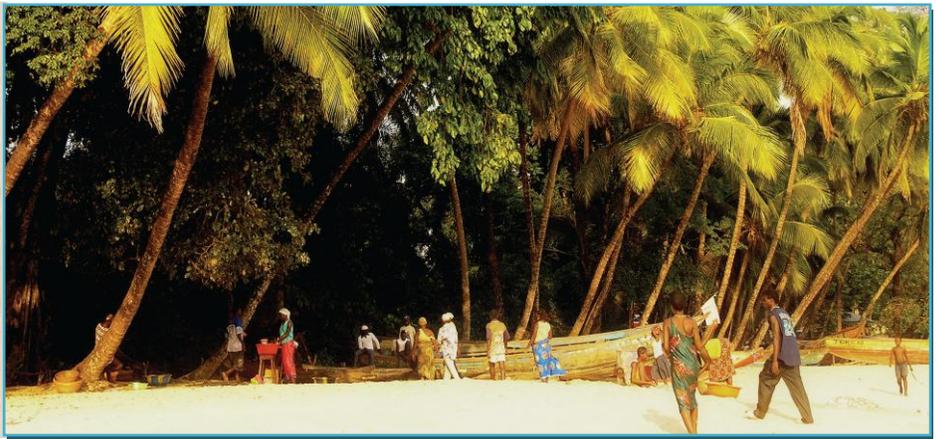


December 2015



# AFRITAC WEST 2 NEWS



## TABLE OF CONTENTS

Highlights.....1  
 3<sup>rd</sup> AFW2 Steering Committee Meeting.....2  
 AFW2 Missions.....3  
 AFW2 Regional Workshop on VAT.....5  
 AFW2's BOG Training on Consolidated Supervision.....6  
 Upcoming TA Missions .....7  
 Free Online Course.....8  
 AFW2 Staff News.....9

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**The Third AFRITAC West 2 (AFW2) Steering Committee Meeting**  
 AFW2 held its third Steering Committee (SC) meeting on December 2, 2015 in Accra. In attendance were representatives of AFW2 development partners and member countries as well as IMF staff. The meeting was chaired by Mr. Seth Terkper, Minister of Finance for Ghana.

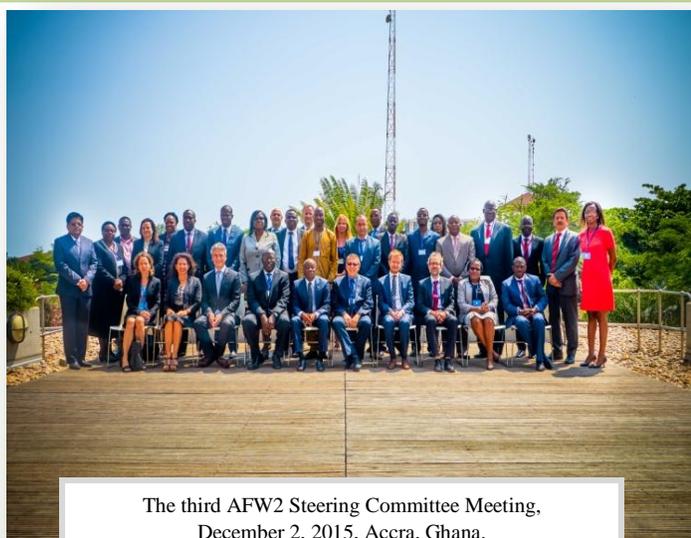
### **Regional Workshop on Improving VAT Compliance**

AFW2 hosted a training workshop on VAT compliance with the participation of all six member countries as well as Senegal. In light of the post-Addis agenda and the importance of domestic revenue mobilization, the peer-to-peer learning workshop on improving VAT compliance was welcomed by the member countries.

### **AFW2 welcomes Mr. Singh and bids farewell to Mr. Lepain**

Mr. Ashni Singh joined the Center in November as the new PFM Advisor. The Center also bid farewell to Mr. Jean Marc Lepain, the previous PFM Advisor, in December.

## Third AFW2 SC Meeting



The third AFW2 Steering Committee Meeting,  
December 2, 2015. Accra, Ghana.

The third SC meeting discussed among other issues, the implementation of the FY work program for the first half of the FY2016, progress on which was welcomed by the SC members. The meeting took note of the challenging macroeconomic context of the AFW2 countries and highlighted the critical need to strengthen institutions as a way to overcome the vulnerabilities. It emphasized that successful capacity development required strong country ownership and hands-on Technical Assistance Support.

Representatives from Liberia and Sierra Leone highlighted their capacity building priorities in a post-Ebola period. The SC welcomed the Center's plans for deeper re-engagement in both countries.

The SC also encouraged the Center's engagement with the new Administration in Nigeria; notably the support to Kaduna State on the implementation of the Treasury Single Account (TSA).



The 3<sup>rd</sup> AFW2 SC Meeting in session

The SC further called for greater support for the regional integration process in the Economic Community of West African States (ECOWAS) and collaboration between AFW2 and AFRITAC West, as well as regional institutions like the West African Institute for Financial and Economic Management (WAIFEM).

The meeting also included a seminar on Value Added Tax (VAT) in AFW2 countries. The seminar highlighted the state of play in the five AFW2 countries implementing VAT in terms of VAT design and revenue performance. The factors behind the VAT revenue gaps in these countries as well as the strategies for reforming VAT to maximize revenues were also discussed.

The next SC will be held around end-April 2016, in Banjul, The Gambia.



Mr. Boima Kamara, Deputy Governor of the Central Bank of Liberia interacts with Mr. Seth Terkper, Minister of Finance, Ghana at the SC.

## AFW2 Missions

### Revenue Administration

#### **Cabo Verde:** *October 26-November 6*

An AFW2 technical assistance (TA) mission trained the DNRE customs on Risk Management. An action plan to finalize the implementation of a Compliance Risk Management Framework was developed during the mission.

#### **Ghana:** *October 26-November 6*

There was a mission to strengthen the Ghana Revenue Authority (GRA)'s Modernization Program Office (MPO) with project management skills and develop a Program Governance Framework. Over thirty project managers and project team managers were trained.

The Advisor also participated in the 2nd Steering Committee (SC) of GRA Senior Management and Development Partners (DPs) supporting the GRA Reform Program. The SC is helping to effectively coordinate the various DP support for the reform.

#### **Liberia:** *November 25-December 7*

An FAD-led customs diagnostics mission visited Liberia to identify areas in customs requiring support, which include risk management, post clearance audit and customs valuation.

#### **Sierra Leone:** *September 29-October 9*

AFW2 funded and facilitated the attachment of three officers of the NRA Monitoring Research and Planning (MRP) Division to the Tanzania Revenue Authority (TRA) to build the unit's capacity to measure and monitor performance.

*October 12-23*

AFW2 delivered training to 20 tax and customs auditors of the NRA on computer assisted audits (CAAT) to improve efficiency and audit yield.

*October 26-November 6*

A follow-up mission on developing a customs risk management framework gave practical training to the NRA customs staff. The mission also helped to develop risk registers to be used in the ASYCUDA selectivity module.

#### **The Gambia:** *December 21-31*

An AFW2 mission provided practical training to the Customs Risk Management Team of The Gambia Revenue Authority and also provided support to develop risk registers to be used in the ASYCUDA selectivity module.

#### **Regional Workshop:** *November 16-20*

A regional workshop on Improving VAT compliance was held in Ghana. More information on the workshop is on Page 5.

#### **RA-FIT/ISORA:** *November 23-24*

The Revenue Administration Advisor coordinated and attended the regional meeting on the second round of the RA-FIT/ISORA program with the participation of five AFW2 member countries.

### Public Financial Management (PFM)

#### **Cabo Verde:** *November 9-20*

An AFW2 mission conducted a review of the country's PFM reforms.

#### **Nigeria (Kaduna State):** *October 19-23*

A mission worked with the authorities to identify implementation challenges of the Treasury Single Account (TSA) and provided advice on ensuring a smooth functioning of the TSA.

*November 20-December 3*

A follow up mission prepared a TSA operational manual for Kaduna State.

**The Gambia: December 7-21**

An HQ-led mission, including the AFW2 PFM Advisor, visited The Gambia to review progress in implementing the Medium-Term Fiscal and Expenditure Framework.

**Monetary Policy Operations and Payment Systems (MONOPs)****Ghana: September 16-29**

The Advisor participated in an HQ-led mission to assess the conditions for the possible elimination of compulsory foreign exchange surrender requirements and the deepening of the Interbank Foreign Exchange Market.

**October 29-November 20**

A TA mission assisted the Bank of Ghana on strengthening its monetary policy formulation process and policy communication.

**Sierra Leone: November 16-27**

A mission provided TA to the Bank of Sierra Leone (BSL) to enhance liquidity forecasting and forward looking monetary policy analysis.

The Bank of Sierra Leone, Freetown.

**Financial Supervision****Ghana: November 30-December 12**

AFW2 undertook the third-leg of the TA on enhancing Offsite Supervision. This mission also included training on Consolidated Supervision for staff of the Bank of Ghana (more on page 6).

**Liberia: October 29 -December 7**

A remote mission performed an off-site review of the Central Bank of Liberia's Accounting Manual in accordance with IFRS standards.

**The Gambia: September 28-October 7**

There was a follow up TA mission to assist the authorities in developing an understanding of the requirements of the IFRS accounting standards.

**Real Sector Statistics****Liberia: November 16-20**

A TA mission visited the Liberian Institute of Statistics and Geo-Information Services (LISGIS) to assist the authorities to improve the quality of the national accounts for both the production and expenditure data.

**Nigeria: October 19-23**

A TA mission provided advice and assistance to the National Bureau of Statistics (NBS) to improve the annual national accounts estimates in line with the 2008 SNA and best international practices.

**The Gambia: October 14-28**

A TA mission assisted The Gambian Bureau of Statistics (GBoS) to rebase the national accounts and ensure that best international practices are applied.

## Regional Workshop on Improving VAT Compliance (November 16-20)



Ms. Faith Mazani (AFW2 Revenue Advisor) addresses the Workshop

In November 2015, a 5-day regional workshop on improving VAT compliance was held by AFW2 with the participation of all six member countries as well as Senegal.

VAT has emerged as an important source of domestic revenue which requires effective compliance management to deliver on its perceived benefits as a ‘self enforcing’ tax. The overall objective of the workshop thus was to assist revenue administrations in the region to develop and implement effective compliance improvement strategies in VAT management.

The workshop discussed the impact of VAT policy design on revenue performance and compliance management. It also shared best practices in various compliance management areas including registration, filing and payments, taxpayer education, refunds, audits as well as VAT on imported services and e-Commerce. Participants also shared experiences through country presentations.

The workshop was conducted in collaboration with AFRITAC West and the African Tax



The workshop in session

Administration Forum Secretariat who shared the experiences and challenges in Francophone West Africa and Southern Africa respectively.

The responses provided by participants at the end of the workshop were very positive with an overall rating of 4.03 out of 5 for both the workshop presentations and administrative arrangements.



Participants and Facilitators at a Cultural Night during the workshop

*“The workshop came at a time when VAT revenues have stagnated in the region. It serves as a wakeup call for all authorities to rise to the challenge of revenue mobilization. All aspects of the workshop were necessary and we appreciate it a lot.”*

*-A participant’s feedback.*

## Feedback on AFW2 Training on Consolidation Supervision for Bank of Ghana (BoG)

In December 2015, AFW2 provided training on consolidated supervision to staff of the Banking Supervision Department of the (BoG).

Ms. Linda Portia McDave, Deputy Chief Manager, Banking Supervision Department, (pictured below), summarized the participants' assessment of the training program.



“Consolidated Supervision as we have learnt is a structured approach to ensure that all risk exposures of a bank belonging to a banking or conglomerate group are taken into account, whether the risks arise in the bank itself, or in a parent, subsidiary or affiliate of the bank. It is important for us as supervisors to be trained in consolidated supervision because risks arising outside the bank can threaten the solvency of our banks.

Our resource person structured the training such that we were actively involved as participants through the various practical assignments we undertook. As a result of this useful approach, we have learnt a lot about our own banks and have gained more insight into consolidated supervision.

We are grateful to the resource person, Mr. Mike Andrew, to AFW2; particularly Ms. Cheryl Bruce and to the management of Bank of Ghana for making this training possible.

We assure you and indeed ourselves that our bosses will surely see the usefulness of the training in our work and delivery. We look forward to follow-up training programs in this area and other areas of our work.”



AFW2 in-country training for Bank of Ghana on Consolidated Supervision (December 7-10)

## AFW2 visit to Nigeria

In November 2015, IMF staff including an AFW2 team were invited to Nigeria's National Economic Council Meeting to speak about the ongoing work on TSA reforms in Kaduna State.



IMF staff with the Governor, Kaduna State at the Presidential Villa, Abuja, Nigeria

## AFW2 Upcoming TA Missions

### Revenue Administration

#### **Cabo Verde:** *January 18-29*

An AFW2 TA mission will provide management training to managers of the DNRE managers.

*January 19-22*

The Advisor will also visit Cabo Verde on outreach and on the RA FIT.

#### **Ghana:** *January 18-29*

AFW2 will conduct training on CAAT and planning and implementing risk-based audits for the Medium Tax Office (MTO) of GRA.

#### **Liberia:** *January 8-15*

An AFW2 mission will train LRA staff on the Customs Operations Manual developed with AFW2 assistance.

#### **Nigeria:** *January 25- 29*

An AFW2 mission will assist the Federal Inland Revenue Service in developing a Strategic Plan.

*January 25 to February 5*

Another mission will provide training on Compliance Risk management and data analysis and will also assist the FIRS Compliance Research and Intelligence Department to develop a compliance improvement strategy.

#### **The Gambia:** *December 28 -January 8*

There will be a mission on strengthening post clearance audit which will also train staff of the GRA.

*February 15-26*

Another mission will assist the GRA to develop a Taxpayer Service Strategy.

### Public Financial Management (PFM)

#### **Cabo Verde:** *Dates to be confirmed*

AFW2 will conduct a follow-up mission to complete the preparation of a Program-Based Budgeting (PBB) Manual.

#### **Ghana:** *February 19-March 4*

AFW2 will participate in an HQ-led mission to conduct a Public Investment Management Assessment (PIMA), aimed at evaluating the strength of public investment management practices, and assessing institutions involved in the planning, allocation and implementation stages of the investment cycle.

#### **Nigeria:** *January 20-February 9*

AFW2 will participate in an HQ-led mission addressing issues relating to treasury single account (TSA), cash management, budget preparation reforms, and spending review, at the federal level of government.

The last few days of the mission will focus on extending these reforms to the sub-national level of government, including a possible workshop for relevant officials of selected States.

#### **The Gambia:** *February 15-26*

An AFW2 mission will support strengthening the macro-fiscal forecasting function, including by assisting in operationalizing the macro-fiscal forecasting model, improving institutional and coordination arrangements, and building staff capacity.

*March 8-21*

An AFW2 mission will support strengthening the cash management framework, by updating the diagnosis of existing cash management arrangements, recommending a suitable cash management framework, and developing an action plan for its implementation.

*Dates to be confirmed*

AFW2 will participate in an HQ-led mission to conduct a PIMA aimed at evaluating the strength of public investment management practices, and assessing institutions involved in the planning, allocation and implementation stages of the investment cycle.

**MONOPS****Liberia:** *January 21-February 3*

A TA mission will support the Central Bank of Liberia (CBL) to enhance the CBL's in-house capacity for forward looking monetary analysis and liquidity forecasting accompanied by a full review of the monetary policy toolkit.

**Regional Workshop:** *February 23-26*

A regional workshop on compliance with CPSS-IOSCO Principles will take place in Accra.

**Financial Supervision****The Gambia:** *January 5-15*

A TA mission will visit Banjul to provide assistance on Enhancing Risk-Based Onsite Supervision.

**Regional Workshop:** *January 18-22*

A regional workshop on Consolidated Supervision will take place in Accra.

**Real Sector Statistics**

Missions on national accounts have been scheduled as follows:

**Ghana:** *January 25-February 5*

**Nigeria:** *March 7-18*

**The Gambia:** *February 17-March 2*

A Mission on prices has been scheduled for:

**Nigeria:** *February 29-March 11*

**Regional Workshop:** *February 8-12*

A regional workshop on Harmonization of National Accounts Statistics will take place in Accra.

**Free IMF/ICD online course****Energy Subsidy Reform (ESRx)**

*February 24-March 23*

<http://imf.smartcatalogiq.com/en/current/Catalog/Courses/OL/ESRx/16100/OLESRx16-100>

**Register by February 17.**

## AFW2 Staff news



**Arrival:** Mr. Ashni Singh (above) joined the Center in November 2015 as PFM Advisor. Mr. Singh, a native of Guyana, has extensive experience in PFM at both policymaking and technical levels, having served as Minister of Finance and, previously, Director of Budget and Deputy Auditor General at various stages in his career.

**Departure:** Mr. Jean Marc Lepain, left the Center in December after working with the AFW2 as PFM Advisor for almost two years.

## AFRITAC West 2 Staff

<b>Center Coordinator</b>	Lamin Y.M. Leigh
<b>Resident Advisors</b>	
Revenue Administration	Faith Mazani
Public Financial Management	Ashni Singh
Monetary Operations and Payment Systems	Zsolt Ersek
Financial Supervision and Regulation	Cheryl Bruce
Real Sector Statistics	Donna Grerman
<b>Special Projects Officer</b>	Valeria B. Mensah
<b>Office Manager</b>	Janice Norman
<b>Administrative Support</b>	
Admin/IT Officer	Selase Kofi Dusi
Administrative Assistant	Maria Adam
Receptionist/Admin Assistant	Araba M. Blankson
Driver	Peter Nii Laryea

## AFW2 Member countries



Cabo Verde



Ghana



Liberia



Nigeria



Sierra Leone



The Gambia

## Donors



## AFW2 Technical Assistance (TA) Reports finalized in 2015

REVENUE ADMINISTRATION		
Title of Report	Country	Date sent to Authorities
LTO Training on Telecommunication Audit	Ghana	February 2015
Developing management reports for LRA	Liberia	February 2015
Developing a Tax Payers Assistance Program and Reviewing the Strategic Plan	The Gambia	March 2015
Developing Compliance Enforcement Strategy & Risk Management Framework	The Gambia	March 2015
Selected Issues in Revenue Administration: Implementation of the 2015–2017 Strategic Plan and VAT and Excise Compliance and Administration	Ghana	March 2015
LTO Training on Telecommunication Audits 2	Ghana	June 2015
Post Clearance Audit (PCA) Training for GRA	Ghana	June 2015
Post Clearance Audit (PCA) Training for The Gambia	The Gambia	August 2015
Tax and Customs Administrations Reform Priorities	Nigeria	September 2015
Operational Planning and Performance Management	Ghana	October 2015
Remote Mission on Customs Operational Manuals	Liberia	October 2015
PUBLIC FINANCIAL MANAGEMENT		
Title of Report	Country	Date sent to Authorities
Review of Hyperion Systems set up and Configuration	Ghana	April 2015
The Development of Government Cash Management	Nigeria	October 2015
Strengthening the Macro-fiscal Planning process	Ghana	October 2015
MONETARY POLICY AND PAYMENT SYSTEMS		
Title of Report	Country	Date sent to Authorities
Monetary Policy implementation, debt management and deepening the domestic market	Ghana	March 2015
Next steps in the implementation of Monetary Policy	The Gambia	July 2015
Technical Assistance Mission on Monetary Policy Formulation	Ghana	July 2015
TA on Liquidity Forecasting Framework (First Follow-up Mission)	Liberia	September 2015
FINANCIAL SUPERVISION		
Title of Report	Country	Date sent to Authorities
Enhancing Banking Supervision III	The Gambia	June 2015
Enhancing off-site Supervision	Ghana	September 2015
Enhancing off-site Supervision II	Ghana	November 2015
REAL SECTOR STATISTICS		
Title of Report	Country	Date sent to Authorities
Report on Consumer Price Inflation Mission	Ghana	March 2015
Report on National Accounts Mission	Nigeria	April 2015
Report on National Accounts Mission	The Gambia	April 2015
Report on Quarterly National Annual Mission	Ghana	July 2015
Report on National Accounts Mission	Sierra Leone	August 2015

Report on National Accounts Mission	Liberia	August 2015
Report on Consumer Price Inflation Mission	Liberia	August 2015
Report on National Accounts Mission	Cabo Verde	September 2015
Report on National Accounts Mission	The Gambia	November 2015
Report on National Accounts Mission	Liberia	November 2015
Report of National Accounts Mission	Nigeria	December 2015