Strategy for Transformation (NST-2) and MTRS-2. The Kenya Revenue Authority is also developing its ninth Corporate Plan to align to the MTRS 2024/25 to 2026/27. This simplifies monitoring expected outcomes from the country's DRM outcomes to support national development. Ethiopia intends to have a TADAT assessment that will inform strategies for delivering the measures in the NMTRS.

BOX 12. UNLOCKING REVENUE GROWTH: THE CRUCIAL ROLE OF REFORM GOVERNANCE IN MEDIUM-TERM REVENUE STRATEGY IMPLEMENTATION

The Medium-Term Revenue Strategy (MTRS) is a comprehensive approach to reform and mobilize sustainable government revenues. Developed by the Partnership for Cooperation on Tax, the MTRS framework emphasizes that it should be implemented as a “whole of government” reform of the tax system to improve domestic revenue mobilization and fund national development goals. It provides the four components to guide the process and relies on the involvement of all key stakeholders. So, from its formulation to implementation, there must be a strong mechanism to drive broad engagement and robust structures for stakeholder engagement and reform monitoring. The critical stakeholders need to own the process and know their respective roles and responsibilities.

MTRS governance structures need to be aligned to the country’s national planning framework that aligns the budgeting process to the national development spending needs. The MTRS framework starts with assessing the revenue needed to finance the country’s spending needs and then establishing the funding revenue gap. Reforms under the MTRS are, therefore, structured to close this gap. Most countries have adopted the medium-term expenditure framework (MTEF) as part of the budgeting process to project the country’s spending needs in the medium to long term. Hence, the MTRS and the MTEF should be seen as critical pieces within a country’s Medium-Term Fiscal Framework (MTFF) supported by a Medium-Term Budget Framework and a Medium-Term Performance Framework to monitor the country’s national development agenda. Thus, it is logical that the governance structures under these frameworks should also be aligned, with oversight

at the highest level of government and cascading to the lowest levels of the implementing institutions.

Successful implementation of the MTRS requires political commitment, agility, and innovation. Due to the sensitivities of tax policy and revenue administration, the MTRS reform program must be led at the highest level of government to avoid negative political influence and counterproductive rent seeking. It should be supported by structures to guide the implementation, monitor delivery of the expected results, and mitigate the risks. A reform program of the MTRS magnitude requires support with appropriate policies and practices to ensure accountability and effective interaction among the key stakeholders in the reform process. This facilitates buy-in and maximizes effective implementation through clear oversight, measurement, and control. Those tasked with implementing the revenue reforms, mainly the Treasury and the Revenue Administration, need adequate resources to build the capacity required for the reforms identified in the MTRS.

Successful and well-managed reforms require strong and visible leadership. Although all stakeholders have a role to play in the reform, clarity of leadership and sponsorship is critical. The leadership must be empowered to convene the forums to interact on the various aspects of the reform. It is responsible for driving consensus on the activities to be undertaken and ensuring that the necessary approvals are obtained. It is also responsible for ensuring that an effective reporting structure exists to monitor progress.

Clear structures must be established with appropriate written terms of reference at the different levels. A reform governance structure is typically characterized by four levels: (1) strategic program direction, (2) program oversight and control, (3) project management, and (4) project implementation and delivery. The necessary institutions must be established at each level, given clear terms of reference and resources. It is also essential to map out the interactions among the various levels to avoid confusion that may result in duplication or gaps in the reform’s implementation.

East Africa has made major strides in using the MTRS framework, providing valuable lessons in domestic revenue mobilization. Although some countries have given the coordination role of the MTRS to the Ministry of Finance, in most countries, the actual work has been assigned to the Tax Policy units. The Tax Policy functions in most countries are still developing and lack the capacity to coordinate such major reforms and to coordinate with other functions of the Ministry, like the Budget, Expenditure, and Planning units, which have a critical role in the reforms and give inputs to the other components. As an implementing function, the Tax Policy unit tends to be biased and may fail to account for the tasks it is responsible for or does not have the authority to enforce implementation. As a result, areas like development partner coordination and stakeholder engagement are not given the necessary attention.



WORK ON REGIONAL ISSUES (EAC)

The regional integration process in the EAC continued to be supported as follows:

- Public Financial Management.** AFRITAC East supported the 10th meeting of the EAC PFM Workshop, held in Kigali, Rwanda. The workshop focused on revising and developing Medium-Term Convergence Plans (MTCP) to meet the revised 2031 timeline for establishing the East African Monetary Union. Additional

support was provided to new Partner States, facilitated by Uganda, on developing an MTCP and a PFM reform plan. The main thematic topic was climate change, which is of significant concern to all partner states. The IMF presented a range of tools to analyze the long-term macrofiscal impacts of climate change. This included incorporating climate change into public investment management, climate budget tagging, and

identifying and analyzing specific risks associated with SOEs, PPPs, and natural disasters.

- Financial Supervision and Regulation.** One workshop took place in FY2024: AFRITAC South and the MCM, in collaboration with AFRITAC East, delivered a training workshop to the banking supervision staff of the Southern African Development Community member countries on the key



Regional EAC Workshop on PFM in the context of EAMU, Kigali, Rwanda, January 23–26, 2024.

elements and use of the Basel Core Principles for effective banking supervision to enable them to execute meaningful self-assessments. The Reserve Bank of Malawi and the Bank of Tanzania participated from the African East region.

- **Forecasting and Policy Analysis System.** In collaboration with the IMF MCM and ICD, in February 2024, EAC and AFRITAC East co-organized a regional workshop titled “FPAS Modeling and Forecasting: Peer-to-Peer Experience Sharing.” The workshop brought together country teams as well as world-class experts to share insights on using nowcasting and QPMs to improve monetary policymaking and communication.
- **Government Finance Statistics.** AFRITAC East continued to play an important role in improving GFS and PSDS in the region. Regional workshops and technical assistance missions helped align member countries’ compilation practices and improve the quality of GFS reported in the region.



Workshop on Monetary Policy Communication in EAC Member Countries, Nairobi, Kenya, November 20 - 24, 2023.

- **Monetary Policy Operations.** An AFRITAC East and EAC workshop on monetary policy communication was held at the Kenya School of Monetary Studies. The workshop’s objective was to draft a common Monetary Policy Communication Framework for the EAC. The AFRITAC East mission team guided participants in drafting the framework, which will be submitted to the MAC for endorsement. The EAC has been steadfast in pursuing economic integration, with harmonization plans playing a crucial role in aligning

the EAC Partner State Central Banks’ monetary policies across member states. As part of this harmonization, the EAC has recognized the need for a harmonized communication approach to monetary policy.

- **An AFRITAC East EAC workshop on Forecasting and Policy Analysis Systems was conducted in Kigali.** The agenda included the coordination and interplay between monetary policy operations and the QPM.

BOX 13. FORECASTING AND POLICY ANALYSIS SYSTEM MODELING: PEER-TO-PEER LEARNING AND COUNTRY IMPROVEMENTS

Peer-to-Peer Learning

In February 2024, a four-day in-person regional workshop on forecasting and policy analysis system (FPAS) modeling for the East Africa Community (EAC) member countries took place in Kigali, Rwanda. The workshop enabled the sharing of experiences among EAC countries regarding FPAS, focusing specifically on the utilization of short-forecasting tools (nowcasting, near-term forecasting (NTFs), etc.) and the medium-term Quarterly Projection Models (QPMs). The mix of lectures, the robust exchange of knowledge, and the sharing of peer-to-peer experiences among the country representatives contributed to the workshop's success. Experts from the IMF MCM, ICD, and the Bank of Canada presented various technical FPAS-related topics, followed by presentations by the EAC countries. The workshop helped identify gaps in the quantitative aspects of FPAS implementation and the future technical assistance (TA) needs for individual countries. A concern shared by many participants is the inadequate size of modeling and forecasting teams, which needs to be addressed urgently. More well-designed TAs will be required to improve forecasting models.

The closing panel discussion featured a conversation with Dr. Stefan Ingves, former Governor of the Riksbank, and Dr. Kayandabila, Deputy Governor of the Bank of Tanzania, moderated by Professor Robert Madida, Director of Research and the MPC member of the Central Bank of Kenya. The conversation centered on three questions: (1) Why are models useful for monetary

policy decision making? (2) How do quantitative models improve monetary policy communication, including the communication of uncertainties and risks? (3) In what ways can central banks adjust their quantitative tools to adapt to changing economic conditions? The country participants found the discussion extremely useful.

Incorporating Climate Risks in Nowcasting

In December 2023, an FPAS TA mission visited Kigali to follow up on the recommendations from the FPAS mission in December 2022. The mission assisted the National Bank of Rwanda in further strengthening the understanding and use of nowcasting tools for GDP and CPI inflation.

The TA also aimed to incorporate climate risks into nowcasting. The mission conducted an extensive empirical analysis of the impact of rainfall on agricultural output and food prices, using currently available data. It found some evidence that adverse weather shocks (drought or heavy rain during planting and heavy rain during harvesting) can negatively affect crop production, and it estimated the effects of crop production shocks on food prices. These results can be used to inform judgment-based forecasts. The next step is to increase the data sample and the robustness of the empirical results so they can be included in the near-term forecasting systems. Alternatively, the mission recommended constructing a diffusion index based on the National Bank of Rwanda's Food Price Expectations Survey results.

Improving Model Forecasting and "Storytelling"

In April 2024, a TA mission assisted the Central Bank of Kenya in further developing the FPAS by enhancing its capacity for model-based policy analysis, focusing on improving the QPM—the mission aimed to address the shortcomings of the QPM identified by previous missions. The Central Bank of Kenya has been using its QPM model for medium-term forecasting and monetary policy analysis, supplemented with ad hoc statistical models and expert judgments. The QPM model was initially developed with TA support provided before 2014, and some extensions (such as the fiscal block) were subsequently added by Central Bank of Kenya staff. However, the current QPM model does not adequately capture important policy channels and external shocks. Therefore, an extensive revision has been planned, including recalibrating key model parameters and steady-state levels and updating model equations to reflect the current structure of the Kenyan economy. These enhancements are expected to better inform Central Bank of Kenya's monetary policy decision making and improve policy communication.

ATTACHMENTS, MENTORING, AND SHARING OF REGIONAL EXPERIENCE

A total of six attachment programs were facilitated in FY2024.

- **Revenue Administration.** Four officials from Ethiopia's Ministry of Revenue participated in a peer learning initiative at the Zambia Revenue Authority. The objective of the visit was to deepen the capacity of the Ministry of Revenue project management staff to manage and implement integrated tax administration systems (ITAS). The team also had the opportunity to compare the standard scope of the ITAS.
- **Financial Supervision and Regulation.** Four professional attachment programs were offered to the banking and capital markets supervisors in FY2024. Bank of Eritrea Supervision Department officials learned from the National Bank of Rwanda's supervisory experience in microfinance institutions' supervision to draft their own legal framework, develop microfinance regulations and directives, and enhance their capacity to independently regulate and supervise microfinance activity in Eritrea. Bank of South Sudan Banking Supervision Department

officials visited the Reserve Bank of Malawi on a risk-based supervision study tour to improve supervisory capacity and enhance internal supervisory manuals and procedures. The program's objectives were to increase the overall knowledge of risk-based supervision, enhance the offsite risk assessment of the supervised institutions, better understand the methodologies, design better targeted onsite examinations, and increase adherence to international best practices. The South African Reserve Bank hosted officials from the National Bank of Rwanda Bank Supervision Department on a risk-based supervision professional attachment covering diverse supervisory items related to consolidated supervision, climate change, market risk, interest rate risk in the banking book, information technology and cyber risk, as well as cloud outsourcing, big data, and models analysis. Finally, officials from the Capital Markets Authority of Uganda interacted with the Securities and Exchange Commission of Zambia on how to regulate the fixed income or debt capital market. The attachés learned the fundamentals of the supervision of secondary

trading of fixed income securities (infrastructure and regulation/framework), gained exposure to secondary trading of fixed-income securities, and shared best practices.

- **Financial Market Infrastructure and Payments.** Officials from the NPSD in the BoSS went on a professional attachment mission to the National Bank of Rwanda. The objective of the attachment was to help the NPSD officials learn from the National Bank of Rwanda how to ensure functional operations of the Financial Market Infrastructure, which will be implemented within the near term.

Q

REGIONAL TRAINING AND WEBINARS

IMF AFRITAC East conducted 28 regional workshops in FY2024.

REVENUE ADMINISTRATION

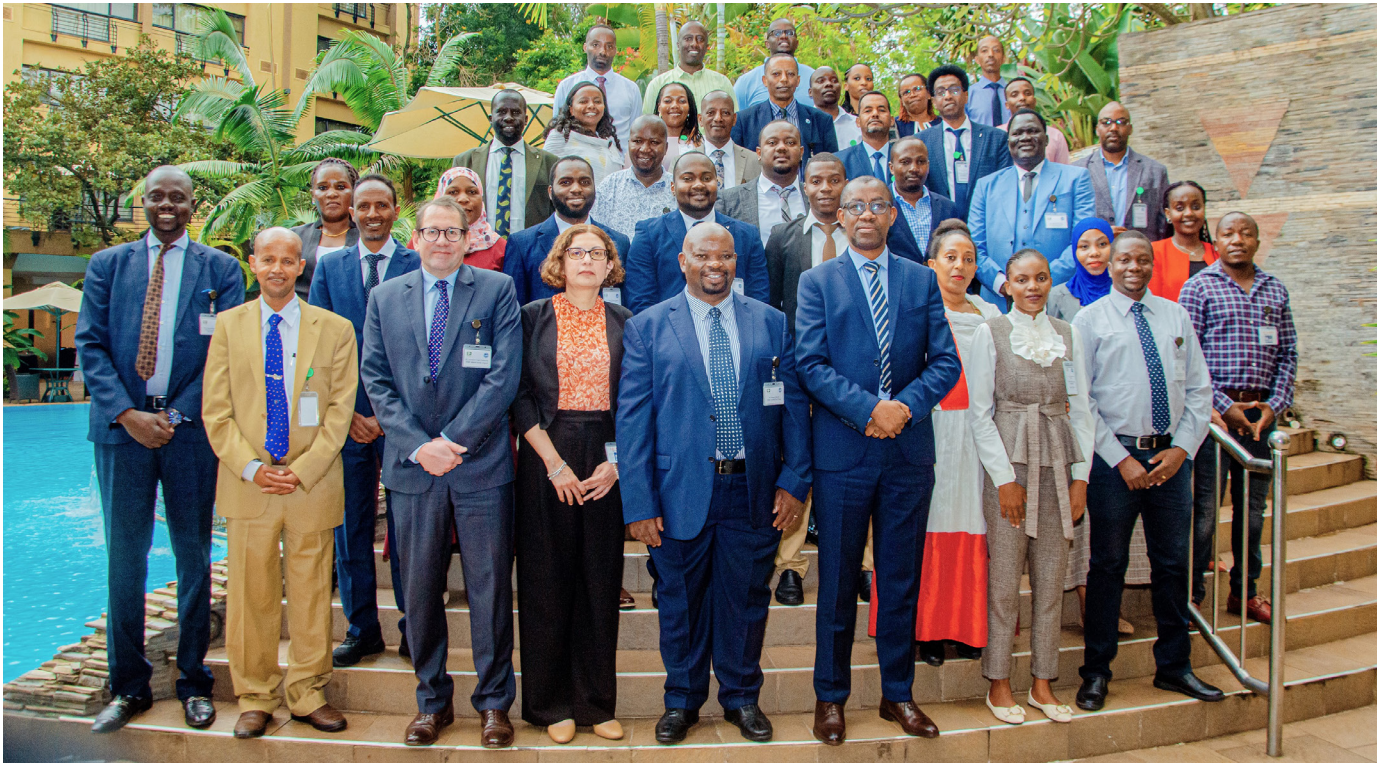
A one-week regional workshop was held to discuss customs valuation and transfer pricing (Box 2), where three participants from each member country attended the event. The event focused on strengthening the capacity of AFRITAC East customs administrations in customs valuation and transfer pricing. The program was designed using a comprehensive approach, with expert presentations, participant input sessions, case study scenarios,

and group exercises to augment knowledge and comprehension of diverse facets of valuation. The workshop emphasized the need for countries in the AFRITAC East region to enhance and modernize their customs valuation practices. Over the course of 21 training sessions, various aspects of customs valuation were addressed, with a particular focus on intangibles, possible use of information from transfer pricing, and adhering to international legal procedures in cases where customs administrations have doubts regarding the accuracy or truthfulness of declared values.

IMF FAD, together with AFRITAC East, organized a regional workshop in Dar es Salaam, Tanzania, from August 30 to September 1, 2023, to help modernize customs procedures in East Africa to achieve the objectives of the African Continental Free Trade Area (AfCFTA). The workshop assembled 30 Customs experts and representatives of countries served by AFRITAC East, the World Customs Organization (WCO), and the EAC. The Commissioner of Customs and Excise from the Tanzania Revenue Authority inaugurated the workshop and emphasized the need for digital transformation to support the implementation and effective



Workshop on Coordinated Border Management (CBM) in Entebbe, Uganda, January 8-12, 2024.



Regional workshop on Transfer Pricing Audits, Kigali, Rwanda, February 26-March 1, 2024.

administration of rules of origin and the critical role of customs in trade facilitation. This workshop symbolizes a significant stride toward harmonizing customs procedures and accelerating trade within East Africa and beyond.

A five-day regional Coordinated Border Management (CBM) workshop was delivered in Uganda to representatives from eight countries within the AFRITAC East Region. The workshop included presentations on the fundamental concepts in CBM, the application of international best practice CBM methodologies, and the latest developments in CBM working practices, including the impact of digital transformation in areas such as e-commerce and Single Window, as well as the use of information technology applications and equipment. The workshop also provided an opportunity for the participating countries to share their CBM experiences at varying levels of development.

A workshop was held in Mauritius in August 2023 to train member country coordinators in the compilation and use of ISORA reports. All AFRITAC East member countries participated in the workshop, which focused on ISORA 2023 and its linkages to performance management and measurement. The event provided peer-to-peer learning and training on conducting excise tax and telecommunications sector audits.

Attendees also had the opportunity to interact with colleagues from the region and beyond, creating regional linkages and gaining the latest technological capabilities for tax audits.

AFRITAC East member countries participated (four representatives per country) in a regional transfer pricing audit workshop, which was held in Kigali, Rwanda. The



Workshop on estimating the tax gap using the IMF's Revenue Administration Gap Analysis Program (RA-GAP) tool, Dar es Salaam, Tanzania, March 19-21, 2024.

BOX 14. ADVANCING PUBLIC INVESTMENT MANAGEMENT THROUGH REGIONAL COLLABORATION

In collaboration with the IMF's Fiscal Affairs Department (FAD), AFRITAC East, AFRITAC South, and AFRITAC West 2 delivered a joint regional workshop on Public Investment Management (PIM) from February 26 to 29, 2024, in Nairobi, Kenya.

A total of 44 participants from 19 countries in Anglophone Africa, including all eight AFRITAC East member countries, attended the in-person workshop. The participants included heads of public investment units, public-private partnership offices, planning commissions, and senior budget officials.

The main topics included the state of public investment management in the region, challenges and reform priorities, how to undertake a good project appraisal, the role of State-Owned Enterprises in delivering public investments, integrating climate change into the infrastructure cycle, and managing unsolicited proposals for infrastructure projects. The Philippines PPP Agency delivered a presentation via video link on its legal framework for managing USPs. Each participating country developed and presented a road map that identified, specified, and sequenced the most important reforms needed.

Country participants delivered case study presentations under the various topics and undertook four hands-on exercises in the form of spreadsheet exercises (on appraisal and climate project selection), role playing (unsolicited proposal negotiations between government and the private sector), and analysis of public sector obligations and reform priorities for SOEs.

The workshop enabled peer-to-peer learning and built on previous regional engagements, including a virtual workshop on public investment delivered in 2020 and

a number of Public Investment Management Assessments (PIMA) undertaken in the region.

The workshop was delivered with financial support from the government of Japan and included participation from the Japan International Cooperation Agency (JICA).

For more information on infrastructure governance and public investment management assessments, visit <https://infrastructuregovern.imf.org/content/PIMA/Home/PimaTool.html>.



Regional workshop on public investment management, Nairobi, Kenya, February 26–29, 2024.

workshop equipped participants with key capabilities and knowledge to adopt a structured approach to transfer pricing audits applying international good practice.

The Center hosted a joint regional workshop aimed at deepening member countries' knowledge of estimating the tax gap using the IMF's Revenue Administration Gap Analysis Program tool. The workshop, a collaboration of the IMF AFRITAC East, Addis Tax Initiative, IMF headquarters, the United Nations University World Institute for Development Economics Research (UNU-WIDER), and the World Bank's Global Tax Program, was in response to the significant interest expressed by partner countries at the 2023 Addis Tax Initiative General Assembly. Facilitators presented the bottom-up and top-down approaches and strategies to close the identified compliance and policy gaps. All AFRITAC East member countries were represented in this training. To foster peer learning, participants had the opportunity to share their country-level work, experiences, challenges, and how they navigated through them. Chief among the challenges was access to reliable data from the various participating agencies in the tax

gap analysis project, lack of shared priorities, and different maturity levels of systems for credible data sources.

PUBLIC FINANCIAL MANAGEMENT

AFRITAC East was invited to deliver a presentation on budget credibility as part of Uganda's Budget Directorate annual retreat. Budget credibility challenges have increased in Uganda, and the Directorate is developing short- and medium-term reform plans. The presentation provided the following: (1) vital definitions of why budget credibility is paramount, (2) causes of budget (non)credibility, (3) historical assessment of budget credibility in Uganda, and (4) reform efforts moving forward. Meetings were held with the budget advisor and key staff to support the development of a reform action plan and internal training requirements to include budget analysis.

MACRO-FISCAL ANALYSIS

AFRITAC East, in collaboration with ICD, facilitated and supported training on FPP during a workshop in Zanzibar. The workshop covered macroeconomic statistics and accounts and forecasting methods for key sectors and corrective policy development. There were more than 30 participants across the region.

In particular, AFRITAC East provided support for embedding the theory in a regional context.

FINANCIAL SUPERVISION AND REGULATION

Three regional webinars took place in FY2024. The first was jointly organized by MCM, AFRITAC East, and other RTACs. At that time, the Basel Committee on Banking Supervision had issued a public consultation on revisions to the core principles for effective banking supervision, which are the de facto minimum standards for the sound prudential regulation and supervision of banks and banking systems. The objective of the webinar was to engage with the member countries to (1) raise awareness about the consultation and encourage responses, (2) explain proposed changes, (3) discuss amendments to the core principles that are most likely to affect the countries in practical terms, and (4) encourage a peer discussion on the new standards for banking supervision, including issues of proportionality and universal applicability.

The second webinar, organized with MCM and the Network for Greening the Financial System, focused on managing and supervising climate-related financial risks in the banking



Workshop on a Coherent approach to assess the feasibility of CBDCs, Arusha, Tanzania, November 6, 2023.



Workshop on Observance of CPSS-IOSCO Principles for PFMI and Cyber resilience of FMI, Accra, Ghana, January 29-February 2, 2024.

sector (Box 7). The webinar targeted central banks and supervisory authorities on implementing the new guidelines issued in July 2022 by the Basel Committee on Banking Supervision on “Management and Supervision of Climate-Related Financial Risks,” focusing on the banking sector. Its objective was to present the new international standards on climate-related financial risks, raise awareness, and exchange views with recipient authorities on preconditions and strategies for adapted implementation.

The third webinar was dedicated to the capital markets regulators. It covered an overview of the secondary market structures; regulatory and supervisory

framework; relevant international standards, exchanges, and trading; market surveillance; intermediaries; and other players, concluding with emerging issues. Through interactive sessions, the participating authorities had the opportunity to discuss common challenges and possible solutions with peers in the region.

MONOPS & FMIP

A joint AFRITAC East, AFRITAC South, and AFRITAC West 2 regional workshop on FX policy and operations was held in Addis Ababa, Ethiopia. The workshop aimed to support the central banks of the three regions (including Burundi and Democratic Republic of the Congo) in strengthening their FX

policies and operations and developing the FX market. Participants face similar challenges in optimizing policies and operations to mitigate global monetary policy spillover effects, mainly due to the Ukraine war and the normalization of monetary policies in advanced economies after the 2007/08 global financial crisis. The COVID-19 pandemic added pressure on exchange rates, further exacerbating FX shortages in most participating central banks.

AFRITAC East, AFRITAC South, and AFRITAC West 2 organized a virtual workshop on Emergency Liquidity Assistance (ELA). The focus was on key issues related to ELA principles, operational considerations, and practical implementation challenges. Despite a vast literature on the topic, central bank approaches and practices vary over time as the global central banking community learns from each new crisis and across countries based on each country’s specific circumstances (including legal frameworks) or strategic choices.

AFRITAC East, AFRITAC South, and AFRITAC West 2 conducted a hybrid workshop on a Coherent approach to assess the feasibility of central bank digital currencies (CBDC) in Arusha, Tanzania. The workshop aimed to



Workshop on GFS concepts, Zanzibar, Tanzania, October 2-6, 2023.

help authorities assess the feasibility of retail CBDC and understand its impact on monetary policy transmission, financial stability, legal and regulatory considerations, financial integrity, cybersecurity risks, and opportunities for financial inclusion and digitalization. It also provided a chance to learn from countries with practical experience in launching CBDCs.

AFRITAC East, AFRITAC South, and AFRITAC West 2 also conducted a joint workshop on Observance of CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI) and Cyber resilience of Financial Market Infrastructures (FMI) in Ghana. The key focus was clarifying the PFMI, enhancing its observance and assessment proficiency, and strengthening the ability to improve cyber resilience practices.

GOVERNMENT FINANCE STATISTICS

In May 2023, an in-person GFS and PSDS regional workshop took place. Participants from each member country presented the status of GFS and PSDS in their respective countries, emphasizing recent achievements and highlighting key challenges they face, especially in areas requiring TA. The workshop also offered a brief refresher on essential GFS and PSDS concepts.

A second regional workshop on GFS was held in October. The primary objective of this workshop was to provide fundamental GFS training for new staff members and to facilitate networking among the new GFS compilers within the region. During

another regional workshop, IMF headquarters offered training on the compilation of SOEs. Participants acquired practical knowledge of the process of converting financial statements into GFS.



Workshop on Formulating Medium-Term Debt Management Strategy and Annual Borrowing Plan, Nairobi, Kenya, January 28 - February 9, 2024.



Workshop on Local Currency Bond Market Development, Maputo, Mozambique, October 30-November 3, 2023.



Workshop on Fundamentals of Debt Reporting and Monitoring, Lilongwe, Malawi, February 19-23, 2024.



Seminar on Managing Sovereign Debt Portfolios in Adverse Market Conditions, Ebene, Mauritius, May 15-17, 2023.



Workshop on Financial Programming and Policies, Zanzibar, Tanzania, April 15-26, 2024.



Workshop on Financial Sector Policies, Zanzibar, Tanzania, April 29-May 10, 2024.

DEBT MANAGEMENT

AFRITAC East and AFRITAC South delivered a joint regional workshop on formulating medium-term debt management strategy and annual borrowing plan. The training enhanced debt managers' capacity to formulate and implement sound debt management strategies (DMS), the latter through the design of annual borrowing plans and issuance

calendars consistent with approved strategies. Using case study data, debt managers were trained in using the joint IMF and World Bank analytical tools to identify the risk exposure embedded in the debt portfolio and to analyze the cost-risk trade-offs of alternative borrowing strategies. They then selected one debt management strategy to design an annual borrowing plan and auction calendar, utilizing

the recently revised annual borrowing plan analytical tool. The knowledge gained from this training is expected to improve debt managers' capacity in the two regions to develop and implement sound debt management strategies. AFRITAC East will further engage authorities to support their efforts in developing and implementing sound debt management strategies.

As part of an effort to promote debt transparency, AFRITAC East, the World Bank, and the Macroeconomic and Financial Management Institute for Eastern and Southern Africa jointly delivered a regional training workshop on Fundamentals of Debt Reporting and Monitoring. At the end of the training, participants better understood the key elements of sound debt reporting and monitoring practices, including the coverage, timeliness, and accessibility of public debt information. Using these key elements, participants were able to produce debt bulletins using their country data. AFRITAC East will further engage authorities to support their debt transparency initiatives, including raising senior administrative-level awareness and aligning legal frameworks with sound practices.

AFRITAC East, in collaboration with the World Bank and MEFMI, organized two regional training workshops on Local Currency Bond Market (LCBM) Development and Domestic Debt Issuance and Trading. These trainings enhanced country officials' understanding of the building blocks of government securities markets (money market, primary market, secondary market, investor base, financial market infrastructure, and the legal and regulatory framework) and the associated challenges around their development. At the end of the training, participants better understood the preconditions for developing government securities markets, the indicators that represent

key functionalities of each building block, and the interlinkages among the various building blocks. Using the knowledge acquired, participants could (1) apply the local currency bond market diagnostic framework to assess the stage of development of their markets, (2) identify gaps in the key functionalities of market development, and (3) propose a sequence of policy initiatives and related TA needs to deepen the markets further.

AFRITAC East and AFRITAC South jointly hosted a seminar on Managing Sovereign Debt Portfolios in Adverse Market Conditions. The three-day seminar discussed the impact of tightening global financing conditions on sovereign debt portfolios in Sub-Saharan Africa and debt managers' strategies to cope more readily with these challenges. A roundtable with experts discussed potential strategies for consideration by debt managers to navigate the adverse market conditions, including (1) recalibrating medium-term debt management strategies and annual borrowing plans, (2) liability management operations to deal with near-term maturities and use of contingency credit lines from official or multilateral creditors, (3) exploring issuance of new instruments such as inflation-linked bonds, and (4) increased issuance

in the domestic debt market. The seminar provided a platform for debt managers to exchange knowledge, practices, and lessons, especially by leveraging the experiences of countries that have managed to implement strategies that are helping to cope more readily with challenging market conditions. AFRITAC East will further engage authorities on topics where capacity has been observed to be low, particularly liability management operations and investor relations.

INSTITUTE FOR CAPACITY DEVELOPMENT

AFRITAC East and the IMF's Institute for Capacity Development collaborated to deliver a two-week course on Financial Programming and Policies in Zanzibar from April 15 to 26, 2024. This foundational IMF course drew a cohort of 20 participants, representing seven countries across the region, each bringing diverse perspectives and expertise to the table. In this course, participants explored the interlinkages between different economic sectors to produce a consistent and comprehensive baseline economic forecast. They also learned how to identify internal and external imbalances and explored policy options to address these.

Additionally, AFRITAC East and the IMF's Institute for Capacity Development collaborated to deliver a course on Financial Sector Policies (FSP) in Zanzibar, Tanzania, from April 29 to May 10, 2024. During the two weeks, 23 participants from five AFRITAC East member countries collaborated, sharing perspectives and experiences. The FSP course reviewed how risks were transmitted within and between the financial and real sectors, examined the different policies to mitigate emerging vulnerabilities in the financial sector, and discussed the tools to evaluate their impact. The workshop concluded by presenting the framework for contingency planning.

GENDER, CLIMATE, AND DIGITALIZATION

The IMF AFRITAC East, in collaboration with the United Republic of Tanzania and UN Women, hosted the African Ministers' Meeting on Financing for Gender Equality in Dar es Salaam from November 15-17, 2023. The event was attended by Ministers of Finance and Ministers of Gender from 22 sub-Saharan African countries. The conference laid the foundation for constructive dialogue, innovative solutions, and tangible actions to boost gender equality and economic growth potential. Discussions highlighted the



Workshop on financing for gender equality, Dar es Salaam, Tanzania, November 15-17, 2023.



Workshop on revenue administration for gender equality, Dar es Salaam, Tanzania, January 30-February 2, 2024.

importance of integrating national action plans for gender equality into the public budgetary process and monitoring their implementation through gender budgeting.

Through a communique, the gathering made profound recommendations across various Generation Equality action coalitions. These include addressing gender-based violence through improved data and increased funding; enhancing economic justice for women through gender-responsive budgeting, expanding women’s access to resources and equitable employment conditions; bridging policy gaps and investing in feminist technology to ensure women and girls equally benefit from technological advancements; strengthening funding for National Action Plans on United Nations Security Council Resolution 1325 and enhancing women’s roles in peace and security initiatives; and prioritizing

financing for women’s health, especially maternal health and women’s decision making in health services.

To further strengthen revenue administration for gender equality, public officials representing Revenue Administrations from nine countries –Eritrea, Ethiopia, Ghana, Kenya, Malawi, Rwanda, South Sudan, Tanzania, and Uganda– along with participants from the World Bank, UN Women, and the Tanzania Women Chamber of Commerce, convened from January 30 to February 2, 2024, in Dar es Salaam, Tanzania, at the IMF’s Regional Technical Assistance Center for East Africa (AFRITAC East). Gender equality is integral to fiscal reform and is key to achieving more inclusive and sustainable economic growth. Furthermore, revenue administrations play a critical role in administering tax policies and can leverage relationships with taxpayers and traders to invigorate the participation of these groups in the economy. During the workshop, the participants explored

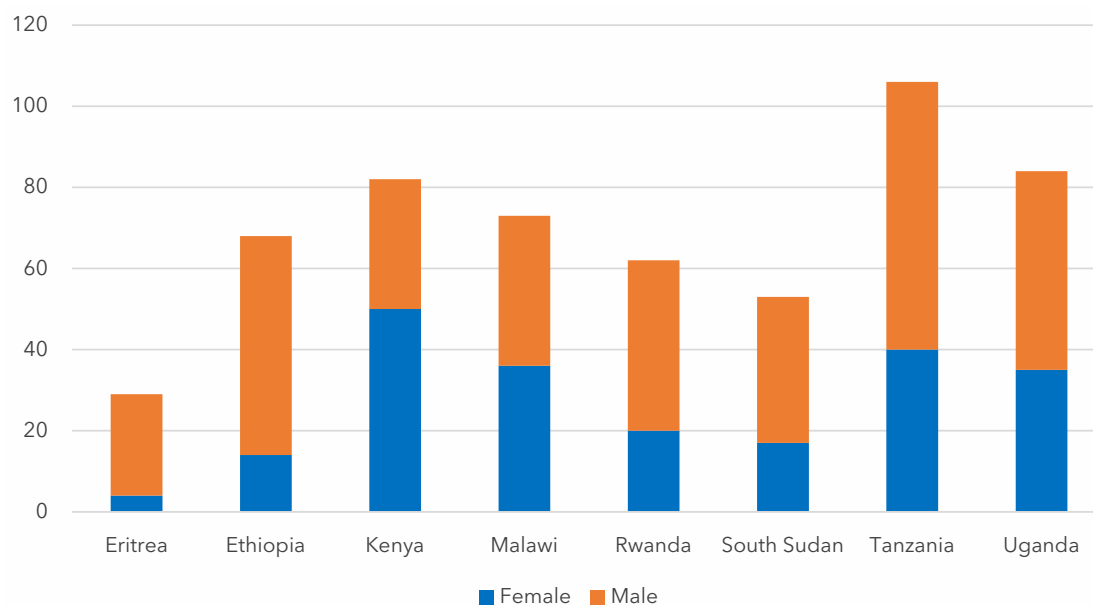
revenue administration principles and practices that support gender equality from two perspectives: (1) achieving gender equality in the revenue administration workforce and (2) the revenue administration’s role in boosting women’s economic participation, such as supporting broader access and minimizing barriers to the tax system. The event was held with the support of the Swiss State Secretariat for Economic Affairs (SECO) and donor partners of AFRITAC East.

In FY2024, AFRITAC East offered 28 workshops, and all member countries participated in a range of training opportunities offered by the IMF. A total of 3,642 officials from the region received training in FY2024 (Table 4). The proportion of women participating in training remained broadly stable at about one-third (Figure 16). The Center has continued to encourage country authorities to nominate women to participate in its regional training workshops and courses.

TABLE 4. TRAINING PARTICIPANTS OVER FY2024

Participant country	Africa Training Institute	Online learning	Non-institute training (non-ITP)	Other training	AFRITAC East	Total
Eritrea	2	10	19	2	29	62
Ethiopia	41	195	41	11	68	356
Kenya	33	1088	46	9	82	1258
Malawi	28	341	33	15	73	490
Rwanda	13	446	35	8	62	564
South Sudan	17	59	25	3	53	157
Tanzania	36	203	56	15	106	416
Uganda	43	547	39	10	84	723
Total	213	2889	294	73	557	4026

FIGURE 16. AFRITAC EAST: WORKSHOP TRAINING PARTICIPANTS OVER FY2024



SECTION III

WORK PROGRAM FOR
FY2025

A

OVERVIEW

AFRITAC East expects an increase in resource use by 14 percent in FY2025 due to improved regional conditions and an uptick in demand, especially from FCS, as they continue their reform efforts to catch up with their regional peers. The work program was carefully crafted to respond to member countries' CD needs in addressing recent challenges, including quantifying the impact of climate change on fiscal risks, integrating gender into budgeting practices, addressing the cost-of-living crisis, managing public debt levels, and dealing with the surge in debt refinancing costs due to monetary policy tightening

in advanced economies. AFRITAC East will continue to support member countries in strengthening macroeconomic statistics for improved planning and policy analysis.

The FY2025 work program was drawn up in close consultation with member countries and considered CD absorption capacity post-COVID-19, additional support from headquarters, and the presence of other CD providers. More resources will be delivered in person (64 percent), reflecting additional work for FCS, who experience connectivity bottlenecks. 19 percent of the resources are planned for Eritrea,

Ethiopia, and South Sudan. Meanwhile, Rwanda and Tanzania will receive a larger share (14 percent each) of the resources, driven primarily by the planned work in PFM. Resources to Eritrea will almost double in FY2025 compared with FY2024 (when it had the lowest share), driven by revenue administration, government finance statistics, and financial supervision and regulation work.

Tables 5 to 9 and Figure 17 provide an overview of the number of resources planned for FY2025 by country and by sector. Table 6 shows objectives targeted by member countries.

TABLE 5. AFRITAC EAST: PLANNED RESOURCES, FIELD PERSON WEEKS (FPWS), FY2025

Type of project (FPWs)	FY2024	FY2025		
	Actual	Work plan	US Dollars	Share of total FPWs (%)
Single country CD**	436	561	7,171,576.00	82
Regional CD***	111	27	865,130.00	4
Management and administration	51	96	773,885.00	14
Total	598	684	8,810,591.00	100
CD Modalities (FPWs)				
Duty station-based work	105	189	1,835,592.00	28
Field-based work	356	440	5,603,117.00	64
Interactive learning and workshops	127	42	1,131,013.00	6
Peer-to-peer engagement	10	14	240,869.00	2
Total	598	684	8,810,591.00	100

Note: One FPW = 6 working days. Includes projects funded under CCCDI. **Single-country capacity development (CD) includes technical assistance (TA), national training, and attachments delivered to member countries. ***Regional CD includes all regional workshops, webinars, and support to the EAC.

TABLE 6. IMF AFRITAC EAST: STRATEGIC LOGFRAME, FY2025

Workstream	EAC	Eritrea	Ethiopia	Kenya	Malawi	Rwanda	South Sudan	Tanzania	Uganda	Regional
Revenue Administration										
Improved customs administration core functions	•	•	•	•	•	•	•	•	•	
Strengthened core tax administration functions		•	•	•	•	•	•	•	•	
Strengthened revenue administration management and governance		•	•	•	•	•	•			
Public Financial Management										
Comprehensive, credible, and policy-based budget preparation				•	•			•		
Improved management of assets and liabilities				•			•		•	
Improved budget execution					•					
Improved coverage and quality of fiscal reporting		•	•			•		•	•	•
Improved fiscal policies and institutional frameworks to combat climate change and its impacts				•	•	•		•	•	
Improved PFM laws and effective institutions								•		
Improved public investment management			•		•					
Strengthened fiscal policies and frameworks				•		•				
Strengthened identification, monitoring, and management of fiscal risks			•	•	•	•			•	
Financial Sector Regulation and Supervision										
Develop/strengthen bank regulation and supervision frameworks		•	•		•	•		•	•	
Develop/strengthen insurance companies' regulation and supervision frameworks			•		•			•	•	
Develop/strengthen intermediaries and fund management regulation and supervision								•	•	
Improve accounting and prudential provisioning regulatory guidelines		•	•	•				•		
Develop/strengthen cybersecurity regulations and supervisory frameworks									•	
Monetary Policy and Operations										
Enhance capacity on latest developments in international standards and best practice in central bank operations										•
Establish a baseline and articulate specific medium-term CD needs in Central Bank operations topics							•			
Strengthen the implementation of monetary policy under the existing monetary regime - MRI					•					
Strengthen efficient implementation of monetary policy under the existing regime			•	•					•	
Strengthen the collateral framework in support of an efficient operational framework and in line with the central bank's risk tolerance								•		
Strengthen the reserve management policy framework and management of FX reserves		•								
Financial Market Infrastructures & Payment Systems										
Demonstrate a baseline understanding and articulate specific CD needs in payments and infrastructure topics							•			
Develop/reform financial market infrastructure, including the payments system			•		•	•		•	•	

Workstream	EAC	Eritrea	Ethiopia	Kenya	Malawi	Rwanda	South Sudan	Tanzania	Uganda	Regional
Forecasting and Policy Analysis System										
Enhance capacity on latest developments in international standards and best practice in monetary and macroprudential policies										•
Improve analytical and forecasting capabilities for monetary policy decision-making				•	•	•		•		
Adopt an inflation targeting regime - AIT									•	
To develop the capacity of the authorities to implement FX operations efficiently and in a manner consistent with their chosen monetary policy and FX regime						•				
Real Sector Statistics										
Strengthen compilation and dissemination of real sector statistics–prices								•		
Strengthen compilation and dissemination of institutional sector accounts				•		•		•		
Strengthen compilation and dissemination of NAS–comprehensive updates and rebasing								•		
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts		•	•		•	•	•		•	
Government Finance Statistics										
Strengthen compilation and dissemination of government finance statistics (GFS)	•	•	•		•	•	•	•	•	•
ICD Training										
Participants effectively acquire knowledge and skills taught in the Financial Programming and Policies (FPP) course and use them subsequently on the job or in their interaction with the IMF										•
Gender and Climate Seminars										
Strengthened fiscal policies and frameworks										•

TABLE 7. ALLOCATION OF RESOURCES BY SECTOR, FIELD PERSON WEEKS (FPWS), FY2025

AFRITAC East work program	FY2024	FY2025		
	Actual	Work plan	US Dollars	Share of total FPWs (%)
Revenue administration	170	127	1,788,759.00	19
Public financial management and macrofiscal analysis	128	180	2,114,244.00	27
Financial supervision and regulation	86	80	1,194,834.00	12
Monetary policy and operations	27	30	381,641.00	5
Financial market infrastructures and payment	36	75	693,710.00	11
Forecasting and policy analysis system	25	77	993,593.00	12
Real sector statistics	38	43	600,597.00	7
Government finance statistics	57	60	676,551.00	5
ICD training	30	10	276,037.00	2
Gender, climate change and digitalization	1	2	90,625.00	0
AFRITAC East Total (FPWs)	598	684	8,810,591.00	100

Note: One FPW = 6 working days.

TABLE 8. ALLOCATION OF RESOURCES BY COUNTRY, FIELD PERSON WEEKS (FPWS), FY2025

Country (FPWs)	FY2024		FY2025	
	Actual	Work plan	US Dollars	Share of total FPWs (%)
Eritrea	13	24	310,664.00	4
Ethiopia	54	51	712,958.00	7
Kenya	73	67	821,528.00	10
Malawi	76	78	958,444.00	11
Rwanda	55	94	1,215,902.00	14
South Sudan	51	53	783,387.00	8
Tanzania (incl. Zanzibar)	74	99	1,153,471.00	14
Uganda	40	87	1,102,473.00	13
Regional (incl. EAC)	162	130	1,751,764.00	19
Total (FPWs)	598	684	8,810,591.00	100

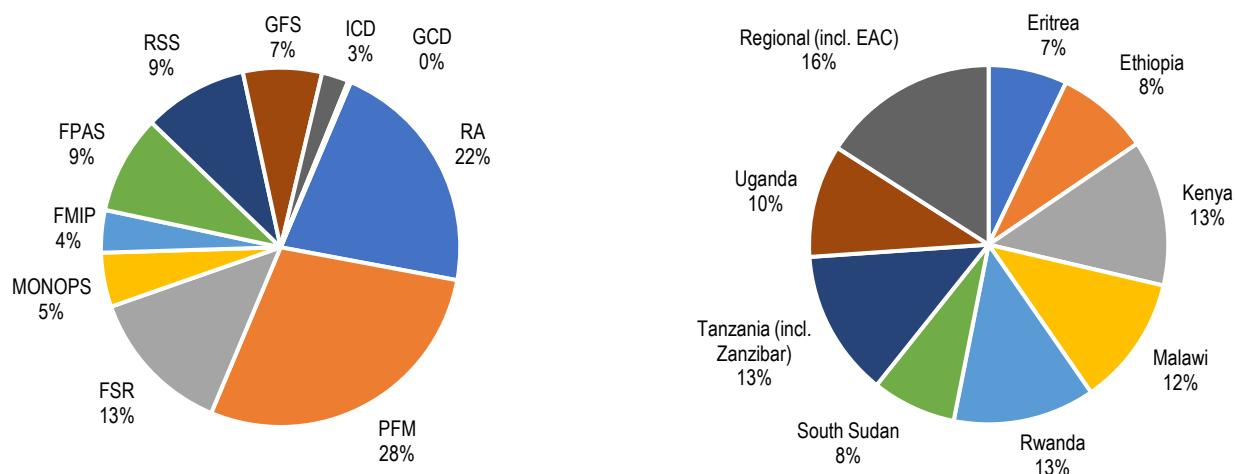
Note: One FPW = 6 working days.

TABLE 9. ALLOCATION OF RESOURCES BY COUNTRY AND SECTOR, FIELD PERSON WEEKS (FPWS), FY2025

Country (FPWs)	RA	PFM	FSR	MONOPS	FMIP	FPAS	RSS	GFS	ICD	CGD
Eritrea	13	-	5	-	-	-	-	7	-	-
Ethiopia	11	20	9	1	5	-	2	6	-	-
Kenya	13	35	3	-	-	11	3	5	-	-
Malawi	18	22	7	7	3	12	5	7	-	-
Rwanda	8	48	13	-	-	14	8	6	-	-
South Sudan	25	9	-	7	3	-	5	5	-	-
Tanzania (incl. Zanzibar)	16	26	6	6	9	21	6	10	-	-
Uganda	17	8	32	6	7	9	6	5	-	-
Regional (incl. EAC)	6	12	5	3	48	10	8	9	10	2
Total (FPWs)	127	180	80	30	75	77	43	60	10	2

Note: One FPW = 6 working days. FMIP = Financial Market Infrastructures and Payments; FPAS = Forecasting and Policy Analysis System; FSR = Financial Sector Supervision and Regulation; GCD = Gender, Climate, and Digitalization; GFS = Government Finance Statistics; ICD = Institute for Capacity Development; PFM = Public Financial Management, includes Macroeconomic Analysis; MONOPS = Monetary Operations and Policy; RA = Revenue Administration; RSS = Real Sector Statistics; Statistics.

FIGURE 17. RESOURCES DISTRIBUTION BY COUNTRY AND SECTOR, FY2025



Note: FMIP = Financial Market Infrastructures and Payments; FPAS = Forecasting and Policy Analysis System; FSR = Financial Sector Supervision and Regulation; GCD = Gender, Climate, and Digitalization; GFS = Government Finance Statistics; ICD = Institute for Capacity Development; PFM = Public Financial Management, includes Macroeconomic Analysis; MONOPS = Monetary Operations and Policy; RA = Revenue Administration; RSS = Real Sector Statistics; Statistics.

REVENUE ADMINISTRATION

By strategic objective:

- **Strengthened revenue administration management and governance arrangements.** The work plan for FY25 includes reviewing the enterprise Change Management Strategy for Malawi, developing a Performance Management System and Key Performance Indicators for South Sudan, Strengthening the Research and Planning Function, and helping Zanzibar Develop a Customer Communication Strategy.
- **Strengthened core tax administration functions.** Work to strengthen the filing and payment processes, as well as procedures for debt management and tax collection, will be undertaken in Eritrea. TA will review the Excise Tax Audit, operational manual, and compliance strategy manual for Ethiopia. Kenya will focus on tax gap analysis for personal income tax (PIT), debt Management, and compliance management for taxpayers providing Digital Services. Malawi plans to refresh the compliance improvement plans for Customs and Domestic Taxes and Data matching of taxpayers with associated identified VAT risks. Rwanda will expand capacity in big data science, audit the financial sector, and provide hands-on training on telecommunications sector audits. The work in South Sudan will include developing tax audit capacity and reviewing procedures for tax collection. Tanzania will develop a multiyear compliance strategy and develop data matching capacity.

C

PUBLIC FINANCIAL
MANAGEMENT**By strategic objective:**

- **Comprehensive, credible, and policy-based budget preparation.** Expenditure prioritization and better-costing TA is planned for Zanzibar. Tanzania will receive hands-on budget analysts' training. Follow-up support will be given to Kenya on implementing the budget preparation manual.
- **Improved budget execution and control.** Malawi will receive additional support to improve in-year reporting execution and commitment control using IFMIS.
- **Improved coverage and quality of fiscal reporting.** Ethiopia and Zanzibar will be supported in the preparatory stages for the planned migration to accrual accounting. Further support is planned for Kenya and Rwanda to provide a quality assessment of the progress made in implementing IPSAS accrual.
- **Improved asset and liability management.** Ethiopia will also be supported in implementing TSA. Further support is planned for Kenya, South Sudan, and Uganda to establish TSAs and improve cash management practices.
- **Strengthened identification, monitoring, and management of fiscal risks.** Malawi and Rwanda will receive continued support to strengthen the SOE oversight function and to improve the timely preparation of the consolidated SOE reports.
- **Improved fiscal policies and institutional frameworks to combat climate change and its impacts.** Kenya will be supported in finalizing its CBT guidelines. Rwanda will work on expanding its climate tagging to include all expenditures. Malawi will work on reviewing its asset management policy to include accounting treatments for various classes of assets. Tanzania will also be supported with hands-on capacity building on the adoption of new IPSASs.
- **Improved public investment management.** Ethiopia will receive support to strengthen its project selection and proposal templates and processes. Rwanda plans to develop a template for a consolidated report on major public investment projects.
- **Improved PFM laws and effective institutions.** Joint FAD and AFRITAC East support is planned for Tanzania to review its Public Finance Act.

MACROFISCAL ANALYSIS

By strategic objective:

- **Comprehensive, credible, and policy-based budget preparation.** AFRITAC East will continue supporting South Sudan in its ongoing SSMFF development, particularly extension to include debt, expenditure, and medium-term projections. In Uganda, missions will support the improvement of the quarterly economic forecasting framework and will explore options to utilize the Q-CRAFT framework to develop long-term macrofiscal analysis. FPP training will be conducted in Rwanda to strengthen the country's ability to provide in-house macrofiscal analysis. Macrofiscal forecasting training will be provided to Kenya.
- **Strengthened identification, monitoring, and management of fiscal risks.** Tanzania (Zanzibar) will receive training on DGLAT and financial evaluations of SOEs. Kenya will receive support in strengthening analytical tools for SOE financial evaluations and developing financial evaluations for 50 high-risk SOEs. Further training on fiscal risk analysis for new and existing staff in Kenya will help strengthen the existing fiscal risk committee framework, including incorporating reporting on climate change risks. Kenya and Uganda will receive support in implementing recommendations from recent climate change missions on public investment management and fiscal risk analysis and reporting.

FINANCIAL SECTOR SUPERVISION AND REGULATION

The FY2025 work program will support member countries in improving financial sector supervision and regulation. The program will reinforce the implementation of a risk-based supervision system, the transition to Basel II/III standards, cybersecurity supervision, and the IFRS 9 application in the banking sector. Moreover, it aims to enhance supervisory frameworks and structures for insurance companies and securities firms.

By strategic objective:

- **Develop/strengthen banks' regulation and supervision frameworks.** AFRITAC East will support Eritrea, Ethiopia, Malawi, Rwanda, and Uganda as they move with Basel II/III reforms, build robust institutional structures and risk-based supervision operational procedures, effectively supervise market risk exposures and private banking, and strengthen microfinance supervision. Stress testing, AML/CFT supervision, and conduct risk management will also be enhanced.
- **Develop/strengthen cybersecurity regulations and supervisory frameworks.** AFRITAC East will support Rwanda and Uganda by enhancing the prudential framework and cybersecurity and technology risk management processes. Banking examiners will learn more about prudential requirements related to cybersecurity, and hands-on guidance will be provided to undertake effective cybersecurity assessments in supervised banks.
- **Improve accounting and prudential provisioning regulatory guidelines.** AFRITAC East will provide technical assistance on IFRS 9 and will support authorities' implementation plans for Eritrea, Ethiopia, and Kenya. Prudential regulations will be reviewed, and supervisors will be better equipped with IFRS 9 knowledge to assess banks' provisioning practices.
- **Develop/strengthen insurance companies' regulation and supervision frameworks.** AFRITAC East will support the enrichment of risk-based supervision processes, the update of mortality tables, the strengthening of the Simplified Solvency II approach to supervision, and the capacity building to facilitate the transition and the effective supervision of IFRS 17 for Ethiopia, Malawi, Tanzania, and Uganda.
- **Develop/strengthen the securities and derivatives regulator and supervisory framework.** AFRITAC East will help strengthen the enforcement structures and update supervisory structures and processes in Tanzania and Uganda.

MONETARY POLICY AND OPERATIONS

The FY2025 workplan for Monetary and FX Operations will focus on the continuation of transitioning to interest rate-focused monetary policy, including liquidity forecasting and management, ELA and collateral management frameworks, interest rate and exchange rate benchmarks, greater exchange rate flexibility, and multiple currency practices. EAC countries will also be supported in harmonizing monetary policy operations, FX policies, and payment systems to progress toward the objective of a monetary union in the medium to long term.

By strategic objective:

- **Money and exchange rate operational frameworks.** Tanzania will be assisted with assessing monetary policy and FX operations after the transition to inflation targeting. Ethiopia will be supported by modernizing monetary policy and collateral management. Workshops will be conducted in Eritrea on alternative monetary policy frameworks and financial market development. Kenya requested support to modernize the monetary policy operational framework in a price-based monetary policy framework. Malawi will be assisted with the development of a functional FX market.
- **Deepening key financial markets.** Member countries will be supported in developing functional money (including repo and interbank) and FX markets, among other things, through the development of credible interest rate and exchange rate benchmarks and financial market regulations.

FINANCIAL MARKET INFRASTRUCTURE & PAYMENTS

The work plan for Financial Market Infrastructure and Payments in FY2025 focuses on modernizing payment systems, ensuring compliance with PFMI, and developing legal and regulatory frameworks for both traditional and nonbank payment system providers. In addition, the plan aims to support central banks as they explore and develop CBDC.

By strategic objective:

- **National payment system development and reform—enhancing the safety and efficiency of the financial system.** Uganda, Malawi, and Tanzania will be assisted in reviewing legal and regulatory frameworks for FMIs. Ethiopia will receive assistance in finalizing the RTGS self-assessment and drafting an oversight policy framework. Ethiopia and Tanzania will also be assisted with their programs to assess CBDC feasibility.



FORECASTING AND POLICY ANALYSIS SYSTEM

The FY25 work program will continue to focus on integrating FPAS into the monetary policy decision-making process and communication. The TA programs will further enhance the key components of FPAS in EAC countries, tailored to meet their specific needs. These components encompass central bank surveys and nowcasting tools, the QPMs, data management, and communication. The FY25 program will also further strengthen the FPAS organization and forecasting process.

By strategic objective:

- Enhancing analytical and forecasting capabilities at central banks to support monetary policy formulation is a priority.** AFRITAC East will continue its support to bolster nowcasting capacity at central banks (for example, in Rwanda and Tanzania) through improvements in central bank surveys, data management, expansion of nowcasting tools, and evaluation of forecasting results. Building on insights gleaned from the EAC Workshop in February 2024 on FPAS modeling, TA efforts will focus on enhancing the QPMs (for example, in Kenya, Rwanda, and Tanzania). This includes reviewing and recalibrating the model and revisiting the model's fiscal and external blocks to better capture the fiscal-monetary policy interaction and the exchange rate channel of monetary policy transmission. For countries with less advanced FPAS capacity, emphasis will be placed on data storage and management, alongside support for the development of nowcasting tools.
- Integrating FPAS into the monetary policy decision-making process and policy communication is essential.** Enhanced nowcasting capacity helps a central bank assess the state of its economy in real time and should constitute a crucial aspect of monetary policy formulation. Additionally, TA efforts will assist central banks in establishing or improving a monetary policy decision-making process with clearly defined responsibilities, timelines, and communication strategies, both internally and externally.

REAL SECTOR STATISTICS

Support will focus on expanding the coverage of national accounts and price statistics. Preparations for the next benchmark for Tanzania are underway.

By strategic objective:

- **National accounts statistics.** Support will be offered to increase the quality and scope of national accounts statistics. AFRITAC East will improve data coverage by including more administrative data in GDP compilation. The Center will also initiate the development of quarterly GDP by expenditure in Kenya and Ethiopia, considering lessons learned from the recently published quarterly GDP by expenditure in Uganda.
- **Price statistics.** AFRITAC East will support member countries in expanding the range of price indexes from the consumer price indices. Malawi, Rwanda, Tanzania (Zanzibar), and Uganda will update and expand the producer price indices. South Sudan is expected to update and improve the current consumer price index.

GOVERNMENT FINANCE STATISTICS

AFRITAC East countries are working hard to improve the quality of their government fiscal statistics. The Center will assist in ensuring timely dissemination of GFS, expanding coverage to include general government, and improving the quality of public sector debt statistics.

By strategic objective:

- Fiscal data quality improvement.** Countries will receive ongoing support to minimize statistical discrepancies by improving the coverage of financing transactions. Support will be extended to assist Tanzania and Zanzibar authorities in merging their fiscal statistics to report consolidated GFS for Tanzania. Additionally, Malawi will be supported in enhancing consistency in grants and loan data, and efforts will be made to review the bridge table for the new Chart of Accounts for Rwanda. Assistance will also be provided to Eritrea to include GFS for local government and public corporations.
- High-frequency fiscal data.** Member countries will receive assistance in compiling and disseminating higher-frequency data. Kenya will continue working on monthly BCG data, whereas Uganda will resume disseminating high-frequency data for the BCG.
- Expansion of coverage to the public sector.** AFRITAC East will continue to support authorities in expanding their sectoral coverage. Tanzania will receive support to include local government statistics, and South Sudan will be assisted in analyzing the GFS of its extrabudgetary institutions. Additionally, Ethiopia will provide the necessary information to update the Public Sector Institutional Table for expanded coverage.
- Public debt data improvement.** All member countries will receive assistance to enhance sector and instrument coverage in the compilation of public sector debt statistics. South Sudan will implement a new debt management system to enhance the quality of its debt statistics, and Uganda will address the delay in PSDS reporting to the IMF/World Bank debt statistics database.

OTHER CD PROGRAMS HOSTED AT AFRITAC EAST

DEBT MANAGEMENT

In FY2025, the public debt management work program will focus on supporting members' efforts to upscale their local currency bond markets, debt transparency, developing and implementing sound medium-term debt management strategies and policies, and establishing efficient institutional structure and appropriate legislation for debt management.

By strategic objective:

- **Develop market infrastructure and capacity for cost-effective financing.** AFRITAC East will provide training on local currency bond market development. It will support authorities in Malawi and Rwanda by conducting diagnostic assessments to identify gaps in the key functionalities of market development and will develop reform plans to address them. In Kenya, Tanzania, and Ethiopia, where diagnostic assessments have been conducted, subsequent TA will be provided to support the authorities in implementing the recommended reforms.
- **Formulate and implement a medium-term debt management strategy.** The Center will support countries in formulating sound medium-term debt management strategies and designing annual borrowing

plans and issuance calendars to operationalize them. Government officials will undergo training on the IMF/World Bank MTDS analytical tool and the Annual Borrowing Plan Tool. These tools are instrumental in identifying the risk exposure inherent in a debt portfolio, analyzing cost-risk trade-offs of various borrowing strategies, and developing annual financing plans.

- **Strengthen practices for debt recording, reporting, and monitoring.** The Center will support country authorities' efforts to enhance transparency in debt management operations. The enhanced transparency includes building the capacity of officials to produce informative debt reports and bulletins and to strengthen their investor relations practices. AFRITAC East will continue supporting the authorities in South Sudan in updating the public debt database and enriching analytical skills.
- **Establish efficient institutional structure and appropriate legislation for debt management.** Work will also begin to support countries in modernizing their legal framework for public debt management.

MEDIUM-TERM REVENUE STRATEGY

The IMF has recommended the use of medium-term approaches to domestic revenue mobilization under the Extended Credit Facility programs to strengthen fiscal space through improved revenue mobilization. With support from the Global Public Finance Partnership (GFPF) program, AFRITAC East will continue supporting countries in developing and implementing medium-term revenue strategies to improve their revenue performance and close the fiscal gaps.

By strategic objective:

- **Improved domestic resource mobilization through tax systems reform:** Through the MTRS program, AFRITAC East will continue supporting Ethiopia, Kenya, and Tanzania in refining their MTRS implementation plans and governance structures. Support in Rwanda will focus on strengthening governance arrangements between the RRA and MINECOFIN and deepening RRA reforms under the new operating model. In Uganda, support will focus on reviewing DRMS performance and developing a successor strategy beyond June 2024. This will include improving stakeholder engagement and monitoring and reporting structures to ensure focus and delivery of the MTRS measures.



WORK ON REGIONAL ISSUES (EAC)

AFRITAC East will continue to support regional harmonization and integration efforts in the EAC through the following channels:

- **Public Financial Management.** AFRITAC East will continue to support the annual EAC PFM workshop, which will discuss continued progress toward regional PFM integration and will provide a forum for member countries to discuss topical issues such as climate change fiscal risks.
- **Financial Supervision and Regulation.** A regional workshop will be jointly organized with AFRITAC West 2 on the regulation and supervision of technology-driven innovation in financial services (fintech).
- **Government Finance Statistics.** AFRITAC East will continue collaborating with the EAC Secretariat to enhance the dissemination of annual and quarterly regional GFS and PSDS. This collaboration aims to facilitate informed fiscal and debt policies at both national and regional levels.
- **Debt Management.** AFRITAC East will work with the EAC to deliver a regional training workshop on sustainable government financing. The workshop will raise awareness of external and domestic sources of financing and will explore the potential for sustainable debt instruments to scale up financing for sustainable development and climate action in the context of the countries' Nationally Determined Contributions.

M

ATTACHMENTS, MENTORING
AND SHARING OF REGIONAL
EXPERTISE**A total of 12 attachment programs will be facilitated.**

- **Revenue Administration.** Peer learning support will be provided to Ethiopia, Uganda, and Malawi on tax debt administration compliance, field audits of the ICT and financial services sectors, and investigations and tax audit work, respectively.
- **Monetary Policy and FX Operations.** Professional attachments are planned for Tanzania and Uganda to build capacity in monitoring FX markets.
- **Financial Market Infrastructure and Payments.** A professional attachment is planned for Rwanda to build capacity in the oversight of FMI and in measuring compliance with the PFMI.
- **Financial Supervision and Regulation.** Attachment opportunities will be explored for banking, insurance, and capital markets supervisors from Eritrea, Ethiopia, Rwanda, and Tanzania.
- **Debt Management.** Peer learning opportunities on domestic debt market development and organizational arrangements for public debt management will be explored for debt officers from Kenya, South Sudan, and Tanzania.

REGIONAL TRAINING/ WEBINARS

IMF AFRITAC East will conduct 15 regional workshops in FY2025.

- **Revenue Administration.** A regional workshop will be held on development partner coordination, technical note on tax administration, and essential analytics for compliance risk management. A combined workshop with AFRITAC East, AFRITAC South, and AFRITAC West will focus on building capacity for international tax audit.
- **Public Financial Management.** A regional PFM workshop on budget tagging (green PFM and gender) is planned for H2.
- **Macro-Fiscal Analysis.** A regional workshop will provide an opportunity to discuss improving coordination between the macrofiscal and budget departments through the budget process.
- **MONOPs & FMIP.** Regional workshops for AFRITAC East member countries on monetary policy and FX operations will focus on communication, central bank transparency (a high-level workshop), and central bank solvency and monetary policy credibility.
- **For the FMIP workstream.** Regional workshops are planned on cross-border transactions, capital flow management, the modernization of payment systems, and strengthening NPS strategies.
- **Real Sector Statistics.** Two regional workshops are planned for the compilation of national accounts with a focus on quarterly GDP and consumer price indices.
- **Government Finance Statistics.** A regional workshop on GFS is planned for November 2024. It will include training on basic GFS concepts, practical exercises in classifying public institutions and transactions, and statistics dissemination.
- **Debt Management.** Regional workshops on liability management operations, the annual borrowing plan, and quantitative analysis for debt management will be delivered.
- **Medium-Term Revenue Strategy.** A joint Revenue Administration and Tax Policy regional workshop on the MTRS is planned to facilitate the exchange of experiences and peer learning between implementing member countries and those developing or contemplating using the MTRS framework to improve DRM strategies.

SECTION IV

INFORMATIONAL
ANNEXES



**EAST AFRICA REGIONAL TECHNICAL ASSISTANCE
CENTER
(AFRITAC East)**

INFORMATIONAL ANNEXES FY2024



Table of Contents	Page
ANNEX I. The IMF's Regional Capacity Development Centers	81
ANNEX II. Minutes of the 25th Steering Committee Meeting	83
ANNEX III. Steering Committee Members	85
ANNEX IV. IMF AFRITAC East Staff	86
ANNEX V. IMF AFRITAC East Mid-Term Evaluation 2020	90
ANNEX VI. IMF AFRITAC East Completed Activities, FY2024	95
ANNEX VII. Regional Workshops, Webinars and Other Virtual Trainings, FY2024	105
ANNEX VIII. Technical Assistance Reports, FY2024	107
ANNEX IX. Reports Uploaded to the Extranet, FY2024	113
ANNEX X. IMF AFRITAC East Planned Activities, FY2025	114
ANNEX XI. Regional Workshops, Webinars and Attachments, FY2025	124
ANNEX XII. IMF AFRITAC East Budget and Financing	127



ANNEX I. The IMF's Regional Capacity Development Centers



INTERNATIONAL MONETARY FUND FACTSHEET

The IMF has a global network of 17 regional centers that coordinate much of its [capacity development](#) work in countries. Tailored to regional priorities, these centers work closely with member countries and development partners to respond quickly to emerging needs. Member and host countries, as well as [external partners](#), help the IMF finance these centers. Their activities are complemented by capacity development financed by the IMF's special [thematic funds](#) and the IMF's own resources.

Africa

The six regional centers in Africa deliver a significant share of IMF capacity development (CD) on the ground. Current external partners include Australia, Canada, China, the European Union, France, Germany, Italy, Japan, Korea, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, the African Development Bank, and the European Investment Bank.

AFRITAC East was opened in Dar es Salaam, Tanzania, in 2002, and works with Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania (including Zanzibar), and Uganda. **AFRITAC West** was established in 2003 in Abidjan, Côte d'Ivoire, and is working with Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo. **AFRITAC Central** was opened in Libreville, Gabon, in 2007 to work with Central African Economic and Monetary Community (CEMAC) countries: Gabon, Cameroon, Chad, Republic of Congo, Central African Republic, and Equatorial Guinea, as well as Burundi, the Democratic Republic of Congo, and São Tomé and Príncipe. **AFRITAC South** was established in Mauritius in 2011, and works with Angola, Botswana, Comoros, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Zambia, and Zimbabwe—it is co-located and jointly managed with the Africa Training Institute (see below). **AFRITAC West 2**, opened in 2013 in Accra, Ghana, works with the English- and Portuguese-speaking members of the **Economic Community of West African States (ECOWAS)**, covering Cabo Verde, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The [Africa Training Institute \(ATI\)](#) opened in Mauritius in June 2013. It conducts hands-on training and regional workshops for officials from 45 sub-Saharan African countries. Its current external partners include Australia, China, Germany, Korea, and the European Investment Bank.

Asia-Pacific

The [Pacific Financial Technical Assistance Center \(PFTAC\)](#), established in Suva, Fiji, in 1993, supports 16 Pacific island countries and territories: The Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, and Vanuatu. External partners include Australia, Canada, the European Union, Korea, New Zealand, the United States, and the Asian Development Bank.

The [IMF-Singapore Regional Training Institute \(STI\)](#) was established in Singapore in 1998 as a joint initiative with the government of Singapore. The STI works closely with other IMF capacity development providers in the region, as well as the South East Asian Central Banks (SEACEN) Research and Training Centre. Financing for the STI is provided by Singapore and Japan, with additional support from Australia.



The [IMF Capacity Development Office in Thailand \(CDOT\)](#) was established in Bangkok in 2012. Core beneficiary countries are Myanmar, Lao P.D.R., Cambodia, and Vietnam. Select capacity development projects based in CDOT also cover other countries in Southeast Asia and the Pacific Island region. The Bank of Thailand hosts the CDOT Office and Japan provides financial support.

The [South Asia Regional Training and Technical Assistance Center \(SARTTAC\)](#), which began operations in January 2017, is the first center to fully integrate training and technical assistance. Located in New Delhi, India, SARTTAC works with Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka. Member countries finance two-thirds of the center's budget, with additional funding from Australia, the European Union, Korea, and the United Kingdom.

The [China-IMF Capacity Development Center \(CICDC\)](#) was launched in April 2018 and trains primarily government officials from China, as well as some from other countries (including those associated with the Belt and Road Initiative). The CICDC is anchored in Beijing, supports activities both inside and outside of China, and is fully funded through the People's Bank of China (PBC).

Europe, the Caucasus, Central Asia, and Mongolia

The [Joint Vienna Institute \(JVI\)](#) was established in 1992 by the IMF, Austria (represented by the Federal Ministry of Finance and the Austrian National Bank), and several other international institutions. The oldest of the IMF's regional capacity development centers, the JVI has trained more than 45,000 public officials, many of whom have gone on to senior positions, including central bank governor, minister, prime minister, and one president. Financial support for the JVI is mainly provided by its primary members, Austria and the IMF. In cooperation with the JVI and the Ministry of Finance of Georgia, the IMF has been delivering additional training through the Georgia Training Program to public officials from 11 Caucasus and Central Asian countries.

The [Caucasus, Joint Central Asia, and Mongolia Regional Capacity Development Center \(CCAMTAC\)](#), opened on February 1, 2021. Based in Almaty, Kazakhstan, the CCAMTAC will initially operate virtually. The center will provide technical assistance and peer-to-peer workshops for Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan. Financial support is provided by Kazakhstan, CCAMTAC member countries, the IMF, and external partners (currently the China, Korea, Poland, Russia, Switzerland, and the Asian Development Bank.). Classroom-type training for countries in the Central Asia and the Caucasus region will continue to be largely met by JVI and, for Mongolia, STI.

Middle East

The [Middle East Regional Technical Assistance Center \(METAC\)](#) was established in Beirut, Lebanon, in 2004 and works with Afghanistan, Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, West Bank and Gaza, and Yemen. External partners include the European Union, France, Germany, the Netherlands, and Switzerland.

The [IMF Middle East Center for Economics and Finance](#) was established in Kuwait in 2011. CEF offers a comprehensive program of courses for government officials from 22 Arab countries. It is funded by Kuwait.

Western Hemisphere

The [Caribbean Regional Technical Assistance Center \(CARTAC\)](#) was established in Bridgetown, Barbados, in 2001. It serves 23 Caribbean countries and territories: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Maarten, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos. Current external partners include Canada, the European Union, Mexico, the Netherlands, the United Kingdom, the United States, the Caribbean Development Bank, and the Eastern Caribbean Central Bank.

The [Central America, Panama and the Dominican Republic Regional Technical Assistance Center \(CAPTAC-DR\)](#) launched in 2009 in Guatemala City, Guatemala, and works with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the Dominican Republic. Current external partners include, Colombia, the European Union, Luxembourg, Mexico, Norway, Spain, and the Central American Bank for Economic Integration.



ANNEX II. Minutes of the 25th Steering Committee Meeting

Summing-up

AFRITAC East Steering Committee completed its 25th meeting and seminars on July 12 – 13, 2023 in Dar es Salaam, Tanzania at the Ramada Hotel. The two-day event was conducted in a hybrid format with virtual and in-person participation. The meeting was chaired by Dr. Susan Koech, Deputy Governor, Central Bank of Kenya.

Participants in the meeting included officials from Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania, and Uganda and representatives from the East African Community. Also in the meeting were AFRITAC East development partners European Union, United Kingdom, China, and Norway.

FY 2023 execution and FY 2024 work program

The Steering Committee members noted that the region faces a challenging economic environment due to the lingering COVID-19 effects, the ongoing war in Ukraine, and the recent public funding squeeze. In addition, the region increasingly faces natural disasters related to climate change. These shocks have slowed economic activities, raised the cost of living, and elevated the cost of borrowing, leading to challenging policy choices. The Committee commended AFRITAC East for flexibly managing its work plan by incorporating member countries' emerging needs as they respond to immediate problems; while noting that the challenges faced by member countries also affected the center's operations in FY 2023 through lower resource use compared to pre-pandemic level.

The Steering Committee welcomed the resumption of in-person delivery and urged member countries to use the capacity development (CD) support provided by the center to continue with the post-pandemic reform efforts and address recent economic challenges.

Members of the Committee also welcomed integrating emerging areas such as gender, climate change, and digitalization in AFRITAC East's work program for Phase V.

The Steering Committee **endorsed the FY 2024 work program and budget**, which include activities tailored to support member countries in addressing the current challenges.

Funding for Phase V

The Steering Committee noted the delay in signing member countries' financing agreements. The Committee urged member countries to expedite the signing of the Letter of Understanding and making contributions, as this is essential for closing the existing funding gap of Phase V and attracting more contributions from the current and new donor partners. The Committee encouraged member countries to show ownership and appreciation of the center's capacity development work for the region.

The Committee extended its appreciation to the development partners for their continuous support of the center and the region.

AFRITAC East Governance

The Steering Committee urged member institutions to strengthen coordination with the center to facilitate CD planning and delivery. The Committee advised member institutions to appoint CD coordinators. It was recommended that AFRITAC East communications should be copied to CD coordinators to expedite the follow-up and feedback process. The Committee stressed that better coordination with member institutions would improve AFRITAC East's effectiveness and efficiency.



Peer-learning seminars

The Committee members and development partners appreciated the high-level exchange of knowledge and experience through the thematic seminars during the meeting. As the region faces an upsurge of climate-related disasters, the Committee members discussed how to scale up climate finance and climate-sensitive public investments and the management of fiscal risks related to climate change. Rwanda and Kenya shared their experiences in these areas. On statistics, Uganda shared its experience using high-frequency data to forecast economic activity in the country. The insurance supervisors of Ethiopia and Uganda shared their experiences in transitioning to IFRS 17.

AFRITAC East countries also discussed the intersection of data, forecasting, monetary policy and operations. Malawi, Rwanda, and Tanzania shared their experiences in fiscal transparency initiatives in the region, specifically on improving coverage of fiscal reporting, including developing in-house integrated financial management information systems and using customized tools to strengthen oversight of state-owned-enterprises reporting. Tanzania and Eritrea shared their experiences in digitalizing domestic revenue mobilization, which was supplemented by a presentation on digital transformation program implementation framework.

Action Points

Action point 1: Member countries will expedite the signing of contribution agreements and contribute to the center to scale up its operations.

Action point 2: Member countries will designate CD coordinators for the central bank, ministry of finance, revenue authority, and statistical agency to coordinate work with AFRITAC East and other CD providers.

Action point 3: AFRITAC East will send a proposal on the pros and cons of rotating the location of the SC meeting venue to deliberate for future meetings.

Action point 4: AFRITAC East will organize a regional workshop on monetary policy and operations to facilitate peer learning on policy implementation in the current economic environment.

Chair for the next meeting

Kenya agreed to chair the Steering Committee in FY 2025.

Venue and time of the next meeting

Member countries agreed to hold the next SC meeting in the second week of July 2024 in Dar es Salaam, Tanzania.



ANNEX III. Steering Committee Members

AFRITAC East Country Representatives	
Eritrea	
Ms. Martha Woldeghiorghis Director General of Treasury Ministry of Finance	Mr. Temesgen Gebremariam Head, Economics and Statistics Department Bank of Eritrea
Ethiopia	
H.E. Ms. Semereta Sewasew State Minister, External Economic Cooperation Ministry of Finance	Mr. Fikadu Digafie Vice Governor and Chief Economist National Bank of Ethiopia
Kenya	
Dr. Chris Kiptoo Principal Secretary National Treasury	Dr. Susan Jemtai Koech Deputy Governor Central Bank of Kenya
Malawi	
Prof. Betchani Tchereni Secretary to the Treasury Ministry of Finance and Economic Affairs	Mr William Matambo Deputy Governor Reserve Bank of Malawi
Rwanda	
Mr. Richard Tusabe Secretary General and Secretary to the Treasury Ministry of Finance and Economic Planning	Hon. Soraya Munyana Hakuziyaremye Vice Governor National Bank of Rwanda
South Sudan	
Hon. Samuel Yanga Mikaya 1st Deputy Governor Policy and Banking Bank of South Sudan	
Tanzania	
Dr. Natu El-maamry Mwamba Permanent Secretary and Paymaster General Ministry of Finance and Planning	Dr. Yamungu M. Kayandabila Deputy Governor Bank of Tanzania
Uganda	
Dr. Albert A. Musisi Commissioner Macroeconomic Policy Department Ministry of Finance, Planning and Economic Development	Dr. Charles Abuka Director, Statistics Bank of Uganda



ANNEX IV. IMF AFRITAC East Staff



Xiangming Li, a Chinese national, became the IMF AFRITAC East Center Director in August 2020. She has held operational and policy positions across the IMF, including in African Department and previously in the European, Strategy Policy and Review, Fiscal Affairs, Monetary and Capital Markets departments, and in the Institute for Capacity Development. Her work on surveillance, lending, training, and technical assistance spans across Africa, Europe, Asia, and the Caribbean. She also worked with development partners across the world on supporting IMF capacity development.



Amra Srdanovic, a citizen of Bosnia and Herzegovina, joined the Center in June 2019 as a PFM Advisor. She has over 20 years of PFM experience, providing high-level advice to Ministers of Finance, leading and supporting government-wide PFM reforms and developing effective internal control systems while embracing management principles of accountability and transparency. Prior to joining the Center, Amra worked as the IMF Resident PFM Adviser in the Ministry of Finance of Bhutan.



Imran Aziz, a national of the United Kingdom, was a PFM advisor at AFRITAC East from June 2019 to August 2023. He has 20 years experience in financial management in the public sector, specializing in PFM reform processes, budgeting and fiscal risks management. Since 2013 he has worked with the IMF to support over 20 developing and middle-income countries through technical assistance and diagnostic assessments. He was previously the AFRITAC South PFM advisor and also worked as an advisor based in Ministries of Finance in Uganda, Liberia and Mozambique for over seven years.



Matthew Quillinan, an Australian, has over 20 years' experience in a broad variety of Public Financial Management areas, including macro-fiscal forecasting and frameworks, tax and revenue policy and budget preparation and execution. Prior to joining AFRITAC East in February 2020, he worked in a variety of roles in the Australian Treasury and Tax Office, and as a resident macro-fiscal advisor in countries such as the Solomon Islands, Indonesia, The Gambia and Sierra Leone.



Kenneth Ochola, a Kenyan national joined AFE on September 1, 2020, as a Resident Revenue Administration Advisor (Customs). Ochola is a career Customs Specialist and has worked for Kenya Revenue Authority (KRA) for the last 29 years in various capacities rising to the position of Acting Commissioner of Customs and Border Control. He has broad experience in Customs Policy, Security and Operations. His most recent posting within KRA prior to joining AFE, was as the KRA Regional Coordinator responsible for Revenue Administration in Southern Region.



Rameck Masaire, a Zimbabwean National joined AFE in February 2022 as a Tax Administration Advisor. Rameck holds an Executive Master's Degree in Business Administration and before joining AFE he was working for the Zimbabwe Revenue Authority (ZIMRA) as Acting Commissioner General. Besides ZIMRA Rameck also worked at Ernst & Young and an Executive Director in the Business Tax Advisory Department.



Faith Mazani, a Zimbabwean national, joined AFRITAC East in January 2024 as a Revenue Administration Advisor supporting four countries (Ethiopia, Kenya, Rwanda, and Uganda) in developing and implementing medium-term revenue strategies (MTRS). Faith joined the Center from IMF Headquarters (HQ), where she was a Technical Assistance Advisor. She was also an Advisor in AFRITAC West 2 and AFRITAC South and served as the Commissioner General of the Zimbabwe Revenue Authority. Faith holds a Bachelor of Business Studies degree from the University of Zimbabwe and a Master's in Economics - Tax Policy and Administration from the Yokohama National University, Japan. She has over 40 years of experience in revenue administration and has worked at senior management levels for the South African Revenue Service and Swaziland Revenue Authority.



Dumisani E. Masilela, was a Revenue Administration Advisor at the IMF's AFRITAC East from February 2022 to December 2023. He is a former Commissioner General of the Eswatini Revenue Authority, a position he held for a period of over 11 years. Prior to this he held the position of Principal Secretary in the Ministry of Finance between the period January 2007 and May 2010. An Economist by profession with over 25 years professional experience, Mr Masilela has been integrally involved in the development of policies and has initiated several reforms to ensure the optimal management of public finances in Eswatini. He holds a Master's Degree in Economics from the University of Essex.



Georgios Genimakis, a Greek national, joined the East Africa Regional Technical Assistance Center (AFRITAC East) in September 2021 as the Resident Advisor in Financial Sector Supervision. He has extensive experience in prudential banking supervision having worked previously as a senior supervisor at the European Central Bank supervising complex cross-border institutions and as an onsite inspector at the Bank of Greece where he conducted diverse inspections in different jurisdictions and participated in critical projects with several international stakeholders. He has also worked for several years for a commercial bank in corporate banking lending. He holds a PhD in Finance, an MSc in Banking and International Finance, an MBA and a Bachelor's degree in Economics.



Callie Hugo, a South African national, joined AFE in October 2020 as Advisor on Monetary and Foreign Exchange Operations and Financial Market Infrastructures. Hugo worked at the South African Reserve Bank (SARB) for more than thirty years, in different departments and in various capacities. He previously worked for the IMF as short-term expert on monetary policy and financial sector stability.



Timmi Graversen, a Danish national joined the East Africa Regional Technical Assistance Center in January 2021 as the Real Sector Statistics Advisor. He has more than 25 years of national accounting experience at Statistics Denmark. He has worked with many areas of the national accounts and was for 10 years the Deputy Head of the National Accounts Division and overseeing the units that compile and publish the Danish Quarterly National Accounts, and the Labor Market Accounts. He has also participated in several IMF missions as a short-term advisor, including in Africa.



Tiviniton Makuve, is a Zimbabwean national with over 10 years' experience in sovereign debt management as both practitioner and advisor. From 2014 to 2022, he worked at the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), responsible for planning and coordinating the implementation of capacity building programmes aimed at enhancing sovereign debt and asset management practices of 14 member countries. His main areas of focus were debt transparency, strategy formulation, debt sustainability analysis, bond markets and reserves management. Prior to this role, he worked for the Reserve Bank of Zimbabwe. Tiviniton holds a Masters' Degree in Economics from the University of Zimbabwe and is an Accredited Fellow (in sovereign debt management) of the MEFMI Institute.



Christelle Groenewald, a South African national, joined the East Africa Regional Technical Assistance Center in February 2023 as the Government Finance Statistics Advisor. She has more than 22 years' experience in public finance at the Central Bank of South Africa (SARB) where she was overseeing the unit responsible for compiling government finance - and public sector debt statistics.



AFE Local Staff



Edina Moshi
Office Manager



William Wakuganda
Economist



Michael Byansheko
Local Economist



Evonne Massawe
IT Officer



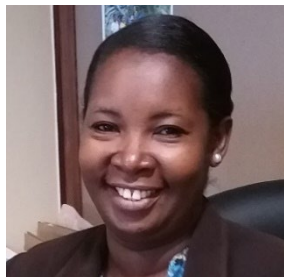
Neema Mahenge
Administrative Assistant



Warda Kassim
Administrative Assistant



Sylvanus Kashinje
Administrative Assistant



Stamili Togwa
Office Attendant



Wilhelm Kinabo
Office Driver



ANNEX V. IMF AFRITAC East Mid-Term Evaluation 2020

Status of Implementation of Action Plan, April 2024

Recommendation	Proposed Action(s)	Status of implementation	Responsible
<p>Recommendation 1: Build upon improvements made in work planning for the remainder of Phase IV and in the next phase.</p> <p>1.1 Continue a participatory approach in work planning, but make it an iterative process until finalization, rather than limiting authorities' participation to the annual needs assessment only.</p>	<p>When the proposed work plan is sent to the members of the Steering Committee, the agency-specific work plans will be sent by the resident advisors to their counterparts, to keep them informed. Work plans will be sent again to technical counterparts after the Steering Committee meeting, reflecting any changes in the wake of the meeting. The latter communication will also formally launch the scheduling process.</p>	<p>Ongoing. In line with previous financial years, the development of the FY 2024 work plan involved consultation with authorities, the IMF Headquarters (including African departments and mission chief surveys on CD priorities), and development partners. The work plan was shared with authorities before and after the July 2024 Steering Committee meeting, and it was continuously revised throughout the fiscal year. The same participatory and iterative process will be used in FY 2025.</p>	AFRITAC East
<p>1.2 Establish objectives that can be realistically achieved and reflect targets that are appropriately sequenced, consider other reform needs, provide assessment of other complementary donor programs and consideration for partnerships, and objectively verifiable milestones and indicators.</p>	<p>We will continue to pay great attention to aligning reform recommendations with absorptive capacity, with due recognition of the diversity of countries and institutions. In addition, while addressing technical and capacity challenges should remain at the core of AFRITAC East support, more explicit attention will be paid to complementary reforms of human resources and systems management, when required.</p> <p>Close engagement and coordination with all the main stakeholders will continue.</p>	<p>Ongoing. The FY 2024 work plan was designed to accommodate the needs of member countries following the COVID-19 pandemic, the additional shocks created by the War in Ukraine, and climate-related disasters. Systematic attention was paid to member institutions' absorptive capacity and readiness to receive support in-person. The needs of fragile and conflict-affected states and the presence of other development partners (DPs) were taken into consideration. AFRITAC East has also strengthened coordination of the work planning process with the IMF Headquarters using CDMAP.</p>	AFRITAC East
<p>Recommendation 2: Improve AFE's cost-effectiveness and budget management capabilities.</p> <p>2.1 Give the CC greater input and authority in budget decisions and operations. The process of budget formulation and management will</p>	<p>An internal note recently clarified the role of the CC and other IMF stakeholders in several areas. The annual budget process is initiated and led by the CC, in close consultation and coordination with concerned departments. The CC also manages the implementation of the workplan and the execution</p>	<p>Ongoing. The FY 2024 budget was designed and implemented using this new approach. With the introduction of CDMAP, the Center Director has budget management responsibilities in line with the proposed</p>	AFRITAC East and IMF HQ



Recommendation	Proposed Action(s)	Status of implementation	Responsible
benefit from the CC's intimate knowledge of local operating conditions.	of the annual budget and can initiate changes to planned activities or budget lines during the fiscal year to respond to changing circumstances. The budget management rules give a leading role to the CC, allowing him/her to take into account local operating conditions.	action. The budget for FY 2025 will follow the same process.	
2.2 Encourage RAs to identify cost-effective measures when designing or reviewing CD activities.	The recent adoption of a detailed chart of accounts for AFRITAC East's budgets and operations and the availability of recent financial information in CDMAP allow IMF stakeholders, including RAs, to monitor more closely whether the level and composition of spending are consistent with the initial work plan. AFE will explore how to involve RAs more closely in sectoral budget management, including to give them greater incentives to identify cost-effective measures when designing or reviewing CD activities.	Ongoing. The work plan and budgets for FY 2024 and FY 2025 were developed in CDMAP, which has built-in costing and budget control modules. RAs are using CDMAP to monitor the budget execution of their projects in real time. The flexibility in the CD delivery modalities (in-person/virtual) and availability of cost data in CDMAP allow RAs to use the most cost-effective modalities when designing CD missions. Meanwhile, the center work plan and budget for FY 2024 were executed flexibly, with reallocations and adjustments made as needed.	AFRITAC East
<p>Recommendation 3: Improve the use of RBM to monitor progress and manage performance.</p> <p>3.1 Using process indicators, account for local conditions when identifying objectives to set timelines that are realistic and achievable. There are some milestones that go through requirements beyond the IMF's control. This process should be tracked or documented by an indicator to make it clear that there is this requirement that is the responsibility of the authorities to complete.</p>	<p>The IMF only partly agreed with this recommendation.</p> <p>While some process indicators could be considered to facilitate monitoring, assessment, and attribution, the existing RBM framework can already be (and is) used for this purpose. Efforts in the coming years will also focus on the analysis of data integrity and consistency across projects.</p>	<p>Ongoing. AFRITAC East adopted the new IMF RBM Governance Framework, which was introduced in August 2020. The new framework outlines how RBM data should be collected and reported to inform resource allocation decisions and the setting of strategic objectives and prioritization for member countries CD. For instance, RBM data has supported some allocation decisions for Phase V (e.g., reducing resources allocated to some of the AFE workstreams). Phase V logframes considered RBM lessons learned in Phase IV (e.g., setting realistic and achievable timelines and avoiding targets beyond IMF's control). AFRITAC East is now reporting on outcomes (results) instead of milestones to align with the new RBM governance framework.</p>	AFRITAC East



Recommendation	Proposed Action(s)	Status of implementation	Responsible
<p>3.2 Ensure that CDMAP will be the single resource for RBM work for all IMF staff and improve the user experience of the system from CD PORT.</p>	<p>The Capacity Development Management and Administration Program (CDMAP) will support more efficient and transparent implementation of the CD governance framework by addressing gaps and inconsistencies in processes and systems underlying CD operations across the Fund. It will provide easily accessible data, supporting better decision-making on CD and strengthening links between CD, surveillance, and lending. More specifically, CDMAP will strengthen the framework for medium-term, country-centered planning and budgeting at the portfolio and country level by streamlining and harmonizing processes and systems across the IMF (including RTACs), better capturing demand, allowing aggregation of workplans across all delivery modalities, and supporting prioritization. It will also facilitate performance results monitoring by making input and use of data easier for HQ and field-based staff. Improving the user experience, compared to CD-PORT, is an important objective of CDMAP.</p>	<p>Ongoing. CDMAP was launched in August 2020 and is now fully operational. It is the single resource for RBM work across the Fund and used according to the proposed action.</p>	<p>AFRITAC East and IMF HQ</p>
<p>Recommendation 4: Address gaps under the AFE’s governance arrangements.</p> <p>4.1 Revisit and revise the complex networks of reporting lines and areas of responsibility among the CC, RA, and AFR.</p>	<p>The IMF partly disagreed with this recommendation. The complex network of reporting lines and areas of responsibility reflects to a large extent the multiplicity of stakeholders; and ensures, amongst other things, that regional experts can benefit from cutting-edge expertise in HQ through direct supervision. However, the CDMAP project is expected to lead to more standardization and harmonization of processes with clearly defined roles under a single system for all CD operations. This should help clarify, and could simplify in some cases, the current network of reporting lines and areas of responsibility. As mentioned above, a recent note already aimed at clarifying roles and responsibilities during the budget process.</p>		<p>AFRITAC East and IMF HQ</p>



Recommendation	Proposed Action(s)	Status of implementation	Responsible
<p>4.2 AFE should continue to be active in engaging country representatives to support SC decision-making and to facilitate communication between representatives and operational staff of the beneficiary government unit.</p>	<p>AFRITAC East and the rest of the IMF, in particular resident representatives, will continue to do their best to explain to the authorities the role of country representatives at the Steering Committee and to encourage the national authorities to facilitate communication and coordination across beneficiary institutions and with other providers of CD. This could be done, in particular, by the coordinator during his regular visits to member countries.</p>	<p>Ongoing. The Center Director met with the authorities during regional workshops and visits to the member countries in FY 2024. She discussed with Steering Committee (SC) members, high-level officials, and development partners how to increase interaction with and engagement in AFRITAC East program design, implementation, and coordination.</p>	<p>AFRITAC East and IMF</p>
<p>4.3 While possibly not within the scope of this evaluation, the Team also recommends more active involvement among SC members and authorities in the governance, planning, and delivery of CD activities.</p>	<p>Greater interaction with, and greater engagement of, SC members on program design and monitoring, including earlier and more focused reporting and results evaluation, is desirable. SC members of beneficiary countries would ideally be familiar with the entire CD program of their country and actively coordinate with all beneficiary agencies to help ensure the effective use of CD.</p>	<p>See above</p>	<p>Member countries</p>
<p>Recommendation 5: Ensure sustainability in all CD activities after delivery.</p> <p>5.1 Fully implement the impact surveys in all CD activities.</p>	<p>The IMF disagreed with this recommendation. Impact surveys are already conducted for certain forms of training. Extending this to all CD activities would be highly time and resource intensive and might also generate a survey fatigue on the authorities' side. The immediate priority for technical assistance should rather be to implement consistently and thoroughly the new RBM system over several years, so as to gather more reliable data on whether support delivered by the Center is reaching its objectives. External evaluations are also meant to help assess impact.</p>		
<p>5.2 Improve the planning and sequencing of CD activities and coordinate with other development partners to avoid duplication, where needed.</p>	<p>AFRITAC East will continue to coordinate closely with development partners and to explore ways to do this even more effectively.</p>	<p>Ongoing. Coordination with DPs and regional partners has continued. Their views on CD priorities in member countries were sought to inform the FY 2024 and FY 2025 work programs. Long-term experts also continued to engage with DPs in member countries.</p>	<p>AFRITAC East and DPs</p>



Recommendation	Proposed Action(s)	Status of implementation	Responsible
5.3 Monitor any hindrances to flexibility of meeting CD demands created by the new financial reporting system and adjust the system as necessary.	As indicated above, an internal note recently clarified the role of the coordinator and other IMF stakeholders in RTAC budget management. This note will be used in the preparation and execution of the FY 2020 budget. The note recognizes the importance of flexibility to address changes in circumstances and needs and specifies how to manage changes to planned activities or budget lines during the fiscal year. To further enhance flexibility and help address unforeseen needs, the note also recommends the budgeting of a strategic reserve of about 2 percent of the total budget.	See response to 2.1 A strategic reserve was included in the FY 2024 and FY 2025 budgets.	AFRITAC East and IMF HQ



ANNEX VI. IMF AFRITAC East Completed Activities, FY 2024

FPWs = Field Person Weeks (includes Resident Advisor weeks in the Center and in the field, IMF Headquarter staff, Short Term Experts and Attachments)

Revenue Administration				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Eritrea	Strengthened core tax administration functions	Develop registration policies, procedures, roles and responsibilities for HQ -Governance	H1	6.2
Ethiopia	Improved customs administration functions (SDG 17.1) - CAD	AFE Training on customs Risk management and Intelligence	H1	5.3
		Strengthening exemptions and customs incentives Management	H1	8.8
	Strengthened core tax administration functions	Excise tax Implementation CB - Auditing of excise tax	H2	7.0
Kenya	Improved customs administration functions (SDG 17.1) - CAD	Staff visit	H1	0.8
		Strengthened revenue administration management and governance arrangements	Mirror Data Analysis (II) follow up	H2
Malawi	Improved customs administration functions (SDG 17.1) - CAD	Develop Capacity in Data Analytics	H1	6.0
		Strengthened revenue administration management and governance arrangements	Data matching and analysis training	H1
	Strengthened revenue administration management and governance arrangements	Strengthening Post Clearance Audit	H2	7.0
		CD Auditing Technics for VAT in the Retail, Construction and Wholesale - (GoveTech)	H2	7.3
		Develop ICT strategy implementation plan	H1	7.7
		Developing capacity in audit of the financial services sector	H2	4.8
Review of ICT Strategy (GoveTech)	H1	7.5		
Rwanda	Improved customs administration functions (SDG 17.1) - CAD	MTRS Review	H2	2.3
	Strengthened revenue administration management and governance arrangements	Review of MTRS for Technical Assistance in Tax Administration	H2	2.5
South Sudan	Improved customs administration functions (SDG 17.1) - CAD	Domestication of EAC Customs Instruments	H2	6.2
Tanzania	Improved customs administration core functions	Customs diagnostic mission	H1	9.5
	Strengthened core tax administration functions	TADAT Assessment 2023	H1	8.2
	Strengthened revenue administration management and governance arrangements	Developing Functional and Technical Requirements for IDRAS - Govtech	H2	9.8
		MTRS Capacity Development	H2	1.0
Uganda	Improved customs administration core functions	Strengthening Capacity in Extractive Industries	H2	4.2



Revenue Administration				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
	Strengthened revenue administration management and governance arrangements	Develop compliance improved plan for specialized sectors and international organizations "Hybrid"	H2	3.3
		Review of the IT Function- GoveTech	H1	4.0
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		Customs staff visit	H2	0.8
		FY24 Extension - Kenneth Ochola	H1	0.8
		AFE Commemorative Note	H1	1.5
	Improved Customs Administration functions (SDG 17.1)	AfCFTA Regional workshop	H1	1.2
		AFE Coordinated Border Management workshop	H2	5.8
		AFE Valuation and transfer pricing workshop	H1	5.3
		Regional Workshop on Developing Audit Capacity -Governance	H1	6.0
		Regional Workshop on Transfer Pricing -International	H2	4.7
		TAX Gap Collaborative workshop with ATI	H2	5.7
	TaxTech - conference on Digital Tax Administration in Addis Ababa, April 22-23.	H2	1.8	
Total				170.5



Public Financial Management and Macroeconomic Analysis

Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Eritrea	Comprehensive, credible, and policy-based budget preparation	AFE/ICD: FPP Training	H1	2.7
Ethiopia	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Climate PIMA - LTX	H2	2.3
Kenya	Comprehensive, credible, and policy-based budget preparation	Implementing the Budget Preparation Manual	H1	7.0
	Improved Asset and Liability Management	Strengthening TSA and Cash Management practices (FY24)	H2	8.7
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Climate Budget Tagging (FY24)	H2	8.5
		Kenya - HQ led - Climate Diagnostic	H1	1.5
		Kenya - HQ led - Climate Diagnostic (AFE LTX add-on)	H1	0.7
Strengthened identification, monitoring, and management of fiscal risks - FRK	HQ: Long Term Fiscal Sustainability Climate Risks	H2	1.7	
Malawi	Comprehensive, credible, and policy based budget preparation	Integrating budget and PIM reforms in the budget guidelines	H1	7.0
	Improved budget execution and control	Strengthening commitment controls and budget execution reporting	H2	5.5
	Strengthened identification, monitoring, and management of fiscal risks	Expanding the SOE oversight and update of financial factsheets for high risk SOEs (FY24)	H2	3.7
		Introduction to DGLAT	H1	3.8
Rwanda	Comprehensive, credible, and policy based budget preparation	Review of MTEF and baseline costing exercise	H1	2.7
		Updating the Budget Outlook Paper & Expenditure Rationalization	H1	7.7
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Rwanda - AFE - Climate related discrete fiscal risks	H2	8.7
		Rwanda - Finalizing climate budget tagging guidelines and user requirements	H2	1.7
	Improved coverage and quality of fiscal reporting	Desktop review of the revised SCoA and related manual (FY24)	H2	6.7
South Sudan	Comprehensive, credible, and policy-based budget preparation - BPR	Macroeconomic Framework Update FY24 (1)	H1	2.3
		Macroeconomic Framework Update FY24 (2)	H2	1.7
		STX Delivery - Budget Call Circular FY2024/25	H2	2.0
	Improved asset and liability management - ALM	Expanding the coverage of the TSA and strengthening the cash management (FY24)	H1	5.0



Public Financial Management and Macroeconomic Analysis

Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
		AFE: Follow-up on progress of TSA and cash management reforms (FY24)	H2	3.7
	Improved budget execution and control - BEX	LTX installation mission	H1	1.5
Tanzania (Zanzibar)	Improved coverage and quality of fiscal reporting	ZANZIBAR - Migration from cash basis to Accrual basis of Accounting	H1	8.7
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Strengthening the oversight of SOE investments	H1	5.0
Uganda	Improved Asset and Liability Management	Further Strengthening TSA and CM practices (FY24)	H1	5.3
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	C-PIMA & Q-Craft	H1	2.3
	Strengthened identification, monitoring, and management of fiscal risks	Strengthening SOE oversight peer learning visit to Seychelles and Kenya	H1	0.8
Regional (incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFE support for commemorative note (LTX)	H1	1.7
	Improved coverage and quality of fiscal reporting (FRP)	Annual EAC Workshop FY24	H2	3.3
	Fiscal policies associated institutional frameworks consistent with progress towards SDGs	High Level Generation Equality Africa Workshop on Financing for Gender Equality	H2	0.5
Total				128.2
Grand Total including GCD Workstream (Financing for Gender Equality Workshop)				128.4



Financial Supervision and Regulation

Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Eritrea	Develop/strengthen banks' regulation and supervision frameworks - BRS	Eritrea May FY24 Microfinance Institutions Supervision	H1	1.2
Ethiopia	Develop/strengthen cybersecurity regulations and supervisory frameworks - CRS	Ethiopia Feb FY24 cyber supervision framework development (Phase II)	H2	5.5
		Ethiopia Sep FY24 cyber risk strategy and cyber risk regulation development (Phase I)	H1	5.5
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Ethiopia Jun FY24 IFRS 17 implementation	H1	5.5
Kenya	Develop/strengthen banks' regulation and supervision frameworks - BRS	Kenya Jun FY24 Basel III liquidity standards and leverage ratio	H1	4.5
Malawi	Develop/strengthen banks' regulation and supervision frameworks - BRS	Malawi July FY24 Basel III guidelines/returns on credit, operational and liquidity risk	H1	3.5
		Malawi Nov FY24 training new bank supervisors/examiners	H2	1.7
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Malawi Jul FY24 IFRS 17 implementation - Hybrid I	H1	0.7
		Malawi Sep FY24 IFRS 17 implementation - Hybrid II	H1	5.8
Rwanda	Develop/strengthen banks' regulation and supervision frameworks - BRS	Rwanda May FY24 developing IT/cybersecurity supervisory manuals	H1	4.3
		Rwanda Oct FY24 experience sharing with other supervisors on advanced RBS methods	H1	1.8
South Sudan	Develop/strengthen banks' regulation and supervision frameworks - BRS	South Sudan May FY24 risk-based supervision attachment	H1	1.0
Uganda	Develop/strengthen cybersecurity regulations and prudential norms - CSR	Uganda Apr FY 24 develop and implement cybersecurity guidelines (Phase I)	H2	3.0
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Uganda Apr FY24 IFRS 17 insurance contracts - Hybrid I	H2	2.3
		Uganda Jul FY24 supervision of secondary trading of fixed income markets	H1	1.8
	Develop/strengthen intermediaries and fund management regulation and supervision - IFM	Uganda Jan FY24 supervision of mutual funds - Hybrid I	H2	3.3
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFRITAC East (AFE) FY24 BSR LTX Governance & Management & Administration (M&A)	H1	1.7
		AFE Oct FY24 commemorative note (stock take exercise)	H1	5.8
	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes	AFE Mar FY24 Regional Seminar on Secondary Markets Regulation, Supervision & Surveillance	H2	6.0



Financial Supervision and Regulation				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
		AFE Regional Dec FY24 webinar supervision of climate-related financial risks in the banking sector	H2	2.2
	Develop / strengthen banking regulations and prudential norms - BRP	Regional AFE FY24 Sep Workshop - SADC - Working with the Basel Core Principles	H1	1.8
	Demonstrate a baseline understanding and articulate specific CD needs in Financial Supervision and Regulation topics - FSB	AFW2 AFE AFS METAC Sep FY24 BCP Outreach Webinar Short Engagement	H1	1.8
Total				74.8
Grand Total (including Financial and Fiscal Law Reform Workstream)				85.6

Monetary Policy and Operations				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Eritrea	Strengthen the reserve management policy framework and management of FX reserves - FXR	Eritrea MCMCO FY 24 Assessment of monetary and foreign exchange policies and operations	H1	3.0
Rwanda	Strengthen the implementation of FX operations given the existing monetary policy and FX regime - FXM	Rwanda Aug FY24 Diagnostic Assessment of the Foreign Exchange Market	H1	4.2
South Sudan	Establish a baseline and articulate specific medium-term CD needs in Central Bank Operations topics - BCB	South Sudan Jun FY24 TA Strategy Workplan	H1	3.0
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFRITAC East (AFE) FY24 MPO LTX Governance & Management & Administration (M&A)	H1	0.8
	Enhance capacity on latest developments in international standards and best practice in central bank operations - BPC	AFE EAC February FY24 Workshop on FPAS	H2	3.5
	Enhance capacity on latest developments in international standards and best practice in central banks operations -BPC	AFE EAC Nov FY24 Workshop on Monetary Policy Communication	H2	3.3
		AFE/AFS/AFW2 Jul FY24 Foreign Exchange Policy and Operations Regional Workshop	H1	4.8
Total				26.7



Financial Market Infrastructures and Payment				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Kenya	Develop/reform financial market infrastructures, including payments system - FMI	Kenya Sep FY24 Finalization of FMI self-assessment and review of oversight framework	H1	6.7
South Sudan	Demonstrate a baseline understanding and articulate specific CD needs in Payments and Infrastructure topics - BPI	South Sudan AFE Mar FY24 Rules and Regulations for ATS	H2	7.5
		South Sudan AFE May FY23 Training and capacity building to strengthen the NPS function	H1	7.2
		South Sudan AFE Apr FY24 Professional Attachment BoSS staff to CB of Rwanda	H2	3.5
Uganda	Develop/reform financial market infrastructures, including payments system - FMI	Uganda AFE Jun FY23 Issuing a Central Bank Digital Currency, Opportunities and Risks	H1	1.8
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFRITAC East (AFE) MPO LTX Extension (Carel Hugo)	H1	0.0
		AFRITAC East (AFE) Steering Committee MCMMP Staff Attendance	H1	0.3
	Develop / Reform financial market infrastructures, including payments system - FMI	AFE/AFS/AFW2 Nov FY24 Coherent approach to assess feasibility of CBDC	H2	5.2
		AFE/AFS/AFW2 Nov FY24 Coherent approach to assess feasibility of CBDC - AFE STX	H2	0.3
Total				36.5
Grand Total (including ICD Trainings)				66.9



Forecasting and Policy Analysis System				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Kenya	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	Kenya Apr FY24 Improve the QPM Model	H2	5.5
Rwanda	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	Rwanda Oct FY24 Further Strengthening the Nowcasting Framework at the National Bank of Rwanda	H1	5.3
Tanzania	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	Tanzania Jul FY24 Enhancing the Forecasting and Policy Analysis System (FPAS)	H1	7.7
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
	Enhance capacity on latest developments in international standards and best practice in central bank operations - BPC	AFE EAC February FY24 Workshop on FPAS	H2	2.2
Total				24.7



Real Sector Statistics				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Ethiopia	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	Ethiopia - IL - PIE - Training Annual and Quarterly GDP FY24	H2	5.5
Kenya	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Kenya - National Accounts training of new staff	H1	4.0
	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Kenya-TA-PPI- Further development of XMPI	H1	2.5
Rwanda	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Rwanda - Training - IL - National Accounts training of new staff	H1	4.0
Tanzania	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Tanzania - ISA - Preparing benchmark source data	H2	4.0
		Tanzania - ISA - Preparing new benchmark	H2	4.0
		Tanzania - ISA-TA - Institutional Sector Accounts	H1	3.5
Uganda	Strengthen compilation and dissemination of High Frequency Economic Activity Indicators - HFE	Uganda - HFE - Quarterly National Accounts	H1	3.7
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		FY24 Extension of LTX Appointment for Timmi Rolle Graversen	H2	0.0
		FY24 AFE Documentation Review (STARE)	H1	2.5
Total				37.7



Government Finance Statistics				
Beneficiary	Objective	Activity Title	Activity Timeline	Resources (FPWs)
Ethiopia	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Ethiopia / AFR - TA/Training GFS - AFE	H2	2.7
		FY23 - Ethiopia - Carryover - AFE	H1	0.0
Kenya	Strengthen compilation and dissemination of fiscal statistics - GFS	Kenya / AFR - Training - GFS - AFE - LTX	H2	3.8
Malawi	Strengthen compilation and dissemination of fiscal statistics - GFS	Malawi / AFR - TA - GFS&PSDS - AFE - Increase fiscal and debt coverage.	H2	2.3
Rwanda	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Rwanda / AFR - TA - GFS - AFE - Further expansion of fiscal stats	H2	2.7
South Sudan	Strengthen compilation and dissemination of fiscal statistics - GFS	South Sudan / AFR - TA - GFS/PSDS - AFE - Mission 1	H1	3.2
		South Sudan / AFR - TA/Train - GFS/PSDS - AFE - Mission 2	H2	3.7
Tanzania (Zanzibar)	Strengthen compilation and dissemination of fiscal statistics - GFS	LTX delivery- Zanzibar GFS - AFE - Expand fiscal stats	H1	3.5
		Tanzania / AFR - TA - GFS - AFE - Expand GFS statistics reporting	H1	6.5
		Tanzania /AFR - TA - GFS - Expand fiscal stats	H2	2.7
Uganda	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Uganda / AFR - TA/Train - GFS and PSDS - AFE - Mission 1	H1	3.8
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		FY24 General Project Management for LTX- Christelle Groenewald	H1	8.7
		FY24 AFE Documentation Review (STAGO)	H1	1.7
	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	AFR - Training - AFE - GFS - Regional Workshop	H1	3.8
Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS) - PSD	AFR - Training - AFE - PSDS - Regional Workshop	H1	4.0	
Total				57.0



ANNEX VII. Regional Workshops, Webinars and Other Virtual Trainings, FY 2024

#	Area	Workshop Title	Dates
1	Government Finance Statistics	PSDS - EAC Workshop	May 2 – 5, 2023
2	Revenue Administration	Customs Valuation and Transfer Pricing	May 29 – June 2, 2023
3	Revenue Administration	Regional workshop on developing Audit Capacity	September 4 -9, 2023
4	Government Finance Statistics	AFR - Training - AFE - GFS - Regional Workshop	October 2- 6, 2023
5	Monetary Policy Operations	AFE support to EAC communication workshop	November 20 – 24, 2023
6	Financial Supervision and Regulation	Secondary markets regulation and supervision for capital market authorities	December 5 – 8, 2023
7	Revenue Administration	Coordinated Border Management	January 8 – 12, 2024
8	Public Financial Management	Annual EAC Workshop FY24	January 23 – 26, 2024
9	FAD (Revenue Administration)	Strengthening Revenue Admin and Gender Equality	January 30 – February 2, 2024
10	Public Financial Management	Public Investment Management	February 26 – 29, 2024
11	Financial Supervision and Regulation	Secondary Markets Regulation, Supervision, and Surveillance	March 11 – 15, 2024
12	Revenue Administration	Tax Gap Workshop	March 19 – 21, 2024

Note: No. 6 & 11 conducted virtually



AFRITAC East Joint Workshops FY 2024

#	Workshop Title	Dates
1	Debt Management: Managing Sovereign Debt Portfolios in Adverse Market Conditions	May 15 – 19, 2023
2	AFE/AFS/AFW2 joint regional workshop on Foreign Exchange Policy and Operations	July 24 – 28, 2023
3	Forecasting and Policy Analysis System Interregional (AFW2/AFS/AFE) Workshop on FPAS	August 7 – 11, 2023
4	AFE / AFS/ AFC/ AFW/ AFW2 ISORA coordinators training	August 14 – 18, 2023
5	IMF HQ Customs (AfCFTA) Regional workshop	August 30 – September 1, 2023
6	Local Currency Bond Market Development	October 30 – November 3, 2023
7	AFE / AFS/ AFW2 Coherent Approach to Assess Feasibility of CBDC	November 6 – 10, 2023
8	IMF / UN - Ministers Gender High Level Meeting	November 15 – 17, 2023
9	Formulating a Medium-term DMS & ABP	January 29 – February 9, 2024
10	AFE / AFS/ AFW2 FMI workshop	January 29 – February 2, 2024

AFRITAC East / ICD Courses FY 2024

#	Course Title	Dates
1	Financial Market Instruments	November 13 – 24, 2023
2	Financial Programming and Policies	April 15 – 26, 2024
3	Financial Sector Policies	April 29 – May 10, 2024



ANNEX VIII. Technical Assistance Reports, FY 2024

Country	Report	Mission Members	Mission Dates
Revenue Administration			
Malawi	Data matching and analysis training	Wilcox, Stephen Harold (STX);Ochola, Kenneth (LTX)	May 8 - 19, 2023
Kenya	Develop Capacity in Data Analytics	Rameck Masaire; Stephen Harold Wilcox; Francois Bertrand Akoa	May 22 - 31, 2023
Regional	AFE Valuation and transfer pricing	Kenneth Ochola; Gabriel Muthiani Kitenga; Leonardo Correia Lima Macedo	May 29 - June 2, 2023
Malawi	Review of ICT Strategy (GovTech)	Rameck Masaire; Yakomba Yavwa; George Muraguri Chiuri	June 1 - 30, 2023
Regional	AFE Commemorative note	Justin O.S. Zake; Rameck Masaire	June 19 - August 31, 2023
Eritrea	Develop Registration Polies, Roles, and Responsibilities (July 2023)	Rameck Masaire; Alice Achieng Owuor; Elizabeth Odundo Meyo	July 3 - 14, 2023
Uganda	Bench marking visit - Mauritius	Rameck Masaire	July 3 - 28, 2023
Ethiopia	Strengthening exemptions and customs incentives Management	Kenneth Ochola; Kenneth Head; Gabriel Muthiani Kitenga	July 17 - 28, 2023
Regional	ISORA workshop 2023	Rameck Masaire	August 14 - 14, 2023
Uganda	Develop compliance improved plan for specialized sectors and international organizations	Rameck Masaire; Cameron John Smith	August 23 - September 1, 2023
Regional	AfCFTA Regional workshop	Kenneth Ochola	August 30 - September 1, 2023
Regional	Regional Workshop on Developing Audit Capacity -Governance	Rameck Masaire; Joseph Christopher Musumba Mwogeza; Andrew Gathuo Chege; Willie Shumba	September 4 - 29, 2023
Tanzania	Customs diagnostic mission	Kenneth Ochola; Telita Johanna Snyckers; Gabriel Muthiani Kitenga	September 6 - 19, 2023
Tanzania	TADAT Assessment 2023	Rameck Masaire; Maureen Kidd; Jane Wambui Muguchu	September 6 - 6, 2023
Rwanda	MTRS Review	Kenneth Ochola	November 15 - 28, 2023
Rwanda	Review of MTRS for Technical Assistance in Tax Administration	Rameck Masaire	November 15 - 29, 2023
Ethiopia	Excise tax Implementation CB - Auditing of excise tax	Ian James Scott; Philip Ashley Griffiths; Rameck Masaire	November 27 - December 8, 2023
South Sudan	Domestication of EAC Customs Instruments	Gabriel Kitenga; Kenneth Ochola	December 4 - 19, 2023
Malawi	CD Auditing Technics for VAT in the Retail, Construction and Wholesale - (GoveTech)	Joseph Christopher Musumba; Kariuki Kamau Eutyucus; Rameck Masaire	January 8 - 19, 2024
Regional	Coordinated Border Management	Kenneth Head; Kevin Atkinson; Kenneth Ochola	January 8 - 12, 2024



Country	Report	Mission Members	Mission Dates
Uganda	Strengthening Capacity in Extractive Industries	Kenneth Ochola	January 8 - 23, 2024
Tanzania	Developing Functional and Technical Requirements for IDRAS - Govtech	Yakomba Yavwa; Desterious Mbwoyi Shilabukha; Shami Moyo; Rameck Masaire	January 29 - February 10, 2024
Malawi	Developing capacity in audit of the financial services sector	Patrick Leonard Goggin; Rameck Masaire	February 12 - 23, 2024
Kenya	Mirror Data Analysis (II) follow up	Francois Bertrand Akoa; Kenneth Ochola	February 19 - March 22, 2024
Regional	Regional Workshop on Transfer Pricing -International	Jonathan Leigh-Pemberton; Kriti Krishanji Velji; Rameck Masaire	February 26 - March 22, 2024
Uganda	Develop compliance improved plan for specialized sectors and international organizations "Hybrid"	Cameron John Smith; Rameck Masaire	February 26 - March 25, 2024
Malawi	Strengthening Post Clearance Audit	Ernest Sigande; Kenneth Ochola	March 4 - 26, 2024
Regional	TAX Gap Collaborative workshop with ATI	Stefano Pisani; Anne-Claire Jarry-Bouabid; Miguel Pecho; Patricio Alberto Barra Aeloiza; Rameck Masaire	March 18 - 22, 2024
Tanzania	MTRS Capacity Development	Rameck Masaire	April 1 - 12, 2024
Rwanda	Duty Station work	Kenneth Ochola	April 11 - 17, 2024
Ethiopia	Field Attachment on Integrated Tax Administration IT System - GoveTech	Rameck Masaire	April 12 - 19, 2024
Tanzania	Training on Data Matching and analysis	Wilcox, Stephen Harold (STX); Kenneth Ochola	April 15 - 29, 2024
East African Community	Customs staff visit	Kenneth Ochola	April 25 - 30, 2024
Public Financial Management			
Kenya	Finalizing the Kenyan Budget Manuals and Training of Trainers	Imran K. Aziz; Gerhard Steger; Gregory Jon Rosenberg	May 1 - 12, 2023
Malawi	Updating the planning and budget manual	Imran K. Aziz; Gerhard Steger; Martin Darcy	June 19 - 30, 2023
Malawi	Introduction to DGLAT	Amra Srdanovic; Matthew K. Quillinan	June 19 - 28, 2023
South Sudan	Expanding the coverage of the TSA and strengthening the cash management (FY24)	Amra Srdanovic; Per-Olof Jonsson	June 26 - July 7, 2023



Country	Report	Mission Members	Mission Dates
Eritrea	ICD: FPP Training	Matthew K. Quillinan	July 20 - August 2, 2023
Uganda	Strengthening Multiyear Commitments	Robert Muwanga	August 7 - 18, 2023
Tanzania (Zanzibar)	Migration from cash basis to Accrual basis of Accounting	Amra Srdanovic; Francois Van Schaik; Peter F Murphy	August 16 - 29, 2023
Tanzania	Strengthening the oversight of SOE investments	Kennedy Ogendi Ondieki; Matthew K. Quillinan	August 21 - September 1, 2023
Rwanda	Review of MTEF and baseline costing exercise	Imran A. Aziz; Gerhard Steger;	September 4 - 15, 2023
Uganda	C-PIMA & Q-Craft	Matthew K. Quillinan	September 6 - 19, 2023
Malawi	Expanding the SOE oversight and update of financial factsheets for high risk SOEs (FY24)	Matthew K. Quillinan ; Amra Srdanovic	November 2 - 10, 2023
South Sudan	Budget Call Circular FY2024/25	Steger, Gerhard (STX)	November 13 - 17, 2023
Rwanda	Finalizing climate budget tagging guidelines and user requirements	Amra Srdanovic;	November 21 - Dec 4, 2023
South Sudan	Progress of TSA and cash management reforms (FY24)	Amra Srdanovic; Per-Olof Jonsson	December 7 - 14, 2023
Kenya	Long Term Fiscal Sustainability Climate Risks (HQ led)	Matthew K. Quillinan	January 29 - February 9, 2024
Rwanda	Revised SCoA and related manual (FY24)	Amra Srdanovic; Francois Van Schaik; Peter F. Murphy	February 19 - March 5, 2024
Rwanda	Climate related discrete fiscal risks	Matthew K. Quillinan ; Jyoti Rahman; Andrew John King	February 19 - March 1, 2024



Country	Report	Mission Members	Mission Dates
Kenya	Climate Budget Tagging (FY24)	Amra Srdanovic; Rehemah Namutebi; Bruce M. Stacey; Alex Amankwah-Poku	March 6 - 19, 2024
Ethiopia	Climate PIMA - LTX	Rehemah Namutebi	March 7 - 20, 2024
South Sudan	Macroeconomic Framework Update FY24 (2)	Matthew K. Quillinan	March 11 - 15, 2024
Kenya	Strengthening TSA and Cash Management practices (FY24)	Amra Srdanovic; Per-Olof Jonsson ; Peter F. Murphy	April 3 - 16, 2024
Malawi	Strengthening commitment controls and budget execution reporting	Guy Trevor Anderson; Francois Van Schaik	April 15 - 26, 2024
Kenya	SOE Financial Evaluations FY24	Matthew K. Quillinan	April 29 - May 10, 2024
Financial Sector Regulation and Supervision			
Rwanda	Developing Technology and Cyber Risks Supervisory Manuals	Georgios Genimakis; Rachid Chader	May 22 - 30, 2023
Kenya	Basel III Liquidity Standards and Leverage Ratio	Georgios Genimakis; Miguel Tomas Delfiner	June 7 - 15, 2023
Ethiopia	IFRS 17 Implementation	Georgios Genimakis; Michelle Patrice Chong Tai-Bell	June 19 - 30, 2023
Malawi	IFRS 17 Implementation- Hybrid I	Georgios Genimakis; Michelle Patrice Chong Tai-Bell	July 17 - 21, 2023
Malawi	IFRS 17 Implementation - Hybrid II	Georgios Genimakis; Michelle Patrice Chong Tai-Bell	September 11 - 22, 2023
Ethiopia	Develop a Financial Sector Cybersecurity Strategy and Enhance the Cyber Risk Regulatory Framework	Georgios Genimakis; Rachid Chader	September 25 - October 6, 2023
Regional	AFE Oct FY24 commemorative note (stocktake exercise)	Georgios Genimakis ; Miguel Tomas Delfiner	October 16, 2023 - March 31, 2024
Ethiopia	Cyber supervision framework development (Phase II)	Georgios Genimakis; Rachid Chader	February 12 - 23, 2024



Country	Report	Mission Members	Mission Dates
Monetary Policy Operations			
Eritrea	Eritrea MCMCO FY 24 Assessment of monetary and foreign exchange policies and operations	Callie Hugo	May 8 - 12, 2023
Kenya	Kenya May FY24 Scoping Mission to Assess Monetary and Foreign Exchange Operations	Callie Hugo	May 29 - 31, 2023
Regional	AFE/AFS/AFW2 Jul FY24 Foreign Exchange Policy and Operations Regional Workshop	Callie Hugo; Simon Thorburn Gray; Neema Mahenge	July 23 - 28, 2023
Rwanda	Rwanda Aug FY24 Diagnostic Assessment of the Foreign Exchange Market	Callie Hugo	August 21 - September 1, 2023
Financial Market Infrastructures (FMI)			
South Sudan	Training and capacity building to strengthen the NPS function	Callie Hugo; Igor Munteanu	May 15 - 26, 2023
Uganda	Issuing a Central Bank Digital Currency, Opportunities and Risks	Callie Hugo; John William Kiff; Jose Adolfo Sarmiento Berra	June 19 - 23, 2023
Kenya	Finalization of FMI self-assessment and review of oversight framework	Callie Hugo; Faith Stewart	September 18 - December 19, 2023
South Sudan	Rules and Regulations for ATS	Callie Hugo; Igor Munteanu	March 18 – 28, 2024
Debt Management			
Regional	MEFMI-IMF May FY24 Domestic Debt Issuance and Trading Workshop for AFE and AFS	Tiviniton Makuve	May 29 - June 2, 2023
Tanzania	Tanzania Jul FY24 Gap Analysis of the Legal Framework for Debt Management	Tiviniton Makuve; Tomas Inge Magnusson	July 17 - 28, 2023
South Sudan	Building a Public Database	Tiviniton Makuve; Lekinyi Molle; Kieran McDonald	September 18 – 29, 2023
Forecasting and Policy Analysis (FPAS)			
Tanzania	Tanzania Jul FY24 Enhancing the Forecasting and Policy Analysis System (FPAS) at the BoT	Jianping Zhou; Carina Selander; Magnus Lindskog; Magnus Ahl	July 14 - 25, 2023
Kenya	Improve the QPM Model	Jianping Zhou; Adrienne Gagnon; Fotios Raptis	April 22 – 26, 2024



Real Sector Statistics			
Kenya	National Accounts training of new staff	Timmi Graversen	August 14 - 18, 2023
Rwanda	National Accounts training of new staff	Timmi Graversen	August 21 - 25, 2023
Tanzania	Institutional Sector Accounts	Timmi Graversen	August 28 - September 8, 2023
Kenya	Updating and Improving Export and Import Price Indices	Katherine Pegler	September 18 - 29, 2023
Malawi	Expenditure and Production FY24	Timmi Graversen	September 18 - 29, 2023
South Sudan	South Sudan - GDP - Expenditure and Production	Timmi Graversen	November 13 - 17, 2023
Tanzania	Preparing new benchmark	Timmi Graversen	December 11 - 15, 2023
Tanzania	Preparing benchmark source data	Timmi Graversen	January 8 - 12, 2024
Government Finance Statistics			
Regional	Further Improvements in the Quality of Fiscal and Debt Data	Foyzunnesa Khatun; Christelle Groenewald	May 2 - 5, 2023
Tanzania	Government Finance Statistics - Expanding GFS statistics reporting	Christelle Groenewald; Imad Khanchaoui	May 29 - June 9, 2023
South Sudan	Government Finance Statistics Report (GFS/PSDS - Mission 1)	Stephanus Francois Engelbrecht	June 26 - Jul 7, 2023
Uganda	Government Finance Statistics Report	Christelle Groenewald	August 8 - 17, 2023
Tanzania (Zanzibar)	Expand fiscal statistics	Christelle Groenewald	September 13 - 22, 2023
Regional	GFS Concepts in the Government Finance Statistics Manual	Christelle Groenewald; Foyzunnesa Khatun	October 2 - 6, 2023
Ethiopia	National Training GFS - AFE	Christelle Groenewald;)	November 13 - 17, 2023
Malawi	Government Finance Statistics/Public Sector Debt Statistics - Increase fiscal and debt coverage.	Obadia Turinawe	November 14 - 23, 2023
Rwanda	Further expansion of fiscal stats	Yuwawan Rattakul	November 20 - December 1, 2023
Tanzania	Expand fiscal statistics	Christelle Groenewald	February 12 – 14, 2024
Tanzania (Zanzibar)	Expand debt statistics reporting	Christelle Groenewald	March 4 - 15, 2024
Ethiopia	Government Finance Statistics/Public Sector Debt Statistics	Christelle Groenewald; Giovanna Dabbicco	Mareh 18 - 29, 2024
South Sudan	Training - Government Finance Statistics/Public Sector Debt Statistics Mission 2	Christelle Groenewald; Stephanus Francois Engelbrecht	March 18 - 22, 2024



ANNEX IX. Reports Uploaded to the Extranet, FY2024

Country	Report Title	Mission Dates
Eritrea	Training on Budget Costing and Macroeconomic forecasting	March 6 - 10, 2023
Eritrea	Develop registration policies, procedures, roles and responsibilities for HQ - Governance	July 3-14, 2023
Ethiopia	Development of a PPI for Construction Price Index	May 9 – November 4, 2022
Ethiopia	Strengthening Post Clearance Audit	November 7 - 18, 2022
Ethiopia	Basel II/III implementation - Pillar I	January 23 - 31, 2023
Ethiopia	IFRS 17 Implementation	June 19-30, 2023
Ethiopia	Strengthening exemptions and customs incentives Management	July 17-28, 2023
Ethiopia	Cyber Risk Strategy and Cyber Risk Regulation Development (Phase I)	September 25 – October 6, 2023
Kenya	Finalizing the Kenyan Budget Manuals and Training of Trainers	May 1 - 12, 2023
Kenya	Further Development of Export and Import Prices Indices	September 18 – 29, 2023
Kenya	Develop Capacity in Data Analytics	October 9 – 18, 2023
Malawi	Government Finance Statistics and Public Sector Debt Statistics Technical Assistance Mission Report	September 28 - October 5, 2022
Malawi	Import and Export Price Indices (XMPI)	April 17-28, 2023
Malawi	Data Matching and Analysis Capacity for Tax Customs	May 8-19, 2023
Malawi	Review of ICT Strategy (GovTech)	June 1 – 30, 2023
Malawi	Updating the Planning and Budget Manual	June 19 - 30, 2023
Malawi	IFRS 17 Implementation – Hybrid 1 & II	July 17 – 21, 2023
Rwanda	Technical Report on Government Finance Statistics - Further Expansion of Fiscal Statistics	August 22 - 26, 2022
Rwanda	Developing Technology and Cyber Risks Supervisory Manuals	May 22 - 30, 2023
South Sudan	Developing Business Processes for Compliance, Audit, Debt Enforcement and Taxpayer Accounts	May 21 – July 8, 2022
South Sudan	Developing fiscal statistics	October 24 – November 4, 2022
South Sudan	Support to expenditure forecasting and budget costing LTX delivery	January 30 - February 10, 2023
South Sudan	Regulatory and supervisory approaches regarding cyber risks	February 20 - 24, 2023
Tanzania	National Accounts Statistics – Promoting the Use of Administrative Data	September 19-20, 2022
Tanzania	IFRS 17 Implementation	February 2 - 15, 2023
Tanzania (Zanzibar)	Expand Fiscal Statistics	October 9 – 18, 2023
Uganda	Insurance regulatory authority - adapting prudential framework for IFRS 17	October 10 - 21, 2022
Uganda	HQ Mission: Public Investment Management Assessment	June 16 - 29, 2022
Uganda	Strengthening SOE oversight peer learning visit (Seychelles)	April 17 - 28, 2023
Uganda	GFS and PSDS – Mission I	August 8 – 18, 2023
Uganda	Technical Report on Government Finance Statistics on Expanding Debt Statistics Reporting	August 15 - 26, 2022
Regional	Regional Workshop: Budget Baseline Costing Regional Guidelines	December 5 - 9, 2022
Regional	Regional Workshop: Artificial Intelligence in Customs	December 5 - 9, 2022



ANNEX X. IMF AFRITAC East Planned Activities, FY2025

Revenue Administration				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Eritrea	Improved customs administration functions (SDG 17.1) - CAD	Staff visit	H1	1.0
		Training on risk management	H1	1.7
	Strengthened core tax administration functions	Develop Procedures for Debt Management and Collections -Governance	H1	3.8
		Strengthening filing and payment processes	H1	3.2
	Strengthened revenue administration management and governance arrangements	Strengthen Customer Service (Gov-Tech)	H1	3.3
	Ethiopia	Improved customs administration functions (SDG 17.1) - CAD	Assessing gaps in ECC's cooperation with other cross border regulatory agencies	H1
Special Economic Zone attachment			H1	0.8
Strengthened core tax administration functions		Capacity building & experience sharing on tax debt Administration.	H2	0.0
		TA to Review Excise Tax Audit, operational manual and compliance strategy manual	H1	1.0
Strengthened revenue administration management and governance arrangements		Develop Taxpayers segmentation model for MOR's federal branches -Governance	H2	3.5
		Field Attachment on Compliance Risk Management -Governance	H2	1.2
Kenya	Improved customs administration functions (SDG 17.1) - CAD	Digitalizing customs functions	H1	3.7
		Review of customs Business Intelligence Units	H1	1.7
		Consultative meeting with KRA/Donors	H1	0.7
	Strengthened core tax administration functions	Developing Capacity in Digital Services Compliance Management - (GoveTech)	H2	3.5
		Capacity Building in Debt Management - (Governance)	H1	3.5
		MTRS Workshop 2	H1	0.0
Malawi	Improved customs administration functions (SDG 17.1) - CAD	Review of compliance risk management	H1	3.7
		Customs valuation	H2	1.7
	Strengthened revenue administration management and governance arrangements	Developing Telcoms Audit Technics Part 2	H1	4.0
		Review of Enterprise Change Management Strategy -(Governance)	H1	2.7
	Strengthened core tax administration functions (SDG 17.1) - TAD	T/Mission Gov. Enhancing Revenue Performance	H1	6.0
Rwanda	Improved customs administration functions (SDG 17.1) - CAD	LTX Duty Station work	H1	0.3
		Auditing of the telecommunication sector	H2	0.8
		Framework to control special regimes and exemptions strengthened	H1	0.8
	Strengthened core tax administration functions	Hands on Training on Telecommunications Sector Audit	H1	3.0
		Develop Capacity in Audit of Financial Sector (governance)	H1	0.3
	Strengthened revenue administration management and governance arrangements	Developing Capacity in Analysis of Big Data Science (GoveTech)	H1	2.2



Revenue Administration				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
South Sudan	Improved customs administration functions (SDG 17.1) - CAD	T/Mission Governance/Reform Management	H1	4.2
		Review existing structure for customs ICT function	H1	3.3
		Review and redesign of customs clearance procedures	H2	3.7
	Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	Develop Key Performance Indicators - Governance	H2	3.5
		Developing a Performance Management System	H2	3.5
	Strengthened core tax administration functions (SDG 17.1) - TAD	Review Procedures for Tax Collection (Governance)	H1	3.5
Developing Tax Audit Capacity - (Governance)		H1	2.8	
Tanzania (Zanzibar)	Improved customs administration core functions	AFE-Training on Data Matching and analysis	H1	5.7
		AFE-Training on Customs Risks Management cycle	H1	0.8
	Strengthened revenue administration management and governance arrangements	Develop Customer Communication Strategy (Zanzibar)-GoveTech	H1	3.5
		Developing Multi Year Compliance Strategy and Plan -Governance	H2	3.3
		Strengthening Research and Planning Function -Governance (Zanzibar)	H1	2.7
Uganda	Improved customs administration core functions	Risk-based control selectivity system training	H2	3.0
		Specialized training in Oil and Gas	H1	1.5
		Developing capacity in Valuation, Rules of Origin and Classification	H1	0.8
	Strengthened core tax administration functions	AFE TA LTX Rameck Masaire FY 25 - Governance	H1	11.3
		Field Attachment on Audit of Manufacturing Sector -Governance	H1	0.0
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
	Improved customs administration core functions	Onboarding new members to EAC Customs Union	H2	0.3
	Improved customs administration core functions	Review of statistical reporting and performance standards	H1	2.2
	Strengthened core tax administration functions	1. The technical note "Tax Administration: Essential Analytics for Compliance Risk Management workshop	H1	0.2
		AFE/AFS/AFW2 Regional workshop to build internal audit capacity.	H2	0.3
	Improved customs administration functions	Regional workshop on Combating Cybersecurity in Customs Administration	H1	0.2
Regional workshop on E-commerce and customs controls		H2	0.3	
Total				126.7



Public Financial Management and Macroeconomic Analysis				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Ethiopia	Improved Asset and Liability Management	Strengthening TSA and Cash Management (FY25)	H1	5.0
	Improved public investment management - PIM	Strengthening Project Appraisal and Selection	H1	5.0
	Strengthened identification, monitoring, and management of fiscal risks	Updating the fiscal risk statement and fiscal risk registry FY24	H1	5.0
	Improved coverage and quality of fiscal reporting - FRP	Roadmap for improving financial reporting and implementing IPSAS accrual standards	H2	5.0
Kenya	Comprehensive, credible, and policy based budget preparation	Implementing the Budget Preparation Manual	H2	4.3
		Training on Macroeconomic Forecasting and Analysis	H1	1.7
	Improved Asset and Liability Management	Further strengthen the TSA and cash management practices (FY25)	H2	5.3
	Improved coverage and quality of fiscal reporting	Annual Quality Assurance Review – transitioning to full accrual IPSAS (FY25)	H1	8.3
		Annual Quality Assurance Review (FY25)	H2	5.0
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Finalization of Climate Tagging Guidelines (FY25)	H1	8.3
	Strengthened identification, monitoring, and management of fiscal risks - FRK	SOE Financial Evaluations FY24	H1	2.3
Malawi	Comprehensive, credible, and policy based budget preparation	(PBO) Training on macroeconomic forecasting analysis	H1	2.0
		Updating the macro-fiscal framework and incorporating debt sustainability tools	H1	2.3
	Improved budget execution and control	Follow-up on improving budget execution processes and reporting (FY25)	H1	2.7
	Improved coverage and quality of fiscal reporting	Development of a fixed asset accounting policy and strategy FY25	H2	5.0
	Strengthened identification, monitoring, and management of fiscal risks	Expanding SOE oversight (FY25)	H1	7.3
		AFE LTX: Attachment SOE risk reporting - Seychelles (from FY21)	H1	0.7
		Updating the fiscal risk statement and fiscal risk registry	H1	1.7
Rwanda	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Expanding climate tagging to all expenditure (RM9 and RM11)	H2	3.7
		Rwanda - AFE: Implementing Climate Tagging (RM6)	H1	8.5
	Improved coverage and quality of fiscal reporting	Annual Quality Assessment of IPSAS implementation (FY25)	H2	8.3
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Template for a Consolidated Report on Major Projects	H1	4.3
		Deepen the analysis of fiscal risks for high-risk Public Enterprises	H1	11.3



Public Financial Management and Macroeconomic Analysis				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
	Strengthened identification, monitoring, and management of fiscal risks	Strengthening SOE Oversight Function in MINECOFIN	H2	6.0
		Updating the fiscal risks statement and fiscal risk registry	H1	5.3
South Sudan	Improved asset and liability management - ALM	Further follow-up on progress of TSA and cash management reforms (FY24)	H1	4.3
		Strengthen TSA and Cash Management (FY25)	H2	4.7
	Improved budget execution and control - BEX	LTX annual review and fiscal reporting	H1	0.2
Tanzania (Zanzibar)	Comprehensive, credible, and policy based budget preparation	Tanzania (TZA) Zanzibar: Expenditure prioritization, costing and PBB	H1	1.7
		Tanzania (TZA) Zanzibar: Strengthening the Performance Budgeting Architecture	H1	6.3
		(PBO) Further development of the macro-fiscal framework and macro-fiscal reporting	H1	3.2
		(ZAN) Training on FPP & Revenue Forecasting	H1	3.0
	Improved coverage and quality of fiscal reporting	ZANZIBAR - Follow up on progress on migration to IPSAS accrual accounting. (FY25)	H1	8.3
	Improved PFM laws and effective institutions - BLF	Review of the Public Finance Act, CAP 348 (FY24)	H1	3.7
Uganda	Improved Asset and Liability Management	Strengthening TSA and Cash Management (FY25)	H1	5.0
	Improved coverage and quality of fiscal reporting	Attachment to support the recording and valuing assets and liabilities (from FY21)	H2	0.7
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
	Strengthened identification, monitoring, and management of fiscal risks	Developing an SOE oversight reporting framework	H1	2.3
	Comprehensive, credible and policy-based budget preparation - BPR	AFE Regional Workshop: Budget tagging (green PFM and gender)	H2	3.5
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	AFE Workshop on Gender Equality and Macroeconomics	H2	4.2
Total				179.5
Grand Total	Including activities under ICD training and GCD workstream			191.3



Financial Supervision and Regulation				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Eritrea	Develop/strengthen banks' regulation and supervision frameworks - BRS	Eritrea Sep FY25 attachment on effective risk-based supervision (RBS) and implementation	H1	1.0
	Improve accounting and prudential provisioning regulatory guidelines. - APR	Eritrea May FY25 supervisory knowledge of IFRS 9, ECL implementation and NPL provisioning	H1	4.3
Ethiopia	Develop/strengthen banks' regulation and supervision frameworks - BRS	Ethiopia Jul FY25 follow-up on the implementation of Basel II/III, Pillar I capital framework	H1	2.8
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Preparing a guideline for actuarial report review	H1	1.3
	Improve accounting and prudential provisioning regulatory guidelines. - APR	Ethiopia Jun FY25 Supervisors' Knowledge of IFRS 9 Enhanced and Strengthen Implementation	H1	4.3
Kenya	Improve accounting and prudential provisioning regulatory guidelines. - APR	Supervisors' knowledge of IFRS 9 enhanced and strengthen implementation	H2	3.0
Malawi	Develop/strengthen banks' regulation and supervision frameworks - BRS	MFI: RBS - risk model and methodology of MFIs, FCs and securities market	H2	0.8
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Malawi Aug FY25 IFRS 17 key performance indicators for supervisory purposes	H1	2.8
		Peer review and impact assessment of mortality tables	H1	3.7
Rwanda	Develop/strengthen banks' regulation and supervision frameworks - BRS	Rwanda Jun FY25 Cybersecurity Risk Onsite Examination Guidance	H1	4.5
		Rwanda Sep FY25 RBS training to microfinance institutions supervisors	H1	2.5
		Private banking supervision	H2	3.0
		Market risk assessment	H2	2.7
Tanzania	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Tanzania Sep FY25 Solvency II Professional Attachment	H1	1.8
		Sustainability and climate risk	H1	1.5
		Market conduct risk-based supervision	H2	1.5
	Develop/strengthen intermediaries and fund management regulation and supervision - IFM	Tanzania Sep FY25 attachment on ESG financial products and Sukuk bonds supervision	H1	1.0
Uganda	Develop/strengthen banks' regulation and supervision frameworks - BRS	Develop and implement guidelines for conduct risk management	H2	5.0
	Develop/strengthen cybersecurity regulations and prudential norms - CSR	Uganda Sep FY25 develop cyber supervision framework (Phase II)	H1	4.5
	Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Uganda May FY25 IFRS 17 insurance contracts - Hybrid II	H1	2.3
		Uganda Mar FY25 continuous mortality investigation	H2	5.0
		Uganda Aug FY25 regulatory framework for insurance Information Technology platforms	H1	1.8



Financial Supervision and Regulation				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
	Develop/strengthen intermediaries and fund management regulation and supervision - IFM	Liquidity adequacy assessment process developed and implemented	H2	5.0
		Conduct self-assessments and submit risk profiles to be reviewed by supervisors	H2	3.0
		Uganda May FY25 supervision of mutual funds - Hybrid II	H1	2.3
		Uganda Aug FY25 enforcement training	H1	2.7
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes - RBS	AFE/AFW2/MCM Oct FY25 Workshop-selected issues in regulation and supervision of fintech (SIFR)	H1	0.8
Total				79.2
Grand Total	Including ESAAMLG - Training of Assessors			80

Monetary Policy and Operations				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Ethiopia	Strengthen efficient implementation of monetary policy under the existing regime - MPR	Ethiopia AFE MCMCO FY25 Monetary and Foreign Exchange Operations with greater exchange rate flexibility	H1	0.3
Malawi	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Malawi FY25 Monetary and FX policy, operations and implementation	H2	6.7
South Sudan	Establish a baseline and articulate specific medium-term CD needs in Central Bank Operations topics - BCB	South Sudan AFE FY 25 In-Country Training: Building blocks for fin market development	H2	6.7
Tanzania	Strengthen the collateral framework in support of an efficient operational framework and in line with the central bank's risk tolerance - CFO	TZN FY25 Assessing monetary policy implementation under the interest rate based monetary policy framework.	H1	6.0
Uganda	To develop the capacity of the authorities to implement FX operations efficiently and in a manner consistent with their chosen monetary policy and FX regime	FX Operations and FX Policy Implementation Mission 1	H1	6.0
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
Total				29.7



Financial market infrastructures and payment				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Ethiopia	Develop/reform financial market infrastructures, including payments system - FMI	Ethiopia FY2025MCMPI Self-assessment of FMI	H2	5.0
Malawi	Develop/reform financial market infrastructures, including payments system - FMI	PFMI mission - review of NPS Strategy - LTX	H1	2.8
South Sudan	Demonstrate a baseline understanding and articulate specific CD needs in Payments and Infrastructure topics - BPI	South Sudan FY25 Drafting ToR for National Payment System Council	H2	3.3
Tanzania	Develop/reform financial market infrastructures, including payments system - FMI	Tanzania FY25 MCMPI CBDC issuance and considerations	H1	3.0
		Tanzania FY25 Review of NPS Strategy	H2	6.0
Uganda	Develop/reform financial market infrastructures, including payments system - FMI	Uganda MCMPI FY25 Develop, review NPS and Sandbox regulations and issue Guidance Notes	H1	6.7
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFRITAC East (AFE) FY25 FMI LTX Governance & Management & Administration (M&A)	H1	0.8
		AFRITAC East (AFE) FY24 FMI LTX Governance & Management & Administration (M&A)	H1	43.5
Total				75.2

Forecasting and Policy Analysis System				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Kenya	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	Kenya M2 FY24 - Nowcasting and the monetary policy process at the CBK	H2	4.0
		Kenya Project Management FY24	H2	0.0
		Kenya Project Management FY25	H1	0.8
		Kenya M1 FY25 - The monetary policy process and a monetary policy report part II	H1	6.3
Malawi	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	M2 FY23 Continued QPM review and data refinements.	H1	4.7
		FPAS mission 1 FY24 - Nowcasting and data management	H2	4.3
		Malawi FPAS mission 2 FY25 - Nowcasting and first part of the forecast process	H1	2.3
		Malawi Project Management FY25	H1	0.8
Rwanda	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	Rwanda M2 FY25 Refining the QPM	H1	3.0
		FPAS mission 1 FY25	H1	6.5
		FPAS mission 2 FY25	H1	2.5
		Rwanda Project Management FY25	H1	1.7
	To develop the capacity of the authorities to implement FX operations efficiently and in a	NBR FY24 FX Operations and FX Policy Implementation	H1	0.5



Forecasting and Policy Analysis System				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
	manner consistent with their chosen monetary policy and FX regime			
Tanzania	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	TNZ M2 FY23 - QPM evaluation and FPAS refinements	H1	6.0
		Tanzania M2 FY25 strengthening risk and scenario analysis at the BoT	H1	5.0
		Tanzania Project Management FY25	H1	1.7
		M1 FY25 upgrading the communication process and refining the monetary policy report	H1	4.0
		M2 FY25 Refining external communication	H1	4.3
Uganda	Adopt an inflation targeting regime - AIT	FPAS mission 1 FY25	H1	3.7
		FPAS mission 2 FY25	H2	4.0
		Uganda Project Management FY25	H1	0.8
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		AFRITAC East (AFE) FY25 FPS LTX Deployment (Archil Mestvirishvili)	H1	0.0
		AFRITAC East (AFE) FY25 FPS LTX Governance & Management & Administration (Mestvirishvili)	H1	3.3
	Improve the analytical and forecasting capabilities for monetary policy decision-making - MAF	EAC Secretariat FY25	H1	0.8
		AFE support to EAC communication workshop 2025	H2	2.2
Total				77.3

Real Sector Statistics				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Ethiopia	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	Ethiopia - PIE - FY25	H1	1.7
		FY25 - Desk Work	H2	0.0
Kenya	Strengthen compilation and dissemination of High Frequency Economic Activity Indicators - HFE	Kenya - PIE - Quarterly GDP by expenditure	H1	1.7
		FY25 - Desk Work	H1	0.0
	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Kenya - ISA -FY25	H1	1.7
Malawi	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	Malawi - PIE - FY25	H1	1.7
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Malawi-TA-Updating PPI	H1	3.2



Real Sector Statistics				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Rwanda	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Rwanda - TA - NAC Institutional Sector Accounts	H1	2.7
	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	Rwanda - GDP - Production	H1	2.3
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Rwanda Updating and expanding the PPI	H1	2.5
Deskwork FY25		H1	0.0	
South Sudan	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	South Sudan - IL - GDP - Workshop Expenditure and Production	H1	2.2
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	Update and improve CPI	H1	3.2
Tanzania (Zanzibar)	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Zanzibar Updating and Expanding the PPI	H2	3.2
	Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR	FY25 – Desk Work	H2	0.0
		Tanzania - GDP-Rebasing	H1	2.7
Uganda	Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	FY25-Desk Work	H1	0.0
		Uganda - QGDP	H2	2.7
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Uganda Updating and Expanding the PPI	H1	3.2
Regional (Incl. EAC)	Corporate work	Corporate work	H1	2.0
			H2	2.0
		FY25 Project Management for LTX Robin Youll	H1	4.7
		FY25 Steering Committee Participation	H1	0.3
		LTX Deployment Robin Youll	H1	0.0
		FY25 AFE Documentation Review (STARE)	H1	0.0
Total				43.3



Government Finance Statistics				
Beneficiary	Objective	Activity Title	Planned Timing	Planned Resources (FPWs)
Eritrea	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Eritrea / AFR - TA & training-GFS - AFE - FY 2025	H1	6.0
Ethiopia	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Ethiopia / AFR - TA & Training - GFS - AFE - FY2025	H1	5.2
		Kenya/AFR – SGF - AFE - FY 2025	H1	1.2
	Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS) - PSD	Kenya/AFR - PSD - AFE -FY 2025	H1	0.3
Malawi	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Malawi/AFR - TA mission - GFS - AFE - FY 2025	H1	2.5
	Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS) - PSD	Malawi / AFR - TA mission & Training - PSDS - AFE - FY 2025	H2	2.3
Rwanda	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Rwanda / AFR - Follow-up TA mission - GFS - AFE - FY 2025	H2	1.5
		Rwanda / AFR - TA mission - GFS - AFE - FY 2025	H2	3.2
	Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS) - PSD	Rwanda / AFR - Desk work - PSD - FY 2025	H1	0.6
South Sudan	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	South Sudan/AFR - TA & Training - GFS - AFE - FY 2025	H2	2.5
		South Sudan/AFR - TA & Training follow-up - GFS - AFE - FY 2025	H1	1.7
Tanzania (Zanzibar)	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Zanzibar / AFR - TA mission - AFE - FY 2025	H1	3.2
		Tanzania / AFR - TA mission - AFE - FY 2025	H1	3.2
		Tanzania & Zanzibar / AFR - Mission/workshop - AFE - FY 2025	H2	2.3
Uganda	Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Uganda/AFR - TA-GFS mission - AFE - FY 2025	H1	3.5
Regional (Incl. EAC)	Corporate work	Corporate work	H1	4.1
			H2	4.1
		FY25 AFE Documentation Review (STAGO)	H1	1.7
		FY25 CD project management	H1	6.0
	Strengthen compilation and dissemination of Government Finance Statistics (GFS) – SGF and Public Sector Debt Statistics (PSDS)	AFR / EAC - GFS & PSDS regional meeting - AFE - FY 2025	H1	2.3
		AFR - Training - AFE - GFS - EAC – Workshop	H1	3.0
Total				60.4



ANNEX XI. Regional Workshops, Webinars and Attachments, FY 2025

#	Area	Workshop Title	Proposed Timing
1	Revenue Administration	AFE/AFS/AFW2 Regional workshop to build internal audit capacity	
2	Revenue Administration	Combating Cybersecurity in Customs Administration	H1
3	Revenue Administration	E-commerce and customs controls	H2
4	Revenue Administration	1. The technical note "Tax Administration: Essential Analytics for Compliance Risk Management"	H1
5	Public Finance Management	AFE Regional Workshop: Budget tagging (green PFM and gender)	H2
6	Public Finance Management	AFE Workshop on Gender Equality and Macroeconomics	H2
7	Forecasting and Policy Analysis System / Monetary and Policy Operations	AFE support to EAC communication workshop 2025	H2
8	Financial Sector Regulation	AFE/AFW2/MCM Oct FY25 Workshop-selected issues in regulation and supervision of fintech (SIFR)	H1
9	IMF MCM (Legal)	AFRITAC East - ESAAMLG - Training of Assessors	H1
10	IMF ICD	OT24.XX - Macroeconomic Diagnostics (AFRITAC East)	H2
11	Real Sector Statistics	South Sudan - IL - GDP - Workshop Expenditure and Production	H1



Attachments FY2025

#	Area	Activity Name	Proposed Timing	Beneficiary Country
1	Revenue Administration	Capacity building & experience sharing on tax debt Administration.	H2	Ethiopia
2	Revenue Administration	Field Attachment on Compliance Risk Management -Governance	H2	Ethiopia
3	Revenue Administration	Risk-based control selectivity system training	H2	Uganda
4	Revenue Administration	Field Attachment on Audit of Manufacturing Sector -Governance	H1	Uganda
5	Public Finance Management	Attachment SOE risk reporting - Seychelles (from FY21)	H1	Malawi
6	Public Finance Management	Attachment to support the recording and valuing assets and liabilities (from FY21)	H2	Uganda
7	Financial Sector Regulation	Sep FY25 attachment on effective risk-based supervision (RBS) and implementation	H1	Eritrea
8	Financial Sector Regulation	Preparing a guideline for actuarial report review	H1	Ethiopia
9	Financial Sector Regulation	Sep FY25 Solvency II Professional Attachment	H1	Tanzania
10	Financial Sector Regulation	Sustainability and climate risk	H1	Tanzania
11	Financial Sector Regulation	Sep FY25 attachment on ESG financial products and Sukuk bonds supervision	H1	Tanzania
12	Financial Sector Regulation	Market conduct risk-based supervision	H2	Tanzania



ANNEX XII. IMF AFRITAC East Budget and Financing

AFRITAC East Phase 5: FY 2022 – FY 2025 – Financial Contributions as of April 2024

Agreement/Amendment Information					Contribution Received		Contribution Expected (U.S. Dollars)	
Partners/Members	Signed Date ^{1/}	Currency	Amount	U.S.Dollars	Agreement Currency	U.S.Dollars	Requested	Future Contributions ^{2/}
Partners				36,880,478		33,423,098	2,200,946	1,235,000
China	7/13/2018	USD	3,500,000	3,500,000	3,500,000	3,500,000		
European Commission	6/10/2021	USD	4,851,600	4,851,600	4,851,600	4,851,600		
European Commission	5/22/2023	USD	7,520,800	7,520,800	7,520,800	7,520,800		
European Commission	6/5/2024	USD	1,235,000	1,235,000				1,235,000
Germany	12/15/2021	EUR	3,000,000	3,376,857	3,000,000	3,395,119		
Germany	12/22/2022	EUR	2,000,000	2,122,016	2,000,000	2,134,520		
Netherlands	11/25/2020	EUR	5,000,000	5,945,303	3,000,000	3,623,190	2,200,946	
Norway	12/3/2019	NOK	40,000,000	4,363,382	40,000,000	4,335,839		
Switzerland	12/18/2019	CHF	1,000,000	1,017,708	1,000,000	1,029,866		
United Kingdom	12/12/2018	GBP	2,361,492	2,947,812	2,429,066	3,032,164		
Members				1,500,000		750,000.00	375,000	375,000
Kenya	1/1/2023	USD	750,000	750,000	375,000	375,000	187,500	187,500
Uganda	9/29/2022	USD	750,000	750,000	375,000	375,000	187,500	187,500
Partners and Members								
Total				38,380,478		34,173,098	2,575,946	1,610,000
Internal Transfers ^{3/}								
COVID19 Initiative				5,000,000		5,000,000		
Norway				242,108		242,108		
Kenya				153		153		
Uganda				186		186		
United Kingdom				2,603		2,603		
Tanzania				316,115		316,115		
Internal Transfers Total				5,561,165		5,561,165	-	-
Under Negotiations								
Saudi Arabia				2,000,000				
Eritrea				750,000				
Ethiopia				750,000				
Malawi				750,000				
Rwanda				750,000				
South Sudan				750,000				
Tanzania				750,000				
				6,500,000		-	-	-
IMF				2,961,971		-	-	-
IMF Total				2,961,971		-	-	-
Grand Total				53,403,614		39,734,263	2,575,946	1,610,000
Program Document Budget				58,986,273		-	-	-
Funding Gap				-5,582,659		-	-	-

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g. flexible/umbrella agreements).

2/ The future contributions amount is set to zero for completed installments.

3/ Refers to transfers from one program phase to another (e.g. phase rollovers).



AFRITAC East Phase 5: FY 2022 - FY 2026 Multilateral - Regional Centers: Summary Progress Report
(In US Dollars)

Project	As of Apr 30, 2024						FY2025
	Phase Summary			FY2024			Endorsed Budget
	Program Budget	Working Budget	Expenses	Endorsed Budget	Expenses	Execution (%)	
Public Financial Management	12,702,197	11,670,839	5,659,472	2,305,248	1,807,353	78%	2,114,244
Revenue Administration	8,878,502	8,319,862	4,410,924	1,967,071	2,231,293	113%	1,788,759
Banking Supervision and Regulation	6,060,297	4,734,180	1,850,778	1,126,911	761,666	68%	1,144,419
Monetary Policy Operations	2,168,266	1,588,809	491,502	378,547	236,854	63%	381,641
Financial Market Infrastructures	2,482,079	2,436,417	1,607,606	256,853	704,264	274%	693,710
Forecasting and Policy Analysis System	3,866,795	3,137,171	1,110,425	721,071	354,120	49%	993,593
Real Sector Statistics	5,409,707	4,084,055	1,314,985	870,361	349,800	40%	600,597
Government Finance Statistics	2,153,829	4,010,888	1,529,636	627,874	642,646	102%	676,551
Financial and Fiscal Law	-	191,027	207,272	-	207,272	-	50,415
Admin Project	1,879,074	2,147,561	814,378	376,000	232,531	62%	242,352
Training project	1,380,111	1,520,110	845,964	553,137	517,395	94%	276,037
Governance and Evaluation	906,617	651,745	-	381,000	-	-	23,437
Strategic Budget Reserve	1,026,651	209,193	-	209,000	-	-	209,453
Gender, Climate, and Digitalization				127,000	67,533	53%	90,625
Sub Total	52,359,161	44,701,857	19,842,941	9,900,073	8,112,726	82%	9,285,833
Trust Fund Management	3,665,141	3,129,130	1,389,006	693,000	567,891	82%	650,008
Total	56,024,302	47,830,987	21,231,947	10,593,073	8,680,617	82%	9,935,841
IMF Expenses	2,961,971	2,961,971	1,525,683	592,162	445,883	75%	454,801
Total	58,986,273	50,792,958	22,757,630	11,185,235	9,126,500	82%	10,390,642



AFRITAC East

BOT North Tower, 10th floor
P.O. Box 10054
Dar es Salaam, Tanzania
T. +(255) 22.223.5353
F. +(255) 22.223.4204
www.eastAFRITAC.org

INTERNATIONAL MONETARY FUND

Institute for Capacity Development
Global Partnerships Division

700 19th Street, NW
Washington, DC 20431 USA
T. +(1) 202.623.7636
F. +(1) 202.623.7106
GlobalPartnerships@IMF.org