

Sudan

Technical Assistance in Fiscal Year 2019

Banking Supervision (June 24-28, 2018, September 10-14, 2018):

METAC continued its assistance on credit registry to the Credit Information and Scoring Agency of the Central Bank of Sudan. The mission followed up on the progress made by the authorities in implementing METAC's June 2017 recommendations. It also advised on some key technical components to improve the reporting by micro-finance institutions about their borrowers, reviewed a proposal for acquiring a national identification number software, and proposed changes to the Credit Information and Scoring Act that would allow for the expansion of data contributors to Credit Information and Scoring Agency. This assistance is expected to strengthen the capacity of the Sudanese authorities in monitoring credit risk concentration and detecting non-performing loans at an early stage.

METAC assisted the Central Bank of Sudan in upgrading the current inspection manual and aligning it to a risk-based approach, including by developing a set of examination procedures on credit risk management, liquidity risk management, market risk management, operational risk management, and capital adequacy.

Public Financial Management (July 29–August 2, 2018, February 3-11, 2019, February 3-12, 2019):

In the context of METAC's work program aiming at improving medium-term macro-fiscal forecasting and preparing the integration of the MTFE within the budget preparation process, an expert (i) took stock of the progress made since the February 2018 visit; (ii) identified the remaining steps to advance the current macroeconomic framework into a complete MTFE, and (iii) supported the integration of the MTFE within the 2019 budget—actual integration is still at an initial stage.

A mission supported the MoF and Economic Planning to increase the time-horizon of cash programming from one to three months. This will improve the ability of spending units to implement their budget, and the overall effectiveness of cash management by the Treasury. The expert worked with key stakeholders to prepare the inclusion in the TSA of extra-budgetary funds and selected public corporations. Discussions focused on the selection of entities, the sequencing of their inclusion into the TSA system, required changes to the TSA design, and impacts on cash forecasting practices. A template for daily cash forecasting for 30 days ahead was developed for the cash management unit.

A third mission assisted the authorities in preparing their first draft FRS, in line with international standards and practices. The document discloses some key fiscal risks and identifies the areas requiring further analysis. A fiscal risk reporting roadmap was defined, proposing a step-by-step approach to be implemented until the end of 2019, starting with the most significant fiscal risks. Finally, an action plan to develop a reporting process on fiscal risks was prepared.

Revenue Administration (July 29-August 9, 2018, November 4-15, 2018):

METAC provided TA for the development of a Risk Management Structure in the Sudanese Taxation Chamber based on international good practices. During the mission, a special Task Force was established to develop and implement the risk management function. The mission conducted a workshop on development of a risk management structure, governance arrangements and key functions for a sound risk management, including identification, assessment and treatment of risks. It provided a detailed action plan for the implementation of the recommended risk management structure and function.

METAC continued supporting Sudan Customs Administration in rolling out risk management function. A METAC expert visit during November 4-15 found that the first stage of this rollout, involving mainly the sea ports, was completed. The second stage, dealing with dry ports, is planned to commence in December 2018. This will proceed in parallel with two pilot projects to extend risk management to other Sudan Customs Administration functions, such as excise and tariff administration. The visit provided further advice on assessing and ranking compliance risks, developing a compliance improvement program to mitigate identified risks, and rolling out risk management across other taxes. In line with earlier METAC recommendations, a High-Level Committee on Risk Management was formed, and the intelligence function was expanded and improved.

Statistics (February 3-12, 2019, February 17-21, 2019)

METAC provided TA on price statistics to the Central Bureau of Statistics. It worked with staff to assess the methodological and data source challenges they currently face in estimating the CPI, and to develop plans for improvements.

METAC also conducted training to Central Bureau of Statistics staff to enhance their knowledge in the concepts and preparation of national accounts. The workshop was attended by 13 participants, 9 of whom were new employees in the National Accounts section.