

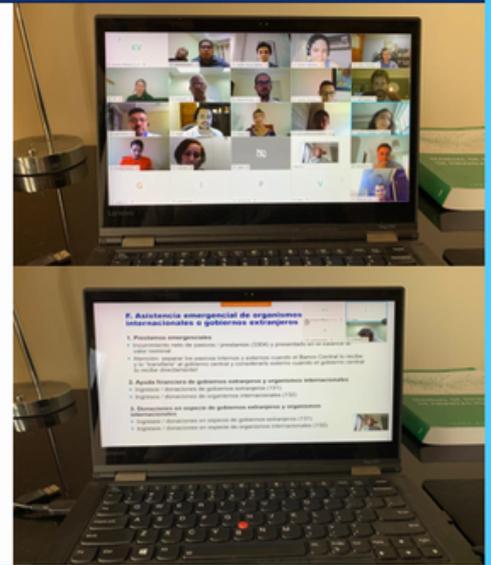
42ND EDITION

CAPTAC-DR NEWS

February - April 2020

CAPTAC-DR in the field of action

Regional Teleconference:
Recording of COVID-19
government interventions in
fiscal statistics



CAPTAC-DR Regional Teleconference on the recording of government policy interventions in fiscal statistics during the COVID-19 pandemic.

FEATURED

- The Center's Response to COVID-19
- Emerging trends in the financial sector
- CAPTAC-DR's new institutional image
- Farewell message from the Real Sector Statistics Expert



@captacdr

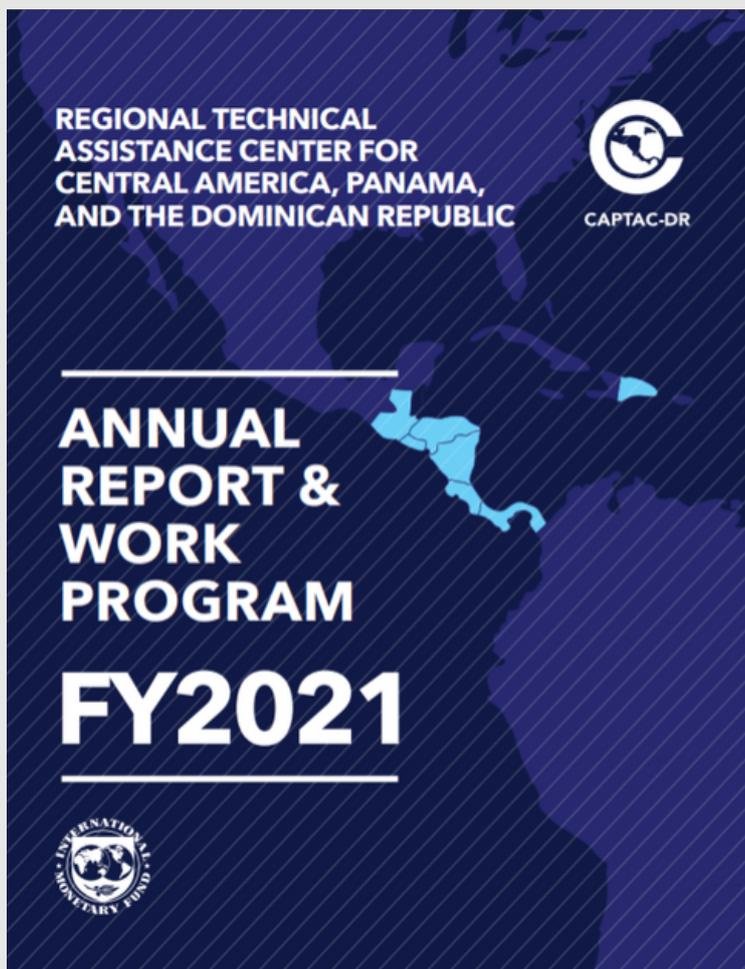


www.captac-dr.org



Check the report's new look!

CAPTAC-DR is committed to building capacities, while ready for the current situation due to the COVID-19 emergency



The Steering Committee remotely completed this Report.

Something never done before!

CLICK on the link below to download the English version of our Annual Report and Work Program:

<https://bit.ly/2Ay6Fxx>



COVID-19: CAPTAC-DR remains committed with capacity building

4000 deaths	Hubei	China
827 deaths	Italy	Italy
429 deaths	Iran	Iran
66 deaths	Korea, South	South Korea
55 deaths	Spain	Spain
48 deaths	France	France
31 deaths	Washington	US

CAPTAC-DR's response to the emergency generated by COVID-19 has been immediate. In March and April, teleconferences have been held to assist at the regional level, on the following topics:

- Record of government policy interventions in fiscal figures because of COVID-19
- The challenges of the COVID-19 pandemic
- Definition of additional measures to handle the COVID-19 emergency
- Virtual technical assistance in risk management with the DGI of the Nicaraguan Ministry of Finance
- Remote technical assistance to the region and advances in the regional programs

Public Finance Statistics: Recording of COVID-19 government interventions in fiscal statistics

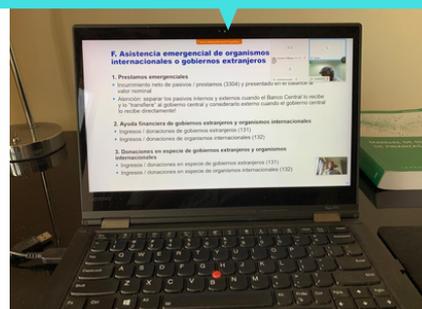
On April 28, a regional video teleconference was held, organized by the area expert, regarding the registry of the countries' response to the health pandemic in fiscal and debt statistics. More than 20 officials from the countries of the region, the Executive Secretariat of the Central American Monetary Council, and the Executive Secretariat of the Council of Ministers of Treasury or Finance of Central America, Panama, and the Dominican Republic participated in the meeting. The objective was to discuss the main actions in fiscal matters, the appropriate statistical registry, and to propose future efforts to support the countries in this regard.

Both Mariana Sabatés, Senior Economist in the Statistics Department of the International Monetary Fund, and Mario Garza, CAPTAC-DR Coordinator, participated in the videoconference.



More than 20 officials from regional institutions participated in the VTC.

CLICK on the link below to download the presentation: <https://bit.ly/2WxIdEO> or visit the website: captac-dr.org



External Sector Statistics: The challenges of the COVID-19 Pandemic

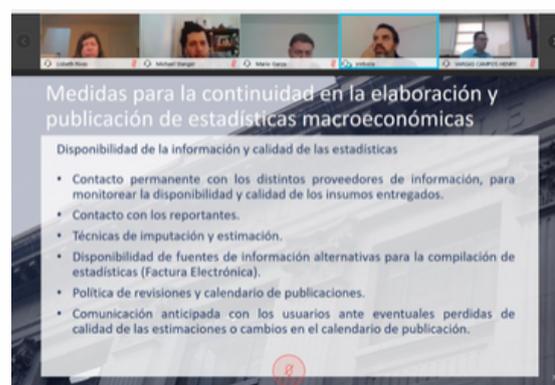
The Senior Economists of the IMF Statistics Department, Lisbeth Rivas, currently acting as an expert in the Real Sector Statistics Division, and Michael Stanger organized a video conference to address the heads of the National Accounts divisions of both regional central banks and statistical offices.

The conference's purpose was to discuss the response of the Central Bank of Chile, the National Administrative Department of Statistics - DANE Colombia and the statistical offices and central banks of Central America, Panama, and the Dominican Republic to the challenges presented by the COVID-19 pandemic.

The heads of the regional National Accounts divisions participated in the video teleconference.



Presentation by Jovana Palacios of DANE Colombia.



Excerpt from the presentation by Sebastian Rébora of the Central Bank of Chile.

The presentations by Sebastian Rébora, Head of the Annual National Accounts Department, Central Bank of Chile, and Jovana Palacios, Head of Synthesis and National Accounts, addressed topics on the measures adopted for continuity in the development and publication of macroeconomic statistics. They also shared timely information challenges these institutions currently face.

Customs Administration: Continued Support during the Emergency

Regarding Customs Administration, the Center also continues to support its members remotely. Between March and April, Selvin Lemus, an expert in the area, and Azael Pérez, Senior Economist of the IMF's Department of Public Finance, held several video teleconferences with customs authorities in the region, in support of the implementation of trade facilitation measures for the emergency response to COVID-19.

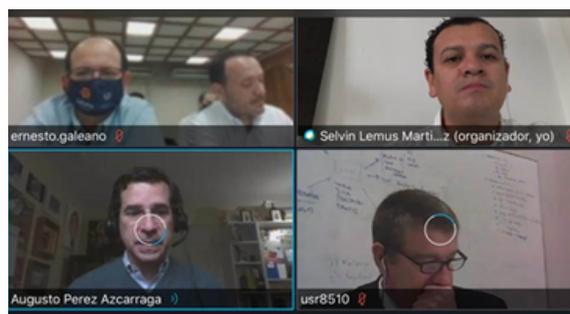
In March, the Honduran Customs Director requested CAPTAC-DR's assistance in taking effective measures to respond to the COVID-19 emergency. Therefore, a video teleconference was organized with the management team, which allowed the identification of several measures implemented in the country, leading to a more significant acceleration of customs clearance for medical supplies and other goods needed to address this emergency.



Video teleconference on effective customs measures to respond to the COVID-19 emergency. On the main screen is the Minister Director of Customs of Honduras.

Also, at the request of the Salvadorian General Directorate of Customs, the Center held several video teleconferences with the Directorate's authorities.

The purpose is to strengthen post-clearance audit capabilities, among other things, to streamline the movement of goods across borders and prevent bad taxpayers from abusing the incentives granted by customs authorities during the COVID-19 emergency.



Customs Director of El Salvador (upper left corner), CAPTAC-DR experts, Selvin Lemus (top right corner) and Guzmán Mañes (lower right corner), and Azael Pérez (lower left corner) from the IMF's Department of Public Finance during the VTC.

Finally, the Guatemalan Superintendency of Tax Administration and the Costa Rican National Customs Service requested CAPTAC-DR's support to follow up on several technical assistance issues they have been working on in recent months.

The Center will continue to work closely with the customs administrations to provide the necessary support to address the effects of the COVID-19 pandemic and contribute to the emergency in the region from a health and economic point of view.

We take this opportunity to recognize the effort of the customs officials in the region, who are still working at the borders despite the health risks they are facing, and are considered heroes in this time of crisis.

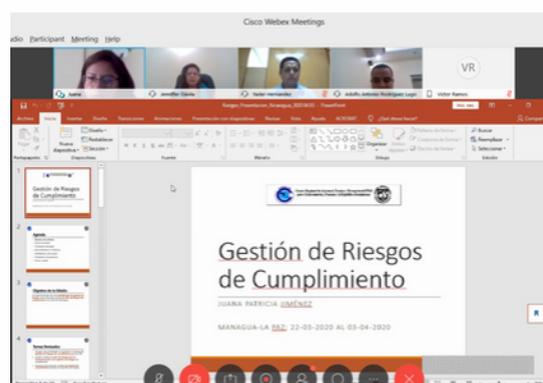
Virtual Technical Assistance in Risk Management with the Directorate General of Revenue (DGI) of the Nicaraguan Ministry of Finance (Tax Administration)

- The Nicaraguan DGI shows its commitment in implementing the risk management methodology.
- This commitment should be implemented even under the current crisis situation in the wake of the COVID19 crisis.

In 2019, the DGI made essential advances in implementing risk management through intensive work to integrate risk management into operations. It has also established policies for the risk and information security management system, the incorporation of a comprehensive risk management model as part of its institutional strategic plan until 2021, and the development of the necessary specific procedures.

This mission is important because it was carried out remotely, and the methodology has been essential to keep the audience's attention. It has been working continuously for two weeks, eight hours each day.

This scenario has been possible thanks to the commitment of the DGI officials participating in the mission and the methodology that consisted of using presentations to guide participants, in addition to the assignment of tasks that were reviewed in the next session.



DGI's presentation during the technical assistance VTC in the Tax Administration area.

The mission also identified the progress that the officials make in learning about the subject, as well as the developments to adopt the risk management methodology. All this has allowed the design of the next steps that the DGI must take to improve tax compliance based on risk management.

Regional Harmonization of Public Finance Statistics

In December 2019, the publication of harmonized fiscal and public statistics for the region, on the Central American Monetary Council website was a significant achievement. It represents a substantial advance in the transparency of fiscal data for decision making.

To learn more, visit:

<http://www.secmca.org/EFPA.html>

Countries continue to update, at different levels, the regional harmonized fiscal database, located on the Central American Monetary Council's website. At that time, several economic responses to the pandemic may be confused with actions involving fiscal policy; keeping the site up-to-date is key to decision making.



Remote Technical Assistance to the Region and Planned Regional Progress

This quarter, all countries, except Nicaragua, have remotely interacted with CAPTAC-DR for specific fiscal and debt statistics assistance issues. The Executive Secretariat of the Central American Monetary Council, the Executive Secretariat of the Council of Ministers of Treasury or Finance of Central America, Panama and the Dominican Republic (SECOSEEFIN), and the Executive Secretariat of the Central American Monetary Council (SECMCA) also continued with this work modality for issues on the regional harmonization process. Continuous communication facilitates problem-solving through quick consultations and is used to coordinate activities.

The remote support to the response that countries give to COVID-19 is planned to continue between May and July 2020, as well as the revision of regional and bilateral work plans to remove the mobility restrictions imposed because of the global health emergency.



Special Series Notes Prepared by the IMF in Support of the COVID-19 Emergency



CAPTAC-DR is preparing a series of Webinars aimed at the authorities of the Center's counterpart institutions regarding the effects of the COVID-19 health emergency on their activities and helping resolve said results. These efforts will focus on disseminating these notes' content, adapting their recommendations according to the circumstances of each country, and learning about the technical assistance needs that may be required.

The IMF has prepared, through its experts, a series of notes to assist member countries in addressing the economic effects of the COVID-19 emergency. These notes address the following areas: (i) tax matters; (ii) structural macro-critical aspects; (iii) monetary and financial policies; (iv) macroeconomic statistics, and (v) issues related to the design of tax laws.

Find these notes by clicking on the following link: IMF SPECIAL SERIES ON COVID-19



<https://www.imf.org/en/Publications/SPR/OLLS/covid19-special-notes>



IMF's Global Policy Tracker that Countries have Adopted in Response to the COVID-19 Emergency



It is a useful tool as a reference for member countries to know the measures that governments are taking to limit the economic impact and the impact on the population of the COVID-19 pandemic. This tracking includes information from 193 economies and is regularly updated.

We thank the countries of the region for participating in this tool and invite them to learn about the actions other countries are taking by clicking the following link of the IMF-POLICY TRACKER OF THE RESPONSE TO COVID-19 <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>





Emerging Trends in the Financial Sector: Collected Knowledge and Shared Experiences

CAPTAC-DR's resident expert on financial supervision, Jose Roberto Effio, participated in the MCM Sixth Annual Long-Term Expert Workshop at the IMF headquarters in Washington DC, on February 10-14, 2020. Thirty-three experts in the financial sector attended the five-day event, which sought to strengthen team collaboration, peer learning, and information sharing. It also provided an opportunity to exchange views on technical and operational issues among experts stationed around the world and with IMF staff.

The relevance of the role that the financial sector experts played was highlighted during the event. As part of the Fund's global network, experts from the financial sector in bilateral assignments and regional technical assistance centers (RTAC), as CAPTAC-DR, coordinate much of IMF's capacity-building activities.

Financial experts adapt technical assistance and training to member countries' priorities and respond quickly to their emerging needs.

In this regard, the Fund's Director-General addressed the workshop attendees, emphasizing that regardless of their location and challenges in the field, IMF officers regard resident experts as an important part of the IMF family.

"...financial experts adapt technical assistance and training to the priorities of member countries and respond quickly to their emerging needs."

Our resident expert presented the regional project's achievements and challenges to strengthen the supervision of banking groups in Central America. This year's workshop included several thematic presentations from IMF experts and staff, ranging from developments in digital currencies to evolving analytical approaches to cyber risk. As usual, key events in supervision and financial regulation standards and best practices, such as the one presented by CAPTAC-DR (see image below) and other emerging issues such as climate change, were also part of the agenda.



CAPTAC-DR Long-term Expert, José Roberto Effio, presenting the supervisory achievements and challenges of banking groups within the CAPDR region.

CAPTAC-DR's New Look

New logo



CAPTAC-DR

Regional Technical
Assistance Center for
Central America, Panama,
and the Dominican Republic

The map rests on a light blue circle as a visual representation of the world.

Text on one side of the logo.

Visually simplified map of the region.

Old logo



CAPTAC-DR's Participation in the 288th Meeting of the Central American Monetary Council



CAPTAC-DR was represented at the 288th Meeting of the Central American Monetary Council.

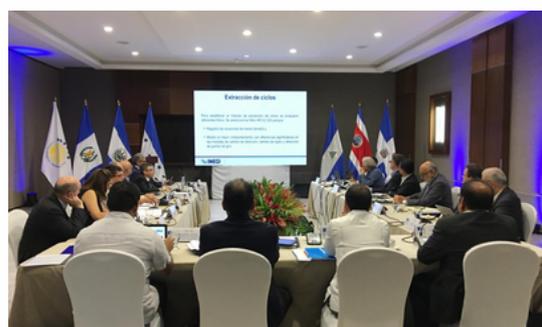
Dr. Mario Garza, CAPTAC-DR Coordinator, participated in the 288th Meeting of the Central American Monetary Council, held in San Pedro Sula, Honduras, on March 5-6.

During his participation, he shared the achievements and progress of the CAPTAC-DR Public Finance Statistics Project. This regional project aims to harmonize government and public debt statistics, as well as the development of a regional report on financial analysis to provide better data for public policy development and decision-making.

The project has defined goals to be achieved during the fiscal year 2021.

The meeting, which convened the presidents of the central banks of the region, was also attended by special guests like Luisa Montoya, Deputy Director of the Cyclical Indicators Generation Division at the National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía, INEGI), Mexico.

Mrs. Montoya's presentation included the Business Cycle Clock methodology and the construction of leading indicators, which measures the pivot point in these cycles and provides support as an analysis tool.



INEGI Presentation on the methodology of the Business Cycle Clock.

INEGI's participation in the Meeting complements, at a strategic level, the course organized in early February by CAPTAC Real Sector Statistics area on the construction and analysis of short-term indicators, where central bank officials of the region were invited to attend (see page 13 of this edition).

Regional Course: Modern Treasury Management

The Regional Technical Assistance Center for Central America, Panama, and the Dominican Republic (CAPTAC-DR) offered the regional course on treasury management for the sixth time. This course was held in Santo Domingo, Dominican Republic on March 2-7, and was attended by officials from the region.

The course was conducted in two sessions. Critical issues on treasury management, organization, and its relationship with other financial management subsystems were addressed in the first session. In contrast, the second session discussed more advanced topics such as the optimal balance sheet management, the relationship between treasury management and central banking, short-term liquidity management instruments, and the process of treasury management modernization.



Participants and experts invited to the regional course in the Dominican Republic



Graduation of the 6th class of the Regional Course on Modern Treasury Management

Sessions were led by international experts in the field, Jean Baptiste Gros, José Adrián Vargas, and Claudiano de Albuquerque. The course methodology consisted of lectures, group activities, and general discussions. Likewise, the Dominican and Costa Rican representatives shared their experiences regarding cash transfer programming and collection and system modernization using electronic payment methods, respectively. This course responds to regional needs and the Center's ongoing efforts to implement best practices in modern treasury management.

Regional Course: Construction and Analysis of Short-Term Indicators



Experts, lecturers, and central bank officials at the beginning of the workshop.

Also, officials from the National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía, INEGI) from Mexico and the National Administrative Department of Statistics (DANE) from Colombia disclosed their experience in the construction and dissemination of short-term indicators.

In early February 2020, the Regional Course on the Construction and Analysis of Short-Term Indicators was held in Antigua Guatemala City, organized by Martha Tovar, resident expert of CAPTAC-DR Real Sector Statistics.

To close the course, the participants contributed to the event by presenting short-term indicator compilation methods and their use in each country.

The course was aimed at technical to senior-level officials in the national accounts. Its focus was on facilitating and publicizing the conceptual and practical elements necessary for the construction of short-term indicators to monitor the evolution of the economy. The topics presented covered the scope and role of short-term indicators; data sources and selection of suitable indicators, volume and price estimates; and seasonal adjustment.



Participation of central bank officials at the end of the course.



Course Focused on Public Finance Statistics in Honduras

According to the technical assistance activities mentioned in the 41st edition of the Quarterly Bulletin, a course aimed at basic public finance statistics (PFS) was taught on February 10-14, to 50 officials of SEFIN-Secretariat of Finance and the Central Bank of Honduras.

At this time, the course's focus was to train most of the budget and accounting team members on aspects involving budget records and EFP. The staff participation from different areas enriched discussions that will support the country in strengthening fiscal data for decision-making.

Florencia Castro-Leal, CABI Chief Economist, opened the seminar, along with Bruno Da Rocha, CAPTAC-DR's expert in public finance statistics.



Florencia Castro-Leal, CABI Chief Economist, at the opening of the course.



The expert Bruno Da Rocha orienting the participants during the activities.



Experts and officials at the close of activities.

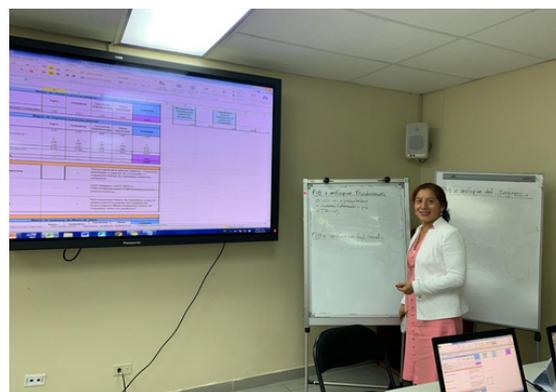


Fernando Ferraz, short-term expert, during his presentation at the course.

Farewell Message from Martha Tovar Real Sector Statistics Resident Expert (December 2016-April 2019)

The first objective I had in my assignment at CAPTAC-DR was to complete ongoing projects to achieve the dissemination of national accounts and price statistical series. In this regard, El Salvador disclosed its new base year 2005 in 2018; Panama published the quarterly producer price index in September 2018 and the quarterly gross domestic product with an expenditure focus in December 2019. Guatemala, in collaboration with other technical assistance providers, disclosed its new base year in December 2019.

Updating the base year of the national accounts series was the most important objective in the short- and medium-term, to improve the measurement of the region's economic structure and activity. However, several countries in the region lagged substantially in their updating.



Expert Martha Tovar imparting a course on the national account series in Panama, September 2019.



National Accounts Statistics, Panama, September 2019.

During my assignment, base year change projects started in Honduras, Nicaragua, Costa Rica, and the Dominican Republic, while Panama planned to start this year. The continuity and completion of these projects are the main challenges in terms of real sector statistics.

