

East AFRITAC

East Africa Regional Technical Assistance Center Fiscal Year 2007-08 Annual Report



East AFRITAC
INTERNATIONAL MONETARY FUND
REGIONAL TECHNICAL
ASSISTANCE CENTER



Statement by the Chairperson of the East AFRITAC Steering Committee

Against the backdrop of the twin shocks of the world-wide subprime crisis and sharply risen commodity prices, developing and emerging economies in Africa have shown resilience. Strong governance and capacity are the two pillars on which to base an appropriate response to the challenges, and to remain on course in the fight for poverty reduction and progress towards the Millennium Development Goals. The AFRITACs have continued to be part of the continent's response to these challenges.

I took over from the effective stewardship of my predecessor, the former Deputy Governor of the Banque Nationale du Rwanda, Ms. Consolate Rusagara, during East AFRITAC's 10th Steering Committee meeting held in my country, Kenya, in April 2008. I was honored to be entrusted with this important oversight function of the East AFRITAC and to be the fourth Chairperson, from as many member countries, since 2002.



The 2007-08 fiscal year represented yet another important milestone in building macroeconomic capacity within our seven member countries and beyond, since most of our regional workshops are open to other African countries. The progress achieved in strengthening macroeconomic policy design and implementation was set against the backdrop of a protracted international financial crisis, compounded by a short political crisis in one of our member countries. In addition, the International Monetary Fund has undertaken a strategic refocusing, including that of its technical assistance program world-wide. In spite of these uncertainties, our membership has continued to work unwaveringly and hand in hand with East AFRITAC on our jointly designed capacity-building projects.

We are particularly grateful to our international and regional donors for providing additional funding during the fiscal year to expand the staff of the Center, and for new offices to accommodate the increased size of the Center.

As the Steering Committee, we are pleased with the results of East AFRITAC's sixth year of work, as described in this report. It builds on the solid foundation of the previous five years and creates a track record that will provide a robust basis for the second independent evaluation of the Center, slated for the next fiscal year. The notable progress in the areas covered by the Center has been most encouraging, and we look forward to yet another successful year of cooperation between our member countries and East AFRITAC.

Jacinta W. Mwatela, Former Deputy Governor, Central Bank of Kenya
Chairperson of the East AFRITAC Steering Committee during FY 2007-08

Foreword by the Center Coordinator

This second Annual Report provides an overview of our work during the 2007–08 fiscal year, and highlights our accomplishments. The Center broadly met its commitments across all the sectors it covers, in line with the Annual Work Plan approved during the 9th East AFRITAC Steering Committee meeting, held in April 2007 in Kampala, Uganda.



I invite you to peruse this report in order to gain a sense of the Center's rich capacity building work. I would like, however, to emphasize a number of highlights of the past fiscal year which stand out:

- Continued successful modernization of the revenue administrations in a number of member countries, particularly with regards to business process improvement and taxpayer segmentation. Kenya launched a simplified presumptive tax system for small and micro businesses, a potentially significant improvement upon the previous system. Malawi was the latest country in the region to open a Large Taxpayer Office to better accommodate the needs of such taxpayers, while increasing voluntary compliance.
- The further development of risk-based approaches to customs administration throughout the region, which seek to better focus limited resources in order to increase compliance rates, and which have also resulted in swifter customs processing and lessened costs for importers and consumers.
- A strengthening of the budget reform process in Ethiopia, Malawi, Rwanda, and Tanzania, with an eye towards alignment with international standards and best practices.
- The rollout of risk-based supervision of financial institutions in a majority of our members, with additional work on advancing off-site supervision and strengthening capacity for consolidated supervision.
- The transition by all members but one to the internationally-recognized 1993 System of National Accounts, which has helped harmonize data and allows for better cross-country comparisons. In addition, Kenya released its first quarterly GDP estimates in June 2007, while Tanzania published a revised series of GDP estimates, benchmarked and rebased on the year 2001.
- Progress with the drafting of governing legislation for payments system modernization and the drawing up of appropriate regulatory interfaces in Kenya and Rwanda—these should strengthen the region's financial infrastructure.



The Managing Director of the IMF and the Governor of the Bank of Tanzania inaugurate the new offices of the East AFRITAC in Dar es Salaam in February 2008.

In addition to the above accomplishments, during the 2007–08 fiscal year, East AFRITAC was able to expand its coverage by adding a new sector, Macro-Fiscal Analysis, thanks to the generosity of the Swiss Government. Our Macro-Fiscal Advisor assumed his duties in December 2007, bringing the complement of resident advisors to eight, all committed to providing targeted, timely, and informed technical assistance. Our advisors are supplemented in their work by other modes of capacity building, including short-term experts, in-country and regional workshops, and professional attachments.

In November 2007, East AFRITAC moved to its new offices in the headquarters of the Bank of Tanzania. The new premises offer more space in response to our increased professional and support staff and provide an effective work environment. We are grateful to the Bank of Tanzania for its continued generous support of the Center.

With eight advisors, East AFRITAC is currently one of the largest of the six regional technical assistance centers run by the International Monetary Fund (IMF) worldwide. We are pleased to welcome Shelley Winston (Statistics Advisor), Mohan Joseph and Stephen Mayes (Public Financial Management Advisors), and Ian Carrington (Bank Supervision Advisor—see Section 4 for biographies) to our resident professional team.

Looking ahead, two additional AFRITACs are scheduled to open in the future—one in Southern Africa, and the other in West Africa—a testament to the success of the AFRITAC model.

The IMF Managing Director announced this during the formal inauguration of our new offices in February 2008. Seven IMF Executive Directors, all representing donor countries to our Center, also toured East AFRITAC on that occasion and were impressed by our capacity building activities. This visit was particularly opportune for them, as in May 2008 the IMF Executive Board reviewed the IMF's technical assistance policy. On that occasion, Directors approved an enhanced role for the regional centers in delivering technical assistance.

On the agenda for the fiscal year ahead is the three AFRITACs joint independent evaluation. The first independent assessment, conducted in 2004, found that the East and West AFRITACs were an effective delivery vehicle for capacity building, appreciated by all stakeholders. The East AFRITAC Team will continue to work hard during the year to come and beyond to ensure that that finding remains true.



Six IMF Executive Directors and an Alternate Director visit East AFRITAC in Dar es Salaam in February 2008.

Mario de Zamaroczy
East AFRITAC Coordinator



Selected Acronyms

ACBF – Africa Capacity Building Foundation
 AfDB – African Development Bank
 AFRITAC – (Central, East, South, West I, or West II) Africa Regional Technical Assistance Center
 AML/CFT – Anti-Money Laundering/Combating the Financing of Terrorism
 ASYCUDA – Automated System for Customs Data
 BNR – Banque Nationale du Rwanda
 BOE – Bank of Eritrea
 BOT – Bank of Tanzania
 BPM 5 – Balance of Payments Manual 5th Edition
 CAMELS – Capital Adequacy, Asset Quality, Management Competence, Earnings Ability, Liquidity Risk, and Sensitivity to Market Risk
 CBK – Central Bank of Kenya
 CPI – Consumer Price Index
 CSA – Central Statistical Agency of Ethiopia
 DfID – Department for International Development, United Kingdom
 EAC – East African Community
 ECuA – Ethiopian Customs Authority
 FAD – Fiscal Affairs Department, IMF
 FI – Financial Institution
 FSAP – Financial Sector Assessment Program
 FSDP – Financial Sector Development Program
 GDP – Gross Domestic Product
 GFSM – Government Finance Statistics Manual
 GDDS – General Data Dissemination System
 IFMIS – Integrated Financial Management Information System
 IFRS – International Financial Reporting Standards
 IMF – International Monetary Fund
 IT – Information Technology
 KSMS – Kenya School of Monetary Studies
 MCM – Monetary and Capital Markets Department, IMF
 MEFMI – Macro-Economic and Financial Management Institute
 MRA – Malawi Revenue Authority
 MTEF – Medium-Term Expenditure Framework
 NBE – National Bank of Ethiopia
 NPS – National Payments System
 NPC – National Payments Council
 PAD – Policy Analysis Department (Ministry of Finance, Tanzania)
 PFM RP – Public Financial Management Reform Program
 PFEM – Public Financial Economic Management
 PPI – Producer Price Index
 PRSP – Poverty Reduction Strategy Paper
 QNA – Quarterly National Accounts
 RBM – Reserve Bank of Malawi
 RRA – Rwanda Revenue Authority
 SDDS – Special Data Dissemination Standards
 SECO – Swiss State Secretariat for Economic Affairs
 SNA 93 – System of National Accounts 1993
 TA – Technical Assistance

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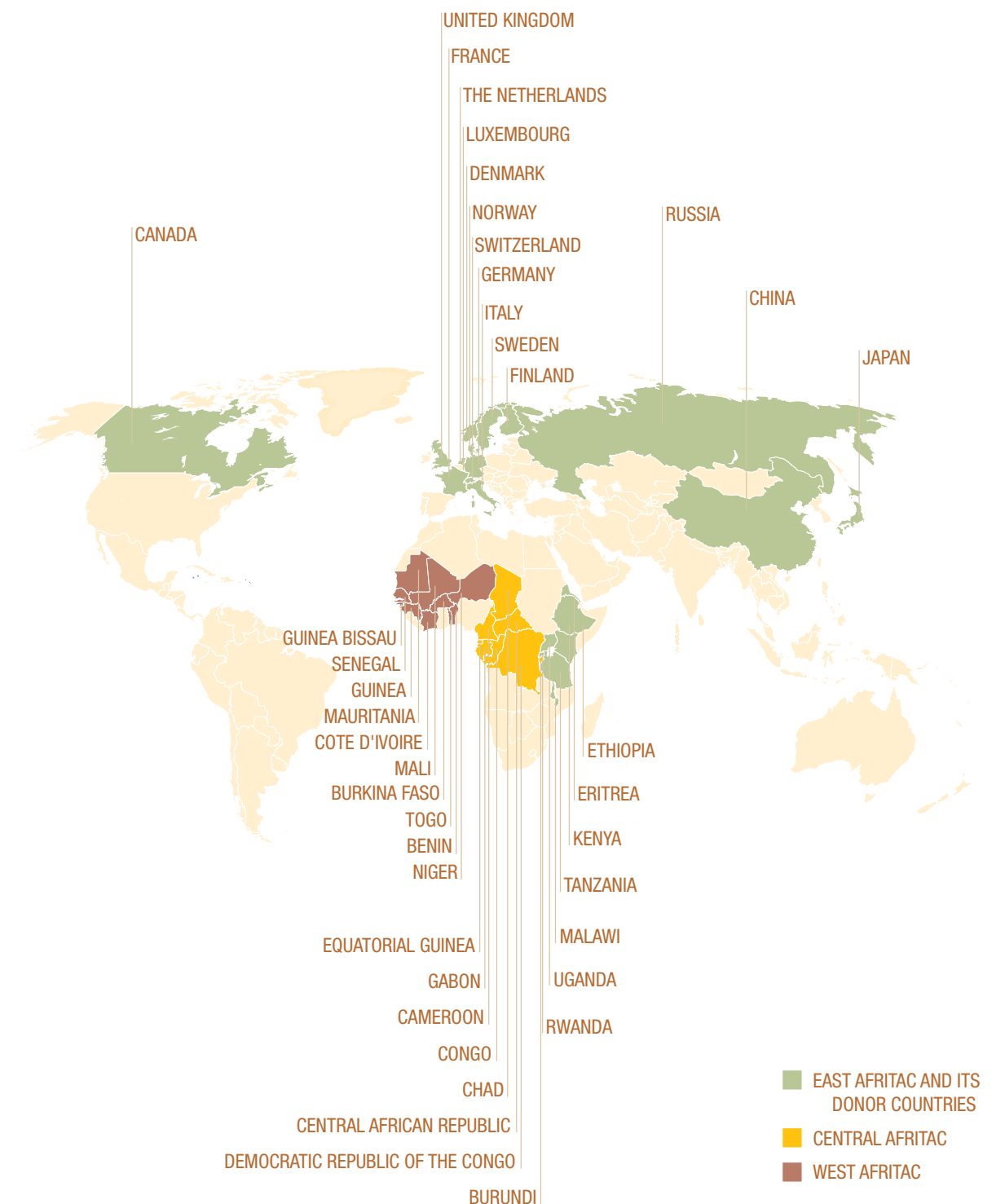
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Donor Countries and Served Countries of the AFRITACs



Note: The African Development Bank, a major donor to the East AFRITAC, is not shown on this map. Kenya and Tanzania provide in-kind contributions to the East AFRITAC.

1

Section

OVERVIEW OF EAST AFRITAC

The three Africa Regional Technical Assistance Centers (East, West, and Central AFRITACs) are a collaborative venture between the International Monetary Fund (IMF), the recipient countries, and bilateral and multilateral donors. They originated from the IMF's response to African leaders' call to the international community to increase technical assistance (TA) to Africa and focus it more sharply on capacity building. Their strategic goal is to strengthen the institutional capacity of African countries to design and implement their Millennium Development Goals and poverty-reducing strategies, supported by sound macroeconomic and financial policies, as well as to strengthen the coordination of capacity building TA.

The AFRITACs stem from the regional technical assistance center model, initially launched by the IMF in 1992 in the Pacific Region, and since expanded to four continents. Partly as a result of the

Table 1. Technical Assistance Provided by the IMF, FY 2005–08

	Amount of TA delivered in person-years				As a percentage of total IMF TA				
	2005	2006	2007	2008	2005	2006	2007	2008	Donors
East AFRITAC	9.16	6.71	7.12	8.69	4.56	3.49	3.43	4.27	AfDB, Canada, China, Denmark, Finland, France, Germany, Italy, Japan, Kenya, Luxembourg, Norway, Russian Federation, Sweden, Switzerland, Tanzania, The Netherlands, United Kingdom, and IMF.
West AFRITAC	8.16	8.04	9.13	9.46	4.07	4.18	4.39	4.65	
Central AFRITAC	—	—	1.46	7.51	—	—	0.70	3.69	AfDB, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of Congo, Equatorial Guinea, France, Gabon, Germany, and IMF.
Total AFRITACs	17.32	14.75	17.71	25.66	8.63	7.67	8.52	12.60	
Other IMF TA	183.32	177.30	190.01	177.99	91.37	92.33	91.48	87.40	
Total IMF TA	200.64	192.05	207.72	203.65	100.00	100.00	100.00	100.00	

Source: IMF Office of Technical Assistance Management.



The Dar es Salaam Port. East AFRITAC assists its member countries in facilitating international trade.

success of East AFRITAC—the first Center to be established in Africa in 2002, and based in Dar es Salaam, Tanzania—the number of AFRITACs has now grown to three, with two more planned in the future. West AFRITAC, opened in Bamako, Mali, in 2003, covers the countries of French-speaking West Africa, while Central AFRITAC, established in Libreville, Gabon, in 2007, provides assistance to states in Central Africa. When South AFRITAC and West AFRITAC II open, virtually all sub-Saharan countries will be served (see the map on page vi).

The success of the Centers can be gauged in a number of ways, in addition to the expansion of their number, both in Africa and in the rest of the world. First, government officials, development

partners, and other stakeholders continue to underline their relevance and speak highly of them. Second, an independent evaluation in 2005 confirmed that the AFRITACs delivered high-quality, consistent, responsive, and well-targeted TA. The chief findings of the evaluation were that: “The AFRITACs are an effective delivery vehicle for capacity building appreciated by all stakeholders. They distinguish themselves from other delivery modes by their responsiveness to clients’ needs, proximity to member countries, quick response time, familiarity with local context and issues, and relevant leadership.”¹ An independent evaluation of the three AFRITACs is planned during the fiscal year 2008-09 (FY 2008-09, running from May through April). Highlights of the terms of reference are presented in Box 1. Salient conclusions of this second evaluation will be covered in next year’s annual report. Third, the AFRITACs’ share in TA provided by the IMF has risen, and is likely to continue to rise in the future. In FY 2007-08, that share stood at 13 percent of total IMF TA (Table 1). Finally, the role the Centers play in coordinating capacity building TA in Africa, through frequent consultations with recipient countries to assess their needs, has been widely recognized within the development community.

East AFRITAC delivers capacity-building TA in its areas of expertise to seven countries in Eastern Africa: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda. Member countries are

Box 1. Highlights of the Terms of Reference for the Evaluation of the AFRITACs

As contemplated in the program documents of all three AFRITACs, the second independent evaluation of the Centers will be conducted in the second half of 2008. Such an evaluation is an integral part of the AFRITACs’ governance framework, and serves as a valuable opportunity to receive external professional input on the effectiveness of the Centers. The evaluation will also provide a timely review of the implementation of recommendations arising from the evaluation of April 2005. Against this backdrop, the evaluation will:

- provide a combined assessment of the three Centers’ overall performance, so as to give AFRITAC stakeholders a broad overview of the Centers’ achievements and the challenges they face;
- undertake, and report separately on, Center-specific assessments;
- following from the above, conduct a brief comparative analysis of the three AFRITACs’ performance, with a view to identifying strengths/weaknesses which could help explain any Center-specific successes/shortfalls; and
- make appropriate proposals to address the future direction of the AFRITACs, including possible recommendations to address the AFRITACs’ governance, financing, and sustainability.

Source: AFRITACs—Terms of Reference for the 2008 Independent Evaluation, IMF, August 2008.

¹The AFRITACs’ *Independent Mid-Term Evaluation Report* can be consulted at www.imf.org.

not charged for the use of East AFRITAC's resources. Instead, the cost of running the Center is defrayed by grants from the African Development Bank and 15 bilateral donors (Canada, P.R. China, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Norway, Sweden, Switzerland, the Netherlands, the Russian Federation, and the United Kingdom), in addition to financing from the IMF. In complementing the Center's resource pool, two member states (Kenya and Tanzania) generously provide in-kind contributions.

The East AFRITAC is managed by a Coordinator, and is staffed by eight resident advisors, each of whom has substantial expertise in his/her respective sector. The advisors are long-term experts based in Dar es Salaam who travel widely throughout the region, which allows them to develop rapport with local authorities and familiarity with national and regional contexts and needs. The skill mix of the advisors reflects the identified priority needs of the beneficiary countries. In addition, funding is available for the deployment of short-term experts and consultants brought in to deliver additional targeted TA. The provision of seminars and workshops, both at the national level and regionally, supplement the work of the advisors. Finally, for the second consecutive year, East AFRITAC has been organizing professional attachments. These attachments allow select staff from various East African agencies to be detailed for several weeks to preeminent regional organizations in order to develop skills and learn best practices, which can be implemented upon their return to their home country. Both the workshops and the professional attachment program continue to elicit favorable reviews from participants – they provide particularly effective means to develop regional competencies and ensure the sustainability of capacity building efforts (see selected sidebar testimonies).

Consistent with the broader IMF TA strategy to foster institutional capacity for macroeconomic policy formulation and implementation, the Center assists in the execution and monitoring of on-going TA, provides capacity-building TA to member countries, and facilitates donor coordination to enhance the achievement of these objectives. The operations of East AFRITAC are guided by a Steering Committee, consisting of representatives from the seven member countries, the African Development Bank, three donors representing all the bilateral donors, and the IMF. The Committee is chaired by a representative from a member country, and meets annually, most recently in Mombasa, Kenya, in April 2008, when it approved East AFRITAC's proposed work plan for FY 2008-09 (Section 3). Between its annual meetings, members of the Committee are continuously consulted on emerging policy and management issues.

Approach

Since its inception, East AFRITAC has adopted a demand-driven, hands-on, and output-oriented approach to TA deployment. As noted above, East AFRITAC's presence in the region is a hallmark of its TA delivery mode, which allows for prompt responses in dealing with requests from member countries, while bringing to bear a deep knowledge of local context. Another key aspect of the East AFRITAC approach is the development of local counterpart teams, which helps to contribute significantly to country ownership, promotes sustainability of the underlying reform effort, and leads to the creation of a future pool of national and regional expertise. The Center effectively



The Governor of the Central Bank of Kenya speaks at the opening of the 10th East AFRITAC Steering Committee meeting, held in Mombasa, Kenya, in April 2008.

Participants attend the inauguration of the East AFRITAC's new offices and the celebration of its fifth anniversary.



strengthens its support with strategic advice and technical backstopping from IMF Headquarters, ensuring the consistency, relevance, and quality of the assistance it provides. East AFRITAC does not operate in a vacuum, and its efforts are fully integrated with those of TA delivered from IMF headquarters in the region. East AFRITAC's TA efforts are part of a bigger effort of the IMF, whereby Headquarters provide the strategic direction and initial diagnostic evaluations that inform the Center's work. The Center's activities are thus embedded in initial and follow-up diagnostic missions from IMF Headquarters, which often contribute to the foundation for the work that East AFRITAC then undertakes.

Internally, the East AFRITAC has adopted a results-based management framework anchored in an annual planning, implementation, and monitoring cycle. The framework identifies the main objectives for each area of work, the expected (and achieved) inputs and activities, main outputs, results, as well as next steps. The framework also makes explicit the links of East AFRITAC support to member countries' reforms and poverty-reducing strategies, and the involvement of other donors. The management model for the Center as a whole translates into country- and sector-based frameworks. Member countries, through the Steering Committee, have expressed their appreciation of the clarity brought to the Center's operations through this approach.

As per its mandate, East AFRITAC has put considerable effort into liaising closely and coordinating with development partners in the formulation and delivery of TA. In this regard, East AFRITAC anticipated a trend towards greater donor cooperation in most of the countries of East Africa. Overall, the Center's model of TA delivery has enabled better alignment of capacity building activities with country-driven initiatives in its areas of work, and has facilitated the tapping into, and use of, expertise available within the region.

Key Areas of Work

In line with the main priorities set for the work of the East AFRITAC by its Steering Committee, the Center's mandate includes the following areas.

Revenue Policy and Administration

The Center's assistance in this area aims to assist member countries in building capacity for strengthened revenue administration. The assistance is provided in the context of the majority of revenue authorities in the region maintaining a fast pace of reforms and modernization. Key focus areas include: implementing risk-management programs; deepening the integration process and improving management of the large, medium, and small segments of the taxpayer population; strengthening reform and modernization management; formulating a common tax procedures code; improving taxpayer service programs and advance rulings regimes; reviewing and improving business processes; and deploying modern information technology systems.

Public Financial Management

The East AFRITAC's assistance aims to assist member countries in building capacity for reforms in budget preparation and execution. This includes strengthening legal frameworks and systems for state financial management; reforming budget preparation processes and introducing program performance budgeting; reforming budgeting and accounting classification; improving treasury systems; upgrading cash- and debt-management procedures; modernizing financial accounting and reporting systems; and improving expenditure control monitoring. Another area of involvement has been intergovernmental fiscal relations between the Central Government and lower levels of government. The East AFRITAC has also been active in assisting member countries to improve the internal structure and organization of finance ministries and to design and evaluate public financial management reform programs.

Financial Sector Regulation and Supervision

The Center's assistance aims to strengthen the legal, regulatory, and implementation framework for supervising banks and nonbank financial institutions. This includes assisting countries in achieving compliance with the Basel Core Principles for Effective Banking Supervision; improving on-site inspection and off-site supervision activities; making supervisors more risk-focused; and implementing consolidated supervision to supervise banking groups and financial conglomerates effectively. The Center also provides support for countries to address specific issues, such as anti-money laundering/combating the financing of terrorism (AML/CFT); adopting International Financial Reporting Standards (IFRSs); and supervising microfinance institutions and foreign exchange bureaus.

Monetary Policy and Operations

The East AFRITAC aims to support capacity creation at central banks in the area of monetary policy and operations. The focus of the work involves supporting central banks in creating in-house capacity for the formulation and implementation of appropriate monetary policy; facilitating the development of foreign exchange, money, and domestic debt markets through the progressive adoption of market-based instruments; enhancing institutional capacity for managing systemic liquidity and conducting efficient monetary operations; assisting national initiatives for the modernization of payment and settlement systems and harmonization of regional efforts involving cross-border systems; supporting capacity creation for the management of foreign exchange reserves; and providing assistance to



From left to right: The IMF Executive Director for Anglophone Africa, the Minister of Finance of Tanzania, the Governor of the Bank of Tanzania, the IMF's Managing Director, the East AFRITAC Coordinator, and the French Ambassador to Tanzania representing the European Union address the gathering for the inauguration of the East AFRITAC's new offices.

deal with accounting issues impacting central banks, including the interpretation and adoption of International Financial Reporting Standards (IFRSs). The Center also supports the building of institutional capacity for managing systemic liquidity, conducting efficient monetary operations and managing foreign exchange reserves. Progress in member countries in these areas becomes critical against the backdrop of the international financial crisis.

Economic and Financial Statistics

The Center has put considerable effort into building capacity in the region to produce quality, sound, timely, and accessible national economic and financial statistics and metadata. The Center has also aided with the assurances of integrity of member country statistics. Hence, the Center assisted with the drafting of new Statistics Acts. Recent initiatives include assistance for member countries to participate in the General Data Dissemination System (GDDS); improving the quality of macroeconomic statistics, primarily in national accounts and prices; and applying internationally accepted concepts and methodologies in data compilation, transformation, and dissemination. The aim is to achieve consistency among all the macroeconomic variables, which will in turn promote the formulation of sound macroeconomic and financial policies.

Macro-Fiscal Analysis

With the appointment of a resident macro-fiscal policy advisor in December 2007, the Center aims to assist countries in strengthening their macroeconomic framework for sustainable and poverty-reducing growth, particularly through the improvement of fiscal forecasting, monitoring, and reporting practices. The Center also assists in the strengthening of macroeconomic units in key economic agencies and provides training in debt analysis, financial programming, and statistical and modeling techniques.



East AFRITAC is located within the Bank of Tanzania Headquarters in Dar es Salaam.

Section

2

ANNUAL REPORT FOR FY 2007-08

In line with the main priorities set forth by the Steering Committee, the Center's work during FY 2007-08 was in the following areas: revenue policy and administration; public financial management; financial sector regulation and supervision; monetary operations; economic and financial statistics; and macroeconomic and fiscal analysis. Much of East AFRITAC's activity is built upon past activities, but several new projects were also initiated, most notably the launch in December 2007 of a new TA sector, assistance to macro-fiscal analysis, thanks to supplementary funding from the Swiss Government.

The execution of the work plan adopted at the April 2007 Steering Committee meeting was broadly on track in member countries, except in Eritrea, where most planned activities were postponed at the request of the authorities, and in Kenya, where after end-December 2007 there were major disruptions in the plan's execution, with consequences for both East AFRITAC TA delivery and regional training. A number of scheduled bilateral missions had to be postponed owing to the

**Chart 1: East AFRITAC Allocation of Advisor Assistance
(FY 2007-08; in Hours)**

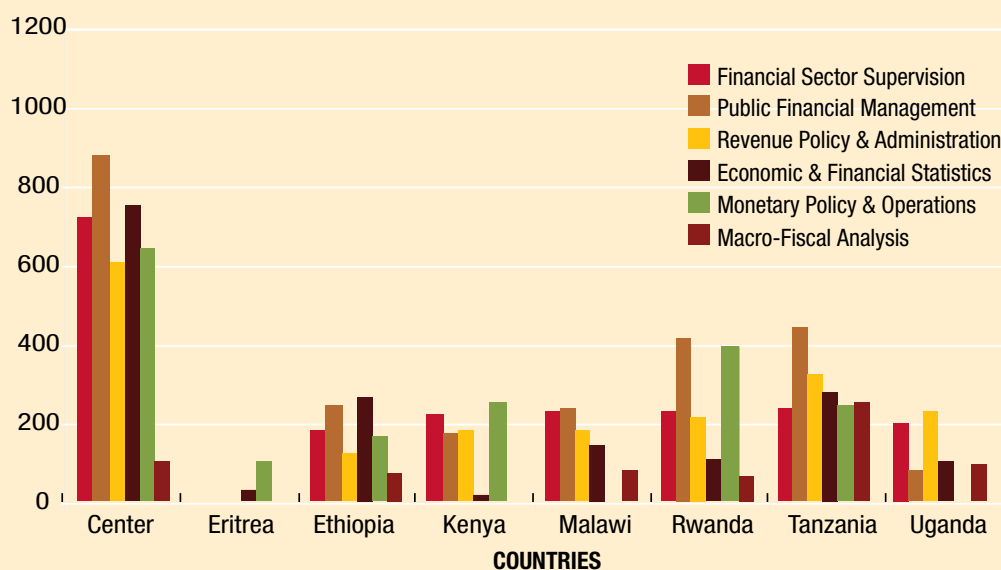
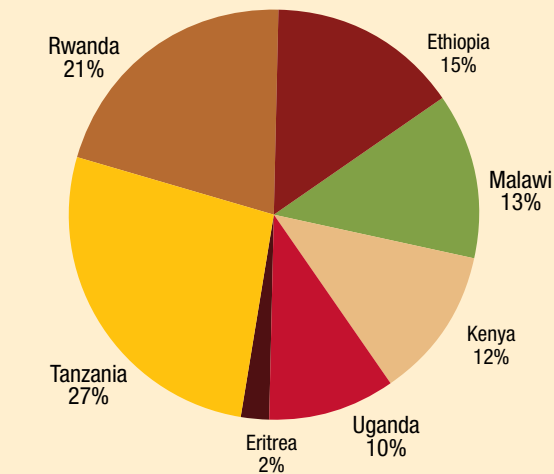


Chart 2: Allocation of Advisors' In-Country Time by Country (FY 2007–08; in Percent)



Source: East AFRITAC.

post-election situation. Kenya has long served as a regional training hub for East AFRITAC, with a number of workshops and seminars held each year at the Kenya School of Monetary Studies (KSMS) in Nairobi. The difficult environment forced the relocation or postponement of several regional workshops initially planned to be conducted at KSMS. Now that normalcy has been re-established, it is expected that the usage of KSMS facilities during FY 2008-09 will return to previous levels.

Coordination with other Development Partners formed a key ingredient of the work methodology, as well as the establishment of country work teams in order to maximize capacity building, as per the mandate of the Center. The work of East AFRITAC's resident advisors was supplemented by a number of short-term experts and consultants, a now well-established series of regional workshops, and a growing staff attachment program.

Charts 1 and 2 provide information on the allocation of East AFRITAC's resources by sector and by country, respectively. The report below reviews progress achieved in each of East AFRITAC's six sectors. Annex I provides a comprehensive list of East AFRITAC missions during FY 2007-08. In keeping with

East AFRITAC's results-driven approach, some information is provided on inputs, but most of the focus is on outputs and outcomes achieved during the fiscal year.

East AFRITAC continues to deliver needs-based TA in environments where institutional capacity is often weak. A challenge for the Center, as well as other TA providers, is how to best handle the limited absorption capacity of some of its intended beneficiaries, where problems can include lack of motivation, insufficient pay, a surfeit of vacancies, and difficulties in retaining trained staff. In addition, receiving training is time intensive, and key staff, who are most able to absorb the training, often have heavy workloads and, hence, face constraints in terms of the amount of time they can devote to capacity building.

Revenue Policy and Administration

Why Is Revenue Administration Important?

Generating and administering national revenues is one of the most important functions of a state, a basic foundation upon which all else depends, from the running of schools and hospitals to the paying of salaries and pensions. Assisting the countries of East Africa in developing a solid revenue administration therefore contributes to the achievement of several important objectives: firstly, it is a key element in state-building and state-strengthening; secondly, it generates additional funds for the country's development; and thirdly, it helps member countries reduce their dependency on external funding. Chart 3 illustrates the increasing trend of total revenue to GDP in most of East AFRITAC's member countries, as a result of ongoing national efforts, as well as support from development partners, including East AFRITAC.

Beyond these high-level impacts, the two areas of revenue administration supported by East AFRITAC in FY 2007-08—tax and customs administration—yield noteworthy ancillary benefits. Strengthening tax administration improves a country's business climate, thereby making it more attractive for foreign investment. Similarly, strengthening customs management improves importers'

compliance rates, increases transparency in the import sector, and lowers costs and turnaround times for importers (and hence consumers). More generally, a well-functioning customs administration facilitates international trade and eases integration into the global marketplace.

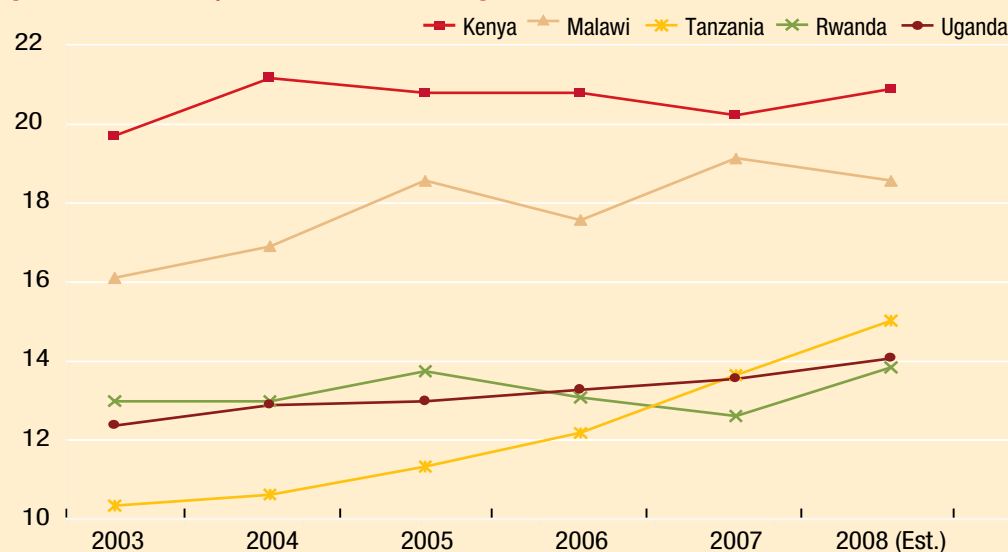
National customs administration is also important as East Africa progresses further with its regional integration. The launch of the East African Community (EAC) Customs Union on January 1st, 2005, as well as the implementation of the EAC Customs Management Act of 2004, have required EAC member states to adopt new procedures for national customs administrations, areas in which they have requested East AFRITAC assistance. The regional implications for customs administrations are only set to grow, as the EAC begins negotiations for a common market, currently scheduled to debut in 2010.

Against this background, East AFRITAC's work plan for FY 2007-08 targeted five key areas within the revenue policy and administration sector: (i) tax integration and taxpayer segmentation; (ii) risk management in revenue administration; (iii) international trade facilitation; (iv) implementation of modern information technology (IT) systems; and (v) assistance with EAC issues.

Tax Administration Integration and Taxpayer Segmentation

Many businesses operate without paying taxes, despite benefiting from public goods. In addition to unfairly burdening businesses which comply with the law, the lost revenue reduces the government's capacity to undertake development projects and to improve the business climate. East AFRITAC works with the tax authorities of member countries to reform their procedures and regulations in order to generate additional national revenue through better compliance, while simplifying the process for taxpayers, thus reducing their transaction costs.

**Chart 3: Government Revenue, Excluding Grants
(FY 2003-2008; in Percent of GDP)**



Source: Regional Economic Outlook: Sub-Saharan Africa, IMF, April 2008 (Table SA 10, page 105).

“Malawi Revenue Authority (MRA) is a beneficiary of the invaluable support from the International Monetary Fund - East Africa Regional Technical Assistance Center (East AFRITAC) in its endeavor to transform itself into a modern tax administration. This technical assistance came at the opportune time when the Malawi Government and MRA decided to transform the Authority so that it conforms to best practice and international standards in tax administration. We are, therefore, very grateful to East AFRITAC which has and continues to render technical assistance through the provision of experts, workshops and study tours within and outside Malawi and the cordial relationship that has been created between us. The integration of domestic taxes, creation of the Large Taxpayer Office and risk management implementation in Customs are some of the results of this assistance. I, on behalf of the Malawi Government, management and staff of the MRA, wish to express my sincere gratitude and appreciation to East AFRITAC for its unfailing support. We cherish this relationship and look forward to a very productive partnership in the years to come.”

—M. J. M. Phiri
Commissioner General
Malawi Revenue Authority

Two concepts guide the Center's work in tax administration: integration and segmentation. Integrating tax administration involves merging the administration of different forms of taxes into a single entity that is organized by key functions, thereby simplifying the process of assessing and paying taxes for businesses and individuals. It is expected that the reduced transaction costs will lead to higher compliance rates over time.

At first glance, the other concept promoted by the Center—segmentation—seems counter-intuitive. Segmentation involves dividing taxpayers into (usually) three different classes: large, medium, and small and micro taxpayers. It might seem as if this would complicate the tax system, but in reality these groups have very different types of needs. By creating dedicated offices focused on each segment, tax authorities are able to deliver targeted assistance and craft compliance programs for each class, thereby improving the effectiveness of the tax regime, especially when combined with the integration of tax administrations.

East AFRITAC's initiatives in FY 2007-08 in these areas included:

- In Kenya, a presumptive tax regime at the rate of 3 percent on the gross turnover of all small and micro businesses was implemented on January 1, 2008, in lieu of the previous system, which involved paying both a value-added tax (VAT) and an income tax.
- Malawi embarked on the integration of the administration of domestic taxes by merging the income tax and VAT operations of the Malawi Revenue Authority. This was achieved through the appointment of a single Commissioner and a unified team of senior managers under a new function-based structure, with a strengthened head office function.
- Malawi also established a large taxpayer office as an initial step in adopting a taxpayer segmentation approach. The office currently administers the top 336 taxpayers, who collectively account for about 73 percent of total domestic revenue.
- For Rwanda, a compliance management program, which profiles compliance risk across the large, medium, and small taxpayer segments, was developed with proposals on appropriate interventions to address risks. Furthermore, assistance was provided by the IMF's Fiscal Affairs Department to prepare a strategy for the planned transfer of the collection of social security contributions to the Rwanda Revenue Authority.
- A number of improvements in the design of the small taxpayer regime were identified for Uganda, and a comprehensive compliance management strategy and an implementation plan for this segment were developed. The proposals are being discussed with relevant stakeholders prior to implementation.
- A comprehensive audit strategy was completed for the Zanzibar Revenue Board (Tanzania), including a detailed action plan to execute the strategy. Implementation is progressing well and has already led to increased revenue yield from taxpayer audits.

Implementation of Information Technology Systems

The introduction of segmented taxpayer regimes, combined with efforts to improve work processes, has caused several countries in the region to seek to upgrade and modernize their IT systems. As follow-up to a project launched

during FY 2006-07, East AFRITAC continued to offer advice to three countries seeking to implement an integrated tax administration IT system. In Rwanda, the system was fully operationalized in the large taxpayer office, and rolled out in the small and medium taxpayer offices in Kigali. In Uganda, an open tender procurement was held and a reputable bidder selected; business analysis and design work are expected to commence soon. The development of an integrated system continued in Kenya with the appointment of a project consultant with support from the Chilean Tax Authority. Work was finalized on business analysis and modeling and systems design, and is ongoing for the registration, returns processing, and payments modules.

Risk Management

As part of global best practice, revenue and customs agencies utilize risk management to efficiently allocate their limited resources to achieve higher levels of compliance and revenue collection.² East AFRITAC embarked on a major initiative in FY 2005-06 to assist member countries with the implementation of risk-based approaches to customs management. The principle behind risk-based customs management is that not all importers present the same risk of attempting to defraud the customs authorities. The risk assessment is based on factors such as past compliance records, the nature, quantity, and frequency of the goods being imported, country of origin, and mode of transportation. Accordingly, customs authorities tend to focus their attention on importers deemed high-risk, while facilitating customs clearance for low-risk importers—this ensures swifter turnaround times for importers and higher compliance rates for customs.

During FY 2007-08, the Center continued collaborating on risk management with Ethiopia, Rwanda, Tanzania, and Uganda, leading to the following results:

- In Ethiopia, a risk-management committee was formed which: (i) reviewed the existing risk-management policies, plans, manuals, guidelines, and documents in use by the Ethiopia Customs Authority (ECuA); and (ii) prepared a risk-management implementation plan, with specific tasks and timelines. Implementation of the plan has so far led to the compilation of four selection criteria that were incorporated in the ECuA's IT system—Automated System for Customs Data (ASYCUDA)—and these criteria are being applied by customs operations staff.
- Rwanda also established a risk-management unit, which finalized an institutional risk-management policy, a risk-management strategy, and an implementation plan for customs administration. As part of this plan, the customs department implemented a scheme that allows the immediate release of goods imported by low-risk importers with good compliance records, subject to risk-based post-clearance audits. This scheme, when fully implemented, will expedite the movement of goods and reduce the cost of importing.

²A note on terminology: risk management is a general approach which focuses limited resources on areas perceived as presenting unusually high risks. The concept is used in both the revenue administration and the bank supervision sectors. In the revenue area, it deals with safeguarding national revenue sources, and should not be confused with the financial sector stability issues in bank supervision.

“East AFRITAC is a key development partner to the Rwanda Revenue Authority (RRA) and our requests for technical assistance have always been accommodated for which we have been very appreciative. Over the last three years, East AFRITAC has provided strategic advice in helping us develop and refine our approaches in risk management, operations policy, compliance management, regional integration and other strategic areas. This has enabled RRA to build capacity in these very technical areas and provide our staff with the confidence required in our work. I wish to extend my sincere thanks for the continued support and initiatives to strengthen revenue administration in Rwanda and in the wider region. I look forward to our continued collaboration.”

—Mary Baine
Commissioner General
Rwanda Revenue Authority

“The National Budget Unit of the Ministry of Finance and Economic Planning in Rwanda has benefited from the invaluable support by East AFRITAC in Public Financial Management (PFM). This support was provided in three different areas as follows: (i) support to enforcement of the Organic Budget Law and Financial Regulations; (ii) strengthening of budget preparation within a medium-term perspective; and (iii) review of budget classifications and Chart of Accounts. The support provided through interactive discussions with mission members, as well as the recommendations from the mission reports, provided useful guidance to move the PFM agenda forward. Just to mention a few things, we are proud of your support in the following areas: (i) improvements in the budget call circular to mainstream fiscal decentralization policy and harmonize it with that of the East African Community; (ii) the recommendation to strengthen human and institutional capacities has raised awareness and positive discussions at the policy level, and this has provided hope for solutions in the near future; (iii) the recommendation to harmonize processes related to the design, appraisal and

(continued opposite column)

- In Tanzania, a risk-management strategy was developed to strengthen implementation of risk-management and selectivity principles. Routine monthly risk reviews are now conducted, and both the Customs Risk-Management System and the ASYCUDA selectivity module are updated accordingly.
- For Uganda, client profiles were developed for importers and are now used as a basis of selection for post-clearance audits, with encouraging initial results. In addition, the selectivity profiles in ASYCUDA are now reviewed every two weeks. As a result of these measures, trade facilitation has greatly improved. For example, the average cargo release times through the green and yellow lanes have been reduced to 3 hours in July 2007 compared to 3 days in July 2004. During the same period, cargo release times through the red channel have been reduced to 8 hours compared to 6 days previously.

International Trade Facilitation

In addition to assisting member countries with the adoption of a risk-based approach to customs management, East AFRITAC sought to facilitate international trade by counseling Malawi and Tanzania on other aspects of their customs management, with an eye towards reducing cargo release times and lessening the proportion of imported goods subject to verification.

- Malawi successfully phased out the services of the pre-shipment inspection company on July 1, 2007. Initial indications are that the exit was successful and revenue collection has remained firmly on track. More significantly, cargo release times have declined by two weeks, a fact that has been confirmed by the private sector. Desk instructions were also circulated to all customs staff, which has enhanced the consistency of customs processes.
- Tanzania became the first country in the region to implement a compliant trader scheme on June 1, 2007. The objective of the scheme is to provide automatic “green channel” clearance privileges to a select category of traders with excellent tax and customs compliance records. The result has been faster clearance of goods and reduced costs of doing business for compliant taxpayers. Furthermore, the Government was able to reassign audit staff from the customs post-clearance audit section to the large taxpayer department to facilitate a coordinated approach in the audit programs for large taxpayers.
- Tanzania also commenced the integration of the operations of the destination inspection company and customs by activating the pre-lodgment facility in ASYCUDA that allows pre-lodgment of all customs declarations through one funnel. The Government is also in the process of developing protocols to transmit declarations to the inspection company automatically, including the attachment of scanned documents. The system will provide links to other government departments, offer pre-lodgment selectivity (risk rating), and create a price reference database hosted by ASYCUDA. This is expected to reduce clearance times in customs and contribute significantly to enhanced trade facilitation.

Regional Integration

In addition to the assistance provided directly to the East African Community (EAC) Secretariat, East AFRITAC also provided support to the individual EAC members in areas that required a regional approach, particularly in the context

of the EAC Customs Management Act of 2004. For instance, Rwanda received assistance from East AFRITAC in the last fiscal year to assist with preparations for accession to the EAC Customs Union. The EAC desk at the Rwanda Revenue Authority used the East AFRITAC expert's recommendations to develop an implementation road map. The EAC desk is now a key advisor to the Ministry of Finance and the national regional integration steering committee.

TA was provided through facilitating a regional workshop that identified six priority areas for FY 2007-08: (i) trade management – Uganda; (ii) modernization and harmonization of systems and procedures – Rwanda; (iii) risk management – Kenya; (iv) human resources development – Tanzania; (v) communication strategy – Kenya; and (vi) legislation – EAC Secretariat. The various countries have set up working groups that will liaise with stakeholders to develop and implement improved strategies. Prioritization of future East AFRITAC assistance to member countries and the EAC will be pillared on these agreed thematic areas. The East AFRITAC work plan for FY 2008-09 has also taken into account the capacity building needs of these teams.

Public Financial Management

Why Is Public Financial Management Important?

As was illustrated by Chart 3, the governments of East Africa are by and large earning more national revenue than before. The other half of the battle, however, is ensuring that the revenue is well spent and reaches its intended recipients. Public financial management (PFM) consists of the measures that governments take to meet these twin goals; typically, Ministries of Finance are responsible for reaching these goals via the preparation of national budgets and via cash management and expenditure control and reporting procedures.

Strengthening PFM is an important aspect of good governance—as more citizens and corporations pay their share of taxes, it is incumbent upon the government to ensure that the citizens' money is well appropriated and spent. The development partners of several East African countries provide generous financial assistance in the form of general budget support for the implementation of the development and poverty reduction agenda. In return, they look to the governments to demonstrate their commitment to a more transparent and accountable environment for effective use of public resources. The main thrust of East AFRITAC's capacity-building efforts is, therefore, focused on improving the efficient use of public resources in support of policy priorities, particularly those linked to poverty reduction. East AFRITAC's efforts have also helped to promote transparency and accountability in PFM systems, within the broader context of governance strengthening and the fight against corruption.

Against this backdrop, East AFRITAC's work plan for FY 2007-08 in the PFM sector had three special areas of focus: (i) assisting with the on-going budget reforms; (ii) strengthening the regulatory and legislative frameworks around PFM; and (iii) improving treasury reforms, especially cash management and commitment control.

(concluded from opposite column)

mobilization of all external resources for capital investments within the annual budget process has started bearing fruit; (iv) improvement in the medium-term expenditure framework (MTEF) structure to enhance its usefulness has greatly benefited from your advice and support; (v) the recommendation to improve the content and focus of the Budget Framework Paper was greatly appreciated and we took note of the improvements required; (vi) we took note of the idea to introduce Cabinet approval for the medium-term policy and programs for the sectors early enough in the budget process. The support to revise the budget classification and the Chart of Accounts was exciting, as the issues discussed touched almost every part of our daily life. However, to implement the revised classification, further support will be required, and an official request for this will be sent to East AFRITAC in due course.”

—Elias Baingana
Director, National Budget Unit
Ministry of Finance and Economic
Planning, Rwanda

Budget Reform

In FY 2007-08, East AFRITAC continued to provide TA to support several member countries to improve the preparation of their national budgets. The emphasis was on strengthening the technical framework associated with budget preparation, enhancing the coverage and transparency of budgets, and improving the alignment of budgets with national priorities.

- In Ethiopia, a review of the first pilot of the program budget reform for FY 2007-08, conducted in August 2007, provided a platform for the authorities to reflect on the status of the reform and assess the way forward. Consequently, significant political commitment to ensuring the sustainability of the budget reform emerged, as evinced by the appointment of a senior officer for reform coordination and the search for a long-term expert to provide strategic direction and capacity building. In preparation for the FY 2008-09 budget, in which it was envisaged that the budget reform would be undertaken in a phased manner, East AFRITAC facilitated sensitization and training workshops to spearhead the roll-out of the reform to ten pilot public bodies.

Box 2. Successful East AFRITAC Projects—Strengthening Public Financial Management in Rwanda

With the adoption of a new Constitution in 2003, the Government of Rwanda embarked on updating its Public Financial Management (PFM) regulatory framework, with a view to creating a more accountable and transparent environment for the management of public resources. The authorities requested assistance from the IMF and East AFRITAC to develop the requisite legislation and financial regulations.

East AFRITAC's support has been provided on a continual peripatetic basis since 2003, focusing on capacity development within the Ministry of Finance and Economic Planning in the design and implementation of the Organic Budget Law and financial regulations, within the broader context of the PFM reform agenda. In 2003, an IMF Fiscal Affairs Department diagnostic study recommended options for PFM modernization, taking into account Rwanda's intention to join the East African Community. The study provided the policy options, principles, and best practices that guided a three-year consultative process, which culminated in the adoption of the Law on State Property and Finance (or OBL) in October 2006. Work on the related financial regulations started in August 2004, also with assistance from East AFRITAC. The regulations were issued by the Government in May 2007.

In May 2007, East AFRITAC was requested to undertake an in-depth analysis of the existing budget preparation and execution processes, and to advise on appropriate measures and actions required to enhance the enforcement of the new legislation. East AFRITAC advised that enforcement of the regulatory framework required the authorities to implement the following: (i) acceptance of the obligations and mandates arising from the new law; (ii) strengthened institutional structures and systems within the budget agencies to promote execution of new mandates and responsibilities, especially those emanating from fiscal decentralization; and (iii) formulation of a strategy to guide donor support to well-sequenced priority actions aimed at enhancing the enforcement of the new law.

East AFRITAC also provided on-going support to a number of critical PFM reforms which had a direct bearing on the implementation of the legal framework, namely: (i) deepening the Medium-Term Expenditure Framework and improving budget preparation; (ii) strengthening intergovernmental fiscal relations; and (iii) improving treasury management, in particular cash management and banking arrangements.

This continuous engagement over a six-year period, structured around the development and implementation of the PFM legal framework, is a good example of a successful technical cooperation, which facilitated identification of the critical issues and formulation of strategic objectives to be handled within the PFM reform agenda. It is also an example of the robust cooperation between donors, the authorities, and the IMF, including East AFRITAC.

- In Malawi, efforts focused on implementing the recommendations of the February 2007 mission from the IMF's Fiscal Affairs Department. A significant development was the establishment of an institutional framework to coordinate the Public Financial and Economic Management (PFEM) reform agenda in the Ministry of Finance. In addition, a budget calendar was produced to guide the consultative and decision-making budget processes for FY 2008-09. Preliminary consultations were initiated within government on the need to rationalize the existing PFM legislative framework with on-going reforms and best practices, and a proposal for the re-organization of the Ministry of Finance (and in particular of the Budget Directorate) was submitted for the consideration of the President.
- In Rwanda, the Center helped the Government undertake a review of the budget preparation process. Several needs were identified, and a number of improvements were included in the draft medium-term action plan which was formulated. The proposals were timely inputs into both the ongoing review of the PFM Reform Strategy and Action Plan, as well as the Joint Budget Support Review of 2008 undertaken by donor agencies and the authorities.
- In an effort to enhance the transparency and credibility of the budget, Tanzania embarked on a reform process aimed at moving towards a Government Financial Statistics Manual (GFSM) 2001-compliant budget classification and chart of accounts. The authorities were able to identify the shortcomings of the existing economic and functional classifications, and designed a reform implementation strategy. With East AFRITAC's help, several supporting instruments were produced: (i) draft bridge tables linking the existing classification with the new scheme; (ii) a draft outline of the proposed chart of accounts; (iii) a sample program structure compliant with the Poverty Reduction and Growth Strategy; and (iv) rules to guide the application of the revised classification system.
- Similarly, in Zanzibar (Tanzania), deficiencies in the budget classification and chart of accounts were identified. The review of the existing classification provided a platform for key stakeholders to discuss a move towards GFSM 2001 classification, to realize the merits of accrual versus cash accounting, and to agree on a reform strategy.



East AFRITAC Public Financial Management Advisor assists with the distribution of certificates at the end of an East AFRITAC organized workshop.



Regulatory and Legislative Frameworks

East AFRITAC assisted Kenya, Rwanda, and Uganda in their efforts to harmonize PFM reforms and inscribe them in more adequate regulatory and legislative frameworks.

- Kenya, with support from East AFRITAC, prepared a draft bill setting a new legislative framework for PFM, with the aim of (i) integrating all existing legislation on PFM into one document; (ii) garnering legislative support for ongoing reforms; and (iii) enhancing transparency in PFM and accountability in institutions. East AFRITAC also assisted in drafting related rules and regulations under the draft Bill, and sensitizing government officials to the provisions of the draft legislation and their roles in implementation.
- In Rwanda, the authorities, with support from East AFRITAC, embarked on a comprehensive sensitization program aimed at supporting the enforcement of the Organic Budget Law and its attendant financial regulations. Workshops enhanced the understanding of roles and

“The Reserve Bank of Malawi (RBM) in partnership with East AFRITAC embarked on a Risk Based Supervision project (RBS) in 2007, aimed at improving the supervisory processes and, more importantly, complying with one of the Basel Core Principles for Effective Banking Supervision (Core Principle 7). This appeared a daunting task at first and certainly a journey into the unknown, but we were surprised with the accomplishments and fulfillments in a relatively short period. These include: risk-management survey, risk-management guidelines, RBS technical paper, review of risk-management programs from banks, walk through presentations by banks and pilot risk-based bank inspections. East AFRITAC was there for us taking us through the journey, offering invaluable technical assistance and support making it ‘mission possible’. The RBM therefore remains indebted to East AFRITAC for human resource, time and commitment devoted to us in general, and the technical team in particular, that was appointed to spearhead the concept. In this regard, the RBM looks forward to a continued mutual relationship and assistance on RBS. In short, the experience has been rich and overwhelming.”

—Tobias S. Chinkhwangwa
Executive Director

Financial Supervision Department
Reserve Bank of Malawi

responsibilities in implementing the Law among the accounting officers within the central and local government agencies. As a follow-up, the authorities requested East AFRITAC to undertake an in-depth analysis of the capacity needs for, and institutional implications of, the Law and to submit recommendations aimed at enhancing the enforcement of the legislation. Box 2 summarizes the approaches used and key results achieved.

- Uganda worked on creating a framework to handle non-tax revenues that would place a lesser administrative burden on the Uganda Revenue Authority. Accordingly, East AFRITAC provided TA towards the development of an enhanced legislative, regulatory, and administrative framework for non-tax revenues.

Cash Management and Commitment Control

It is no easy task for East African governments to manage their cash inflows and outflows with resources constantly entering and exiting numerous separate accounts scattered across many commercial banks. For the past several years, the Center has helped member countries simplify and standardize their procedures for cash management and commitment control, and start coalescing the governments' many commercial bank accounts into a small number, preferably to be held by the Central Bank—the so-called Treasury Single Account. Such a concentration yields important benefits: governments have readier access to cash to manage short-term debts and expenses, there is less need to raise revenue through the issuance of Treasury Bills, and advance planning is facilitated, so that governments can better manage their cash balances and effectively utilize their revenues. Highlights of East AFRITAC's aid in this sector in FY 2007-08 included:

- The issuance of guidelines and instructions to strengthen cash management and commitment control in Ethiopia, a move which should lead to harmonization of procedures for the recording and reporting of commitments to comply with the Financial Proclamation of 1996. The Ethiopian authorities are considering the inclusion of commitment control procedures in the budget execution software.
- A review of Malawi's cash management reform, the results of which were presented to key government agencies. The authorities, supported by East AFRITAC, drafted the terms of reference for the creation of a Cash Management Committee, bringing together representatives from stakeholder agencies.
- Ongoing advice to Tanzania aimed at establishing a cash flow planning system, including capacity building for the newly created Cash Management Unit; design of a cash management module in the Integrated Financial Management Information System (IFMIS); and adoption of procedural issues linked to the consolidation of the recently created Treasury Single Account.
- A review of cash management reforms in Uganda, which provided information to the authorities on the current cash budget release and banking systems, which is expected to feed into the development of a medium-term reform strategy, as a move towards a Treasury Single Account.

Financial Sector Regulation and Supervision

Why is Financial Sector Supervision Important?

Over the past year, as the sub-prime mortgage crisis has spread across the globe, both supervisory authorities and the general public were reminded of the necessity

of ensuring the safety and soundness of financial institutions (FIs). As the crisis has demonstrated, a clear nexus exists between the health of a country's economy and that of its FIs.

One of the surest ways of making certain that banks and other FIs are on solid foundations is via effective regulation and supervision of these institutions. For four years now, East AFRITAC has worked closely with the bank supervisory agencies in member countries to strengthen their oversight of the financial sector, and to move towards greater compliance with the Basel Core Principles for Effective Banking Supervision. These Core Principles, first codified in 1997 by the Basel Committee on Banking Supervision, and revised in 2006, have become the standard in sound prudential regulation and supervision of FIs. As the countries of East Africa have been able to implement an ever greater number of these Core Principles, there has been a corresponding improvement in the health of the financial sectors throughout the region, reducing the risk of a financial crisis and improving the supply of capital upon which the region's growth depends.

Against this background, in FY 2007-08 East AFRITAC delivered TA to supervisory authorities in five main areas: (i) full implementation of risk-based supervision; (ii) strengthened off-site supervision of the health of FIs; (iii) move towards consolidated supervision of banks; (iv) updating of capital adequacy frameworks; and (v) assistance to financial sector regulators in supervising specific financial products and services.

All member countries of East AFRITAC, except Eritrea, received TA in bank supervision in FY 2007-08. Various efforts involved intensive training of personnel, not only in acquiring technical skills but, more importantly, in learning the soft skills that bank supervisors need to draw upon to engage banks' senior management in substantive discussions about best practices in risk management. Indeed, positive feedback has come from bankers who claimed to have reinforced their risk-management structures and systems in response to the implementation of the risk-based supervision approach adopted by central bank supervisors. Another strength of East AFRITAC's assistance was its ability to deliver targeted TA to countries in different stages of modernizing and strengthening their supervisory frameworks. The interactive manner in which assistance was delivered ("working through teams") continued to elicit positive feedback from counterparts.

Risk-Based Supervision

A country's banking supervision authority faces a daunting task—it must ensure that FIs are operated in a safe and sound manner, and that the financial sector as a whole remains stable. The number and diversity of FIs complicates this mission—in most East AFRITAC member countries there are increasing numbers of FIs, ranging from sophisticated international banks to microcredit facilities.

Given this complexity, it is impossible for bank supervision authorities to monitor all FIs in their country completely, nor would it be a cost-effective use of their supervisory resources. Rather, in line with Principle 7 of the Basel Core Principles, a new paradigm has emerged over the past decade that enables bank supervisors to exercise more effective and efficient supervision, known as risk-based supervision (RBS). RBS helps supervisory authorities obtain a good

"I greatly appreciate the East AFRITAC's assistance in enhancing the regulatory and supervisory capacity of the National Bank of Ethiopia (NBE). Banking regulations and guidelines drafted by the advisors of the Center, and passed by the NBE, have highly contributed to improving risk-management systems of banks in the country. As a key and reliable partner, East AFRITAC is currently assisting the NBE in introducing risk-based supervision. To this end, the Center has assisted in developing policy and technical papers, participated successfully in conducting a pilot on-site inspection, and arranged and sponsored the professional attachment of two staff members to the Bank of Tanzania. The professional attachment gave wonderful opportunity to NBE staff members to obtain first-hand knowledge in the legal and regulatory framework for financial institutions and the implementation of risk-based supervision approach in Tanzania."

—Getahun Nana
Acting Director, Supervision Directorate
National Bank of Ethiopia

Box 3. East AFRITAC Successful Projects—Financial Sector Development in Rwanda

In 2005, the World Bank and the IMF completed a Financial Sector Assessment Program (FSAP) which, while recognizing that significant progress had been made, noted that Rwanda's financial sector was still relatively shallow, undiversified, and dominated by an oligopolistic banking system. The sector was characterized by (i) relatively high lending rates; (ii) extremely low insurance penetration; (iii) a scarcity of long-term debt, mortgage financing, and equity capital; (iv) a virtual absence of regulation and supervision of pensions and insurance; and (v) an ineffective payments system. The study recommended that the Government of Rwanda establish a road map for reform, design policy changes, identify needs for capacity building, and request supportive technical assistance.

In response, the Government launched the Financial Sector Development Plan (FSDP), as a comprehensive reform agenda to create a financial sector that will be stable, sound, sufficiently deep, and capable of mobilising and allocating resources to address the development needs of the economy. The Government put in place a National Steering Committee made of a cross-section of stakeholders in private and public institutions, which, with guidance from the Banque Nationale du Rwanda, drafted terms of reference, and established four subcommittees in the areas of: (i) access to credit; (ii) long-term financing and capital markets; (iii) contractual savings regulation and industry (pensions and insurance); and (iv) payments system infrastructure.

Within this framework, the Banque Nationale du Rwanda started implementing the FSDP in 2007 in three main areas which were: (i) strengthening of the banking sector (including microfinance institutions); (ii) development of the capital market; and (iii) upgrading of the payments systems. The FSDP also included a number of actions for strengthening bank regulation and supervision, and microfinance policy and support.

We believe the experience of Rwanda in developing and implementing its FSDP would not have been such a success without the support we received from East AFRITAC. Capacity building is an important element of the ongoing implementation of the FSDP, and East AFRITAC was instrumental in helping boost up in a very short period our banking supervisory capacity. The Center helped us put in place risk-based supervision and a risk-management framework for our banking sector. Advisors and experts deployed in Rwanda by East AFRITAC had a very “hands-on” approach, and provided clear guidance on what should be done step by step, in order to achieve our goal of improving the oversight of our financial sector.

Angélique Kantengwa, Director, Bank Supervision Department, Banque Nationale du Rwanda

understanding of both financial and non-financial risks and how FIs are managing such risks. Based on these FI risk profiles, supervisors are then able to make the best of their limited resources by targeting high-risk FIs or high-risk areas in a given FI. In East Africa the shift to RBS also exerted a positive impact on individual commercial banks, which have been encouraged to adopt more robust risk-management policies, practices, and procedures. Both the supervisors and the bankers have built a risk-management culture over the years and continue to benefit from this more effective approach to supervision.

RBS continued to be a major focus of East AFRITAC in FY 2007-08 – Ethiopia, Kenya, Malawi, Rwanda, and Tanzania received support from East AFRITAC to implement this approach more fully:

- A pilot on-site inspection, utilizing the RBS methodology, was held in Ethiopia. The inspectors who participated in these pilot inspections were taken through the entire risk-based inspection procedure from planning to report writing, and had an on-the-job training on evaluating the levels of risk and the quality of risk-management systems in banks.
- Kenya, one of the earliest adopters of RBS in the region, entered into the final stages of implementation. The Center helped authorities translate the findings from risk-based inspections into tailored supervisory programs for each bank and the Supervision Department. The Central Bank of Kenya is also updating its Risk-Based Supervision Manual to reflect the new

organizational structure of the Supervision Department.

- In Malawi, a similar exercise of documenting the risk-based methodology was done by way of an introductory technical paper developed by a local team. A report on the risk-management survey of banks in Malawi was completed and was published together with the Risk-Management Guidelines for all banks in November 2007. These banks subsequently submitted their Risk-Management Programs to the Reserve Bank of Malawi and assistance was rendered to the Bank supervisors in evaluating such programs. In early 2008, pilot risk-based, on-site inspections were conducted in Malawi.
- East AFRITAC continued to assist Rwanda in making progress towards a more effective risk-based approach to bank supervision. An initial quality check on risk-based inspection reports was done in Rwanda, and the gaps identified were addressed in a follow-up mission, leading to the preparation of a comprehensive Risk-Based Supervision Framework. Box 3 highlights some key results achieved in strengthening the financial system in Rwanda.
- In Tanzania, efforts centered on garnering the support of stakeholders for an RBS approach. In March 2008, the Bank of Tanzania, with technical support from East AFRITAC, organized an outreach program to chief executive officers and directors of commercial banks on risk management and risk-based supervision.



East AFRITAC Bank Supervision Advisor interacts with colleagues at an East AFRITAC workshop.



Off-Site Supervision

Off-site supervision consists of assessing the data contained in the prudential reports submitted periodically by banks. It is a forward-looking exercise that aims to identify potential problems before they occur. An accessory tool in this approach is stress testing, where a bank's data are fed into "adverse scenario" models, thereby allowing bank supervisors to gauge how a bank's portfolio might be affected by, say, an increase in non-performing loans or a narrowing in interest margins. Depending upon the results of the modeling, bank supervisors may require banks with potentially vulnerable portfolios to enact preventive safety measures.

To complement RBS, East AFRITAC helped several East African countries during FY 2007-08 with enhancing their off-site supervision capabilities.

- In Rwanda, the initial supervision reports based on the proposed new quarterly off-site monitoring system were reviewed and recommendations were made to improve the depth of financial analysis within the CAMELS³ rating framework. The off-site supervision data compilation will receive a boost with the introduction of an off-site supervision database system for Banque Nationale du

³CAMELS stands for Capital Adequacy, Asset Quality, Management Competence, Earnings Ability, Liquidity Risk, and Sensitivity to Market Risk, and represents an approach to rating banks on their financial health and sustainability.

“I was privileged to attend the course on Monetary and Exchange Rate Policies, which was organized by the IMF Institute in collaboration with East AFRITAC. The course was excellent and in my view this was due to: first, the wide coverage of issues/topics; second, participation by officials from various central banks, hence sharing of diverse experiences on how central banks deals with monetary and exchange rate issues; third, the resource-persons were highly knowledgeable, very competent and of vast experience in monetary and exchange rate policies. As an Economist in a central bank, I found the course extremely useful in terms of enhancing my technical capacity in analyzing monetary and exchange rate policies, as well as broadening my knowledge on key issues in this area. There was a practical approach to the design of monetary policy through a Calibrated Econometric Model, based on the Czech National Bank’s macroeconomic model. The practical study of the model through model calibrations, simulations, and forecasting enabled participants to have a feel of the effects of monetary and exchange rate policies and the inherent trade-offs. It is my view that this course exposed us to new ideas regarding the formulation and implementation of monetary and exchange rate policies. This was done through lectures, reading materials, demonstrations and practical sessions on building and applying a macroeconomic model within the context of inflation targeting. I would therefore strongly recommend that the IMF Institute, through the EAST AFRITAC, ensure that this course is mounted every year in Africa where technical capacity in monetary and exchange rate policies is a dire need.”

—Joseph Kimanga Wambua
Assistant Manager, Research Department
Central Bank of Kenya

Rwanda, which will facilitate data capture from banks and progressively build a database of financial information.

- In Tanzania, the review of the Bank of Tanzania’s Bank Supervision Information System was completed in October 2007, and assessed the system’s ability to support a more robust off-site supervision. In order to improve the quality of off-site supervision, staff were provided with a one-week training on financial analysis. In addition, a pilot stress testing exercise on financial system vulnerabilities was carried out using a simple model based on available bank data. The effects on the banks’ financial statements of certain types of shocks were calculated, and the amount of capital impairment under each scenario determined. After the pilot exercise, the Bank’s senior management approved the periodic use of stress testing for financial vulnerability assessment. East AFRITAC will assist with developing a progressively more robust stress testing exercise.

Consolidated Supervision

The implementation of consolidated supervision is also in line with the Basel Core Principles, as it enables bank supervisors to look broadly, across the entire range of a banking group’s activities, both within a country and beyond its borders. This enables potential cross-border issues to be detected. East AFRITAC assisted countries in preparing their policy papers explaining the need for implementing consolidated supervision, as well as outlining the related action plans. Subsequently, Kenya, Rwanda, Tanzania, and Uganda conducted surveys on the banking groups in their jurisdictions, which became the first of the many steps in working towards an effective implementation of consolidated supervision. A Memorandum of Understanding, establishing cooperation with other supervisory authorities within and across borders, was drafted with assistance from East AFRITAC, and then executed by the four countries. Finally, draft prudential regulations on consolidated supervision were prepared for issuance to banks and a comprehensive set of consolidated examination procedures were compiled for internal use by bank supervisors.

Capital Adequacy Frameworks

Capital adequacy frameworks prescribe the amount of capital that banks must have at the licensing stage and on an ongoing basis. For many years, capital adequacy frameworks in East AFRITAC countries were based on the 1988 Basel Capital Framework, known as Basel I, which measures capital adequacy against the credit risk exposure of a bank, as shown in its on- and off-balance sheet accounts; however, as the region has become ever more integrated into the world economy—and therefore more exposed to fluctuations in interest rates, foreign exchange rates, and prices—market risk, which takes such factors into account, has proven to be a necessary enhancement to the existing frameworks. Accordingly, the Monetary Affairs Committee of the EAC has decided to adopt the 1996 amendments to Basel I, which incorporate a capital charge for market risks.

- East AFRITAC provided TA to Kenya and Uganda in updating their capital adequacy frameworks. The assistance included holding consultative discussions with banks, preparing a questionnaire on market-risk exposures,

preparing a policy paper on the need for a capital charge, and drafting amendments to capital adequacy regulations.

- The EAC is also looking to adopt Basel II in the years ahead. Accordingly, the Center assisted Kenya in preparing a survey on Basel II awareness and preparedness, and in drafting an information memorandum for banks which outlined the initial steps the Central Bank of Kenya will take to arrive at a more informed policy stance on Basel II. The Information Memorandum was issued by the Central Bank to all banks in September 2007, and the consolidated survey on Basel II and market risks was conducted on a pilot basis. For Tanzania, the core set of draft regulations prepared last year already included an updated capital adequacy requirement.

Supervision of Specific Financial Products and Services

In FY 2007-08 member countries asked East AFRITAC to deal with two new types of banking services: mortgage banking and electronic banking/phone banking.

In Uganda, a mortgage banking/mortgage lending regulation was drafted to address the unique nature and risks of these activities. The draft regulation sought to establish clear requirements and performance criteria for mortgage banks, as well as prudential requirements for mortgage lending activities. Another draft regulation and a set of examination procedures were prepared to help the authorities supervise the electronic and phone banking services offered by banks in the country. The draft regulation covered prudential requirements for assessing e-banking/phone banking applications and risk-management guidelines for these types of services.

Below: The President of Tanzania mingles with East AFRITAC workshop participants.

Monetary Policy and Operations

Why Are Monetary Operations Important?

Central banks are one of the linchpins of modern economies, and as such need to be sound, effective, and independent. The robustness of a central bank correlates with the strength of a country's economy and the fostering of greater investment flows. Central banks perform the critical task of running their country's monetary policy, which is key to the achievement of the government's economic agenda, along with effective fiscal policy. Monetary policy usually targets inflation control by setting target interest rates, managing exchange rates (when appropriate), conducting open market operations, and, more generally, controlling the money supply in a country. These tools affect savers and borrowers, and companies via their important effects on inflation, interest rates, and the efficiency of financial intermediation.

Central banks also help operate and oversee the behind-the-scenes financial system, which ensures the smooth functioning of the economy. A critical component of this system is the national payments system (NPS), which regulates how the central bank, private banks, and other lenders, both domestic and foreign, process their obligations, making payments amongst themselves to settle liabilities. As financial networks grow ever wider and more complex in East Africa, NPSs must be modernized to keep pace with these developments. The introduction of newer products and services, which also serve to modernize national systems, has

Bottom: The President of Tanzania is greeted by East AFRITAC Monetary Operations Advisor during a Payments System Modernization workshop held in Arusha, Tanzania, in November 2007.



also brought with it the need to equip the central banks with appropriate regulatory, risk-control, and oversight capabilities.

Finally, central banks play the important role of acting as the government's fiscal agent, "the government's bank," and processing the state's obligations. They are entrusted with the money of taxpayers, and thus need astute cash management capabilities for well-designed safeguard measures to be in place, including appropriate accounting and audit procedures consistent with, where appropriate, International Financial Reporting Standards.

Against this backdrop, the filling of the position of Monetary Operations Advisor in March 2007 facilitated the reestablishment of the presence of the Center in these important fields and paved the way for re-launching a Center-specific monetary TA program. East AFRITAC's TA in the monetary operations sector focused on five areas: (i) development of foreign exchange, money, and domestic debt markets; (ii) payments system modernization; (iii) government cash management; (iv) systemic liquidity forecasting and management to enhance monetary operations and (v) analytic capacity building for policy formulation.

Monetary Policy Formulation, Implementation, and Operations

East AFRITAC's assistance in monetary operations included the following activities in FY 2007-08:

- The TA to the Bank of Eritrea aimed at enhancing institutional capacity for monetary policy implementation. The needs review and discussions with the authorities led to a more robust understanding of the assistance needs of the Bank. This resulted in the mapping of institutional needs and the development of a forward-looking capacity building plan, as the basis for a renewed TA. The assistance also took the form of a short training session for the Economics and Statistics Department staff on key aspects of monetary policy formulation and implementation.
- Assistance to Ethiopia helped the National Bank of Ethiopia in its in-house capacity building effort to engage a consultant on monetary policy implementation and operations. East AFRITAC assisted in drawing up the terms of reference, as well as a detailed action plan for the initiative, which clearly delineated the areas of responsibility and defined key outputs relative to capacity building needs.



Six IMF Executive Directors, an Alternate Director, and the East AFRITAC Center Coordinator visit the President of Zanzibar in February 2008.

- The Central Bank of Kenya sought support for its initiatives in developing interbank money and domestic debt markets and, more broadly, to address debt management issues. In supporting these efforts, East AFRITAC helped with the implementation of the vertical repurchase agreement (“repo”) and building capacity to formulate policy and improve the understanding of the mechanics and operations of secondary debt markets and the planned issuance of benchmark bonds. The TA also identified the key areas of assistance necessary to bridge the skill gaps—i.e., information on legal, accounting, regulatory, and market practices. The underlying TA also focused on defining the nature, role, and operation of the repurchase agreement, and the development of a yield curve for monetary policy purposes.
- The main focus of the assistance to Tanzania was to enhance monetary policy implementation and operations through efforts to improve the understanding of systemic liquidity flows and enhancing the liquidity forecasting framework. The Center helped review Bank of Tanzania’s liquidity forecasting framework, assisted with modifying the forecasting model, and enhanced the Bank’s liquidity management practices, including expanding the information base used for decision-making with respect to monetary operations. The assistance produced a detailed analysis of model forecast errors. Based on this analysis, suitable changes to the data input interface remain to be discussed and agreed upon. Looking ahead, the TA is expected to result in the modification of the underlying processes, improvement of the predictive capability of the liquidity forecasting model, and, ultimately, enhancement of the effectiveness of the Bank’s monetary operations. TA to Bank of Tanzania also involved assistance for the implementation of Tanzania’s Financial Sector Support Project, and support to enhance capacity for market monitoring and analysis of market information.

Payments System Modernization

With regional integration moving forward, countries need more effective NPSs. Accordingly, East AFRITAC provided assistance to members countries as follows:

- Kenya received assistance in this area from both East AFRITAC and the IMF’s Monetary and Capital Markets Department. As a result, the Central Bank of Kenya’s capacity was significantly strengthened, as reflected by the development and review of a new NPS legislation; the refining of the rules, regulations, and procedures for the management of NPS; the establishment of the foundations for an oversight function at the CBK; and the drafting of an e-money position paper.
- In Rwanda, the Center’s assistance focused on assisting the Banque Nationale du Rwanda with the creation of in-house capacity for managing the NPS modernization process. The assistance resulted in the drafting of the Strategy and Framework Document for NPS modernization. The assistance also resulted in the clarification of the Bank’s vision for the NPS, and will facilitate: the formulation of a strategy for the harmonization of cross-border NPSs in support of Rwanda’s East African Community (EAC) accession; the establishment of the National Payments Council (NPC) and the definition of the work plan for the NPC; the automation of high-value government

“The workshop on “Modernization of Payment and Settlement Infrastructure - National Initiatives and Regional Integration” was very useful, and of particular importance to me were the topics on Oversight and Securities Settlement Systems. These are two areas where the Bank of Botswana and other relevant stakeholders are working towards implementation very soon. The workshop has provided me with a firm grounding on Securities Settlement System issues. The calibre of the presenters and the quality of the presentations was impressive. The experience I got from other countries through formal and informal discussions on payment systems was also useful.”

—Patrick Lesotlho
Supervisor, Payments and
Settlement Department
Bank of Botswana

“The course on Monetary and Exchange Rate Policies was in my view a perfect blend of contemporary theory and best practice in implementing policy among progressive central banks. I particularly found the discussion on inflation targeting extremely useful. Workshops were pertinent and challenging at the same time. Above all, discussions among participants from different backgrounds and experiences made the course both lively and exciting, as these debates touched on current practices among central banks.”

—Dr. Wilson T. Banda
General Manager
Reserve Bank of Malawi

“We attended the workshop you organized on “Modernization of Payment and Settlement Infrastructure - National Initiatives and Regional Integration”. The workshop was indeed very useful for sharing cross-country experiences and learning very important guidelines on the modernization of Payments and Settlements Systems. The resource-persons made wonderful presentations and we learnt from their wealth of experiences very important guidelines on the modernization of Payment and Settlement Infrastructure.”

—Daniel Ocakacon
Payments and Settlements Department
Bank of Uganda

payments; and the design of the plan for the implementation of an Automated Clearing House and of a Real-Time Gross Settlement System.

Government Cash Management

East AFRITAC has been assisting Tanzania with the reform of Treasury cash management practices. An important underlying initiative in this regard is the consolidation of Treasury accounts with commercial banks and their transfer to the Bank of Tanzania (in recognition of its role as the banker to the Government). The Monetary Operations, PFM, and Macro-Fiscal Advisors worked together on this issue, and advised the Cash Management Committee at the Ministry of Finance and the Bank of Tanzania on the reform's desired direction, implementation strategy, and steps. The key implication of the initiative was an enhanced understanding of the impact of Treasury cash flows and the fine-tuning of monetary operations to align them more precisely with the changes in systemic liquidity flows. The assistance resulted in the identification of accounts and the definition of the contextual discussion with the various departments, donor funding agencies, and commercial banks. The team approach from East AFRITAC is clearly one of the strengths of the Center, as the joint work of sectoral advisors is facilitated by their simultaneous presence at the Center and their shared knowledge of the local context.

Analytic Capacity Building in Support of Policy Formulation

Banque Nationale du Rwanda sought assistance to enhance its Research Department's research and analytic capabilities. The objective of the effort was to enhance the Bank's capacity for applied research and policy formulation through a better understanding of the intersectoral linkages underlying the real sector performance and its interface with the monetary sector, and hence to strengthen monetary policy formulation. The assistance took the form of reviews, provision of comments on Bank research papers and publications, and discussion of research work in progress.

Economic and Financial Statistics

Why Are National Statistics Important?

In order to devise and implement sound macroeconomic policies, authorities need accurate, reliable, timely, and consistent statistics for economic analysis and policy decision-making. Important development documents, such as national Poverty Reduction Strategies, are centered on the tracking of important macro-financial indicators, such as gross domestic product (GDP, which reflects growth) and price indices (which track inflation). Past data can reveal lacuna which need addressing, pinpoint successes, and provide an important basis for comparison, both nationally and internationally. Indeed, an important aspect of East AFRITAC's work in the area of national statistics has been standardizing national accounts data, by helping member countries move towards internationally-recognized standards. The aim is to achieve consistency among all the macroeconomic variables, which will in turn promote the formulation of sound macroeconomic and financial policies.

National statistics are also important as they are regularly consulted by a wide range of stakeholders, from investors sizing up business possibilities to civil society organizations attempting to account for government spending. The more credible a nation's statistics are, the better its business environment and governance situation.

East AFRITAC's efforts during FY 2007-08 in the national statistics sector were concentrated mainly in the areas of (i) national accounts; (ii) price indices; (iii) balance of payments data; and (iv) government finance statistics.

Most of East AFRITAC's work plan for FY 2007-08 was accomplished, despite difficulties linked to the security situation in Kenya, as well as the departure of the incumbent Statistics Advisor at the end of November 2007. An interim advisor was posted to East AFRITAC during January-April 2008. A new resident advisor has since joined the Center.

National Accounts

National accounts broadly present the production, income, and expenditure activities of economic agents in a country over a set period of time. One of the most salient statistics included in national accounts is GDP.

East AFRITAC's TA in the area of national accounts has focused on three objectives: helping member countries complete their revision of past annual GDP estimates; aiding them in beginning the compilation of quarterly national accounts (QNA), in addition to annual series; and identifying and revising source data to use as indicators and benchmarks. With the exception of Eritrea, by June 2008 all member countries adopted the internationally-recognized 1993 System of National Accounts (SNA 93). The use of common concepts and definitions helps to harmonize data in the region and enables better cross-country comparisons. The compilation of GDP using the recommended best practices and the underlying principles of the SNA 93 provides a solid foundation upon which further work can be undertaken. Against this backdrop, the following results were achieved:

- An important success for East AFRITAC was the release of the first quarterly GDP estimates in Kenya, in June 2007. The publication of the quarterly constant price estimates of GDP helps to fill the data gap in short-term indicators. Two follow-up missions during FY 2007-08 provided training on data analysis, seasonal adjustment issues, report writing, and the expansion of the scope of quarterly data to include estimates in current prices.
- Another milestone was the publication of a revised series of GDP estimates (benchmarked and rebased on the year 2001) in Tanzania in September 2007. As in the Kenyan case, this achievement crystallized after three years of assistance and close follow-up with development partners (most notably DfID—Department for International Development). Tanzania's new series is SNA 93 compliant, is supported by a new spreadsheet system, and better portrays the current economic structure. Future assistance will focus on the strengthening of weak areas identified during the revision process, and on preparing for the next rebasing exercise using 2007 as the benchmark year. Simultaneously, work also continued in Tanzania on the compilation of QNA; the objective is to release quarterly GDP estimates at constant prices by mid-

“The Central Statistical Agency of Ethiopia (CSA) highly appreciates the support it has received from East AFRITAC during the past several years. Among the most notable assistance received was: the designing of an earlier December 2000-based Consumer Price Index (CPI) on a national level; in October 2004, training on the manufacturing Producer Price Index (PPI); the rebasing of a new December 2006-based CPI for which the East AFRITAC provided in-house training; recently, in-house training workshop held at CSA on theoretical and methodological issues of constructing the PPI. As CSA is planning to publish an Agricultural PPI and has already started publishing the manufacturing PPI, the assistance obtained from your esteemed office has helped us improve on our statistical activities. Therefore, I would like to take this opportunity to express our heartfelt gratitude for the assistance provided so far and hope this cooperation will fruitfully continue in the future.”

—Yasin Mossa
Deputy Director General
Economic Statistics Department
Central Statistical Agency of Ethiopia

2009. The availability of quarterly GDP estimates will enable both Kenya and Tanzania, in due course, to graduate to the IMF's Special Data Dissemination Standards (SDDS).

- The Institute of Statistics in Rwanda requested that the Center provide resource-persons for an in-house training workshop on the compilation of QNA. The participants were taught national accounts compilation procedures using lectures and exercises based on their country's data. However, there is a need to fill the vacancies at the Institute and to identify, revise, and update source data, before work can start on quarterly GDP in earnest.
- In Uganda, a revised series of annual national accounts estimates—targeted for publication in 2008—was prepared under the guidance of a national accounts expert provided by DfID. Following best international practices, these estimates were benchmarked to a Supply and Use Table, which ensured that there was an internal consistency between all accounts. East AFRITAC coordinated closely with the DfID expert, reviewed the estimates and provided preliminary comments for consideration prior to final publication. Uganda plans to publish a QNA series in late 2008, with future East AFRITAC assistance.

Price Indices

The Center helped several countries in the region improve price indices, particularly consumer price indices (CPI) and producer price indices (PPI).

- In Ethiopia, East AFRITAC provided peripatetic expert assistance to the authorities, who released in December 2007 a new CPI series, rebased to December 2005. The authorities subsequently requested further training in CPI issues, in part due to high staff turnover. Accordingly, an in-house workshop focusing on country issues was presented by East AFRITAC and a short-term expert; this mission also provided assistance on compilation methodology with a focus on price collection procedures and price data processing. The Center also reviewed existing price data and planned for the development of an agricultural PPI, which will be the focus of price index assistance in FY 2008-09.
- In Malawi, work on the development of a PPI for the manufacturing sector began in December 2006. During a follow-up mission in August 2007, the questionnaire for the initial sample survey was designed. Work on the updating of the list of establishments to be surveyed is under way under the supervision of a resident advisor from Statistics Norway.
- In Uganda, the existing manufacturing PPI is being expanded—with assistance from East AFRITAC—to cover both the utilities and hotel sectors.

The Managing Director of the IMF and the East AFRITAC Coordinator discuss during the former's visit to the Center in February 2008.



- In Zanzibar (Tanzania), two missions focused on the design of an appropriate methodology for the construction of a PPI for the tourism and hotel sectors. Data from a pre-existing tourism exit survey have been obtained, and follow-up missions are planned to assess the quality of the data and to provide training on the processing of the PPI.

Balance of Payments Statistics

Improved Balance of Payments statistics allow for better external policy design and monitoring. East AFRITAC's assistance during FY 2007-08 included:

- Within the framework of a project initiated in Eritrea, a mission undertook an assessment of current balance of payments methodology and provided advice on the data sources required for the development of information on cross-border

trade, travel, remittances, and foreign direct investment. Training was provided on the compilation of external debt data and the requirements for the compilation of the international investment position.

- In Rwanda, assistance was provided to improve the quality of both the balance of payments and international investment position statistics according to the latest balance of payments manual (BPM 5). The mission focused on addressing problems of coverage and quality of external trade data and deriving transactions in external assets and liabilities of both the commercial banks and the central bank. Initial work was completed in preparing a revised balance of payments for 2006 according to BPM 5.



Government Finance Statistics

A workshop on Government Finance Statistics (GFS), organized by the Malawi Ministry of Finance, was the first event conducted jointly by two East AFRITAC resident advisors, responsible for statistics and PFM, respectively. The workshop increased the awareness of participants on the importance of adopting the international classifications and concepts according to the GFSM manual of 2001 (GFSM 2001). The introduction of changes in the budget classifications will require a major reform process. The workshop thus recommended the creation of a unit at the Ministry to be responsible for implementing the GFS reforms; furthermore, in order to enhance intra-agency coordination, the workshop proposed that a high-level committee be set up to steer the reform process. Given the success of this innovative approach, similar joint statistics-PFM workshops are planned for next year in Rwanda and Tanzania.

Box 4. Macroeconomic Performance and Challenges in East AFRITAC Countries

East AFRITAC member countries recorded strong macroeconomic performance in the mid 2000s, characterized by robust economic growth (averaging 6–7 percent per annum), low-to-moderate inflation, and balance of payments surpluses. Buoyant economic growth boosted government revenues, which together with higher aid inflows, enabled public expenditure to expand without jeopardizing macroeconomic stability. The improved macroeconomic performance in the region, while partly attributable to more benign external conditions, also reflects the imperative accorded by the region's governments to sound macroeconomic management and stronger technical capacities within Finance Ministries and Central Banks for macroeconomic management.

Largely because of their improved macroeconomic management, the economies of the region have become more resilient to adverse external shocks than was the case in the 1980s and 1990s. Nevertheless, risks to macroeconomic stability have recently emerged in the region as the external environment has become less favorable in 2008. Inflation rates have been rising to around 10 percent or above in most countries, driven by higher food and fuel prices and the buoyancy of domestic demand. East African economies are oil importers, and hence have suffered a sharp external terms of trade shock because of the steep climb in the international price of oil. Estimates reported in the IMF's Regional Economic Outlook for sub-Saharan Africa (April 2008, page 17) indicate that the oil price shock will reduce real GDP growth by between 0.2 and 1 percentage point in oil importing sub-Saharan African economies.

The short-term challenge for macroeconomic policy is to ensure that supply side shocks to prices do not translate into persistently higher rates of inflation, while at the same time avoiding recession. In the medium to long term, the key challenge for fiscal policy is to support an acceleration of sustainable economic growth. This will require strengthening the supply side capacities of the economy (for example by expanding the provision of public goods which can relieve bottlenecks to growth), while avoiding excessive growth in aggregate demand, which could result in higher inflation.

Table 2. East AFRITAC Regional Workshops Since January 2007

Workshop Title	Collaborating Institutions	Number of Participants	Number of Female Participants	Location	Dates	Participating Countries	Participants' Average Rating (Scale of 1-5)
Financial Year 2007							
External Debt Statistics	East AFRITAC	23	3	KSMS, Nairobi Kenya	February 19 to March 2, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.3
Design and Implementing PFM Reforms	East AFRITAC	29	4	Zanzibar, Tanzania	March 12 to 16, 2007	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.4
Macroeconomic Management and Financial Sector Issues	East AFRITAC and IMF/INS	25	3	KSMS, Nairobi, Kenya	April 10 to 20, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.5
Risk Management in Customs Administration	East AFRITAC	30	4	KSMS, Nairobi, Kenya	April 30 to May 4, 2007	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.3
Financial Year 2008 — Year Covered by this Report							
Revenue Estimation and Forecasting	East AFRITAC	20	2	KSMS, Nairobi, Kenya	July 24 to August 3, 2007	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.6
Benchmarking and Rebasings of GDP estimates	East AFRITAC	17	1	KSMS, Nairobi, Kenya	October 15 to 24, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.3
Bank Supervision - Intermediate Level	East AFRITAC, ACBF, and MEFMI	29	13	Arusha, Tanzania	October 29 to November 9, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland, and Zambia	4.4
Second Generation Treasury Reforms	East AFRITAC, ACBF, and World Bank	35	14	KSMS, Nairobi, Kenya	November 26 to 30, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Lesotho, Mozambique, Namibia, and Zambia	4.7
Modernization of Payments System	East AFRITAC	16	5	Arusha, Tanzania	November 27 to 30, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda, Non AFRITAC: Botswana, Namibia, and Zambia	4.6
Value-Added Tax Design and Administration	East AFRITAC	31	8	KSMS, Nairobi, Kenya	December 3 to 7, 2007	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Swaziland	4.2

Table 2 (concluded). East AFRITAC Regional Workshops Since January 2007

Workshop Title	Collaborating Institutions	Number of Participants	Number of Female Participants	Location	Dates	Participating Countries	Participants' Average Rating (Scale of 1-5)
Anti-Money Laundering and Combatting the Financing of Terrorism	East AFRITAC, ACBF, and MEFMI	20	3	Arusha, Tanzania	December 3 to 7, 2007	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Botswana, Mozambique, Namibia, South Africa, Swaziland, and Zambia	4.4
Monetary and Exchange Rate Policies	East AFRITAC, and IMF/INS	35	6	Mwanza, Tanzania	January 21 to February 1, 2008	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Botswana, Ghana, Mauritius, Mozambique, Nigeria, and The Gambia	4.8
Budget Reform	East AFRITAC, and ACBF	30	5	Kampala Uganda	March 3 to 7, 2008	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Mozambique, and Namibia	4.2
Post-Importation Audit Techniques and Strategy	East AFRITAC	25	6	Mwanza, Tanzania	April 28 to May 2, 2008	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.3
Financial Year 2009							
Central Bank Policy Communication	East AFRITAC	34	7	Zanzibar, Tanzania	May 6 to 8, 2008	AFRITAC: Eritrea, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Botswana, Namibia, and Zambia	4.3
Financial Soundness Indicators	East AFRITAC	25	8	KSMS, Nairobi, Kenya	June 9 to 13, 2008	AFRITAC: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda Non AFRITAC: Republic of South Africa	3.9
Small Taxpayers Administration	East AFRITAC	24	4	Butare, Rwanda	July 7 to 11, 2008	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda	4.4
Cash Management Reforms	East AFRITAC, ACBF	31	8	KSMS, Nairobi Kenya	September 22 to 26, 2008	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, and Uganda. ACBF: Mozambique, Namibia, and Lesotho	4.3
Compliance Management in Tax Administration	East AFRITAC	26	7	KSMS, Nairobi Kenya	November 3 to 7, 2008	AFRITAC: Ethiopia, Kenya, Malawi, Rwanda, Tanzania and Uganda.	4.0

Source: East AFRITAC.

Macro-Fiscal Analysis

Why is Macro-Fiscal Analysis Important?

Macro-fiscal analysis pertains to the management of fiscal policy in support of macroeconomic objectives (growth, inflation, debt, etc). It is important because, throughout the world, poor fiscal policy (notably excessive fiscal deficits and government borrowing) has often been a major cause of serious macroeconomic instability. Conversely, well-designed government budgets, coupled with a solid macroeconomic framework, can make significant contributions to ensuring sustainable and poverty-reducing growth. Consequently, governments in East Africa devote priority to ensuring that fiscal policy is formulated and implemented in a sound manner, consistent with their macroeconomic objectives. This in turn requires analytical capacity to anticipate and mitigate risks, and to improve the quality and targeting of policy interventions through improved analysis.

The responsibility for macro-fiscal policy lies primarily with Ministries of Finance (those Ministries share the overall responsibility for macroeconomic management with Central Banks, with the latter taking responsibility for monetary policy). As such, Ministries of Finance have created, within their structures, dedicated units for collecting and analyzing macroeconomic and fiscal data, for providing technical information and advice to policymakers, and for preparing medium-term fiscal frameworks which are used for budget planning. These units check data reliability, make a set of consistent projection or scenarios, and thus provide the basis for macroeconomic decision-making. These frameworks, prepared in consultation with Central Banks and (where they exist) Ministries of Planning, incorporate consistent projections of macroeconomic and fiscal variables. Box 4 summarizes the macroeconomic performance and challenges in East AFRITAC countries.

Against this backdrop, East AFRITAC began providing macro-fiscal TA in December 2007, leveraging additional resources from the Swiss State Secretariat for Economic Affairs (SECO). This support is provided in conjunction with a SECO-funded TA project implemented by the Policy Analysis Department (PAD) of the Ministry of Finance in Tanzania (PAD III).⁴ The primary objective of the macro-fiscal TA is to strengthen the capacities of the macroeconomic policy units (such as PAD) in the region's Ministries of Finance to formulate and implement sustainable aggregate fiscal policies, which can support members' macroeconomic policy goals. A key focus of this TA is to strengthen the quantitative frameworks for planning fiscal policy: e.g., the medium-term fiscal frameworks which are used to determine the budget resource envelopes. The nature of most of these activities is such that they cannot be completed as discrete units of work, but rather need to take place on an ongoing basis.

Participants attend a lecture during an East AFRITAC-organized workshop.



In addition to the assistance provided to PAD, scoping missions to four other East AFRITAC member countries were undertaken, which clarified their needs for future capacity building TA in the macro-fiscal area.

Assistance to Policy Analysis Department

Starting in December 2007, the Macro-Fiscal Advisor developed a work plan for the TA to be provided to PAD in 2008 and began its implementation. The work plan was designed to complement the activity plan drawn up by PAD. Hence, the Macro-Fiscal Advisor started to provide TA to PAD staff to support those components of the activity plan which required outside TA. The activities around

⁴SECO has supported PAD since 2000 through two previous TA projects, PADs I and II, which both ran for three years. Under the agreement between SECO, IMF, and PAD, the macro-fiscal Advisor allocates about 60 percent of his time in the first year to PAD, leaving 40 percent to the other East AFRITAC members. The amount of time allocated to PAD will be reduced in the second year of the project.

which the work plan is focused are as follows (to date, progress has been made with respect to activities marked with an asterisk):

- Training in financial programming;⁵
- Developing a framework for more closely integrating fiscal and monetary policy, especially through the implementation of cash management reforms;*
- Strengthening medium-term macroeconomic and fiscal frameworks;
- Improving capacities for fiscal analysis;*
- Reviewing and improving methodologies for revenue forecasting;
- Strengthening debt management strategy; and
- Evaluating the macro-fiscal implications of the scaling-up of aid.*

Assistance was provided to improve PAD's contribution to the economic analysis for the budget guidelines and quarterly reports and advice on the resumption of cash management reforms. In addition, training began for new PAD staff in financial programming and in macroeconomic analysis.



Participants in a small working group exchange country experiences during an East AFRITAC workshop.

Macro-Fiscal Needs Assessment

Beyond assistance to Tanzania, East AFRITAC also carried out a number of scoping missions to other member countries to ascertain their capacity building needs via consultations with senior officials of the respective Ministries of Finance. The TA priorities identified in these missions were included in the FY 2008-09 work plan.

- The scoping mission to Ethiopia identified three priorities for TA to be undertaken in the second half of 2008: (i) strengthening analytical capacity for evaluating the scope for domestic public borrowing; (ii) strengthening the medium-term fiscal framework and the methodologies for forecasting its components; and (iii) methodologies for forecasting GDP.
- In Malawi, the scoping mission identified the following TA priorities: (i) strengthening the capacities for short-term fiscal planning and monitoring; (ii) widening the scope and improving the analytical quality of economic reports; (iii) constructing a financial programming framework and building capacity to operate it; (iv) improving revenue forecasting; and (v) developing a methodology for forecasting domestic interest costs.
- The scoping mission to Rwanda found that supporting the macro-fiscal unit in this country will require substantial TA. The priorities identified were: (i) general training of staff in analyzing and interpreting data; (ii) improving revenue forecasting; (iii) developing internal capacity for financial programming; (iv) improving the links between fiscal and monetary policy; and (v) improving GDP and inflation forecasts.
- The scoping mission to Uganda identified three TA priorities: (i) analyzing the scope for higher domestic public borrowing over the medium term, consistent with maintaining macroeconomic stability; (ii) developing a framework for evaluating long-term fiscal risks; and (iii) providing advice on the construction and operation of a macroeconomic model.

Regional Workshops

East AFRITAC organized ten regional workshops during FY 2007-08, details of which are presented in Table 2 (the table's coverage extends beyond FY 2007-08). Considering the broader relevance of

⁵Financial programming is a quantitative methodology for preparing internally consistent projections for each of the four main sectors of the economy: the real, fiscal, monetary, and external sectors. It is a key analytical tool for medium-term macroeconomic and fiscal planning.



"Family photo" of an East AFRITAC workshop on Bank Supervision held in Arusha, Tanzania, in November 2007.

the workshops, participation was extended in most of them to countries without East AFRITAC membership. In addition, East AFRITAC advisors organized a number of in-country workshops during FY 2007-08, and also acted as resource-persons in five regional workshops led by other organizations.

- In the revenue administration sector, three regional workshops were held, jointly with the Kenya Revenue Authority. The themes of the workshops were: Revenue Estimation and Forecasting, VAT Design and Administration, and Post-Clearance Audit Strategy and Techniques.
- In the PFM sector, East AFRITAC organized two regional workshops on: Second Generation Treasury Reforms (co-organized with the ACBF and the World Bank) and Budget Reforms: Enhancing the Credibility and Relevancy of the MTEF and Other Budget Tools (co-organized with the ACBF).
- In the bank supervision sector, East AFRITAC organized two regional workshops on: Intermediate Level Bank Supervision (second edition; co-organized with the ACBF and MEFMI) and Assessment of AML/CFT Risks in Financial Institutions (co-organized with the ACBF and MEFMI).
- In the monetary operations sector, the Center was involved in the conduct of two regional workshops on: Modernization of Payment and Settlement Infrastructure – National Initiatives and Regional Integration and on Monetary and Exchange Rate Policies (course conducted in collaboration with the IMF Institute).
- In the statistics sector, a workshop was organized by East AFRITAC on Benchmarking and Rebasement of GDP Estimates.

Professional Attachment Program

During FY 2007-08, East AFRITAC continued its professional attachment program launched the year before. Two attachments were organized:

- Three regional staff from Ethiopia were sent for a two-week attachment to the South African Revenue Service (SARS) for exposure in the area of "risk-based approaches that are applied in the management of VAT refunds". The attachés acquired practical exposure in various SARS tax administration compliance and enforcement units, which included the taxpayer service, business intelligence, enforcement, criminal investigations, and the large business center. Upon return, the attachés produced a detailed report, including lessons for improvement that can be replicated in the revenue agencies in the East AFRITAC region. This report was disseminated to all East AFRITAC member countries.
- The second professional attachment program in bank supervision took place at the Bank of Tanzania, which hosted two senior bank supervisors from the National Bank of Ethiopia for two weeks. The objective of the attachment was to enable the Ethiopian supervisors to gain first-hand exposure to the legal and regulatory framework for supervising banks and non-bank financial institutions in Tanzania. The attachment further provided an opportunity to explore steps being taken by the Bank of Tanzania to fully implement risk-based supervision.

Coordination with Development Partners

East AFRITAC's effectiveness in providing capacity building TA depends on close interaction with other development partners. Accordingly, during FY 2007-08, the East AFRITAC Coordinator and advisors maintained regular contacts with donor representatives before, during, and after missions, and kept them informed of the timing, objectives, and—where agreeable to the authorities—the findings of their missions. The offices of the IMF's resident representatives in six member countries were particularly helpful in coordinating donor briefing meetings. East AFRITAC staff also participated in numerous joint donor groups that were of direct relevance to their work.

Efforts were also made to involve international and regional capacity building institutions in East AFRITAC's work. The institutions concerned included: the African Development Bank; Collaborative African Budget Reform Initiative (CABRI); the Department for International Development (DfID, United Kingdom); the East African Community (EAC); the FIRST Initiative; the Macro-Economic and Financial Management Institute (MEFMI); the South African Revenue Service (SARS); and the World Bank.

Revenue Policy and Administration

Meeting donors is a key feature of all revenue administration missions, with a view to discussing the status of the reform programs, strengthening TA coordination, and avoiding duplication of effort. In Tanzania, the Revenue Administration Advisor is a member of the multi-development partner mission that reviews the performance of the tax modernization program twice a year.

Public Financial Management

Development partners, as significant providers of general budget support to East African governments, are keen on working with authorities to strengthen PFM regimes and ensuring that money is well spent. During FY 2007-08, East AFRITAC continued to work closely with them throughout the region, and in particular with the Donor Working Groups in Kenya, Rwanda, Tanzania, and Uganda, all charged with facilitating the implementation of PFM reforms:

- In Kenya, East AFRITAC provided technical input into the formulation of both the Kenya Joint Assistance Strategy and the Implementation Guide for PFMRP. It also participated in a one-week Joint Review of the PFMRP.
- In Rwanda, the Center helped formulate the terms of reference for the newly formed Donor Working Group on PFM; drafted a statement on development partners' expectations for PFM in the country; and prepared a timetable for the formulation of a PFM Strategy and Action Plan for FY 2008-10.
- In Tanzania, East AFRITAC provided advice to the PFM Donor Working Group in a number of areas: (i) Public Expenditure Financial Assessment 2007; (ii) review of the annual PFMR program 2007-08; (iii) formulation of a PFMR Strategic Plan for FY 2008-10; and (iv) General Budget Support Review 2007. In Zanzibar (Tanzania), East AFRITAC helped evaluate a planned PFMR project to be funded by the Norwegian Government.
- In Uganda, the Center participated in a retreat, organized by the PFM Donor Group,

"Family photo" of an East AFRITAC workshop on Anti-Money Laundering, held in Arusha, Tanzania, in December 2007.



which helped design a strategy on how best to work with the authorities on the PFM reform agenda for FY 2008. Another involvement was the participation in a mission, led by the World Bank, to review budget reporting and the status of IFMIS.

Monetary Policy and Operations

East AFRITAC support for the implementation of primary dealership by the Central Bank of Kenya involved coordinating the effort with donors, with the World Bank, and with the Department for International Development (DfID—United Kingdom), which provided funding for the information technology dimensions of the project. The assistance in support of payments system modernization in Rwanda involved working with the World Bank and the FIRST Initiative. Following clarification of the underlying issues and the broad strategy and framework, funding and technical support for the real-time gross settlement system's implementation is to come from these agencies.

Economic and Financial Statistics

East AFRITAC has coordinated with DfID in providing statistics TA under the GDDS Phase II project. Under this project, Kenya received TA on monetary, financial, and balance of payments statistics. Moreover, both Tanzania and Uganda, with the assistance of East AFRITAC, received TA to prepare for subscription to SDDS.

East AFRITAC actively engages Statistics Norway to discuss and coordinate TA in both Eritrea and Malawi. Statistics Norway has been providing national accounts TA to both countries, and PPI TA to Malawi.

Along with the World Bank and other development partners, the Center has indicated willingness in support of the Tanzania National Statistics Strategy, and the Tanzania Statistical Master Plan (TSMP). The TSMP provides an overarching strategic framework for the National Statistical System, and identifies priority activities for its improvement.



Section

3

OVERVIEW OF FY 2008-09 WORK PLAN

The FY 2008-09 work plan, approved by East AFRITAC's Steering Committee at its 10th meeting, held in Mombasa, Kenya, in April 2008, will continue to build on the work of the previous years while incorporating some new fields of assistance, as requested by member countries. It will continue to pay close attention to the members' reform agendas, and will draw on the priorities specified in their respective poverty-reducing strategy papers.

The work plan for FY 2008-09 includes the delivery of 173 capacity building activities in the seven member countries and the conduct of ten workshops, of which two will be joint activities with the African Capacity Building Foundation (Table 3). Delivering this level of assistance will require 309 person-weeks of resident advisor time, and 196 person-weeks of short-term expert time. Resources from IMF headquarters will complement the assistance provided by the Center to its membership.

Revenue Policy and Administration

Countries in the region have made a commendable start to reforms, and results are encouraging, but more effort is needed to achieve the set modernization objectives. The thrust of TA in



East AFRITAC provides assistance to strengthen the quality of producer and consumer price indices.

FY 2008-09 will be to consolidate the gains made, and deepen reforms, by providing advice and building capacity in: (i) taxpayer segmentation and management; (ii) increased use of risk-based compliance and enforcement approaches; (iii) business process review and design; and (iv) the use of robust information technology platforms.

Public Financial Management

The thrust of the activities in the fiscal area will aim at supporting a series of reforms in PFM designed to enhance the allocation and management of public resources. Technical support has been programmed to: (i) facilitate the review, revision, and enforcement of legislative and regulatory frameworks; (ii) consolidate on-going budget reforms aimed at achieving better alignment of resource allocations to national priorities; and (iii) promote treasury reforms aimed at improving the management and accountability of funds. In addition, East AFRITAC will conduct two regional workshops on Cash Management Reforms and Budget Reforms focusing on enhanced transparency and comprehension. East AFRITAC will also facilitate regional workshops organized by development partners and regional collaborative institutions aimed to share international and regional experience in spearheading reforms.

Financial Sector Regulation and Supervision

The major themes for next year's bank supervision work plan are to: (i) develop or strengthen legal and regulatory frameworks on capital adequacy, Islamic banking, and postal savings; (ii) build capacity in supervising non-bank financial institutions, such as microfinance institutions, insurance companies, capital markets, discount houses, and credit reference bureaus; (iii) continue assisting



in the implementation of risk-based approach to supervision; (iv) address specific issues, such as financial stability and Basel II; and (v) conduct focused training on basic bank supervision skills and compilation of financial soundness indicators. A joint workshop on Financial Soundness Indicators will be held together with the Fund's Statistics Departments, and a professional attachment program will be organized for a senior supervisor from the Reserve Bank of Malawi to visit the Capital Markets and Securities Authority of Tanzania.



Monetary Policy and Operations

Focus of future TA is planned to range from introduction to the basics to the development of relatively more advanced processes encompassing monetary policy and operations, payments system modernization, and domestic debt management. The needs can be categorized into: (i) fundamentals of monetary policy formulation, money market

development, and payments system modernization; (ii) development of rules and regulations pertaining to newer products and services, such as e-money and mobile payment systems; defining risk-control regimes; and establishing regulatory interfaces and system oversight capabilities; (iii) support for the introduction of horizontal repos, primary dealership, benchmark bond issuance, familiarization with bond pricing and government securities issuance techniques, and domestic debt risk analysis and management; and (iv) development of liquidity forecasting framework and monetary policy analysis, inflation forecasting model, and measurement of core inflation.



East AFRITAC works with customs agencies to facilitate international trade and tourism.

Economic and Financial Statistics

East AFRITAC will continue to provide TA to support its seven member countries in implementing their capacity building programs in the context of their respective Poverty Reduction Strategies. TA will be provided mainly in the areas of macroeconomic statistics, the GDDS, and the SDDS. East AFRITAC will thus provide TA on (i) the establishment of a program of statistics required for prices, national accounts, SDDS, and GDDS purposes; (ii) concepts and internationally-accepted methodologies; (iii) compilation procedures, including data preparation, verification, and computerization; and (iv) dissemination of data. Both Tanzania and Uganda are participants in the DfID SDDS Phase II Project, and are expected to subscribe to the SDDS by 2010. However, for subscription preparation, East AFRITAC will coordinate with development partners, statistics experts, and IMF Headquarters staff to provide TA on QNA, PPI, and GFS data categories. Furthermore, Kenya is also close to subscribing to the SDDS; however, the PPI first needs to be compiled and disseminated. Therefore, later in 2008, East AFRITAC will provide TA to Kenya in this area.

Coordination will continue with experts in the field, development partners, the Regional Advisor for the GDDS Project in Anglophone African Countries, and the IMF SDDS module manager for Tanzania and Uganda. East AFRITAC aims to encourage member countries to achieve consistency between their work program and their plans for improvement included in their GDDS metadata and for subscribing to the SDDS.

Macro-Fiscal Analysis

The TA work plan for macro-fiscal analysis next year will focus on four key themes. First, strengthening capacities for undertaking financial programming through hands-on training of staff in Finance Ministries—this is a priority in Kenya, Malawi, Rwanda, and Tanzania. Second, improving methodologies and capacities for forecasting fiscal variables, such as interest costs and revenues—a priority in Malawi, Rwanda, and Tanzania. Third, evaluating the scope for domestic financing of government budgets in the medium to long term—a priority in Ethiopia and Uganda. Fourth, improving the monitoring and reporting of monthly fiscal data in Malawi.

Table 3. East AFRITAC Planned Activities, FY 2008–09

	Revenue Policy and Administration	Public Financial Management	Financial Sector Regulation and Supervision	Monetary Policy and Operations	Economic and Financial Statistics	Macro-Fiscal Analysis
IN-COUNTRY SUPPORT						
Eritrea	Review and TA mission; and in-country workshop on audit strategy and techniques.	TA to review PFM strategies, identify TA needs, and support selected reforms.	TA to draft prudential regulations for microfinance supervision and insurance supervision.	Training of BOE staff on fundamentals of monetary policy formulation, introduction to monetary operations process, fundamentals of money market development and payments system modernization.	Follow-up workshop on national accounts compilation. Balance of Payments mission.	
Ethiopia	Revenue administration review and TA mission; and TA in risk management in customs administration.	Capacity-building initiatives in program budgeting, and cash management. Revision of existing regulatory framework. In-country workshops on (i) linking policy, planning, and budgeting; and (ii) cash and debt management.	In-house training on basic bank supervision skills and TA on drafting prudential regulations for Islamic banking and postal savings banks.		TA to compile a Supply and Use Table for national accounts, rebase the CPI, compile external debt data, and improve the coverage of data on the general government sector. Shared with DFID/GDDS project.	TA to support medium-term fiscal framework; evaluation of domestic borrowing capacity and GDP forecasting.
Kenya	Review and TA missions; and TA to modernize domestic tax operations, including strengthening the management of medium taxpayers operations; and enhancing capacity of revenue intelligence functions.	TA to finalize the Public Finance Act and financial regulations and also make provision for fiscal decentralization. Capacity building initiatives program budgeting, commitment control, comprehensiveness of the budget, and fiscal reporting.	Follow-up TA on updating capital adequacy framework, and enhancing risk assessment criteria and guidance in conducting pilot inspection of a banking group on consolidated basis.	Assistance for debt and money market development, including support for initiatives such as benchmark bond issuance, horizontal repurchase agreements, and primary dealership. Assistance for national payments system modernization.	Further work on the compilation of quarterly national accounts; TA to promote PPI construction.	Review of financial programming framework and hands-on training of staff in financial programming.

Table 3 (continued). East AFRITAC Planned Activities, FY 2007–08

	Revenue Policy and Administration	Public Financial Management	Financial Sector Regulation and Supervision	Monetary Policy and Operations	Economic and Financial Statistics	Macro-Fiscal Analysis
IN-COUNTRY SUPPORT						
Malawi	Review and TA missions; and TA in implementing the tax administration modernization strategy, including the strengthening of the large taxpayers office and business process review and modeling.	TA to review existing legislative and regulatory framework. Capacity-building initiatives to support migration to GFSM2001 classification; alignment of budget with national priorities, fiscal reporting, cash management and commitment control. Diagnostic reviews in IFMIS and Intergovernmental fiscal arrangements.	Follow-up TA on pilot risk-based examination with emphasis on pre-examination planning procedures, render assistance in developing a framework for consolidated supervision, and TA on supervision of credit bureaus and discount houses.		TA to develop a PPI. Workshop to sensitize senior officials on GFS 2001 concepts and classification.	TA to strengthen monthly fiscal reporting and monitoring; short- and medium-term budget planning; forecasting of government interest costs; and revenue forecasting.
Rwanda	Support for operational policy development and tax compliance management; and TA in strengthening risk-management in customs administration.	Capacity building to migration to GFSM2001 classification; comprehensiveness of the budget and management of Treasury Single Account within a decentralized framework. TA to formulate a simple guide on accounting procedures. Diagnostic reviews on mainstreaming cash management within IFMIS.	TA to review off-site monitoring system and effective implementation of risk-based supervision framework.	Assistance for the implementation of national payments system framework and strategy, including development of rules and operating procedures for payment service providers, and guidelines for remittance service providers.	On the job training by resident advisor with assistance from IMF headquarters. Workshop on national accounts. TA towards national accounts and rebasing of PPI, and balance of payments and monetary statistics.	TA to strengthen medium- and long-term macroeconomic and fiscal framework, for 2009-11/12 Budget Framework Paper; analysis of economic implications of meeting convergence criteria for EAC monetary union: revenue forecasting.
Tanzania	Tax Modernization Project review and monitoring; and TA to strengthen the intelligence and investigation function.	TA to review and harmonize existing legislative and regulatory framework, assess status of cash management in Zanzibar, and support migration to migration to GFSM2001 classification. Capacity building for cash flow planning and preparation of IPSAS based financial statement and improved internal auditing.	TA to do a quality check on the implementation of risk-based supervision, to review foreign exchange laws and regulations, and to prepare a comprehensive and integrated risk-based supervision manual. Training on financial stability analysis and developing anti money laundering on-site procedures are also planned.	TA to assist with modifying liquidity forecasting framework, guidance on developing an inflation forecasting model and measuring core inflation, and creation of risk management guidelines for electronic banking and mobile payments.	TA to develop quarterly national accounts. Follow up on PPI work in Zanzibar.	Training of staff in financial programming; development of leading indicators of economic activity; review of macroeconomic model; strengthening of medium-term fiscal forecasts.

Table 3 (concluded). East AFRITAC Planned Activities, FY 2007–08

	Revenue Policy and Administration	Public Financial Management	Financial Sector Regulation and Supervision	Monetary Policy and Operations	Economic and Financial Statistics	Macro-Fiscal Analysis
OTHER SUPPORT						
Uganda	TA to improve management of small taxpayers and to acquire an integrated tax administration system.	TA to design and implement cash management and government banking reforms. Support formulation of a reform strategy to improve administration of non-tax revenue.	In-house workshop on basic bank supervision skills, TA on enhancing risk-management assessments of financial institutions and evaluating relevant Basel II Capital issues.		Assistance towards development of quarterly national accounts; expansion of the PPI; improvement in the coverage of government finance statistics; development of a data base for monetary statistics.	TA to evaluate long-term fiscal risks; assess scope for domestic financing of budget; advice on adoption of macroeconomic model.
Regional Workshops	Three East AFRITAC workshops on: (i) Small Taxpayer Administration; (ii) Compliance management in Tax Administration; and (iii) Compliance Management in Customs Administration.	Joint ACBF/World Bank/East AFRITAC Workshops on (i) Cash Management; (ii) Management of Intergovernmental Fiscal Relations, and (iii) Budget Process Reforms.	Joint IMF STA/ East AFRITAC workshop on Financial Soundness Indicators.	High-level seminar for senior central bank executives on Central Bank Policy Communication.	Joint workshop with IMF STA on Financial Soundness Indicators. Rebasing and Benchmarking National Accounts.	
Professional Attachments	Two senior officials from Malawi Revenue Authority will be seconded to the Tanzania Revenue Authority for on-the-job training and experience in the management of large taxpayers operations.	Study visits for Ministry of Finance staff in Ethiopia on program budgeting, and technical staff in Rwanda on fiscal decentralization.	The Director of Non-Banks Supervision Department of the Reserve Bank of Malawi seconded to the Capital Markets and Securities Authority of Tanzania.	Attachment of professional staff from the Central Bank of Kenya (payments system and debt management) and National Bank of Rwanda (payments system).		

Source: East AFRITAC.

Section

4

EAST AFRITAC PROFILE

Our Organization

The East Africa Regional Technical Assistance Centre (East AFRITAC) works with countries and development partners to build local capacities for economic and financial management within the Millennium Development Goals (MDGs) and Poverty Reduction Strategy Paper (PRSP) frameworks. Consistent with the broader IMF technical assistance (TA) strategy to foster institutional capacity for macroeconomic policy formulation and implementation, the Center assists in the execution and monitoring of on-going TA, provides capacity building to member countries, and facilitates donor coordination to enhance these objectives.

The East AFRITAC was established as part of the International Monetary Fund's (IMF) Africa Capacity-Building Initiative. This Initiative was a response to calls by African leaders, including through the New Partnership for Africa's Development (NEPAD), to increase TA to Africa and focus it more sharply on capacity building. The Initiative's strategic goal is to strengthen the capacity of African countries to design and implement their MDGs and poverty-reducing strategies, as well as to



"Family photo" of the 10th East AFRITAC Steering Committee meeting, held in April 2008 in Mombasa, Kenya.

contribute to strengthening the coordination of capacity building TA. As part of this effort, the East AFRITAC cooperates with the African Capacity Building Foundation (ACBF). The East AFRITAC, which was the first of the existing three IMF regional TA centers in sub-Saharan Africa, is based in Dar es Salaam, Tanzania, and supports seven countries in East Africa.

Our Clients

The East AFRITAC serves Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda. It provides support to government institutions operating in its key areas of expertise, such as ministries of finance, revenue authorities, central banks, and statistics offices.

Our Development Partners

The Center is funded through contributions from:

- the government of Tanzania, which finances the Center's office facilities, and local staff;
- the government of Kenya, which provides facilities for some of the Center's training activities;
- the African Development Bank; and governments of Canada, People's Republic of China, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, The Netherlands, Norway, Russian Federation, Sweden, Switzerland, and the United Kingdom; and
- the International Monetary Fund.

Our Vision

The Center's operations are aimed at the development of robust national and regional institutions of macroeconomic management. To this purpose, the governance structure of the Center is designed to foster ownership and accountability in both the beneficiary countries and donor agencies. The operations of the East AFRITAC are thus guided by a Steering Committee, consisting of representatives from the seven member countries, the African Development Bank, three donors representing all bilateral donors, and the IMF.

The East AFRITAC has developed a model of TA delivery which supports this vision. The following are the core tenets of the Center's model of TA delivery:

- A demand-driven approach with member countries identifying areas for capacity building.
- Prompt response to the needs of member countries.
- Development and deployment of local counterpart teams which contribute significantly to country ownership and the sustainability of the reform effort.
- Effective backstopping with inputs from IMF Headquarters, ensuring the relevance and quality of assistance provided.
- Use of advisors, both permanent and short-term, with international and regional experience.
- Use of regional staff attachment programs and collaboration with other regional capacity building institutions.
- Close liaison with development partners in the formulation and delivery of TA.
- A results-based management framework anchored in an annual planning, implementation, and monitoring cycle, complemented by periodic independent evaluations.

Our Activity Areas

The East AFRITAC provides capacity building services in the IMF's core areas of responsibility. These are revenue policy and administration, public financial management, financial sector regulation and supervision, monetary policy and operations, macro-fiscal policy, and economic and financial statistics.

Our Staff

The Center is managed by a Coordinator and comprises eight resident advisors who offer technical advice to member countries on a grant basis.

Center Coordinator: Mr. Mario de Zamaroczy

For the past 20 years, Mr. de Zamaroczy has worked in various IMF Departments. He worked as an economist in the African, European, and Asia-Pacific Departments, where he was in charge of West-African, European, Trans-Caucasian, and South-East-Asian countries. He worked at the IMF Institute where he taught Financial Programming. He re-opened the IMF's resident representative office in the Kingdom of Cambodia and stayed there as the resident representative. He worked as an advisor for several years in the Office of Technical Assistance Management, in the Office of the Managing Director, where he was overseeing TA policy issues, as well as the IMF's six regional TA centers world-wide. Before taking up his current position, he was in charge of that Office. Prior to joining the IMF, Mr. de Zamaroczy had worked in his national government on multilateral development issues. E-Mail: mdezamaroczy@imf.org.



Revenue Policy and Administration Advisor: Mr. Andrew Okello

Mr. Okello has over 16 years experience in revenue policy and administration in Kenya. Until his appointment to the East AFRITAC, Mr. Okello was the Commissioner in-charge of the Domestic Taxes Department at the Kenya Revenue Authority. He also worked on a number of IMF assignments in Africa and the Middle East, and as a resource-person in a number of IMF/East AFRITAC workshops. E-Mail: aokello@imf.org.



Public Financial Management Advisor: Ms. Florence Kuteesa

Ms. Florence Kuteesa is an economist and a public expenditure management specialist (budgeting) with 25 years of experience in development planning, public sector budgeting, and policy analysis and formulation. Prior to joining the East AFRITAC, Ms. Kuteesa was a Senior Manager at PriceWaterhouseCooper (Kenya) where she worked on various public expenditure management-related assignments. She also served (2001-04) as the Director of Budget in the Government of Uganda, and was instrumental in the successful implementation of a number of public expenditure management reforms. She is a founding member of the Collaborative African Budget Reform Initiative (CABRI). E-Mail: fkuteesa@imf.org.





Public Financial Management Advisor: Mr. Mohan Joseph (from August 2008)

Mr. Joseph has had over 25 years experience in government accounting, auditing, and budgeting. Prior to joining East AFRITAC, Mr. Joseph worked in several Ministries of the Government of India in various accounting, financial management, and administrative capacities, including as Joint Secretary to the President of India during 1998-2002. He has had experience in initiating and implementing reforms in government accounting and budgeting. Mr. Joseph was the Project Leader of a World-Bank-funded accounting reform project in the Government of India. He was also closely associated with the formation of the Association of Government Accounting Organisations of Asia (AGAOA), which was promoted to strengthen TA among its member states. He was also the founding General Secretary of the Financial Management Research and Referral Society (FMRRS), located in New Delhi, India. E-mail: mjoseph@imf.org.



Public Financial Management Advisor: Mr. Stephen Mayes (from August 2008)

Mr. Mayes is an economist, a qualified accountant, and an international public financial management expert with over 25 years of experience in the multifaceted aspects of public financial management. Mr. Mayes' strategic advice and technical assistance on major financial reform programs has directly contributed to the strategic development and operational capability of 16 countries world-wide. Before joining East AFRITAC, Mr. Mayes worked for three years as a public financial management advisor in the Fiscal Affairs Department, IMF, Washington. Before that, he worked for twelve years with the Australian Government where he was instrumental in designing and implementing a number of far-reaching reforms, including the implementation of the Government's current accrual- and outputs/outcomes-based budgeting and accounting framework. In his last position with the Australian Finance Ministry, he was Director of Commonwealth Treasury Operations. Mr. Mayes also worked for three years in Bahrain as chief advisor to the Ministry of Finance and National Economy. E-mail: smayes@imf.org.



Bank Supervision Advisor: Ms. Carmencita Santos (until September 2008)

Ms. Santos, a bank supervisor from the Philippines, had been rendering IMF TA in bank supervision since mid-1990's in the Caribbean and Africa, before joining the Center in July 2004. She has an excellent track record in capacity building (for both technical and soft skills) and in discovering existing capacity among her counterparts. She has been active as a resource-person in regional supervision workshops, seminars and conferences, then in South-East Asia and the Caribbean and now in Africa.



Bank Supervision Advisor: Mr. Ian Carrington (from September 2008)

Mr. Carrington began his working career in the private banking sector in Barbados and subsequently moved to the Central Bank of Barbados, where he became the Director of Banking Supervision in 1997. In 2000, Mr. Carrington took up an appointment as a financial sector expert with the United Nations (UN) Global Program against Money Laundering in the UN's Office of Drugs and Crime in Vienna, Austria. He joined the IMF as a senior financial sector expert in 2002, and later worked in the Financial Integrity Group of the Legal Department. He undertook several reviews as part of the IMF's Financial Sector Assessment Program, and provided technical assistance to several member countries of the IMF. E-Mail: icarrington@imf.org.

Monetary Policy and Operations Advisor: Mr. Wilson Varghese

Mr. Varghese has extensive experience in monetary policy formulation and implementation, as well as reserve management, having worked for about ten years at the Bank of Botswana, initially as its Deputy Director of Research and later as the Director of its International Department. On joining the IMF in 1998, Mr. Varghese was assigned as the Research and Policy Advisor to the Central Bank of Liberia. Prior to moving to the East AFRITAC, he was a Technical Assistance Advisor in the Monetary and Capital Markets Department of the IMF, where he was also a Mission Chief for Eritrea, Namibia, and Timor-Leste. E-Mail: wvarghese@imf.org.



Statistics Advisor: Ms. Shelley Winston (from July 2008)

Ms. Winston began her career as an economist at the United States Bureau of Labor Statistics (BLS) in 1997, in the Services Division of Producer Price Index. During her tenure at the BLS, she wrote, tested, and implemented producer price index studies for the Investment Advice, the Stockbrokers and Dealers, and the Commercial and Savings and Loan Banking industries. In 2000, she became a supervisory economist. In this capacity, she supervised junior and senior economists on the Real Estate, Information and Professional Services producer price indexes. In 2002, Ms. Winston joined the IMF Statistics Department as an economist in the Data Dissemination Division where she was responsible for the revision of the real sector data and metadata for over 130 countries. In 2005, Ms. Winston moved to Real Sector Division where she was primarily engaged in technical assistance and methodology work on prices and national accounts in Anglophone African countries. Since 2002, Ms. Winston has participated in six data Report on the Observance of Standards and Codes missions where she used the Data Quality Assessment Framework. E-mail: swinston@imf.org.



Macro-Fiscal Advisor: Mr. Martin Brownbridge (until December 2008)

Mr. Brownbridge has worked as a macroeconomist since the late 1980s, including as macroeconomic advisor for the Ministries of Finance in Uganda and The Gambia, and as a consultant providing technical assistance to governments in Ghana, Tajikistan, and the South Pacific. He co-authored a book on banking reform in Africa, published papers on macroeconomics, fiscal policy, and bank regulation in academic journals and books, and has presented papers at conferences and seminars.



The East AFRITAC is ably assisted by its local support staff (from left to right): Mmes. and Mr. Alice Masimba, Edina Moshi, Diana Makiko, Edson Mdakilwa, Sabah Abdulrahman, and Stamil Togwa.



Annex 1.

List of East AFRITAC Missions

May 2007 – April 2008

Revenue Policy and Administration

	Mission Member	Mission Objective	Country	Mission Dates
1	Andrew Okello	Participate in a multi-donor review of the Tax Modernization Project	Tanzania	May 17 to 25, 2007
2	Ed Biber, and Andrew Okello	Assist in integration and strengthening of the domestic tax administration	Malawi	May 15 to June 8, 2007
3	Alice Rigdon, and Andrew Okello	Review preparedness of Malawi Revenue Authority for phase out of pre-shipment inspection services	Malawi	May 21 to June 1, 2007
4	Peter Barrand, Graeme Ludlow, Gilles Montagnat-Rentier, and Brian Brimble	Provide assistance to Customs Administration	Kenya	July 4 to 17, 2007
5	Ed Biber, Cyrell Wagunda, and Andrew Okello	Assist to develop an effective audit program for large, medium, and small taxpayers	Zanzibar (Tanzania)	August 15 to 28, 2007
6	Andrew Okello	Support to the East African Community	Tanzania	September 10 to 13, 2007
7	Graham Harrison, Andrew Masters, Justin Zake, and Andrew Okello	Participate in a revenue administration diagnostic mission	Rwanda	September 20 to October 3, 2007
8	Mark Connolly, Kalist Okello, and Andrew Okello	Develop an effective risk-management program for Customs Administration	Ethiopia	October 1 to 12, 2007
9	Gerhard Olivier	Assist URA in the procurement of an integrated tax administration system	Uganda	October 5 to November 5, 2007
10	Ed Biber	Assist in integration and strengthening of tax administration	Malawi	November 5 to 16, 2008
11	Andrew Okello	Facilitate a CABRI seminar	Ghana	December 13 to 15, 2007
12	Andrew Okello	Assist URA in the procurement of an integrated tax administration system	Uganda	December 18, 2007
13	Andrew Okello	Participate in a multi-donor review of the Tax Modernization Project	Tanzania	January 21 to February 1, 2008
14	Bruce Irving, and Andrew Okello	Assist to develop a risk-management strategy for customs administration	Rwanda	February 25 to March 21, 2008
15	Mark Konza, and Andrew Okello	Assist to design and implement an appropriate taxation system for small and micro enterprises	Uganda	February 26 to March 19, 2008
16	Andrew Okello, and Tine Stanovnik	Install Prof. Stanovnik in the RRA	Rwanda	March 25 to 27, 2008
17	Kalyebbi Magoola	Develop a governance modernization framework	Malawi	March 26 to April 4, 2008
18	Andrew Okello	Participate in a revenue administration mission	Malawi	April 5 to 7, 2008

Public Financial Management

	Mission Member	Mission Objective	Country	Mission Dates
1	Vijay Ramachandran, Florence Kuteesa, and Camille Karamagi	Participate as resource-persons in a Seminar - Implementation of Organic Budget Law and Financial Regulations	Rwanda	May 7 to 15, 2007
2	Florence Kuteesa, and Vijay Ramachandran	Serve as resource-persons in a Workshop on Budget and Financial Accountability	South Africa	June 22 to 29, 2007
3	Florence Kuteesa	Facilitate a sensitization program on the draft legislation for PFM spearheaded by Ministry of Finance (MoF)	Kenya	June 25 to 26, 2007
4	Florence Kuteesa	Attend meeting on enhancing Partnerships under PFMRP organized by PFM-Donor Working Group	Kenya	July 5, 2007
5	Vijay Ramachandran	Participate in a ROSC mission fielded by IMF/FAD	Kenya	July 11 to 25, 2007
6	Mario de Zamaróczy and Florence Kuteesa	Attend Workshop on preparation for the Review of PFMRP and Strategy by MoF	Tanzania	July 17 to 19, 2007
7	Vijay Ramachandran, and Neil Campbell	Participate in a Workshop on GFS 2001 and assist the authorities to move towards a uniform budget	Malawi	July 30 to August 7, 2007
8	Vijay Ramachandran	Participate in a World Bank mission on budget reporting and IFMIS review	Uganda	September 16 to 22, 2007
9	Vijay Ramachandran, and Florence Kuteesa	Review procedures for a commitment control mechanism. Assess progress of the program budget reform	Ethiopia	August 27 to September 2, 2007
10	Vijay Ramachandran	Participate in the consultations on, and design of, PFM Reform Strategy	Zanzibar (Tanzania)	October 4, 2007
11	Florence Kuteesa, and Philip Sinnet	Assess capacity-building implications of Organic Budget Law and Financial Regulations	Rwanda	October 1 to 12, 2007
12	Vijay Ramachandran, and Neil Campbell	Review budget classification and chart of accounts	Tanzania and Zanzibar	October 15 to November 2, 2007; November 5 to 9, 2007
13	Vijay Ramachandran	Participate in a review mission on PFM reforms	Rwanda	November 1 to 3, 2007
14	Florence Kuteesa	Participate in a Joint Review Mission on PFM reforms	Kenya	November 4 to 8, 2007
15	Florence Kuteesa	Participate in a PFM Retreat on follow-up on reforms organized by donors	Uganda	November 9 to 11, 2007
16	Duncan Last, and Florence Kuteesa	Participate in a mission to review progress on program budgeting	Ethiopia	December 3 to 5, 2007
17	Florence Kuteesa	Participate in the Annual CABRI Seminar on Medium-Term Perspective in Budgeting	Ghana	December 12 to 14, 2007
18	Ian Mackenzie, Dan Narainsamy, and Florence Kuteesa	Train trainers for the roll-out of program budgeting within civil service	Ethiopia	January 7 to 22, 2008

Public Financial Management (*concluded*)

	Mission Member	Mission Objective	Country	Mission Dates
19	Florence Kuteesa, and Martin Brownbridge	Participate as resource-persons in a Seminar for the Finance and Economic Affairs Committee of Parliament	Tanzania	January 22 to 23, 2008
20	Thuy Mellor	Review the existing cash management and banking arrangements	Uganda	March 10 to 14, 2008
21	Florence Kuteesa, Maris Wanyera, Adrienne Shall	Review budget and MTEF preparation process	Rwanda	April 7 to 18, 2008
22	Godfrey Kalinga	Review legislative and regulatory framework for administration of non-tax revenue	Uganda	April 7 to 18, 2008

Financial Sector Regulation and Supervision

	Mission Member	Mission Objective	Country	Mission Dates
1	Carmencita Santos, and Peter Phelan	Review supervisory programs based on banks' risk profiles at CBK	Kenya	May 14 to 25, 2007
2	Carmencita Santos, and Robert Porter	Draft specific prudential regulations for mortgage banking at BOU	Uganda	May 28 to June 15, 2007
3	Carmencita Santos	Attend the meeting on the Coordinated Compilation Exercise on Financial Soundness Indicators	USA	May 29 to June 1, 2007
4	Carmencita Santos, and Norman Mataruka	Follow-up on risk-based supervision at BNR	Rwanda	June 25 to July 6, 2007
5	Carmencita Santos	Assist in conducting a pilot stress-testing exercise at BOT	Tanzania	July to August 2007 (various dates)
6	Michael Andrews	Develop a framework for consolidated supervision at BOT	Tanzania	July 23 to August 3, 2007
7	Carmencita Santos	Assist in amending prudential requirements at CBK on capital adequacy and in drawing up a Basel II roadmap	Kenya	August 13 to 24, 2007
8	Carmencita Santos	Review and finalize the technical paper for risk-based supervision at RBM	Malawi	September 12 to 20, 2007
9	Carmencita Santos, and Norman Mataruka	Review and finalize Risk-Based Supervision Framework at NBE	Rwanda	September 24 to October 5, 2007
10	Robert Porter	Improve off-site surveillance reports and conduct financial analysis training at BOT	Tanzania	October 15 to November 1, 2007
11	Michael Andrews	Prepare a Problem Bank Manual and conduct training on its use at BOT	Tanzania	November 19 to 30, 2007
12	Michael Andrews	Follow-up on implementation of consolidated supervision at BOU	Uganda	January 21 to 25, 2008
13	Carmencita Santos, and Norman Mataruka	Conduct a pilot risk-based examination of a bank at NBE	Ethiopia	January 21 to February 8, 2008
14	Peter Phelan	Review of risk-management programs submitted by banks to RBM	Malawi	March 4 to 14, 2008

Financial Sector Regulation and Supervision (*concluded*)

	Mission Member	Mission Objective	Country	Mission Dates
15	Carmencita Santos, and Mackay Aomu	Oversee pilot risk-based inspection of a bank in Malawi	Malawi	March 4 to 20, 2008
16	Carmencita Santos	Participate as a Resource Person in a Seminar on Risk-Based Supervision Framework for Bankers and Directors in Tanzania	Tanzania	March 17 to 31, 2008
17	Michael Andrews	Develop a framework for consolidated supervision at BNR	Rwanda	March 26 to April 8, 2008
18	Carmencita Santos, and Robert Porter	Draft prudential regulations on e-banking and conduct in-house training at BOU	Uganda	April 7 to 18, 2008
19	Michael Andrews	Follow-up on implementation of consolidated supervision at CBK	Kenya	April 10 to 22, 2008

Monetary Policy and Operations

	Mission Member	Mission Objective	Country	Mission Dates
1	Wilson Varghese	Provide assistance on money market development	Ethiopia	July 16 to 20, 2007
2	Wilson Varghese	Provide assistance on NBR on monetary policy formulation	Rwanda	July 19 to 26, 2007
3	Wilson Varghese	Provide guidance on best practices on government cash management	Tanzania	September 4 to 8, 2007
4	Wilson Varghese	Assist with drafting a strategy paper on consolidating government accounts at BOT	Tanzania	September 11 to 14, 2007
5	Wilson Varghese	Provide assistance on payment systems modernization	Kenya	October 1 to 5, 2007
6	Tomas Hladek, and Wilson Varghese	Provide assistance on payment systems modernization	Rwanda	October 25 to 31, 2007
7	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	May 8 to 11, 2007
8	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	July 11 to 14, 2007
9	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	September 25 to 27, 2007
10	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	November 8 to 10, 2007
11	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	December 23 to 24, 2007
12	Wilson Varghese	Provide assistance on liquidity forecasting	Tanzania	January 11, 2008
13	Wilson Varghese	Provide assistance to BOE with monetary policy formulation	Eritrea	March 27 to April 3, 2008
14	Tomas Hladek, and Wilson Varghese	Provide assistance on payment systems modernization	Rwanda	April 23 to 30, 2008

Economic and Financial Statistics

	Mission Member	Mission Objective	Country	Mission Dates
1	Devi Manraj	Attend a meeting of the African Union's Statistics Commission	Rwanda	June 3 to 8, 2007
2	Devi Manraj	Provide assistance on national accounts	Ethiopia	June 21 to 30, 2007
3	Devi Manraj	Provide assistance on price statistics	Zanzibar (Tanzania)	July 18 to 24, 2007
4	Devi Manraj	Organize a joint STA/PFM in-house workshop on GFS 2001	Malawi	August 1 to 3, 2007
5	Devi Manraj	Participate in training on PPI at the NSO	Malawi	August 6 to 11, 2007
6	Devi Manraj	Provide assistance on national accounts	Rwanda	October 1 to 5, 2007
7	Russel Freeman	Follow-up on quarterly national accounts at UBOS	Uganda	March 25 to April 9, 2008

Macro-Fiscal Analysis

	Mission Member	Mission Objective	Country	Mission Dates
1	Martin Brownbridge	Assist the Policy Analysis Department of the MoF	Tanzania	December 7, 2007 to April 30, 2008
2	Martin Brownbridge	Assist the macroeconomic Planning and scoping mission to assess TA needs Department of the MOFED	Ethiopia	January 14 to 19, 2008
3	Martin Brownbridge	Conduct scoping mission to assess TA needs	Rwanda	April 1 to 3, 2008
4	Martin Brownbridge	Conduct scoping mission to assess TA needs	Malawi	April 7 to 11, 2008

Annex 2.

List of East AFRITAC Short-Term Experts

Since 2003

Revenue Policy and Administration

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
1	Tanzania	3/31/03	5/9/03	Roy, Robert	Canada
2	Tanzania	9/18/03	10/22/03	Roy, Robert	Australia
3	Eritrea	11/19/03	11/21/03	Biber, Ed	Australia
4	Eritrea	11/24/03	12/20/03	Biber, Ed	Australia
5	Rwanda	2/24/04	2/26/04	Cloutier, Richard	Canada
6	Rwanda	3/1/04	4/8/04	Cloutier, Richard	Canada
7	Kenya	3/3/04	4/8/04	Seymour, Geoffrey	Australia
8	Rwanda	5/24/04	6/18/04	Richard, Cloutier	Canada
9	Tanzania	7/21/04	8/6/04	Story, Thomas	Australia
10	Tanzania	9/22/04	9/24/04	Roy, Robert	Canada
11	Rwanda	10/25/04	11/19/04	Cloutier, Richard	Canada
12	Tanzania	11/4/04	11/12/04	Roy, Robert	Canada
13	Tanzania	1/8/05	2/11/05	Roy, Robert	Canada
14	Rwanda	2/20/05	3/19/05	Cloutier, Richard	Canada
15	Rwanda	6/19/06	6/30/06	Gillianders, Norman	Ireland
16	Tanzania, Zanzibar	8/6/06	8/18/06	Biber, Edmund	Australia
17	Uganda	9/18/06	9/29/06	Gerhard, Olivier	South Africa
18	Rwanda	10/4/06	10/24/06	Connolly, Mark	Canada
19	Workshop	11/28/06	12/4/06	Okello, Andrew	Kenya
20	Workshop	1/9/07	1/30/07	Connolly, Mark	Canada
21	Tanzania, Zanzibar	1/15/07	1/26/07	Biber, Edmund	Australia
22	Tanzania	2/5/07	2/16/07	Hutton, Erick	Canada
23	Tanzania, Zanzibar	2/22/07	3/8/07	Tait, Robert	Canada
24	Uganda	3/15/07	3/30/07	Gerhard, Olivier	South Africa
25	Workshop	4/30/07	5/5/07	Kyamuhanaga, Jocktan	Tanzania
26	Workshop	4/30/07	5/5/07	Connolly, Mark H.	Canada
27	Workshop	4/30/07	5/5/07	Irving, Bruce Michael	Canada
28	Malawi	5/15/07	6/8/07	Biber, Ed	Australia
29	Malawi	5/21/07	6/1/07	Rigdon, Alice	USA

Revenue Policy and Administration *(concluded)*

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
30	Workshop	7/25/07	8/2/07	Michel, Marion	Canada
31	Tanzania, Zanzibar	8/15/07	8/28/07	Biber, Ed	Australia
32	Tanzania, Zanzibar	8/15/07	8/28/07	Wagunda, Cyrell	Kenya
33	Ethiopia	10/1/07	10/12/07	Connolly, Mark	Canada
34	Ethiopia	10/1/07	10/12/07	Okello, Kalist	Uganda
35	Uganda	10/5/07	11/5/07	Gerhard, Olivier	South Africa
36	Malawi	11/5/07	11/6/07	Biber, Ed	Australia
37	Workshop	12/3/07	12/7/07	Russell, Barrie	Australia
38	Rwanda	2/25/08	3/21/08	Irving, Bruce	Canada
39	Uganda	2/26/08	3/19/08	Konza, Mark	Australia
40	Malawi	3/26/08	4/4/08	Magoola, Kalyebbi	Uganda
41	Workshop	4/28/08	5/2/08	Tricoli, Dante	Italy
42	Workshop	4/28/08	5/2/08	Kamoto, Raphael	Malawi

Public Financial Management

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
1	Eritrea	4/20/03	5/4/03	Campbell, Neil	Canada
2	USA	5/21/03	5/28/03	Alemneh, Gebeyehu	Ethiopia
3	Rwanda	6/1/03	6/20/03	Alemneh, Gebeyehu	Ethiopia
4	Rwanda	8/13/03	8/26/03	Robinson, Russel	Canada
5	Rwanda	8/13/03	8/26/03	Neumann, Ronald	Canada
6	Eritrea	9/15/03	10/12/03	Warren, John	UK
7	Eritrea	9/22/03	10/3/03	Campbell, Neil	Canada
8	Kenya	10/6/03	10/6/03	Campbell, Neil	Canada
9	Ethiopia	11/10/03	11/21/03	Campbell, Neil	Canada
10	Eritrea	11/10/03	12/2/03	Warren, John	UK
11	Kenya	11/10/03	11/21/03	Kidane, Abraham	Eritrea
12	Ethiopia	12/11/03	12/20/03	Spahn, Paul Bernd	Germany
13	Ethiopia	12/11/03	12/20/03	Emery, Peter	Australia
14	Eritrea	1/11/04	1/31/04	Warren, John	UK
15	Ethiopia	2/14/04	4/15/04	Emery, Peter	Australia
16	Kenya	6/20/04	7/10/04	Ronsholt, Frans Erik	Denmark
17	Rwanda	8/16/04	10/10/04	Mills, J. Allan	Canada

Public Financial Management (*concluded*)

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
18	Kenya	2/28/05	3/27/05	Campbell, Neil	Canada
19	Tanzania	7/3/06	7/21/06	Warren, John	UK
20	Workshop	8/21/06	8/25/06	Shall, Adrienne	South Africa
21	Ethiopia	1/18/07	2/9/07	Mackenzie, Ian	South Africa
22	Kenya	1/22/07	2/9/07	Warren, John	UK
23	Ethiopia	1/22/07	2/9/07	Shall, Adrienne	South Africa
24	Kenya	2/1/07	2/7/07	Lang, Ian David	Italy
25	Rwanda	5/7/07	5/15/07	Caramagi, Camille	Rwanda
26	Malawi	7/30/07	8/7/07	Campbell, Neil	Canada
27	Rwanda	10/1/07	10/12/07	Sinnet, Philippe	South Africa
28	Tanzania	10/15/07	11/9/07	Campbell, Neil	Canada
29	Ethiopia	1/7/08	1/22/08	Mackenzie, Ian	South Africa
30	Ethiopia	1/7/08	1/22/08	Narainsamy, Dan	South Africa
31	Uganda	3/10/08	3/14/08	Mellor, Thuy	Australia
32	Rwanda	4/7/08	4/18/08	Wanyera, Maris	Uganda
33	Rwanda	4/8/08	4/18/08	Shall, Adrienne	South Africa
34	Uganda	4/7/08	4/18/08	Kalinga, Godfrey	Malawi

Financial Sector Regulation and Supervision

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
1	Tanzania	1/15/03	1/18/03	Phelan, Peter	UK
2	Ethiopia	7/28/03	7/31/03	Bagyenda, Justine N.	Uganda
3	Kenya	8/4/03	8/8/03	Mudenda, Edna	Zambia
4	Kenya	8/4/03	8/8/03	Bamber, Roy Terence	South Africa
5	Kenya	9/29/03	10/3/03	Blackburn, Wayne	Canada
6	Kenya	10/27/03	11/1/03	Stokes, Graham	South Africa
7	Eritrea	3/15/04	3/24/04	Kheladze, Kakhaber	Georgia
8	Ethiopia	3/22/04	3/26/04	Bagyenda, Justine N.	Uganda
9	Ethiopia	3/22/04	3/26/04	Mudenda, Edna	Zambia
10	Kenya	3/29/04	4/2/04	Andrews, Alfred	Canada
11	Kenya	3/29/04	4/2/04	Fralin, Lewis Wayne	USA
12	Eritrea	4/22/04	5/7/04	Kheladze, Kakhaber	Georgia
13	Rwanda	5/10/04	5/25/04	Ramsey, Robert Lee	USA

Financial Sector Regulation and Supervision *(continued)*

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
14	Kenya	5/10/04	5/14/04	Staschen, Stefan	USA
15	Eritrea	5/15/04	5/28/04	Fralin, Lewis Wayne	USA
16	Kenya	6/7/04	6/25/04	Ramsey, Robert Lee	USA
17	USA	7/26/04	7/29/04	Lopes, Edward	USA
18	Rwanda	8/30/04	9/3/04	Kimball, John R.	USA
19	Eritrea	9/20/04	9/24/04	Kheladze, Kakhaber	Georgia
20	Eritrea	9/24/04	10/7/04	Ramsey, Robert Lee	USA
21	Eritrea	11/2/04	11/12/04	Ramsey, Robert Lee	USA
22	Uganda	12/6/04	12/15/04	Mataruka, Norman	Zimbabwe
23	Uganda	12/13/04	12/15/04	Badasu, Francis	Ghana
24	Kenya	1/17/05	1/28/05	Tarique, Shehzad	USA
25	Kenya	1/17/05	1/28/05	Dockir, Jesper	Belgium
26	Eritrea	2/7/05	2/18/05	Ramsey, Robert Lee	USA
27	Rwanda	6/3/06	6/19/06	Mataruka, Norman	Zimbabwe
28	Tanzania	7/3/06	7/14/06	Aomu, Mackay	Uganda
29	Uganda	7/12/06	7/25/06	Ford, Christopher	Australia
30	Tanzania	8/28/06	9/15/06	Michael, Andrews	Canada
31	Rwanda	9/20/06	9/29/06	Edna, Mudenda	Zambia
32	Uganda	9/25/06	10/11/06	Mataruka, Norman	Zimbabwe
33	Workshop	11/25/06	12/9/06	Mataruka, Norman	Zimbabwe
34	Ethiopia	11/27/06	12/1/06	Bagyenda, Justine N.	Uganda
35	Ethiopia	11/27/06	12/1/07	Andrews, Michael	Canada
36	Workshop	11/27/06	12/1/06	Andrews, Michael	Canada
37	Kenya	1/27/07	2/12/07	Mataruka, Norman	Zimbabwe
38	Uganda	2/24/07	3/7/07	Andrews, Michael	Canada
39	Kenya	3/16/07	3/23/07	Andrews, Michael	Canada
40	Kenya	5/14/07	5/25/07	Phelan, Peter	UK
41	Uganda	5/28/07	6/15/07	Porter, Robert	USA
42	Rwanda	6/25/07	7/6/07	Mataruka, Norman	Zimbabwe
43	Tanzania	7/23/07	8/3/07	Andrews, Michael	Canada
44	Rwanda	9/24/07	10/5/07	Mataruka, Norman	Zimbabwe
45	Tanzania	10/15/07	11/1/07	Porter, Robert	USA
46	Tanzania	11/19/07	11/30/07	Andrews, Michael	Canada
47	Uganda	1/21/08	1/25/08	Andrews, Michael	Canada
48	Ethiopia	1/21/08	2/8/08	Mataruka, Norman	Zimbabwe

Financial Sector Regulation and Supervision (*concluded*)

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
49	Malawi	3/4/08	3/14/08	Phelan, Peter	UK
50	Malawi	3/11/08	3/20/08	Aomu, Mackay	Uganda
51	Rwanda	3/26/08	4/8/08	Andrews, Michael	Canada
52	Uganda	4/7/08	4/18/08	Porter, Robert	USA
53	Kenya	4/10/08	4/22/08	Andrews, Michael	Canada

Monetary Policy and Operations

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
1	Tanzania	6/4/03	6/6/03	Li Yun Fong, Jose	Mauritius
2	Tanzania	6/4/03	6/6/03	Thompson, Alastair	UK
3	Ethiopia	7/28/03	7/31/03	Lopes, Edward	USA
4	Kenya	8/3/03	8/11/03	Nordman, Tom E.	Finland
5	Kenya	8/3/03	8/8/03	Thompson, Alastair	UK
6	Ethiopia	8/24/03	9/5/03	Lopes, Edward	USA
7	Ethiopia	9/23/03	10/1/03	Nordman, Tom E.	Finland
8	Ethiopia	12/8/03	12/12/03	Lopes, Edward	USA
9	Tanzania	1/19/04	1/24/04	Andersson, Martin	Sweden
10	Tanzania	1/19/04	1/24/04	Blavarg, Martin	Sweden
11	Rwanda	3/9/04	3/12/04	Kone, Zoumana	Mali
12	Rwanda	3/9/04	3/12/04	Kaboyo, Stephen	Uganda
13	Ethiopia	4/20/04	5/3/04	Iden, George R.	USA
14	Kenya	5/17/04	5/21/04	Nordman, Tom E.	Finland
15	Kenya	5/17/04	5/21/04	Leimone, John E.	USA
16	Ethiopia	9/20/04	9/27/04	Iden, George R.	USA
17	Rwanda	9/22/04	10/4/04	Nordman, Tom E.	Finland
18	Kenya	11/15/04	11/19/04	Wangwe, Seronga	Tanzania
19	Kenya	10/16/06	10/20/06	Atingi-Ego, Michael	Uganda
20	Workshop	11/27/06	12/1/06	Lindgren, Carl Johan	USA
21	Kenya	10/1/07	10/5/07	Robotham, Mike	UK
22	Rwanda	10/25/07	10/31/07	Hladek, Tomas	Czech Republic
23	Workshop	11/27/07	11/30/07	Hladek, Tomas	Czech Republic
24	Workshop	11/27/07	11/30/07	Kokkola, Tom	Germany
25	Workshop	11/27/07	11/30/07	Robotham, Mike	UK

Monetary Policy and Operations *(concluded)*

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
26	Workshop	3/3/08	3/7/08	Rubinah, Robinah	Uganda
27	Rwanda	4/23/08	4/30/08	Hladek, Tomas	Czech Republic
28	Kenya	7/14/08	7/25/08	Osterberg, William	USA
29	Kenya	8/11/08	8/22/08	Teehan, Jerry	Ireland
30	Rwanda	9/22/08	10/3/08	Stokes, Graham	South Africa
31	Tanzania	10/6/08	10/7/08	Krishnamurthy, K.N.	India
32	Kenya	10/13/08	10/24/08	Teehan, Jerry	Ireland

Economic and Financial Statistics

	Country of Assignment	Start Date	End Date	Expert	Country of Origin
1	Eritrea	6/9/03	6/20/2003	Kiregyera, Ben	Uganda
2	Uganda	1/5/04	1/23/04	van den Anel, Willem	The Netherlands
3	Rwanda	1/5/04	1/16/04	Delmares, Jean-Pierre	France
4	Uganda	6/17/04	7/13/04	van den Anel, Willem	The Netherlands
5	Kenya	10/27/04	11/12/04	Radeby, Jan	Sweden
6	Uganda	1/3/05	1/28/05	van den Anel, Willem	The Netherlands
7	Tanzania	1/17/05	1/28/05	Sundgren, John	Finland
8	Tanzania	1/31/05	1/12/05	Lennblad, Anna	Sweden
9	Rwanda	5/29/06	6/9/06	Khumalo, Bongani	South Africa
10	Rwanda	5/29/06	6/9/06	Brown, Kenneth	South Africa
11	Uganda	7/26/06	8/3/06	Redeby, Jan	Sweden
12	Eritrea	9/11/06	9/22/06	Lennblad, Anna	Sweden
13	Rwanda	9/24/06	10/13/06	Guido, Melis	Belgium
14	Malawi	10/23/06	10/27/06	Ortiz, Gustavo	Chile
15	Kenya	11/20/06	12/2/06	Bouwer, Gerhard	South Africa
16	Workshop	11/30/06	12/6/06	Redeby, Jan	Sweden
17	Ethiopia	3/26/07	4/6/07	Sundgren, John	USA
18	Kenya	4/23/07	4/27/07	Redeby, Jan	Sweden
19	Malawi	4/25/07	5/8/07	Melis, Guido	Belgium
20	Tanzania	3/5/2007	3/16/07	Walters, Stephanus S.	South Africa

Source: East AFRITAC.



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