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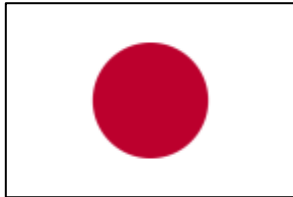
REPORT ON ACTIVITIES

THE IMF'S COVID-19 CRISIS CAPACITY DEVELOPMENT INITIATIVE

DECEMBER 2021

Institute for Capacity Development

PARTNERS



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The IMF's COVID-19 Crisis Capacity Development Initiative

Report on Activities December 2021

We are pleased to share this report with the Coordinating Committee of the COVID-19 Crisis Capacity Development Initiative (CCCDI). The report has been prepared in advance of the fourth Coordinating Committee meeting, which will be held on January 11, 2022, and provides Committee members with an update on the work program and financing of the CCCDI.

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

In support of these CD needs, implementation under the CCCDI is ongoing, and the scope of the work program is being extended to address critical needs. Funds have been allocated to 42 CD activities of which two are new. (Two ongoing activities have been merged with others.) Since the last quarterly report:

- More than 200 government officials participated in courses related to improving tax administration to boost domestic revenues in Central America.
- The IMF provided CD to integrate gender into medium-term and annual budget processes in The Gambia and Liberia. Three missions were completed with a third country to be identified in early 2022; the IMF hired an expert to work on gender diversity in central banks. A survey will be carried out in January to capture baseline data.
- In Mozambique, the IMF extended assistance to strengthen the capacity of Supreme Audit Institutions. CD support on emergency audits was requested by Solomon Islands, Comoros, and Guinea Bissau; preliminary work on establishing a database of published audits of emergency spending has started and will be shared before the end of the fiscal year.
- In South Asia, the IMF delivered regional webinars to 6 member countries on ways to improve cybersecurity in the financial sector.
- In Samoa, the IMF piloted new tools designed to enhance macro-fiscal analysis of climate policies. The toolkit was deployed as part of the IMF's Climate Macroeconomic Assessment Program (CMAP).

Business Continuity, Disaster Recovery, and Boosting Domestic Revenues

- Eight countries have benefited from CD on (a) how to manage disruptions in domestic revenue; and (b) how to ensure equity and fairness in tax reforms. Six additional countries are expected to seek assistance in 2022.
- The IMF provided CD to Angola, Madagascar, and Namibia to address disaster recovery plans and good practices in business continuity and tax administration. A regional seminar to share lessons is currently being developed.
- In Albania, the IMF is working with authorities to update the Medium-Term Revenue Strategy (MTRS) to incorporate COVID-19 shocks and to strengthen customs administration to boost domestic revenues.
- In Lebanon, the IMF is developing short and longer-term recommendations to address sharp declines in tax revenues due to national lockdowns and other challenges over the past two years.

Robust support from partners has enabled the wide range of activities set out in this report, but with strong demand for CD services, additional fundraising efforts will be undertaken. Declared financial support from partners currently totals \$39.9 million of which \$33.7 million has been signed and \$30.0 million received. Programming commitments total \$43.5 million to date and new additional urgent crisis recovery-related requests reach \$9.3 million, reflecting the strong demand for urgent CD support, particularly for lower-income countries and fragile states. On this basis, additional funding of at least 13 million will be needed, and IMF staff will continue to seek support from donors.

Tables 2 and 3 provide information on signed funding commitments, liquidity, and envisaged funding gaps.

Given the emergence of new variants of the COVID virus, low vaccination rates, and limited dissemination of vaccines in many parts of the world, the pandemic continues to pose significant risks to economic and financial stability. Capacity development to strengthen economic institutions and provide safety nets to vulnerable populations continues to be essential. Partner support is critical to ensure a strong and steady global recovery.

Table 1. CCCDI Subaccount Workplan
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative
FY2021-FY2024

As of December 16, 2021
(in millions of U.S. dollars)

Regional Programs	RCDC	FY22	FY23	FY24
AFC Customs Administration Advisor to modernize customs Status: A customs administration advisor has been selected. His appointment is planned to start on January 3.	AFRITAC Central	0.22	0.45	0.45
AFC and AFW Tax and Customs Digitalization Status: Areas for implementation are identified. The digitalization delivery plan, aligned with countries' revenue administration reforms, will be implemented over FY22 and 23.	AFRITAC Central and West	0.80	0.35	—
Revenue Mobilization, PFM, Monetary Policy and Foreign Exchange, Financial Sector Supervision, Statistics and High Frequency Data for Nowcasting, Cybersecurity Status: Since May 2021, 65 CD activities have been completed and 23 are ongoing. Support was provided to Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania and Uganda in all program areas.	AFRITAC East	2.50	2.50	—
AFE Tax Administration Advisor to provide in-country support to Ethiopia, Kenya, Rwanda, and Uganda on their MTRS Status: The advisor has been appointed and is expected to commence work in February 2022.	AFRITAC East	0.22	0.45	0.45
AFS Tax Administration Advisor to provide hands-on-support to get revenue collections back to pre-COVID-19 levels. Status: A tax administration advisor has been appointed and will start on December 8, 2021. The expert will start to work remotely and then travel to Mauritius by end of January 2022.	AFRITAC South	0.23	0.45	0.45
Business Continuity and Disaster Recovery Assistance Status: Three CD missions (totaling 30 days) have been delivered to Angola, Madagascar and Namibia in Q3 with a further three missions (totaling 30 days) planned for Q4. Resources have been assigned for the development of business continuity plan guidance and the design and delivery of a follow-up regional seminar.	AFRITAC South	0.12	0.12	—
Transparency in the accounting, budgeting, execution, reporting and monitoring of COVID-19 resources; macro-fiscal management tools and public investments management Status: A regional advisor for Guinea, Guinea-Bissau, and Niger has been hired. On December 1, 2021, the advisor has started his work with Guinea following the approval of his annual work plan by the Guinean authorities. Preparatory work on drafting his work plan for Niger and Guinea-Bissau is ongoing.	AFRITAC West	0.74	0.30	—
Tax Administration Advisor dedicated to Burkina Faso and Mali and support on governance and revenue administration (merged) Status: An advisor has been recruited and will start in December 15, 2021. Recruitment of an expert and the webinar preparation processes to start in January 2022.	AFRITAC West	0.26	0.43	0.42
Integrate debt management and cash management to exit from COVID-19 crisis Status: The project will initiate its activities with a virtual mission to Mali (January 17-28) that will aim at a better implementation of the debt strategy and the annual borrowing plan in connection with the cash flow plan.	AFRITAC West	0.05	0.13	—

Regional Programs (continued)	RCDC	FY22	FY23	FY24
Collection of statistics and data related to COVID19 and public policy response to the crisis Status: Planned for FY22/FY23.	AFRITAC West	0.03	0.03	—
AFW Supervisory Authorities Resilience Status: The workshop took place in October, in coordination with AFC.	AFRITAC West	0.02	—	—
Assessing credit risks at Banks affected by the crisis Status: Planned for FY23	AFRITAC West	0.02	0.02	—
Exiting from the crisis - financial supervision and regulation Status: Delivered in May 2021.	AFRITAC West	0.01	—	—
Support countries to integrate gender issues in annual and medium term budget processes; Ghana to incorporate climate into infrastructure and appraisal (merged) Status: On climate, the beneficiary has been finalizing the annual budget process and is expected to confirm availability for a TA mission. Sierra Leone and Gambia have shown interest in support. On gender two missions to Gambia and one to Liberia have been completed. Discussions for a mission to the third country are pending.	AFRITAC West 2	0.95	0.60	—
Trade facilitation, border controls, risk management, safeguarding revenues and business continuity. Status: Consultations with the authorities are underway to start implementation in nearly 2022.	AFRITAC West 2	0.30	0.45	—
Capacity development on greening macro-frameworks, debt management, and improved forecasting Status: Terms of reference for hiring the resilience advisor have been finalized. The recruitment of the advisor is expected to be finalized by February 2022. ATI is discussing with external experts a new delivery of the course on macroeconomics of pandemics during FY23.	ATI	0.30	0.30	0.90
Knowledge transfer to develop and operate macroeconomic forecasting tools and policy decision frameworks to address the COVID-19 crisis and other shocks Status: Staffing for two of the four projects (El Salvador and Dominican Republic) will be ready in January 2022. Scoping missions will be planned for February/March 2022 with delivery schedule to start by March/April 2022. Activities for the remaining two countries (Honduras and Nicaragua) will depend on reengaging with the new governments after recent elections, to be assessed in January/February 2022.	CAPTAC-DR	0.50	0.65	—
Improve tax administration and compliance to boost domestic revenues and promote more inclusive growth Status: Two courses on filing and payment obligations and a course on the tax auditing process have taken place with an overall participation of around 200 officials. A fourth course is scheduled for January 2022.	CAPTAC-DR	0.08	0.19	—
Boost domestic revenues impacted by COVID Status: A successful candidate for a customs administration advisor has been selected. The advisor is planned to start by January 17, 2022	METAC	0.31	0.63	—
Macro-fiscal advisor at SARTTAC to support building strong macro-fiscal planning and forecasting functions. Status: A new advisor has been recruited and is expected to commence their assignment in January 2022. Workplans include supporting activities on macro-fiscal frameworks and fiscal risk management and reporting in India (subnational level) and Sri Lanka.	SARTTAC	0.17	0.38	—
Work with 6 member countries to assess cyber-regulatory frameworks to strengthen financial and payment systems in the face of greater cyber-risks Status: Regional webinars on cybersecurity issues in the financial sector were held on December 1-2, 2021 for SARTTAC's six member countries.	SARTTAC	0.05	—	—

Thematic Programs	Theme	FY22	FY23	FY24
Supporting policymaking in low-income countries and low-end emerging market economies on climate change issues and income inequality Status: The project on assessing the effect of epidemics on school completion finds that epidemics lead to a significant increase in school dropout for both boys and girls, with girls most hardly affected. The findings were presented during the 2021 Annual Meetings and published as an IMF working paper. An ongoing project is developing a DSGE model to study how climate change and demographic developments can affect macroeconomic outcomes. Another ongoing work studies how natural disasters affect the cost of foreign and domestic debts.	Climate Change	0.60	—	—
Supporting policymaking in low-income countries and low-end emerging market economies on climate change issues and income inequality Status: The first pilot country application of a model-based toolkit to enhance the macro-fiscal analysis of climate policies in Samoa was conducted as part of the Climate Macroeconomic Assessment Program (CMAP). To capture real-time distributional impacts of the pandemic in developing countries, a 2nd round dataset of an online survey was compiled, which covers the period when the COVID-19 infection was much more prevalent due to the Delta variants. In addition, a newly hired expert will start in January to look into the micro household surveys from India to understand the impact of COVID-19 on inequality and poverty, as well as identifying the role of policy responses. On gender issues, an expert is hired to work on gender diversity in central banks. We prepared a draft for the tailored survey to central banks, which will be rolled out to several central banks in early January.	Climate Change	0.60	—	—
Transition risks from climate change mitigation policies (new) Status: Planned.	Climate Change	0.20	0.40	—
Capacity Development for ministries of finance evaluating public spending allocations, adequacy, efficiency and sustainability of funds, with a focus on SDGs Status: In Sierra Leone, regular workshops continue on benefit incidence analysis of education (near complete) and on health spending (ongoing), and expansion of CD to cover public wage bill management is planned. In Jordan, the staffing of the new Macro-Fiscal Unit, a necessary pre-condition for the expenditure policy CD project, has progressed and desk work on CD support for energy subsidy reform continues.	Expenditure Policy	0.55	0.55	—
Incorporating COVID-related fiscal risks in the Fiscal Risk Assessment Tool (FRAT) to provide a high-level portfolio perspective on macroeconomic and specific fiscal risks Status: An expert to deliver an initial quantification methodology for the FRAT has been identified. A draft ToR has been prepared.	Fiscal Risk	0.08	0.12	0.07
Strengthening Macroeconomic Frameworks and Debt Dynamics' Analysis in Selected Asian and African Countries Status: The project in Mongolia is nearing successful completion ahead of time and substantially below the projected budget. The MoF staff developed a customized Debt Dynamics Tool (DDT) whose results inform the draft budget law (http://forum.parliament.mn/projects/11171 , p. 151). There are some delays in the delivery of the agreed action plan for Papua New Guinea after completing the preliminary blended training and scoping, mainly due to low absorptive capacity (ongoing IMF program negotiations) and preference for in-person delivery. The DDT-based project in Chad is progressing as expected. The second delivery mission concluded on December 3 with staff from the Ministry of Finance using the DDT to analyze the impact on the fiscal path of several shocks to the baseline. The Myanmar project is on hold until CD deliveries by the IMF can resume.	Macroeconomic Frameworks	1.12	1.45	—

Thematic Programs (continued)	Theme	FY22	FY23	FY24
Strengthening PFM to Address COVID-19 Challenges and the Post Recovery Phase	PFM	1.86	1.91	
Status: The state-owned enterprise advisor for Anglophone Subsaharan Africa started on December 6, 2021. A draft program is prepared and has been discussed with RTACs advisors. One short-term expert provided CD on cash-flow projections in The Gambia (October); One short-term expert provided analytical support to develop and tailor the fiscal analytical tools for practical use in Sub-Saharan African countries (October). The revenue advisor for Comoros and Madagascar was selected and entered on duty on December 1. He will settle in Madagascar in January. There is an ongoing mission on program budgeting in Central African Republic.				
Strengthening RA to Address COVID-19 Challenges and the Post Recovery Phase	Revenue Administration	1.14	1.17	
Status: Nigeria: An advisor for Nigeria is to start in January 2022. A short-term advisor provided CD including on the review of the Pay-As-You-Earn (PAYE) and personal income tax systems, and taxpayer segmentation practices. South Sudan: The authorities continue to implement the NRA and an e-Tax system. A recent mission assisted the authorities in developing user specification requirements and functional requirements for an ITAS system. The Commissioner General's contract was extended for one more year. Cameroon: Support includes developing roadmaps for strengthening IT architecture and data management. Togo: Support includes assistance to implement an enterprise-wide compliance risk management strategy.				
Build capacity of supreme audit institutions to make reports on emergency spending more transparent and accountable	Supreme Audit Institutions	1.22	1.23	—
Status: The diagnostic mission to Mozambique was completed and preliminary recommendations for follow-on action were shared with government officials. Capacity development support on emergency audits was requested in three additional countries (Solomon Islands, Comoros, and Guinea Bissau). Planning was initiated for a series of regional events. Preliminary work was initiated on establishing a database of published audits of emergency spending to be made public before the end of the fiscal year.				
Better manage domestic revenue mobilization given COVID; tax policy changes to ensure equity and fairness of tax systems, reforms	Tax Policy	1.10	1.10	—
Status: Fifteen beneficiary countries have been identified; capacity assistance to eight countries has been delivered, and one is ongoing. The other six remaining countries are expected to seek assistance within FY22.				

Country Programs	Country	FY22	FY23	FY24
Albania: Updating the Medium-term Revenue Strategy (MTRS) to post-COVID-19 challenges and strengthening customs administration.	Albania	0.16	—	—
Status: The review of the draft MTRS was carried out in November. The authorities intend to finalize the MTRS by the end of 2022.				
Brazil (Sao Paulo State): Strengthening the Public Sector Costing System to increase efficiency of COVID-19 health and social spending	Brazil	0.13	0.13	—
Status: The mission has been delayed until January 2022 at the request of the authorities.				
Costa Rica: Gender Budgeting (new)	Costa Rica	0.20	—	—
Status: A Medium-Term Fiscal Framework mission is scheduled for December and a Gender Budgeting mission in January 2022.				
Jordan: Support on a Transformational Tax Administration Reform.	Jordan	0.80	0.70	—
Status: A short-term expert remote mission (October 6-21, 2021) supported authorities to achieve a structural benchmark due under the Extended Fund Facility (EFF). A resident revenue administration advisor was selected with a planned start date of January 17, 2022.				
Jordan: PFM, Cash Management, addressing Liquidity Pressures	Jordan	0.10	—	—
Status: The HQ-led remote CD activity took place in November-December 2021.				
Establishing a Business Continuity Plan for the Lebanon Tax Authority and strengthening of the compliance risk management function.	Lebanon	0.17	—	—
Status: The HQ tax/customs mission (October 18-November 11, 2021) reviewed the status of tax and customs administration and helped develop a plan of actions for short-term and longer-term reform strategies.				
Morocco and Jordan: Developing Forecasting and Policy Analysis Systems (FPAS)	Morocco, Jordan	0.33	—	—
Status: From September 10 to December 14, there were no FPAS TA missions to Morocco's Bank Al Maghrib. Two FPAS TA missions to the Central Bank of Jordan (CBJ) took place during June-July and September-October 2021. Those focused on identifying the CBJ's policy challenges and developing the structure of CBJ's key policymaking model, the Jordan Analysis Model (JAM), to improve the analysis of fiscal policy, decompose the effects of domestic and external demand components, and broaden open economy issues under a pegged regime.				
Pakistan: Follow-up to TADAT assessment reform recommendations.	Pakistan	0.35	0.25	—
Status: The TADAT assessment for Pakistan has been completed. CD to advise the Federal Board of Revenue (FBR) on implementation of Compliance Risk Management, on strategic planning to address TADAT issues and on the creation of a Compliance Improvement Plan to address registration risks (tax base) have been completed. FBR has requested advice on Change Management to assist in the implementation of the strategic plan to address weaknesses.				
Tajikistan: Strengthen tax administration and tax collection	Tajikistan	0.06	—	—
Status: Planned.				
Yemen: Strengthen core tax functions impacted by crisis	Yemen	0.02	—	—
Status: FAD is working with the Yemeni authorities to agree on the timing and scope of a remote short-term expert assignment.				

Table 2. Financial Contributions Statement

International Monetary Fund COVID-19 Crisis Capacity Development Initiative

As of November 30, 2021
(in millions)

Partners	Notes	Agreement Signed Date ^{1/}	Agreement Currency	Agreement Amount	In U.S. Dollars			
					Agreement Amount US\$	Contributions Received	Requested Contributions ^{2/}	Future Contributions ^{2/}
Contributions to be disbursed into the CCCDI Subaccount					26.6	16.6	-	3.4
China		6/9/2021	USD	5.0	5.0	5.0	-	-
Germany		1/5/2021	EUR	6.0	7.3	3.6	-	3.4
Korea		2/17/2021	USD	4.0	4.0	4.0	-	-
Singapore		9/8/2021	USD	2.0	2.0	2.0	-	-
Spain		12/22/2020	USD	2.0	2.0	2.0	-	-
Canada ^{3/}		Pledge	CAD	5.0	3.9			
Belgium ^{3/}		Pledge	EUR	2.0	2.4			
Contributions to be disbursed through other subaccounts					13.4	13.4	-	-
Japan	<i>through Japan subaccount</i>	11/26/2020	USD	10.0	10.0	10.0	-	-
Switzerland	<i>through SEE Fund</i>	12/15/2020	CHF	3.0	3.4	3.4		
Total					39.9	30.0	-	3.4

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

^{2/} The U.S. dollar conversion is based on latest month-end rate or is set to zero for completed installment.

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

Table 3. Cash Flow Statement
International Monetary Fund
COVID-19 Crisis Capacity Development Initiative

As of November 30, 2021
(in millions of U.S. dollars)

	FY 2021	FY 2022	FY 2023	FY 2024	Total
			<i>projections</i>		
Contributions ^{1/}	23.0	7.0	3.4	-	33.4
Interest Earned	0.0	0.0	-	-	0.0
Total Inflows	23.0	7.0	3.4	-	33.4
Expenses	-	2.0	-	-	2.0
Transfers ^{2/}	3.4	3.4	-	-	6.8
Approved Budget Ongoing Programs ^{3/}	-	13.6	10.8	-	24.4
Total Outflows	3.4	19.0	10.8	-	33.2
Available Cash Balance	19.6	7.6	0.2	0.2	0.2
(+) Pledges	-	-	6.3	-	6.3
(-) Continuation Ongoing Programs	-	-	7.6	2.7	10.3
(-) New Requests	-	0.5	5.0	3.8	9.3
Estimated Funding Gap	19.6	7.1	(6.6)	(13.1)	(13.1)

^{1/} Contributions are net of incoming transfers.

^{2/} Includes budget strengthening support for RCDCs and Switzerland contribution disbursed through SEE Fund.

^{3/} Includes CBDC program approved for financing through the Japan subaccount in December.