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# NEWS



## Contents

Highlights ..... 1  
 Summary of Work Plan Execution  
 and Key Achievements ..... 2  
 Regional Activities ..... 5  
 Center Meetings and Outreach ..... 5  
 International Coordination and  
 Outreach by Work Area ..... 6  
 Upcoming Activities: ..... 7  
 February – April 2021 ..... 7  
 Completed Technical Assistance  
 Reports in FY 2021 ..... 11

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## Highlights

In the third quarter of fiscal year (FY) 2021, capacity development (CD) work continued as planned.

Missions conducted in the reporting period, November 2020 to January 21, featured collaborations between AFW2 experts, HQ CD teams and development partners, especially in revenue administration and public investment management.



The AFRITAC West 2 Mid-year report for FY2021 has been published. Find the copy at the following link:  
<http://www.afritacwest2.org/servlet/servlet.FileDownload?file=00P3h000007b70tEAA>

# Summary of Work Plan Execution and Key Achievements

## Tax Administration

AFW2 consistently engaged and provided advice to senior management of each member country, on a monthly basis, on building institutional resilience and protecting revenue during the current COVID-19 pandemic.

Missions supported the Liberia Revenue Authority to: (1) take inventory and strengthen management of tax exemptions; (2) strengthen compliance risk management and use of third-party information; and (3) improve capacity to audit the telecommunication sector.

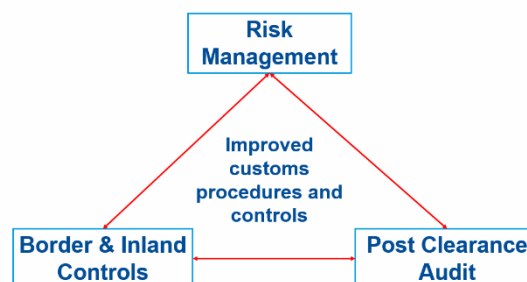
In Nigeria, CD was provided to the Federal Inland Revenue Service to improve compliance risk management and effective use of third-party data. In addition, a joint tax, customs and Fiscal Affairs Department (FAD)HQ-led mission helped the Nigeria federal authorities to identify revenue administration reform priorities.

The Sierra Leone National Revenue Authority received assistance to strengthen capacity to audit the telecommunication sector.

## Customs Administration

We have a coordinated and agreed on a regional approach to customs work this year, focused on the enhancement of core customs procedures. The objectives are fully aligned with the results-based management (RBM) objectives, outcomes and milestones. This approach is summarized in the diagram below.

AFRITAC West 2 – Strategic support



So far, we have completed a series of parallel missions in The Gambia, Ghana, Liberia, Nigeria and Sierra Leone (three in each country), covering customs border & inland controls (BIC), customs risk management (CRM) and customs post-clearance audit (PCA). In each country we have developed detailed logical framework (logframe) documents in each technical area. We have also supported the development of action plans in each technical area, which are now being discussed, in detail, with the relevant authorities and aligned with existing national strategies and action plans.

## Public Financial Management

CD interventions aimed to strengthen budget preparation; budget execution and control, fiscal reporting and improving fiscal risk management in member countries.

In **Nigeria**, AFW2 supported the review of gender-responsive budgeting and made recommendations for an action plan to improve comprehensive budgeting. To strengthen fiscal risks management, AFW2 jointly with FAD M1 participated in the training of officials from the **Ghana** Ministry of Finance, in

the analysis of fiscal risks related to COVID-19. Another TA mission in Ghana was undertaken to strengthen fiscal reporting, focusing on implementation of accrual International Public Sector Accounting Standards.

In **Liberia**, the AFW2 supported fiscal reporting focusing on improving the comprehensiveness and timeliness of fiscal reports and in developing the way forward for full compliance with cash based IPSAS.

## **Monetary Operations and Payment Systems**

A remote technical assistance (TA) mission on developing capacity for forecasting and policy analysis system (FPAS) was delivered to the Central Bank of The Gambia (CBG). The mission assisted the CBG with the update of 3-year macroeconomic outlook, improved the link between the forecast database and the CBG's data warehouse, and introduced a basic fiscal policy block that captures fiscal impulses. As per CBG's invitation, economists from Ministry of Finance and Economic Affairs were also engaged in the forecast production and provided a valuable feedback on the outlook.



**AFW2 virtual TA mission to the Bank of Sierra Leone on improving monetary policy analysis and near-term forecasting capacity, November 23 – December 4, 2020.**

A remote TA mission on improving monetary policy analysis and near-term forecasting (NTF) capacity was delivered to the Bank of Sierra Leone (BSL). The mission laid down foundations for BSL's capability for NTF through a hands-on workshop on programming in EViews. TA was provided in data preparation and forecasting, reviewing and extending the existing framework for the NTF of consumer price inflation, development of a system for NTF of economic activity and nowcasting of real GDP growth, and development of an automated reporting system. The TA covered both the actual forecasting technology development and implementation, as well as hands-on training of fifteen BSL's staff.

## **Financial Sector Supervision**

TA deliveries in the 3rd quarter built upon previous achievements in strengthening supervisory functions across the region while keeping in view additional requests that could stem from the COVID-19 pandemic.

In Ghana, an online mission focused on increasing supervisory knowledge in Risk-Based Licensing Processes to complement the central bank's financial sector reforms. A key deliverable was a licensing guidance to tighten internal review processes and enhance industry's understanding of BOG's expectations. AFW2 also commenced desk reviews of several draft directives (Liquidity, Supervisory Review and Evaluation Process, Mergers and Acquisitions and Corporate Governance) to support the

Ghanaian authority's implementation of Basel II/III and risk-based licensing.

A virtual mission to The Gambia improved supervisory knowledge in the risk-based supervision (RBS) risk assessment matrix, which was developed by AFW2 in late-2019. Within the region, a project has been initiated to develop a model framework for the regulation and supervision of Domestic Systemically Important Banks (D-SIBs) using senior supervisors from member central banks. If successful, this effort will eliminate the need to fund separate missions on D-SIBs framework while creating a conducive forum for peer-to-peer learning

## **Statistics**

CD work in statistics continued to support member countries in developing national accounts and GDP rebasing.

The National Bureau of Statistics (NBS) of **Nigeria** was assisted with the preparations for the planned rebasing exercise for annual GDP and the population of Supply and Use Tables. The business listing exercise was completed in December 2020 and the National Business Sample Census fieldwork started in January 2021.

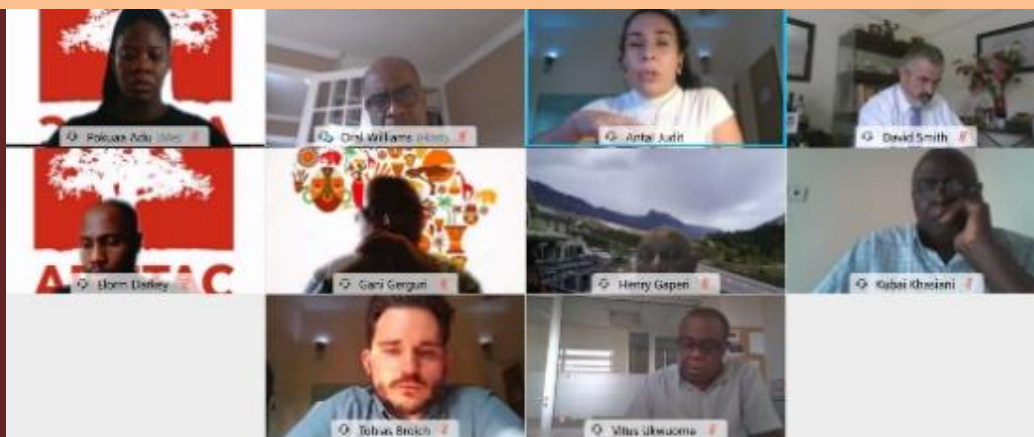
The **Sierra Leone Statistics** (Stats SL) continued to be assisted with the rebasing of the annual national accounts ensuring international best practices are applied. Progress was made on the analyses of the Annual Economic Survey of Enterprises results.

## Regional Activities

### AFW2 /AFE/AFS Joint Regional Workshop on Public Investment Management (PIMA), November 2 - 6

IMF AFRITAC East, West 2 and South (AFE, AFW2 and AFS) held a regional virtual workshop for over 80 technical staff from Public Investment Management (PIM) units, Ministries of Finance, Planning and Public Private Partnership (PPP) units across twenty one member countries from November 2 to 6 2020. The objectives of the workshop were to: (i) understand the current challenges in PIM; (ii) share experiences; (iii) generate awareness of potential solutions, and; (iv) support countries to identify their position on a PIM roadmap in order to identify specific needs for future reform. *The workshop covered five thematic areas in PIM through a mix of lectures, country presentations and interactive group work. Each country developed and presented country reform action plans to further develop PIM processes, the legal framework, practical tools and IT systems and to strengthen the institutional arrangements in which PIM units operate.*

## Center Meetings and Outreach



**AFW2 Meeting with Judit Antal, Tobias Broich and Heinz Kaufmann (not pictured) of Swiss Development Agency (SECO), January 19, 2021**

AFW2 sustained outreach efforts to development partners, IMF CD departments and country teams to preserve cohesion and coordination in CD design and delivery. On January 19, the AFW2 met with representatives of the Swiss State Secretariat for Economic Affairs (SECO) to discuss ongoing CD projects and opportunities for synergy. Subsequent remote meetings were held to update the Nigeria and Liberia country teams on ongoing AFW2 activities in the six work areas. These meetings further encourage interconnectedness between CD and surveillance at the fund.

## International Coordination and Outreach by Work Area

### **Tax:**

AFW2 has engaged with the World Bank revenue administration project in Nigeria to ensure smooth coordination; avoid duplication and optimize CD delivery.

### **Customs:**

With a flexible approach, particularly in terms of mission dates and duration, we have been able to develop and maintain an effective level of engagement with the agencies and their key personnel. The logframes we have developed have been adapted, as necessary, to reflect the impact of COVID-19 on customs operations and these documents, together with the action plans, provide clear and transparent evidence of the current situation. This is particularly helpful in terms of supporting the countries to effectively monitor progress and to inform discussions with development partners.

### **PFM:**

AFW2 participated in a regional gender budgeting course organized by FAD/AFR/ATI to enhance gender budgeting in the region.

### **FSR:**

AFW2 participated in the Bank of England/Bank of Ghana's regional event on micro-prudential supervision, crisis management and resolution, which was widely attended by central banks from beyond the west African sub-region. In addition to the West African Monetary Institute, AFW2 coordinated with the World Bank's Liberia and Cabo Verde country teams on capacity development efforts.

### **RSS:**

The regional statistics advisor continued engagement with World Bank on the coordination of CD efforts and projects with potential synergies to our member countries.

## Upcoming Activities: February – April 2021

Tax	
<p><b>Ghana:</b> Strengthening Excise Duties Management capacity</p> <p><b>Liberia:</b> Building tax exemptions management capacity</p> <p><b>Nigeria:</b> Improving telecom sector audit and data matching capacity</p> <p><b>Sierra Leone:</b> Follow-up mission to strengthen capacity to audit the telecommunication sector</p>	<p><b>Gambia, The:</b> Building and maintaining integrity of taxpayer ledger and tax account</p> <p>Strengthening capacity to Audit Pay TV and Online Entertainment Courier</p> <p><b>Regional:</b> Joint workshop (AFW2 and AFE): Leveraging on Technology to Deliver Effective Taxpayer Service and Improve taxpayer compliance.</p>
Customs	
<p>We plan a further series of missions (<b>one per country</b>) over the period which will finalize the action plans and identify specific areas whether further IMF support will be targeted in FY 22.</p> <p>We will also be supporting further regional coordination and cooperation in the three technical areas, as well as developing further tools to assist the countries, in relation to trade facilitation, investigation and enforcement.</p>	
Monetary Operations and Payment Systems	
<p><b>Ghana:</b> Virtual TA workshop on Reviewing RTGS based on CPSS-IOSCO Principles for Financial Market Infrastructures. March 2021</p> <p>Virtual TA mission on Improving Liquidity Monitoring and Forecasting Framework. Date TBC</p> <p><b>Gambia, The:</b> Virtual TA mission on Developing Capacity for Forecasting and Policy Analysis Date: February 8 – 13, 2021</p>	<p><b>Liberia:</b> Virtual TA mission on Improving Liquidity Monitoring and Forecasting Framework March 1- 10, 2021.</p> <p><b>Nigeria:</b> Improving Forward Looking Monetary Policy Analysis Date TBC</p>

## Public Finance Management

, AFW2 will field a virtual training mission to Sierra Leone and participate in a FAD M2 mission in **Cabo Verde** designed to strengthen the management of fiscal risks.

A follow up mission to review the Sierra Leone Integrated Macro Economic Model (SLIMM) and Excel based training will be virtually undertaken with the aim of improving budget preparation. to the Ministry of Finance in **Sierra Leone** the review.

To improve budget execution and control AFW2 has planned missions to **Liberia, Ghana** and **Cabo Verde** respectively. A virtual gender budgeting **regional workshop** aimed at improving comprehensive budgeting across the member countries is planned for April.

On assets and liability management, a TA mission in **Kaduna State of Nigeria** will provide follow-up support in the implementation of TSA and improving cash forecasting and planning. Another mission will be undertaken to provide follow up support to the **Federal Government of Nigeria (FGN)** on improved cash forecasting.

AFW2 will undertake a TA mission in **The Gambia** and in **Liberia** during the quarter to aid in the implementation of TSA.

A TA mission will also be conducted in **Sierra Leone** to support the implementation of cash based IPSAS, under the fiscal reporting objective.

### **Regional Workshop:**

Transitioning to Accrual Accounting

Tentatively planned for final quarter of FY 2021

## Financial Sector Supervision and Regulation

### **Ghana**

Follow up on recently-delivered TA on risk-based licensing processes by helping the authorities develop industry directive on approvals and outsourcing arrangements.

April 2021

### **Sierra Leone**

Mission to improve supervisory understanding of the pre-conditions for implementing Basel II/III and discuss potential implementation roadmap.

-April 2021

### **Regional**



AFW2, in collaboration with the IMF’s Money and Capital Markets Department will deliver **virtual regional workshops** on cyber risk (March 2021) and a regional Fintech workshop (April 2021) in support of regional efforts to build supervisory resilience in cyber and fintech risks.

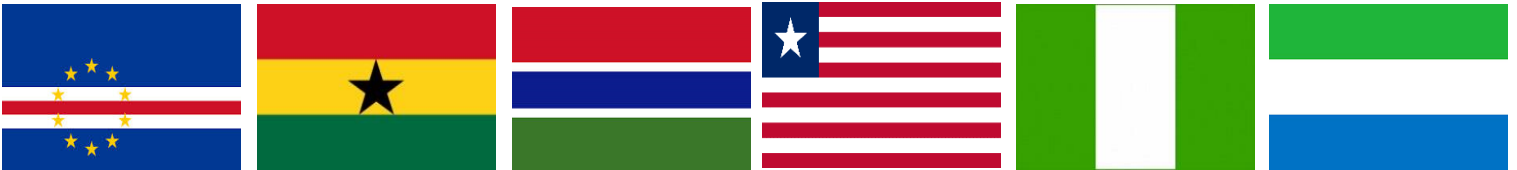
**Real Sector Statistics**

<p><b>Gambia</b> National Accounts March 15-26</p> <p><b>Liberia</b> National Accounts March 8-19</p> <p><b>Nigeria</b> National Accounts and Prices April 19-30</p> <p><b>Sierra Leone</b> National Accounts &amp; Prices April 19-30</p>	<p><b>Ghana</b> National Accounts April 5-16</p> <p><b>Cabo Verde</b> National Accounts April 26-May 7</p> <p><b>Regional</b> Workshop on Quarterly National Accounts AW2/WAIFEM/MEFMI February 22-26</p>
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## AFRITAC WEST 2 STAFF

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### AFW2 Member Countries



### AFW2 Development Partners



## Completed Technical Assistance Reports<sup>1</sup> in FY 2021

Title of Report	Country	Date Sent to Authorities
<b>REVENUE ADMINISTRATION (TAX)</b>		
Follow-up Mission to Strengthen NRA Capacity to Audit the Telecom Sector	Sierra Leone	8/4/2020
Strengthen GRA Capacity to Manage Compliance in the Hospitality Sector	Gambia	9/9/2020
<b>PUBLIC FINANCIAL MANAGEMENT</b>		
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
Support to the Ministry of Finance to Draft the Program Based Budgeting Manual	Ghana	9/25/2020
Supporting Cash Management in Covid-19 Context	Sierra Leone	9/29/2020
Review the SoE Consolidated Report Identification of Gap(s) and Recommendations for Improvements	Liberia	10/28/2020
Addressing Issues in Fiscal and Financial Reporting	Gambia, The	12/22/2020
Treasury Risk Management and Internal Controls	Cabo Verde	1/15/2021
<b>Banking Supervision and Regulation</b>		
Code of Corporate Governance and Assessment Guide for Banks	Nigeria	10/7/2020
Strengthening Banking Sector Liquidity Monitoring	Liberia	10/16/2020
Bank of England/Bank of Ghana 3-Day Online Event on Micro-Prudential Supervision, Crisis Management and Resolution	Ghana	12/11/2020
Strengthening Risk-Based Supervision	Liberia	12/4/2020
<b>Real Sector Statistics</b>		
National Accounts (Remote)	Liberia	5/6/2020
National Accounts (Remote)	Sierra Leone	5/12/2020
National Accounts (Remote)	Nigeria	6/3/2020
Consumer Price Index (Remote)	Ghana	6/11/2020

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

National Accounts (Remote)	Sierra Leone	7/10/2020
National Accounts (Remote)	Ghana	8/5/2020
Price Statistics	Nigeria	12/23/2020
Producer Price Index	Ghana	12/23/2020
National Accounts	Gambia, The	2/11/2021
National Accounts	Cabo Verde	2/11/2021
National Accounts	Liberia	2/11/2021