



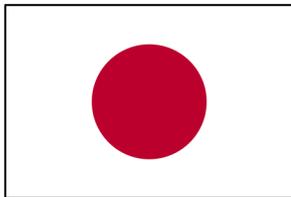
REPORT ON ACTIVITIES

THE IMF'S COVID-19 CRISIS CAPACITY DEVELOPMENT INITIATIVE

SEPTEMBER 2021

Institute for Capacity Development

PARTNERS



Japan



Federal Ministry
of Finance



Germany



China

Canada

Canada



Ministry of Economy
and Finance

Korea



Belgium

partner in development

Belgium



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

Switzerland



Spain



Singapore

The IMF's COVID-19 Crisis Capacity Development Initiative

Report on Activities September 2021

We are pleased to share this report with the Coordinating Committee of the CCCDI. The report has been prepared in advance of the third Coordinating Committee meeting, which will be held on September 30, 2021, and provides Committee members with an update on the work program and financing of the CCCDI. We would like to welcome the Government of Belgium as a new partner.

The CCCDI continues to respond to pressing CD needs in core areas of IMF expertise. Thematic areas include inclusive growth; governance and accountability in crisis response; incorporating climate into macroeconomic frameworks to support a green recovery; strengthening debt management; and digitalization.

In support of these CD needs, implementation under the CCCDI is underway, and the scope of the work program is being extended to address critical needs. Funds have been allocated to 41 CD activities of which 23 are in start-up phases. Highlights include:

- In August, ICD's Forecasting Policy and Analysis (FPAS) project assisted the Moroccan Central Bank to improve economic forecasting. Jordan will follow in the next phase.
- With respect to macroeconomic frameworks and debt dynamics, a training and partial scoping missions was completed in Mongolia and discussions are underway on the development of a public debt and dynamics tool (DDT) for the Ministry of Finance. In Chad, a DDT training and re-scoping mission was completed, and a DDT is planned with the Ministry of Finance. ICD is also developing a framework that will look at the effects of climate mitigation and adaptation policies on growth, debt, and inequality.
- The IMF's Legal Department is supporting the Mozambican Supreme Audit Agency to identify legal and institutional constraints that hinder the conduct, publication, and follow-up on audits of COVID-19 emergency spending. A peer learning event in April 2021 brought together officials from audit agencies in Kenya, Sierra Leone, and South Africa.
- The Fund's Strategy, Policy and Review Department (SPR) is supporting policy makers to understand the macroeconomics of pandemics. A team focused on epidemics, gender and human capital is drawing lessons from previous health crises and will quantify their impact on school completion rates in low-income countries, particularly for girls. Preliminary results will be presented during the Annual Meetings.

- A team within our research department is studying the distributional impact of COVID-19 in developing countries. They are working with a longitudinal household survey in India to see how the pandemic has affected income and consumption inequality.

The status of the full list of programs and projects supported by the CCCDI is set out in Table 1. Support from partners has allowed the work program to be extended, with new programs and projects supporting countries across a number of regions.

Declared financial support from partners currently totals \$38.9 million of which \$30.3 million has been signed and \$24.6 million received. We continue to reach out to additional partners and look forward to welcoming new partners in the period ahead. Tables 2 and 3 provide information on the signed funding commitments and liquidity situation of the CCCDI.

Given limited dissemination of vaccines in many parts of the world, particularly in middle income and low-income countries, the pandemic continues to pose a risk of increasing “divergence” between countries and regions. Supporting countries’ economic institutions remains critical to mitigate this risk. We appreciate partners’ support to the CCCDI as we work together to achieve a strong and sustained recovery.

Table 1. CCCDI Subaccount Workplan
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

As of September 9, 2021
(in millions of U.S. dollars)

Regional Programs	RCDC	FY22 Budget
AFC Customs Administration Advisor to modernize customs Status: Advisor recruitment process to start in September.	AFRITAC Central	0.23
AFC and AFW Tax and Customs Digitalization Status: Planning for the digitalization needs assessment phase is underway. A digital specialist is part of Gabon's HQ remote mission scheduled for September. More countries will follow in the next several months.	AFRITAC Central AFRITAC West	0.80
AFE Tax Administration Advisor to provide in-country support to Ethiopia, Kenya, Rwanda, and Uganda on their Medium-term revenue strategies (MTRS) Status: Recruitment of LTX to commence this September.	AFRITAC East	0.23
Revenue Mobilization, PFM, Monetary Policy and Foreign Exchange, Financial Sector Supervision, Statistics and High Frequency Data for Nowcasting, and Cybersecurity Status: Since May 2021, 19 CD activities have been completed and 38 are ongoing. Support was provided to Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania and Uganda in all program areas.	AFRITAC East	2.50
AFS Tax Administration Advisor provide hands-on-support to get revenue collections back to pre-COVID-19 levels. Status: Advisor recruitment process to start in September.	AFRITAC South	0.23
Business Continuity and Disaster Recovery Assistance Status: A seminar shared good practice on the development of business continuity and disaster recovery plans and provided a platform to share their solutions in response to the COVID-19 crisis. All participants had agreed a follow-up national activity plan. A virtual regional support group has also been established.	AFRITAC South	0.12
Transparency in the accounting, budgeting, execution, reporting use and monitoring of resources related to COVID-19; macro-fiscal management tools and public investments management in the context of COVID-19 crisis. Status: Beneficiary countries have been identified (including those to be covered by a new LTX). Missions and seminars have yet to be discussed with the authorities and initiated.	AFRITAC West	0.74
AFW Tax Administration Advisor dedicated to Burkina Faso and Mali. Status: advisor recruitment process to start in September.	AFRITAC West	0.21
AFW Support to governance and revenue administration issues Status: STX recruitment and the webinar preparation processes to start in October.	AFRITAC West	0.05
Integrate debt and cash management to exit from COVID-19 crisis Status: Planned for FY22/FY23	AFRITAC West	0.04
Collection of statistics and data related to COVID-19 and public policy response to the crisis Status: Planned for FY22/FY23	AFRITAC West	0.03
Exiting from the crisis - financial supervision and regulation Status: Delivered. Workshop took place in May in coordination with AFC.	AFRITAC West	0.01

Regional Programs (continued)	RCDC	FY22 Budget
Assessing credit risks at banks affected by the crisis Status: Planned for FY22/FY23	AFRITAC West	0.02
AFW Supervisory Authorities Resilience Status: Planned for FY22/FY23	AFRITAC West	0.02
Incorporate climate into infrastructure and appraisal (Ghana) Status: The beneficiary is in the process of generating a brief background on the purpose of the TA and how it will assist them.	AFRITAC West 2	0.41
Support countries to integrate gender issues in annual and medium term budget processes given devastating impact of COVID-19 on women Status: Assistance has been provided to two beneficiaries. Discussions for an initial mission to the 3rd beneficiary are ongoing.	AFRITAC West 2	0.54
Trade facilitation, border controls, risk management, safeguarding revenues and business continuity. Status: The team had preliminary engagement with 5 countries to agree on the scope of the work and is recruiting suitable STXs. The first formal missions is expected to take place in November.	AFRITAC West 2	0.30
Capacity development on greening macro-frameworks, debt management, and improved forecasting Status: The project started with (i) a course on the macroeconomics of pandemics in August, (ii) a webinar featuring central banks' policy response to the pandemic, and (iii) a conference with eminent academics. The course was attended by 15 participants from 11 countries and well received (rated of 4.5 out of 5.0). The policy webinar and the conference were well attended (250 people each).	ATI	0.30
Improve tax administration and compliance to boost domestic revenues and promote more inclusive growth Status: A course for 70 officials on filing and payments obligations took place in June. A second course on strengthening the income tax auditing process will be delivered in September. A third course is scheduled.	CAPTAC-DR	0.08
Knowledge transfer to develop and operate macroeconomic forecasting tools and policy decision frameworks to address the COVID-19 crisis and other shocks for ministry of finance officials in 4 countries Status: Shortlisting of qualified experts is underway. Pre-scoping meetings are being planned with country authorities.	CAPTAC-DR	0.50
Boost domestic revenues impacted by COVID-19 Status: A customs administration LTX funded from this initiative will be operational before the end of CY21. METAC and FAD are working on how the new LTX will coordinate his/her work with the existing revenue administration LTX.	METAC	0.31
Macro-fiscal advisor at SARTTAC to support building strong macro-fiscal planning and forecasting functions. Status: An advisor is under recruitment.	SARTTAC	0.18
Work with 6 member countries to assess cyber-regulatory frameworks to strengthen financial and payment systems in the face of greater cyber-risks Status: India-specific and regional training events are being planned in the second half of FY22.	SARTTAC	0.05

Thematic Programs	Theme	FY22 Budget
<p>Supporting policymaking in low-income countries and low-end emerging market economies on climate change and income inequality</p> <p>Status: <i>Natural disasters and the cost of public debt</i>. The IMF is building a large dataset on Treasury bill and bond rates for developing economies to assess how natural disasters affect the cost of foreign and domestic debts. <i>Fiscal policy and inequality in Namibia</i>. The goal is to assess the role of tax policy in tackling inequality, including through progressive taxation. <i>Epidemics, Gender, and Human Capital</i>. The goal is to quantify the impact of previous pandemics on school completion in low-income countries, particularly for girls. Preliminary results will be presented during the Annual Meetings.</p>	Climate Change and Inequality	0.60
<p>Supporting policymaking in low-income countries and low-end emerging market economies on climate change issues and income inequality</p> <p>Status: <i>Climate Mitigation in Developing Countries</i>. This activity is extending macroeconomic modelling for climate change in developing countries to the analysis of mitigation and adaptation policies. Discussions are on the way to develop a macroeconomic framework to jointly look at the macroeconomic effects of mitigation and adaptation policies. <i>Distributional Impact of COVID-19 in Developing Countries</i>. The team has started to work with a longitudinal household survey for India to look at the effect of the shock on income and consumption inequality, and shed light on how adverse inequality effects could be mitigated. At a broader cross-country level, procurement is being processed to conduct an online survey to study the inequality and poverty effects of the pandemic in ten developing economies.</p>	Climate Change and Inequality	0.60
<p>CD for Ministries of Finance evaluating public spending allocations, adequacy, efficiency and sustainability of funds, with a focus on SDGs</p> <p>Status: Two pilot countries have been identified to strengthen Ministry of Finance (MoF) capacity to develop and evaluate expenditure policies for addressing COVID-19 challenges and supporting inclusive growth. In Sierra Leone, regular workshops are focusing on developing capacity to undertake benefit incidence analysis of education and health spending. In Jordan, discussions are focusing on staffing of the new Macro-Fiscal Unit.</p>	Expenditure Policy	0.55
<p>Incorporating COVID-19-related fiscal risks in the Fiscal Risk Assessment Tool (FRAT) to provide a high-level portfolio perspective on macroeconomic and specific fiscal risks</p> <p>Status: An expert to deliver an initial quantification methodology for the Fiscal Risk Assessment Tool has been identified.</p>	Fiscal Risk	0.06
<p>Strengthening Macroeconomic Frameworks and Debt Dynamics' Analysis in Selected Asian and African Countries (JSA)</p> <p>Status: A training and partial scoping mission to Mongolia was completed, and discussions with the Ministry of Finance are underway on the development of a public debt dynamics tool (DDT). In Chad, a DDT training re-scoping mission was completed and further training and work on developing a DDT for Chad is planned. A training and scoping mission to Papua New Guinea was completed. It included an agreement on an action plan for a macroeconomic framework project. The Myanmar project is on hold until CD deliveries by the Fund are approved.</p>	Macroeconomic Frameworks	1.13
<p>Strengthening PFM Address COVID-19 Challenges and the Post Recovery Phase (JSA)</p> <p>Status: A suitable candidate for the post of resident advisor Madagascar/Comoros has been selected. The Fund is in the final stage of recruiting the SOE LTX for Anglophone Africa. Two short-term expert missions will start in September on developing fiscal risk analytical tools and manuals and capacity development on SOE cash-flow projections in The Gambia.</p>	PFM	1.86
<p>Strengthening RA Address COVID-19 Challenges and the Post Recovery Phase (JSA)</p> <p>Status: A concept note for a webinar is being produced. Both customs and tax administration STX candidates to deliver TA for Cambodia, Lao PDR and Mongolia have been identified.</p>	Revenue Administration	1.14

Thematic Programs (continued)	Theme	FY22 Budget
<p>Build capacity of supreme audit institutions to make reports on emergency spending more transparent and accountable</p> <p>Status: An ongoing mission in Mozambique is supporting the Tribunal Administrativo (Supreme Audit Agency of Mozambique) to identify, on a preliminary basis, legal and institutional constraints that hinder the conduct, publication, and follow up on audits of CCOVID-19 emergency spending.</p>	Supreme Audit Institutions	1.23
<p>Better manage domestic revenue mobilization given COVID-19; tax policy changes to ensure equity and fairness of tax systems, reforms</p> <p>Status: Twelve beneficiary countries have been identified; capacity assistance to four countries have been delivered and two additional countries are expected to receive assistance in October. The other five remaining countries are expected to seek assistance within FY22. One country is unlikely to seek assistance this FY.</p>	Tax Policy	1.10
Country Programs	Country	FY22 Budget
<p>Albania: Updating the Medium-term Revenue Strategy to incorporate post-COVID-19 challenges and strengthening customs administration.</p> <p>Status: The Albanian authorities and FAD have agreed to start the CD with an analysis of the draft MTRS.</p>	Albania	0.16
<p>Brazil (Sao Paulo State): Strengthening Public Sector Costing System to increase efficiency of COVID-19 health and social spending</p> <p>Status: The project's scope has been agreed with the authorities. The first mission is planned for October 2021.</p>	Brazil	0.13
<p>Jordan: PFM, Cash Management, addressing Liquidity Pressures</p> <p>Status: FAD met with the Minister of Finance in September and agreed to address COVID-19 related challenges in cash management. The HQ led activity will be delivered either towards the end of 2021 or in January 2022.</p>	Jordan	0.10
<p>Jordan: Support on a Transformational Tax Administration Reform.</p> <p>Status: The project has launched with a high-level meeting. A STX remote mission will start at the end of September to help the authorities achieve a Structural Benchmark that is due under EFF. Hiring of a revenue administration advisor will start in September.</p>	Jordan	0.80
<p>Establishing a Business Continuity Plan for the Lebanon Tax Authority and strengthening of the compliance risk management function.</p> <p>Status: Good contact has been established and the IMF is working with Lebanese authorities to agree on timing and scope of a remote HQ tax/customs revenue administration mission, envisioned for October/November.</p>	Lebanon	0.17
<p>Morocco and Jordan: Forecasting Policy and Analysis (FPAS)</p> <p>Status: From August 23 to September 10, an FPAS TA mission to Morocco assisted the Bank Al Maghrib's staff during the forecasting cycle. Besides Morocco, an additional beneficiary country has been identified – Jordan. An FPAS TA mission to Jordan will take place September/October.</p>	Morocco, Jordan	0.33
<p>Pakistan: Follow-up to TADAT assessment reform recommendations.</p> <p>Status: The TADAT assessment is ongoing and due for completion in September. Subsequent CD, including work on establishing Compliance Risk Management Foundations, will commence in October.</p>	Pakistan	0.35
<p>Tajikistan: Strengthen tax administration and tax collection</p> <p>Status: The IMF is working with the authorities to ensure this activity is aligned with the CD to be provided to Tajikistan through the IMF's new CCAMTAC office.</p>	Tajikistan	0.06
<p>Yemen: Strengthen core tax functions impacted by crisis</p> <p>Status: FAD has engaged with the authorities and identified organizational design as the priority area for support. Remote CD delivery through an STX is planned for November.</p>	Yemen	0.02

Table 2. Financial Contributions Statement

International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
 FY2021-FY2023

As of August 31, 2021
(in millions)

Partners	Notes	Agreement Signed Date ^{1/}	Agreement Currency	Agreement Amount	In U.S. Dollars			
					Agreement Amount US\$	Contributions Received	Requested Contributions ^{2/}	Future Contributions ^{2/}
Contributions to be disbursed into the CCCDI Subaccount					26.8	14.6	2.0	3.7
China		6/9/2021	USD	5.0	5.0	5.0	-	-
Germany		1/5/2021	EUR	6.0	7.3	3.6	-	3.7
Korea		2/17/2021	USD	4.0	4.0	4.0	-	-
Singapore		9/8/2021*	USD	2.0	2.0	-	2.0	-
Spain		12/22/2020	USD	2.0	2.0	2.0	-	-
Canada ^{3/}		Pledge	CAD	5.0	4.1			
Belgium ^{3/}		Pledge	EUR	2.0	2.4			
Contributions to be disbursed through other subaccounts					12.1	10.0	-	-
Japan	<i>through Japan subaccount</i>	11/26/2020	USD	10.0	10.0	10.0	-	-
Switzerland ^{3/}	<i>through CCAMTAC and Swiss subaccounts</i>	Pledge	CHF	2.0	2.1			
Total					38.9	24.6	2.0	3.7

^{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 U.S. dollar conversion is based on latest month-end rate or is set to zero for completed installment.

^{3/} Exact amount of contribution to be confirmed.

Table 3. Cash Flow Statement ^{1/}

International Monetary Fund
 COVID-19 Crisis Capacity Development Initiative
 FY2021-FY2023

As of August 31, 2021
 (in millions of U.S. dollars)

	FY 2021	FY 2022		Total
		<i>actuals</i>	<i>projections</i>	
Contributions ^{2/}	9.6	5.0	2.0	16.6
Interest Earned	0.0	0.0	-	0.0
Total Cash Available (inflows)	9.6	5.0	2.0	16.6
Estimated workplan ^{3/}	-	0.1	10.6	10.7
Transfers	-	3.4	-	3.4
Total Outflows	-	3.5	10.6	14.1
Cash Balance	9.6	11.1	2.5	2.5

^{1/} Excludes COVID-19-related contributions disbursed through other subaccounts.

^{2/} Contributions are net of incoming transfers.

^{3/} Workplan includes programs approved for financing by the CCCDI subaccount.