



# AFRITAC West 2 News

International Monetary Fund

Fourth Edition, April 2015

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## HIGHLIGHTS



The 2nd AFW2 Steering Committee meeting, April 13, 2015, Accra, Ghana.

**The Second AFRITAC West 2 (AFW2) Steering Committee (SC) meeting:** The Center's 2<sup>nd</sup> SC took place on Monday, April 13, 2015 in Accra. The meeting discussed progress in the Center's first year of operations and the work program for the FY 2016. The meeting also included a seminar on how capacity building could foster regional integration.

**Regional Workshop on Customs Risk Management:** A training Workshop on Customs Risk Management was held from March 16 to 20, 2015 in Accra Ghana with the participation of all six member countries of AFW2.

**FREE online course on debt sustainability (May 4 –July 24, 2015):** The IMF Institute for Capacity Development is proud to announce a free online course on Debt Sustainability Analysis (DSAx) for government officials.



Ghana



Cabo Verde



Liberia



Nigeria



Sierra Leone



The Gambia

## 2<sup>nd</sup> Steering Committee Meeting



The Center Coordinator and Ghana's Finance Minister (Chair) at the meeting.

The Center held its second Steering Committee (SC) on Monday, April 13, 2015 in Accra, Ghana chaired by Mr. Seth Terkper, Minister of Finance and Economic Planning for Ghana. In attendance were representatives of country authorities, donors, IMF staff from HQ, AFW2 staff and some observers from the donor community.

The SC welcomed the progress made in the Center's first year of operations; in spite of the peculiar challenges, as well as the FY 2016 work program. The SC took note of the Center's plans to develop tools that will enhance the effectiveness of its capacity development such as identifying reform champions in member countries, offering practical/hand-holding support to public officials, utilizing formal feedback from the authorities and adopting peer-to-peer learning approaches.

There was a lot of interest in how AFW2 was making use of recommendations from the recent evaluations of other RTACs in the region. The meeting noted that one of the key lessons emanating from these evaluations was the need to use the RBM as a TA management tool rather than as a TA recording tool. In this regard, it was noted that the Fund was in the process of working on an institution-wide RBM framework.

The meeting also showcased the lessons that could be learnt from Cabo Verde's experience with PFM reforms. Broader lessons for other AFW2 member countries include the fact that business needs must drive the reform process rather than technology, the criticality of broad consultation with all stakeholders to build a large consensus around PFM reforms and the need to factor the human dimension in reform design and implementation.



The Steering Committee in session

The meeting ended with a seminar presentation on how capacity building can foster regional integration. Representatives of regional bodies (WAIFEM and WAMI) participated in this session. The SC welcomed a proposal for a one-day seminar on RI in its FY 2016 work program to discuss the practical steps that AFW2 could take in its capacity building work at the country level to foster regional integration.



The Steering Committee in a coffee break

## AFW2 Missions

### Revenue Administration

#### **Cabo Verde:** *April 6-17*

There was a follow-up mission on risk management to assist with the development of a compliance management policy and risk management strategy and also agree on the implementation plan with the authorities.

#### **Ghana:** *January 22- February 13, March 23 – April 2 and April 27 – May 8*

There was a mission led by the Fiscal Affairs Department (FAD) to review the compliance and administration of Value Added Tax (VAT) and Excise duties. The mission recommended that the preparation of operational manuals for both VAT and Excise and training of staff should be an area of urgent TA focus by AFRITAC West 2.

Follow-up training for Ghana Revenue Authority's (GRA) LTO Telecommunications auditors were conducted in two other missions. The training imparted practical hands-on data analysis and auditing skills to staff doing audits of telecommunication companies. The GRA managers were very excited about the training and requested that more of such training be given to the MTO auditors.

#### **Liberia:** *April 6-17 and April 27- 30*

The Advisor participated in a compliance risk management mission held in Accra for the Liberia Revenue Authority (LRA). She also took part in a Strategic Planning mission for the LRA in London organized by FAD.



The Liberia Revenue Authority Mission in London  
(April 2015)

### Public Finance Management

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

In response to a request from the Minister of Finance, there was a technical assistance mission to assist the authorities in reviewing the public financial management reform implementation for the last decade and also made recommendations to consolidate the achievements and strengthen the PFM systems. Further, AFW2's work on Program-Based Budgeting has been continued with a draft of the manual expected to be ready by the end of May.

#### **Ghana:** *April 8-23*

The PFM Advisor joined an FAD-led mission at the Ministry of Finance of Ghana to review the country's legislative framework. During the mission, AFW2's TA for the completion of the new PFM strategy was also discussed. TA for this assignment will be deployed in May/June.

#### **Nigeria:** *February 1-5*

AFW2 joined an FAD-led mission to Nigeria and also prepared a new TA program focused on cash management, accounting reforms and program-based budgeting. The delivery of this TA program is due to start in the summer of 2015.



**The Gambia: April 30- May 12**

AFW2 is participating in an FAD-led mission is to provide guidance on the clearance of the existing stock of expenditure arrears and the control of domestic arrears' accumulation.

**Monetary Operations and Payment Systems (MONOPS)****Ghana: February 16-24 and February 23 – March 5**

The Advisor participated in two missions to Ghana, both with HQ aimed at assisting the authorities in the implementation of the new Fund program. The first mission was undertaken by the Research department on the theme: "Technical assistance on monetary policy formulation, communication and development a forecasting and policy analysis system to support monetary policy analysis." The second mission by Monetary and Capital Markets (MCM) department was on: "Monetary policy implementation, debt management and deepening the domestic debt market".

**The Gambia: January 12 -16**

The Advisor was on an introductory and outreach mission to Banjul, The Gambia which proved to be very useful. The Central Bank of The Gambia (CBG) showed great interest in cooperating with AFW2 on issues of monetary operations implementation and payment system. During the mission, the various departments expressed a lot of interest in numerous topics on which they need assistance.

**Real Sector Statistics****The Gambia: February 23 – March 6**

The mission worked with The Gambia Bureau of Statistics to review the results of phase 1 of the Economic Census; review and resolve any outstanding issues for phase 2 of the Economic Census, including finalization of the survey instrument and procedures and the development of the sample frame; and follow up progress of the working group with the Gambia Revenue Authority (GRA) in the development of the business register and industry coding the GRA business list.



The Gambia's National Accounts Office Staff and the AFW2 Real Sector Advisor during a recent mission.

**Cabo Verde – April 20 -24**

There was mission on national accounts to Cabo Verde. More information will be provided in the next newsletter.

## AFRITAC West 2 Regional Workshops

A Regional Workshop on Customs Risk Management was held from March 16 to 20, 2015 in Accra Ghana. The Workshop, held at the Holiday Inn Hotel in Accra, brought together 26 participants from Cabo Verde (4), Ghana (4), Liberia (4), Nigeria (4), Sierra Leone (4), The Gambia (4), ECOWAS (1) and World Customs Organization-Regional Office for Capacity Building for West and Central Africa (1). The aim of the workshop was to assist member countries to develop structured and disciplined approaches to entrenching risk management practices in customs, create a peer learning platform for member countries and to discuss international and regional best practices.



Customs Risk Management Workshop,  
Accra, Ghana (March 16 -20, 2015).

Participation during the workshop was good and the overall feedback given by participants was that the workshop provided excellent insights, information and hands on experience to managing compliance risk. Participants were encouraged to use the Moodle workshop portal (a secure website) which had been setup to provide a platform for participants to share ideas before and after the workshop. It was also evident that useful networks of contacts were established which could enable information sharing and problem resolution in future.

Here are samples of feedback received from the country authorities that participated in the workshop:

### Ghana

*"The workshop had a primary aim of enhancing capacity building. The vast array of very high ranking officers from the sub-region was very fascinating. It was observed that Risk Management is a novelty in most countries and such international meetings could be a good melting pot to share advice and experiences. The Nigerian session was splendid. The geographical size and volumes of trade makes Risk Management inevitable as we cannot look and make an in depth analysis of transaction vis-à-vis the resources at our disposal."*

### The Gambia

*"Given the increasing complexity of and nature of international trade and the need for customs to fulfill its core mandate, the importance of risk management cannot be over emphasized. The workshop has provided the participants with insights on the risk management processes and procedures. The adherence to these processes and procedures could provide a balance in the seemingly contradictory mandates of facilitating trade, controlling the importation of restricted and prohibited goods and generating revenue for national development. We hope to spearhead the implementation of what we have learned not only at the customs department at home but to other departments in the GRA."*

### Liberia

*"The Liberia Revenue Authority is currently undergoing a critical transition that will enable it deliver on the objectives of efficient revenue mobilization, trade facilitation, border management and protection of society and the environment. The customs risk management workshop conducted by IMF-AFRITAC WEST 2 in Accra has been very useful and resourceful in this direction. The facilitators were very*

*practical and provided a lot of technical details on customs risk management from which Liberia can draw on to develop a customs risk management framework and commence the implementation of risk management in customs operations”.*

### **Nigeria**

*“We thank the IMF AFRITAC West 2 for organizing this workshop. We also thank the Ghana Revenue Authority for their warm reception and hospitality. Logistical arrangements were excellent. The next workshop may focus on how Risk Management Units, Post Clearance Audit Units, intelligence Units and other major units of the services can work together. If time permits, participants should be encouraged to interact more to facilitate networking and collaborations.”*



The Center Coordinator presents a certificate of participation to Ms. Da Veiga from the General Directorate of Customs, Cabo Verde.

## **Other Seminars/Training**

### **Seminar on Forecasting Framework for Forward-Looking Monetary Policy, Ebene, Mauritius (March 09-13, 2015)**

This seminar was jointly organized by the IMF Research Department and African Training Institute (ATI) from March 09-13, 2015 in Ebene, Mauritius. AFW2 sponsored six participants from the Central Banks of Ghana and Nigeria to attend this program. The main objective of the seminar was to facilitate peer-to-peer exchange of views on techniques used for inflation forecasting at selected central banks in the Sub-Saharan Africa region. The seminar also considered the effective communication of inflation forecast to the monetary policy makers and deliberated on recent developments in economic modeling.



Seminar on Forecasting Framework for Forward Looking Monetary Policy, Ebene, Mauritius (March 9-13, 2015)

The Ghanaian contingent gave the following feedback:

*“We learnt useful lessons from the individual country presentations at the seminar. The bottom line of the country presentations was the necessity to promote teamwork in order to stimulate an effective modeling and forecasting framework for forward-looking monetary policy. In addition, from the various country presentations, we also took note of the gaps in modeling and forecasting for forward-looking monetary policy. We will recommend this course to other colleagues in the Research Department of Bank of Ghana.”*

### **Monetary and Capital Market (MCM) Department Workshop (April 27-29)**

Two of AFW2's Resident Advisors, Mr. Marko Skreb and Ms. Cheryl Bruce, attended a workshop organized by the Monetary and Capital Markets (MCM) Department, IMF in Washington DC. The aim of the workshop was to keep the long term experts (LTXs) abreast of new developments in the field and in the Fund, share lessons from various country experiences and also facilitate interaction between LTXs and HQ staff. The workshop covered a wide range of topics including the transition from monetary targeting to inflation targeting (two-pillar operational framework), the supervision needs assessment tools, reserve management issues and what is new from Basel.

### **Free online course on Debt Sustainability and Medium Term Debt Management Strategy (May 4 – July 24)**

The IMF Institute for Capacity Development is proud to announce the online course on Debt Sustainability Analysis (DSA<sub>x</sub>) for government officials. The course provides a comprehensive overview of the frameworks for debt sustainability analysis and debt management. It features short video lectures interspersed with interactive exercises and includes a discussion forum to allow participants from all over the world to network, share their country experiences, and discuss the course content. The course has a modular structure and allows earning a signed certificate for the entire course or auditioning one or several modules.

The Center strongly encourages officials from AFW2 countries to apply for this course. For more information and registration, please visit: <http://imf.smartcatalogiq.com/en/current/Catalog/Courses/OL/DSA<sub>x</sub>/1503/OLDSA<sub>x</sub>15-03>

## **AFW2 Upcoming TA Missions**

### **Revenue Administration**

In the next three months, the Advisor will undertake missions to all AFW2 to follow up on the implementation of Revenue Administration and Fiscal Information Toolkit (RA-FIT) recommendations by the authorities. In addition, other planned missions include:

**Cabo Verde:** Management Training (June);

**Liberia:** Development of taxpayer registration programme (May);

**Nigeria:** Development of Compliance Risk Management Strategy (May) and assisting the Federal Internal Revenue Service (FIRS) to develop a strategic plan (May).

### **Public Financial Management (PFM)**

Scheduled missions include:

**Cabo Verde:** Follow-up missions on the development of a PBB Manual (2015) and the documentation of PFM reforms and consolidation plan (June 2015);

**Ghana:** support to the development of the PFM strategy and its Action Plan (June 2015);

**The Gambia:** support to FAD mission on TSA and cash management (May 2015).



## Monetary Operations and Payment Systems (MONOPS)

In response to a request from the Central Bank of Gambia (CBG), the Advisor and two short term experts will undertake a mission to Gambia on Liquidity Forecasting and Management Mission (June 2–11, 2015) to assist the CBG authorities with the implementation of previous technical assistance (TA) recommendations in the area of liquidity forecasting and liquidity management.

## Financial Supervision

**Ghana:** A mission will visit the Bank of Ghana from June 15-19, 2015 to assist authorities in developing an understanding of the requirements of the Basel II prudential framework and developing a framework to map implementation of Basel II over the medium term. This will be the first of two missions with the second mission that would take place two months after.

**Gambia:** A mission will visit The Gambia during the period May 4–14, 2015, to provide assistance on enhancing Offsite Supervision.

## Statistics

Missions on National Accounts have been scheduled for:

**Ghana** – May 20 to June 2;

**Liberia** – June 22 to July 3.

## AFRITAC West 2 Staff

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## Donors





## Recently completed Technical Assistance (TA) Reports

REVENUE ADMINISTRATION			
No.	Title	Country	Date Sent to The Authorities
1	Strengthening Debt Management and Compliance Enforcement	Ghana	May 2014
2	Design Collection Manual and Training	Gambia	June 2014
3	Follow up TA in Strategic Planning	Ghana	October 2014
4	Strengthening Customs Compliance Enforcement and Risk Management (Visits I)	Sierra Leone	October 2014
5	Diagnostic Customs and Strategic Planning	Gambia	HQ-led Mission
6	Fine-tune Risk Management Framework and Training	Ghana	Under Review
7	Customs Risk Management and outreach mission	Cabo Verde	Portuguese Under Review and translation
8	Developing Risk Management Framework and strengthening Risk management for Customs Compliance Enforcement	Cabo Verde	Portuguese Under Review and translation
9	Assist GRA with Developing a Strategic Plan for 2015-17	Ghana	December 2014
10	Strengthening Customs Compliance Enforcement and Risk Management (Part 2 –remote mission)	Sierra Leone	February 2015
11	LTO Training on Telecommunication Audit	Ghana	February 2015
12	Developing Client Service Strategy and Reviewing the Strategic Plan for GRA	Gambia	March 2015
13	Developing Compliance Enforcement Strategy and Risk Management Framework	Gambia	March 2015
14	Selected Issues in Revenue Administration: Implementation of the 2015–17 Strategic Plan and VAT and Excise Compliance and Administration	Ghana	March 2015
15	Developing Customs Reports for Liberia	Liberia	Under Review

PUBLIC FINANCE MANAGEMENT			
No.	Title	Country	Date Sent to The Authorities
1	AFW2: Budget Execution and Expenditure	Gambia	October 2014
2	AFW2: Review of the Hyperion System Setup and of the Configuration of COA	Ghana	April 2015
3	AFW2: Assessment of ongoing PFM reforms	Cabo Verde	Under preparation
4	AFW2: First draft version of the Program-Based Budgeting Manual	Cabo Verde	Under preparation
BANKING SUPERVISION AND REGULATION			
No.	Title	Country	Date Sent to The Authorities
1	Enhancing Banking Supervision	Gambia	September 2014
2	Enhancing Banking Supervision	Gambia	December 2014
REAL SECTOR STATISTICS			
No.	Title	Country	Date Sent to The Authorities
1	AFW2: National Accounts	Ghana	June 2014
2	AFW2: Introductory & Assessment	Nigeria	June 2014
3	National Accounts Statistics: Introductory & Assessment	Liberia	August 2014
4	AFW2: National Accounts	Gambia	November 2014
5	AFW2: National Accounts	Nigeria	April 2015
6	AFW2: Consumer Prices/Producer	Ghana	March 2015
7	AFW2: Annual Accounts	Gambia	April 2015