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NEWS



Table of Contents

Highlights	1
AFRITAC West 2 7 th Steering Committee Meeting	2
Summary of Work Plan Execution and Key Achievements	3
Visit to AFW2 from MCM Financial Counsellor and Division Chief.....	6
Regional Workshops & Professional Attachments.....	6
Upcoming Activities	7
Staff Changes.....	9
Completed Technical Assistance Reports in FY 2019	10

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Highlights

AFRITAC West 2 7th Steering Committee Meeting



AFRITAC West 2 Steering Committee discuss strategy for increasing TA implementation in line with the RBM framework at the 7th Steering Committee meeting in Monrovia, Liberia.

AFW2 published its **Phase II Program Document** for fiscal years FY2020 to FY2024.

Cabo Verde finalized and released the rebased consumer price index.

The Gambia Bureau of Statistics finalized and released the backcasted and improved GDP times series 2004-2017.

Ghana finalized and published the 3rd *GRA Strategic Plan (2019-2021)*.

Liberia set up overnight standing deposit and lending facilities and started to issue central bank bills.

Capacity was built in the PPP risk assessment management tool to improve current practices in **Nigeria**.

Sierra Leone set-up of a macroeconomic data warehouse and made it public on its website, <https://sierraleone.datawarehousepro.com/>.



AFRITAC West 2 7th Steering Committee Meeting



L-R: Mr. Claudio Cali (EIB), Mr. Idris Nyam (MoF-Kaduna State, Nigeria), Mr. Theodore Kaspers (EU), Ms. Decontee King-Sackee (Liberia Revenue Authority)



Ms. Ruby Randall (IMF) and Ms. Maimuna John-Sowe (Central Bank of Gambia)

The 7th Steering Committee meeting was held in Monrovia, Liberia, on March 19, 2019. This was attended by representatives of AFRITAC West 2 member countries, donor partners and key IMF capacity development (CD) departments that make up the steering committee. The meeting was chaired by Hon. Nathaniel R. Patray III, Governor of the Central Bank of Liberia. Presentations and activities inspired discussion about achievements and lessons from the just-ended Phase I of AFW2's operations, strategy and work plan for the upcoming fiscal year and Phase II (FY2020 – FY2024) and recommendations to ensure the sustainability of CD implementation and outcomes in the member countries.

Authorities shared achievements and lessons learnt from the viewpoint of the recipient institutions of CD interventions and their experiences in enacting reform, based on the recommendations. Insights raised during the discussion included: (i) ensuring funding of the Center through member-country commitments; (ii) supporting member country ownership of interventions; and (iii) strengthened collaboration and coordination at the regional level and with development partners.



Governor Nathaniel R. Patray (Central Bank of Liberia) and Mr. David Owen, Deputy Director (African Department, IMF)



Delegates representing the IMF, development partners and AFW2 member countries.

Summary of Work Plan Execution and Key Achievements

Tax Administration

During this quarter, the AFW2 tax administration program continued to concentrate on building institutional capacity for effective domestic revenue mobilization. Efforts focused on systematic planning and implementation of revenue reforms, building risk-based compliance, enhancing auditing and arrears management skills, and promoting voluntary compliance to improved service delivery. Capacity building was provided to **Cabo Verde** to improve audit skills and audit management capacity. **Sierra Leone** and **Ghana** were assisted in improving their data matching capacity and use of third-party information to increase taxpayer compliance, with a deeper emphasis on VAT compliance. **Ghana** was also assisted in drafting a Compliance Improvement Strategy and its implementation plan. With AFW2 support, **Ghana** finalized and published its a new strategic plan (*GRA 3rd Strategic Plan 2019-2021*).

AFW2 assisted **Liberia** to strengthen its capacity to manage (i) domestic excise duties by drafting a procedure manual and advising on the required institutional arrangements; and (ii) tax arrears. AFW2 and the IMF's Fiscal Affairs Department jointly conducted a review mission in March 2019 to take stock and agree with the **Liberia Revenue Authority** on new reform priorities and their sequencing in the AFW2 FY2020 Work plan. **The Gambia** received technical assistance to improve the integrity of the taxpayer ledger, supporting the implementation of its reform plan.

Customs

AFW2 continued to support customs administrations in the development of policies, strategies, systems and procedures in a wide range of areas. These included: risk management, valuation and classification, management of exemptions, investigation and intelligence, post clearance audit, business process mapping, customs induction training and integrity

issues. In **Cabo Verde**, a mission mapped the customs import procedure in order to identify any gaps and weaknesses. As a result, a number of proposals have been submitted to improve the procedures and provide for greater consistency in their application. Outline operating procedures were also prepared.

In **the Gambia**, a final phase of support to the training unit assisted in the design and delivery of induction training to new customs staff. The training function should now be able to take this forward themselves, having been provided with all the necessary tools, advice and mentoring.

In **Ghana**, three missions, covering customs investigation & intelligence, post clearance audit and customs integrity were completed. As a result, a range of tools, templates and recommendations to enhance overall capacity, as well as training and mentoring to staff in all of the relevant functions, was delivered.

In **Liberia**, a follow-up mission supported the development of the valuation and classification functions. This built on the training and mentoring delivered earlier in the year and included the preparation of standard operating procedures and the review of existing processes and procedures. A further series of recommendations has now been submitted to the LRA, together with an agreed action plan.

In **Nigeria**, missions were disrupted by the moratorium on travel to the country during the election period. However, two missions were completed in relation to customs integrity and support for the post clearance audit unit. As a result, action plans have been revised to further enhance capacity and effectiveness in both areas.

In **Sierra Leone**, a mission was completed on the enhancement of the capacity of the classification and valuation unit. This has produced an assessment of training and other needs for the NRA and an action plan to support their continued development.

Public Financial Management (PFM)

Interventions during the quarter sought to improve budget planning and execution and the financial reporting in AFW2 member countries. The PFM capacity development initiatives included providing training on the PPP risk assessment management tool to assist the authorities to improve current practices for budgeting, accounting and reporting PPP transactions and related fiscal risks in **Nigeria**.



In **Ghana** a CD mission was undertaken to assist in appraising and prioritizing capital projects. This was followed up with a training workshop for the Public Investment Division of Ministry of Finance in **Ghana** to develop a multi-criteria analysis excel-based tool for screening and prioritizing publicly funded projects.

In **Liberia**, a technical assistance mission was conducted to develop the methodology for assessing SOE fiscal risks and strengthening financial oversight and reporting of state-owned enterprises (SOEs). Another technical assistance mission in **Liberia** conducted a comprehensive review of the national chart of accounts (COA) and assisted in the upgrade of COA to GFSM 2014.

The Centre also participated in a HQ capacity development mission in **Sierra Leone** on strengthening fiscal management, covering the areas of arrears and cash management and improving budget

execution systems and processes. A CD mission in **The Gambia** assisted in the review and establishment of risk-based internal audit functions in central government agencies.

Monetary Operations (MONOPS)

MONOPS TA involved continued support in improving monetary policy analysis (**Liberia**), lender of last resort framework (**Ghana**), payment system oversight (**The Gambia**), and FX operations (**Liberia, The Gambia**). Additionally, the long-term expert participated in an in-house training, organized by the MCM in Washington to increase the quality of capacity building in the region.

In **Liberia**, the mission on monetary policy analysis supported the set-up of a Monetary Policy Committee (MPC) by defining the pre-MPC workflows, constructing a monetary conditions index and improving the monetary transmission mechanism. The scoping mission on payment systems in **The Gambia** provided recommendations on setting up an oversight unit separate from operations. It also worked out reporting templates for better monitoring payment system developments and fleshed out a medium-term work-plan.

The foreign exchange related TA missions to **Liberia** and **The Gambia** reviewed the current FX operations of the respective central banks and worked together with their staff on an FX intervention policy and an improved methodology of setting reference exchange rates. Also, AFW2 provided support to an HQ-led mission to **Sierra Leone** on debt management issues, that explored the interlinkages with the central bank's liquidity management.

An important milestone was achieved when the Central Bank of **Liberia**, set up overnight standing deposit and lending facilities and started to issue central bank bills for the more efficient sterilization of excess liquidity in the banking system. Bank of **Sierra Leone**, with the active support of AFW2, accomplished the set-up of its

macroeconomic data warehouse and made it public on its website, at

<https://sierraleone.datawarehousepro.com/>.



AFW2 payment system expert giving a presentation on payment system oversight in the CBG.

Financial Sector Regulation & Supervision

The first quarter witnessed a changeover of advisors from Ms. Cheryl Bruce (whose term expired in January) to Mr. Vitus Ukwuoma. The intensity of CD delivery continued with two capacity development missions to **Gambia** on (i) progressing Basel II/III implementation and (ii) improving ongoing implementation of risk-based supervision.

AFW2 also provided TA to **Ghana** on strengthening off-site surveillance of supervised financial institutions as the country ramps up its implementation of banking sector reforms. Finally, **Sierra Leone** received TA on IFRS 9 to enhance supervisory knowledge of model assessment and validation processes. The new advisor visited and engaged with supervisory officers in five AFW2 member-countries on their TA needs for FY2020.

Statistics

During this quarter, technical assistance continued to be delivered to statistical bureaus of AFW2 member countries on compiling data and computing relevant macroeconomic indicators. Missions supported the countries to improve computing methods and generate national accounts data (**all AFW2 member countries**) and consumer price indices (**Cabo Verde**). Significant progress was made toward (i) rebasing the national accounts, (ii) backcasting and improving the methodology of Quarterly and Annual GDP compilation, (iii) developing correspondence bridge tables and population of SUT, and (iv) updating CPI, including the completed collection and review of data points. Training was delivered to the member countries during the missions, on national accounts and consumer price index compilations.

In the framework of countries achievements, the following results should be highlighted:

- The Instituto Nacional de Estatística of **Cabo Verde** (INECV) finalized and released the rebased consumer price index (CPI (2018=100)) on February 21, 2019.
- **The Gambia** Bureau of Statistics finalized and released the backcasted and improved GDP times series 2004-2017 on April 30, 2019.
- The Statistics bureaus of **Sierra Leone** and **Nigeria** have secured funding from their governments and the World Bank for surveys essential to the rebasing of national accounts and prices.

Regional Workshops & Professional Attachments

AFW2 ECOWAS WCO Customs Integrity Seminar, March 24 – 28, 2019, Accra, Ghana

In Accra, AFW2 organized a regional workshop on the development of a customs integrity framework. This was jointly funded and delivered with AFW and the World Customs Organization, with the active participation of the ECOWAS Commission. Experts from 15 countries attended the workshop, which compiled and agreed on a report to submit to the ECOWAS Commission. This report sets out the elements which the experts believe should be included in a Customs Integrity Framework, covering policies, instruments, systems and procedures – as well as how implementation should be monitored and reported on.



Participants at the workshop

Professional Attachment: Nigerian Customs Service to AFW2, March 4–8, 2019

AFW2 invited two representatives from the Nigerian Customs Service (NCS) for a week-long attachment. The customs expert provided information on the Nigeria Customs Integrity Strategy, aligning the NCS Integrity Strategy with the current ECOWAS initiative for a regional customs integrity framework and developed a draft implementation plan for the strategy.

Visit to AFW2 from MCM Financial Counsellor and Division Chief

Mr. Tobias Adrian, Financial Counsellor and Director of the IMF's Monetary and Capital Markets Department (MCM), and Mr. Simon Gray, Division Chief, visited The Management of the Bank of Ghana and the AFRITAC West 2 office in Accra on March 15, 2019.

He met with the Center's staff to discuss success stories and key challenges in providing CD in the region. Advisors highlighted the importance of other RTACs work in AFW2's member countries and the degree to which each of the five sectors are integrated in terms of macroeconomic outcomes.



AFW2 marks the end of Phase I (FY2014 – FY 2019) and the commencement of Phase II (FY20–FY25). While priorities remain the same as the previous Phase, AFW2 aims to pursue result-based reporting, as well as aligning objectives with key emerging issues as well as the ECOWAS regional integration agenda. Read the Phase II Program Document [here](#).



Donor Coordination

Donor coordination activities included briefing meetings and discussions with DFID in Ghana and Sierra Leone, EU in the Gambia and USAID in Liberia. AFW2, Nigeria Federal Inland Revenue Service (FIRS) and IMF resident representative jointly organized a tripartite meeting to support the implementation of the FIRS reform plan. The meeting was also attended by the World Bank and DFID.

Upcoming Activities

TAX	
<p>Cabo Verde The long-term expert will participate in the IMF HQ-led TADAT assessment with the FAD.</p> <p>The Gambia Three missions are planned to (i) build and improve the integrity of the taxpayer ledger (taxpayer current account) (ii) strengthen capacity to audit telecom sector and (iii) build and maintain the integrity of taxpayer register and registration.</p>	<p>Ghana Two missions are planned to support VAT Compliance and data matching follow-up and strengthen excise duties management capacity.</p> <p>Liberia There will be an AFW2 mission to strengthen excise duties management capacity.</p> <p>Nigeria An HQ-led mission will review and strengthen capacity to implement the reform and modernization plan.</p>
CUSTOMS	
<p>Cabo Verde AFW2 will undertake a mission to support implementation of a customs integrity framework in June 2019.</p> <p>The Gambia In May, the GRA will receive support to develop a national customs integrity framework. In June, further support will be provided to develop their risk management capacity.</p> <p>Ghana Two missions will take place in July 2019, one on further support for the development of a customs integrity framework and one on further development of the post-clearance audit capacity.</p>	<p>Liberia In May, the LRA will receive support to develop a national customs integrity framework.</p> <p>Nigeria In June, a mission will be delivered to support the further development of a customs integrity framework</p> <p>Sierra Leone In July, AFW2 will undertake two missions. One on strategic management development, particularly in relation to KPIs, and one on the development of a customs integrity framework.</p>
PUBLIC FINANCIAL MANAGEMENT	
<p>The Gambia In May, a mission will support the AGD to provide follow up assistance on completing the revision of their national chart of accounts, for implementation in the next budget. Another mission to provide</p>	<p>Sierra Leone Training and Support to SOE Accounting Staff to Introduce International Financial Reporting is planned to be undertaken in May 2019 besides</p>

<p>training and support to SOE accounting staff to Introduce International Financial Reporting will also be undertaken in first quarter of FY20.</p> <p>Ghana AFW2 will provide support to the Controller and Accountant General's Department (CAGD) for Review and Reorganization of the Functions of the CAG in June 2019.</p>	<p>another training workshop on Excel Based Modelling Techniques planned in the month of July.</p> <p>Liberia In July, a TA mission is planned to provide practical assistance to Review the SOE consolidated report for identifying gap(s) and recommending remedial measures.</p>
MONOPS	
<p>Nigeria AFW2 will coordinate a professional attachment of CBN staff to the Bank of Ghana on payment systems oversight in May.</p> <p>Ghana AFW2 will conduct a TA mission to improve the forecasting and policy analysis system in May.</p>	<p>Sierra Leone A mission will support the development of payment system oversight and monetary policy analysis in June.</p> <p>The Gambia Improving liquidity forecasting and management and macroeconomic analysis June 24-28</p>
FINANCIAL SECTOR SUPERVISION AND REGULATION	
<p>Ghana The IMF has been running regional workshops to help address problems with Correspondent Banking Relationship in Africa. As such, with support from AFRITAC West 2, the IMF proposes <i>"Roundtable to Address Pressures on Correspondent Banking Relationships (CBRs)"</i> on June 6, in Accra.</p> <p>The workshop will bring together global correspondent banks, regional banks, respondent banks, regulatory authorities and other stakeholders in select African countries, to discuss practical and actionable solutions to help alleviate the pressures on CBRs and address fragilities in the remittance sectors.</p>	<p>Liberia AFW2 mission will take supervisory staff through a workshop on risk-based supervision and provide training on report writing to enhance the clarity of written communications with supervised institutions.</p> <p>Nigeria AFW2 workshop on Cyber Security is proposed for July 16, to assess the effectiveness of the newly issued Risk-Based Cyber Security Framework in protecting information systems and assets, as well as raising the stakes of adequate governance in the financial industry.</p>
REAL SECTOR STATISTICS	
<p>The Gambia Two missions will be conducted to support CPI and national accounts rebasing.</p> <p>Ghana Two missions will assist Ghana Statistical Service with the prices and national accounts.</p>	<p>Liberia A TA mission is planned to review the data of National Accounts Annual Survey and other administrative sources for the rebasing of the national accounts estimates.</p>

Staff Changes



AFW2 said goodbye to **Mr. John Grinyer** (regional advisor for public financial management) after a year and a half with the team. He will be succeeded by **Mr. Kubai Khasiani** in May 2019, at the start of the new fiscal year. We wish him success in all endeavors and look forward to opportunities to work together in the future.



It is also with pleasure that we welcome **Mr. Vitus Ukwuoma** who joined the center in March 2019 as the regional advisor for banking supervision and regulation. He succeeds Cheryl Bruce who departed the center in January 2019. Vitus has over 30 years of experience in the financial sector as a bank examiner with the Maryland State Bank Commissioner's Office in the United States, in various capacities on the Board of Governors of the Federal Reserve System and, recently, as a Resident Advisor in Financial Regulation and Supervision to the Central Bank of Nigeria and the Bank of Sierra Leone. During the 2007 financial crisis, he directed the supervisory oversight for over 800 commercial banks.

AFRITAC WEST 2 STAFF

Center Director	Oral H. Williams
Resident Advisors	
Revenue	
Administration	
Tax	Henry Gaperi
Customs	David Smith
Public Financial Management	Naresh Jha Kubai Khasiani
Monetary Operations and Payment Systems	Zsolt Érsek
Financial Supervision and Regulation	Vitus C. Ukwuoma
Real Sector Statistics	Elirjeta Pepaj
Results-Based Management Officer	Elorm Darkey
Economist	Pokuua Adu
Office Manager	Janice Norman
Administrative Support	
Admin/IT Officer	Selase Kofi Dusi
Administrative Assistant	Maria Adam
Staff Assistant	Deborah Morrison
Driver	Peter Nii Laryea

AFW2 Member Countries



AFW2 Development Partners



Completed Technical Assistance Reports¹ in FY 2019

Title of Report	Country	Date Sent to Authorities
REVENUE ADMINISTRATION (TAX)		
VAT Compliance and Data Matching	Nigeria	2/13/2019
Improving Debt and Tax Arrears Management Capacity	Sierra Leone	2/14/2019
Strengthen Tax Audit Capacity of the Telecommunication Sector	Gambia, The	2/14/2019
Improving Data Matching and VAT Compliance	Ghana	2/15/2019
Audit Training	Cabo Verde	2/26/2019
Improving the Capacity of Medium Tax Office Auditors	Liberia	3/7/2019
Excise Control and Structure Review	Sierra Leone	3/11/2019
Excise Duties Audit and Control Staff Training	Ghana	3/27/2019
Improving the Integrity of taxpayer ledger	Gambia, The	4/8/2019
Improving Arrears Management Capacity	Liberia	4/23/2019
REVENUE ADMINISTRATION (CUSTOMS)		
Development and Implementation of DNRE Integrity Strategy	Cabo Verde	7/18/2018
Implementation of Risk Management Strategy	Liberia	6/28/2018
Post Clearance Audit Training and Mentoring Support (Phase 2)	Liberia	7/26/2018
Development and Implementation of Standard Operating Procedures for Control of Exemptions and Waivers from Customs Duties and Taxes	Liberia	8/31/2018
Valuation and Classification Training and Mentoring Support (Phase 1)	Liberia	9/17/2018
Implementation of Nigeria Customs Service Strategic Plan and Key Performance Indicators	Nigeria	8/29/2018
Delivery of Project Management and Leadership, and Management Training	Nigeria	5/5/2018
Review of Post Clearance Audit and Training in Container Inspection and Cargo Examination Procedures	Sierra Leone	7/18/2018
Review of Transit Procedures and Training in Cargo Inspection Procedures	Gambia, The	6/28/2018
Delivery of Customs Induction Training Module (Phase 3)	Gambia, The	10/3/2018
Coordinated Border Management Program (Phase 1)	Liberia	10/29/2018

¹ Includes Technical Memos/Reports and Aide Memoires



Development and Implementation of Operational Unit Plans and Supporting Key Performance Indicators	Sierra Leone	10/3/2018
Provision of Mentoring Support to Intelligence and Investigation Units (Phase 1),	Ghana	11/30/2018
Implementation of Nigeria Customs Service Strategic Plan and Development of Key Performance Indicators	Nigeria	1/9/2019
Implementation of Risk Management Strategy and Support to the Risk Management Unit	Sierra Leone	1/9/2019
Coordinated Border Management Program (Phase 2)	Liberia	1/16/2019
Implementation of Post Audit Clearance Procedures (Phase 2)	Nigeria	1/21/2019
Mentoring Support on Risk Management, Intelligence and Investigation	Cabo Verde	1/25/2019
Developing Macroeconomic and Monetary Policy Analytical Capabilities	Nigeria	2/28/2019
PUBLIC FINANCIAL MANAGEMENT		
The State-Owned Enterprise Sector in the Gambia Financial Reporting Gap Analysis and Development of the State-Owned Enterprise Reporting Database	Gambia, The	6/21/2018
Strengthening the Framework and Implementation of the TSA Action Plan	Gambia, The	10/23/2018
Continuing Treasury Single Account and Cash Management Reforms	Gambia, The	10/26/2018
Fiscal Data Integrity and Fiscal Reporting	Liberia	6/28/2018
Continuing Treasury Single Account and Cash Management Reforms	Liberia	10/26/2018
Continue Momentum on Restructuring the Ministry of Finance (Budget Division)	Ghana	11/6/2018
Operationalizing the Medium Term Macro-Fiscal Framework and Linking to the Budget	Gambia	11/2/2018
Strengthening the Framework and Implementation of the TSA Action Plan	Gambia	10/23/2018
Strengthening Capacity in the Financial Reporting of State-Owned Enterprises	Liberia	11/28/2018
Improved Forecasting of Macroeconomic Variables	Sierra Leone	12/12/2018
Revision of the Government of The Gambia COA in Compliance with GFS 2014 and COFOG	Gambia, The	2/20/2019
Cash Basis IPSAS Financial Statement, Fiscal Reporting and Charts of Accounts	Sierra Leone	3/15/2019
Supporting the MoF in Preparing, Appraising and Prioritizing Capital Projects	Ghana	4/8/2019



MONETARY POLICY AND PAYMENT SYSTEMS		
Improving Monetary Policy Analysis	Liberia	9/20/2018
Improving Foreign Exchange Operations and Liquidity Forecasting	Ghana	6/21/2018
Improving Monetary Policy Analysis and Foreign Exchange Operations	Sierra Leone	11/1/2018
Strengthening Monetary Policy Analysis	Gambia	11/28/18
Diagnostic Mission on Monetary Policy Analysis and Monetary Operations	Nigeria	3/15/2019
Improving Monetary Policy Analysis	Sierra Leone	3/27/2019
FINANCIAL SUPERVISION		
Enhancing Risk-Based Supervision	Gambia	7/6/2018
IFRS 9 Implementation	Nigeria	7/30/2018
Enhancing the Implementation of Basel II	Nigeria	7/23/2018
Enhancing Credit Risk Analysis	Nigeria	10/23/2018
Credit Risk	Sierra Leone	10/12/18
Credit Risk	Sierra Leone	7/16/2018
Internal Financial Reporting Standards 9 Implementation	Ghana	2/5/2019
REAL SECTOR STATISTICS		
Consumer Price Index	Cabo Verde	9/7/2018
National Accounts	Gambia, The	8/13/2018
National Accounts	Ghana	7/19/2018
National Accounts	Liberia	8/2/2018
Consumer Price Index	Nigeria	7/4/2018
Consumer Price Index	Ghana	1/9/2019
National Accounts	Liberia	1/9/2019
National Accounts	Ghana	1/17/2019
National Accounts	Cabo Verde	1/29/2019
National Accounts	Nigeria	2/4/2019
National Accounts	Gambia, The	2/5/2019
National Accounts	Sierra Leone	2/14/2019
National Accounts	Liberia	2/20/2019
National Accounts	Ghana	3/4/2019
National Accounts	Cabo Verde	4/25/2019
National Accounts	Liberia	4/25/2019