



July 2020

NEWS



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Highlights

The period covering May to July 2020 marks the first quarter of the fiscal year (FY) 2021. AFRITAC West II (AFW2) continues to employ remote delivery options, as uncertainties about the unfolding of the pandemic and travel restrictions remain. The updated FY 2021 work program guides CD activities in the various work areas.

AFW2 staff continue to work from home, until clearance is given to safely phase back to the office.

Maintaining communication links between capacity development departments, member-country beneficiary institutions, development partners, and key stakeholders remains a priority for AFW2. Several online meetings and webinars, using various platforms, support this effort.

"The biggest challenge we have in containing the COVID-19 crisis is to maintain a careful balance between zero tolerance for losing life and securing the structural pillars and conditions for supporting the living."

MAXWELL OPOKU-AFARI
First Deputy Governor
Central Bank of Ghana



Excerpt from presentation delivered by Dr. Maxwell Opoku-Afari, First Deputy Governor of the Central Bank of Ghana, during the IMF Partner's Session held on July 27

Source: IMF Capacity Development (twitter.com/imfcapdev)

Summary of Work Plan Execution and Key Achievements

Tax Administration

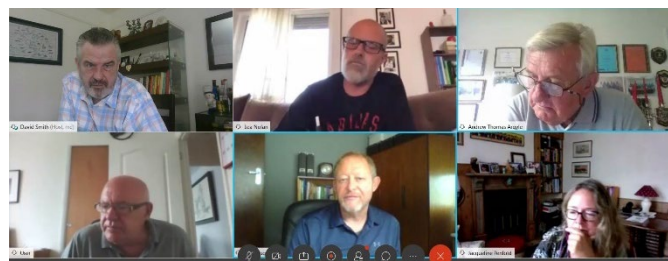
In response to COVID-19 AFW2 conducted a survey on how the member countries are responding to the pandemic in the area of tax administration. Three key areas were highlighted: (1) safeguarding tax revenue; (2) strengthening business continuity; and (3) ensuring safety of staff. Two remote missions were completed in Sierra Leone, to strengthen telecom-sector audits, and the Gambia, to improve compliance in the hospitality and tourism sector. Two remote missions were initiated in Nigeria, to support improving telecom sector audits and data matching, and the Gambia, to deliver audit training for Pay TV, Courier Services & effective use of third-party data.

FAD-provided business continuity planning guidelines and shared globally-adopted revenue measures have been very useful to AFW2 member countries. In response to COVID-19, member countries are taking advantage of employing data matching skills and exploiting third-party information in lieu of physical audits in the taxpayer premises. Finally, countries have improved capacities to use simple technologies to communicate and conduct operations within revenue administrations, and with the taxpayers and, other stakeholders.

Customs

The focus of the first quarter was to establish a robust framework to support enhancement in the key strategic areas of border & inland (B&I) control, risk management (RM) and post clearance audit

(PCA). This was achieved through the development and sharing of two new, comprehensive logical framework (logframe) documents – one for B&I and one for PCA – to complement the existing logframe for RM.



Meeting of customs advisors to plan and coordinate regional activities

In addition, we developed the necessary points of contact within each customs department, to allow for effective communication in each area of activities, as well as identifying suitable platforms for communication and exchange of information.

We then facilitated ongoing missions in The Gambia, Ghana, Liberia, Nigeria and Sierra Leone, to review logframes in all three areas, align them with existing plans (where appropriate) and identify key further actions. This will now allow for a much quicker and comprehensive program of action plans for individual countries.

Public Financial Management (PFM)

AFW2 remotely supported the Infrastructure Concession Regulatory Commission (ICRC), **Nigeria** to review nine draft documents on the legal and

institutional arrangements for Public Private Partnerships (PPP) in Nigeria. Though the mission commenced on February 20, its conclusion was delayed to April 30, following the outbreak of the COVID 19 pandemic. Apart from promoting good practice, the review contributed to improvements in the content, quality, size, consistency, clarity, and comprehensiveness of the PPP documents. These improvements are expected to strengthen the identification monitoring and management of fiscal risks in public private partnerships in Nigeria.

During May and June 2020, AFW2, jointly with FAD, remotely supported an 'on demand' request from **Sierra Leone**, to advise on the establishment and efficient use of a COVID-19 Fund (CF) in the context of transparent and accountable use of public resources. The technical advice is expected to strengthen oversight, operational procedures, and mechanisms for tracking expenditures, transparent reporting, and auditing etc. The TA provided timely support that assisted the authorities to implement the planned fiscal measures to strengthen the framework, management structure and reporting on the COVID-19 Fund, with the implementation by authorities commencing during the mission.

In July an additional AFW2 on-demand LTX mission to **Sierra Leone** provided guidance for improved cash forecasting and management, including in relation to the Covid-19 pandemic. The mission identified shortcomings in the design and structure of the TSA and cash forecasting systems and

recommended specific short-term and medium-term measures for improvements. The mission also made a presentation to the Accountant General's Department on the new cash forecasting tool being developed by the Fiscal Affairs Department (FAD) and conducted further walk-through sessions. The activity triggered stock-taking on the cash position and the measures needed for ensuring adequate cash for Covid19 management. Following the mission, Sierra Leone plans to pilot the new cash forecasting tool in due course.

Monetary Operations and Payment Systems

Two missions were delivered in monetary operations during the period. A remote STX-led mission in May on improving monetary policy analysis, in the Gambia aimed at strengthening the analytical capabilities of its Research Department and the quality of staff evidence-based advice on monetary policy at the Central Bank of Gambia. The CBG has reached the point when the authorities can begin acquiring an in-house medium-term forecasting

An ICD-led off-site TA mission on developing a forecasting and policy analysis system (FPAS) at the Bank of Ghana was also conducted in July, supported by STXs.

Financial Sector Supervision

The past quarter proved challenging for in-country capacity development given the devastating effects of the Coronavirus pandemic across the region. Nevertheless, AFW2 exercised flexibility to quickly

accommodate some technical assistance requests from member-countries through remote delivery.

In the financial sector supervision and regulation area, AFW2 provided capacity development support to our member countries as follows:

Multi-faceted support was provided to the Central Bank of Liberia to strengthen risk-based supervision processes. This included (i) providing advice on a fresh review of the Financial Institutions' Act to align with country and regional best practices; (ii) delivering a remote technical assistance on strengthening the financial sector liquidity monitoring, especially for systemically important banks; and (3) commencing a remote technical assistance to update the risk-based supervision framework originally adopted by the central bank in 2012.

Technical assistance support was provided to the Central Bank of Nigeria to produce an integrated CBN's Code of Corporate Governance for Banks, in accordance with the National Code of Corporate Governance issued by the Financial Reporting Council of Nigeria. Also, the new Code reflects industry best practices as well as an assessment guide to aid a smooth supervisory implementation.

Support was provided to the Financial Sector Stability Review (FSSR) mission team in conducting a diagnostic review of

the Bank of Sierra Leone's governance and financial system, undertaking stock of the implementation of previous TA recommendations, and proposing a TA Roadmap to support the efforts of the authorities to address key gaps and vulnerabilities.

Member countries were surveyed to understand Covid-19 pandemic interventions, identify areas of immediate capacity development needs and develop a revised work-program for the financial sector supervision and regulation area.

Statistics

Although there were no remote TA missions during the period May-July, limited CD engagement in statistics continued to support member countries in developing national accounts and prices. Online meeting platforms such as WebEx, Zoom, WhatsApp, phone calls and exchange of emails were used with all AFW2 member countries to discuss on and respond to their needs as well as providing assistance on the compilation of statistics during these challenging times.



AFW2 Outreach Activities

Tax and Customs

Coordination with AFR country teams has greatly improved and a donor matrix for Ghana has been completed. FAD arranged and co-hosted a high-level DP meeting in early August, covering the AFW and AFC regions. Further meetings are now planned to focus on specific work areas, including customs risk management and trade facilitation.

PFM

The PFM team was involved in meetings with FAD and M1 Division on continued CD in the face of the pandemic; peer learning sessions with colleagues across AFRITACs on the remote delivery of CD and priorities emerging at the onset of COVID 19; and a joint FAD M1/AFW2/Member countries Webinar on the fiscal measures taken by the countries in response to the pandemic. Other remote Webinars were held with the Ministry of Finance (MoF) in Ghana on the review of the Ghana PFM Reform Strategy; AFR/UN Women on Gender Equality; a presentation by Hon. Minister for Finance, Nigeria on the Mid-year Budget and numerous HQ-led sessions on topical issues in PFM.

FSS

AFW2 and MCM hosted an online roundtable discussion for member supervisory authorities to discuss banking regulatory and supervisory policy measures taken to minimize the impact of COVID-19 pandemic. The aim of the roundtable was to acquaint member countries with IMF's recommended regulatory/supervisory policy responses and share a summary result of AFW2 survey on measures taken by regional central banks .

RSS

The Regional Statistics Advisor participated in five peer-to-peer learning sessions for STA LTXs across AFRITAC advisors (in May-July), and in the "STA LTXs remote retreat" in June 30, 2020 with the focus on the Capacity development during the Pandemic.

Peer Learning Sessions

AFW2 peer learning sessions continued in May and June covering discussion on results based management (RBM), macrofiscal, macrofinancial spillovers and spillbacks and revenue mobilization narratives in the time of COVID.

Country Team meetings

To support comprehensive review of FY 2021 workplan, meetings to reconcile CD with surveillance were completed as AFW2 met with Cabo Verde, The Gambia, Ghana, Liberia and Nigeria country teams.

Development Partner Outreach

WebEx meetings further supported outreach to development partners, such as the Bank of England in May. A discussion on AFW2 results and achievements was hosted in June. Finally, an IMF Partner session held in July discussed strategies to help beneficiary countries move from crises to recovery, featuring accounts from country authorities. AFW2 participated actively with a contribution from Center Director, Oral H. Williams.

Coping with COVID at AFW2

Weekly check-ins keep the AFW2 team connected while “work from home” continues. To encourage healthy work/fitness balance, AFW2 Director guided staff through fun and easy exercises that could be incorporated into daily routines to facilitate circulation and counter harmful effects on prolonged sitting.



“How do you break up the workday while at home?”

“I break up my workday by either taking a stroll at our forecourt to get some fresh air or taking a stretch break with the help of an app.”

- Eugenia Bamfo, Admin Assistant

“Work out of my basement to create a physical boundary, and set up a break alarm every hour to get up and stretch my legs, if not on WebEx”

- Vitus Ukwuoma, Regional Advisor (FSS)



“Taking up the role of the KG teacher”

- Selase Dusi, Admin Assistant/IT Officer



“I have a time schedule for work and helping with the kids’ schoolwork, while my husband takes care of the cooking. In the evenings, I exercise or relax with a glass of wine (and wait for school to start in August).”

- Elirjeta Pepaj, Regional Advisor (Statistics)



“... 3 days a week, I take a break and play a game of squash with my wife, followed by a swim. On the other days, you can find me in the kitchen, chopping vegetables or pickling something, which I find very therapeutic ...”

- David Smith, Regional Advisor
(Customs)

“I’ve been baking with the children. Together we look up recipes on YouTube to try and share at home. The cakes and pies go well with fresh fruit juice that we make ourselves.”

- Maria Adam, Senior Administrative
Assistant



“Breaks are spent baking or tending the garden, with my mother.”

- Pokuaa Adu, Economist

Upcoming Activities: August – October 2020

Tax

In addition to completing missions started in Q1, other planned missions are:

Cabo Verde: Mission to support DNRE Implement SAF-T System;

Ghana: Mission to support strengthening revenue administration management and governance arrangements- strategic planning and improving IT capacity.

Liberia: Improving compliance risk management and effective use of third-party data

Customs

The five ongoing missions will continue through to the end of August. We then plan to review progress with a view of organizing six additional missions for all countries, on the same basis, to be delivered remotely from September to November. Specific activities within these missions will depend on the country and their stated priorities, but they will hopefully include development (or the refinement) of existing action plans in each strategic area.

Public Finance Management	
<p>Ghana: Support in drafting a manual for program-based budgeting, August</p> <p>Liberia; Review of the SOE consolidated report, identify gap(s) and recommend improvements, September</p>	<p>Sierra Leone: Develop a framework to monitor and manage SOE related fiscal risks, and follow-up on the recent training to MoF officials on the Sierra Leone Macro Economic Monitoring Model(SLIMM), September.</p> <p>The Gambia: Address issues in fiscal and financial reporting.</p>
Banking Supervision and Regulation	
<p>Liberia: Remote review and update of the Risk-Based Supervision (August 11, 2020)</p> <p>Ghana: Follow-up on Basel II/III implementation (Sept. 14, 2020)</p>	<p>Sierra Leone: Enhancing Knowledge of Loan Review / IFRS 9 Classifications and Credit Review (Sept. 14)</p> <p>Regional: Webinar on Cybersecurity of Remote Work During the Covid-19 Pandemic (Sept. 10, 2020)</p>
Real Sector Statistics	
National Accounts	Price Statistics
<p>Cabo Verde AWF2 will undertake a remote mission to INECV to support the rebasing of national accounts.</p>	<p>Ghana AWF2 will deliver a remote TA mission to support the rebasing of Producer Price Index of Ghana Statistical Service.</p>
<p>The Gambia TA mission will be delivered to develop Quarterly National Accounts in Gambia Bureau of Statistics.</p>	<p>Ghana, CPI Webinar A regional training on CPI business continuity will be held in Accra as a collaboration between IMF/AFRITAC West 2 and DFID (EDDI2 project)</p>
<p>Ghana TA mission will be provided to Ghana Statistical Service for National Accounts.</p>	<p>Nigeria Remote TA will be provided to assist Nigeria Bureau of Statistics with the CPI rebasing.</p>
<p>Sierra Leone Remote TA mission is planned to assist Sierra Leone Statistics with the rebasing of Annual National Accounts.</p>	

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AFW2 Member Countries



AFW2 Development Partners



Completed Technical Assistance Reports¹ in FY 2021

Title of Report	Country	Date Sent to Authorities
PUBLIC FINANCIAL MANAGEMENT		
Budget Classification for 2021 and Beyond	Cabo Verde	5/2/2020
Review of Draft Guideline Documents for Public Private Partnership (PPP)	Nigeria	6/25/2020
REAL SECTOR STATISTICS		
National Accounts (Remote)	Nigeria	6/3/2020
Consumer Price Index (Remote)	Ghana	6/11/2020
National Accounts (Remote)	Sierra Leone	7/10/2020
National Accounts (Remote)	Liberia	5/6/2020
National Accounts (Remote)	Sierra Leone	5/12/2020
National Accounts	Ghana	8/5/2020

¹ Includes Technical Memos/Reports and Aide Memoires sent to country authorities during FY 2021. Contains some reports for missions conducted in FY 2020.