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REPORT ON ACTIVITIES

THE IMF'S COVID-19 CRISIS CAPACITY DEVELOPMENT INITIATIVE

JUNE 2021

Institute for Capacity Development

PARTNERS



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of Finance

Germany



China



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and Finance

Korea



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Federal Department of Economic Affairs,
Education and Research (SECO)
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The IMF's COVID-19 Crisis Capacity Development Initiative

Report on Activities June 2021

We are pleased to share this report with the Coordinating Committee of the CCCDI. The report has been prepared in advance of the second Coordinating Committee meeting, which will be held on June 21, 2021, and provides Committee members an update on the work program and financing of the CCCDI. We would like to very much welcome China, Singapore, and Canada as new partners.

The CCCDI has allowed us to respond to urgent CD needs in core areas of IMF expertise. These remain of critical importance as countries strive for a strong and sustained economic recovery. In addressing these urgent needs, the work of the Initiative is also linked to important global themes, notably: boosting inclusive growth; governance and accountability in the crisis response; incorporating climate indicators into macroeconomic frameworks to support a green recovery; strengthening debt management; and leveraging digitalization and high frequency data.

In support of these CD needs, implementation under the CCCDI is picking up, and the scope of the work program is being extended to address additional needs. For example, a number of regional CD centers have integrated CCCDI support in their work programs; a first event on Supreme Audit Institutions has been organized and a course on improving tax administration in Central America, Panama and Dominican Republic has started. The status of the full list of programs and projects supported by the CCCDI is set out in Table 1. Additional support from partners has allowed the work program to be extended, with new programs and projects supporting countries across a number of regions to better manage the impact of the COVID crisis and support a robust recovery. These new programs are also shown in Table 2.

Financial support from partners currently totals about \$36 million. This includes a new contribution from China of US\$ 5 million. We continue to reach out to additional partners, and look forward to welcoming new partners in the period ahead. Tables 3 and 4 provide information on the funding and liquidity situation of the CCCDI.

We are all aware that the pandemic poses risks of what Kristalina Georgieva has called “the great divergence”: the risk that global progress in fighting poverty has reversed. Supporting countries economic institutions is critical to ensure this reversal does not take place, and we very much appreciate partners’ support to the CCCDI as we all work together to realize a strong and sustained recovery.

Table 1. CCCDI Subaccount Workplan — Ongoing Programs ^{1/}
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

As of June 14, 2021
(in millions of U.S. dollars)

Regional Programs	Region/ Country	Delivery Modality	FY22 Budget
Revenue Mobilization, PFM, Monetary Policy and Foreign Exchange, Financial Sector Supervision, Statistics and High Frequency Data for Nowcasting, Cybersecurity	Africa (Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania (including Zanzibar), and Uganda)	RCDC AFE	2.5
<i>Status: AFE has developed a work program for FY22 in consultation with the authorities, IMF country teams and CD Departments. It reflects countries' needs for support to implement critical reforms in the areas above that help mitigate the impacts of COVID-19. The plan is expected to be endorsed at the Steering Committee meeting in July. The plan will be adapted continuously in line with countries' evolving priorities.</i>			
Capacity development on greening macro-frameworks, debt management, and improved forecasting	Africa (Sub-Saharan Africa)	RTC ATI	0.75
<i>Status: This work program aimed bolstering member countries' debt management and resilience to shocks, including from climate and pandemics, has been added to ATI's work program, and will be supported by an LTX focused on resilience.</i>			
Support countries to integrate gender related issues in annual and medium term budget processes given devastating impact of COVID19 on women	Africa (Ghana, Cabo Verde, Nigeria, Sierra Leone, Liberia and The Gambia)	RCDC AFW2	0.54
<i>Status: Four beneficiary countries have been identified; assistance to one country commenced in June with a scoping mission and will be followed by one in-person delivery during FY21. Two additional countries are expected to seek assistance within FY22.</i>			
Trade facilitation, border controls, risk management, safeguarding revenues and business continuity.		RCDC AFW2	0.3
<i>Status: The work on customs trade facilitation is being undertaken initially by the LTX who is preparing a logframe template. He will then review this document separately with each participating country. There will then be a regional workshop to discuss and agree next steps. Deployment of STX resources is anticipated in the 3rd quarter of FY22, to deliver TA.</i>			
Incorporate Climate into infrastructure and appraisal (Ghana)		RCDC AFW2	0.41
<i>Status: Discussions are ongoing with the beneficiary on likely modalities for the CD delivery. Two other countries not covered by the program have expressed interest in the assistance.</i>			
Business Continuity and Disaster Recovery Assistance	Africa (Angola, Botswana, Comoros, eSwatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe)	RCDC AFS	0.12
<i>Status: AFRITAC South delivered a series of CD missions and a regional BCP seminar focused on building the capacity of revenue authorities to implement systems and processes to protect staff and taxpayers while maintaining the operation of revenue systems during a crisis. The seminar shared good practice on the development of business continuity and disaster recovery plans and provided a platform for participants to share their own solutions. At the conclusion of the seminar all participants had agreed a follow-up national activity plan. A virtual regional support group has also been established. CCCDI will fund follow-up activities in FY22 and FY23.</i>			
Integrate debt management and cash management to exit from COVID19 crisis	Africa (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal and Togo)	RCDC AFW	0.04
<i>Status: The resources will support missions to Mali, Guinea and possibly a regional seminar.</i>			
Collection of statistics and data related to COVID19 and public policy response to the		RCDC AFW	0.03
<i>Status: Preparations ongoing.</i>			
Assessing credit risks at Banks affected by the crisis		RCDC AFW	0.02
<i>Status: Banking Supervision Asset Quality Reviews are planned for FY22 and FY23.</i>			
Exiting from the crisis - financial supervision and regulation		RCDC AFW	0.02
<i>Status: The workshop took place May 25-27, in coordination with AFC.</i>			
Training for officials in 4 countries focused on improved macro-fiscal forecasting to address crisis	Nicaragua, Honduras, El Salvador, and the Dominican Republic	RCDC CAPTAC-DR	0.50
<i>Status: ICD has started the process to recruit a suitable expert to deliver the project. It is expected that the project will start in September 2021 with a series of virtual scoping missions, and switch to in-person delivery as soon as travel to the region is allowed. In the meantime, ICD has held preliminary conversations with WHD teams to assess priorities.</i>			
Improve tax administration and compliance to boost domestic revenues and promote more inclusive growth	Central America, Panama, Dominican Republic	RCDC CAPTAC-DR	0.08
<i>Status: The project has started with a course about filing and payment obligations as required by law. Seventy officials from the region's tax administrations are participating in the course. Two more courses are scheduled for this year.</i>			
Boost domestic revenues impacted by COVID	Afghanistan, Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, West Bank & Gaza, Yemen.	RCDC METAC	0.31
<i>Status: The customs administration LTX funded from this initiative is being recruited. In the meantime, METAC and FAD are working on how the new LTX will coordinate his/her work with the existing revenue administration LTX to ensure proper allocation of tasks between the two, and to create synergies—given the importance of linkages between customs and domestic tax administrations for revenue mobilization.</i>			

Table 1. CCCDI Subaccount Workplan — Ongoing Programs ^{1/} (cont.)
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

As of June 14, 2021
(in millions of U.S. dollars)

Country Programs	Region/ Country	Delivery Modality	FY22 Budget
Forecasting Policy and Analysis	Morocco	Standalone project	0.33
<i>Status: As a follow up to previous TA delivered to Bank Al-Maghrib (BAM; Morocco's central bank), a review of the BAM's decision-making structure and processes — including the in-house Quarterly Projection Model (QPM), the forecast calendar, and the forecast presentation prepared for the BAM's Board meetings — has been launched, and will assist central bank staff to incorporate the recommended adjustments.</i>			
PFM, Cash Management, addressing Liquidity Pressures	Jordan	Standalone project	0.10
<i>Status: FAD is working with mission chiefs on the details regarding specific scope and possible dates to deliver the planned activity.</i>			
Strengthen tax administration and tax collection	Tajikistan	Standalone project	0.06
<i>Status: FAD is working with mission chiefs on the details regarding specific scope and possible dates to deliver the planned activity.</i>			
Strengthen core tax functions impacted by crisis	Yemen	Standalone project	0.02
<i>Status: FAD is working with mission chiefs on the details regarding specific scope and possible dates to deliver the planned activity.</i>			
Work with 6 member countries to assess cyber-regulatory frameworks to strengthen financial and payment systems in the face of greater cyber-risks	Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka	RCDC - SARTTAC	0.05
<i>Status: The Cybersecurity Training is part of the SARTTAC's FY2022 work plan under the financial sector supervision and regulation program.</i>			
Thematic Programs	Focus Area	Delivery Modality	FY22 Budget
Build capacity of supreme audit institutions to make reports on emergency spending more transparent and accountable	Supreme Audit Institutions (Global - select RCF/RFI recipient countries)	Standalone project	1.23
<i>Status: The SAI Project held its first event in April 2021, bringing together officials from audit agencies in Kenya, Sierra Leone, and South Africa to review their experience in undertaking emergency audits, and mechanisms for ensuring that audit findings are acted upon, including by anticorruption officials. A mission will take place in early July to initiate assistance to the Supreme Audit Agency of Mozambique, which represents the initial provision of direct technical assistance at a country level.</i>			
Better manage domestic revenue mobilization given COVID; tax policy changes to ensure equity and fairness of tax systems, reforms	Tax Policy (Global LICs, MICs, EMEs)	Standalone project	1.1
<i>Status: Eleven countries from different regions have been identified to assist authorities in managing the revenue mobilization challenges following the COVID-19 pandemic. Staff are currently discussing the possible modalities for delivery with the respective IMF country teams and MoFs.</i>			
Capacity Development for Ministries of Finance evaluating public spending allocations, adequacy, efficiency and sustainability of funds, with a focus on SDGs	Expenditure Policy (Global LICs, MICs)	Standalone project	0.55
<i>Status: Two possible country pilots have been identified (Sierra Leone and Jordan) for strengthening the capacity of Ministry of Finance (MoF) staff in evaluating spending plans. Staff are currently discussing the range of possible expenditure topics and the possible modalities for delivery with the respective MoFs.</i>			
TOTAL			9.05

1/ Workplan covers only projects financed by CCCDI subaccount.

Table 2. CCCDI Subaccount Workplan — New Programs ^{1/}
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

As of June 14, 2021
(in millions of U.S. dollars)

Regional Programs	Region/ Country	Delivery Modality	FY22 Budget Envelope
AFC Customs Administration Advisor for hands-on advice to modernize customs	Africa (Burundi, Cameroon, Chad, Republic of Congo, Central African Republic, Equatorial Guinea, Gabon, the Democratic Republic of Congo, and São Tomé and Príncipe)	RCDC AFC	0.2
FAD AFC tax and customs digitization, exemption monitoring, risk-based audit, compliance improvement plans.			0.7
AFE Tax Administration Advisor to provide in-country support to Ethiopia, Kenya, Rwanda, and Uganda on their Medium-term revenue strategies (MTRS)	Africa (Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania (including Zanzibar), and Uganda)	RCDC AFE	0.2
AFS Tax Administration Advisor provide hands on support to get revenue collections back to pre-COVID levels.	Africa (Angola, Botswana, Comoros, eSwatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe)	RCDC AFS	0.2
AFW AND FAD Tax Admin Digitization: Support the digitization of procedures and computerization of tax administration core functions.			0.1
AFW Supervisory Authorities Resilience			0.0
AFW Tax Administration Advisor dedicated to Burkina Faso and Mali.	Africa (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal and Togo)	RCDC AFW	0.2
AFW Support to governance and revenue administration issues			0.1
AFW Transparency in the accounting, budgeting, execution, reporting use and monitoring of resources related to the COVID-19; macro-fiscal management tools and public investments management in the context of Covid-19 crisis.			0.7
Macro-fiscal advisor at SARTTAC to support building strong macro-fiscal planning and forecasting functions.	Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka	RCDC SARTTAC	0.2
Country Programs	Region/ Country	Delivery Modality	FY22 Budget Envelope
Albania: Updating the Medium-term Revenue Strategy (MTRS) to incorporate post-COVID challenges and support with strengthening customs administration.	Albania	Standalone project	0.2
Brazil (Sao Paulo State): Strengthening Public Sector Costing System to increase efficiency of COVID-19 health and social spending	Brazil	Standalone project	0.1
Establishing a Business Continuity Plan for the Lebanon Tax Authority and strengthening of the compliance risk management function.	Lebanon	Standalone project	0.2
Jordan: Support to the formulation of a Medium-term Revenue Strategy (MTRS).	Jordan	Standalone project	0.8
Pakistan: Follow-up to TADAT assessment reform recommendations.	Pakistan	Standalone project	0.4
Thematic Programs	Focus Area	Delivery Modality	FY22 Budget Envelope
Incorporating COVID-related fiscal risks in the Fiscal Risk Assessment Tool (FRAT) to provide a high-level portfolio perspective on macroeconomic and specific fiscal risks	Fiscal Risk (Global LICs, MICs)	Standalone project	0.1
Supporting policymaking in low-income countries and low-end emerging market economies on climate change issues and income inequality	Climate Change / Inclusion (Global LICs, low-end EMEs)	Standalone project	1.2
TOTAL			5.5

^{1/} Workplan covers only projects financed by CCCDI subaccount.

Table 3. Financial Contributions Statement
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

As of May 31, 2021
(in millions)

Partners	Notes	Agreement Signed Date ^{1/}	Agreement Currency	Agreement Amount	Agreement Amount US\$	In U.S. Dollars		
						Contributions Received	Requested Contributions ^{2/}	Future Contributions ^{2/}
Contributions disbursed into the CCCDI Subaccount					18.3	9.6	-	3.7
China		6/9/2021*	USD	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	-	-
Spain		12/22/2020	USD	2.0	2.0	2.0	-	-
Contributions disbursed through other subaccounts					12.1	10.0	-	-
Japan	through Japan subaccount	11/26/2020	USD	10.0	10.0	10.0	-	-
Switzerland ^{3/}	through CCAMTAC and Swiss subaccounts	Pledged	CHF	2.0	2.1	-	-	-
Total					30.4	19.6	-	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.

* China agreement was signed after report as of date.

Table 4. Cash Flow Statement^{1/}
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2023

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

	FY 2021	FY 2022	Total
		<i>projections</i>	
Contributions ^{2/}	9.6	8.6	18.3
Interest Earned	0.0	-	0.0
Total Cash Available (inflows)	9.6	8.6	18.3
Estimated workplan ^{3/} (outflows)	-	14.6	14.6
Cash Balance	9.6	3.7	3.7

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

^{2/} Contributions are net of transfers and return of funds.

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