AFRITAC West 2 is a multi-donor initiative supported by the following recipient countries and donors:

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Liberia  
Nigeria  
Sierra Leone  
The Gambia

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Government of Canada  
Gouvernement du Canada

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European Investment Bank

European Union  
Suisse Eidgenössische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederazione svizzera  
Deutsch Confederation

Federal Department of Economic Affairs, Education and Research (EAER)  
State Secretariat for Economic Affairs (SECO)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFE</td>
<td>AFRITAC East</td>
</tr>
<tr>
<td>AFRITAC</td>
<td>African Technical Assistance Center</td>
</tr>
<tr>
<td>AFR</td>
<td>Africa Department of the IMF</td>
</tr>
<tr>
<td>AFW2</td>
<td>AFRITAC West 2</td>
</tr>
<tr>
<td>AFS</td>
<td>AFRITAC South</td>
</tr>
<tr>
<td>ANA</td>
<td>Annual National Accounts</td>
</tr>
<tr>
<td>ATAF</td>
<td>African Tax Administrators Forum</td>
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<tr>
<td>BCP</td>
<td>Basel Core Principles</td>
</tr>
<tr>
<td>BOG</td>
<td>Bank of Ghana</td>
</tr>
<tr>
<td>CB</td>
<td>Central Bank</td>
</tr>
<tr>
<td>CBL</td>
<td>Central Bank of Liberia</td>
</tr>
<tr>
<td>CBN</td>
<td>Central Bank of Nigeria</td>
</tr>
<tr>
<td>CD</td>
<td>Capacity Development</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CPSS</td>
<td>Committee on Payment and Settlement Systems</td>
</tr>
<tr>
<td>CG</td>
<td>Commissioner-General</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development - United Kingdom</td>
</tr>
<tr>
<td>DNRE</td>
<td>Direção Nacional de Receitas do Estado (National Directorate of State Revenue) of Cabo Verde</td>
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<tr>
<td>DPs</td>
<td>Development Partners</td>
</tr>
<tr>
<td>EDDI</td>
<td>Enhanced Data Dissemination Initiative</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>FAD</td>
<td>Fiscal Affairs Department of IMF</td>
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<tr>
<td>FIRS</td>
<td>Federal Inland Revenue Service of Nigeria</td>
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<tr>
<td>FGN</td>
<td>Federal Government of Nigeria</td>
</tr>
<tr>
<td>FSS</td>
<td>Financial Sector Supervision</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IOSCO</td>
<td>International Organization of Securities Commissions</td>
</tr>
<tr>
<td>GBoS</td>
<td>Gambian Bureau of Statistics</td>
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<tr>
<td>GDDS</td>
<td>General Data Dissemination System</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GRA</td>
<td>Ghana Revenue Authority</td>
</tr>
<tr>
<td>GSS</td>
<td>Ghana Statistical Service</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>HQ-RES</td>
<td>Research Department of the IMF</td>
</tr>
<tr>
<td>H1</td>
<td>First half of the Fiscal Year</td>
</tr>
<tr>
<td>H2</td>
<td>Second half of the Fiscal Year</td>
</tr>
<tr>
<td>KSG</td>
<td>Kaduna State Government</td>
</tr>
<tr>
<td>LRA</td>
<td>Liberian Revenue Authority</td>
</tr>
<tr>
<td>LTX</td>
<td>Long Term Experts</td>
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<td>MCM</td>
<td>Monetary and Capital Markets Department of IMF</td>
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<tr>
<td>MONOPS</td>
<td>Monetary Operations and Payment System</td>
</tr>
<tr>
<td>MPC</td>
<td>Monetary Policy Committee</td>
</tr>
<tr>
<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NCS</td>
<td>Nigeria Customs Service</td>
</tr>
<tr>
<td>NRA</td>
<td>The National Revenue Authority of Sierra Leone</td>
</tr>
<tr>
<td>PCA</td>
<td>Post Clearance Audit</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Financial Management</td>
</tr>
<tr>
<td>PFMI</td>
<td>Principles for Financial Market Infrastructure</td>
</tr>
<tr>
<td>PPI</td>
<td>Producer Price Index</td>
</tr>
<tr>
<td>QNA</td>
<td>Quarterly National Accounts</td>
</tr>
<tr>
<td>QPM</td>
<td>Quarterly Projection Model</td>
</tr>
<tr>
<td>RA</td>
<td>Regional Advisor</td>
</tr>
<tr>
<td>RA-FIT</td>
<td>Revenue Administration-Fiscal Information Tool</td>
</tr>
<tr>
<td>RBM</td>
<td>Results Based Management</td>
</tr>
<tr>
<td>RTAC</td>
<td>Regional Technical Assistance Center</td>
</tr>
<tr>
<td>SC</td>
<td>Steering Committee</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>STA</td>
<td>Statistics Department of IMF</td>
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<td>STX</td>
<td>Short-Term Expert</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TPA-TTF</td>
<td>Tax Policy and Administration-Topical Trust Fund</td>
</tr>
<tr>
<td>TSA</td>
<td>Treasury Single Account</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
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<tr>
<td>WAIFEM</td>
<td>West Africa Institute for Financial and Economic Management</td>
</tr>
<tr>
<td>WAMI</td>
<td>West African Monetary Institute</td>
</tr>
<tr>
<td>WATAF</td>
<td>West African Tax Administrators’ Forum</td>
</tr>
<tr>
<td>WCO</td>
<td>World Customs Organization</td>
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</tbody>
</table>
OPENING REMARKS BY THE CHAIR OF THE AFRITAC WEST 2 STEERING COMMITTEE, HONORABLE KEMI ADEOSUN, MINISTER OF FINANCE, FEDERAL REPUBLIC OF NIGERIA, 6TH STEERING COMMITTEE MEETING, ABUJA NIGERIA

The Permanent Secretary, Federal Ministry of Finance, Dr. Mahmoud Isa-Dutse, The Senior Resident Representative of the IMF in Nigeria, Mr. Amine Mati, Members of the AFRITAC West 2 Steering Committee, All our Development Partners here present, Members of the Press, Distinguished Ladies and Gentlemen, it is my distinct honor and privilege to host the 6th Steering Committee of the Africa Regional Technical Assistance Center West 2 (AFRITAC West 2), here in our beautiful capital city of Abuja. On behalf of the Government of the Federal Republic of Nigeria, let me use this opportunity to formally welcome you.

When approached in April of 2017 at the IMF/World Bank Group Spring Meetings, I eagerly accepted the invitation to host the Steering Committee of AFRITAC – West 2, as the provision of technical advice related to core macroeconomic and financial management principles like: revenue administration and taxation, public financial management, macroeconomic statistics, monetary operations, and banking supervision is indeed invaluable. Here in Nigeria, we are currently working to significantly increase the technical human and institutional capacity with respect to these capabilities in the medium-to-long term, and thus, your decision to host the meeting here is symbolic and timely.

AFRITAC West 2 has, within the four years of its existence, rendered remarkable assistance to our member countries. This assistance will significantly impact capacity development within the region. The ability to mobilize resources, and build institutions with the capabilities to allocate them effectively, is the foundation of a strong economic management engine. Thus, the transfer of these technical capabilities, and the emergence of stronger institutions as a result, will increase the economic resilience of member countries because these countries will have the technical capability to successfully and independently manage their economies to effectively deliver on critical development imperatives.

As you may know, one of the critical economic thrusts of this Administration is the diversification of Federal Government revenues away from its overreliance on oil, so that our economy can be shielded from the negative effects of dependence on a singular resource. As such, a significant amount of effort has gone into driving domestic revenue mobilization, particularly through taxes, in order to improve our economy and foster economic development. The Center has
supported this effort by conducting the Tax Administration Diagnostic Assessment Tool (TADAT) which provided Nigeria (and other member countries that have successfully completed it) with an objective assessment of key components of our tax system. We see this work as critical to Nigeria’s future development, and would support its continued implementation.

The Center’s assistance in the area of macroeconomic reforms is also noteworthy. Your efforts toward assisting the National Bureau of Statistics in its GDP rebasing exercise, the establishment of a Treasury Single Account (TSA) in Kaduna State, the implementation of Basel II by the Central Bank of Nigeria (CBN), and the strengthening of risk management in Nigeria Customs Service (NCS), are all noteworthy for their impact potential.

On a general note, let me state that AFRITAC West 2, despite being relatively young, has been striving for greater achievements. In this fiscal year alone, the Center has already executed over 150 capacity development activities across member countries. The Center has also designed a work program for the next fiscal year with the aim of delivering quantifiable results. It was done in consultation with member countries in order to be responsive to our particular needs, as we see them. This plan will be discussed today in the course of our deliberation. As the Center approaches the final year of its first phase, I am hopeful that it will build on the recommendations of recent independent mid- term evaluation to maximize the impact of its work.

To all our member countries, I want to implore you to continue to work and cooperate with the AFRITAC-West 2 to reinforce country ownership of the various capacity development interventions in order to achieve the results we desire. I am also glad to see our regional institutions in this meeting. I especially welcome you all to Nigeria, as I express my sincere hope that we can effectively utilize collaborations with the Center to the benefit of the entire region. To our development partners, let me also, on behalf of AFRITAC West 2 member countries and the Center, express our profound gratitude to you for making the Center’s work possible. We appreciate and will continue to count on your very strong support. Finally, I want to thank every one of you for your presence at this meeting. I trust that this meeting will be very successful in garnering strategic guidance from the Steering Committee regarding the priorities for the next phase of AFRITAC West 2, and also in developing plans for overcoming capacity development challenges within the region. I encourage you all to productively deliberate in the course of this meeting.

I will also use this opportunity to thank the organizers of this 6th Steering Committee Meeting and all those who have contributed to the success of its organization. In particular, I will not forget the IMF Senior Resident Representative to Nigeria – Amine Marti who contributed in making this happen. I thank you all and wish you a most successful deliberation and a pleasant stay in Nigeria. Please endeavor to find time to explore our beautiful and serene capital city while you are here.
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I. EXECUTIVE SUMMARY

As AFRITAC West 2 (AFW2) marks its fourth year of operations, and nears the end of its first funding cycle, the Center continues to advance its capacity development (CD) work in the region. The Center is leveraging not only its expertise, but also a better understanding of dynamics in the region, stronger relationships with institutions in member countries and close collaborations with IMF Headquarters (HQ), development partners (DPs) and regional institutions. Building on the recommendations of the recent independent mid-term evaluation (Box 4), AFW2 will consolidate its efforts in remaining relevant and cementing traction with member countries in providing CD support in its core areas.

The macroeconomic context for AFW2 countries: Overall growth prospects have improved relative to the 2016–17 period reflecting favorable commodity prices. While many AFW2 countries narrowed their fiscal deficits in 2017, public debt remains relatively high in the region averaging 75 percent of gross domestic product (GDP). Given large infrastructural gaps and rising demand for public services, there is need to press ahead with structural reforms and increasing domestic revenue mobilization.

The Implementation of the FY 2018 Work Program: The implementation of AFW2’s work program for fiscal year (FY) 2018 has broadly proceeded smoothly, with the main setback being the exit of three Regional Advisors during the fiscal year which has impacted the execution of some planned interventions. By the end of FY 2018, the Center conducted about 175 CD activities across its member countries (including 19 regional workshops). This compares with 152 CD activities in FY 2017, and would represent an increase of about 15 percent in the Center’s activities from the last fiscal year. The budget execution rate for FY 2018 was around 85 percent at end of the fiscal year (Table 1).

The performance of the Center’s CD milestones, which were set in the context of the new Fund-wide Results-Based Management (RBM) framework (Box 3) shows overall progress despite challenges including changes in personnel, election cycles, and delays in the follow-up of CD recommendations. At the end of FY 2018, a total of about 97 percent of the Center’s milestones were rated as fully achieved, largely achieved, and partially achieved (Figure 2).
Key Achievements for the Year in FY 2018:

- **In the fiscal sector**, the Tax Administration Diagnostic and Assessment Tool (TADAT) which provides a comprehensive baseline to guide tax reform prioritization was leveraged by the Center as part of its work to support the Financing for Development Agenda. During the FY, Ghana, Nigeria and The Gambia successfully conducted the TADAT. In Customs, a transition strategy to support the termination of the existing Pre-Shipment Inspection (PSI) contract and the switch to Destination Inspection (DI) has been developed for implementation in Liberia. Key achievements in Public Financial Management (PFM) include the drafting of the new PFM regulations for Ghana to support implementation of the new PFM Act. Furthermore, in The Gambia, the Center supported the development of a consistent macro-fiscal database and macroeconomic projections that are being used in planning for cooperation with development partners.

- **Regarding the Center’s work with central banks**, progress with Nigeria is particularly worth noting. AFW2 undertook its first Monetary Operations and Payment Systems (MONOPS) mission to the Central Bank of Nigeria (CBN) in June 2017 and, subsequently, the CBN sent participants to all of AFW2’s MONOPS workshops. Similarly, the CBN’s uptake of its support on Financial Sector Supervision (FSS) gained traction during the fiscal year, with engagements including the review of Pillar II of the Basel II framework.

- **In Financial Sector Supervision and Regulation**, AFW2 assisted member countries such as Ghana and The Gambia to enhance their risk-focused supervisory framework, including making offsite reports less numerical and more risk focused.

- **In Statistics**, Nigeria has recently completed the back casting of annual national accounts time series and was disseminated on 29 April 2018. Liberia has also completed the fieldwork for the National Economic Census which is the first phase of the national accounts rebasing.

- **On Collaborations and Peer Learning**, the Center continued to explore and utilize partnerships with other partners to reinforce its CD work in member countries. In this regard, joint workshops were pursued with other IMF Regional Technical Assistance Centers (RTACs), notably AFRITAC South (AFS) and AFRITAC East (AFE), thus widening the scope of peer learning for AFW2 member countries. In following up on the Steering Committee’s recommendation on collaborating with other CD providers in the region, the Center conducted joint workshops with the West African Institute of Financial and Economic Management (WAIFEM). Several professional attachments have also been pursued, including with countries outside the region. In December 2017, AFW2 facilitated the visit of officials from the Rwandan Revenue Authority to the Liberian Revenue Authority (LRA) to share their experiences in the development of a Compliance Risk Tool. In March 2018, the Bank of Ghana

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1 Ghana, Nigeria and The Gambia conducted their TADAT Assessments in May 2017, March 2018 and April 2018 respectively. Sierra Leone and Liberia conducted their TADAT Assessments in the previous fiscal year.
and Central Bank of Nigeria fielded two participants each to the Central Bank of Ireland for a one-week attachment on the Basel Pillar II process. Two Bank of Ghana officials participated in a professional attachment at the Bank of Tanzania to explore financial market infrastructure.

- **Communication and Outreach:** The Center has continued to use its quarterly newsletters, Facebook page, and revamped website to provide regular updates on its work (Box 1). The FY 2017 annual report was widely disseminated to all partner agencies in member countries, development partners, and civil society organizations. The new Center Coordinator on assuming duty has also reached out to the authorities in Ghana and Cabo Verde, as well as the European Union and Switzerland’s offices in Ghana. Engagements with Nigeria has also been further strengthened in the run-up to the steering committee in Abuja, Nigeria.

**Staffing:** The previous Center Coordinator, Mr. Lamin Leigh completed his assignment and returned to IMF Headquarters in September 2017 and a new Coordinator, Mr. Oral Williams assumed office in the same month. Mr. Ashni Singh and Mr. Jaideep Mishra (PFM Advisors) also left the Center in October and November 2017 respectively, and were succeeded by Mr. John Grinyer and Mr. Naresh Mohan Jha who joined the Center in January 2018. The Center Tax Advisor, Ms. Faith Mazani, also left in January 2018; her successor, Mr. Henry Gaperi, assumed office in April 2018.

**Broad challenges faced by the Center in the delivery of its CD activities** include the authorities’ postponement of missions (especially in revenue and customs administration, and monetary policy analysis) which generally affect the delivery of planned activities in the annual work program. Political transitions, as well as the slow pace of implementation or follow-up on recommendations in some cases also affected CD work, especially in an RBM framework. Several countries also face resource constraints, including lack of funding, appropriate software or equipment to undertake other important activities relevant to their objectives. For example, Liberia is currently facing a challenge in securing funds for an economic survey to be conducted as part of its national accounts rebasing exercise. Together, such challenges jeopardized the attainment of milestones and medium-term objectives of the Center’s CD work.

**The Center’s work program for FY 2019 and strategic priorities:** Looking ahead, the Center’s strategic priorities are informed by key recommendations from the independent mid-term evaluation report and by the gains made in implementing CD activities in FY 2018. To this end strategic priorities will be as follows:

- Anchoring CD activities within the RBM framework;
- Mobilizing domestic revenues;
- Pursuing a flexible approach in CD delivery to member countries in a category of fragile states (Liberia, Sierra Leone, and The Gambia);
- Reinforcing efforts to strengthen PFM systems, which is critical to ensuring control over fiscal operations and managing fiscal risks;
- Emphasizing the importance of the quality and reliability of statistics for good policy making;
- Supporting the regional integration agenda; and,
- Enhancing outreach activities to stakeholders.

The rest of the FY 2018 Annual Report: Section II provides the macroeconomic context in AFW2's member countries which helps to frame the issues in terms of the CD activities in the Center. Section III summarizes the key CD achievements in FY 2018 and the sectoral implementation of the FY 2018 work program, while Section IV outlines the strategic CD priorities for FY 2019 and the key elements of the Center's work program for FY 2019 (Appendix I).

### Table 1: AFW2 FY 2018 Budget Execution

<table>
<thead>
<tr>
<th>Phase Summary</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
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<tbody>
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<td>Program Budget</td>
<td>Working Budget</td>
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<td>Public Financial Management</td>
<td>5,291,010</td>
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<td>Customs Administration</td>
<td>3,421,848</td>
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<td>Tax Administration</td>
<td>5,329,932</td>
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<td>Banking Supervision and Regulation</td>
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<td>4,822,974</td>
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<tr>
<td>Monetary Policy Operations</td>
<td>4,403,706</td>
<td>4,018,453</td>
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<td>Real Sector Statistics</td>
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<td>Financial and Fiscal Law</td>
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<td>167,899</td>
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<td>Admin Project</td>
<td>5,777,388</td>
<td>4,159,549</td>
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<tr>
<td>Customized Training</td>
<td>130,596</td>
<td>372,192</td>
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<td>Training project</td>
<td>1,874,190</td>
<td>423,680</td>
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<tr>
<td>Governance and Evaluation (including RBM advisor/backstopping)</td>
<td>1,381,296</td>
<td>1,340,574</td>
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<td>Financial Integrity Group</td>
<td>148,020</td>
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<td>Unallocated Sub Total</td>
<td>36,779,736</td>
<td>32,720,422</td>
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<td>Trust Fund Management</td>
<td>2,574,582</td>
<td>2,290,430</td>
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<td>Total</td>
<td>39,354,318</td>
<td>35,010,851</td>
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<td>IMF Expenses</td>
<td>3,847,712</td>
<td>3,847,712</td>
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<tr>
<td>Host Country In-kind</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>43,202,030</td>
<td>38,858,563</td>
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</tbody>
</table>

1/ Does not include unused contingency amounts, if any.

Source: Capacity Development Information Management System (CDIMS)
**Table 2: Implementation of Recommendations from the 5th AFW2 Steering Committee Meeting: April 2017**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Action Taken</th>
</tr>
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<tbody>
<tr>
<td>The Center will follow up on member countries request for support on fiscal</td>
<td><strong>SOE fiscal risk:</strong> During FY 2018, the Center provided TA to Cabo Verde, Liberia, Nigeria, and The Gambia on strengthening SOEs oversight including through a regional workshop on the topic for all member countries.</td>
</tr>
<tr>
<td>risks arising from State Owned Enterprises (SOEs) operations, how to bring</td>
<td><strong>Correspondent Banking:</strong> No member country has sought assistance for TA support on Correspondence Banking during the Fiscal Year. As such, AFW2 continues to focus on needs which have been identified as priority.</td>
</tr>
<tr>
<td>the informal sector into the tax net and how to minimize the risks/vulnerabilities posed by correspondent banks.</td>
<td><strong>Informal sector taxation:</strong> The proposed FY 2019 work program foresees work on the development of a compliance strategy for the informal sector in Nigeria. This exercise would provide useful lessons which could inform similar work in other member countries in the future.</td>
</tr>
<tr>
<td>The Center will follow up on the proposed joint training course by ICD/AFW2/WAIFEM on monetary policy modelling.</td>
<td>The workshop was conducted in October 2017.</td>
</tr>
<tr>
<td>The evaluation team was urged to consider including the Center’s work with Kaduna State, Nigeria, as an additional case study.</td>
<td>The Center’s PFM support to Kaduna State was included as a case study for the evaluation. The evaluators travelled to Kaduna as part of the field work. Details are available in the Mid-Term Evaluation Report.</td>
</tr>
<tr>
<td>The Center will follow up with Nigeria on hosting and chairing of the next steering committee meeting in 2018.</td>
<td>The 6th Steering Committee meeting was hosted in Abuja, Nigeria and chaired by the Honorable Kemi Adeosun, Minister of Finance, Nigeria</td>
</tr>
<tr>
<td>The Center will follow up on the next steps in the implementation of the Fund-wide RBM framework at the Center.</td>
<td>The Center’s Advisors, including the RBM Advisor, continue to sensitize member country authorities on the benefits of RBM as well as the Fund’s approach to TA in the RBM framework, using different opportunities, such as regional workshops and TA missions. Overall, the engagement has been very positive. Nevertheless, there is still room for improvement in the degree of engagement by member countries (Box 3).</td>
</tr>
</tbody>
</table>
II. MACROECONOMIC DEVELOPMENTS IN AFW2 COUNTRIES

The pickup in economic growth in 2017 is expected to continue in 2018, reflecting favorable commodity prices. All AFW2 countries experienced a recovery in output in 2017, following an earlier broad-based economic slowdown. The large terms of trade shock that led to a contraction in output in Nigeria in 2016 has eased with the doubling of oil prices from earlier levels and aided by the increased availability of foreign exchange. Both oil and non-oil output picked up in Ghana. Cabo Verde’s recovery was driven by a boost in tourist arrivals and growth in credit to the private sector. Improvements in the mining sector (iron and gold) in Liberia supported growth. Notwithstanding the turnaround in output, natural disasters in Sierra Leone, and a bad harvest in the Gambia hurt growth. The average growth rate is projected to pick up from 4.0 percent in 2017 to 4.4 percent in 2018, supported by a more favorable external environment.

Inflation rose among most AFW2 countries in 2017. The region recorded an average inflation of 9.9 percent in 2016, which increased to 11.3 percent in 2017. This outcome in part reflects exchange rate depreciation in Liberia and The Gambia. Inflation in The Gambia reversed its rising trend as the exchange rate stabilized and food prices fell, especially in the second half of 2017. However, inflation in Ghana declined owing to tight monetary policy and low pass-through from the exchange rate.

On balance, fiscal deficits narrowed among AFW2 countries in 2017. This reflects progress in fiscal consolidation in Cabo Verde, Ghana, The Gambia, and Sierra Leone. In Nigeria the fiscal deficit widened owing to higher expenditures and weak revenue mobilization. While public debt remains high in the region, averaging 75 percent of GDP in 2017, it is projected to stabilize at that level owing to ongoing efforts to contain spending and mobilize domestic revenues.

Improvements in the external environment augur well for AFW2 countries to redouble their efforts in implementing CD activities that improve growth and reduce poverty. Higher global growth which should support economic activity in AFW2 countries, underscores the need to press ahead with increasing domestic revenue mobilization, given large infrastructure gaps and rising demand for public services. Downside risks from the external environment include tighter financing conditions and volatility from emerging markets which could affect market access for some member countries, in addition to a reversal of capital flows. Building on the recommendations of the mid-term evaluation report (Box 4), AFW2 will consolidate its efforts in remaining relevant and cementing traction with member countries in providing CD in its core areas.
Figure 1: Macroeconomic Developments in AFRITAC West 2 Countries

1. The pick up in growth is expected to continue in 2018

2. The outlook for inflation is mixed

3. The fiscal deficit in the region is expected to reduce in 2018

4. The level of public debt remain high in most AFV2 countries

5. External vulnerabilities remain in the region

6. Reserves in the region will hover around an average of 4.3 months of import cover

Source: Regional Economic Outlook, Sub-Saharan Africa (April 2018).
<table>
<thead>
<tr>
<th>Issues</th>
<th>Background and Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The proposed work program for FY 2019 and the RBM Framework.</td>
<td>The Center seeks endorsement of the FY 2019 work program and the RBM Framework by the Steering Committee (SC) (Section IV of the report and Appendix I).</td>
</tr>
<tr>
<td>2. The AFW2 Mid-Term Evaluation Draft Report.</td>
<td>Consistent with RTAC policy, an independent mid-term external valuation for the Center was conducted in 2017. The Center seeks the views and feedback of SC members on the findings of the evaluation. The report of the evaluation was shared with the SC on January 31, 2018. Highlights of the key recommendations are also presented in Box 4 of this annual report. The evaluators will make a presentation of their findings at the March 13 SC Meeting.</td>
</tr>
<tr>
<td>3. Overcoming CD challenges in the AFW2 region.</td>
<td>Challenges mitigating the effectiveness of CD has been identified and discussed in this annual report (Section III) as well as the Mid-Term Evaluation report. The Center will appreciate the views and inputs of the SC on overcoming these challenges.</td>
</tr>
<tr>
<td>4. Strengthening accountability for CD results</td>
<td>Accountability by all partners is critical to successful implementation of the Center’s CD interventions in the context of the RBM Framework. The Center seeks the views and inputs of the SC on how accountability for CD results can be strengthened among all relevant stakeholders.</td>
</tr>
<tr>
<td>5. Priorities for the next AFW2 Cycle</td>
<td>AFW2’s first current cycle ends in April 2019. Work has recently commenced on the preparation of a second phase for the Center. The Fund seeks the views and inputs of the SC to inform the Center’s next phase.</td>
</tr>
<tr>
<td>6. Member Countries’ Contributions to AFW2</td>
<td>The contributions of member countries to RTACs like AFW2 is important as it signals strong ownership and, also, promotes the sustainability of the Center. So far, only Ghana has made a full payment of the USD 5 million it pledged, while The Gambia has made a first disbursement of its pledge. The Center seeks the support of the SC in urging member countries to meet their pledges to the Center.</td>
</tr>
<tr>
<td>7. Chair and Location for the next Steering Committee Meeting</td>
<td>The SC will discuss the nomination of the Chair and the location of the next SC meeting in 2019.</td>
</tr>
</tbody>
</table>
Overview

The Center prepared its FY 2018 work program, anticipating an expansion in its activities, particularly with the addition of a dedicated program for customs. By end-FY 2018, the Center conducted about 175 CD activities across its member countries (including 19 regional workshops). This compares with 152 CD activities in FY 2017, and would represent an increase of about 15 percent in the Center’s activities from the last fiscal year. Notwithstanding this increase, the exit of three Regional Advisors (two PFM and one Tax Administration) during the fiscal year, negatively impacted the overall implementation of the work program, budget execution, as well as the attainment of some milestones for the fiscal year. Total budgetary outlays for the Center at the end of the fiscal year is projected to be at about $9.6 million out of the budgeted $11 million (or approximately 85 percent of the total budget for FY 2018). The lower-than-expected execution is mainly explained by the interruptions in the fiscal sector which is significant because that sector accounts for over 40 percent of the Center’s total budget for FY 2018.

With regards to the performance of milestones for the year in the framework of the RBM, as of end-April 2018, about 35 percent of the milestones had been fully or largely achieved, another 62 percent partially achieved and 3 percent not achieved (Figure 2). Other challenges that have impacted on the attainment of expected results for the year include the authorities’ postponement of missions (especially in revenue and customs administration, and monetary policy analysis) which affected the delivery of planned activities, and the slow pace of implementation or follow-up on CD recommendations.

![Figure 2: AFW2 FY 2018 Milestones](image)

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2 An Advisor for Customs joined the Center in late 2016.
Examples of successful CD interventions in FY 2018 across the sectors of AFW2 operations:

- **Data matching**: The implementation of data matching projects for member countries revenue administrations in the last few months have improved their capacity for data analysis. The projects have equipped revenue administrations with the skills to match tax and customs data, in addition to using other third-party data to better manage and enforce tax compliance. In customs, in order to strengthen risk management, the Center has worked with Cabo Verde and The Gambia to develop and implement revised risk profiles which will help target high-risk importers.

- **Unified database**: As an example of RTAC follow-up of HQ-led diagnostic work, AFW2 supported the implementation of a unified database for public investment projects in Liberia, which was a recommendation of the 2016 HQ-led Public Investment Management Assessment (PIMA).

- **Liquidity management framework**: The Banco de Cabo Verde (BCV) has recently reviewed its liquidity management framework in line with AFW2’s recommendations by linking its main sterilization operations to its monetary policy rate.

- **Banking supervision**: Comprehensive training on the International Financial Reporting Standards (IFRS) has equipped staff of both the Banking and Non-Banking Supervision departments of the Bank of Ghana (BOG) to effectively review annual statements of financial institutions.

- **Statistics**: Consistent with the need to enhance data quality for effective macroeconomic policy making, several AFW2 countries have received CD support related to the rebasing of annual national accounts including Nigeria, which has completed the back-casting of annual national accounts time series following considerable TA from AFW2.

**Collaboration with other RTACs and Regional Bodies**: The Center has continued to collaborate with other Regional Technical Assistance Centers (RTACs) in the delivery of its work program. AFW2 funded the participation of the AFRITAC South (AFS) macro-fiscal advisor in an HQ-led PFM mission to The Gambia, leveraging that advisor’s prior country experience and providing an example of inter-RTAC deployment of LTX resources. AFW2 and AFS jointly delivered two regional workshops on Foreign Exchange Market Simulation and Monetary Policy Communications for their member countries. Another workshop was jointly organized by AFRITACs West 2, East, and South, and the Fiscal Affairs Department (FAD) of the IMF HQ on the role of the International Survey on Revenue Administration (ISORA) in enhancing the effectiveness of performance management in revenue administration management. Such collaboration helps to enrich peer learning and in attracting resource persons. In addition, staff of AFW2 participated in the IMF’s Regional Capacity

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3 The First Deputy Governor from Sveriges Riksbank (Sweden’s Central Bank) facilitated several sessions of the joint AFW2/AFRITAC South regional workshop on central bank communications held in Ghana during September 25–29, 2017.
Development Centers Retreat in October 2017. The retreat permitted discussions with HQ departments and other RTACs, covering various topics including the rollout of the RBM, strengthening IMF field operations, and enhancing communication with stakeholders.

On enhancing regional integration through cooperation with the Economic Community of West African States (ECOWAS), the modalities of engagement continue to be guided by member countries' capacity development needs as approved by the Steering Committee (SC) (Box 2). Notwithstanding, collaboration with the ECOWAS-affiliated WAIFEM have been strengthened in the past year through four joint workshops on payment systems, monetary policy modelling, national accounts, and macroprudential framework for financial sector supervision and regulation.

**Box 1: AFRITAC West 2: Spreading the Word**

The mission and vision of AFW2 is to help member countries strengthen their human and institutional capacity to design and implement macroeconomic and financial policies that promote growth and reduce poverty.

To this end, the Center has undertaken several initiatives to increase its outreach to key stakeholders and the wider public. Key milestones included:

- **Rebranding** the cover page of reports by highlighting the Center’s logo.
- **Launching** an inaugural workshop on financial literacy to foster financial inclusion among the youth.
- **Participating** regularly in the Development Partners Heads of Cooperation forum.
- **Disseminating** videos highlighting participants’ feedback during national and regional workshops.
- **Leveraging** social media tools (notably Facebook) to increase traction with the public by posting photos, blurbs and short photo-illustrated articles on workshop highlights.

The impact of outreach via social media was noteworthy. At end-2017, there were 19,278 Facebook page likes which was above the average for regional technical assistance centers (RTACs) in sub-Saharan Africa and the outcome for regional organizations.

![Facebook Impact: Comparison with Regional Organizations (No. of page likes)](image)

Source: Facebook Insights and IMF staff.
Box 2. Regional Dimensions of AFW2’s Capacity Development Interventions

Context: AFW2’s (CD) initiatives in the five work streams are aligned with the regional directives of ECOWAS. This reflects that the ECOWAS treaty aims to foster cooperation in trade customs, taxation, statistics, money and payments. Specific interventions at the regional level are based on AFW2’s monitoring and evaluation framework as follows:

Tax and customs administration: ECOWAS’s goal is to establish a Customs Union, common external tariff and eliminate quantitative and other restrictions. To this end, AFW2’s strives to (i) strengthen revenue administration and governance arrangements; and (ii) improve administrative functions. Expected outcomes are (i) increased transparency and accountability that are effectively supported by independent external oversight and internal controls; (ii) enhanced trade facilitation and service initiatives that support voluntary compliance; (iii) enhanced capacity to implement reforms; and (iv) strengthened legal frameworks among others.

Money and payments: At the regional level, the promotion of monetary and financial integration will facilitate increased cross-border flows and trade in goods and services. This would require the harmonization of monetary, financial and payment system policies, financial sector stability, as well as the improved capacity to monitor monetary and financial sector developments.

- Financial sector: To this end, AFW2 work program’s objective seeks to improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices. The adoption of risk-based supervision will ensure the timely identification and response to emerging risks. An additional objective is the development of indicators of systemic risk and strengthening the capacity of central banks to produce and analyze these indicators. Desired outputs are the increased capacity of central banks to identify and respond to these risks through an improved toolkit (stress testing, IFRS, capital adequacy).

- Monetary operations and payment systems: AFW2 countries are at various levels of financial market development and in the evolution of their monetary policy frameworks. CD activities aim to (i) strengthen the capacity of central banks to implement monetary policy effectively (ii) develop capacity to conduct foreign exchange operations; (iii) improve economic analysis and forecasting capabilities; and (iv) developing and effective national payments systems. Selected outcomes comprise, (i) improvements in monetary policy transmission to money markets; (ii) effective liquidity forecasting and an adequate toolkit; and (iii) strengthened payments system legal framework.

Statistics: The provision of timely and accurate statistics is critical for making sound policy decisions and in assessing the degree of convergence towards the establishment of an economic and monetary union. AFW2’s objective is to strengthen the compilation and dissemination of data on
macroeconomic and financial statistics decision making according to the relevant internationally accepted statistical standards. This will include developing/improving statistical infrastructure, source data, serviceability and/or metadata. Expected outcomes encompass (i) the compiling and disseminating of data using the concepts and definitions of the latest manuals; (ii) strengthening staff’s capacity through training, especially on developing source data, compilation methods, and dissemination.

REVENUE ADMINISTRATION

A. Domestic Tax

Overall progress in FY 2018

AFW2’s active promotion of the Tax Administration Diagnostic Assessment Tool (TADAT) is yielding fruits with the high uptake of the Assessment by member countries. By the end of FY 2018, five of the six-member countries, Sierra Leone, Liberia, Ghana, Nigeria and The Gambia have undertaken the TADAT assessment which provides a comprehensive baseline to guide tax administration reform prioritization. AFW2 has participated and supported TADAT trainings, assessments, and follow-up missions led by IMF Headquarters (HQ). Future TA will be required to address the compliance and institutional weaknesses identified through TADAT and to assist member countries to develop solid reform strategies.

The focus of revenue administration (Tax) during FY 2018 has been on building capacity for better compliance management, and thus, domestic revenue mobilization through the regional audit training-of-trainers’ program. Data matching projects conducted in all member countries have helped identify different compliance risks and provided valuable pointers to the key risks to revenue which administrations are being urged to follow up on. Some countries have set up teams to conduct follow up audits and develop compliance strategies for identified risks.
Key Achievements in FY 2018

- **Cabo Verde**: (i) data matching to identify compliance gaps was conducted; (ii) audit capacity was strengthened through training; and (iii) a Taxpayer Service and Communication Strategy developed.
- **Ghana**: (i) TADAT assessment and follow-up support was conducted; (ii) data matching to identify compliance gaps was conducted; (iii) audit capacity for the telecommunications sector and the identification of revenue recovery measures were strengthened; (iv) the functionality of the Total Revenue Integrated Processing System (TRIPS) was evaluated and areas to improve recommended; and, (v) the Excise Manual and structure reviewed.
- **Liberia**: standard operating procedures were developed for the Liberia Revenue Authority (LRA). The LRA’s capacity has also been strengthened on the development of a compliance risk tool.
- **Nigeria**: (i) TADAT assessment was conducted; (ii) audit capacity for specialized sectors, including the telecommunication sector was strengthened; (iii) data matching project was conducted; and (iv) a compliance program for large taxpayers was developed.
- **Sierra Leone**: (i) audit capacity was developed to support the recovery of revenue from the data matching project; and (ii) a compliance management program was developed to address gaps identified during the TADAT assessment and data matching project.
- **The Gambia**: (i) TADAT assessment was conducted; (ii) capacity for telecommunication audits was strengthened for The Gambia Revenue Authority and the regulator; and (iii) data matching project conducted.

**Regional**: A regional workshop to assist member countries with tools for successful reform implementation was held in September 2017 and was well received by participants who included two Commissioners General. Another workshop took place in February 2018 in collaboration with the Fiscal Affairs Department (FAD), and AFRITACs East and South on the role of the International Survey on Revenue Administration (ISORA). The workshop was aimed at enhancing the effectiveness of performance measurement by enabling revenue administration managements to have relevant information for control and decision making.

![Tax Administration Milestones: Status as of end-FY 2018](image-url)
Implementation challenges in FY 2018

- The Tax Administration Advisor left the Center in January 2018 which significantly impacted the implementation of the work program in the second half of the fiscal year.
- Although the data matching project generates significant interest by identifying revenue sources, revenue administrations are slow to follow up and implement the developed plans. Some revenue administrations also do not have the tools (computers and software) to do the required audits.
- All administrations are under pressure to generate revenue, with four countries under new Governments (Ghana, Liberia, Sierra Leone, and The Gambia). These transitions tend to shift the focus away from building strong institutions and reforms, to short-term revenue collection.
- A major challenge in developing compliance programs, is the absorptive capacity and the need for further sensitization of mid-level staff and senior managers. Weaknesses in core tax administration functions, and data collection and analysis constrain effective compliance.

B. Customs

Overall Progress in FY 2018

In what has been a busy and highly successfully year, a total of 33 missions were delivered against an initial plan of 34 (97 percent completion rate). These figures include the delivery of three regional workshops and missions in all member countries. The revised plan included five additional missions which were included as an output from the HQ diagnostic review of the Nigeria Customs Service (May 2017). The actual completion rate against the original work plan was 121 percent. A total of 475 Short Term Expert (STX) days were deployed with an additional 114 days of TA support provided by the Resident Customs Advisor.

Key Achievements in FY 2018

Liberia
- Capacity in Post Clearance Audit (PCA) and risk management was increased through the delivery of specialist technical training.
- A transition strategy to support the termination of the existing Pre-Ship ment Inspection (PSI) contract and the switch to Destination Inspection (DI) has been developed for implementation.
- TA and training in project and change management was provided to support the establishment of a Customs Reform and Modernization unit. This unit is now operational.
- A draft reform and modernization plan was prepared, and a formal governance framework was drafted, and agreed to support the implementation of the plan.
- Standard operating procedures were approved for implementation.
The requirements set out in the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) for the publication of customs procedures were achieved.

Cabo Verde
- An integrity strategy and supporting action plan was developed.
- An evaluation of the implementation of ASYCUDA⁴ was completed and the findings used to inform a program for the development of revised import/export procedures.
- A PCA manual has been developed and a diagnostic study completed that will be used as the basis for a prioritized implementation plan.
- Capacity in risk management has been increased through the delivery of specialist technical training.
- Capacity in valuation matters has been increased through the establishment of a valuation task force and the development of a supporting action plan.
- Revised risk profiles have been developed and implemented.
- Standard operating procedures for the control of exemptions from customs duties and taxes have been developed and implemented.

Sierra Leone
- Capacity in PCA, transit and stakeholder engagement has been increased through the delivery of TA support.
- A draft PCA manual has been prepared.
- Standard operating procedures for the control of exemptions from customs duties and taxes have been developed and implemented.
- Capacity in stakeholder engagement has been enhanced through the delivery of training and the establishment of a specialist team to take forward the stakeholder engagement strategy and the monitoring and evaluation plan.

The Gambia
- Capacity in PCA, transit, and stakeholder engagement has been increased through the delivery of TA support.
- A draft PCA manual has been prepared.
- Capacity in risk management has increased through the delivery of specialist technical training.
- Revised risk profiles have been developed and implemented.
- A national intelligence strategy has been developed and mentoring support provided to the GRA to build technical capacity.
- Induction and cargo inspection training modules have been developed and delivered to customs officers (40 officers have successfully completed the training program).

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⁴ ASYCUDA stands for Automated System for Customs Data - in order to secure all goods arriving within a Customs territory, the cargo is immediately placed under customs control and the documents keyed into ASYCUDA. The system then processes the documents to verify that each consignment is covered by an entry. ASYCUDA is supported by United Nations Conference on Trade and Development (UNCTAD) and is widely used by customs authorities within the West Africa region.
The risk management committee has been re-established and a risk management awareness program has been introduced with representatives from the customs senior management team visiting all border stations to brief officers on latest working practices.

Nigeria
- Diagnostic study was completed, RBM log frames reviewed and a work plan finalized.
- Capacity in risk management, project management and leadership and Post Clearance Audit has been increased through the delivery of specialist technical training.
- A risk management strategy has been developed, the risk management committee re-established and revised risk profiles have been developed and implemented.

Regional workshops
- Regional workshops were held in Cabo Verde, Sierra Leone and The Gambia in September, December, and April.
- Best practice in stakeholder engagement, strategic management and integrity-related matters were shared with over 65 officers participating in the workshops from all six countries.
- The workshop included technical inputs from the Direção Nacional de Receitas do Estado (DNRE) (Cabo Verde), Ghana Revenue Authority, National Revenue Authority (Sierra Leone), Nigeria Customs Service and the Gambia Revenue Authority.
- The workshops were delivered in partnership with the World Customs Organization, ECOWAS, and representatives from the private sector.
- Work plans were agreed and partnership arrangements for the exchange of information between administrations were confirmed.

Implementation challenges in FY 2018

A range of challenges were encountered during the implementation of the TA program for FY 2018. These can be summarized as follows;
• Difficulties engaging with Commissioners of Customs due to their busy work schedules and/or because of a lack of involvement of senior executives in the wider reform and modernization programs with the revenue authority. This has caused delays in the agreement and implementation of TA programs as well as the cancellation and rescheduling of missions on short notice.

• Revenue authorities “shopping around” for TA and capacity building (CB) support. There are many international organizations offering TA and CB support within the region. This has on occasions, led to duplication of efforts with international organizations providing support in the same areas. Both the international organizations and the revenue authorities need to make greater efforts to identify the TA and CB needs, and to then develop integrated programs.

• Lack of effective coordination within the revenue authorities. This has resulted in delays in achieving mission objectives due to the unavailability of key stakeholders, a failure to operationalize procedures, redeployment of previously trained personnel, and poor follow up on recommendations. These constraints are compounded by the lack of basic equipment and facilities at ports and airports.

Public Financial Management (PFM)

Overall Progress in FY 2018

The Center’s PFM work is aligned to the strategic objectives set out in the Fund’s RBM Catalog, namely stronger PFM laws and institutions, better budget preparation execution, and control, improved asset and liability management, and strengthened identification, monitoring and management of fiscal risks. The recruitment of a second PFM advisor in November 2016 permitted the implementation of a greater quantity of technical assistance to be delivered in FY 2018. Two areas of the FY 2018 workplan with particularly high levels of activity were; (i) oversight and financial
reporting of state-owned enterprises (SOEs) (Cabo Verde, Liberia, Nigeria, The Gambia along with a regional workshop) and (ii) cash management and treasury single accounts (Cabo Verde, Ghana, Liberia, and Nigeria including Kaduna State).

The PFM portfolio has proven adaptable to changing circumstances in beneficiary countries, with some activities being reprogrammed to respond to emerging needs. Nevertheless, changes to AFRITAC personnel, with a two-month gap between outgoing and incoming staff at the end of 2017 has impacted TA delivery.

**Key Achievements in FY 2018**

The Center participated in an HQ-led review of the functions of the Ghanaian Ministry of Finance and provided follow-up support to implement the review's recommendations. This work lays the foundation for future engagement with the Ministry. In The Gambia, AFW2 has been supporting the development of a consistent macro-fiscal database and macroeconomic projections that are being used in planning for cooperation with development partners. In Liberia and Cabo Verde, AFW2 provided advice to the Ministry of Finance and Development Planning (MFDP) on strengthening the SOE oversight function and commitment controls and arrears management. In Nigeria, support has been given to the Federal Government for their International Public Sector Accounting Standards (IPSAS) accrual accounting adoption. In Sierra Leone, advice was provided on strengthening oversight of SOEs and identification and management of fiscal risks.

**Implementation Challenges in FY 2018**

Election cycles and transitions to new administrations and ministry personnel have impacted the delivery of some agreed activities. The ambitious reform agenda being pursued in Cabo Verde presents challenges due to the sheer volume of reforms being undertaken simultaneously. Changes to AFW2 personnel and the gap between staff leaving and new staff arriving have limited the Center’s ability to complete some activities.
Box 3: Results-Based Management (RBM) Framework

Implementation of capacity development (CD) within the Results-Based Management framework continues to progress well. In late-2016/early-2017, AFRITAC West 2 began the implementation of the new Fund-wide Results-Based Management (RBM) framework that would be used to plan, deliver, and monitor its capacity development interventions. Sensitizing member countries on this new initiative, which is key to the success of RBM, has been ongoing since early-2017 and continues at all levels with AFW2 member country institutions. While TA delivery in an RBM framework is not new to RTACs, the current Fund-wide RBM further aligns CD delivered by Fund Headquarters and RTACs with the member countries’ strategic plan, the Fund’s CD country strategy, as well as provides a standardized approach to the design of CD programs, execution of work plans, and monitoring and evaluation of the effectiveness of CD. This is conducted within an RBM framework that is guided by a catalog of objectives, outcomes, and verifiable indicators, and places greater emphasis on results, steering away from activity/output-based planning and execution. The RBM framework also provides clear measuring and reporting mechanisms by which we can demonstrate value-for-money to our development partners. RBM also promotes country ownership of the program and this is partly measured by the countries’ implementation of the TA recommendations.

Outreach to AFW2 member countries and development partners on the RBM implementation continues. As with any new initiative, it is imperative to have stakeholders’ buy-in to achieve success. To that end, Advisors, including the RBM Advisor, continue to sensitize member country authorities on the benefits of RBM as well as the Fund’s approach to TA in the RBM framework, using different opportunities, such as regional workshops and TA missions. Overall, the engagement has been very positive. Nevertheless, there is still room for improvement in the degree of engagement by member countries. Additional outreach activities are also planned in FY 2019 by the Center Coordinator which should further reinforce the RBM implementation and our member countries’ commitment to a more results-focused approach.

Data collected during the first year of RBM implementation provides valuable insight on the effectiveness of both the process and content of our CD interventions during the last year. Multi-year logframes developed in early 2017 have been used to monitor TA delivery and achievement of interim milestones during the—FY 2018—workplan period. This has provided insight on what works well (or does not), and why, taking into consideration risks and mitigation efforts, and identifying areas where we face challenges in TA delivery and implementation of TA recommendations. The data collected thus far in the process is being used to further deepen our member country authorities’ understanding of the Fund’s RBM and its benefits, obtain their buy-in, and to revise country-specific logframes as needed, to meet emerging needs and changes in countries’ strategic priorities. The lessons learned thus
far have allowed AFW2 Advisors to analyze the circumstances when TA is most effective and why; where value-for-money is better realized, and to use these findings when developing the FY 2019 workplan and allocating resources. The data will also help the Fund/AFW2 aggregate results across topics, regions, countries, modes of delivery and apply lessons learned for the design and delivery of future TA programs.

Advisors have also aligned the FY 2019 workplan for their respective areas with the multi-year logframes that were developed in 2017. The FY 2019 activities are planned with a focus on supporting member countries meet the milestones in FY 2019 and beyond. The logframes serve as a measuring and accountability tool for both the Fund and our member countries.

AFW2 remains committed to a successful RBM implementation and will continue to work closely with member countries, development partners, and IMF HQ to ensure its success. The RBM Advisor continues to provide training and support to AFW2 staff on RBM principles, facilitate onboarding of new Advisors, work closely with technical advisors to ensure milestones are rated in a timely manner, and to liaise with HQ to ensure consistency in application of the Fund’s TA strategy policies and procedures within its new RBM framework. In addition, the RBM Advisor works closely with HQ to improve RTACs’ unique reporting needs and is preparing a succession plan for the RBM work to continue seamlessly at the end of her tenure in November 2018.

Monetary Operations and Payment Systems (MONOPS)

Overall progress in FY 2018

CD delivery on monetary operations and payment systems (MONOPS) continued to pick up considerably during FY 2018. Overall progress on the implementation of the work program has been satisfactory. A new activity (not in the original work program) was the full legal review of a new payment system legislation for Cabo Verde while two missions were postponed to the next financial year. There was substantial progress in the regional work agenda, where the number of regional workshops doubled and now cover all main MONOPS areas from monetary operations through monetary policy analysis to payment systems oversight. A major achievement was increased traction in Nigeria. In this regard, AFW2 had its first scoping TA mission to Abuja. Moreover, for the first time, the Central Bank of Nigeria (CBN) sent a participant to all the announced workshops. The work intensified in the payment systems area as AFW2 has started to cover new ground. The Center is now assisting the Bank of Ghana (BOG) with its internal assessment of its real-time gross settlement
(RTGS) system against CPSS-IOSCO principles.

**Key Achievements in FY 2018**

- **Cabo Verde** has renewed its liquidity management framework along the lines recommended by the last AFW2 TA mission by linking its main sterilization operations to the monetary policy rate. In cooperation with the IMF Legal Department (LEG), AFW2 organized a full legal review of Banco de Cabo Verde’s (BCV) new draft payment systems legislations. The planned mission to improve the monetary policy analysis function in BCV had to be postponed to the next FY due to the heavy workload of BCV staff.

- **Ghana**: Regarding payment systems, after holding several workshops on Compliance with CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI) for BOG staff, AFW2 started a program to assist BOG in a self-assessment exercise of a systemically important payment system infrastructure, its RTGS system with a combination of an on- and off-site support. This approach, the first in the region, constitutes a unique exercise. A one-week professional attachment was organized for two BOG payment system experts to the Bank of Tanzania (BOT) to study the main elements of the Tanzanian financial market infrastructure, including on-site visits of local Financial Market Infrastructures (FMIs) and to learn about the BOT's practices on the assessment of PFMI principles. The long-term program to revamp the inflation targeting framework for Ghana experienced a slow down during the transition to a new management team but momentum is expected to pick up in the next financial year. Concerning monetary operations, in line with AFW2’s earlier recommendations, the BOG refined its liquidity management framework by increasing the number of its weekly 14-day bill auctions, suspending the 7-day liquidity providing repo, and introducing the 56-day BOG-bill for structural liquidity management purposes as a complement to the 2-week bill. Further efforts were made to improve the liquidity monitoring and forecasting framework, albeit, with limited progress so far. An AFW2 mission carried out a comprehensive review of the recent years' developments of the BOG’s foreign exchange (FX) market operations to prepare the ground for the development of an internal FX intervention policy which is more in line with the standard inflation targeting monetary policy framework.

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5 CPSS-IOSCO - Committee on Payment and Settlement Systems and International Organization of Securities Commissions, the two bodies working out the internationally accepted Principles.
• **Liberia**: The Central Bank of Liberia (CBL) medium-term program focuses on monetary policy analysis. During this fiscal year, activities centered on: (i) strengthening data management processes, (ii) development of economic indicators; and (iii) development of analytical skills. An AFW2 mission introduced an interface for the data warehouse, which should help simplify its administration and help make the data accessible (after validation) on-line to wider audiences. A new analytical division of CPI into government administered prices and market prices has been developed and added into the existing templates for inflation monitoring. In order to develop analytical skills, AFW2 organized an in-house hands-on workshop for CBL staff on monetary policy stance and external balance assessment and improving near-term forecasting techniques. Based on AFW2’s earlier recommendation, CBL created a new macroeconomic forecasting section in the research department and hired new staff. Considering rising system-wide excess liquidity, AFW2 designed a monetary policy operational framework based on local circumstances. This comprised building an econometric model to forecast currency in circulation and undertaking refinements to the CBL’s recently introduced reserve requirement system, including penalty rates.

• **Nigeria**: The first MONOPS TA mission to CBN, since the Center began its operations, was carried out in June 2017. A key outcome of this scoping mission was the development of a detailed TA workplan to improve monetary operations. The CBN expressed interest in capacity building in the field of payment systems and monetary policy analysis. In July 2017, AFW2 held its first regional workshop in the CBN’s modern International Training Institute. The CBN participated actively in all AFW2 MONOPS workshops in FY 2018.

• **Sierra Leone**: Regarding monetary policy analysis, the focus was on the following areas: (i) a review of the Monetary Policy Committee (MPC) briefing materials with a focus on the analytical content and relevance for monetary policy decisions; (ii) continued development of economic indicators, comprising a composite index of economic activity (CIEA), analytical measures of inflation, measures of real effective exchange rates, and measures of the monetary policy stance; and (iii) continued development of analytical and economic skills of the research staff. The CIEA and the new analytical measures of inflation are now a regular part of the MPC briefings. Concerning monetary operations, the Bank of Sierra Leone (BSL) adopted AFW2’s recommendations to decrease the width and asymmetry of the interest rate corridor around the monetary policy rate. AFW2 organized a one-week professional attachment program for two BSL Financial Markets Department experts to Accra, to study all
the financial market operations of the BOG and also the use of Reuters system which had been recently introduced in Sierra Leone.

- **The Gambia:** In the area of monetary policy analysis, AFW2 missions’ main focus was to observe and help enhance pre-MPC processes. To close gaps in the work flow, AFW2 held several in-house workshops, one-on-one consultations with staff members, and mock-up presentations. A data warehouse was set up and the data release calendar is now functional. The analytical measures of inflation, exchange rate, real sector, fiscal policy stance, monetary policy stance and conditional inflation forecasting now create a standard part of the analysis presented to the MPC. Considerable efforts were made to improve the Central Bank of The Gambia’s (CBG) liquidity forecasting which is a precondition for more active liquidity management.

- **Regional:** This fiscal year, particular emphasis was placed on regional workshops and cooperation. The purpose was to cover all major professional areas for capacity development at a regional level as well as to provide a forum for the experts of the specific areas to exchange experiences. Altogether five regional workshops were organized, compared to three in FY 2017 and one in FY 2016, covering monetary policy formulation, financial market operations and payment systems oversight. In order to increase benefits and promote wider regional cooperation, two of the workshops were organized jointly with AFRITAC South (AFS) and one with WAIFEM. During July 2017, a Principles for Financial Market Infrastructures (PFMI) workshop was organized in cooperation with WAIFEM and it was the first workshop held by AFW2 in CBN’s International Training Institute in Abuja. Another regional PFMI workshop was held in Banjul with a wider country representation, where topical issues such as Fintech, cryptocurrencies and blockchain were discussed.

The monetary policy communication workshop conducted in Ghana during September 2017 was the first of its kind for AFW2. It was held together with AFS and brought together 29 participants from 15 Sub-Saharan Africa central banks. The seminar incorporated peer-to-peer discussions about the role of communications units, how to reach out to stakeholders, how to communicate in plain language, and to plan strategic communication. The core of the program comprised two workshops where participants prepared media briefings with question and answer sessions, and drafted press releases on an MPC meeting based on a case study. AFW2 launched a new initiative to deepen knowledge of the region’s central banks in foreign and money markets instruments. The first phase was a self-study on-line capacity building program. During the second phase, AFW2 organized a one-week workshop which built on the readings of phase 1 and helped to deepen understanding of the subject. AFW2 organized a follow up FX market simulation workshop which brought together 32 central bankers from 13 South and West African countries. Participants learned about interbank market conventions, market psychology, the central banks’ role, main characteristics of spot and forward markets, fundamental and technical analysis of price developments, and risk management.
Implementation challenges in FY 2018

In light of uncertainties surrounding parliamentary elections in Sierra Leone, the planned March 2018 mission had to be postponed to the next fiscal year. The Gambia and Liberia are still slow in implementing the suggested liquidity management tools due to its perceived high financial costs, despite analysis which indicates that there is need to increase the central banks’ financial strength to start the necessary sterilization operations. Traction with Cabo Verde is picking up, reflecting the participation of BCV staff in an AFW2 MONOPS workshop.

Financial Sector Supervision and Regulation

Overall, delivery of technical assistance (TA) met the key aims and objectives set for the year. For most of the year, delivery remained smooth, with a few minor hiccups caused by postponements. However, cooperation remained strong and there was increasing demand for TA (Central Banks of Ghana and Nigeria). Member countries such as Ghana’s and Nigeria’s uptake of TA was steady, while delivery was somewhat uneven for some given required delays for internal housekeeping which allowed for streamlining and upgrade of internal systems. All but one regulatory authority witnessed changes in the Head or Deputy Heads of Supervision, and some faced departures/transfers of key senior staff causing capacity gaps in terms of numbers. This, somewhat slowed the desired take up of recommendations for one or two, and resulted in the need to proceed at a slower pace. For others, however, changeovers were smoother and there are clearer signs of progress in enhancing financial sector oversight, based on TA provided.

Participation in regional workshops also gained strength, with all of the three regional workshops planned delivered by April 2018. One of these, a High-Level Forum on Governance represented an inaugural event, which brought together Directors of Supervision, Deputy Governors and members of the Board of Directors in an executive management-type training. Such meetings continued to provide a forum for exchanging experiences, and for building expertise in an area of common interest; and where there is regional commitment. On the whole, discussions were robust and insightful and member countries appear to be gaining deeper insights into how to enhance or
progress supervisory practices.

**Key Achievements in FY 2018**

- **Cabo Verde:** For the first time since the Center’s inception, the supervision department of the Bank of Cabo Verde participated in an AFW2 forum that brought all six-member countries together at the regional workshop on macro-prudential supervision held in Praia. The Head of Supervision and four other staff were present for the week-long forum and were actively engaged. Following the meeting, the Bank of Cabo Verde requested support for stress testing and AFW2 is working to deliver on this request. Two examiners were also represented at the regional workshop on Credit Risk held in Nigeria in April 2018.

- **Nigeria:** The take up of TA has increased, with growing demand for support and increasing cooperation, encompassing the coordination of TA needs with the resident expert in banking supervision. TA focused mainly on IFRS 9 and the implementation of the Basel Pillar II processes which was a continuation from last year. In terms of Pillar II, the missions aimed at strengthening the analysis of banks’ Internal Capital Adequacy and Assessment Processes (ICAAP) and providing a corresponding Supervisory Review and Evaluation Process (SREP), using live submissions from the banking industry. The Central Bank of Nigeria (CBN) also worked on guidelines to channel this process. The CBN also received guidance on assessing models submitted by banks to predict credit losses and provisioning, as required for IFRS 9 which came into operation in January 2018 and with which their banks were mandated to comply. Both meetings generated extensive discussion and debates, and the CBN continues to work on refining processes based on the information imparted. In March, both the Bank of Ghana and the CBN fielded two participants each to the Central Bank of Ireland for a one-week attachment on the Basel Pillar II processes. The Attachment allowed for insights on how the CBN could enhance its own processes.

- **Sierra Leone:** Although some postponements took place, AFW2 delivered two workshops on IFRS, which aimed at helping participants gain a conceptual understanding of the requirements and apply their knowledge to the review of annual and other accounts submitted by the banks. Overall, there was a strong expression of appreciation for the TA delivered, particularly as the TA aimed to link the standards to circumstances on the ground. This represented good progress as there are not many trained accountants in the Banking
Supervision department. In light of this, the TA covered basic concepts in accounting. In April, AFW2 also delivered a review and training on credit risk.

- **The Gambia:** TA continued to focus on enhancing risk-based supervision (RBS) comprising on/offsite approaches. The focus remains on enhancing reporting to clearly delineate and address observed risks. Despite some setbacks, due to significant changes in staff, there was a marked progress in identifying and delineating risks and in making recommendations on same. The Bank also engaged frequently in dialogue with the commercial banks to address key risks identified.

- **Liberia:** The CBL worked with AFW2 to review credit risks and processes to more fully understand the key causes of rising non-performing loans. Recommendations are being reviewed by the authorities. The CBL also received an assessment and recommendations on addressing Cybersecurity and IT risks.

- **Ghana:** Both the Banking and Non-Banking Supervision departments benefited from comprehensive training on IFRS, with training-of-trainers’ programs which led to onward dissemination of the standards to over 60 examiners during the first half of this year alone. There is strong evidence that the training is helping even those examiners with no formal accounting experience to gain more confidence in the review of annual accounts and statements. AFW2 has also continued to provide clinic-like sessions on strengthening offsite reviews and the reporting of risks, especially those related to cross-border activities. Every banking team and the examiners-in-charge participated in clinic sessions. The BOG participated in more in-depth analysis on Consolidated Supervision, and Market and Liquidity risks.

- **AFW2’s work is supported by IMF Banking Supervision Resident Advisors in Ghana, Nigeria, and Sierra Leone who collaborarte for delivery of TA.**

### Implementation challenges in FY 2018

The key challenge has been the changes in lead/senior members of staff and increasing gaps in capacity resulting from the reduction in staff among some authorities. The widespread changes in Heads of Supervision presented more opportunities than challenges for AFW2, although authorities
needed some time to take hold of their enhanced mandate and lead on recommendations. There is also a challenge in ensuring that countries remain focused on addressing fundamentals and gaps; and not be distracted by topical issues, for which they lack the pre-requisites to adopt.

Statistics

Overall Progress in FY 2018

AFW2’s objective in the area of real sector statistics is to strengthen the compilation and dissemination of data on macroeconomic and financial statistics according to the relevant internationally accepted statistical standards. Against this background, the real sector statistics work plan for FY 2018 progressed well. However, there was a setback in Liberia. Funding for an economic survey had not materialized as expected and thus the work program is being reviewed pending the outcome of discussions with the World Bank (WB) on funding. A prices mission was cancelled in Cabo Verde as Statistics Portugal hosted a study tour instead. The other prices mission for Cabo Verde will move into FY 2019 as the data is not available as expected. Missions were cancelled in Sierra Leone due to: (I) the authorities engaged in other survey activities; and (II) a clash of timing with the elections.

Key Achievements in FY 2018

- **Cabo Verde** has commenced the data collection for the rebasing of the annual national accounts with a release scheduled for 2020. The rebasing of the CPI has commenced with an expected release in early 2019.

- **Liberia** has completed the fieldwork for the National Economic Census. This is the first phase of the rebasing of the national accounts whereby a census of all formal businesses in Liberia is undertaken. The World Bank is funding an economic survey and fieldwork that commenced in April 2018.

- **Nigeria** has completed backcasting of the annual national accounts time series which was disseminated on 29 April 2018. The National Bureau of Statistics (NBS) has commenced
development of the quarterly GDP by expenditure estimates as well as the development of the producer price index. Planning for rebasing the national accounts has commenced.

- **The Gambia** released the rebased estimates of the GDP by production on July 5, 2018.
- **A regional national accounts workshop** was held in October. The focus was on business registers and how they support sample surveys and the estimation process. Managers and compilers of statistics had the opportunity to share their views throughout the workshop. There was considerable discussion during the workshop, demonstrating that there is a good understanding of the concepts among some compilers. For others, it was an opportunity to gain more understanding.

- **A collaborative regional workshop with WAIFEM** was held in November. This was the first national accounts workshop conducted by AFW2 in collaboration with WAIFEM. The main objective of the workshop was to outline and discuss the main concepts and principles in compiling the national accounts (i.e. GDP) as well as the overall structure of the System of National Accounts. The workshop was for Central Bank and Ministries of Finance staff from Ghana, Liberia, Nigeria, Sierra Leone and The Gambia.

**Implementation Challenges in FY 2018**

The significant challenge facing Sierra Leone currently is the funding for an economic survey to rebase the national accounts. Discussions have commenced with the WB to provide funds for the survey so that the rebasing can be undertaken.

**Box 4: AFRITAC WEST2: Key Recommendations from Independent Mid-Term Evaluation**

**Scope:** A mid-term evaluation of the Center’s performance since its inception (2014) was conducted to assess its relevance, efficiency, effectiveness, sustainability, and impact of its capacity development (CD) activities.

**Assessment:** The overall performance of AFRITAC West 2 (AFW2) was assessed as “good” with scope for improvement in a few areas. While the Center received the highest rating for its relevance and traction...
among member countries, the evaluation found that more can be done in the areas of effectiveness and sustainability. Also, evaluators had difficulty measuring impact on a broader scale given the short time frame of the Center’s operation, but could attribute a key role to AFW2 in a number of specific examples, including (i) the Treasury Single Account in Kaduna State; (ii) modernization of monetary policy frameworks in Ghana; and (iii) audit and compliance in revenue administration.

Key recommendations:

- **Formalize arrangements between IMF and regional organizations, and agree on specific activities.**
- **Institute outreach activities systematically in the missions**
- **Reinforce the CD approach for engagement in fragile states and extend it to the other CD areas, and use modes of capacity building that have proven to be very effective.**
- **Strengthen the Steering Committee and particularly the participation of Member Countries.**
- **Reinforce the function of the Center Coordinator.**

Next steps: An action plan has been developed to implement the key recommendations. Most will come into effect during the pursuit of CD activities in 2018, while others would be implemented during the next funding phase of the Center in 2019.

IV. **Strategic Priorities for Capacity Development and Sectoral Work Program For FY 2019**

The Center’s Strategic Priorities for CD in FY 2019

In agreement with partners, the first phase of the AFW2 program has been extended from November 2018 to May 2019. Going into the final year of its Phase I, the Center’s strategic priorities for FY 2019 are informed by key recommendations from the mid-term evaluation report and by the progress made in implementing CD activities in FY 2018. To this end, the strategic priorities will be as follows:

- **Anchoring CD activities within the RBM framework.** After the initial roll out in FY 2017, all CD activities are anchored by a logframe comprising objective, milestones, verifiable indicators and expected outcomes. This will permit the Center to assess the efficacy of our engagements with member countries and to be nimble in responding to changing priorities and circumstances.

- **Consolidating activities that enhance domestic revenue mobilization.** Post clearance audits, TADAT assessments, and data matching exercises have been conducted in most member countries. In this context, CD activities will focus on strengthening compliance, adopting a risk-based approach to assessments, and training of trainers in audit techniques.
These efforts will permit the development of thematic cross-cutting sessions that foster peer learning.

- **Pursuing a flexible approach in CD delivery to member countries in fragile states (Liberia, Sierra Leone, and The Gambia).** Institutional capacity constraints will inform the design and sequencing of CD activities that can deliver a series of early successes to engender buy-in to sustain reforms.

- **Reinforcing efforts to strengthen PFM systems to enhance control over fiscal operations and managing fiscal risks.** This will encompass the pursuit of stronger PFM laws and institutions, better budget preparation, execution and control, improved asset and liability management, and strengthened identification, monitoring and management of fiscal risks.

- **Emphasizing the importance of the quality and reliability of statistics for good policy making.** The Center will continue to focus on strengthening the compilation and dissemination of data on macroeconomic and financial statistics. As most member countries are due to rebase their national accounts, regional workshops could serve as a modality for sharing thematic sessions on best practices.

- **Supporting the regional integration agenda.** The Center will continue to support member countries to modernize their payments systems and strengthen banking supervision given the increase in financial flows and the presence of pan-African banks. These efforts will include collaboration with regional bodies including ECOWAS, WAMI, and WAIFEM in peer learning activities. In addition, a workshop on regional integration will be conducted in collaboration with ECOWAS and the IMF Institute of Capacity Development (ICD).

- **Enhancing outreach activities to stakeholders.** The Center envisages a multipronged approach involving the CC, RAs, and Resident Representatives (Res Reps) in member countries. The strategy will also include the increased use of digital tools for outreach and awareness-raising among member countries, partners, and the public.

These strategic priorities are reflected in the proposed FY 2019 work program (Appendix 1). In FY 2019, the Center estimates a budget of about $10 million. The proposed budget for FY 2019 (Table 4) has been estimated based on preliminary costing of the proposed work program, rate of execution in FY 2018, and available resources for the remainder of Phase 1.
### Table 4: FY 2019 Budget
(In U.S. Dollars)

<table>
<thead>
<tr>
<th>Project/Activity</th>
<th>Phase Summary: FY 2014 - FY 2010</th>
<th>FY 2019</th>
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<tr>
<td></td>
<td>Program Budget</td>
<td>Working Budget</td>
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<tr>
<td>Public Financial Management</td>
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<td>Customs Administration</td>
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<td>Tax Administration</td>
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<td>Banking Supervision and Regulation</td>
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<td>4,217,569</td>
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<tr>
<td>Monetary Policy Operations</td>
<td>4,403,706</td>
<td>3,464,388</td>
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<tr>
<td>Real Sector Statistics</td>
<td>4,119,102</td>
<td>3,140,915</td>
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<td>Financial and Fiscal Law</td>
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<td>Admin Project</td>
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<td>Customized Training</td>
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<td>Training project</td>
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<td>Governance and Evaluation (including RBM advisor/backstopping)</td>
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<td>Financial Integrity Group</td>
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<td><strong>Subtotal</strong></td>
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<td>31,431,267</td>
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<td><strong>Trust Fund Management</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td>39,045,888</td>
<td>33,631,456</td>
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</tbody>
</table>

* Abridged. Estimates are preliminary. The final and detailed budget will be presented in the final published FY 2018 report.
Detailed Sectoral Work Program for FY 2019

Revenue Administration

A. Domestic Taxes

Main Objectives

AFW2 aims to deliver sustainable capacity building that will enable revenue administrations of member countries to implement reforms that strengthen institutional capacity to enhance domestic revenue mobilization through improved tax compliance and support fiscal sustainability. The Center will work with member countries to strengthen revenue administration, management and governance as well as core tax administration functions.

Short–Term Objectives

In FY 2019, AFW2 will continue delivering CD programs designed to build institutional capacity for effective domestic revenue mobilization through systematic planning and implementation of revenue reforms, building risk-based compliance improvement and enforcement strategies and promoting voluntary compliance through improved service delivery. Overall, AFW2’s intervention on revenue administration will also aim to work with other development partners (DPs) and assist member countries in transition to generate the much-needed revenues to address their huge development needs.

The FY 2019 work program aims to achieve the following key objectives in the short term:

1. Establishing structures and processes that support effective revenue administration.
2. Developing appropriate strategies informed by the TADAT and results from data matching projects to address shortcomings in revenue mobilization; and
3. Equipping revenue administrations with the skills to effectively use audit, data matching and intelligence to maximize tax compliance.

Results from both the TADAT assessments and Data Matching projects will be used to plan follow up compliance improvement activities.

Country Work: Inputs and Milestones for FY 2019

Cabo Verde: AFW2 will continue to work with Cabo Verde’s DNRE on building capacity to boost revenue compliance. This will be done through training of auditors on effective audit and enforcement methods, data matching to identify compliance gaps and support to improve the management of tax arrears.

Ghana: Following the TADAT Assessment in 2017 and the expiration of The GRA’s strategic plan at
the end of 2017, the GRA is expected to prepare a new strategic plan that will aim to address the issues identified by the TADAT. AFW2 will provide TA to support the GRA with the preparation of the new Strategic Plan including monitoring and evaluation (M&E) as well as performance management for middle managers. Further support will also be provided towards the business process reengineering of the Total Revenue Integrated Processing System (TRIPS), Value Added Tax (VAT) compliance and excise audits.

**Liberia:** While the Revenue Mobilization Trust Fund (RMTF) will support the Large Taxpayer Office (LTO) with compliance, AFW2 will continue to work with the Medium Taxpayer Office (MTO) to build capacity for audit and intelligence gathering. As part of the wider compliance improvement program, assistance will be given to develop a taxpayer service and engagement program, and guidelines provided for the registration of new taxpayers to ensure completeness. Further support will be provided to improve the management of tax arrears.

**Nigeria:** As a follow-up to the TADAT Assessment conducted in March 2018, there will be a follow up mission to begin work on addressing the issues identified by the TADAT. Further work will be done with the FIRS on improving tax compliance through, data matching to identify compliance gaps, the development of a comprehensive compliance management strategy, work on VAT compliance and the development of a compliance strategy for the informal sector. AFW2 will also support the FIRS to develop and implement its tax payer service strategy.

**Sierra Leone:** To strengthen risk management at the NRA’s corporate level, AFW2 will provide TA on the development of a corporate risk analysis framework for the NRA. Assistance will also be provided to review the NRA’s Management Information System with a view to improving the system to support effective tax administration. Regarding compliance, the NRA will also be supported on the development of the tax payer register as well updating the tax payer charter to facilitate voluntary compliance. Further work will be done on building audit capacity and support to improve the management of tax arrears.

**The Gambia:** Following the TADAT assessment in April 2018, there will be a follow up mission work on the issues identified by the TADAT. CD in FY 2019 will focus on working with the Gambian Revenue Authority to develop and implement a Compliance Risk Management Framework, developing and implementing an effective audit program, and building audit capacity.

**Regional work**

*AFW2 will continue promoting cooperation with other regional bodies and development partners, as well as supporting peer learning and peer support among member countries.* Cooperation was initiated with the ECOWAS Commission, the African Tax Administration Forum (ATAF), the West African Tax Administration Forum (WATAF) and other DPs in the region working with member countries on tax reforms to minimize duplication and unnecessary overlaps of CD programs. These efforts will continue in FY 2019 to build capacity in areas of compliance
management and taxpayer service. Two regional workshops are foreseen in FY 2019 to complement the CD provided to the various member countries. The workshops will focus on implementing successful risk management programs, and leveraging on technology to deliver effective taxpayer service and engagement in collaboration with interested regional bodies such as ECOWAS and WATAF. Professional attachments will be pursued where appropriate to reinforce TA in the countries.

**B. Customs**

**Overall Objectives**

AFW2 aims to deliver sustainable capacity building that will enable revenue administrations of member countries to implement reforms that will enhance domestic revenue mobilization and support fiscal sustainability in member countries while facilitating trade and regional integration. This is achieved by focusing on the following specific project objectives: (i) strengthen revenue administration management and governance arrangements; and (ii) improving customs administrative functions.

**Short and Medium-Term Objectives**

- **Cabo Verde:** To establish internal controls covering all core operations and to ensure that staff integrity assurance mechanisms are in place and adequate; and to make sure that risk-based control selectivity is applied more consistently over time.

- **Ghana:** To establish a clear organizational structure along functional lines; and to improve public perceptions of integrity.

- **Liberia:** To support the effective application of procedures based on international standards; ensure the framework to control specific regimes and exemptions is strengthened; and ensure the organization has the reform management capacity and necessary resources in place for reform implementation.

- **Nigeria:** To ensure a larger share of trade is controlled progressively through a properly designed post audit program; risk-based control selectivity is applied more consistently over time; and ensure the organization has the reform management capacity and necessary resources in place for reform implementation.

- **Sierra Leone:** To ensure that customs procedures are aligned with international standards and regional integration objectives; engagement with the trade community supports
voluntary compliance; and the effectiveness of the fight against fraud and smuggling increases over time.

- **The Gambia:** To support the alignment of customs procedures (including transit) with international standards and that the regional integration objective improves over time; a larger share of trade is controlled progressively through a properly designed post clearance audit program; and to ensure the effective application of procedures based on international standards for valuation, origin and the tariff classification of goods improves over time.

**Country work: Inputs and Milestones for FY 2019**

**Cabo Verde:** The program for the customs division of the DNRE will continue to focus on the implementation of a risk management strategy. This will include the provision of ongoing support to the risk management committee so that resources are deployed to support the delivery of the compliance management strategy. Building on the work completed in FY 2018, TA will be provided to support the implementation of the DNRE’s integrity strategy and the provision of continued mentoring support to the post clearance audit unit. To support the customs division to maximize revenue collection, TA will be provided on the documentation of systems and the development of standard operating procedures. This work will be taken forward in partnership with the WCO.

**Ghana:** Following a series of meetings with the new Commissioner Customs, a work program has been designed in consultation with other international organizations (IOs) including DANIDA, WCO, and USAID. Diagnostic reports are shared and the recommendations used to inform the content, sequencing and timing of TA inputs. Short-term experts are also being used by the different IOs to maintain continuity of support. The focus will be on building capacity on risk management, intelligence and investigation. Additional TA support will also be provided, in partnership with USAID, to support the implementation of post clearance audit procedures.

**Liberia:** The focus will be on building capacity of the officers recently appointed to the post clearance audit unit. Mentoring support and training will be provided in accordance with the requirements of the LRA competency framework. In partnership with an EU-funded project to support the establishment of a central customs document processing unit, TA and training will be provided on valuation and classification procedures. The development of a coordinated border management strategy remains a key priority and will incorporate the delivery of training on leadership, change management, and risk management. The training will be delivered in partnership with neighboring customs administrations and other government agencies.

**Nigeria:** CD will continue to be provided on the implementation of the NCS risk management strategy, with focus on building capacity within a newly established risk management unit. Several missions have been scheduled to support the NCS to develop a new strategic plan and put in place an organizational structure to support its implementation. TA on the development and
implementation of an integrity strategy is also planned along with support to the post clearance audit unit to enhance procedures for the selection, planning and execution of audits.

**Sierra Leone:** A stakeholder engagement strategy is to be implemented to assist the NRA to work with other government agencies to establish coordinated border management and revised procedures for the control of exemptions. Training on the latest inspection procedures will be provided to customs officers operating at the major port in Freetown. CD will be delivered, in partnership with the WCO, to the post clearance audit unit to enhance procedures for the selection, planning and execution of audits. TA will also be delivered to facilitate the development of an anti-smuggling strategy.

**The Gambia:** TA will continue to focus on equipping officers with basic skills and knowledge on customs procedures. This will include training on cargo inspection and enforcement techniques. The control of exemptions from customs duties and taxes is also a priority area for TA support along with the development of enhanced controls for the control of goods in transit.

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**PUBLIC FINANCIAL MANAGEMENT (PFM)**

**Overall Objectives**

AFW2 follows the strategic objectives set out in the Fund’s RBM capacity building catalog, namely stronger PFM laws and institutions, better budget preparation, better budget execution and control, improved asset and liability management, and strengthened identification, monitoring, and management of fiscal risks. The workplan for FY 2019 will continue to be guided by these objectives.

**Short–Term Objectives**

Over FY 2019, AFW2 will respond to requests from member countries on specific technical assistance areas underlining the Center’s ability to be flexible in the support it offers. Assistance will also look to strengthen the sustainability of reforms through working to institutionalize operational changes and reforms in to the day-to-day work of recipient organizations.

**Country work: Inputs and Milestones for FY 2019**

**Cabo Verde:** Support will continue to be directed toward policy-based budgeting and clarifying roles of key entities involved in the planning and budgeting function. Improving governments’ annual financial reports and their audit and legislative follow-up, together with strengthening monitoring of SOE performance will follow on from the action plan developed in FY 2018, whilst TA to support cash forecasting and cash management, and the monitoring and management of fiscal risks arising from PPPs will also form part of the workplan.
**Ghana:** AFW2’s work in Ghana will continue the momentum achieved in restructuring the Ministry of Finance and preparing regulations to support the recent PFM Act. TA to strengthen expenditure commitments and payments is also planned to assess and form a strategy for management to tackle arrears and audit unpaid commitments and claims. A new stream of work on planning, appraisal, and selection of publicly funded projects will begin, which follows on from the recommendations made in the Public Investment Management Assessment (PIMA) in 2016. Work will also commence on building capacity to analyze potential fiscal risks that may emerge from PPPs.

**Liberia:** Work in Liberia will continue to support strengthening areas identified in the 2016 PIMA, and assisting in training the authorities in producing consolidated financial reports for state owned enterprises. Enhancement of the fiscal reporting framework is planned to follow through TA to review and improve the reconciliation processes, and to bring the national chart of accounts in compliance with Government Finance Statistics (GFS) 2014 and the Classification of Functions of Government (CoFoG). On fiscal reporting, assistance will also be provided to bring all externally financed projects within the fiscal reporting/IFMIS framework by including these projects in the budget/documentation process. Continuing support for cash management initiatives with a new work stream to support and design a complete Treasury Single Account structure are planned to enhance the asset management framework.

**Nigeria:** Assistance will focus on improving budget credibility and performance and central fiscal oversight of government investments and state-owned enterprises. New areas of TA are planned to improve the coverage and quality of fiscal reporting supporting data analysis and data management and to generate key management reports alongside statutory and financial statements from the Integrated Financial Management and Information System (IFMIS). TA support on developing the cash-flow database, preparing the cash management unit structure with hands-on support on cash plans, and integrating within GIFMIS are part of the work plan along with following up on TSA and cash management in Kaduna State.

**Sierra Leone:** Following a request from the authorities, the work plan includes support for project audit, and hands-on support for performance audit to enhance budget execution and control. Emphasis will also shift toward budget preparation and credibility, with training to be delivered in this area. Training on activity-based budgeting for budget committees will also be delivered to budget committee staff to help improve the use of information on resources and performance in budget documentation. TA on various aspects of cash management functions and TSA implementation are planned and the annual plan also includes new areas focusing on clearance and prevention of expenditure arrears, advancing to GFS reporting and preparing financial statements using cash basis IPSAS.

**The Gambia:** Support will continue to sustain progress made in macro-fiscal data analysis and forecasting, and to integrate this work into the budget preparation process. Technical assistance on
strengthening SOE oversight and fiscal risk analysis will also continue as will TA support to strengthen the cash management framework.

Regional work

Regional workshops have proved valuable in the past and several are planned for FY 2019, including on budget comprehensiveness and budget reliability, and implementing cash management.

**MONETARY OPERATIONS AND PAYMENT SYSTEMS (MONOPS)**

Objectives

Medium-Term

The overall objective of the Center’s work in the area of monetary policy and operations and payment system is to continue supporting effective monetary policy formulation and implementation in AFW2 member countries and assist them in payment system modernization.

Short-Term

The main objective for FY 2019 is to continue improving the economic analysis and forecasting capabilities of the central banks which would better support monetary policy decision making tailored to the specific monetary and exchange rate policy regime. Efforts in FY 2019 will be directed toward developing economic indicators (breaking down inflation data into different sub-components, composing composite index of economic activity that underpins the monetary toolkit, analyzing monetary transmission, and monetary stance). This overlapping work would also involve continued close coordination between the Center’s MONOPS and the Real Sector Advisors. A new focus will be to observe and help enhance pre-MPC work processes and improve the quality of MPC briefings. Given all member countries financial systems face challenges with substantial excess liquidity, it is important to strengthen liquidity management by introducing new monetary operations, based on a robust internal liquidity forecasting function. A further objective relates to foreign exchange operations, whereby countries with floating and managed float regimes need to develop the capacity to implement FX operations efficiently and in a manner consistent with their chosen monetary policy and FX regime. As several of the countries in the AFW2 have established the main elements of payment systems during recent years, it is of paramount importance to assist the central banks and other relevant authorities in further developing the national payment systems and improving oversight functions. This should aim to ensure their safety and efficiency, and compliance with international standards. In some cases, missions on monetary operations and payment system are combined to generate economies of scale since this also improves efficiency of cost and time.
management on the part of the MONOPS Advisor.

**Country Work: Inputs and Milestones for FY 2019**

**Cabo Verde:** In the area of monetary operations, the goals are to review the functioning of the new liquidity management instruments, introduced in line with AFW2 recommendations, and suggest refinements, if necessary. AFW2 is ready to provide further support in working out relevant new payment systems regulations based on the new legislation and to improve BCV’s internal payment systems oversight function.

**Ghana:** The focus will be to continue building the BOG’s liquidity forecasting framework by operationalizing the new monitoring and forecasting tables, minimizing manual data input and implementing a short-term forecasting model for currency in circulation. AFW2 stands ready to support the ongoing project of revamping the Bank of Ghana’s inflation targeting framework in collaboration with MCM and ICD. After carrying out a diagnostic mission on BOG’s foreign exchange operations in FY 2018, AFW2 is planning to contribute to an HQ-led mission to work out an internal FX intervention policy which is more in line with the followed inflation targeting monetary policy framework. Lastly, on payment system modernization, the goal is to help the BOG in developing the payment systems oversight function and continue with the review of the BOG’s systemically important payment systems infrastructure against CPSS-IOSCO principles.

**Liberia:** The focus will be to assist CBL in implementing the best instruments to manage excess liquidity. Further enhancement of the currency in circulation forecasting model is necessary to address the challenges arising from the dual currency structure. Concerning monetary policy analysis, CD will ensure that new economic indicators (CIEA, REER, and analytical inflation measures) are further developed and form an integral part of monetary analysis and management reporting. Additional topics will cover the improvement of the structure of internal and external reporting and capacity building in near-term forecasting methods. As CBL is considering setting up a formal MPC, AFW2 will support the CBL with the preparation by organizing professional attachments to countries within the region which have already established an MPC. On payment systems, the focus will be to develop an intra-day credit policy for the RTGS, based on best practices. Work will commence on the pricing policy covering all CBL-operated payment systems and provided payment services based on costs and policy considerations.

**Nigeria:** Based on the scoping mission in the previous financial year, the focus will be to assist the CBN to improve: (i) its liquidity management operations; (ii) its liquidity monitoring and forecasting framework; and (iii) its forecasting model of currency in circulation. Nigeria has showed interest in moving toward a forward looking monetary policy analysis. Based on this, AFW2 intends to send missions for stock taking that can form a firmer basis for a more concrete work program and spell out first round of recommendations. Depending on the findings of this mission and cooperation of
the authorities, additional milestones will be developed later in the year. Regarding payments systems, AFW2 plans to organize a professional attachment for CBN staff to visit the South African Reserve Bank (SARB) to study the South African payment systems landscape and the payment systems oversight function of the SARB.

Sierra Leone: The main priority is to further improve macroeconomic and monetary analysis, based on the work carried out in FY 2017 and FY 2018. In particular, CD will concentrate on: (i) continued development of economic indicators comprising a composite index of economic activity, analytical measures of inflation, measures of effective exchange rates, and measures of monetary policy stance; (ii) review of the pre-MPC workflows and quality of MPC briefing materials; and (iii) continued development of analytical and economic skills of the research staff. In the area of liquidity management, AFW2 will assist BSL to introduce longer-term liquidity management instruments such as BSL-bills. Regarding payment systems, AFW2 will follow up on the recommendations of the scoping mission in the previous financial year, with a special focus on formulating payment systems oversight framework and collecting and analyzing payment system data.

The Gambia: The main focus of CD in FY 2019 will be to further improve the analytical capabilities of the CBG’s research department to better support monetary policy decision making process: (i) review and adjust the structure of MPC briefings by working with sector experts on developing actual MPC presentations; (ii) conduct joint research to better understand the monetary policy transmission mechanism; and (iii) develop a framework for near-term inflation and GDP forecasting. Regarding monetary operations, efforts will be made to introduce the liquidity management instruments recommended by the previous year’s missions, especially the overnight standing facilities, and to further improve the liquidity monitoring and forecasting framework by improving the forecast of government cash flows. Regarding payment systems, AFW2 will carry out a scoping mission on how to improve CBG’s payment system oversight function, provide a comprehensive review and put together a medium-term work plan for further development.

Regional Work

Based on the feedback on the very successful events held in FY 2017 and FY 2018, AFW2 will organize an FX market simulation exercise in FY 2019. The workshop is to be held jointly with AFS and AFE. While the previous workshops dealt mainly with spot FX market, new areas will be added to introduce trading in forwards and FX swaps as well. It will help the regional central banks to deepen their understanding of market behavior and instruments, leading to improved efficiency of the central bank operations.

AFW2 will organize a conference on central bank transparency and communication this financial year. More emphasis will be given to transparency in central banking. The topics will include (i) the importance of transparency; (ii) internal communication and work processes; (iii) target groups and communication channels; and (iv) evaluation of communication. The event will include
exercises such as mock-up media presentations and draft communiques, based on case studies.

**AFW2 will continue its practice-oriented capacity building program on money and foreign exchange market instruments.** The program consists of two parts: a remote training where the participants will study the materials with online support of an expert and regular tests to measure progress; and the other part will be a one-week practical-oriented workshop which covers money and FX market products, the global FX code, risk management and settlement issues.

**FINANCIAL SECTOR SUPERVISION AND REGULATION**

**Main Objectives**

The overall medium-term objective maintains a focus on strengthening supervisory practices across AFW2 central banks, and helping member countries align their processes and practices with new or updated international standards and best practices.

In the short-term (FY 2019), AFW2 aims to advance CD started in this fiscal year and work with member countries to encourage focus and action on relevant recommendations. For countries facing capacity constraints, this would mean adjusting timing and delivery to avoid TA saturation and ensure the implementation of recommendations. The Center will continue to aim at enhancing existing frameworks by plugging identified gaps and charting efforts on the pick-up of newer regulatory developments such as the updated Basel III. Managing risks and taking prompt, firm, and decisive efforts will continue to be the central point of TA and this will be aided by continuing executive leadership programs to new Directors and senior staff. This, together with professional attachments which support peer-to-peer learning, will form part of the range of techniques employed to foster growth and compliance. Continued care will be exercised in the choice of experts, who ideally should exhibit knowledge of the challenges faced by developing countries and member countries. Tailored programs including worked examples, case studies, role play and guided learning will help cater for the varying stages of development and challenges which countries face. Regional meetings will support the sharing of experiences and lessons learned.

**Country Work: Inputs and Milestones for FY 2019**

**Cabo Verde:** AFW2 is awaiting the Bank of Cabo Verde’s engagement on CD needs. During a recent outreach visit by the Center Coordinator, the Bank of Cabo Verde signaled some interest
in working with AFW2 in the area of macro prudential indicators. The Center will collaborate with MCM/HQ before proceeding on any work on macro prudential indicators for the country.

**Ghana:** In FY 2019, AFW2 plans to deepen engagement on enhancing offsite supervision within a risk-based supervision (RBS) framework. There are already signs of visible progress with the implementation of recommendations, and the CD in FY 2019 will aim at deepening the understanding and continued application of the key principles relating to identifying, monitoring, and controlling risk. The BOG will also continue to receive support on how to incorporate risks from parents and subsidiaries within the consolidated review process and assess liquidity and market risks. Assessing these risks complements the Basel II/III capital adequacy framework and AFW2 will begin providing enhanced support on this topic as the Resident Advisor’s term is due to end around mid-fiscal year. TA on addressing mergers and acquisitions has also been identified as a key priority given that the BOG recently increased its capital requirement from 120 million cedis to 400 million cedis. Finally, the Financial Stability unit has also requested support on enhancing its macroprudential analysis, conducting stress tests, and upgrading the BOG’s Financial Stability reporting framework. A clearer understanding of the IFRS principles to aid the analysis of data and learning and training on the key principles will continue. However, there will be a deeper emphasis on IFRS 9 and how banks model their loan provisioning. Close collaboration with HQ will be important in meeting these varied needs.

**Liberia:** One of the key risks to the banking sector remains the persistence of high non-performing loans (NPLs) and as a result, the CBL requires enhanced diligence in ensuring that credit risks are effectively contained. AFW2 will therefore continue to build on the credit risk TA recently provided and work with the CBL to address gaps identified in the supervisory review process. The risks posed by cyber-crime is also a growing area of concern, and building upon a recently concluded TA in this area, AFW2 will guide the CBL in developing policy guidelines to address these threats and implementing a sound monitoring system; including the conduct of (information technology) IT examinations. The CBL also recognizes the need to deepen implementation of the Basel II/III framework and a review of processes on the ground will take place during 2019 with an aim of enhancing the definition and application of the Pillar II processes. The CBL also has a keen interest in enhancing its nascent financial stability framework.

**Nigeria:** As TA to the CBN gains deeper traction, AFW2 will continue building on the strong efforts of the CBN to advance Basel II/III. In FY 2019, work will focus on bringing the definition of capital more in line with Basel III processes and helping the CBN to build an Internal Liquidity Adequacy Assessment process among banks. The CBN will also continue its work on IFRS 9, seeking to deepen learning and understanding and review models of provisioning. To compliment these developments, the CBN will also undertake a review of its RBS framework to ensure that guidelines and practices align with the Basel Capital Adequacy developments and IFRS provisioning. The close collaboration with the Financial Sector Supervision Resident Advisor has worked to deepen progress of TA goals, and the aim is to build on the partnership to meet the CBN’s identified needs.
Sierra Leone: AFW2 would like to build on the risk-based supervision work being conducted by the Financial Sector Supervision Resident Advisor. As such helping the BSL deepen understanding of credit risks and consolidated supervision; and also, to implement the Basel II/III framework will be a key priority. There is also a need to develop IFRS guidelines for the banking sector to ensure that the banks do not follow a differentiated approach based on their parent companies. AFW2 will work to provide such support on developing these guidelines. The BSL also has an interest in guiding examiners on IT supervision.

The Gambia: The CBG will continue to look at techniques for enhancing RBS and AFW2 will include two more of these missions in its FY 2019 work program to help fine-tune implementation. There is also a need to update IFRS guidelines to the financial sector and the CBG would like some additional training on the IFRS principles and IFRS 9. The CBG recognizes that it is now at a stage to focus more adopting elements of Basel II/III (Pillar 2 risk-based supervision/Basel III definition of capital) proportionate with the state of financial development. TA will focus on helping the CBG develop and work towards this roadmap.

Regional Work

Four regional workshops are planned for FY 2018/2019. These are: (i) two regional working groups on Stress Testing at the banking level, geared towards examiners with pre-requisite skills and experiences (ii) one regional working group to be held in conjunction with WAMI on Assessing the Basel Core Principles on a peer review basis; and iii) Weak Banks and Effective Early Intervention.

REAL SECTOR STATISTICS

Main Objectives

AFW2’s objective in the area of real sector statistics is to strengthen the compilation and dissemination of data on macroeconomic and financial statistics. This will be guided according to the relevant internationally accepted statistical standard, including developing or improving statistical infrastructure, source data, serviceability and/or metadata. It also aims to improve member countries’ statistical capacity for producing real sector statistics in the framework of the Enhanced General Data Dissemination System (e-GDDS).

Medium-Term Objectives

AFW2’s medium-term objective in the area of statistics is to bring member countries closer to compliance with international standards for the compilation of better quality national accounts (annual and quarterly) and price statistics. That is, continue to assist member countries
to improve the coverage, accuracy, reliability, frequency and timeliness of real sector statistics as well as support them with the implementation of the latest international statistical standards and classifications.

The Center continues to work with DFID in its second EDDI program (EDDI2) in the provision of TA on national accounts and price statistics. The program runs from April 2015 to March 2020. The program is funded by DFID but managed by IMF Headquarters. EDDI2 will strongly support AFW2 countries on improvements to and development of CPI and PPI statistics. In particular, it will fund the price statistics TA for Ghana, Liberia, Sierra Leone and The Gambia, whilst AFW2 will fund TA for Nigeria. EDDI2 also has a national accounts source data component and coordination of activities continues across Sierra Leone, Nigeria, The Gambia and Liberia.

**Short-Term Objectives**

The short-term objectives for AFW2 member countries are:

- **Cabo Verde** – to continue the rebasing of the annual national accounts (ANA); and the rebasing of its consumer price index (CPI).
- **Ghana** – the rebasing of the ANA to a base year of 2013 and commence planning for the next rebase in respect of 2018.
- **Liberia** – the rebasing of the ANA in undertaking the second phase of the exercise i.e. the economic survey.
- **Nigeria** – continue the development of the quarterly national accounts (QNA) by expenditure; commence the rebasing of the ANA and develop the producer price index (PPI) in line with international best practices. CPI rebasing will be undertaken once the results of the 2018/2019 National Living Standards Survey are available.
- **Sierra Leone** – the rebasing of the ANA in undertaking the second phase of the exercise i.e. the economic survey (subject to funding being sourced).
- **The Gambia** – continue its rebasing of the ANA; commence planning for the next rebase and developing the QNA.

**Country Work: Inputs and Milestones for FY 2019**

**Cabo Verde** will receive assistance in the implementation of the 2008 SNA as part of the rebasing of its ANA. It is expected the rebased estimates will be released in early 2020. They will continue the process of re-weighting the CPI with assistance from AFW2 as well as Statistics Portugal. Assistance in the production and dissemination of metadata (sources and methods documentation) will be provided.
Ghana will continue to receive technical assistance and training on the rebasing of the annual GDP during FY 2019. It is expected that the rebased estimates for 2013 will be released late-2018. They will also commence planning for the next rebase of the ANA. In addition, they will receive technical assistance in the development of an ongoing strategy to produce an independent ANA. Assistance in the production and dissemination of metadata (i.e. sources and methods documentation) will also be provided.

Liberia: The development of the methods and identification of data sources for the production of ANA on an ongoing basis will continue to be the focus in Liberia. The economic census will continue during 2018 resulting in a rebased GDP being published in 2020 or 2021. Assistance in the production and dissemination of metadata (i.e. sources and methods documentation) will also be provided.

Nigeria: The focus will be to develop the plan for rebasing the ANA and to commence the rebasing of the ANA. They will also continue to be assisted with the development of a PPI. Assistance in the production and dissemination of metadata (i.e. sources and methods documentation) will also be provided.

Sierra Leone: The focus will be the rebasing of its ANA but this is dependent on funding being secured to undertake an economic survey. This activity will also identify data sources and develop methodology for the ongoing compilation of the ANA. Assistance in the production and dissemination of metadata (i.e. sources and methods documentation) will also be provided.

The Gambia: In FY 2019, The Gambia will be finalizing and publishing its rebased annual GDP by the expenditure approach. The country will continue with the development of its QNA with data sources and methods to be identified and assessed. Planning for the next rebase of the ANA will commence.

Regional Work

One regional national accounts and one regional price statistics workshops are planned for FY 2019. AFW2 will continue to collaborate with WAIFEM in the delivery of a regional national accounts workshop for staff in the central banks and ministries of finance.
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