

REGIONAL TECHNICAL ASSISTANCE CENTER FOR WEST AFRICA 2



AFRITAC
West 2

PROGRAM DOCUMENT

FOR THE THIRD
FINANCIAL PHASE
(2024-2029)



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ASSISTANCE CENTER
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ACRONYMS AND ABBREVIATIONS

AFRITAC	African Technical Assistance Center	CRM	Compliance Risk Management
AfDB	African Development Bank	D4D	Data for Decisions Fund
AFW2	AFRITAC West 2	DMF	Debt Management Facility
AML/CFT	Anti-Money Laundering and Counter Terrorist Financing	DP	Donor Partner
AMP	Asset Management Policy	DRRM	Debt Recording, Reporting and Monitoring
ANA	Annual National Accounts	ECL	Expected Credit Loss
BIC	Border and Inland Controls	ECOWAS	Economic Community of West African States
BoG	Bank of Ghana	EU	European Union
BSL	Bank of Sierra Leone	EWS	Early Warning System
CAPTAC-DR	<i>Centro Regional De Asistencia Técnica Y Capacitación Del FMI Para Centroamérica, Panamá Y República Dominicana</i>	FAD	Fiscal Affairs Department of IMF
CBDC	Central Bank Digital Currency	FCDO	Foreign, Commonwealth and Development Office
CBG	Central Bank of The Gambia	FCS	Fragile And Conflict-Affected States
CBN	Central Bank of Nigeria	FMI	Financial Market Infrastructures
CD	Capacity Development	FPAS	Forecasting And Policy Analysis Systems
CDMAP	Capacity Development Management and Administration Program	FSR	Financial Supervision And Regulation
COA	Chart of Accounts	FSSF	Financial Sector Stability Fund
CPI	Consumer Price Index	FX	Foreign Exchange
CPMI-IOSCO	Committee on Payments and Market Infrastructures - International Organization of Securities Commissions	GAC	Governance & Anti-Corruption
		GBoS	Gambia Bureau of Statistics
		GDP	Gross Domestic Product

GFSM	Government Finance Statistics Manual	PCA	Post Clearance Audit
GIZ	Deutsche Gesellschaft Für Internationale Zusammenarbeit	PFM	Public Financial Management
GSS	Ghana Statistical Service	QNA	Quarterly National Accounts
HQ	Headquarters	RBM	Results-Based Management
ICAAP	Internal Capital Adequacy Assessment Process	RBS	Risk-Based Supervision
ICD	Institute for Capacity Development	RCDC	Regional Capacity Development Centers
ICT	Information and Communication Technology	REO	Regional Economic Outlook
IFRS	International Financial Reporting Standards	RMTF	Revenue Mobilization Trust Fund
IMF	International Monetary Fund	RR	Reserve Requirements
INECV	National Institute of Statistics of Cabo Verde	RST	Resilience and Sustainability Trust
IPSAS	International Public Sector Accounting Standards	SC	Steering Committee
LCBM	Local Currency Bond Market	SDGs	Sustainable Development Goals
LIC DSF	Debt Sustainability Framework for Low-Income Countries	SECO	State Secretariat for Economic Affairs
LISGIS	Liberia Institute of Statistics and Geo-Information Services	SFA	Selected Fund Activities
MAC SRDSF	Sovereign Risk and Debt Sustainability Framework for Market Access Countries	SNA	System of National Accounts
MoF	Ministry of Finance	SOE	State-Owned Enterprise
MTDS	Medium-Term Debt Management Strategy	SREP	Supervisory Review and Evaluation Process
MTDS	Medium-Term Debt Management Strategy	Stats SL	Statistics Sierra Leone
NBCI	Non-Bank Credit Institutions	STX	Short-term Expert
NCCIB	National Census of Commerce, Industry And Businesses	SUT	Supply Use Tables
NDCs	Nationally Determined Contributions	TADAT	Tax Administration Diagnostic Assessment Tool
OECD	Organisation For Economic Co-Operation And Development	TSA	Treasury Single Account
OMOs	Open Market Operations	USAID	United States Agency for International Development
		WAIFEM	West African Institute for Financial and Economic Management
		WAMI	West African Monetary Institute
		WEO	World Economic Outlook
		WTO	World Trade Organization

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A MESSAGE FROM THE STEERING COMMITTEE CHAIRMAN



Honorable Buah Saidy

*Governor, Central Bank of The Gambia
Chair of the AFRITAC West 2 10th Steering
Committee Meeting.*

AFRITAC West 2 (AFW2) has been at the core of macroeconomic capacity building in the sub-region for the past 10 years. On behalf of the Government and people of The Gambia, it is an immense pleasure for me to introduce AFW2's program for its new 5-year phase, to commence in May 2024.

AFW2 has established itself as a center of excellence in capacity development for our institutions in various areas of macroeconomics analysis and policy making through delivery of technical assistance, seminars, and other training programs. This is significant given the multiple shocks our countries are currently experiencing that require strong institutions and capacities to not only assist our countries withstand the adverse impact, but also build their resilience.

Following the pandemic, the center returned to full-time in-person support to member countries ahead of fiscal year 2023. Lessons learnt from the robust responses to the pandemic delivery further underscored the center's ability to provide flexible demand-driven technical assistance, as members recovered from ongoing shocks; the effectiveness of leveraging technology in making technical assistance efficient; and the value of closer collaborative capacity development (CD) with regional and international partners. In particular, the AFW2 CD focused on bolstering revenue administration capacity, improving budget planning, execution, and reporting, developing adequate tools and frameworks for monetary operations, mitigating financial sector risks with effective banking supervision, and compiling and publishing robust national accounts and price statistics to inform policy making.

The Gambia has received significant AFW2 CD support since the opening of the center in Accra, Ghana, in January 2014. In the past year alone, key highlights of AFW2 assistance included:

- The Gambia, in addition to Cabo Verde, Ghana, Liberia, and Sierra Leone, has significantly and consistently improved compliance and domestic revenue contribution from specialized economic sectors.
- The Gambia and Nigeria have developed and commenced implementation of Information Technology and Digitalization strategies to improve provision of taxpayer services.
- In The Gambia, the Directorate of Internal Audit of the Ministry of Finance developed a Qualitative Assessment Improvement Program to assist in the evaluation of internal audit activity's conformity with international standards. Officials received related training to boost capacity.
- The AFW2 central banks made progress in enhancing monetary policy forecasting and analytical capacity, including communication on monetary policy. Specifically, the Macroeconomic Forecasting Unit of the Central Bank of The Gambia (CBG) has made substantial progress in producing quarterly updates of the 3-year macroeconomic outlook, which is fully integrated into the monetary policy decision-making process.

- The CBG implemented forward-looking risk-based supervision and built staff capacity in key aspects of International Financial Reporting Standards (IFRS) 9, 16, and 17, especially on extended credit loss provisioning.
- The Gambia Bureau of Statistics published quarterly GDP (QGDP) estimates.
- AFW2 introduced climate change and gender-responsive components to budgeting and risk-based financial supervision frameworks in the region.

We appreciated the opportunity to brainstorm collectively on the future of AFW2 capacity development at the 10th Steering Committee Meeting in Banjul, the outcome of which you will find in these pages.

To conclude, let me thank our development partners for their unwavering support of the work of the center. Partnerships are crucial for better quality capacity development and your continued support to AFW2 and its members over the next five years will be highly appreciated.

EXECUTIVE SUMMARY

AFRITAC West 2 (AFW2) was established in 2014 to provide capacity development (CD) support to Anglo-and Lusophone West Africa. It supports The Gambia, Ghana, Liberia, Nigeria, Sierra Leone and Cabo Verde mainly in the areas of revenue administration, public financial management, monetary policy, financial sector supervision, and statistics. This document details AFW2 achievements in Phase II (2019-2024) and its strategy for Phase III (2024-2029).

A quick pivot to virtual modalities helped sustain CD delivery during Phase II. Despite disruptions to operations posed by the pandemic, AFW2 delivered 488 CD activities (430 TA missions, 48 regional workshops, and 10 professional attachments) during fiscal year (FY) 2020-2023, and is projected to spend a total of US\$33.6 million on CD by the end of FY 2024 (Figure 1). At end-FY 2023, 35 percent of targeted outcomes for AFW2's Phase II were rated as largely or fully achieved (Figure 2).

Following recent global shocks, growth in the AFW2 region remains subdued amidst high inflation, fiscal vulnerabilities, and limited access to external financing.

Average GDP growth in the region (excluding Cabo Verde) is projected to drop to 3.4 percent in 2023 from 4 percent in 2022, the second year in a row (Figure 9, Annex C).¹ While growth is expected to pick up in 2024, most countries continue to face a similar mix of underlying price pressures, sluggish growth, and high financing costs, and the region's medium-term growth potential is jeopardized by elevated fiscal vulnerabilities and limited fiscal space.

AFW2's assistance to member countries in Phase III will seek to address economic imbalances and boost long-term growth prospects and resilience. CD will build on progress achieved in core areas in Phase II while broadening activities to include three new workstreams – tax policy, debt management, and governance and anti-corruption, funding permitting. Institutional priorities of digitalization, climate change, and gender equality will be mainstreamed across work areas.

The focus in Phase III will be to leverage technology for an appropriate mix of delivery modalities tailored to country circumstances. The center will utilize hybrid

and blended approaches for missions to optimize cost effectiveness and elevate impact. Peer learning and close collaboration with regional partners and other providers will remain hallmarks of AFW2 CD. A holistic approach to CD will include consistent usage of regional experts where available. Systematic integration of CD with IMF program and surveillance engagements will provide a unique edge to enhance effectiveness.

The Phase III budget envelope is estimated to increase to US\$59.6 million, reflecting cost inflation and the addition of the new workstreams (Table 1). The model of shared financing by partners, members, and IMF resources will be preserved. The IMF's internal budget augmentation will help increase the IMF's contribution to US\$3.9 million to cover a larger share of administrative expenses. The externally financed budget (at US\$55.7 million) would be mostly financed by donor partners. Given the current difficult financial conditions facing member countries, the center is proposing to maintain member country contribution at a level similar to that of Phase II (US\$7 million). The center will seek early pledges and commitments to secure a smooth transition and stable operations during Phase III.

The current governance structure helps promote member country ownership, donor partner visibility, and the center's accountability. The annual AFW2 work plan is developed in close consultation with member countries within the framework of the IMF-wide CD work planning process. AFW2 activities during Phase III will be based on the IMF's standardized RBM catalog, which sets out expected results and allows for better monitoring of activities and their impact. AFW2 will continue to prioritize communication and outreach to keep stakeholders updated on its activities and provide partner visibility.

The following sections expand on the issues summarized above: the context and achievements of AFW2 in Section I, macroeconomic outlook and challenges in Section II, core strengths and new frontiers for the next five years in Section III, the proposed budget for the new phase in Section IV, and mechanisms for governance, operational and financial management, and evaluation in Section V. Informational annexes provide further context.

¹ Given Cabo Verde's strong rebound of 17 percent growth in 2022 it was excluded from these averages.

SECTION I

CONTEXT AND ACHIEVEMENTS

A

BACKGROUND: WHO WE ARE AND WHAT WE DO

AFRITAC West 2 (AFW2) is one of 17 Regional Capacity Development Centers (RCDCs) established by the International Monetary Fund (IMF) to provide capacity development (CD) on a regional basis. These interventions comprise technical assistance (TA) and training to support the stabilization of IMF member countries' economies to promote growth and reduce poverty. RCDCs cover specific regions, depending on geographical and economic similarities and linkages, and provide relevant TA in identified thematic areas in collaboration with regional organizations and development partners (DPs). The objectives and activities of RCDCs are linked to the IMF's CD priorities, anchored in the IMF's Results-Based Management (RBM) framework, and guided by Steering Committees (SC) comprising representatives from development partners, member countries, and the IMF.

AFW2 was set up in 2014 to provide capacity development (CD) support to Anglophone West Africa—The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone— and Cabo Verde. These countries include middle- and low-income countries, one fragile and conflict-affected state (FCS),

and three FCS in transition.¹ In this context, the content and scope of TA are determined by member-countries' needs, level of development, and the thematic areas served by the center, namely:

- Tax and Customs Administration
- Public Financial Management (PFM) and Macro-Fiscal Policies
- Monetary Policy, Foreign Exchange (FX) Operations and Payment Systems (MONOPS)
- Financial Sector Supervision
- Real Sector Statistics
- Legal Frameworks

Seven regional advisors, supported by short-term experts (STX) and backstopped by IMF Headquarters (HQ), conduct CD activities throughout the region. Activities comprise TA missions, national and regional trainings and workshops, and

professional attachments, and are driven by the identified needs and priorities of the member countries. This creates an avenue for member country ownership and incentives to follow through with reforms and strategies developed from CD.

AFW2's activities are aligned with the United Nation's Sustainable Development Goals (SDGs) and the Financing for Development agenda and support specific country needs.

AFW2 focuses on designing regional and country-specific strategies, in particular in FCS countries, that build stronger institutions and resilience, and foster cooperation and regional integration. These efforts are geared towards creating a sound macroeconomic environment and sustainable growth that promotes social inclusion and gender equity and helps address the perils of climate change. Stronger institutions foster investor confidence and strengthen public finances to maintain debt sustainability, while ensuring public spending is efficient and well-targeted. Investing in infrastructure, maintaining debt sustainability, deepening financial markets and access while safeguarding financial stability are critical to ensuring growth is sustained.

¹ With the approval of the [FCS Strategy \(2022\)](#) the countries on the [FCS list](#) of the Fund have been aligned with the methodology, thresholds, and criteria for FCS classification with the World Bank. Nigeria is now the only FCS that AFW2 serves, while The Gambia, Liberia and Sierra Leone are transitioning off the list.

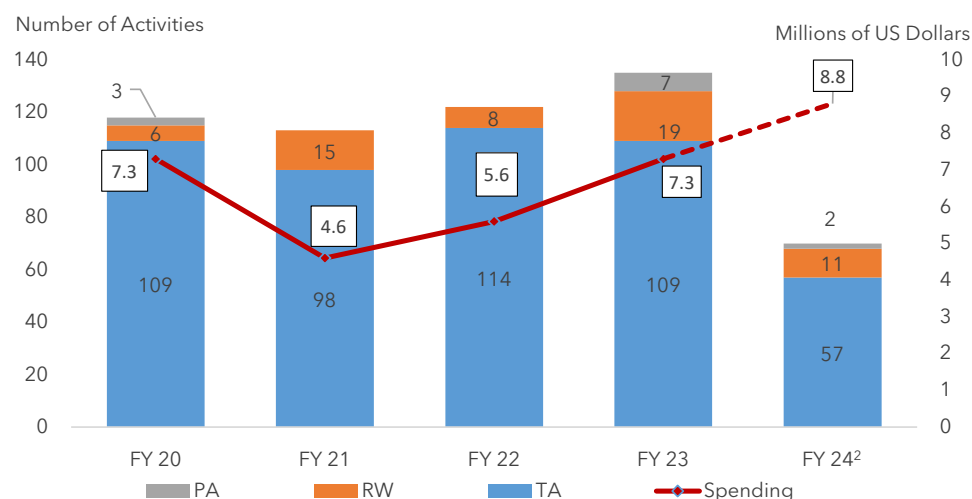
AFW2 delivered 488 CD activities during FY 2020-23, despite interruptions to operations during the COVID-19 pandemic (Figure 1).

After a strong start into Phase II, activities slowed down slightly when the pandemic hit. The embargo on in-person engagement and travel impacted scheduling and led to reprioritization of planned activities which better served countries' pandemic-related needs and were best suited to remote delivery. Remote

delivery sustained engagement with member countries as experts used virtual platforms to meet with authorities and conduct missions for appropriate topic areas and activities (Box 1). Interventions (TA missions, regional workshops, and professional attachments) peaked in FY 2023, reflecting increased engagement when in-person missions resumed at the end of FY 2022. Advisors and STXs continued to leverage remote meeting technology to further augment

CD delivery and provide consistent follow-up support, delivering more "bang for the buck" compared to pre-pandemic delivery. In total, they successfully delivered 488 CD activities (430 TA missions, 48 regional workshops, and 10 professional attachments) from FY 2020-23.

FIGURE 1. AFW2 CD AND SPENDING¹ IN PHASE II (FY 2020-24)



Source: CDMAP and AFW2 activity data.

Note: PA = Professional Attachment; RW = Regional Workshop; TA = Technical Assistance.

1/ Expenses include IMF01 spending and trust fund management; FY 2024 reflects the budget.

2/ Activities and spending for FY 2024 are at October 31, 2023

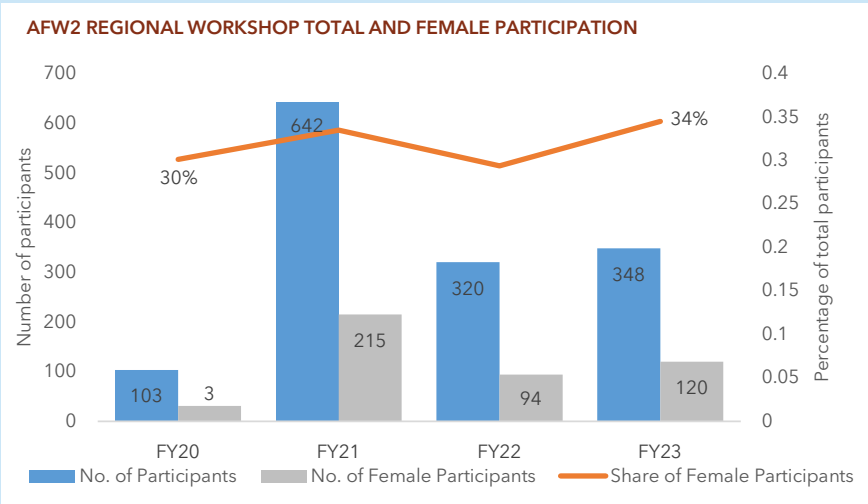
BOX 1: COVID-19 AND THE IMPACT ON CD DELIVERY

The COVID-19 pandemic was a significant turning point in AFW2 CD. In March 2020, the center, like all institutions globally, was faced with the challenge of sustaining support to our members while keeping staff and our counterparts safe.

Efficient usage of technology helped sustain capacity development efforts. As in-person missions were halted due to lock-down and travel restrictions, experts maintained engagement with member countries through remote missions, via virtual meeting platforms. In addition to allowing work program execution to continue during the travel embargo, remote delivery continued to complement in-person delivery after travel was reinstated. Experts found that, although country authorities preferred in-person missions, they could use remote missions to systematically follow up on previous CD. In the area of statistics, for example, the regional advisor was able to provide support and feedback on a rolling basis to statistical bodies in the region as they compiled key indicators.

Remote missions proved to be a useful addition to the CD toolbox which had implications for inclusivity in CD, especially for regional activities. Virtual delivery of regional workshops allowed for a greater number of participants, compared to previous years where flight and logistical costs restricted participation. In addition, there was an improvement in the gender balance, with a higher share of female participants compared to previous years. Due to the benefit of increased participation and inclusion, hybrid workshops are now a staple in the AFW2 work program.

COVID-19 underscored the importance of collaboration in supporting the region. During this period, the center strengthened partnerships with IMF HQ, CD departments and regional partners in the attempt to mitigate the impact of the pandemic on achieving CD results. Post-pandemic, regional workshops, hosted jointly with fellow RCDCs and partner organizations, remain popular.



MAIN ACCOMPLISHMENTS IN PHASE II

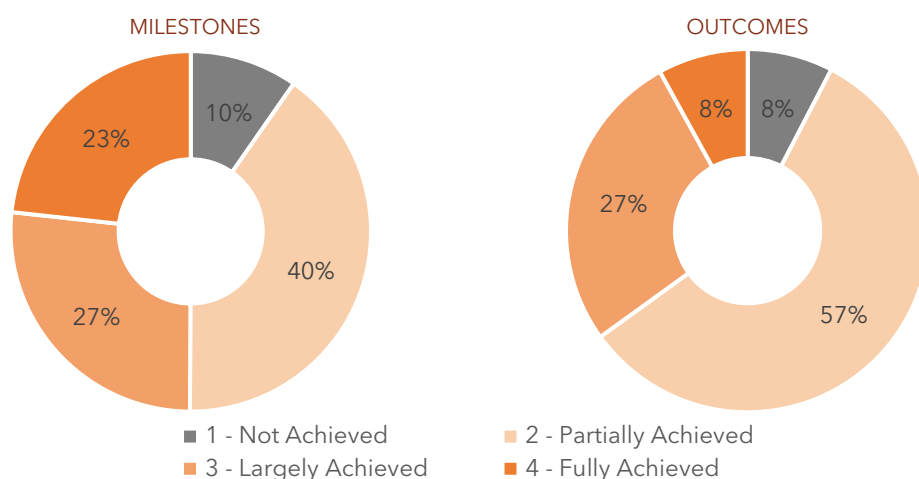
Member countries are making progress on the realization of targeted outcomes. At end-FY 2023, 35 percent of targeted outcomes for AFW2's Phase II were rated as largely or fully achieved. A large share (57 percent) of targeted outcomes have been partially achieved, while 8 percent of outcomes have been rated not achieved (Figure 2). In terms of milestones, about half of milestones (50 percent) were either largely or fully achieved with 40 percent being partially achieved. Only a small share of milestones (10 percent) was rated not achieved. The bulk of targeted outcomes pertain to the Public Financial Management and Revenue Administration workstreams, underscoring the CD objectives of domestic revenue mobilization and sound budget planning and execution by country authorities towards economic recovery (Figure 3).

Phase II highlights of CD delivery by work area included:

Tax and Customs Administration

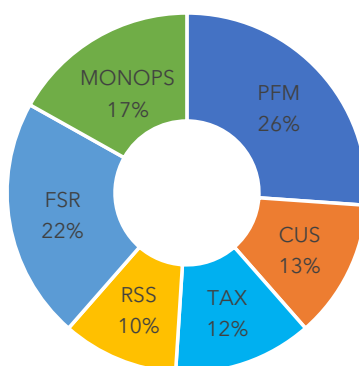
CD in tax administration responded to the heightened need for domestic revenue by assisting member countries to strengthen revenue administration management and

FIGURE 2. AGGREGATE PERFORMANCE ON OUTCOMES AND MILESTONES, PHASE II



Sources: CDMAP and AFW2 activity data.

FIGURE 3. DISTRIBUTION OF RATED OUTCOMES BY WORK AREA, PHASE II



Sources: CDMAP and AFW2 activity data.

governance arrangements and improve core tax administration functions. Key achievements supported by the center include establishment of an Internal Affairs Unit in The Gambia, development of ICT strategies in Nigeria and The Gambia, and strengthened management and reporting of tax exemptions in Ghana, Liberia, and Sierra Leone. In helping countries to pivot to less crisis-affected sectors, AFW2 also strengthened capacity for improved yields from audits of the telecommunication sector in The Gambia, and Sierra Leone and the financial sector in Ghana, Nigeria, Liberia, and Sierra Leone. Work to strengthen the effective use of third-party data was conducted in Nigeria and Liberia.

In further support of authorities' revenue mobilization objectives, CD focused on improving customs administration core functions by enhancing accuracy of customs declarations and ensuring that audit programs enforce customs laws. AFW2 provided support in improving customs procedures in border and inland controls (BIC), compliance risk management (CRM) and post-clearance audit (PCA). Revenue administrations in the region are being helped to shift to applying risk-based control more consistently and increasingly controlling a larger share of trade through a PCA program. Key achievements included the development of draft mandates, policy documents and standard operating procedures in each of the three areas (BIC, CRM and PCA), as well as the development of an institution-wide integrity policy in Ghana.

Progress was made on set outcomes in both tax and customs administration. By end-April 2023, a majority of Phase II outcomes and milestones for revenue administration were either partially or largely achieved (Figure 4).

Public Financial Management and Macro-fiscal Policies

AFW2 played a key role in improving PFM systems and responding to new challenges. Improvements in medium-term fiscal frameworks, fiscal risk analysis, fiscal reporting, and asset and liability management were critical to grapple with the macro-fiscal consequences of COVID-19. Also, support to strengthen the state-owned enterprises' financial oversight has enabled some countries to undertake comprehensive State-Owned Enterprise (SOE) sector reforms, with potential benefits for the budget. During this phase, AFW2 closely coordinated with IMF HQ and development partners and streamlined CD modalities in line with the authorities' needs. Review or diagnostic missions from HQ, followed by regional workshops, peer-exchanges, and hands-on support from AFW2 advisors increased the impact of CD support. While working towards achieving key program objectives, the center responded quickly to new CD demands and developments in the areas of climate change (Box 2) and gender budgeting. About 23 percent of outcomes have been rated largely or fully achieved, with 60 percent of outcomes rated as partially achieved in Phase II. In terms of milestones, 44 percent of this metric has been rated largely or fully achieved (Figure 5).

At the country level, member countries made important progress in the following areas:

Improved budgeting processes: Cabo Verde and Ghana strengthened program-based budgeting by including information on program resources and performance in their budget documentations. The Gambia enhanced the credibility of the medium-term macro-fiscal framework, a key input for budget preparation, also supported by the FAD resident advisor (financed by the EU).

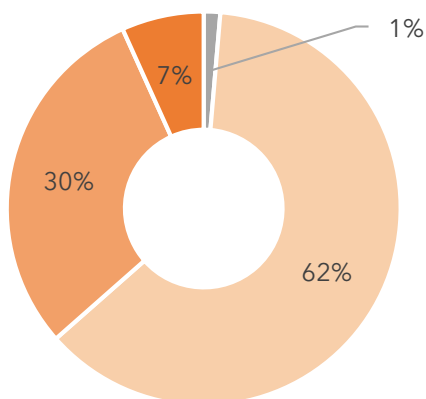
"Sierra Leone has been a major beneficiary of AFW2 CD. The Ministry of Finance has received support in macro-economic modelling, treasury single account, cash management, budget execution, gender budgeting and public investment management, while work in statistics has supported the rebasing of CPI, with ongoing work to rebase annual and quarterly national accounts. The National Revenue Authority has received immense support, with improvements especially in administration of specialized sectors."



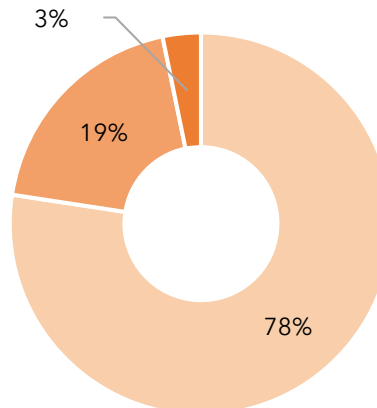
Mr. Alimamy Bangura,
Director, Economic Policy and Research, Ministry of Finance and Economic Development, Sierra Leone
(10th Steering Committee Meeting)

FIGURE 4. PERFORMANCE ON OUTCOMES AND MILESTONES FOR REVENUE ADMINISTRATION, PHASE II

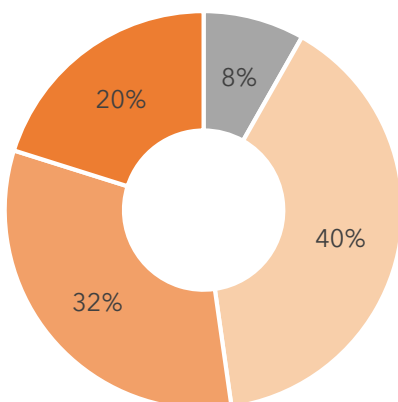
Percentage of Milestones by Rating for Revenue Administration (TAX)



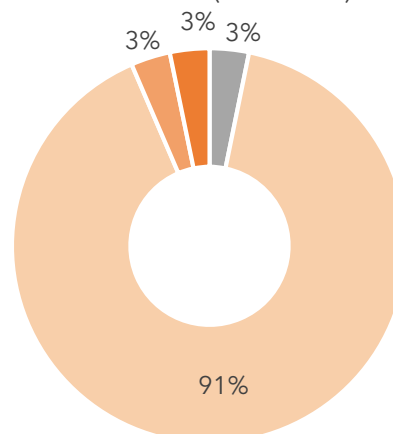
Percentage of Outcomes by Rating for Revenue Administration (TAX)



Percentage of Milestones by Rating for Revenue Administration (CUSTOMS)



Percentage of Outcomes by Rating for Revenue Administration (CUSTOMS)

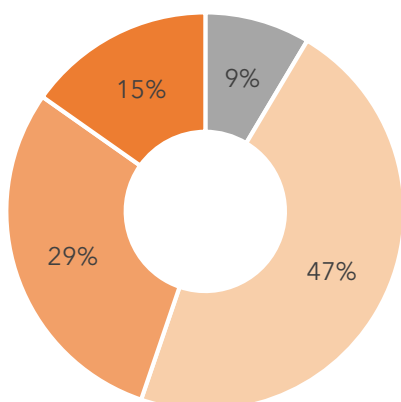


■ 1 Not Achieved ■ 2 Partially Achieved ■ 3 Largely Achieved ■ 4 Fully Achieved

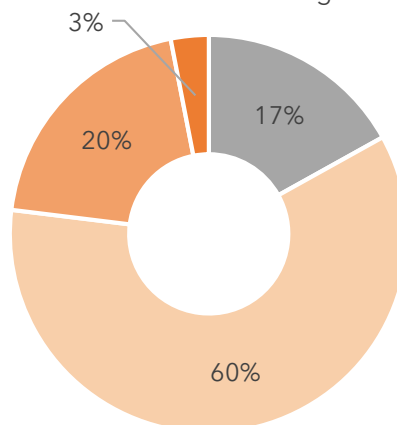
Sources: CDMAP and AFW2 activity data.

FIGURE 5. PERFORMANCE ON OUTCOMES AND MILESTONES FOR PUBLIC FINANCIAL MANAGEMENT AND MACRO-FISCAL POLICIES, PHASE II

Percentage of Milestones by Rating for Public Financial Management



Percentage of Outcomes by Rating for Public Financial Management



■ 1 Not Achieved ■ 2 Partially Achieved ■ 3 Largely Achieved ■ 4 Fully Achieved

Sources: CDMAP and AFW2 activity data.

Strengthened fiscal risk management: Ghana enhanced further its fiscal risk management framework, improved transparency, and strengthened analysis of forecast errors and specific risks from contingent liabilities and public corporations. Sierra Leone implemented the SOE Ownership Policy and adopted the IMF's SOE Health Tool while Cabo Verde improved financial oversight and monitoring of SOEs' fiscal risks.

Progress in budget execution and balance sheet management: Cabo Verde strengthened capacity of the MoF staff in budget execution, cash management, and expenditure arrears management. Further progress was recorded in consolidating the Treasury Single Account (TSA) in Nigeria.

Improved fiscal reporting: The coverage, transparency, and quality of fiscal reports improved in Cabo Verde and Ghana. In both countries the chart of accounts and budget classifications were fully aligned with international standards.

Progress in public investment management: Ghana, Cabo Verde and Sierra Leone approved improved guidelines for appraisal, selection, and implementation of public investments projects.

Monetary Policy, FX Operations and Payment Systems

Progress in improving monetary policy analytical and forecasting capability has been steady and most central banks in the region have improved their capabilities for near-term forecasting of inflation and economic activity. The Bank of Ghana (BoG) recently jointly published its forecasting and policy analysis system (FPAS) in an IMF Working Paper (22/169) with ICD, and the Central Bank of The Gambia (CBG) is making solid progress in the same direction. In some central banks, monetary policy implementation was

further strengthened through the introduction of an overnight interest rate corridor, the issuance of central bank liquidity absorption instruments, and the update of reserve requirement frameworks. The Bank of Sierra Leone (BSL) and the CBG recently moved from weekly to daily calculation and publication of their FX reference rate. In other accomplishments, three central banks have made solid progress in operationalizing the oversight and risk management function for financial market infrastructures (FMI) in their countries, and the BoG is about to publish its first self-assessment of Real Time Gross Settlement against CPMI-IOSCO Principles for FMIs.

Per AFW2's Results-Based Management Framework, CD implementation continued to progress well. A large share of outcomes and milestones has been rated partially, largely, or fully achieved in Central Bank Operations, Monetary and Macprudential Policies and Payments and Infrastructure for Phase II (Figure 6).

Financial Sector Supervision and Regulation

AFW2 successfully advanced the effectiveness of financial sector supervision and regulation in its member countries by tailoring capacity development to address their key needs. In that respect, two member countries (Liberia and The Gambia) were assisted to develop a framework for risk-based supervision (RBS), strengthen risk-based onsite/offsite exam manuals, and operationalize these policies during onsite examinations. Another standout CD activity was the development of a toolkit, in collaboration with the BSL, on evaluating and modeling expected credit loss. Additionally, AFW2 aided Ghana to develop and employ curriculum content for courses aimed at improving supervisory staff competencies. As a result of CD support, adoption of international

standards and best practices have been enriched for Basel II/III standards, cybersecurity resilience (Box 3), credit risk analysis and provisioning for bad debts. Activities were extended to include awareness in the regulation and supervision of climate-related financial risks. In the same vein, AFW2 results-based monitoring in financial supervision shows progress at the outcome and milestone levels, with the majority rated as partially, largely, or fully achieved at end-April 2023 (Figure 7).

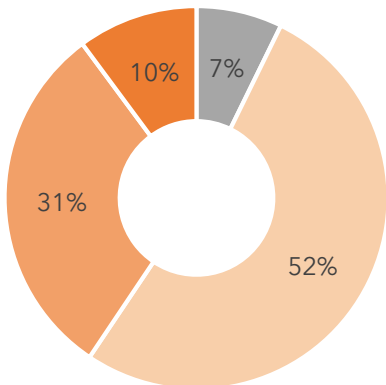
"With AFW2 support to Liberia, significant reform in monetary operations has helped to reduce FX intervention and build reserve buffers. Work in risk-based supervision, amongst other measures, has helped to reduce the rate of non-performing loans from around 22% in 2020 to 16% in first quarter of 2023."



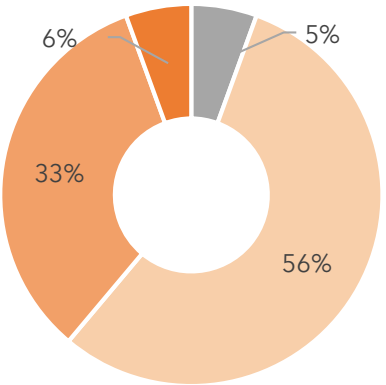
Dr. Musa Dukuly,
Deputy Governor, Economic Policy,
Central Bank of Liberia
(10th Steering Committee Meeting)

FIGURE 6. PERFORMANCE ON OUTCOMES AND MILESTONES FOR MONETARY POLICY, FX OPERATIONS AND PAYMENT SYSTEMS, PHASE II

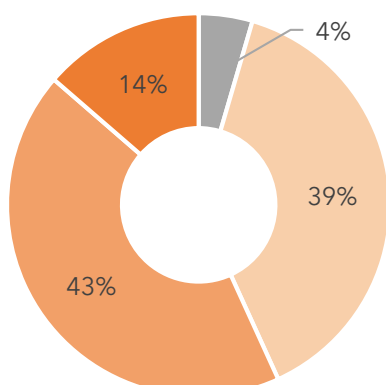
Percentage of Milestones by Rating for Central Bank Operations



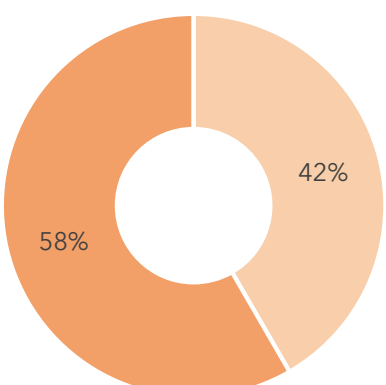
Percentage of Outcomes by Rating for Central Bank Operations



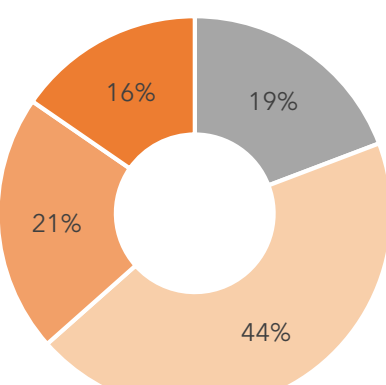
Percentage of Milestones by Rating for Monetary and Macroprudential Policies



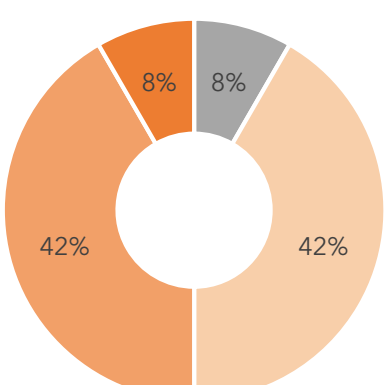
Percentage of Outcomes by Rating for Monetary and Macroprudential Policies



Percentage of Milestones by Rating for Payments and Infrastructure



Percentage of Outcomes by Rating for Payments and Infrastructure



■ 1 Not Achieved ■ 2 Partially Achieved ■ 3 Largely Achieved ■ 4 Fully Achieved

Sources: CDMAP and AFW2 activity data.

BOX 2: HELPING MEMBERS ADDRESS CLIMATE CHANGE

Climate change adaptation is relevant to all AFW2 member countries. Climate change has already impacted the region with droughts, heat waves, and flooding, and responses to extreme climate events have implications for countries' fiscal health. All six countries have set climate objectives in their Nationally Determined Contributions (NDCs) to the global challenge of reducing emissions and are implementing various adaptation measures.

Since 2021, AFW2 member countries have received climate-related CD at national and regional levels. Notably, AFW2 delivered a webinar on climate risks, a regional seminar on green budgeting in Cabo Verde and a

regional workshop on climate-related risk in banking supervision in Nigeria. AFW2 also supported the Bank of England-Bank of Ghana regional workshop on Micro-prudential Supervision: Climate Change Issues for Supervisors.

There is some progress in integrating climate change into institutional frameworks and facilitating access to climate finance. All countries have or are in the process of including the NDC targets in their national and sectoral plans. Nigeria has issued green bonds to finance climate-related investment projects. Ghana set up a climate change unit within the finance ministry, which has developed manuals to

guide government agencies in accessing funding from the Green Climate Fund and incorporating climate change concerns into the PFM system, and also coordinated the revision of the chart of accounts to track climate-related expenditures.

AFW2 CD will continue to support members in achieving climate goals within its areas of expertise. Above all, member countries face financing and infrastructural gaps to achieve their NDC targets and mitigate and adapt effectively. Climate change and related risks will continue to feature in AFW2 CD planning across workstreams.

Real Sector Statistics

AFW2 supported member countries to strengthen the compilation and dissemination of national accounts and price statistics and the development of new macroeconomic indicators.

Despite the COVID-19 pandemic, CD delivery on real sector statistics made substantial progress and responded with flexibility in addressing the technical assistance needs of member countries. Progress was achieved in the implementation of the System of National Accounts 2008 (2008 SNA) across AFW2 member countries, development of quarterly national accounts statistics to provide policy makers with timely information on changes in economic activity as well as update and improvement of price statistics. In addition, close cooperation of AFW2 with other development partners and IMF projects has been crucial in creating synergies, coordinating the CD delivery, and strengthening staff capacities in the region. RBM results show that the majority of milestones and outcomes have been largely or fully achieved for the reporting period (Figure 8).

Member countries made significant progress in the development of national accounts statistics. The

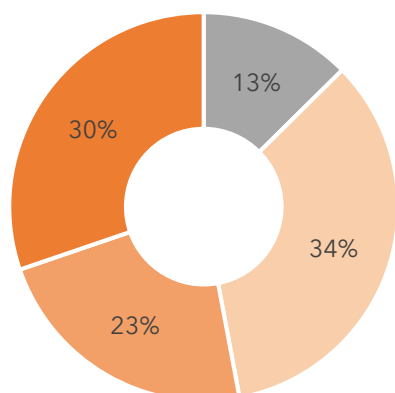
National Institute of Statistics of Cabo Verde (INECV) compiled and disseminated the rebased national accounts (base year 2015), backcasted historical GDP series and improved quarterly national accounts with thanks to AFW2 TA. Assistance was provided to The Gambia Bureau of Statistics (GBoS) on rebasing and backcasting of GDP by the expenditure approach, development of quarterly national accounts and planning of the next GDP rebasing. AFW2 assisted the Ghana Statistical Service (GSS) with completing the backcasted 2006-2012 series of annual and quarterly GDP estimates (base year 2013), developing the quarterly GDP by the expenditure approach and commencing the work for the next GDP rebasing exercise. AFW2 provided ongoing and extensive support to the Liberia Institute of Statistics and Geo-Information Services (LISGIS) in developing and compiling annual GDP benchmark estimates (base year 2016). LISGIS was also assisted with the analyses and the use of administrative tax data for the ongoing production of annual GDP estimates. TA was provided to the Nigeria Bureau of Statistics and focused on GDP rebasing (base year 2019), compilation of the Supply and Use Tables and improvement of quarterly national

"Through the support of AFRITAC West 2, The Gambia Bureau of Statistics achieved another great milestone by the development and publishing of QGDP for the first time in The Gambia. The technical assistance to the National Accounts unit not only improved the national accounts estimates but also enhanced the capacities of the staff of the unit to a large extent."

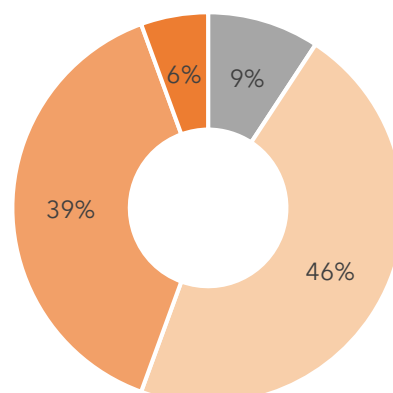
Mr. Alieu Saho,
Deputy Statistician General,
The Gambia Bureau of Statistics,
(May 4th, 2023 during the first press briefing and dissemination ceremony of the QGDP)

FIGURE 7. PERFORMANCE ON OUTCOMES AND MILESTONES FOR FINANCIAL SECTOR SUPERVISION AND REGULATIONS, PHASE II

Percentage of Milestones by Rating for Financial Sector Supervision



Percentage of Outcomes by Rating for Financial Sector Supervision

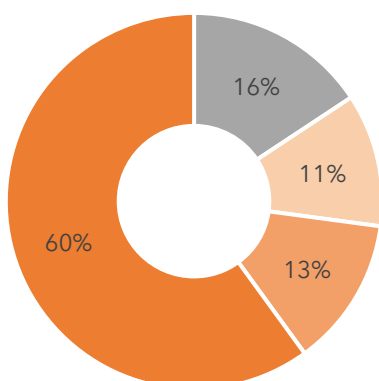


■ 1 Not Achieved ■ 2 Partially Achieved ■ 3 Largely Achieved ■ 4 Fully Achieved

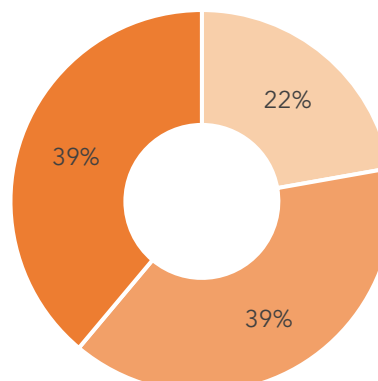
Sources: CDMAP and AFW2 activity data.

FIGURE 8. PERFORMANCE ON OUTCOMES AND MILESTONES FOR REAL SECTOR STATISTICS, PHASE II

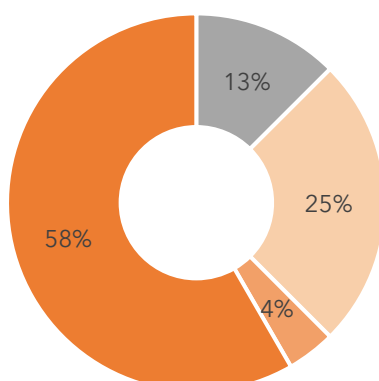
Percentage of Milestones by Rating for Real Sector - National Accounts



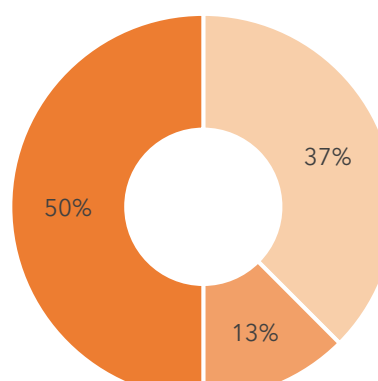
Percentage of Outcomes by Rating for Real Sector - National Accounts



Percentage of Milestones by Rating for Real Sector - Prices



Percentage of Outcomes by Rating for Real Sector - Prices



■ 1 Not Achieved ■ 2 Partially Achieved ■ 3 Largely Achieved ■ 4 Fully Achieved

Sources: CDMAP and AFW2 activity data.

accounts. Statistics Sierra Leone (Stats SL) was assisted with the rebasing of the annual national accounts (base year 2018) and Supply Use Tables (SUTs) to ensure the implementation of international best practices.

CD supported compilation of update price statistics. All countries were supported to improve or update the Consumer Price Index (CPI), while GBoS, GSS, LISGIS and Stats SL were also supported to develop, improve, or update their Produce Price Index (PPI).

Training

While training is an inherent part of most CD activities, AFW2 also collaborates with ICD to provide classroom training in the region. Each of the workstreams deliver workshops which often combine practical training and demonstration, as well as peer learning. In Phase II, workshops covered areas such as leveraging technology in effecting tax

compliance, core customs procedures, gender and climate change budgeting, digital money and monetary policy, cybersecurity risks in financial sector supervision, and national accounts using SUTs, among others. In addition to these workshops, AFW2 has collaborated with ICD in offering targeted training and TA in areas such as monetary policy/forecasting and policy analysis systems (FPAS), macroeconomic management and frameworks, and debt sustainability analysis. Additionally, ICD has provided regional offerings such as a regional workshop on Financial Sector Surveillance in FY 2022, a course on Financial Programming and Policies in FY 2023, and a workshop on Climate Change and Macro-Financial Policies in FY 2024. Beneficiary feedback has confirmed that great value added is also obtained through peer-to-peer learning and practical hands-on experience that can be provided through professional attachments. Training is conducive

to the sustainability of CD, especially with training of trainer programs which enable authorities to further build capacity within their institutions.

Legal Frameworks

The Legal Department Financial and Fiscal Law (FFL) division has provided law reform CD to several AFW2 countries during Phase II. Although most of that work was HQ-led and financed, support was provided in the key areas of expertise (central banking, financial sector, PFM & SOEs, and taxation). Main accomplishments of FFL CD provided through AFW2 include the safeguards assessment work for Cabo Verde (FY22), and the desk review work on the Financial Institutions Act for Liberia (FY21, FY22) and the model law for non-banks for Ghana (FY21).

BOX 3: DIGITALIZATION AND CYBERSECURITY

The use of information and communication technology (ICT) is growing rapidly in the region. In addition to the rise of remote conferencing during the COVID-19 pandemic, member countries have requested assistance introducing digitalization to their institutions' processes. In revenue administration, increased deployment of ICT solutions has escalated the need for data analytics and use of third-party data. This is positively impacting compliance management and taxpayer services delivery. The Gambia and Nigeria have made progress on IT and digitalization strategies to take further advantage.

However, the increased exposure to ICT has also heightened related risk. In the financial sector, for example, the rise of fintech calls for additional risk-based supervision to ensure the safety and stability of banking operations in the region. CD in this area has expanded to include cybersecurity to help central banks widen their supervisory toolbox, with a regional webinar on "Strengthening Cybersecurity and Resilience of Financial Market Infrastructure," and country missions to The Gambia and Nigeria. Work in monetary operations also responded to growing interest in digital money,

and jointly hosted a regional seminar on "Digital Money, Balancing Innovation and Regulation for a New Frontier" to explore the potential implications of the adoption of digital money, enable exchange of knowledge and experiences on digital money, and provide a framework for overseeing and supervising digital money. Looking ahead, CD will focus on strengthening management and regulatory frameworks to include cybersecurity risk, in line with international standards.



MID-TERM EXTERNAL EVALUATION—LESSONS LEARNED

The independent mid-term evaluation covered AFW2 activities during the first 3 years of Phase II, from May 2019 to April 2022. The evaluation was part of a pilot project aiming at grouping three RCDC mid-term evaluations—AFW2, CAPTAC-DR, and the Africa Training Institute—in an in-depth evaluation of CD performance for two selected thematic areas—Tax Administration and Custom Administration—allowing for richer cross-vehicle and cross-regional findings and lessons learnt.

The overall objective of the evaluation was to assess the extent to which the three centers have achieved their objectives in the two thematic areas by assessing the relevance, effectiveness, efficiency, sustainability, and impact of their activities. The evaluation also included an assessment of the operations and governance of each center. While the evaluation report is only expected to be finalized by end-2023, its initial findings and recommendations, which were presented by the evaluators at the 2023 AFW2 SC meeting, are captured below:

The evaluation found that CD under the revenue administration workstream was relevant to country priorities. The activities broadly aligned with the context, development, and strategic plans of government revenue administrations in all the countries included in the case studies², and were delivered in a responsive and coherent manner. Technical Assistance (TA) and training under this workstream were relevant to the governments' ambitions for increased revenue mobilization and reflected in IMF programs and Article IV reports.

The evaluation period was marked by COVID-19, which affected both the delivery of CD and country priorities. The evaluation concluded that the response of the Center, in terms of swiftly transitioning to an unprecedented situation and delivering all activities virtually, was outstanding. It also highlighted that while remote delivery was beneficial during the COVID-19 period, it cannot replace in-person engagement. Hybrid and blended approaches are the new normal for CD delivery, and if used

appropriately, these approaches hold potential for increased effectiveness and impact.

The evaluation also emphasized that AFW2 has successfully used a mix of modalities, combining TA with training, and moved away from stand-alone missions to increasingly design a series of missions with a medium-term approach to CD, which is expected to increase the sustainability of results.

The evaluation stressed that political will and commitment to reform were key factors contributing to driving change. Consistency of CD delivery over time, with good sequencing of missions, conscious effort to build from previous recommendations, follow up, and limited personnel turnover were also identified as critical factors of driving change. The evaluation recommended that the Center enhance coordination and engagement with other CD providers and partners through platforms existing at country levels. The evaluation also recommended that the IMF overall improve the coherence of its revenue administration activities by further strengthening strategic approaches at country level.

² In the case of AFW2, three countries were selected as case studies, namely Ghana, The Gambia and Sierra Leone.

The findings and recommendations made by the evaluation will inform Phase III operations of AFW2.

CD will continue to be demand-driven, reflecting the specific needs and capacities of the beneficiary institutions. The experts will take advantage of the various CD delivery modalities, to offer comprehensive CD in a flexible manner that prioritizes results.

Coordination with partners will play a significant role in AFW2 governance, as well as CD delivery. The center will intensify donor and regional partner engagement to further raise awareness about the provision and impact of IMF CD and identify opportunities for further collaboration.

The evaluation recommendations and proposed action items will be added as an Annex to the Program Document, once the evaluation report is finalized. AFW2 will report regularly to the SC on the implementation of the recommendations, including in its Annual Reports.

SECTION II

MACROECONOMIC OUTLOOK AND CHALLENGES

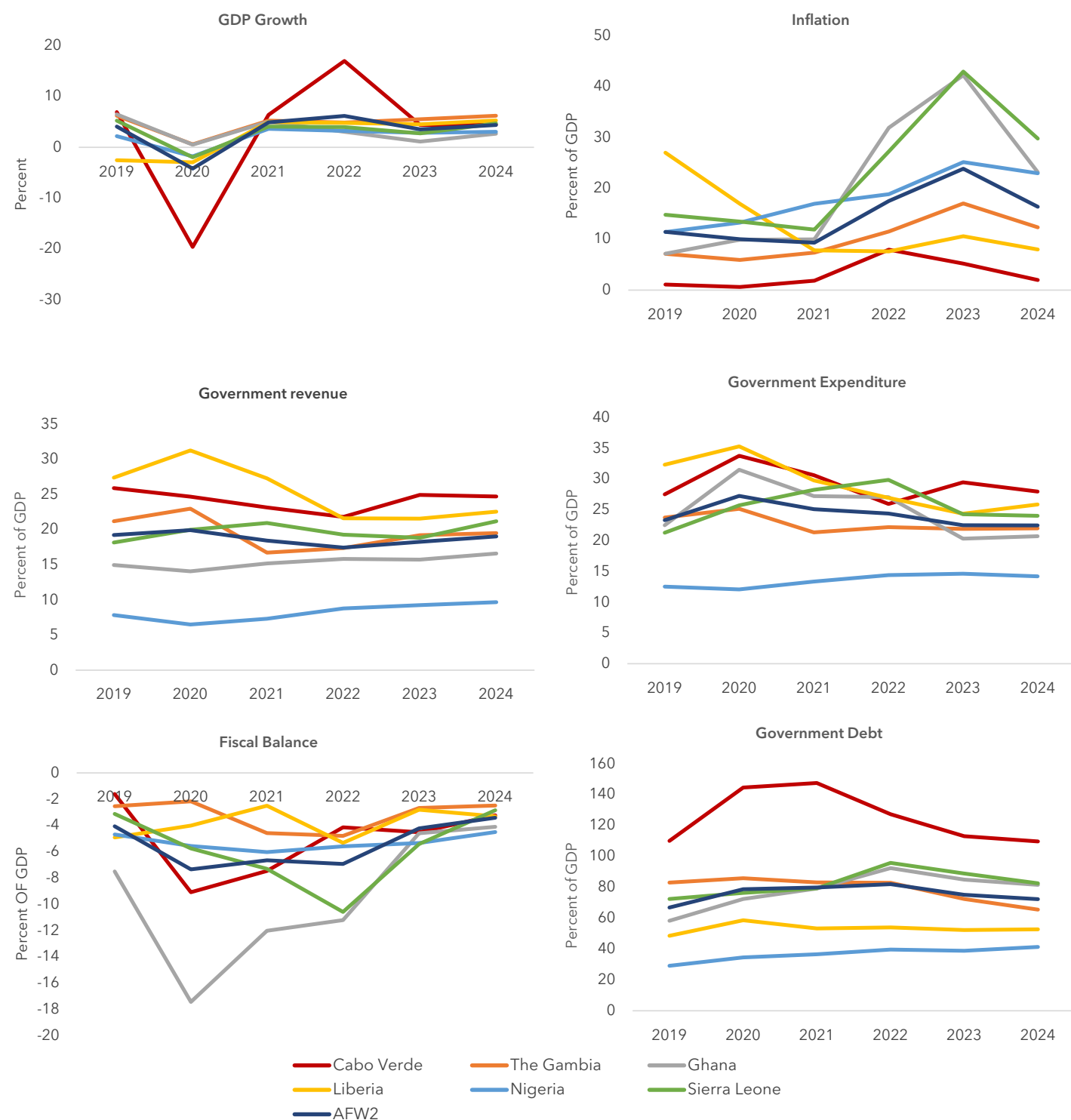
Following a series of global shocks during Phase II, growth in the AFW2 region remains subdued amidst high inflation, fiscal vulnerabilities, and limited access to external financing. After the onset of the COVID-19 pandemic early in Phase II, economic growth plummeted in all AFW2 countries, eroding gains realized by the end of Phase I. As a recovery was beginning to take hold in 2021, the region was further hit with food and fuel price shocks, owing to Russia's war in Ukraine. This added accelerating price pressures to the already volatile economic environment of weak fiscal balances, elevated debt, and exchange rate pressures. Average GDP growth in the region (excluding Cabo Verde) is projected to drop to 3.4 percent in 2023 from 4 percent in 2022, the second year in a row (*World Economic Outlook*, October 2023) (Figure 9, Annex C).³ In addition, average inflation in the region is estimated to remain at 23.8 percent in 2023, and the persistence of high inflation levels is continuing to put pressure on vulnerable households. In most member countries, high food and fuel costs will continue to erode household purchasing power, negatively impacting social welfare, and contributing to social tensions.

While looking a bit brighter than previously, the macroeconomic outlook for the region remains clouded by fiscal and monetary challenges. The WEO anticipates an uptick in growth to 4.4 percent in 2024, reflecting a pick-up in consumption and investment, and inflation in the region is estimated to moderate to 16.4 percent due to tightened monetary policies and lower commodity prices. However, while growth projections vary across member countries, ranging from 6.2 percent in The Gambia to 2.7 percent in Ghana, most countries continue to face a similar mix of underlying price pressures, sluggish growth, and high financing costs. In particular, the region's medium-term growth potential is jeopardized by elevated fiscal vulnerabilities and limited fiscal space. Although public debt levels in the region are expected to fall (to 72.2 percent in 2024, from 75.1 percent of GDP in 2023), they remain high, and steep borrowing costs resulting from tight monetary conditions internally and externally are aggravating existing fiscal imbalances. This is threatening to divert resources from critical infrastructure and sustainable development needs, potentially adding to the scarring from recent crises and weakening the region's long-term growth potential (*Regional Economic Outlook for sub-Saharan Africa*, October 2023).

AFW2's assistance to member countries in Phase III will complement IMF financial arrangements that seek to address economic imbalances and boost long-term growth prospects. Cabo Verde, The Gambia, Ghana, Liberia, and Sierra Leone are all implementing IMF-supported programs under the Extended Credit Facility instrument, and Cabo Verde has also requested support under the Resilience and Sustainability Trust. AFW2's proposed workplan for Phase III will be implemented in line with member country priorities and in close coordination with IMF country teams in support of a sustainable recovery in the region. Going forward, it will be key to strengthen public finances through domestic revenue mobilization and effective expenditure management to create fiscal space for essential development expenditures to build resilience and boost growth prospects. Fiscal vulnerabilities can be reduced further through effective management of debt and fiscal risks. Given continued inflation and financial pressures, improved monetary policy operations and risk assessment and management capacities are an additional priority.

³ Given Cabo Verde's strong rebound of 17 percent growth in 2022 it was excluded from these averages.

FIGURE 9. KEY MACROECONOMIC INDICATORS FOR AFW2 REGION, PHASE II



Source: IMF, *World Economic Outlook*, October 2023.

SECTION III

THE NEXT FIVE YEARS (2024-2029): CORE STRENGTHS AND NEW FRONTIERS

A

POLICY PRIORITIES

In Phase III, AFW2 will continue to support authorities in core areas, tailored to specific country needs.

While the IMF's new policy on fragile and conflict-affected states (FCS) reduced the number of FCS countries served by AFW2 from three (The Gambia, Liberia, and Sierra Leone) to one (Nigeria), there is still a critical need to strengthen basic economic institutions and procedures in these three FCS countries in transition and this will not diminish critical AFW2 assistance. In this regard, Phase III will build on progress achieved in core areas in Phase II while broadening activities to include three new workstreams, funding permitting. Given substantial fiscal pressures and strong demand from authorities, support will include two additional advisors to build capacity in tax policy and debt management functions and HQ assistance on improving governance.

Institutional priorities of digitalization, climate change, and gender equality will be mainstreamed across work areas.

The region is highly vulnerable to climate change, and adaption as well as access to sustainable climate financing are high priorities. In Phase II, activities in these areas were initiated in PFM and FSR, and we plan to expand this to other work areas,

where relevant, to help members unlock access to climate-related funds and facilities. Strong participation at a green budgeting workshop held in January 2023 and several requests from the region to access the Fund's new Resilience and Sustainability Trust (RST) indicate high potential demand for CD support in this area. In the same vein, efforts to reap the benefits of digitalization and mitigate its risks will continue across workstreams, most notably in PFM, revenue administration and FSR. Support for gender equality will inform both CD advice and modalities by encouraging female participation in AFW2 workshops.

CD in Phase III will cover the following areas:

- **Tax Policy.** The inclusion of a tax policy advisor in the next AFW2 funding phase is an integral part of the IMF's strategy to increase the tax policy field-presence. The objective is to provide timely support for tax policy implementation and build internal government capacity in tax policy analysis and design. The work program will be adapted to individual country needs and complement policy advice and capacity development provided by HQ-based teams,

STXs, and revenue administration workstreams. In particular, work will focus on strengthening tax policy units through institutional reforms and training on tax policy analysis and tools, such as tax expenditure reporting, tax modeling, and revenue forecasting methods and models. Experts will also respond to requests from the authorities on ad hoc tax policy matters in collaboration with HQ tax policy staff.

- **Tax Administration.** The key focus of Phase III will be to continue strengthening revenue administration management and core tax administration functions and improving good governance. Work will include collaboration with HQ and the new tax policy workstream on helping revenue administrations conduct diagnostics and design medium-term strategies for implementing identified reform priorities. Another important priority will be to support digital transformation through: (i) up-to-date ICT and digital transformation strategies; (ii) improved tax administration systems; and (iii) helping revenue administrations to better implement transformation projects. AFW2 will assist administrations to strengthen

enterprise and compliance risk management frameworks as well as registration, filing, payment, audit, enforcement, and dispute resolution procedures; conduct skills gap analysis; develop structured training programs for IT-enabled revenue administrations and improve integrity in revenue administrations.

- **Customs Administration.** AFW2 will continue to strengthen core customs administration functions during Phase III. Future work will include collaboration with HQ to diagnose customs administrations, identify reform priorities and support countries in implementation of customs reforms; continued adaptation of the logical frameworks, action plans, mandates, policies, and SOPs for BIC, PCA and CRM to each country's specific needs and priorities; as well as continued support, mentor, and train staff in CRM and PCA. A special focus will be on supporting countries to implement their regional integration objectives with focus on implementing the African Continental Free Trade Agreement (AfCFTA).
- **Public Financial Management and Macro-fiscal Policies.** Activities during the next phase will focus on addressing outstanding PFM challenges and incorporating new initiatives in country PFM systems. AFW2 will assist countries to (i) strengthen further fiscal risk analysis, especially from public corporations and public-private partnerships; (ii) improve budgeting processes and fiscal reporting; (iii) finalize the ongoing treasury single account reforms; and (iv) enhance asset and liability management. Governments need to strengthen PFM to achieve gender equality and climate change objectives, including

accessing climate finance. AFW2, in collaboration with HQ and coordination with other development partners, will provide CD support in incorporating gender and climate actions into the budget process. As AFW2 countries undertake governance assessments, AFW2 will provide follow-up support to implement governance recommendations. For example, the January 2023 governance assessment mission in The Gambia provided several recommendations that require hands-on support from AFW2.

- **Monetary Policy & FX Operations and Payment Systems.** The FPAS projects will continue to provide better and more effective support to monetary policy decisions at central banks. Key priorities consist of further development of technical tools aimed at nowcasting and near-term forecasting, which will be utilized for development of medium-term projection, including its full integration into the monetary policy decision-making process and communication. Monetary and FX operations will be modernized further by building a robust liquidity forecasting framework, upgrading the monetary and FX instruments and operational strategy to deal with changing liquidity conditions, and promotion of interbank/money and FX markets. Additional priorities will be to help central banks adopt the IMF's new tools for liquidity forecasting and FX intervention. With regard to FMIs, priorities consist of operationalization of a full-fledged oversight and risk management framework for FMIs in line with best international standards, and capacity building for self-assessment of FMIs against the CPMI-IOSCO Principles for FMIs, including implications of digital money for central bank operations.

- **Financial Sector Supervision and Regulation.** Phase III will build on the achievements of the previous two phases to sustain and further improve effective financial sector supervision and regulation in the region. This will require continuous CD to broaden supervisory understanding and knowledge of RBS, Basel II/ III capital standards, IFRS, credit risk assessment, cybersecurity resilience, and other emerging risks. Given heightened requests for CD in supervising and regulating climate-related financial risks, we anticipate several missions in this area going forward. Also, given the explosion of digital financial services without the required regulatory and supervisory frameworks in place, AFW2 will help develop regulatory framework and supervisory focus for member countries. There will be considerations for building an early warning system (EWS) model to help predict the probability of bank failure within a 12-month time horizon, data quality permitting. Given the high demand for the BSL-type toolkit on evaluating and modeling ECL, AFW2 will aim to support while extending RBS to insurance companies, micro-finance banks, and digital financial services.
- **Debt Management.** A new workstream on debt management will support members to better manage debt vulnerabilities, in close coordination with other development partners active in the region. Support will be tailored to country needs and absorption capacities and cover a broad range of issues, including, but not limited, to medium-term debt management strategies, data preparation, improved debt recording and indicators, management of contingent liabilities, and deepening domestic debt markets. Regional

and bilateral training on the Debt Sustainability Framework for Low-Income Countries (LIC DSF) and the Sovereign Risk and Debt Sustainability Framework for Market Access Countries (MAC SRDSF) will be provided in coordination with HQ and the DMF thematic fund.

- **Real Sector Statistics.** The overall engagement strategy will continue strengthening the compilation and dissemination of data on national accounts and price statistics. The core goal is to improve the quality and timeliness of data, as well as to increase the number, coverage, and granularity of statistical products/indicators for policy making. Given the low capacity in many member countries, the main priorities remain sustainability of statistics production based on progress already achieved and continued strengthening methodological soundness and data quality. As absorption capacities allow, AFW2 will focus on increasing the number of indicators, further improvement of data sources, coverage, and timeliness of macroeconomic statistics. CD will

be supported by hands-on training and conducted in close coordination with other CD providers, including from HQ, to maximize synergies and enhance the effectiveness of CD delivery.

- **Governance & Anti-corruption (GAC).** The new workstream on GAC activities for Phase III is designed to meet growing demand for governance and anticorruption work in the region. Work will focus on supporting countries to address vulnerabilities to corruption where governance diagnostic missions have identified them. CD activities will include training courses, tailored missions, and peer-to-peer learning by officials responsible for the design and management of anticorruption reforms, and complement efforts undertaken through other workstreams, notably PFM and revenue administration. The core course on anticorruption is designed to provide officials with principles of effective anticorruption work, international standards, and the designing of anticorruption strategies. Technical

courses on topics such as the design of anticorruption laws and the implementation of systems for asset declaration and conflict of interest will complement the core. Peer-to-peer activities will augment existing good governance networks. AML/CFT advisors in the AFR region financed from the AML/CFT thematic fund will continue collaborating with AFW2 advisors on overlapping work. CD on legal issues related to the priority sectors of Phase III may be delivered depending on needs and the availability of resources.

KEY MODALITIES AND PARTNERSHIPS

The focus in Phase III will be to leverage technology for an appropriate mix of delivery modalities tailored to country circumstances.

The center will utilize hybrid and blended approaches for missions to optimize cost effectiveness and elevate impact. In-person delivery remains the preferred option of our members and is hard to replace in terms of effectiveness and intangible yet important factors such as relationship-building. However, virtual engagements pre- and post-mission can greatly boost the impact of in-person engagements—in particular through sustained follow-up on implementation. Also, virtual workshops helped inclusiveness and widened accessibility to CD for country authorities, especially female officials. Informed by lessons learned during the pandemic, experts will continue to use hybrid or virtual meeting tools where appropriate to ensure cost effectiveness, inclusiveness and higher impact. One policy-oriented classroom training course per year will continue to be delivered in person while member countries will be encouraged to make full use of online training options.

Peer learning and close collaboration with regional partners and other providers will remain hallmarks of AFW2 CD. Joint activities with HQ, bilateral resident advisors, other RCDCs, regional institutions such as WAIFEM and WAMI, and development partners greatly increased the impact and efficiency of CD advice during Phase II. For example, the center worked with the Customs Directorate of ECOWAS in strengthening revenue administration in member states and collaborated closely with WAMI in providing expertise in reviewing their proposed model financial sector act. The AFW2 Director was an active participant in Heads of cooperation fora and advisors kept a close dialogue with counterparts in FCDO, SECO, GIZ, and the EU, as well as other organizations such as the World Bank, USAID, WTO, AfDB and the AfCFTA. In Phase III, the center will continue to leverage and deepen these partnerships, provide regular de-briefings with development partners on impact and results, and facilitate peer-learning and networking across the region and beyond. A holistic approach to CD will include consistent usage of regional experts where available.

Systematic integration of CD with IMF program and surveillance engagements will provide a unique edge to enhance effectiveness. Beyond full integration with HQ-delivered CD activities, continuous collaboration with area department country teams will ensure close alignment of CD delivery with program and surveillance work, for the maximum benefit of our members. Virtual engagements during the pandemic allowed for much broader cross-mission participation as well as remote consultations, while the launch of the CDMAP system facilitated the flow of CD information. Phase III aims to build on these gains to solidify IMF teams working together towards shared objectives and member policy priorities.

PHASE III PROGRAMMING BY OPERATING AREA

TAX POLICY

Overall strategy and cross-cutting themes

A regional tax policy advisor in the next phase will increase the tax policy field-presence, especially in FCS and transitioning FCS countries where capacity needs, and absorption constraints are especially pronounced.

The objective is to provide timely support for tax policy implementation and build in-house capacity on tax policy analysis and design. The latter will focus on strengthening tax policy units, usually situated in finance ministries, and developing capacity for deploying country-specific tax policy analytical tools and tax expenditure reporting. The work program will be customized to individual country needs, absorption capacity, and complement policy advice and capacity development provided by IMF Fiscal Affairs Department HQ-based teams and STXs.

It is expected that the tax policy work in AFW2 countries during the next funding phase will focus on the following tax policy high-level areas:

Cabo Verde: The tax policy CD will work with the government on further expanding revenue collections to fully realize the potential revenue supported by efforts to better manage tax expenditures.

The Gambia: The economic base remains relatively small, limiting the revenue capacity currently at below 17 percent of GDP. The CD program will build on previous work to broaden the tax base and will provide targeted support for developing tax policy analytical capacity in the Ministry of Finance.

Ghana: Despite a relatively diverse economy, total revenue collections remain below potential at about 15 percent of GDP. CD will continue to support government efforts to broaden the tax base and to develop further the capacity in the Revenue Policy Division of the Ministry of Finance.

Liberia: Revenue collections have improved since the past conflict, and are above 20 percent of GDP, although the contribution from mining revenue remains very volatile. The CD program will support further strengthening of tax policy while developing capacity on tax policy analysis, including tax expenditure assessment, facing significant capacity constraints.

Nigeria: With a large and complex economy, operating within a complex political setting, the revenue effort remains relatively low with total revenue at less than 9 percent of GDP. Focus will center on enhancing revenue collections from both the petroleum and non-petroleum sector through sustained policy reforms. Efforts will enhance the capacity for tax policy analysis in the Federal Ministry of Finance in collaboration with relevant sector ministries and agencies.

Sierra Leone: Following the transition from past conflict, total revenue collections have improved at above 19 percent of GDP although the high share of mining revenue has contributed to volatility. Tax policy CD will focus on supporting the implementation of medium-term policy reforms while building capacity on tax policy analysis.

The regional advisor, supported by STXs, will develop, and implement a work program to address the following issues with beneficiary countries:

- Strengthen Tax Policy Units through institutional reforms and training on tax policy analysis and tools. This will include advising on the institutional set-up, staffing needs, and identifying training needs.
- Provide training on tax policy analysis including to assess the efficiency, distributional and revenue impact of tax policy measures.
- Build capacity for tax expenditure reporting and tax modeling (e.g., personal, and corporate income taxes, natural resource taxes, VAT, excises, customs tariffs, property taxes etc.).
- Strengthen revenue forecasting methods and models through hands-on training and capacity development.
- In natural resource rich countries, provide training on FARI-based fiscal regime modeling and revenue forecasting.
- Improve the process for designing tax policy through the annual budget preparation, including institutional and procedural reforms.
- Respond to requests from the authorities on ad hoc tax policy matters, including as part of the annual budget process. This will be done in close coordination and with involvement as needed of HQ-based staff.
- Identify further CD needs, including in specialized fields (e.g., property tax) and liaise with headquarters on how to provide needed support.

The tax policy work program will incorporate cross-cutting themes. For example, digitalization raises important tax policy issues related to the VAT

treatment of digital services; climate and environmental objectives can be addressed partly through taxation; improved tax expenditure reporting can contribute to better fiscal governance; and tax policy can be designed to avoid gender discrimination.

The proposed regional tax policy presence is demand-based. The addition responds to strong interest by government counterparts in more practical implementation support for tax reform to reinforce the current predominantly headquarters-delivered tax policy technical advice. This is currently being met partially by STXs providing follow up support to diagnostic missions and (increasingly common) by integrating workshops presenting and discussing mission analysis and recommendations into headquarters-led mission. But the sustainability and impact of this approach is limited by its small scale and infrequency. The effectiveness of the capacity development will be enhanced by a more sustained in-country presence supported by frequent visits to member countries.

The regional work program will be fully integrated into the headquarters planning process. The work of the regional tax policy advisor will be backstopped by a senior tax policy staff in the Fiscal Affairs Department. The regional advisor will complement the full-fledged technical assistance missions or STX visits, which are expected to broadly continue at current levels. To the extent possible, the regional advisors will participate in relevant headquarters-led missions.

External coordination and collaboration will be with both the World Bank, African Development Bank, OECD, and bilateral partners with an active tax policy program (for example, Germany, the UK).

Having a regional tax policy advisor will deepen the potential participation and representation by the IMF in

country-level coordination around revenue reform. This is especially important in cases where a country is implementing a medium-term revenue reform program with support from development partners.

Expected outcomes during Phase III

The expected outcomes will be aligned with the specific work program agreed for each country.

However, it is generally expected that the following outcomes will be achieved by the end of the phase:

- The quality of tax policy design and implementation has improved by strengthening in-country capacity.
- Tax policy units usually situated in finance ministries are demonstrably better able to support tax policy analysis and implementation through institutional reforms, training and development of analytical tools and models.
- The information available to policymakers and the public has been improved by more comprehensive reporting on tax expenditures through the annual budget process.
- The presence of a regional advisor has provided a platform for a more continuous engagement and dialogue around tax policy between the governments and the IMF.
- Coordination and collaboration with development partners supporting revenue policy reform has deepened through more consistent engagement with other technical assistance providers at country-level.

Overall strategy and cross-cutting themes

In compliance with the overall approach of the center and in alignment with the FAD CD strategy on capacity development, AFW2 will continue to provide support in core revenue areas, building upon the progress made during Phase II. In this phase, emphasis will be on taking a medium-term approach to CD delivery, with enhanced coordination of work with the Country teams and improved external coordination of work with other development partners. Another focus will be on enhancing stakeholder engagement to create space for recommended reforms to be successfully implemented. AFW2 countries within the AFW2 region have single revenue authorities covering both tax and customs. The only exception is Nigeria which has separate tax and customs administrations. In addition to tax and customs departments, the revenue administrations have a range of shared services that support tax and customs core functions. These include strategic planning and monitoring, human resources management, finance, administration, and Information Technology (IT) functions. These support and shared services will also be supported to enable them to better support customs and tax operations. Further work will be done to advance progress in data management and analysis, risk management, and intelligence and investigation. To strengthen good corporate governance in revenue administrations and instill stakeholder confidence in revenue administrations, AFW2 will intensify support in strengthening both internal audit and internal affairs functions. These functions have a responsibility to review systems and procedures to enhance integrity, transparency, and accountability.

Expected outcomes during Phase III

Tax Administration: The key focus of Phase III will be to continue strengthening revenue administration management and core tax administration functions and improving good governance. Work will include collaboration with IMF HQ and the new tax policy workstream on helping revenue administrations conduct diagnostics and design medium-term strategies for implementing identified reform priorities. Another important priority will be to support digital transformation through: (i) up-to-date ICT and digital transformation strategies; (ii) improved tax administration systems; and (iii) helping revenue administrations to better implement transformation projects. AFW2 will assist administrations to strengthen enterprise and compliance risk management frameworks as well as strengthening registration, filing, payment, audit, enforcement, and dispute resolution functions; conduct skills gap analysis; develop structured training programs for IT-enabled revenue administrations and improve integrity in revenue administrations.

It is expected that the tax administration work in each AFW2 member country during the next funding phase will focus on the following high-level areas:

Cabo Verde: The CD will support the tax administration to (i) strengthen the management of tax expenditures; (ii) develop and commence implementation of its digital transformation strategies; (iii) improve skills to audit specialized economic sectors; and (iv) deepen compliance risk management and data analytics.

Ghana: The CD will include help to: (i) improve the management of tax expenditures; (ii) accelerate implementation of GRA digital transformation strategy; (iii) strengthen integrity and anti-corruption systems; and (iv) deepen compliance risk management and data analytics.

Liberia: The CD work will support the tax administration to: (i) strengthen the management of tax expenditures; (ii) develop and commence implementation of LRA digital transformation strategies; (iii) improve tax audit skills; and (iv) deepen compliance risk management and data analytics.

Nigeria: The CD will support the tax administration to: (i) accelerate implementation of its digital transformation strategies; (ii) improve skills to audit specialized economic sectors; and (iii) deepen compliance risk management and data analytics.

Sierra Leone: The CD will include help to: (i) strengthen the management of tax expenditures; (ii) develop and commence implementation of NRA digital transformation strategies; (iii) improve skills to audit specialized economic sectors; and (iv) deepen compliance risk management and data analytics.

The Gambia: The CD will support the tax administration to (i) strengthen the management of tax expenditures; (ii) accelerate implementation of GRA digital transformation strategy; (iii) strengthen integrity and anti-corruption systems; and (iv) deepen compliance risk management and data analytics.

The expected outcome during Phase III is stronger tax systems which have adopted good international practices, including practices recommended in various FAD tools including the TADAT⁴ methodology. The aim shall be to improve all the nine performance outcome areas in each of the revenue administrations supported by AFW2. These will include sound improvement in the integrity of registered taxpayer base; risk management; procedures used in supporting voluntary compliance; on-time filing rates for declarations; on-time payment of taxes; accurate reporting in declarations; effective tax dispute resolution; efficiency of revenue management; and accountability and transparency. The overarching goals are to improve domestic revenue mobilization, better taxpayer services delivery and reduced compliance cost. Effective tax administration operations enabled by across-the-board deployment of information technology (IT) solutions is also expected to contribute to a reduction of carbon footprint as taxpayers access online services, and tax administrations staff reduce the frequency of visits to taxpayer premises.

Customs Administration: AFW2 will continue to strengthen core customs administration functions during Phase III. Future work will include collaboration with HQ to diagnose customs administrations, identify reform priorities and support countries in the implementation of customs reforms. Building on the work done in Phase II, AFW2 will continue to review and update the various instruments which are now in place

in most countries. These specifically include logical frameworks, action plans, mandates, policies, and standard operating procedures (SOPs) for BIC, CRM and PCA. Our experience in Phase II was that the wider area of Border and Inland Control is too complex to address through a single approach. Key elements within the BIC instruments are therefore being extracted and re-structured, to fit also fit and be used in both CRM and PCA work areas.

To support the effective application of mandates and policies, in line with the agreed SOPs on CRM, PCA and customs intelligence, AFW2 has already begun to design and deliver training to a wide range of customs staff. This effort will continue in Phase III but with a wider stakeholders' base to cover staff from tax, other border agencies, and representatives from the business community. This requires development of additional training modules, specifically targeted on those groups. An additional focus will be on strengthening internal training capacity of the authorities, so that beyond AFW2 support, they will be able to continue to deliver training to customs border staff throughout their countries and to new recruits.

Close collaboration with the ECOWAS Commission in Phase II will continue in Phase III. The Commission has a Risk Management Handbook which sets out the standards and best practice to be applied in customs risk management and also in the area of intelligence. AFW2 has already aligned our own best practice to fully reflect these standards and will continue to work in support of a common regional approach in all areas of customs.

Moreover, AFW2 CD will recognize the growing importance of the AfCFTA in the region. Although still in its initial stages, this is a crucial development for the longer-term development of trade, both within Africa and with

its trading partners. AFW2 will work with the AfCFTA Secretariat and with the individual countries to maximize their ability to take advantage of the benefits which this potentially provides. Effective trade facilitation is a major contributor in tackling climate change through the decrease in waiting times for both ships and vehicles in port areas. In addition, incorporating specific environmental concerns within the overall risk matrix, can assist customs to identify transgressions of laws to protect the environment, such as cross-border dumping of waste and the control of chlorofluorocarbons (CFCs).

Customs is an area where policies and procedures are very largely determined by global and regional commitments. These include the WCO Kyoto Convention, the WTO Trade Facilitation Agreement and the two sub-global frameworks referred to above (ECOWAS and the AfCFTA). The tailoring and adaptation of support to individual countries will largely depend upon their level of progress and achievement of those international and regional standards and best practices. So, while specific interventions may vary between countries, they will all be in the same core areas and to achieve the same ends. The only major difference may be the speed with which changes are introduced at the national level so that the AFW2 interventions are relevant and tailored to the level of progress achieved. Appropriate interventions will largely be determined by progress against regional benchmarks as defined in the logical framework documents for each country, which are already in place.

⁴ Tax Administration Diagnostic Assessment Tool (TADAT) provides a standardized means of assessing the health of key components of a country's tax administration system and its level of maturity in the context of international good practice. TADAT assesses performance of a country's tax administration system in reference to nine outcome areas.

Overall strategy and cross-cutting themes

The center will focus on consolidating the gains made during Phase II; addressing outstanding PFM challenges; and incorporating new initiatives in country PFM systems.

It will assist member countries to (i) further improve budget preparation with credible macro-fiscal frameworks (ii) strengthen further fiscal risk analysis, especially from public corporations and public-private partnerships; (iii) improve budget execution processes and fiscal reporting; (iv) advance the ongoing treasury single account reforms; and (v) strengthen asset and liability management.

Key cross cutting areas will include climate change, gender budgeting, and governance that require sound PFM systems. AFW2, in collaboration with HQ and coordination with other development partners, will provide CD support in incorporating gender and climate actions into the budget process. As AFW2 countries undertake governance assessments, AFW2 will provide follow-up support to implement governance recommendations related to PFM issues. For example, the January 2023 governance assessment mission in The Gambia provided several recommendations that require hands-on support from AFW2 advisors.

Expected outcomes during Phase III

Cabo Verde: The CD program will support the MoF in sustaining and enhancing information on budget program performance as a tool to improve the transparency and effectiveness of budget allocations. Further support will be provided to strengthen public investment management (appraisal, selection, and implementation of investment projects). In line with the government objectives of promoting gender equality and

addressing climate change, the CD program will support the MoF to ensure that the budget serves as an effective tool for strategic allocation towards policies that advance these objectives. To strengthen fiscal management, the CD will also seek to strengthen budget execution and controls. This involves strengthening the oversight and analysis of the SOE sector; strengthening commitment controls procedures; ensuring comprehensive, frequent, and high-quality fiscal reports; and enhancing cash and debt management.

Ghana: The CD support will focus on integrating a more credible medium-term budget framework with the annual budget process and including program performance information into budget documentations. The center will support the MoF to ensure that the budget serves as an effective tool for strategically allocating resources towards policies that promote gender equality and addressing climate change. In addition, the CD program will focus to strengthen budget execution and controls; enhance comprehensiveness, frequency, and quality of fiscal reports; expand the coverage of the TSA; and improve accuracy and timeliness of cash flow forecasts for central government. These will be key for integrating cash and debt management functions. CD will further assist authorities to implement the country strategy aimed at mitigating accumulation of expenditure arrears. In addition, the CD support will focus on improving the disclosure and management of contingent liabilities and other specific fiscal risks.

Liberia: The CD support will seek to integrate a more credible medium-term budget framework with the annual budget process; improve appraisal, selection, and implementation of public investments; and strengthen oversight and fiscal risks analysis of the SOE sector. The center will support the MoF to implement

medium-term expenditure budgeting for effective and efficient allocation of resources and as a tool for strategically allocating resources towards policies that promote gender equality and addressing climate change. In addition, the CD program will focus on strengthening budget execution and controls; enhance comprehensiveness, frequency, and quality of fiscal reports; expand the coverage of the TSA; and build sound cash management functions for the central government.

Nigeria: The CD program will assist the MoF in sustaining PFM reforms and integrating a more credible medium-term budget framework with the annual budget process. Also, the CD support will be provided to enhance information on budget program performance as a tool to improve the transparency and effectiveness of budget allocations. Further support will be provided to strengthen public investment management (appraisal, selection, and implementation of investment projects) and improving the oversight and fiscal risks analysis of the SOE sector. The center will support the MoF to ensure that the budget serves as an effective tool for the strategic allocation of resources towards policies that promote gender equality and addressing climate change. In addition, the CD program will focus to strengthen budget execution and controls; enhance comprehensiveness, frequency, and quality of fiscal reports; expand the coverage of the TSA; and build sound cash management functions for the central government and state governments.

The Gambia: CD will assist the MoF in sustaining PFM reforms and integrating a more credible medium-term budget framework with the annual budget process. Also, the CD support will be provided to enhance information on budget program performance as a tool to improve the transparency and effectiveness of budget allocations. Further support will be provided

to strengthen public investment management (appraisal, selection, and implementation of investment projects) and improving the oversight and fiscal risks analysis of the SOE sector. The center will support the MoF to ensure that the budget serves as an effective tool for the strategic allocation of resources towards policies that promote gender equality and addressing climate change. In addition, the CD program will focus to strengthen budget execution and controls; enhance comprehensiveness, frequency, and quality of fiscal reports; expand the coverage of the TSA; and build sound cash management functions for the central government.

Sierra Leone: The CD program will assist the MoF in sustaining PFM reforms and integrating a more credible medium-term budget framework with the annual budget process. Also, the CD support will be provided to enhance information on budget program performance as a tool to improve the transparency and effectiveness of budget allocations. Further support will be provided to strengthen public investment management (appraisal, selection, and implementation of investment projects) and improving the oversight and fiscal risks analysis within the SOEs. The center will support the MoF to ensure that the budget serves as an effective tool for the strategic allocation of resources towards policies that promote gender equality and addressing climate change. In addition, the CD program will focus on strengthening budget execution and controls; enhance comprehensiveness, frequency, and quality of fiscal reports; expand the coverage of the TSA; and build sound cash management functions for the central government. CD will further assist authorities to implement the country strategy aimed at mitigating the accumulation of expenditure arrears.

MONETARY POLICY, FX OPERATIONS AND PAYMENT SYSTEMS

Overall strategy and cross-cutting themes

AFW2's strategic objective for Phase III is to build on the progress made in Phase II with the aim of ensuring sustainable reform outcomes in the area of forecasting and policy analysis system (FPAS), monetary and foreign exchange (FX) operations, and modernization of financial market infrastructures (FMI). While considerable progress has been made in a number of these areas, sustained support is needed if tangible and lasting improvements are to be realized. During Phase III the focus will be in assisting member countries to achieve improved outcomes across the Fund's RBM framework in the area of FPAS, monetary and FX operations, and FMIs. The specific strategic objectives will be to (i) improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools, (ii) strengthen the implementation of monetary policy under the existing monetary regime, (iii) strengthen the implementation of FX operations given the existing monetary policy and FX regime, and (iv) enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments.

The FPAS projects will continue to provide better and more effective support to monetary policy decisions at central banks. Key priorities consist of further development of technical tools aimed at nowcasting and near-term forecasting, which will be utilized for development of medium-term projection, including its full integration into the monetary policy decision-making process and communication. Monetary and FX operations will be modernized further by building a robust liquidity forecasting framework, upgrading the monetary and FX instruments and operational strategy to

deal with changing liquidity conditions, and promotion of interbank/money and FX markets. Additional priorities will be to help central banks adopt the IMF's new tools for liquidity forecasting and FX intervention. With regard to FMIs, priorities consist of operationalization of a full-fledged oversight and risk management framework for FMIs in line with best international standards, and capacity building for self-assessment of FMIs against the CPMI-IOSCO Principles for FMIs, including implications of digital money for central bank operations.

Some key reform issues will be carried over from Phase II:

- **Following improvements in data management, nowcasting and near-term forecasting frameworks, the FPAS project** will focus on institutionalizing and further improving quarterly projection models tailored to individual country macroeconomic context, including more active internal and external communication on monetary policy.
- **In the area of Monetary and FX Operations, there is a need for more active liquidity management** – focusing on building a robust short-term liquidity forecasting framework, i.e., introducing new liquidity forecasting and FX intervention tools recently developed by MCM and their effective use in calibration of open market operations, thus effectively bridging the gap between monetary policy formulation and its implementation. Also, further development of interbank FX and money market instruments will require systematic CD during the Phase III. In the area of **payment systems**, the CD shall focus on further upgrade of oversight and risk management framework for payment systems, focusing on promoting compliance of payment systems and other FMIs with the CPMI-IOSCO Principles for FMIs.

- Given the current macroeconomic environment in the region, the challenges in Phase III are also likely to include issues related to high public debt, fiscal dominance, policy solvency of central banks, building optimal level of international reserves, effective regulation and supervision of digital money, and improvement in central banks' transparency, accountability, credibility, and independence.

"I want to extend my profound thanks to the Management of the AFRITAC West 2 for the support to my professional development on Oversight and Risk Management Frameworks. I am optimistic that the lessons learned will be applied to enhance the safety and efficiency of the existing payment systems and the department."

Mr. Jonjo Armah Chenoweth,
Assistant Director/Payment Systems Department,
CBL participant in professional attachment on Oversight and Risk Management Frameworks.

Expected outcomes during Phase III

CD will be consistent with the categories that have been established for the FPAS, Monetary Operations, FX Operations and FMIs and payments results-based management (RBM) framework. Key expected outcomes during Phase III will be as following:

Forecasting and Policy Analysis System (FPAS):

- **Monetary policy modeling and analytical capacity at central banks is improved.** The outcome will be achieved through AFW2 support to member central banks with training of modeling teams in the use of proper toolboxes, operationalization, and update of monetary policy models (nowcasting, near-term forecasting and quarterly projection model), including production of policy simulations.
- **Monetary policy model is integrated into the monetary policy decision-making process.** Forecasting reports and policy simulations are produced on regular basis and used for decision on monetary policy, and the analytical and policy results based on the monetary policy models are published and communicated both internally and externally.
- **Key monetary policy communications practices and products are implemented.** High quality monetary policy reports published at a regular frequency, shortly after policy meeting and monetary policy meeting calendar published.

Monetary Operations: Operational framework with a clear operational target of the monetary policy is in place. Operational framework and related policy decisions are aligned with money market conditions.

Robust short-term liquidity forecasting framework. A daily liquidity table centralizing all relevant in-house and external data is in place, liquidity forecasts derived from the liquidity table are done on a regular basis and are used for liquidity management operations/monetary operations.

Effective interest rate corridor is in place. Regulations pertaining to the use of standing facilities are publicly available, standing facilities are accessible to all eligible counterparties and operational as a daily backstop instrument to discretionary monetary operations.

Active and efficient interbank/ money market to support monetary policy transmission. Financial market infrastructures (FMIs) are supportive of interbank trading and market trading information is available to the central bank on a real-time basis.

Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions. Reserve requirements (RR) framework is consistent with its main objective, the central bank activates its monetary instruments appropriately to achieve its policy objectives, and Open Market Operations (OMOs) are available to respond to changing liquidity conditions.

Foreign Exchange Operations: FX intervention policy consistent with existing FX regime is developed and disseminated. There is in place an FX intervention policy with clear objectives, operational criteria, appropriate instruments, and the statement on the goals and conduct of FX intervention is publicly available.

Overall strategy and cross-cutting themes

Phase III will build on the achievements of the previous two phases in improving a forward-looking financial sector regulation and supervision in member countries in the following ways:

- This phase calls for increased CD missions to broaden supervisory understanding and knowledge of several standards, including risk-based supervision, Basel II/III capital standards, International Financial Reporting Standards, credit risk assessment, cybersecurity resilience, and other approaches to monitor and manage emerging financial sector risks.
- In light of heightened requests for CD in regulating and supervising climate-related financial risks, AFW2 anticipates responding with several missions during Phase III.
- Increasingly, digital financial services are transforming the West African banking industry by creating easy access to the financial system and jobs. But because the growth in digital financial services is unmatched by existing supervisory frameworks to address associated risk, many AFW2 countries need technical assistance to help develop regulatory frameworks and supervisory focus. Response to these requests is pending in the next phase, as the workstream's budget can accommodate.
- Early warning systems and frameworks for prompt corrective action are relevant for banks in the region, especially to tackle unsafe and unsound practices that could jeopardize the soundness of financial system. Consequently, there will be considerations for building early

"AFW2 serves the Ghanaian authorities as a backup research hub, providing information on cross-country experiences to support policy thinking as well as making information accessible through the experts."



Mr. Philip Abradu-Otoo,
Director,
Research Department,
Bank of Ghana
(10th Steering Committee Meeting)

**Financial Market Infrastructures/
Payment System:**

FMI oversight and risk management framework strengthened. The FMIs oversight function is operational and FMIs are compliant with the CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI).

**Legal and regulatory framework for
FMIs and other payment systems
and payment services strengthened.**

National payment system law/legislation is in place, operational and oversight responsibilities for the payment system are established in the central bank legislation, and FMIs operations are governed by system-specific rules.

Strategy for national payment system development is implemented. There is in place a formally adopted strategy and implementation plan for national payments system development, including an adequate governance structure for implementation of the national payments system strategy.

At the country level, the focus of AFW2 CD Program will be as following:

Cabo Verde: Improving monetary policy modeling and analytical capacity, upgrading short-term and medium-term liquidity forecasting and liquidity management framework, and further upgrade of the oversight framework for FMIs.

The Gambia: finalizing the forecasting and policy analysis system, upgrading monetary and FX operations, and operationalizing the oversight framework for FMIs.

Ghana: Improving monetary and FX market operations and further upgrade of the oversight framework for FMIs.

Liberia: Improving monetary policy modeling and analytical capacity, further strengthening of monetary and FX operations, and the oversight framework for FMIs.

Nigeria: Improving monetary policy modeling and analytical capacity and upgrading the monetary and FX operations.

Sierra Leone: Improving monetary policy modeling and analytical capacity, upgrading monetary and FX operations, and operationalizing the oversight framework for FMIs.

warning models to help predict the probability of bank failure within a 12-month time horizon, data quality permitting. Given the deteriorating quality of assets and high non-performing loan ratios in the region, there is scope for developing expected credit loss (ECL) challenger models and toolkits for assessing the adequacy of provisioning for banks' financial instruments, which AFW2 will aim to support.

Technical assistance by AFW2 on extending RBS to insurance companies and non-bank financial institutions will also continue.

Expected outcomes during Phase III

Capacity development in Financial Sector Supervision and Regulation will be delivered in line with the RBM categories established for this topical area. Key expected outcomes during Phase III will be the following:

Cabo Verde: Progress has been made with risk-based supervision, but considerable efforts are required to support a forward-looking supervisory function. Specifically, the AFW2 will provide technical assistance to support capacity building required to deepen the understanding of risk-based supervision, assessment of risk matrix and processes, including quantitative and qualitative risks, and the quality of risk management and internal controls. Further support will strengthen the implementation of IFRS 9, focusing on updating the policy guidelines and improving supervisory assessment of expected credit losses submitted by banks. Additional support will help the central bank to realize an effective implementation of Basel II/III and compliance with the insurance core principles.

Liberia: Several AFW2 missions improved risk-based supervision processes, replacing a two-tiered rating process with a consolidated

rating, and linking onsite function with offsite risk analysis. The next phase will strengthen the central bank's transition to Basel II/III, which will improve the capacity of banks to absorb losses by increasing the quality of regulatory capital. Further support will enhance supervisory knowledge of IFRS 9, to include the interplay between expected credit loss and Basel's regulatory asset classification and provisioning requirements in a forward-looking perspective. Additional TA will support the improvement of supervisory practices for cybersecurity and fintech resilience, including financial risk is climate change.

Ghana: The ongoing financial sector reform requires creative measures to address identified risks. At the request of BoG, the center is supporting the implementation of an in-house training program, which will reduce training costs, provide an opportunity to shorten the development time for all new BSD employees and improve supervisory outcomes and the overall competency of bank supervisors. Although Phase I of the 3-phased program has been completed and in the process of piloting, further assistance is required to build out Phases II and III of the curriculums, enhance the implementation of IFRS 9, focusing on the evaluation of expected credit loss, as well as improve the regulation and supervision of NBFIs, financial risk in climate change, cybersecurity and fintech resilience. The National Insurance Commission of Ghana also will be supported with capacity development to enhance compliance with Insurance Core Principles.

Nigeria: Compared with the other member countries, CBN shows commanding progress in banking regulation and supervision. The country will be supported with capacity development to effectively incorporate strategies for integrating assessment of climate-related financial risks and other

risks into the supervisory processes. The Center will also support improved capacity building in cybersecurity regulation, including the development of cybersecurity framework and strategies to focus supervisory actions on addressing weaknesses that threaten the viability of banks. Further support will strengthen the implementation of IFRS 9, focusing on the assessment of expected credit loss model for the central bank and the Nigerian Deposit Insurance Corporation. The National Insurance Commission of Nigeria will further staff training to support compliance with the Insurance Core Principles.

Sierra Leone: BSL has been progressing with RBS implementation for commercial banks given the placement of an IMF Resident Advisor in Banking Supervision at the central bank. AFW2 will provide support in strengthening the framework for regulating and supervising NBFIs consistent with RBS approach and in proportion to the complexity/sophistication of the portfolio. Further support will enhance the supervisory knowledge of IFRS 9, including the interplay between expected credit loss and Basel's regulatory asset classification and provisioning requirements in a forward-looking manner. A recent mission to Freetown helped to develop the timeline for the implementation of Basel II/III, future missions will support a full implementation of this more risk-sensitive Basel capital standard and create awareness of cybersecurity and financial risk in climate change.

The Gambia: With the assistance of an IMF Resident Advisor placed at the central bank, CBG has made progress with the implementation of RBS. However, there are scopes for improvement in RBS and other areas. AFW2 will help strengthen the knowledge of prudential regulations and forward-looking risk assessment matrix in line with requirements of insurance

core principles 14 and 17. Additional support will strengthen the action plan for implementing enhanced regulatory and supervisory framework for NBFIs consistent with RBS approach and in proportion to the complexity/sophistication of the portfolio. Further support will help the central bank to sustain its progress with risk-based supervision and expected credit loss of IFRS 9, while providing training to advance supervisory knowledge of financial risk in climate change, cybersecurity and fintech resilience.

DEBT MANAGEMENT

Overall strategy and cross-cutting themes

A new workstream on debt management will support members to better manage debt vulnerabilities, in close coordination with other development partners active in the region. Support will be tailored to country needs and absorption capacities and cover a broad range of issues, including but not limited to medium-term debt management strategies, data preparation, improved debt recording and indicators, management of contingent liabilities, and deepening domestic debt markets. Regional and bilateral training on LIC DSF and MAC SRDSF will be provided in coordination with HQ and the DMF thematic fund.⁵

Expected outcomes during Phase III

To ensure consistency with other debt management TA and training delivered by the IMF and World Bank, debt management CD will be delivered consistent with the categories that have been established for the Debt Management Facility (DMF).

⁵ LIC DSF stands for the IMF-World Bank Debt Sustainability Framework for Low-Income Countries. MAC SRDSF stands for the Sovereign Risk and Debt Sustainability Framework for Market Access Countries.

These correspond to relevant parts of the IMF's debt management RBM framework, including:

Improving governance and institutions:

Institutional and legal arrangements for debt management. Establishing an efficient institutional structure and appropriate legislation for debt management.

Reform plans and scoping. Formulating a reform plan for debt management or undertaking a scoping assessment to understand the authorities needs for debt management capacity building.

Enhancing strategy and policy:

Debt Strategy formulation and implementation. The formulation and implementation of a medium-term debt management strategy (MTDS), including the MTDS framework and analytical tool, and integrating cash and debt management through an annual borrowing plan and regular issuance calendar.

Assessment of sovereign debt portfolio risks. Focus on the identification, measurement, management, and monitoring of risks in existing and prospective debt portfolios, including interest rate, exchange rate, and credit risks.

Developing debt markets:

Develop market infrastructure and capacity for cost effective financing. Develop market infrastructure and capacity for cost effective financing domestically and internationally. For domestic debt market development, the recently published diagnostic framework for Local Currency Bond Market (LCBM) development will be used.

Boosting debt transparency:

Debt Recording, Reporting and Monitoring (DRRM) capacity. Strengthening practices for debt

recording, reporting, and monitoring, including in conjunction with partners providing debt recording solutions (Commonwealth Secretariat and UNCTAD).

DSA Workshops. Providing training to develop staff capacity to conduct debt sustainability analyses.

REAL SECTOR STATISTICS

Overall strategy and cross-cutting themes

The overall engagement strategy for Phase III in Statistics will continue strengthening the compilation and dissemination of data on national accounts and price statistics. This will support decision-making according to the relevant internationally accepted statistical standards, including developing/improving statistical infrastructure, source data, serviceability and/or metadata. The core goal is to improve the quality and timeliness of data as well as to increase the number, coverage, and granularity of statistical products/indicators for policy making. CD will be supported by hands-on training and conducted in close coordination with other CD providers, including from HQ, to maximize synergies and enhance the effectiveness of CD delivery.

Expected outcomes during Phase III

Ensuring sustainability of statistics production based on progress already achieved will be a priority. AFW2 will continue to assist member countries to improve national accounts and price statistics to adhere to international standards. The CD will be tailored based on countries needs and diversity.

CD will strengthen methodological soundness to ensure data quality for policy decisions. This will encompass the accuracy in compilation, and the timely dissemination of macroeconomic statistics, especially national accounts,

and price statistics. AFW2 will assist countries to meet the international recommendations of the 2008 SNA and upcoming methodological updates such as the 2025 SNA, and to regularly update the base year used to measure GDP estimates in volume terms. Improvements in the CPI, based on the updated 2020 CPI Manual, will include working towards more regular updates of the basket of goods and services and further enhancements of compilation procedures. Strengthened methodological processes and documentation of statistical processes and compilation to increase transparency of statistical serviceability and accessibility.

Experts will continue to assess the level of development of statistics, resources, and absorption capacity.

Against this background, AFW2 will focus on increasing the number of indicators, further improvement on data sources, coverage, and timeliness of macroeconomic statistics such as QNA statistics or other relevant price indices such as the PPI.

Strengthening capacities will continue to be considered in CD plans, to ensure the sustainability of statistical developments.

Capacity building will be supported by formal and hands-on training. CD will be carried out in close coordination with other CD providers, both among IMF CD providers and with other development partners, to create synergy and enhance the effectiveness of CD delivery. AFW2 statistics work will be coordinated with other relevant AFW2 CD sectors and IMF headquarters projects (e.g., STA D4D project). Other coordination with development partners will include the World Bank and relevant regional organizations (such as WAIFEM and ECOWAS) through complementary assistance, training, and funding of exchange programs between national statistics offices.

Cabo Verde: CD will target the compilation of SUTs as part of the rebasing of its annual national accounts (ANA), improving QNA seasonal adjustment series, institutional sectors, and preparation for the next GDP rebasing exercise. In price statistics, Cabo Verde will be assisted with updating CPI and developing PPI statistics.

The Gambia: CD will focus on the next GDP rebasing, development of SUTs and QNA by the expenditure approach. The Gambia will be supported to improve price statistics by updating the CPI and PPI.

Ghana: CD will help to work for the next GDP rebasing exercise and update of the CPI.

Liberia: The production of ANA, on an ongoing basis as well as planning for the next GDP rebasing will continue to be the focus of CD. Additional support will also be provided in developing a PPI and improving the CPI in Liberia

Nigeria: The focus will be to assist with the rebasing of the ANA and the work on QNA improvements. The Nigeria Bureau of Statistics will also continue to be assisted with updating the CPI and developing the PPI in line with international best practices.

Sierra Leone: Support will be provided to complete rebasing of the ANA against international best practices, developing QNA and planning for the next GDP rebasing. Sierra Leone will receive help to further improve price statistics, and complementary support from the D4D project to improve data sources.

Regional Work: AFW2 will organize regional workshops on National Accounts and Price statistics during Phase III. AFW2 will further collaborate with other organization and RCDCs in the region to have joint workshops.

TRAINING

To complement training executed through the main workstreams, joint efforts between ICD and AFW2 will continue in Phase III. Training will address identified needs in established work areas—macro- and fiscal policy, monetary operations, financial sector stability, macroeconomic statistics—and other emerging topics such as inclusive growth, climate change, and governance. In addition to training provided during regional workshops and peer learning activities linked to the major work streams, AFW2 collaboration with ICD is expected to continue to deliver on existing course programming, which could be expanded to incorporate new material on macroeconomic projection tools. Authorities are encouraged to share training needs over the course of each fiscal year to ensure offerings align with their priorities and planned interventions.

GOVERNANCE

Governance and Anti-corruption

A new workstream on governance will complement ongoing efforts in the PFM and Revenue administration areas. Reflecting the understanding that capacity is one of the key constraints in effectively implementing governance and anti-corruption reforms in the region, AFW2, through the IMF's Legal Department, will provide CD to help address governance and corruption vulnerabilities, further strengthen engagement on these issues and provide practical reform recommendations tailored to a country's circumstances. Three distinct CD activities aimed at strengthening legal and institutional frameworks are planned:

Workshops on legal, organizational, and strategic approaches to confronting corruption will be held. These will provide policy makers and practitioners with an overview of strategies and approaches to reducing corruption and enhancing the rule of law. Drawing upon analytical and case study materials, the workshop will feature discussions on legal and institutional aspects and effectiveness of anticorruption frameworks as well as importance of understanding political economy of corruption.

Peer-to-Peer workshops will be designed around shared challenges. These include setting priorities, designing effective anti-corruption strategies, improving data-sharing and coordination among institutions involved in combatting corruption. The workshops will allow experience-sharing, discussions on the best practices and how they can be effectively implemented to respond to local needs.

Implementation of anti-corruption reforms will be supported. CD related to program conditionality and implementation of recommendations

derived from Governance Diagnostics will be initially provided through HQ-led teams funded by AW2 and other funding sources. The CD will help address weaknesses in legal and institutional frameworks that exist in a number of countries in the region, such as rules on transparency, conflict of interest and asset disclosure by senior public officials.

This work will be coordinated closely amongst all parts of the IMF involved in governance-related CD delivery across workstreams, including to facilitate the implementation of the recommendations of HQ governance diagnostic missions to AW2 countries.

RISKS AND MITIGATION

The incorporation of risks and mitigation measures has been an integral part of AFW2's CD-delivery and the Fund's RBM system. Risks and mitigation assessments by AFW2 regional advisors remained pivotal in the execution of work plans in Phase II. Indeed, the introduction of the CDMAP made it mandatory for risks to be identified and documented at the beginning of a project and monitored throughout the project lifecycle. Potential risks and their mitigation strategies for Phase III will continue to be catalogued and assessed based on the operational guidance of the Fund's RBM governance framework. Risk categories cover political support, external/climate conditions, resource adequacy, management support and technical staff commitment, and other potential risks.

Political support evaluates the support and commitment to institutional reforms by political actors. In Phase III, general presidential elections are anticipated in three member-countries (Cabo Verde, The Gambia and Ghana). Mitigation measures will include working in close coordination with IMF country teams to identify key challenges in the implementation of

TA recommendations arising from the political environment and adjusting the timing of activities accordingly. AFW2 will ensure greater flexibility to the changing needs and strategic priorities resulting from political transitions in member countries.

External/climate conditions cover the extent to which external conditions, including global recessions, external shocks, security, or health concerns, impair CD delivery. Two recent health shocks that affected the region, i.e., Ebola virus crisis and the COVID-19 pandemic have provided useful lessons and enabled AFW2 to respond swiftly to immediate needs of member countries, ensuring business continuity. At the same time, member countries continue to be impacted by the lingering effects of COVID-19 and Russia's war in Ukraine, which has led to high inflation, exchange rate pressures and debt-vulnerabilities within the region. AFW2 countries are also vulnerable to climate-related shocks, with adaptation strategies proving costly. In addition, there is a rise in insurgencies in the West Africa region, which threaten peace and stability, with recent coups in Niger, Burkina Faso, Guinea, and Mali. As mitigation measures towards unforeseen external/climatic shocks, AFW2 will continue to leverage modalities such as video conferencing, remote activities, and other online tools to safeguard delivery and maintain traction with country authorities. In extreme cases of security concerns, a third-party location may be considered for in person engagements.

Resource Adequacy measures the extent to which CD recipients have sufficient resources (physical infrastructure, financial and human) to undertake a related function. Although Nigeria is the only designated fragile state per the Fund's new classification, the AFW2 region continues to be characterized by weak institutional and absorptive capacity. Additionally, most work areas continue to suffer limited

technical staff and high turnover and attrition rates, impacting reforms on targeted outcomes. To mitigate, experts will carefully time and calibrate their activities and coordinate closely with internal and external partners to ensure that authorities are not over-taxed. In addition, they will continue to use a mix of in-person, remote, national, and regional/peer learning activities—to ensure effectiveness and continued resource efficiency.

Management support and technical staff commitment covers overall commitment of country authorities to follow through on CD recommendations or reforms. Despite CD being demand-driven, the implementation of CD recommendations has been a challenge for some workstreams, notably public financial management and revenue administration. Mitigation measures will include consistent follow-up on mission recommendations

by virtual and other means and working closely with country teams towards authorities' strategic objectives and priorities.

SECTION IV

PROPOSED BUDGET
FOR PHASE III

The overall volume of CD delivery will increase in the new phase reflecting the incorporation of three new workstreams and the need to address new Fund priorities. To address the pressing needs of member countries, three workstreams, namely debt management, tax policy and governance, will be added to the Phase III Program. Funding permitting, the total number of resident advisors will increase from 7 to 9 with the hiring of new resident advisors for tax policy and debt management. New priorities, such as addressing the impact of climate change and promoting digitalization and gender inclusivity, will gain more importance in Phase III but are not expected to affect overall budgets as activities are mainstreamed across existing work areas. Utilization of technology and innovative hybrid engagements will help amplify the impact of CD activities in a cost-effective manner, including by enabling broader participation and systematic follow-up.

Reflecting inflation and the addition of the new work streams, the Phase III budget envelope is estimated to increase to US\$59.6 million (see Table 1). The model of shared financing by partners, members, and IMF resources will be preserved. The IMF's internal budget augmentation related to the FCS strategy will help increase the IMF's contribution to US\$3.9 million to cover a larger share of administrative expenses. The externally financed budget (at US\$55.7 million) would be mostly financed by donor partners. Member country contributions are essential to demonstrate ownership of the center, for continued partner support, and to secure the long-term financial viability of the center. Given the current difficult financial conditions facing member countries, the center is proposing to maintain member country contribution at a level similar to that of Phase II (US\$7 million), based on a new contribution formula reflecting a set of criteria (GDP per capita and use

of AFW2 resources) to ensure equity across member countries. As the host country, Ghana will be expected to continue providing a larger contribution in line with existing agreements.

Financial sustainability considerations have been incorporated into the strategy. The center will seek early pledges and commitments to secure a smooth transition and stable operations during Phase III. So far, the IMF is expecting a contribution from the European Union as part of an umbrella agreement in support to RCDCs in Africa signed at HQ levels. Other development partners, such as Germany, Switzerland, and China, have also signaled their interest

in supporting Phase III. However, continued financial needs under Phase III and budgetary pressures in traditional donor countries raise concerns of financial sustainability. A multi-pronged approach will be taken to risk mitigation, which, depending on the magnitude and timing of any financing gap, could be (i) further diversification of the donor base including through donor support to specific workstreams; and (ii) downward adjustment of workstream budgets in light of country priorities and demonstrated traction, in close consultation with CD departments. To the extent possible, support to FCS and FCSs in transition will be safeguarded.

TABLE 1. AFW2- PHASE III (2024-2029) INDICATIVE BUDGET ENVELOPE (in millions of US dollars)

Description	Phase II Program Document	Phase III Indicative Envelope
CD Delivery		
Public Financial Management	12.2	11.7
Customs Administration	6.7	4.9
Tax Administration	6.6	4.9
Tax Policy	-	4.8
Monetary Policy Operations	3.9	4.8
Banking Regulation and Supervision	4.0	4.8
Debt Management	-	4.6
Real Sector Statistics	4.0	4.7
Anti-Money Laundering	0.2	-
Financial and Fiscal Law	0.2	-
Governance and Anti-corruption	-	0.9
Macro frameworks	0.5	-
Classroom Training	0.8	1.0
Governance and Administrations		
Administration	3.2	3.5
Governance and Evaluation	0.5	0.5
Strategic Budget Reserve	0.9	0.9
Subtotal	43.5	52.0
Trust Fund Management (7%)	3.0	3.6
Total external funding	46.6	55.7
IMF expenses	2.4	3.9
Total spending	48.96	59.6

SECTION V

**GOVERNANCE,
OPERATIONAL
AND FINANCIAL
MANAGEMENT, AND
EVALUATION**

A

GOVERNANCE

AFRITAC West 2 is governed by, and administered in accordance with, the provisions of the IMF's Framework Administered Account for Selected Fund Activities (the "SFA Instrument"), the Essential Terms and Conditions for the administration of the AFW2 sub-account, and the AFW2 program document. The center is further guided by and follows the policies, principles, and procedures outlined in the IMF's RTAC Handbook, which is regularly updated. The handbook refers to aspects of governance, program management, fundraising, communication, human resource issues, administration, finance, and evaluation. The areas covered below summarize the key features.

AFW2 is strategically guided by a Steering Committee (SC), which is composed of representatives from its member countries, donor partners, and IMF staff. The SC's main responsibilities are to provide strategic guidance to the center and help set priorities; review the program document, endorse the annual work plan and related budget; and review annual reports. The center invites other stakeholders, such as regional or international organizations and prospective donors, to SC meetings as observers. The SC is chaired by one of the member countries on a rotating basis; the key role of the chair is to preside over SC meetings and to work with the director on the preparation of the agenda.

The current governance structure helps promote member country ownership, donor partner involvement, and the Center's accountability. The SC members provide feedback to the center on its past operations and help ensure that annual work plans: (i) reflect the needs of member countries (through member country representatives); (ii) are well coordinated with CD delivered by other providers (through member country and development partner representatives); and (iii) are well-integrated with the other CD, surveillance, and lending activities of the IMF (through IMF representatives).

OPERATIONAL MANAGEMENT

The center comprises a director, resident advisors specialized in each of the CD areas, and support staff, including one economist and one RBM specialist. The director is responsible for the day-to-day management of AFW2 and its operations, with strategic guidance from the SC and general oversight from IMF HQ. The director reports to the IMF's African Department and ensures that the center's work corresponds to the IMF's overall CD strategy. In consultation with the SC and the IMF's African Department, CD Departments, and the Institute for Capacity Development (ICD), the director leads the preparation of the work plan and budgets and monitors their implementation by resident advisors. The director is in regular contact with country authorities, donor partners, and other CD providers in the region to keep them fully informed of the center's activities, facilitate coordination, seek synergies, and avoid overlaps. STXs are called upon for specific assignments, with regional expertise sought where possible.

The annual AFW2 work plan is developed in close consultation with member countries within the framework of the IMF CD prioritization process. The CD requests shared by the country authorities are matched with the IMF's own priorities, which are informed by continuous dialogue with member countries through surveillance, lending programs, or TA diagnostic work and summarized in country strategy notes for IMF CD. The development of the annual work plan is aligned with the IMF's resource allocation plan and budget cycle to ensure that the work of the Center is closely coordinated with the CD delivered by the IMF through other vehicles. The IMF team develops multi-year projects, which are needed in order to make transformational changes, but remain agile to address new urgent needs. The implementation of the work plan is monitored via the RBM framework.

The delivery of CD is carefully coordinated with other IMF multi-partner vehicles and development partners (see Part II section B: Key modalities and partnerships). This includes the Data for Decisions Fund (D4D), the Financial Sector Stability Fund (FSSF), the Revenue Mobilization Trust Fund (RMTF), and the Tax Administration Diagnostic Assessment Tool (TADAT), as well as vehicles or tools jointly implemented with other development partners, such as the Debt Management Facility (DMF) and Public Expenditure and Financial Accountability (PEFA). Constant dialogue and these complementarities enable the center to maximize the impact of its interventions and avoid overlap or duplication of efforts.



ACCOUNTABILITY REQUIREMENTS

It is a core objective of AFW2 that its activities reflect the commitment of its members. At the start of each phase, RBM logframes are developed in agreement with member countries to ensure that IMF/AFW2 support meets the needs of its member countries, enjoys ownership, and is compatible with the high-quality standards expected from IMF CD. This helps to ensure the effectiveness and sustainability of the CD delivered.

Realizing the strategic objectives of AFW2 CD is a collaborative endeavor between AFW2 and member countries. The center is mandated to provide CD to strengthen human and institutional capacity to implement macroeconomic and financial policies that promote growth and reduce poverty in the region in response

to the CD needs of its member countries. Experts provide continuous follow-up support to authorities, where applicable, to ensure the successful implementation of CD recommendations. This collaborative work contributes to the achievement of the results identified in the logframes.

AFW2 tracks the progress of CD projects and activities in each country against the pre-set objectives and outcomes contained in the RBM logframe. This contributes to timely and effective CD, as the RBM system hosted on CDMAP provides consistency, coherence, and predictability in the planning and execution of AFW2 CD. Monitoring reports further increase accountability to country authorities, development partners, and other CD providers.

CD documents, including TA reports, will be shared according to recipients' preferences. Per the most recently updated IMF Dissemination Policy⁶, AFW2 will share CD documents with member countries, donor partners and other parties with legitimate interest, with the explicit consent of the recipient country or its non-objection after 30 business days. In the context of this policy, TA reports may be disclosed to members of the Steering Committee with the understanding that the reports must remain confidential and that the recipient must sign a letter of understanding and confidentiality agreement. The revised policy intends to strengthen accountability requirements and facilitate coordination.

⁶ See the IMF Updated Framework on The Dissemination of Capacity Development Information ([imf.org](https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/25/-/media/88A3D29B4B62496FAF63EDFE281F0DC1.ashx)) and explanatory factsheet <https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/25/-/media/88A3D29B4B62496FAF63EDFE281F0DC1.ashx>

QUALITY CONTROL

Maintaining the quality of AFW2 CD advice and activities is the responsibility of the staff at IMF HQ and AFW2. The process, in some cases, begins when CD departments screen and appoint AFW2's resident advisors from a pool of vetted experts. IMF HQ supports AFW2 by backstopping its staff and operations. Combining the recommendations of previous surveillance and CD activities with the needs of the country, CD departments discuss with the resident advisors the objectives and outcomes of each mission. At this early stage, what is important is the strategizing and sequencing of CD to ensure that activities and outcomes build the capacity of the recipient country in a cumulative and logical manner. Throughout, CD departments provide supervision and support to both STXs and resident advisors. This is a dynamic and fluid process that is shaped by country circumstances.

CD departments review and approve the reports produced by resident advisors. The departments also work with country authorities to ensure follow up on the recommendations of CD activities. The authorities provide feedback on the value and efficacy of the CD received. At all stages of each mission, CD consistency and quality across countries are ensured. CD departments also occasionally conduct evaluation activities to review the work of the resident advisor and solicit the member countries' views on the level and type of engagement the resident advisor has with the country and their take on the technical advice the expert provides to the country.

Finally, the AFW2 director adds another layer of quality control through the day-to-day oversight of the operations of the center, continuous dialogue with IMF country teams and CD departments, and a close relationship with country authorities.

FRAMEWORK FOR MONITORING PERFORMANCE

AFW2 activities during Phase III will be based on the IMF's standardized RBM catalog, which sets out the objectives and expected results and allows for better monitoring of activities in the medium term.

Logical frameworks will continue to be developed in collaboration with the countries benefiting from CD activities (Annex D). The Center also intends to intensify exchanges with HQ country teams to take advantage of synergies. This collaboration will allow the development of milestones that meet the real needs of member countries in accordance with the strategic orientations of HQ.

The results-based management platform CDMAP and its associated platforms such as PowerBi will be the main monitoring tools. This system launched in May 2021, is a platform that centralizes management and administrative processes related to CD planning and delivery. It helps RTACs coordinate with area departments and CD departments to prioritize and plan CD, and follow progress made in the achievement of identified objectives.

As in the previous phase, the Center's activities during Phase III will be subject to an external mid-term evaluation. This external evaluation will focus on (i) the relevance of the advice provided by the Center; (ii) the effectiveness and efficiency of the Center's CD activities; (iii) the impact of these activities in relation to the objectives set; and (iv) the sustainability of results; as well as on other criteria deemed relevant by the Center. The recommendations will frame the discussion on AFW2's future operations.

FINANCIAL MANAGEMENT AND COST EFFECTIVENESS

Contributions from donors and member countries will be made into a multi-development partner AFW2 Subaccount under the SFA Instrument.

This Subaccount will be used to receive and disburse financial contributions for the Center's activities; all resources contributed to the Subaccount will be for the sole use of AFW2. The basis for the financial arrangements between donor partners or member countries and the IMF will be a letter of understanding establishing the purposes of the contributions related to this program document and subject to the terms and conditions of the Subaccount, as well as the SFA framework instrument. The IMF manages the trust fund in accordance with its financial regulations, and other applicable IMF practices and procedures.

The IMF will provide donor partners with reports on the expenditures and commitments of the AFW2 Sub-account through Partners Connect, a secure external gateway.

Annual reporting on the execution of AFW2's work plan and budget will be provided at each SC meeting. Costs will be on an actual basis. The operations and transactions conducted through the subaccount during the IMF financial year will be audited as part of the IMF's Framework Administered Account and the report of the External Audit Firm will continue to be posted on the IMF's external website as part of the IMF's Annual Report.

COMMUNICATION AND VISIBILITY

AFW2 will continue to prioritize communication to provide partner visibility and keep stakeholders updated on the latest CD activities.

Communication and outreach activities are based on a proactive strategy that will be updated regularly. Key communication and visibility channels include:

- **AFW2 SC:** Per the governance structure, member countries take turns to host the annual meeting where the authorities, development partners, regional and international stakeholders are invited to endorse the work program and provide inputs for improving CD provision in the region.
- **Regular center reporting:** Updates on workplan execution, budget and financing will be shared through dissemination of the quarterly newsletter, mid-year, and annual reports to the SC and other stakeholders. TA Reports (shared through Partners Connect, with beneficiary country permission) will provide updates on progress on specific country projects to the SC.
- **Online presence:** AFW2 will use different tools such as the center's website, social media, or corporate CD accounts to make information available to a larger audience. The center will follow its communication plan for more systematic and effective online campaigns.
- **Country visits:** In complement, the director will meet regularly with development partners and authorities during in-country missions and engage the press where feasible.
- **CD Activities:** TA missions, workshops and attachments have a secondary benefit of providing forums for experts to further discuss AFW2 involvement in specific areas with authorities and development partners and receive core feedback.
- **Coordination meetings:** Advisors will hold coordination and de-briefing meetings, and participate in country working groups with relevant stakeholders, including donor partners.

In all instances, the center will acknowledge the support from donor partners in its communication tools.

ANNEXES

ANNEX A. KEY ACHIEVEMENTS IN PHASE II BY COUNTRY

WORK AREA	ACHIEVEMENTS
CABO VERDE	
Tax Administration	<ul style="list-style-type: none"> Completed TADAT assessment. Improved data matching and analysis capacity, and effective use of various sources of third-party data
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019. Established exemptions monitoring units and addressed customs law enforcement and procedures for customs exemptions control in Cabo Verde A risk management (RM) committee was established to implement a newly developed RM strategy.
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> Strengthened the management, accounting and reporting of non-current non-financial ('fixed') assets by the General Directorate of Property and Public Procurement Department (DGPCP) The Ministry of Finance prepared the framework and action plan for setting up a top-quality fiscal transparency portal (FTP). CD delivered helped bolster risk management and controls framework in treasury management. The Ministry of Finance operationalized the pre-investment framework of the public investment management system. CD supported the transition to a decentralized budget expenditure execution system.
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> Enhanced monetary policy forecasting and analytical capacity, including communication on monetary policy. BCV assessed key processes for data management, monetary policy analysis and forecasting methods and processes, compilation of the Composite Index of Economic Activity (CIEA)
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> Intensive training on the Insurance Core Principles (ICP) as set by the International Association of Insurance Supervisors resulted in the development of the country's first self-assessment tools against the ICPs. Developed awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes
Real Sector Statistics	<ul style="list-style-type: none"> Completed and published rebased gross domestic product (GDP) estimates (base year 2015), series 2007-2016, in line with the System of National Accounts 2008 (2008 SNA), using the ERETES software, in March 2022 The INECV has finalized the compilation of the Supply Use Tables (SUTs). The rebased estimates of Annual GDP by production and expenditure approaches as well as SUT for years 2015-2016 were published in February 2022, including a methodological note on the sources and methods used for the GDP compilation and revisions. Back-casted annual GDP estimates, series 2007-2014, were completed and published in March 2022. INECV completed the rebasing of quarterly GDP (QGDP) estimates, series Q1/2015-Q4/2022 aligned with the new annual GDP (AGDP) series (base year 2015). The new QGDP series was published in March 2023.

WORK AREA	ACHIEVEMENTS
THE GAMBIA	
Tax Administration	<ul style="list-style-type: none"> Established and continued to build its internal affairs unit. Improved data matching and analysis capacity, and effective use of various sources of third-party data. Strengthened capacity to audit the telecommunication sector. Staff were equipped with additional skills to use the Integrated Data Analysis and Extraction tool (IDEA) and electronic data audit. The GRA built and maintained integrity of both the taxpayer register and taxpayer ledger
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019.
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> AFW2 supported assisted the Departments of Budget and Planning in the Ministry of Finance and Economic Affairs to develop gender priorities and guidelines for piloting gender-responsive programming and budgeting in The Gambia Reviewed the Chart of Accounts (COA) against the requirements of Government Finance Statistics Manual (GFSM) 2014 and related issues, for advancing the objectives of the improved quality of fiscal reporting. Addressed key weaknesses identified in fiscal reporting related to systematic discrepancies between above and below the line fiscal statistics and improving overall accuracy and timeliness in fiscal reporting. The Accountant General's Department (AGD) advanced compliance to the adopted cash basis international public sector accounting standards (IPSAS) Established the Steering Committee and Working Groups, with their Terms of Reference and Action Plan, to finalize the framework of the Asset Management Policy (AMP). The Directorate of PPPs (DPPP) formulated the roadmap to adopt SOE performance-based contracts and developed an International Financial Reporting Standards (IFRS)-based training curriculum to be run as a regular program under the Management Development Institute (MDI) Capacity was built on the use of the SOE Health Check tool to improve their skills in assessing fiscal risks arising from SOEs
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> The research department in the CBG built capability to forecast CPI inflation and composite indices of economic activity (CIEA) six months ahead. CBG finalized its Payment and Settlement Systems Oversight Policy. CBG recently moved from weekly to daily calculation and publication of their FX reference rate.

WORK AREA	ACHIEVEMENTS
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> Developed risk-based supervision (RBS) frameworks for effective banking supervision and RBS onsite inspection manual. Improved the prudential framework for cybersecurity risk management. Bank and insurance supervisory staff improved capacity on key aspects of IFRS 9, 16, and 17, especially on ECL provisioning. CBG developed a baseline expected credit loss (ECL) model for assessing the credit risk assumptions of banks and the adequacy of provisions under the International Financial Accounting Standards (IFRS) 9. Increased awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes.
Real Sector Statistics	<ul style="list-style-type: none"> GBoS has finalized the rebasing of GDP by the expenditure approach and released it in February 2020. QGDP estimates by the production approach, non-seasonally adjusted series for Q1/2013-Q3/2022 at current and constant prices were published on May 4, 2023. GBoS released the new updated CPI series in February 2020
GHANA	
Tax Administration	<ul style="list-style-type: none"> Improved strategic management capacity and took steps to operationalize its third strategic plan. Made positive steps in enhancing tax exemptions management capacity, including drafting a bill to streamline the nature, extent, and management of tax exemptions. Improved data matching and analysis capacity, and effective use of various sources of third-party data Staff were equipped with additional skills to use the Integrated Data Analysis and Extraction tool (IDEA) and electronic data audit.
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019. Mentoring and training improved capacity of Post Clearance Audit (PCA) units, with a set of standard operating procedures (SOPs) to develop their capacity. AFW2 supported an agency-wide integrity policy in Ghana.
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> Improved macro-fiscal framework and fiscal risk analysis. Transitioned to accrual accounting system. Built capacity of officials from the Public Investment and Assets Division with training in assessing and managing fiscal risks using the PP-FRAM 2.0 model. Reviewed the budget monitoring framework and to develop a revised manual for program-based budgeting in Ghana. AFW2 assisted the Ministry of Finance to review the model for allocation of Medium-Term Expenditure Framework (MTEF) ceilings to the line ministries and recommended the adoption of a simplified and flexible excel-based model.

WORK AREA	ACHIEVEMENTS
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> Enhanced capacity of staff of the BoG's Payment Systems and Banking departments for self-assessment of Ghana's main financial market infrastructures (FMIs) against the CPMI-IOSCO Principles for FMIs. The Bank of Ghana (BoG) recently published its forecasting and policy analysis system (FPAS)
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> Progress made with implementation of Basel II/III capital and liquidity standards. BoG completed an extensive banking sector reform to address regulatory and supervisory weaknesses. Facilitated the completion of a training needs analysis and built a bespoke training curriculum for the Banking Supervision Department aimed at equipping supervisors with the necessary tools to identify capacity gaps in banking supervision and regulation and provide appropriate training to deal with them. This effort is the first in the region. Raised awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes.
Real Sector Statistics	<ul style="list-style-type: none"> GSS advanced work on national accounts, releasing figures of the rebased annual and quarterly GDP, for years 2013-18 in April 2021, and for the backcasting of series to 2006 in June 2020. The updated CPI was released in Ghana in September 2019. Ghana has been supported for the linking of new and former CPI time series, released in May 2020. Ghana successfully introduced and published the updated PPI on October 19, 2022, with the CD support from AFW2. Ghana QGDP estimates, series Q1/2013-Q4/2022 were published in June 2023.
LIBERIA	
Tax Administration	<ul style="list-style-type: none"> Improved tax exemptions management capacity and established the exemptions management unit. Enhanced tax audit capacity by dev an audit procedures manual. Strengthened data matching and analysis capacity, and effective use of various sources of third-party data. Strengthened their capacity to audit the telecommunication sector. Staff were equipped with additional skills to use the Integrated Data Analysis and Extraction tool (IDEA) and electronic data audit. Staff built capacity in the use of the newly developed FAD cash forecasting tool
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019.
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> Achieved optimum Treasury Single Account (TSA) benefits from the consolidation of bank accounts in the CBL, in the achievement of the IMF-ECF benchmark targets relating to the TSA in Liberia Trained officials from Ministries, Departments and Agencies to improve understanding of PIM. Reviewed the implementation of the MTEF in Liberia The CBL updated its Financial Institutions Act

WORK AREA	ACHIEVEMENTS
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> Improved the liquidity monitoring and forecasting framework.
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> Developed risk-based supervision (RBS) frameworks for effective banking supervision and the RBS onsite inspection manual. Progressed with implementation of Basel II/III capital and liquidity standards. Developed a template for identifying, monitoring, and controlling liquidity risks for non-distressed banks. Built capacity of bank and insurance supervisory staff on key aspects of IFRS 9, 16, and 17, especially on ECL provisioning Raised awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes
Real Sector Statistics	<ul style="list-style-type: none"> LISGIS rebased the national accounts using the data of the National Accounts Annual Survey (NAAS) and administrative data in line with the 2008 SNA. The new GDP estimates by the production and expenditure approaches, series 2016-2020, are compiled. In addition, LISGIS commenced the backcasting of 2010-2015 GDP estimates.
NIGERIA	
Tax Administration	<ul style="list-style-type: none"> Completed TADAT assessment. Improved data matching and analysis, and effective use of various sources of third-party data, capacity Staff were equipped
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019. Mentoring and training, with a set of standard operating procedures (SOPs), developed the capacity of Post Clearance Audit (PCA) units to perform key PCA functions
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> Officials from the Technical Services Division of the MoF built capacity in reviewing, monitoring, and reporting of proposals from PPP proposals. Training improved skills in assessing potential for fiscal risks from PPP proposals. The Nigeria Fiscal Responsibility Commission (FRC) built oversight capacity oversight within the planning and budgeting processes, contributing to overall improvement in transparency in PFM in Nigeria. Achieved optimum Treasury Single Account (TSA) benefits from the consolidation of bank accounts in the CBN. Staff built capacity in the use of the newly developed FAD cash-forecasting tool. Addressed issues relating to remittance and accounting of revenues in embassies and overseas offices, by reviewing current arrangements and proposing practical solutions for financial management and accounting of revenues managed by 109 overseas missions.
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> A renewed CIEA is now being reported to the Monetary Policy Technical Committee (MPTC) An experimental medium-term structural economic forecasting model calibrated to Nigeria has been worked out.

WORK AREA	ACHIEVEMENTS
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> Improved an integrated Code of Corporate Governance for Banks, and developed the accompanying Assessment Guide, in accordance with the industry's best practices. Successfully operationalized new risk-based cyber-security guidelines for payment system providers and deposit money banks Raised awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes.
Real Sector Statistics	<ul style="list-style-type: none"> Further progress was made towards the development of the SUT spreadsheets for compiling rebased GDP, and on data sources and refining the bridge tables. Data from the National Living Standards Survey (NLSS) were analyzed and added to the SUTs. The final results of the National Business Survey of Establishments (NBSE) in Nigeria were reviewed, processed, and incorporated into the SUT spreadsheet. The National Census of Commerce, Industry and Businesses (NCCIB) was completed in December 2020. The National Business Sample Census (NBCS) was completed by April 2021.
SIERRA LEONE	
Tax Administration	<ul style="list-style-type: none"> Improved tax exemptions management capacity and built the exemptions management unit. Strengthened data matching and analysis capacity, and effective use of various sources of third-party data. Built capacity to audit the telecommunication sector
Customs Administration	<ul style="list-style-type: none"> Interventions supported the development of overarching customs and revenue integrity frameworks, with related action plans, standard operating procedures, and training, in line with the ECOWAS model framework developed in FY 2019.
Public Finance Management and Macro-fiscal Policy	<ul style="list-style-type: none"> AFW2 supported the review of the COA against the requirements of Government Finance Statistics Manual (GFSM) 2014 and related issues, for advancing the objectives of the improved quality of fiscal reporting. Implemented accounting and reporting aspects of the PFM Act, focusing on addressing issues in timeliness, coverage and quality of fiscal reporting and achieving compliance to adopted cash IPSAS. Built capacity on the use of the SOE Health Check tool to improve skills in assessing fiscal risks arising from SOEs. Drafted an SOE Ownership Policy designed to clearly define government responsibility and obligations in relation to SOE operations, to stem the incidence of contingent liabilities arising from lack of clear policy objectives in SOE operations. Achieved optimum Treasury Single Account (TSA) benefits from the consolidation of bank accounts in the BSL. Staff built capacity in the use of the newly developed FAD cash-forecasting tool, allowing the Cash Management Committee to increase the duration of cash flow forecasts to at least three months and incorporate arrears repayment plans into cash planning. Reviewed the rebuilding of the Integrated Macro Economic Model in Sierra Leone The Ministry of Planning and National Development met an IMF structural benchmark on planning for budget investments by drafting a pre-investment guidance manual for the appraisal, selection, and prioritization of projects.

WORK AREA	ACHIEVEMENTS
Monetary Policy, FX Operations and Payment Systems	<ul style="list-style-type: none"> • The research department of the BSL now has capability to forecast CPI inflation and composite indices of economic activity (CIEA) six months ahead. • BSL introduced online FX auctions using Reuters monitors and is able to systematically update its Reuters page with exchange and interest rates info, auction announcements and results. • CBG recently moved from weekly to daily calculation and publication of their FX reference rate.
Financial Sector Supervision and Regulation	<ul style="list-style-type: none"> • Developed risk-based supervision (RBS) frameworks for effective banking supervision and RBS onsite inspection manual. • Progress was made with the implementation of Basel II/III capital and liquidity standards. • Developed a toolkit to support supervisory evaluation and modeling of “expected credit loss” (ECL) provisioning • Raised awareness on issues related to climate-change stress testing, international standards on climate-related disclosures, and the integration of climate risk into supervisory processes.
Real Sector Statistics	<ul style="list-style-type: none"> • Statistics Sierra Leone (Stats SL) has been assisted with the rebasing of GDP to better align with international standards and best practices. The dimensions of the SUT for the GDP rebasing process were agreed for Sierra Leone, and the first version of the SUT spreadsheet was developed. • With assistance from the Data for Decisions (D4D) project and in close coordination with AFW2, Stats SL has compiled the preliminary results of the employment and the remuneration matrices for 2018 as well as the contribution of the non-observed economy to GDP for 2018. These results are ready to be used in the compilation of the new national accounts series of Sierra Leone. • Stats SL updated the CPI weights based on the Sierra Leone Integrated Household Survey (SLIHS) 2018, with the assistance of the DFID project and close collaboration with AFW2. The new CPI series were published in March 2022.

ANNEX B. MACROECONOMICS INDICATORS FOR AFW2 MEMBER COUNTRIES

COUNTRY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	ESTIMATES START AFTER
GDP GROWTH													
Cabo Verde	0.6	0.7	0.9	4.3	4.6	3.7	6.9	-19.6	6.4	17.0	4.4	4.5	2021
The Gambia	2.9	-1.4	4.1	1.9	4.8	7.2	6.2	0.6	5.3	4.9	5.6	6.2	2021
Ghana	7.2	2.9	2.1	3.4	8.1	6.2	6.5	0.5	5.1	3.1	1.2	2.7	2022
Liberia	8.8	0.7	0.0	-1.6	2.5	1.2	-2.5	-3.0	5.0	4.8	4.6	5.3	2021
Nigeria	5.4	6.3	2.7	-1.6	0.8	1.9	2.2	-1.8	3.6	3.3	2.9	3.1	2022
Sierra Leone	20.7	4.6	-20.5	6.4	3.8	3.5	5.3	-2.0	4.1	4.0	2.7	4.7	2021
AFW2	7.6	2.3	-1.8	2.1	4.1	4.0	4.1	-4.2	4.9	6.2	3.6	4.4	
INFLATION													
Cabo Verde	1.5	-0.2	0.1	-1.4	0.8	1.3	1.1	0.6	1.9	7.9	5.2	2.0	2021
The Gambia	5.2	6.3	6.8	7.2	8.0	6.5	7.1	5.9	7.4	11.5	17.0	12.3	2022
Ghana	11.7	15.5	17.2	17.5	12.4	9.8	7.1	9.9	10.0	31.9	42.2	23.2	2022
Liberia	7.6	9.9	7.7	8.8	12.4	23.5	27.0	17.0	7.8	7.6	10.6	8.0	2021
Nigeria	8.5	8.0	9.0	15.7	16.5	12.1	11.4	13.2	17.0	18.8	25.1	23.0	2022
Sierra Leone	5.5	4.6	6.7	10.9	18.2	16.0	14.8	13.4	11.9	27.2	42.9	29.8	2022
AFW2	6.7	7.3	7.9	9.8	11.4	11.6	11.4	10.0	9.3	17.5	23.8	16.4	
GOVERNMENT REVENUE													
Cabo Verde	22.4	20.8	24.5	23.9	25.3	25.2	25.9	24.7	23.1	21.8	24.9	24.7	2021
The Gambia	12.1	15.0	14.2	13.1	19.3	15.1	21.2	23.0	16.7	17.4	19.2	19.5	2022
Ghana	12.4	13.2	14.6	13.1	13.6	14.1	15.0	14.1	15.2	15.8	15.7	16.6	2022
Liberia	28.7	28.5	33.4	31.9	27.9	28.0	27.4	31.3	27.3	21.6	21.6	22.6	2021
Nigeria	11.5	10.9	7.3	5.1	6.6	8.5	7.8	6.5	7.3	8.8	9.3	9.7	2022
Sierra Leone	13.3	14.0	16.2	14.9	14.6	15.8	18.1	20.0	20.9	19.3	18.8	21.2	2022
AFW2	16.7	17.1	18.4	17.0	17.9	17.8	19.2	19.9	18.4	17.4	18.3	19.0	
GOVERNMENT EXPENDITURE													
Cabo Verde	30.9	27.8	28.7	26.6	28.0	27.5	27.5	33.8	30.6	26.0	29.5	28.0	2021
The Gambia	17.2	19.0	19.6	19.4	23.6	20.8	23.7	25.2	21.3	22.2	21.9	22.0	2022
Ghana	21.6	21.0	18.6	19.9	17.6	20.9	22.5	31.5	27.2	27.1	20.3	20.7	2022
Liberia	27.4	33.4	37.1	35.8	35.1	32.7	32.3	35.3	29.8	26.9	24.4	25.9	2021
Nigeria	14.1	13.4	11.1	9.8	12.0	12.8	12.5	12.1	13.3	14.4	14.6	14.2	2022
Sierra Leone	15.7	17.6	20.7	23.3	23.4	21.4	21.3	25.7	28.3	29.9	24.3	24.0	2022
AFW2	21.1	22.0	22.6	22.5	23.3	22.7	23.3	27.3	25.1	24.4	22.5	22.5	

COUNTRY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	ESTIMATES START AFTER
FISCAL BALANCE													
Cabo Verde	-8.5	-6.9	-4.2	-2.7	-2.6	-2.4	-1.6	-9.1	-7.5	-4.1	-4.5	-3.2	2021
The Gambia	-5.1	-3.9	-5.4	-6.2	-4.3	-5.7	-2.5	-2.2	-4.6	-4.8	-2.7	-2.5	2022
Ghana	-9.1	-7.8	-4.0	-6.7	-4.0	-6.8	-7.5	-17.4	-12.0	-11.2	-4.6	-4.1	2022
Liberia	1.3	-4.9	-3.7	-3.8	-7.1	-4.7	-4.9	-4.0	-2.5	-5.3	-2.8	-3.3	2021
Nigeria	-2.7	-2.4	-3.8	-4.6	-5.4	-4.3	-4.7	-5.6	-6.0	-5.6	-5.4	-4.5	2022
Sierra Leone	-2.4	-3.6	-4.5	-8.5	-8.8	-5.6	-3.1	-5.8	-7.3	-10.6	-5.4	-2.9	2022
AFW2	-4.4	-4.9	-4.3	-5.4	-5.4	-4.9	-4.1	-7.3	-6.7	-6.9	-4.2	-3.4	
GOVERNMENT DEBT													
Cabo Verde	93.5	105.6	115.6	115.4	112.8	112.0	110.0	144.6	147.6	127.3	113.1	109.7	2021
The Gambia	58.2	71.1	69.4	80.9	87.0	83.6	83.0	85.9	83.1	82.8	72.3	65.5	2022
Ghana	42.9	50.1	53.9	55.9	57.0	62.0	58.3	72.3	79.2	92.4	84.9	81.5	2022
Liberia	20.6	24.3	24.8	28.6	31.8	37.1	48.5	58.7	53.3	53.9	52.3	52.7	2021
Nigeria	18.3	17.5	20.3	23.4	25.3	27.7	29.2	34.5	36.5	39.6	38.8	41.3	2022
Sierra Leone	30.5	35.1	47.6	60.7	69.2	69.1	72.5	76.3	79.3	95.8	88.9	82.6	2022
AFW2	44.0	50.6	55.3	60.8	63.8	65.2	66.9	78.7	79.8	82.0	75.1	72.2	
CURRENT ACCOUNT BALANCE													
Cabo Verde	-4.4	-8.3	-2.9	-3.4	-7.0	-4.8	0.2	-15.0	-11.8	-3.6	-5.8	-5.0	2021
The Gambia	-6.7	-7.3	-9.9	-9.2	-7.4	-9.5	-6.2	-3.0	-0.1	-5.9	-5.0	-5.2	2021
Ghana	-9.0	-6.8	-5.7	-5.1	-3.3	-3.0	-2.2	-2.5	-2.7	-2.1	-2.5	-2.8	2022
Liberia	-8.8	-34.3	-28.5	-23.0	-22.3	-21.3	-19.6	-16.4	-17.9	-19.6	-22.9	-23.1	2021
Nigeria	3.7	0.2	-3.1	1.3	3.6	1.7	-3.1	-3.7	-0.7	0.2	0.7	0.6	2022
Sierra Leone	-15.0	-9.4	-23.6	-7.6	-18.3	-17.1	-19.4	-7.9	-8.6	-8.8	-6.8	-7.0	2021
AFW2	-6.7	-11.0	-12.3	-7.8	-9.1	-9.0	-8.4	-8.1	-7.0	-6.7	-7.0	-7.1	

ANNEX C. AFW2 STRATEGIC LOGFRAMES FOR PHASE III

COUNTRY	OBJECTIVE	OUTCOME NAME
TAX ADMINISTRATION		
Cabo Verde	Strengthened core tax administration functions	A larger proportion of taxpayers meet their payment obligations as required by law
		Audit and other verification programs more effectively ensure accuracy of reporting
	Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	Corporate priorities are better managed through effective risk management
		Support functions enable more effective delivery of strategy and reforms
The Gambia	Strengthened core tax administration functions	A larger proportion of taxpayers meet their filing obligations as required by law
		A larger proportion of taxpayers meet their payment obligations as required by law
		Audit and other verification programs more effectively ensure accuracy of reporting
		The integrity of the taxpayer base and ledger is strengthened
	Strengthened revenue administration management and governance arrangements	Corporate priorities are better managed through effective risk management
Ghana	Strengthened core tax administration functions	Audit and other verification programs more effectively ensure accuracy of reporting
	Strengthened revenue administration management and governance arrangements	Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized
		Corporate priorities are better managed through effective risk management
		Support functions enable more effective delivery of strategy and reforms
		Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols
Liberia	Strengthened core tax administration functions	A larger proportion of taxpayers meet their filing obligations as required by law
		A larger proportion of taxpayers meet their payment obligations as required by law
		Audit and other verification programs more effectively ensure accuracy of reporting
		Taxpayer services initiatives to support voluntary compliance are strengthened
		The integrity of the taxpayer base and ledger is strengthened
	Strengthened revenue administration management and governance arrangements	Corporate priorities are better managed through effective risk management
Nigeria	Strengthened core tax administration functions	Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols
		A larger proportion of taxpayers meet their payment obligations as required by law
		Audit and other verification programs more effectively ensure accuracy of reporting
	Strengthened revenue administration management and governance arrangements	The integrity of the taxpayer base and ledger is strengthened
		Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized
	Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	Corporate priorities are better managed through effective risk management
		Support functions enable more effective delivery of strategy and reforms

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Strengthened core tax administration functions	A larger proportion of taxpayers meet their payment obligations as required by law
		Audit and other verification programs more effectively ensure accuracy of reporting
	Strengthened revenue administration management and governance arrangements	Corporate priorities are better managed through effective risk management
		Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols
CUSTOMS ADMINISTRATION		
Cabo Verde	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
		Foreign trade operators better comply with their reporting and payment obligations
		Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Transparency and accountability are more effectively supported by independent external oversight and internal controls
The Gambia	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
		Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Transparency and accountability are more effectively supported by independent external oversight and internal controls
Ghana	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
	Improved customs administration functions (SDG 17.1) - CAD	Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Transparency and accountability are more effectively supported by independent external oversight and internal controls
Liberia	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
		Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Transparency and accountability are more effectively supported by independent external oversight and internal controls
Nigeria	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
	Improved customs administration functions (SDG 17.1) - CAD	Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized
		Organizational arrangements enable more effective delivery of strategy and reforms
		Transparency and accountability are more effectively supported by independent external oversight and internal controls

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Improved customs administration core functions	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws
		Customs control during the clearance process more effectively ensures accuracy of declarations
		Trade facilitation and service initiatives better support voluntary compliance
	Strengthened revenue administration management and governance arrangements	Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized
		Transparency and accountability are more effectively supported by independent external oversight and internal controls
PUBLIC FINANCIAL MANAGEMENT		
Cabo Verde	Comprehensive, credible, and policy-based budget preparation	Information on resources and performance by program is included in budget documentation
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)
	Improved Asset and Liability Management	Cash flow forecasts for central government is more accurate and timely
	Improved public investment management - PIM	Fiscal costs and risks arising from PPP operations are managed and contained
		Implementation of public investment projects is improved to deliver productive and durable public assets
		Planning of public investments is strengthened to ensure sustainability
		Public investments are allocated to the right sectors and projects
		The capacity to plan, implement and sustain infrastructure governance reforms is enhanced
	Improved budget execution and control	Appraisal, selection, and implementation of public investments is improved
		Budget execution and controls are strengthened
	Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports is enhanced
		The chart of accounts and budget classifications are aligned with international standards
	Improved PFM laws and effective institutions	The capacity of ministry of finance to plan, implement and sustain PFM reforms is enhanced
	Strengthened fiscal policies and frameworks - FPF	Better designed and more credible macroeconomic and fiscal forecasts
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change (SDG 13.2, 14.a.1)

COUNTRY	OBJECTIVE	OUTCOME NAME
The Gambia	Comprehensive, credible, and policy-based budget preparation - BPR	A more credible medium-term budget framework is integrated with the annual budget process
		A more credible medium-term macro-fiscal framework that supports budget preparation
		Information on resources and performance by program is included in budget documentation
	Improved asset and liability management - ALM	Cash flow forecasts for central government is more accurate and timely
		More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account
	Improved public investment management - PIM	Fiscal costs and risks arising from PPP operations are managed and contained
		Implementation of public investment projects is improved to deliver productive and durable public assets
		Planning of public investments is strengthened to ensure sustainability
		Public investments are allocated to the right sectors and projects
		The capacity to plan, implement and sustain infrastructure governance reforms is enhanced
	Improved budget execution and control - BEX	Budget execution and controls are strengthened
		Budget execution monitoring and controls are strengthened
Ghana	Comprehensive, credible, and policy-based budget preparation	A more credible medium-term budget framework is integrated with the annual budget process
		Information on resources and performance by program is included in budget documentation
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)
	Improved Asset and Liability Management	Cash and debt management are strengthened and better integrated
		Cash flow forecasts for central government is more accurate and timely
		More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account
	Improved public investment management - PIM	Fiscal costs and risks arising from PPP operations are managed and contained
		Implementation of public investment projects is improved to deliver productive and durable public assets
		Planning of public investments is strengthened to ensure sustainability
		Public investments are allocated to the right sectors and projects
		The capacity to plan, implement and sustain infrastructure governance reforms is enhanced
	Improved budget execution and control	Appraisal, selection, and implementation of public investments is improved
		Budget execution and controls are strengthened
	Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports is enhanced
		The chart of accounts and budget classifications are aligned with international standards
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change (SDG 13.2, 14.a.1)

COUNTRY	OBJECTIVE	OUTCOME NAME
Liberia	Comprehensive, credible, and policy-based budget preparation - BPR	A more credible medium-term budget framework is integrated with the annual budget process
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change (SDG 13.2, 14.a.1)
	Improved Asset and Liability Management	Cash flow forecasts for central government is more accurate and timely
		More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account
	Improved public investment management - PIM	Fiscal costs and risks arising from PPP operations are managed and contained
		Implementation of public investment projects is improved to deliver productive and durable public assets
		Planning of public investments is strengthened to ensure sustainability
		Public investments are allocated to the right sectors and projects
		The capacity to plan, implement and sustain infrastructure governance reforms is enhanced
	Improved budget execution and control	Appraisal, selection, and implementation of public investments is improved
		Budget execution and controls are strengthened
	Improved coverage and quality of fiscal reporting	Audited annual financial statements are published timely, and scrutinized by parliament
		Comprehensiveness, frequency, and quality of fiscal reports is enhanced
		The chart of accounts and budget classifications are aligned with international standards
	Improved PFM laws and effective institutions - BLF	A more comprehensive legal framework covering all stages of the public financial management cycle is enacted
Nigeria	Comprehensive, credible, and policy-based budget preparation	A more credible medium-term budget framework is integrated with the annual budget process
		Information on resources and performance by program is included in budget documentation
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)
	Improved Asset and Liability Management	Cash flow forecasts for central government is more accurate and timely
		More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account
	Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports is enhanced
	More efficient and effective fiscal governance and anti-corruption framework (SDG 16) - FGC	Develop effective, accountable, and transparent fiscal institutions at all levels (SDG 16.6)
	More efficient and effective fiscal governance and anti-corruption framework (SDG 16) - FGC	Improved public financial management framework for more effective fiscal governance and reduced vulnerabilities to corruption (SDG 16.5, 16.6)
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Improved fiscal policy for climate mitigation

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Comprehensive, credible, and policy-based budget preparation	A more credible medium-term macro-fiscal framework that supports budget preparation
	Fiscal policies and associated institutional frameworks consistent with progress towards SDGs - SDG	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)
	Improved asset and liability management - ALM	Cash flow forecasts for central government is more accurate and timely
		Fiscal costs and risks arising from PPP operations are managed and contained
		Implementation of public investment projects is improved to deliver productive and durable public assets
	Improved public investment management - PIM	Planning of public investments is strengthened to ensure sustainability
		Public investments are allocated to the right sectors and projects
		The capacity to plan, implement and sustain infrastructure governance reforms is enhanced
	Improved budget execution and control	Appraisal, selection, and implementation of public investments is improved
		Budget execution and controls are strengthened
	Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports is enhanced
	Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change (SDG 13.2, 14.a.1)
MACRO-FISCAL POLICIES		
The Gambia	Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporation risks are strengthened
		Analysis and disclosure of risks to fiscal forecasts and overall fiscal sustainability
		Analysis, disclosure, and fiscal oversight of public corporation risks are strengthened
		Analysis, disclosure, and management of other specific fiscal risks are more comprehensive
		Fiscal costs and risks arising from PPP operations are managed and contained
Ghana	Strengthened identification, monitoring, and management of fiscal risks	Disclosure and management of contingent liabilities and other specific risks are more comprehensive
		Analysis and disclosure of risks to fiscal forecasts and overall fiscal sustainability
		Analysis, disclosure, and fiscal oversight of public corporation risks are strengthened
		Fiscal costs and risks arising from PPP operations are managed and contained
Liberia	Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporation risks are strengthened
Nigeria	Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporation risks are strengthened
		Disclosure and management of contingent liabilities and other specific risks are more comprehensive
		Analysis and disclosure of risks to fiscal forecasts and overall fiscal sustainability
		Analysis, disclosure, and management of other specific fiscal risks are more comprehensive

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporation risks are strengthened
		Analysis, disclosure, and fiscal oversight of public corporation risks are strengthened
		Fiscal costs and risks arising from PPP operations are managed and contained
MONETARY POLICY, FX OPERATIONS AND PAYMENT SYSTEMS		
Cabo Verde	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Effective interest rate corridor
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools - MFT	Improved monetary policy modeling and analytical capacity at the central bank
		MP model integrated into the monetary policy decision-making process
	Strengthen the central bank's communications on monetary policy (MP) - MPC	Key monetary policy communications practices, and products are implemented
	Enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments - MIP	FMI oversight and risk management framework strengthened
		Legal and regulatory framework for FMIs and other payment systems and payment services strengthened
		Strategy for NPS development implemented
The Gambia	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Active and efficient interbank/money market to support monetary policy transmission
		Effective interest rate corridor
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Strengthen the implementation of FX operations given the existing monetary policy and FX regime - FXM	FX intervention policy consistent with existing FX regime is developed and disseminated
	Strengthen the collateral framework in support of an efficient operational framework and in line with the central bank’s risk tolerance - CFO	Published framework specifying applicable risk mitigation measures
	Improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools - MFT	Improved monetary policy modeling and analytical capacity at the central bank
		MP model integrated into the monetary policy decision-making process
	Strengthen the central bank's communications on monetary policy (MP) - MPC	Key monetary policy communications practices, and products are implemented
	Enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments - MIP	FMI oversight and risk management framework strengthened
		Legal and regulatory framework for FMIs and other payment systems and payment services strengthened
		Strategy for NPS development implemented

COUNTRY	OBJECTIVE	OUTCOME NAME
Ghana	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Active and efficient interbank/money market to support monetary policy transmission
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Strengthen the implementation of FX operations given the existing monetary policy and FX regime - FXM	FX intervention policy consistent with existing FX regime is developed and disseminated
	Strengthen the collateral framework in support of an efficient operational framework and in line with the central bank's risk tolerance - CFO	Published framework specifying applicable risk mitigation measures
		FMI oversight and risk management framework strengthened
	Enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments - MIP	FMI oversight and risk management framework strengthened
		Legal and regulatory framework for FMIs and other payment systems and payment services strengthened
		Strategy for NPS development implemented
Liberia	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Active and efficient interbank/money market to support monetary policy transmission
		Effective interest rate corridor
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Strengthen the implementation of FX operations given the existing monetary policy and FX regime - FXM	FX intervention policy consistent with existing FX regime is developed and disseminated
	Improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools - MFT	Improved monetary policy modeling and analytical capacity at the central bank
		MP model integrated into the monetary policy decision-making process
	Strengthen the central bank's communications on monetary policy (MP) - MPC	Key monetary policy communications practices, and products are implemented
	Enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments - MIP	FMI oversight and risk management framework strengthened
		Legal and regulatory framework for FMIs and other payment systems and payment services strengthened
		Strategy for NPS development implemented

COUNTRY	OBJECTIVE	OUTCOME NAME
Nigeria	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Active and efficient interbank/money market to support monetary policy transmission
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools - MFT	Improved monetary policy modeling and analytical capacity at the central bank
		MP model integrated into the monetary policy decision-making process
Sierra Leone	Strengthen the implementation of monetary policy under the existing monetary regime - MRI	Active and efficient interbank/money market to support monetary policy transmission
		Effective interest rate corridor
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions
		Operational framework with a clear operational target of the monetary policy is in place
		Robust short-term liquidity forecasting framework
	Strengthen the implementation of FX operations given the existing monetary policy and FX regime - FXM	FX intervention policy consistent with existing FX regime is developed and disseminated
		Market-determined exchange rate consistent with existing monetary policy and FX regime
	Improve the analytical capacity and monetary policy decisions through enhanced modeling and forecasting tools - MFT	Improved monetary policy modeling and analytical capacity at the central bank
		MP model integrated into the monetary policy decision-making process
	Strengthen the central bank's communications on monetary policy (MP) - MPC	Key monetary policy communications practices, and products are implemented
	Enhance safety and efficiency of Financial Market Infrastructures (FMIs) and payments - MIP	FMI oversight and risk management framework strengthened
		Legal and regulatory framework for FMIs and other payment systems and payment services strengthened
		Strategy for NPS development implemented
FINANCIAL SUPERVISION AND REGULATION		
Cabo Verde	Develop/strengthen banks’ regulation and supervision frameworks - BRS	Clear supervisory process to review licensing applications in line with required criteria implemented.
		Forward-looking assessment of banks’ risk strengthened.
		Supervisors are able to address at an early stage, unsafe and unsound practices or activities that could pose risks to banks or to the banking system.
		Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.
		Supervisors have the necessary capacity to upgrade banking regulations.
	Develop/strengthen cybersecurity regulations and prudential norms - CSR	Sound policies & processes to identify, measure, monitor and control cyber risks.
		Effective RBS in place and being implemented.
	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes - RBS	Prudential regulations/ guidelines in line with international standards enacted/ strengthened.
	Improve accounting and prudential provisioning regulatory guidelines. - APR	A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed
	Supervisors’ knowledge of IFRS 9 enhanced, including the interplay between ECL and Basel’s regulatory asset classification and provisioning requirements.	

COUNTRY	OBJECTIVE	OUTCOME NAME
The Gambia	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	Banking legislation and regulations are aligned with Basel II/III requirements
	Develop/strengthen cybersecurity regulations and supervisory frameworks - CRS	A cybersecurity risk supervisory framework is developed/strengthened and implemented.
		Supervisors have sufficient capacity to effectively supervise cybersecurity risk.
		Supervisors obtain timely information on cybersecurity threats and incidents and follow them up as necessary.
	Improve accounting and prudential provisioning regulatory guidelines. - APR	Provisioning regulation/ guidelines strengthened to balance the requirements of IFRS 9's ECL concept and Basel principles on credit risk.
	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Amended legal/regulatory frameworks underpinning the implementation of risk-based supervision implemented
		Strengthened institutional structure and operational and procedures for RBS implementation
	To improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices	Enhanced knowledge of IFRS by CB supervisors and banks, including dealing with specific provisioning issues to balance requirements by IFRS and Basel principles
Ghana	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	Cyber risks incorporated within the risk management framework
		Banking legislation and regulations are aligned with Basel II/III requirements
		Banks have a robust liquidity position to withstand crises and shocks in the short term and have a wealth of stable funding sources to finance their longer-term assets
		Banks have adequate capital adequacy made up of high-quality capital instruments that is in line with issued regulations on Basel II/III
		Supervisors have the competencies to drive the implementation process of Basel II/III and to monitor bank's compliance with the new requirements
		The level of banks' capital reflects well their risk profile, their business strategy, and their risk acceptance level
	Develop/strengthen banks' regulation and supervision frameworks - BRS	Forward-looking assessment of banks' risk strengthened.
		Institutional structure and operational procedures for RBS enhanced/developed.
		Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/strengthened.
		Legislation/ prudential regulations on capital adequacy developed/strengthened, including maintaining adequate capital structure composed of high capital instruments in line with Basel II/III
		Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.
		The level of banks' capital reflects well their risk profile.
		Sufficient infrastructure/systems are in place to improve banks' credit risks monitoring and strength banking supervision processes.
		Licensing regimes for banks developed/strengthened
		Legislation/regulations on liquidity developed/strengthened including maintaining adequate liquidity positions to withstand crises and shocks in short-term and to retain stable funding resources to finance their longer-term assets.

COUNTRY	OBJECTIVE	OUTCOME NAME
Ghana	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved
		Clear supervisory process to review licensing applications, on a timely basis, and ensuring that it meets required criteria, implemented
		Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes
	To improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices	Enhanced knowledge of IFRS by CB supervisors and banks, including dealing with specific provisioning issues to balance requirements by IFRS and Basel principles
	Enhance IFRS knowledge, including on interplay between IFRS and regulatory provisioning rules	IFRS implementation completed
	Implement Basel II and III standards - BSL	Banks' capital level reflects their risk profile, business strategy and risk acceptance levels.
Liberia	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	Banking legislation and regulations are aligned with Basel II/III requirements
	Improve accounting and prudential provisioning regulatory guidelines. - APR	A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed
		Supervisors ensure that banks and non-bank credit institutions (NBCIs) knowledge of IFRS 9 enhanced, including the proper implementation of ECL and the adequate provisioning against NPLs.
	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved
		Strengthened institutional structure and operational and procedures for RBS implementation
		Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system
Nigeria	Develop/strengthen cybersecurity regulations and supervisory frameworks - CRS	A cybersecurity risk supervisory framework is developed/strengthened and implemented.
		Supervisors have sufficient capacity to effectively supervise cybersecurity risk.
		Supervisors obtain timely information on cybersecurity threats and incidents and follow them up as necessary.
	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system
	To improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices	Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	Banking legislation and regulations are aligned with Basel II/III requirements
	Develop/strengthen banks’ regulation and supervision frameworks - BRS	Supervisors’ capacity and competence to implement and monitor banks’ compliance with Basel II/III and prudential regulations strengthened.
		The level of banks’ capital reflects well their risk profile.
	Improve accounting and prudential provisioning regulatory guidelines. - APR	A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed
		Provisioning regulation/ guidelines strengthened to balance the requirements of IFRS 9’s ECL concept and Basel principles on credit risk.
	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved
		Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system
Enhanced knowledge of IFRS by CB supervisors and banks, including dealing with specific provisioning issues to balance requirements by IFRS and Basel principles		
REAL SECTOR STATISTICS		
Cabo Verde	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide
	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination
	Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public
The Gambia	Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR	A new data set has been compiled and disseminated internally and/or to the public
		Source data are adequate for the compilation of these macroeconomic statistics
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public

COUNTRY	OBJECTIVE	OUTCOME NAME
Ghana	Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR	A new data set has been compiled and disseminated internally and/or to the public
		Source data are adequate for the compilation of these macroeconomic statistics
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public
Liberia	Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR	A new data set has been compiled and disseminated internally and/or to the public
		Source data are adequate for the compilation of these macroeconomic statistics
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public
Nigeria	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide
	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Higher frequency data has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public

COUNTRY	OBJECTIVE	OUTCOME NAME
Sierra Leone	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide
	Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination
	Strengthen compilation and dissemination of real sector statistics- national accounts - NAC	Source data are adequate for the compilation of the national accounts
	Strengthen compilation and dissemination of Consumer Price Statistics - CPP	A new data set has been compiled and disseminated internally and/or to the public
	Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	A new data set has been compiled and disseminated internally and/or to the public



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