

## FISCAL YEAR (FY) 2016: THE RBM FRAMEWORK AND THE WORK PROGRAM<sup>1</sup> IN AFW2 COUNTRIES ACROSS SECTORS<sup>2</sup>

### RBM Revenue Administration

Afrítac West 2 - Logical Framework 2015-2016

#### Revenue Administration

**General Objective:** To strengthen institutional and operational capacity in revenue administrations of member countries for optimal revenue generation and to enhance tax and customs compliance while facilitating trade and regional integration as envisaged by ECOWAS.

**Medium Term Objective I:** Supporting regional trade integration initiatives as envisaged by ECOWAS by eliminating barriers to trade across borders, minimizing costs of trading and harmonizing operational processes across member countries.

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestone	Indicators	Specific Risks
<b>Cabo Verde:</b> Facilitate faster clearance of goods through risk based clearance procedures.	Risk based preferred trader programs implemented.	Customs clearance processes are very slow.	STX mission to finalize the risk-based compliance management strategy and help prepare to implement the WCO Authorized Economic Operator Program.	Q2	Efficient border operations in place.	Faster clearing times.	Lack of cooperation from importers and low uptake of program.

<sup>1</sup> A revised work program for FY 2016 containing some amendments was approved by the 3<sup>rd</sup> Steering Committee in December 2015. See FY 2016 Mid-year report (annexes).

<sup>2</sup> In developing the work program for FY 2016, Resident Advisors clearly delineated what they view as short-term objectives and what are deemed to be medium-term priorities. Reflecting peculiarities and heterogeneity across the sectors, there are some variations in the outlook in the RBM. In the case of Revenue Administration, the indicated specific objectives have a short-term view but they are geared towards a broad medium-term objective. In PFM, the indicated specific objectives have a medium-term perspective while the specific objectives for Monetary Operations and Payment System are mix of short-term and medium term objectives

<b>Liberia:</b> Strengthen customs administration through the development of a compliance risk management framework.	A customs compliance risk management framework is developed.	Liberia Revenue Authority did not receive any assistance in customs from AFW2 but have implemented the ASYCUDA World system with assistance from the World Bank.	Two STX missions to develop a customs Compliance Risk Management Framework and then train staff.	Q1/Q3	Risk-based clearance procedures in place and preferred trader programs implemented.	Improved clearance times and higher detection of risky imports.	Training may not be possible until after Ebola.
Medium Term Objective 2: Enhancing revenue collections from improved and cost effective operational procedures and strengthened compliance strategies.							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
<b>Regional Workshop on indirect taxes:</b> Enhance domestic revenue through effective VAT and excise tax collection and enforcement.	Improved VAT and excise tax compliance.	A number of AFW2 member countries are experiencing declining VAT revenue collections due to declining compliance and ineffective collection procedures. The new Liberia Revenue Authority intends to introduce VAT during FY2015/16.	A Regional indirect tax workshop to address challenges in collection enforcement for member countries.	Q2	Strengthened VAT and excise administrations in member countries.	A regional framework on effective indirect tax compliance enforcement and improved VAT and excise revenue collections for member countries.	Experiences of member countries different and so solutions may not be applicable across member administrations.
<b>Regional Workshop on Compliance Risk Management:</b> Enhance revenue compliance through effective use of risk based compliance management and enforcement strategies.	Improved voluntary compliance.	A Regional Workshop on Customs Risk Management was held in FY2014/15 and countries have been assisted through missions to set up risk management structures in Customs. In domestic taxes there is very little appreciation or application of risk management in compliance work.	A Regional workshop to assist member country administrations to develop organization wide risk based compliance enforcement frameworks.	Q4	Effective compliance strategies are implemented in member countries.	Member countries have developed risk based compliance strategies.	Revenue administrations do not have the required IT based facilities to manage risk or resist change to new methods.

<b>Cabo Verde:</b> Develop Operational manuals and tools to support modern customs business processes and procedures.	Standard operating procedures in use.	Cabo Verde customs intends to roll out ASYCUDA World and needs to develop modern operational processes to be implemented with the new system.	Two STX assignments to develop and update customs procedures and train staff in preparation for the implementation of ASYCUDA World.	Q1/Q3	Effective customs operations in place.	Updated manuals developed.	It may be difficult to get a resource to develop manuals in Portuguese.
<b>Cabo Verde:</b> To Strengthen customs controls of importation of petroleum products.	Improved revenue from imports of petroleum products.	Cabo Verde Customs lacks the skills and tools to do proper valuation of petroleum products.	STX assignment to train staff on valuation of petroleum products.	Q4	Effective controls of imports of petroleum products in place.	Increased compliance and revenue.	There are very few experts in this field.
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
<b>Ghana:</b> Build audit capacity through the development of a pool of audit trainers to train other officers on modern audit techniques.	Improved audit coverage.	Audit capacity is very low, especially in the LTO. With Self-assessment fully implemented there is need for stronger audit and effective compliance strategies.	Two STX missions to train LTO and MTO auditors on modern audit techniques and develop audit manuals.	Q2 & Q4	Improved audit operations.	Number of trained auditors.	LTO Staff may not have the required IT skills to assimilate new audit techniques.
<b>Ghana:</b> Improve performance of Indirect Taxes.	An effective Excise Management Function	Excise duties are underperforming. A new Excise law was introduced in early 2013 but is not being correctly implemented. GRA does not have skills and equipment to monitor the Excise companies.	Two STX missions to develop Excise materials and train GRA staff on critical Excise compliance monitoring procedures.	Q1/Q3	Excise management functions in GRA are strengthened.	Improved Excise revenue performance.	Excise revenue not given the prominence it deserves.
<b>Liberia:</b> Update customs Operational manuals and tools to support modern business processes and procedures.	Updated procedures manuals developed.	The LRA needs to update procedures to align to the processes in ASYCUDA World.	Two STX missions to develop and update customs manuals and train staff.	Q2/Q4	Effective operational systems in place.	Quality operational manuals developed.	Missions may be delayed by the Ebola situation.

<b>Nigeria:</b> Develop a compliance risk management strategy and train staff on risk-based audit techniques.	Pool of trained auditors in place and improved audit recoveries.	Self Assessment was implemented and audit performance needs improvement. A targeted and cross-functional compliance risk management strategy is required.	STX assignment to help with developing a compliance strategy for the FIRS and train staff.	Q1	A strengthened compliance risk management framework in place.	Increased compliance and revenue collections.	STXs may not be willing to travel to Nigeria due to security reasons.
<b>Sierra Leone:</b> Update Operational tax manuals and tools to support modern business processes and procedures.	Effective operational processes.	The NRA does not have updated procedures for tax and customs.	Two STX assignments to update operational procedure manuals and train staff.	Q1/Q3	Operational tax functions strengthened.	Quality manuals in place.	Skills levels rather low and may affect progress on work to be done.
<b>Sierra Leone:</b> Strengthen compliance audit and enforcement Framework for tax and customs.	Compliance audit and enforcement is improved.	Audit capacity is weak and fragmented.	Two STX missions to develop a compliance management strategy and train staff for joint audits.	Q2/Q4	Compliance functions strengthened.	Increased revenue from audit recoveries and improved compliance.	Staff too busy and unavailable for mission.
<b>The Gambia:</b> Develop strengthened compliance audit and enforcement Framework for tax and customs.	Compliance audit and enforcement is improved.	Audit capacity is weak and under resourced.	Two STX missions to develop a Compliance Management Strategy and train staff for joint audits.	Q2/Q4	Compliance functions strengthened.	Increased revenue from audit recoveries and improved compliance.	Staff too busy and unavailable to give inputs to mission.
<b>The Gambia:</b> Develop strengthened audit manuals for tax and customs procedures.	Audit functions are improved and modernized.	No documented audit guidelines are in use and very little audit is being done in both tax and customs.	Two STXs missions to develop audit manuals and train staff.	Q1/Q4	A strong audits function is in place.	High revenue inflows and recoveries from audits.	Audit teams may not be adequately resourced.
Medium Term Objective 3: Implement efficient organizational structures and effective governance programs.							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks

<b>Regional:</b> Assist member countries in implementing the RA-FIT and TADAT tools.	Effective revenue and operational reporting in place.	The web-based RA-FIT was launched in 2014 but members are having challenges in implementing it. The TADAT was piloted in 2014 and is due to be launched in a number of countries.	Advisor's RA-FIT visit to member countries.	Q1	RA-FIT completed correctly in all member countries.	Correct reports on the system.	A number of countries do not have revenue systems to provide the data needed for the RA-FIT reports.
<b>Cabo Verde:</b> Develop management capacity for the integrated revenue administration.	Improved management skills.	Cabo Verde is in the process of integrating its tax and customs operations and most managers appointed from Government do not have the expected management capacity for the integrated operations.	A STX mission to train the different levels of management. (3 weeks)	Q1 to Q3	Improved and effective management in place in tax and customs operations.	Management training delivered to three layers of managers.	Integration may not be fully completed on time.
<b>Cabo Verde:</b> Develop planning implementation, monitoring and evaluation framework for the DNRE.	Effective planning and evaluation tools developed.	The DNRE has not had exposure to effective planning and budgeting and so managers do not monitor the costing of their operational activities. This is key to measure the effectiveness of the new organization.	Two STX missions to develop planning and budgeting as well as performance monitoring and evaluation capability for the DNRE management.	Q2&Q4	Strong management reporting.	Clear plans against budgets developed.	TA may not be provided in time for the Ministry of Finance budgeting cycle due to other commitments in the integration process.
<b>Ghana:</b> Develop project management framework for GRA.	Projects delivered on time.	The GRA Modernization Program Office (MPO) is currently under staffed and not fully trained on project management. Managers in operations do not have project management training and so projects are not being delivered on time.	Two STX assignments to develop Project Management tools and train GRA Managers and staff.	Q2 & Q4	Improved delivery of reform projects.	Timely implementation of projects.	Management support to the reforms may not be given.
<b>Objectives</b>	<b>Outcomes</b>	<b>Baseline and Intervention Logic</b>	<b>Activities and TA</b>	<b>Timelines</b>	<b>Milestones</b>	<b>Indicators</b>	<b>Specific Risks</b>
<b>Ghana:</b> Strengthen performance monitoring and evaluation (M&E) of the Strategic Plan.	Timely implementation of strategic plan deliverables.	GRA is drafting a Strategic Plan for 2015 to 2017 and needs strong structures to ensure implementation of the Strategic Plan.	A STX to help develop performance monitoring and evaluation system.	Q2	Effective monitoring and evaluation and reporting.	Improved delivery of strategic objectives.	Lack of leadership commitment to performance monitoring.
<b>Liberia:</b> Develop a robust performance measurement function.	Improved performance monitoring.	The LRA received TA to develop a suite of operational and management reports for tax and customs. They are expecting to develop their first strategic plan. The developed reports will be used to monitor performance against targets.	STX mission/attachment to develop a performance management system.	Q1	Effective performance management system implemented.	Timely and informative performance reports	Though critical for the new LRA, mission may not happen soon enough due to Ebola. Attachment to another administration a considered option.

<b>Liberia:</b> Strengthen reforms in customs administration.	Improved customs operations.	The LRA was formed in July 2014 bringing together customs and tax administration, with assistance from FAD under the TPA-TTF program. TA has been given to tax administration, but there have been no missions in Customs since 2010.	An FAD-led Customs diagnostic mission will be conducted to identify key customs reform priorities for the LRA.	Q3	Reform priorities identified.	Mission report.	Mission depends on Ebola situation.
<b>Nigeria:</b> Assist the FIRS in developing a new strategic plan for the period 2016 to 2019.	Efficient organizational functions in place.	The current plan comes to an end and the FIRS does not have a strong planning structure	Two STX visits to assist with the development of the plan and develop the necessary planning tools.	Q1/Q3	A robust planning process established.	Quality plan developed.	Mission depends on the security situation and the process is likely to receive limited cooperation from management.
<b>Nigeria:</b> Deliver a joint tax and customs policy and administration reforms review mission.	Clear reform priorities identified.	The Nigeria team requested a joint mission to review tax and customs policy to identify ways of improving non-oil revenue in the wake of falling oil prices.	A joint HQ-led mission on tax policy and administration.	Q2	Reform priorities identified.	Mission report	Mission may be affected by the security situation in Nigeria.
<b>Sierra Leone:</b> Strengthen the Monitoring Research and Planning (MRP) department.	Performance monitoring and research functions are improved.	The MRP department was set up but is still under resourced and functions are not clearly defined.	STX mission/attachment to assist in establishing an effective MRP function.	Q2	A strong MRP function established.	Comprehensive research and performance reports produced.	Lack of appreciation of role of MRP function by the rest of management.
<b>The Gambia:</b> Strengthen Performance monitoring and evaluation (M&E) of the Strategic Plan.	Improved delivery of strategic objectives.	GRA is drafting a Strategic Plan for 2015 to 2019 and needs strong structures to ensure implementation of the Strategic Plan.	STX to help develop performance monitoring and evaluation system.	Q3	Effective monitoring, evaluation and reporting.	A clear MRP structure developed.	IT systems not ready to provide the required performance tools for monitoring.
<b>Medium Term Objective 4: Promote voluntary compliance through a fair and transparent tax system that provides the information, tools, and mechanisms for taxpayers and reduces the cost and burden of compliance.</b>							
<b>Objectives</b>	<b>Outcomes</b>	<b>Baseline and Intervention Logic</b>	<b>Activities and TA</b>	<b>Timelines</b>	<b>Milestones</b>	<b>Indicators</b>	<b>Specific Risks</b>
<b>Cabo Verde:</b> Develop an organization-wide taxpayer service strategy.	Improved taxpayer service and voluntary compliance.	Cabo Verde is integrating tax and customs operations and so needs an integrated taxpayer engagement program.	STX assignment to develop a taxpayer service strategy.	Q3	Effective taxpayer service.	Increased compliance rates.	Integration taking too long and so program may not start.

<b>Liberia:</b> Develop a taxpayer registration program.	Wider tax base.	Liberia integrated their tax and Customs operations under the LRA in July 2014 and requested TA to carry out a nation-wide taxpayer registration program. This was suspended due to Ebola. The work is still to be done to support the major revenue requirements.	Two STX assignments to develop taxpayer registration program.	Q2	A wider taxpayer and importer register.	Growth in tax payer register and increased revenue.	Program involves going into the field and depends on the Ebola situation.
<b>Nigeria:</b> Develop guidelines and procedures for taxpayers.	Simplified compliance systems.	Tax policies have changed in the past years and the FIRS indicated an urgent need to provide clear guidelines to taxpayers on the tax changes.	STX assignment to develop procedures and guidelines for taxpayers.	Q3	Improved compliance procedures and guidelines for taxpayers.	Improved compliance levels, reduced queries and error rates.	STXs may not want to travel to Nigeria.
<b>Sierra Leone:</b> Develop an organization-wide communication and stakeholder engagement strategy.	Improved taxpayer service and transparency with taxpayers.	There is no focused and coordinated engagement approach to taxpayers and stakeholders between tax, customs and corporate functions.	STX assignment to develop a taxpayer and stakeholder engagement strategy for the NRA.	Q3	Open and transparent communication with the public.	Improved perception survey results.	Resource limitations.
<b>The Gambia:</b> Develop an organization-wide taxpayer service strategy.	Improved taxpayer service and voluntary compliance.	A taxpayer service strategy was developed and piloted for Domestic Tax and procedures and responsibilities incorporated into Operations manual.	STX assignment to develop a GRA wide taxpayer service policy and program.	Q2	Improved service and taxpayer compliance.	Taxpayer Service policy and Program developed and implemented.	Project may not get the desired attention due to focus on internal procedures.

## RBM Public Financial Management

## Afritag West 2 - Logical Framework 2015-2016

## Public Financial Management

**General Objectives:** To improve members' capacity to formulate and execute budgets in line with Poverty Reduction Strategy through the provision of technical advice and support to review, design and implement strategies to improve the PFM legal frameworks, institutions, procedures, and systems in order to improve fiscal sustainability, enhance budget credibility, strengthen expenditure control, and enhance fiscal transparency.

## Regional Seminars

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Program Based Budgeting	To promote policy based budgeting while ensuring that program budgeting prerequisites are in place in terms of budget credibility and medium term fiscal planning.	Program budgeting is in its infancy in Ghana and Capo Verde. Other member countries have demonstrated commitment to introduce PBB as a medium-to-long term reforms. A forum is required to enhance the understanding of the concepts, share experiences of early reformers and build consensus on the prerequisites.	Organization of five day seminar with LTX, HQ Staff and STXs.	Q2	-Development of the seminar materials -Seminar delivered	Seminar assessment forms show positive feedback	
Fiscal Reporting	To promote best accounting and reporting practices.	All countries of the region are in the process of improving their reporting framework and adopting better accounting standards. However accounting reforms are a slow process that requires complex sequencing.	Organization of five day seminar with LTX, HQ Staff and STXs to discuss the sequencing of accounting reforms and best practices for presenting financial statements.	Q4	-Development of the seminar materials -Seminar delivered	Seminar assessment forms show positive feedback	



Country: Cabo Verde							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
To document ongoing PFM reforms and integrate them in one single document in order to facilitate their monitoring by the newly created PFM Reform Unit.	To establish the status of ongoing reforms and to accelerate their implementation by identifying bottlenecks and issues.	The current reform process is not guided by an overarching PFM reform strategy and has sequencing issues. Implementation of PFM reforms is coordinated by the PFM Coordination Unit that currently lacks capacity and strategic direction. The March 2015 mission provided an inventory of ongoing reforms that need to be further discussed for establishing the baseline to be used for the monitoring of ongoing activities and development of a new PFM strategy.	Assessment of ongoing PFM reforms: This mission is the second of two STX missions.	Q1	Seminar on the consolidation of ongoing PFM reforms	Ongoing reforms are documented in one single document and measures are identified to address bottlenecks.	Loss of documents does not allow understanding fully the rationales for ongoing reforms or leave important loopholes in the documentation of reforms.
Objective 2: Comprehensive, credible and policy-based budget preparation	Better alignment of budget appropriation on Government's medium term economic and social objectives.	A new budget law has been drafted and the authorities plan to introduce appropriation by program for 2016 budget. The key prerequisites are the PBB manual to support the rollout of program-based budgeting that has already been introduced on a piloted basis.	1) Preparation of the Program-Based Budgeting manual for MDAs: 2 STX missions of two weeks each with the Advisor taking part in the second mission	Q1	PBB manual is finalized and instructions to MDAs are issued	Roadmap for PBB rollout is fully developed.	Substantial gaps in the PBB framework still remain and cannot be closed for lack of consensus.
			2) Revision of the performance framework and of the monitoring and evaluation system: 2 STX missions of two weeks each	Q2- Q3	Guiding principles for revising the performance framework are formalized in a Concept Paper.	The revised performance framework is approved by all stakeholders.	Too many performance indicators might remain irrelevant making program monitoring inefficient.

Country: Ghana							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 1: Improved laws and effective PFM institutions	Revision of legislative and regulatory framework to support broad PFM reforms.	The Ministry of Finance is currently reviewing its legislative and regulatory framework but needs assistance to translate reforms into legislation. While FAD will provide assistance for the revision of the PFM legal framework in FY15 AFW2 will provide TA for the drafting of regulation and secondary legislation.	3 STX missions of 2 weeks each for the revision of secondary legislation and of the regulatory framework.	Q2 + Q3 +Q4	A calendar for the complete revision of the legal framework is approved.	Draft of secondary legislation	Scope of the legislative review might be too ambitious. The revision process needs to be sequenced, coordinated, prioritized and executed.
Objective 2: Comprehensive, credible and policy-based budget preparation	Improvements in the preparation of the medium term fiscal framework result in realistic sector ceilings guiding the budget preparation process and contribute to improving budget credibility.	As identified in the 2013 PEFA, budget credibility remains in Ghana a major issue with scores for PI-I, PI-3 and PI4 respectively of C, C and D. This low performance is due to weak revenue forecasts, an inflated wage bill, a high amount of unplanned expenditures and a high borrowing cost. Better methods of macroeconomic forecasting need to be introduced with a more robust medium term economic framework. Among the reasons for the amount of unplanned expenditures, the AFW2 September identified the fragmentation of the budget preparation process with multiple decision centers. The attention should shift to strengthening the MTFE, centralizing budget preparation, and defining new budget priorities.	Strengthening of the medium term fiscal framework: 2 STX missions of 2 weeks each	Q2-Q3	Budget framework paper	The deviation between the approved budget and the executed budgets is reduced and reflected in an improvement of PEFA indicator PI-I.	Lack of political will to present a realistic budget to the Parliament and to address systemic issues in budget preparation that might prevent the MTFE from capturing all information required for setting realistic expenditure ceilings.

Objective 5: Improved integration of assets, and liability management framework	Effective cash management makes budget execution more predictable.	Cash ceilings issued to MDAs do not guarantee the availability of cash and are in fact commitment ceilings. A complicated system of warrants issued by the budget department and the Office of the Controller General makes budget execution cumbersome and unpredictable	Streamlining of the budget execution process in preparation for better cash management: 1 STX mission of 2 weeks.	Q2	Revised budget execution manual.	Number of cash release during the year. PEFA indicator PI-1 and PI-2	Staff resistance to a change of procedures.
		Cash ceilings are not based on accurate information and there is confusion between cash ceilings and commitment ceilings. Better cash management tools need to be put in place to guide budget execution, including expansion of the TSA.	Development of a set of cash management tools for the Ministry of Finance and MDAs: 2 STX missions of 2 weeks each.	Q3	-TSA strategy agreed. -Institutional arrangements for cash management agreed. -Instructions for MDAs' cash plan are communicated.	Number of bank accounts in TSA	Existing budget execution procedures continue to undermine effective cash management
<b>Liberia</b>							
<b>Objectives</b>	<b>Outcomes</b>	<b>Baseline and Intervention Logic</b>	<b>Activities and TA</b>	<b>Timeline</b>	<b>Milestones</b>	<b>Indicators</b>	<b>Specific Risks</b>
<i>While at the time of printing this document, IMF missions to Liberia are still suspended, considering progress made in fighting the EDV epidemic, it is expected that missions might resume within a few months, at which stage the following program will be implemented.</i>							
Objective 1: Strengthening PFM institutions	A post-Ebola TA strategy coordinated with other development partners.	The EVD epidemic has been a shock for the PFM system that forces reconsidering priorities in PFM reforms. The economic fundamentals have changed affecting significantly fiscal flows. The macro- fiscal model need to be revised and assessment should be made of how PFM processes have been affected by the crisis.	Post-Ebola Support mission: Reassessment of TA needs and prioritization of actions A 3 days mission by the Advisor	Q1 Depending on evolution of the EVD epidemic	Post-Ebola assessment of the PFM system with priorities for AFW2 missions	Calendar of AFW2 missions	Lack of availability of authorities and conflicting priorities.

Objective 2: Comprehensive, credible and policy-based budget preparation	A revised MTEFF that takes into account post-Ebola realities, with a more robust process for the development of the MTEF.	The assumption underlying the MTEF need to be revised to take into account the impact of the EVD epidemic. Progress on strengthening the MTEF has stalled and need to be resumed with new objectives defined,	Revision of the MTEFF assumptions with the objective of providing a better linkage between the MTEF and budget formulation to ensure better expenditure management.2 STX missions of 2 weeks each	Q2 Depending on evolution of the EVD epidemic	MTEFF reflect accurately resources available	.PEFA indicator PI-I (aggregate expenditure out-turn compared to original approved budget) and PI-2 (Composition of expenditure out-turn compared to original approved budget)	Availability or quality of data might be a risk factor.
Objective 5: Improved integration of assets, and liability management framework	Better utilization of existing cash resources. TSA implementation, cash forecasting (including emergency liquidity provision) and cash management are strengthened to provide reliable monthly cash ceilings to MDAs.	Expenditure management and cash management functions remain weak and are the cause of disruption in the budget execution process.	Revision of the cash management procedures and improvements in TSA management 2 STX missions of two weeks	Q1 Depending on evolution of the EVD epidemic	New procedures for MDAs presenting their cash plan	Budget execution follows the monthly cash plan with limited deviation	Training MDAs in developing cash plan might require more input presently planned.

**Nigeria**

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 2: Comprehensive, credible and policy-based budget preparation	Budget becomes policy oriented and appropriations are aligned with Government's medium term economic and social objectives.	Nigeria is at a very early stage of Program-Based Budgeting. The PBB is still in the design phase and must be adapted to the federal structure of the country. The authorities will receive through Dfid technical assistance for designing the PBB framework. AFW2 will provide short term experts for two missions to review the final draft of the BBP Concept Paper prepared by the BOF.	Program-Based Budgeting: 2 STX missions of 2 weeks each.	Q2 + Q4	The concept paper is ready for review.	The pilot project is on track.	Difficulty to find a consensus between stakeholders on the PBB model.

	- Exchange of experience between the two largest countries of the region. -Creation of a long term partnership between the two budget departments.	This activity was put in AFW2 work program at the request of the Nigerian authorities that are preparing a strategy for implementing Program-Based Budgeting and would like to benefit from the experience of the Ghanaian authorities.	Organization of a meeting between the budget department of Nigeria and Ghana for a peer-to-peer exchange of experience on program-based budgeting	June 2014 2 days	Agreement between the Nigerian and Ghanaian authorities on the meeting agenda.	Meeting assessment forms	Lack of availability of the Ghanaian authorities
Objective 5: Improved integration of assets, and liability management framework	Improved utilization of cash through better planning.	The OAGF is facing large fluctuations in the TSA/CRF balance at the Central Bank. Analysis of the balances shows that reasons for these fluctuations are the lack of visibility on revenue collection, variation between capital budget appropriation and warrants issued existence of a number of MDAs not on the TSA. Better information on revenue collection and cash forecasts from MDA are critical to improve cash management.	TA will be provide (a) to develop the cash forecasting framework, (b) improve the mechanism for preparing collecting cash forecasts from MDA, and (c) develop the capacity for analyzing cash data. 3 STX missions of 2 weeks each.	Q2 +Q3+Q4	A revised cash plan is introduced. • The cash plan includes the balance of non-TSA MDAs. • Cash and debt operations are fully integrated.	Revised cash plan is rolled over on a monthly basis. • Analysis of trends, seasonality and variance between the cash forecast and the out-turn is produced on a monthly basis. • Variance between cash forecasts and outturn is improved.	Severe cash shortage due to falling oil revenues might force the authority into cash rationing with better cash management having a limited impact on budget execution.

**Country: Sierra Leone**

*Due to the Ebola Epidemic all TA mission activities have been suspended until the IMF resumes missions to EVD-affected countries.  
Activities below are only indicative of what is planned when TA missions resume in the country*

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 1: effective PFM institutions	A post-Ebola TA strategy coordinated with other development partners.	While the Government of Sierra Leone has an agreed PFM Reform Strategy, its implementation has been disrupted by the EVD epidemic and priorities for delivering TA need to be reconsidered in consultation with other development partners.	Post-Ebola Support mission: Reassessment of TA needs and prioritization of actions A 3 days mission by the Advisor	Q2 Depending on evolution of the EVD epidemic	Post Ebola assessment of the PFM system with priorities for AFW2 missions	Calendar of AFW2 missions	Too many conflicting objectives and not enough human resources to manage TA.

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 1: effective PFM institutions	A post-Ebola TA strategy coordinated with other development partners.	While the Government of Sierra Leone has an agreed PFM Reform Strategy, its implementation has been disrupted by the EVD epidemic and priorities for delivering TA need to be reconsidered in consultation with other development partners.	Post-Ebola Support mission: Reassessment of TA needs and prioritization of actions A 3 days mission by the Advisor	Q2 Depending on evolution of the EVD epidemic	Post Ebola assessment of the PFM system with priorities for AFW2 missions	Calendar of AFW2 missions	Too many conflicting objectives and not enough human resources to manage TA.
Objective 1: Improved laws and effective PFM institutions	The legal PFM framework is brought in line with international best practices and supports the development of the PFM	The draft law has been approved by the Cabinet and is in the process of being passed by the Parliament.	AFW2 TA will focus on the development of secondary legislation that could be developed before the draft law is approved by the Parliament. 30 days of STX	TA will be provided remotely and will start as soon as the authorities are ready.	Work program showing the articulation of the secondary legislation that needs to be developed.	Draft regulation approved	Difficulties in working remotely could not be overcome resulting in insufficient consultation with the authorities.
Objective 2: Comprehensive, credible and policy-based budget preparation	To produce a revised MTEF that takes into account post-Ebola realities.	Following changes in the economic fundamentals, the assumption underlying the MTEF need to be revised to take into account the impact of the EVD epidemic	2 STX missions for the revision of the MTEF assumptions with the objective of providing a better linkage between the MTEF and budget formulation to ensure better expenditure management.	Q3 Depending on evolution of the EVD epidemic	MTEF reflect accurately revenue projections	Deviation between actual revenue and MTEF.	Availability or quality of data might be a risk factor.
Objective 5: Improved integration of assets, and liability management framework	Better utilization of existing cash resources	Expenditure management and cash management functions remain weak and are one of the causes of disruption in the budget execution process.	2 STX missions for the revision of the cash management procedures	Q1 Depending on evolution of the EVD epidemic	New procedures for MDAs presenting their cash plan	Budget execution follows the monthly cash plan with limited deviation.	

Country: The Gambia							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 2: Comprehensive, credible and policy-based budget preparation	The macro-fiscal model provides a realistic basis for budget allocations.	A new Macro-Fiscal Planning and Analysis Unit has been put in place with the support of FAD of the BAD. Despite these efforts, data used for the Budget Framework Paper are inconsistent with other macro-fiscal projections and the macro-fiscal model used for budget preparation shows weaknesses.	2 STX missions of 2 weeks each for the strengthening of the macro-fiscal model in consultation with other development partners.	Q2-Q3	Formulation and submission of a Budget Framework Paper highlighting the medium-term fiscal constraints and result in a proposals for affordable expenditure priorities, for fiscal years 2016-2018	Budget framework paper (BFP)  PEFA Indicators PI-1, 2, 3, 4.	Macro-economic database remain disconnected from the MTEF. BFP does not capture the complete fiscal situation and does not benefit from a broad consensus among stakeholders.
	More strategic allocation of budget resources.	A pilot project was conducted in 2014 to introduce a MTEF based on program budgeting in two ministries which has highlighted the lack of readiness of MDAs to adopt program-based budgeting. The emphasis should be put on more strategic allocation of fiscal resources based on sector plans with a medium term perspective.	2 STX missions to support the formulation of medium-term strategic plan for 2016-2018 and for 2016 budget in three ministries.	Q1 –Q2	Pilot project concept note and identification of the three pilot ministries.	Instructions to pilot ministries for MTEF Preparation	MTEF ceiling projections remain disconnected from reality weakening the transition to multi-year budgeting. BPP rollout is undertaken prematurely and is undermined by weak budget credibility.
Objective 4: Improved budget execution and control	Formation of new arrears is stopped and policy is in place to reduce the stock of existing arrears.	Accumulation of arrears is undermining budget credibility. A mechanism should be put in place to monitor the stock of existing arrears, and a strategy should be developed to progressively reduce that stock and control arrears accumulation.	2 week STX assignment for the development of a strategy and mechanism for preventing the formation of new arrears and reducing the stock of existing arrears. 1 STX for a 2 week mission	Q1	Tools for monitoring the stock of arrears are in place	Quarterly arrears report and PEFA indicator PI-4	FMIS might require customization  Lack of political will to enforce fiscal discipline

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timeline	Milestones	Indicators	Specific Risks
Objective 5: Improved integration of assets, and liability management framework	Revenue flows can be anticipated and cash release prepared accordingly. Monthly cash releases are issued on time in a predictable manner that makes expenditure planning easy for MDAs. Volume of arrears is reduced.	Expenditure management remains weak with increasing levels of domestic arrears, unplanned expenditures, and virements. MDA are unable to communicate reliable cash plans. The TA will provide a set of cash management tools for the Ministry of Finance and MDAs and support their adoption.	A joint HQ-AFW2 mission with the Advisor will provide the initial input in the cash management framework. It will be followed by 2 STX missions.	Q1 + Q2	Cash management framework with cash management tables with different time horizon.  Instructions to MDAs for the preparation of their cash management plan	<ul style="list-style-type: none"> <li>• Reduction of the volume of new arrears</li> <li>• Reduction of the number of virements</li> </ul>	The gap between the approved budget and the cash flows is too wide to implement properly cash management.



## RBM Monetary Operation and Payment System

Africap West 2 - Logical Framework 2015-2016

## Monetary Operations and Payments System

## General Objective: Support Effective Monetary Policy Formulation and Implementation

## Regional Activities- All Countries. Seminars/Workshops

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
Increase the mutual understanding of monetary and fiscal policy interconnectedness for economic policy makers with the aim to have more efficient monetary policy	Organized workshop on relations between monetary and fiscal policy which should raise the awareness of policy makers of their interaction, need for coordination and role of each of them in macroeconomic management.	Fiscal dominance is a problem in a lot of countries which complicates monetary policy decision making. Increasing the understanding of the role of each of those macro policies and their interconnectedness should improve efficiency of macroeconomic management.	Regional workshop organized for representatives of central banks and finance ministries of AFW2 countries.	Q4 2015	Successful workshop with active participation where most countries would send representatives from both central banks and finance ministries and which will result in increased efficiency in monetary policy.	Deeper understanding of principles of interaction between monetary and fiscal policy and finally increase the efficiency of monetary policy making.	Success will depend on the appropriate staff being sent from central banks and finance ministries.
<b>Country: Cabo Verde</b>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines/	Milestones	Indicators	Specific Risks
Increase the efficiency of the monetary transmission mechanism	Strengthened interest rate transmission mechanism in Cabo Verde	Request by authorities and the need to assess progress in previous TA recommendations in this area	Mission	Q3 2015	Monetary policy efficiency is increased due to better functioning of interest rate transmission mechanism	Better transmission of monetary policy rate changes to real sector activities	Willingness of authorities to implement recommendations

<b>Country: Ghana</b>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
Continuation of current TA project on Strengthening the Forecasting and Policy Analysis (FPAS) in Bank of Ghana (BOG) (collaboration with previous RES TA to BoG on monetary policy framework)	Further improvements of quality in FPAS framework at the Bank of Ghana	So far the project delivered tangible results. This regular assistance proved as key for maintaining, appropriate usage and further strengthening of the newly build capacity so there is a need for continuation to cement progress and have further improvements. Bank of Ghana requested continuation of this project.	Regular missions in cooperation with IMF's Research (RES) department (four missions)	Q2 2015 – Q2 2016	Improved quality of FPAS applications in decision making at MPC	Materials prepared for MPC are of higher professional standard	BoG should continue to focus on this task as an important basis for professional decision making in monetary policy
Strengthen liquidity forecasting framework	A more robust liquidity forecasting framework to facilitate monetary operations	BoG is using liquidity forecasts based on aggregate forecasts of reserve money. What they need are disaggregated forecasts by components of liquidity and improvement in overall forecast accuracy	TA mission	Q4 2015	Improved liquidity forecasts, which could be used as guidance for monetary operations	Disaggregate liquidity forecasts with improvement in overall forecast accuracy	
<b>Country: Liberia</b>							
<i>Due to the Ebola Epidemic all TA mission activities have been suspended until the IMF resumes missions to EVD-affected countries. Activities below are only indicative of what is planned when TA missions resume in the country</i>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
Improve the efficiency of monetary policy by forward looking approach to monetary policy formulation process	Start working on forward looking monetary policy decision making process in Liberia.	Central Bank of Liberia (CBL) expressed the need to develop a new process for monetary policy decision making.	Series of missions with hands-on exercise to prepare a forward looking framework)	Q1 2016. –Q2 2016	Progress toward building a useful framework for better monetary policy decision-making	Measurable progress toward a new framework	This mission will crucially depend on the capacity level of the CBL after the EVD. Central bank will have to devote resources, staff, personnel and implement recommendations Main risk remains the travel restrictions due to EVD and initial conditions at the CBL after the EVD

Improve the quality of liquidity forecasting	Better liquidity forecasts to help in monetary policy decision making	Central bank of Liberia expressed needs to have a separate mission on improved inflation forecasting techniques	Mission in Liberia on liquidity forecasting techniques and their implementation.	Q2 2016	Increased capacity at the Central bank to forecast liquidity	Liquidity forecasts with less errors in them.	Main risk is travel restrictions due to EVD
Modernization of national payment system	Proposal of a new organization for payment system department and recommendations on communication policies in payment system.	Liberia invested a lot into the modernization of payment system. Authorities requested reorganization recommendations: training of staff and communication policies on payment system,	TA to CBL	Q1 2016	Better efficiency of the payment system.	Progress in payment system modernization	Finding STX to fulfill countries needs and travel to Liberia
<b>Country: Nigeria</b>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
Reassess the monetary policy framework and propose changes in the framework for monetary policy	Improved monetary framework for Nigeria as a resource rich country	MCM mission is planned on this topic for some time already. Monetary policy framework for a resource rich country needs special assessment.	Joint mission with MCM department of the IMF	Q3 2015	Monetary framework more appropriate for a resource rich country	Improvements in monetary policy in Nigeria	Willingness of authorities to discuss and cooperate on this and possibly other topics
<b>Country: Sierra Leone</b> <i>Due to the Ebola Epidemic all TA mission activities have been suspended until the IMF resumes missions to EVD-affected countries. Activities indicated below are only indicative of what is planned when TA missions resume in the country</i>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines	Milestones	Indicators	Specific Risks
Increase the efficiency of liquidity forecasting techniques	New improved liquidity forecasting model with analysis of liquidity components at the Bank of Sierra Leone (BSL)	Previous TA recommendations were not implemented so this mission should focus mainly on the implementation of recommendations only	Mission and work with central bank staff hands on at implementation of recommendations.	Q4 2016	Improved liquidity forecasting at the Central bank and better monetary policy decisions.	Most of previous recommendations in TA in this area implemented.	The mission will depend on the level of capacity at the BSL after the EVD. Furthermore the timing of the mission will depend on lifting travel restrictions to Sierra Leone

Improve the efficiency of monetary policy through a forward looking approach to monetary policy formulation process	Start working on forward looking monetary policy decision making process in Sierra Leone	Bank of Sierra Leone expressed the need to develop a new process for monetary policy decision making	Series of missions with hands-on exercise to prepare a forward looking framework to monetary policy	Q1 2016. –Q2 2016	Progress toward building a useful framework for better monetary policy decision-making	Measurable progress toward a new framework	This mission will crucially depend on the capacity level of the BSL after the EVD. Central bank will have to devote resources, staff, personnel and implement recommendations Main risk remains travel restrictions due to EVD and initial conditions at the BSL after the EVD
<b>Country: The Gambia</b>							
<b>Objectives</b>	<b>Outcomes</b>	<b>Baseline and Intervention Logic</b>	<b>Activities and TA</b>	<b>Timelines</b>	<b>Milestones</b>	<b>Indicators</b>	<b>Specific Risks</b>
Increase the efficiency of existing liquidity forecasting techniques	New improved liquidity forecasting model implemented at the Central Bank of The Gambia	Previous TA recommendations were not implemented so this mission should focus on implementation of past recommendations only.	Mission and work with central bank staff hands on at implementation of recommendations.	Q2 2015	Improved liquidity forecasting at the Central bank and better monetary policy decisions.	Most of the previous TA recommendations in this area implemented.	Authorities' determination to implement previous recommendations.
Improve the efficiency of monetary policy by forward looking approach to monetary policy formulation process	Work on forward looking monetary policy framework for monetary policy formulation	Central Bank of The Gambia expressed need to develop a macroeconomic model as the ultimate objective.	Series of missions to assess and prepare a work program for build-up of a more robust forward looking data-based monetary policy decisions.	Q2 2016.	Progress toward building a useful framework for better monetary policy decision-making	Measurable progress toward working on more efficient framework	Central bank will have to devote resources, staff, and personnel and implement recommendations faster than before.

## RBM Banking Supervision and Regulation

Africitac West 2 - Logical Framework 2015-2016

## Banking Supervision and Regulation

**General Objectives:** To enhance financial sector regulatory and supervisory frameworks and build compliance within relevant international standards with the aim of protecting depositors, reducing regulatory arbitrage, facilitating financial sector stability and promoting growth.

## Regional Activities- All Countries

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To strengthen the ability of authorities to analyze risks among key financial groups and improve cooperation among regulators and supervisors within the region.	<p>Increased dialogue and sharing of information among the authorities</p> <p>Both group and individual entity risks identified, monitored and addressed at an early stage</p> <p>Home and Host Supervisor collaboration improved.</p>	<p>Growing spread and linkages among banks within the region.</p> <p>Possibility of contagion given inter-group linkages.</p> <p>Lack of sound resolution frameworks.</p>	Regional Workshop/Seminar	End FY 2016.	<p>At least four countries within AFW2 participate in planned seminar by end FY 2016.</p> <p>Discussions initiated on enhancing supervisory colleges as per international guidelines.</p>	<p>Minutes of supervisory colleges more reflective of ideals.</p> <p>Data and reports reflect group /shared information</p>	<p>Legal and administrative confidentiality clauses prevent sharing of information</p> <p>Unwillingness to share sensitive information.</p> <p>Personnel and financial resource constraints limit participation in colleges.</p>
To educate authorities on conceptual framework, building blocks to Bank Resolution/ Deposit Insurance.	<p>Authorities gain enhanced understanding of key concepts and requirements.</p> <p>Authorities initiate measures to implement relevant recommendations</p>	<p>Presence of weak/failing banks within jurisdictions.</p> <p>Weak fiscal budgets and lack of deposit insurance.</p> <p>Need to minimize moral hazard and maintain/build consumer confidence</p>	Regional Workshop/Seminars	End FY 2016.	<p>At least four countries within AFW2 participate in the planned seminar by end FY 2016.</p> <p>Discussions initiated at supervisory level on implementing relevant recommendations.</p>	<p>Authorities more conversant with basic principles.</p> <p>Roadmaps for implementation incorporate key facets of recommended framework.</p>	<p>Countries push for implementation before addressing pre-requisites.</p> <p>The need to minimize risk of moral hazard.</p> <p>Area of focus de-prioritized on account of more pressing needs.</p>

Country: Cabo Verde							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities assess the quality of their supervisory systems, and identify future work in relation to the Basel Core Principles.	Supervisory authority work towards achieving a baseline level of supervision as per requirements of principles.	Authorities seeking to conduct self assessments but lack the know-how to effectively assess same.	Guided expert review.  Desk review of policies and procedures.	End First Quarter FY 2016.	By end of FY 2016, authorities complete at least 80 percent review of principles. The authorities implement measures to improve areas where they fall short.	Reports to reflect need for improvements  Changes/updates to policies/procedures.	The authorities do not complete their own self assessments effectively.  Inability to secure experts.
To enhance onsite and offsite supervision within a risk- based framework.	Examiners better placed to monitor, identify and address key risks.	Though BCV received prior TA, there is a need to improve analysis and implementation of risk based supervision.  Fit and Proper Analysis not as deep as required. Needs strengthening.	Missions  Case Studies  Sharing/Exchange of Best Practices	End Q4 2016	By end FY 2016 at least 30percent of examiners trained in risk based supervision	Onsite /Offsite monitoring/visits /reports reflect risk-focused approach	Examiners fail to grasp/implement key concepts  Resource constraints and/or timing conflicts limit ability to conduct/attend workshops
Country: Ghana							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities assess the quality of their supervisory systems, and identify future work in relation to the Basel Core Principles.	Supervisory authority work towards achieving a baseline level of supervision as per requirements of principles.	Authority seeking to conduct its own self assessments but lack the know-how to effectively assess same.	Guided expert review.  Desk review of policies and procedures.  Onsite or VTC guidance as appropriate.	End First Quarter FY 2016.	By end of FY 2016, authorities complete at least 80percent review of principles.  Authorities implement measures to improve areas where they fall short.	Reports to reflect need for improvements.  Changes/ updates to policies/ procedures.to reflect recommendations	Authorities do not complete their own self assessments effectively.  Inability to source expert.

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
<p>To help authorities review the classification of non-performing loans and streamline prudential reporting forms for both banks and non-banks.</p> <p>To work with authorities to issue newer guidelines on same.</p>	<p>Authorities better able to capture data and reflect key vulnerabilities/threats</p>	<p>Authorities have a wide range of reporting forms which are in need of updating and streamlining.</p> <p>Industry also requires updated guidelines on the same.</p> <p>Authorities need to enforce sound classification of non-performing loans and assess capital impact.</p>	<p>STX review and guidance on improved policies and processes.</p> <p>STX guided workshops on enhancing data quality and analyzing same.</p>	<p>End FY 2016</p>	<p>At least 70 percent of examiners trained on key concepts of framework by end FY2016.</p> <p>Improved reporting forms developed and issued.</p> <p>Enhanced classification, monitoring and analysis of data and loans.</p>	<p>Updated forms and guidelines</p> <p>More rigorous classification/analysis of data including non-performing loans</p>	<p>IT challenges with incorporating recommendations limit progress.</p> <p>Guidelines/Forms enhanced but not issued /implemented</p> <p>Lack of cross-over to newer methodologies as recommender.</p>
<p>To help authorities understand the requirements of the Basel II and chart a roadmap to implementation.</p>	<p>Authorities well positioned to chart process for implementation of relevant aspects of Basel II principle.</p>	<p>Authorities are currently using a Basel I framework and are not equipped for a full Basel II framework, nor are banks equipped for such a move. However, the authorities would benefit from a greater understanding of Basel II and should adopt some aspects of the new framework.</p>	<p>STX guidance on implementation</p> <p>Workshops on conceptual framework and key concepts</p>	<p>End FY 2016.</p>	<p>At least 70 percent of examiners trained on key concepts of framework by end FY2016.</p> <p>Roadmap and impact studies completed by end FY2016.</p>	<p>Enhanced understanding of key concepts</p> <p>Well charted road-map</p> <p>Case studies</p>	<p>Authorities adopt too ambitious plans for implementation</p> <p>Examiners fail to grasp key concept</p> <p>Facilitators fail to adapt concepts to region.</p>
<p>To strengthen the ability of examiners to analyze financial sector data and conduct off-site supervision</p>	<p>Examiners better placed to identify rising trends and risks through off-site monitoring of data/information</p>	<p>Information collected and compiled manually.</p> <p>Examiners lack ability to conduct in-depth analysis of same.</p>	<p>Missions on developing an effective offsite supervisory framework.</p>	<p>End Q3 FY 2016</p>	<p>By end FY2016 at least 30 percent of examiners trained in conducting effective off-site surveillance.</p>	<p>Examination reports reflect more in-depth analysis</p>	<p>Lack of data to effectively determine trend</p> <p>Manual compilations limit effective Monitoring</p> <p>Authorities prioritize other needs.</p>

Country: Liberia							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities assess the quality of their supervisory systems, and identify future work in relation to the Basel Core Principles.	Supervisory authority achieves a baseline level of sound supervision.	Authorities seeking to conduct self assessments but lack the know-how to effectively assess same.	Guided expert review-provision of STX  Desk review of policies and procedures.  Onsite or Video Tele Conference (VTC) guidance as appropriate	End First Quarter FY 2016.	By end of FY 2016, authorities complete at least 80 percent review of principles.	Reports to reflect need for improvements.  Changes/ updates to policies/procedures.	VTC failures.  EVD limits expert presence  Authorities do not complete their own self assessments effectively.
To enhance the ability of examiners to effectively guide and monitor the classification and provisioning of non-performing loans.	Financial Institutions more capable of classifying non-performing loans as per international standards.  Examiners better placed to effectively monitor and guide classification of same.	Financial Institutions do not maintain accepted practices in the classification of loans; or adhere to principles related to restructured loans/ impaired assets.	STX Systematic desk review of legislation, policies and procedures for provisioning and loan classifications  Desk assessment of impact on provisioning and capital  Mission or VTC guidance as appropriate.	End Second Quarter FY 2016	By end of FY 2016, authorities update policies; make recommendations for improved legislation.	More detailed regulation on loan classifications and the treatment of restructured loans.  Closer monitoring and enforcement of loan classifications	VTC failures.  EVD limits expert presence  Financial Institutions/Authorities do not act on recommendations and/or ensure compliance with newer framework
To strengthen the ability of examiners to analyze financial sector data and trends and conduct off-site supervision  Including development of sub-set for Financial Stability Monitoring	Examiners better placed to identify rising trends and risks through off-site monitoring of data/information	Information collected and compiled manually. Examiners lack ability to conduct in-depth analysis of same.	Missions on developing an effective offsite supervisory framework.	End Q3 FY 2016	By end FY 2016 at least 30 percent of examiners trained in conducting effective off-site surveillance.	Examination reports reflect more in-depth analysis	Lack of data to effectively determine trend Manual compilations limit effective monitoring Authorities prioritize other needs.



To promote the conduct of risk-based supervision.	Examiners better placed to monitor, identify and address key risks.	Though Central Bank of Liberia (CBL) received prior TA require assistance in implementing earlier recommendations, and address gaps in the implementation of risk based supervision.	Missions Case Studies Sharing/Exchange of Best Practices	End Q4 2016	By end FY 2016 at least 30percent of examiners trained in risk based supervision	Onsite monitoring/ visits /reports reflect risk-focused approach	EBV limits travel Examiners fail to grasp/implement key concepts Resource constraints and/or timing conflicts limit ability to conduct/attend workshops
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**Country: Nigeria**

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities identify and retrieve data for the construction of a predictive model on deterioration among banks.	Authorities adopt a more forward looking assessment of risks and better placed to detect early warning signals on key threats and risks	Authorities review a host of data and statistics and would benefit from more forward looking processes.	Conduct of three staged workshops	End FY2016	By the end of FY 2016, a combined Model/Reference Data Pool for Predictive Model constructed .	Data Pool with recommended variables compiled and maintained.	Expert fails to tailor concepts to needs of the authorities.  Concepts too complex to effectively grasp on a wide scale.  Failure to act on information disseminated  Data quality limits progress

**Country: Sierra Leone**

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities assess the quality of their supervisory systems, and identify future work in relation to the Basel Core Principles.	Supervisory authority achieves a baseline level of sound supervision.	Authority seeking to conduct its own self assessments but lack the know-how to effectively assess same.	Guided expert review-provision of STX.  Desk review of policies and procedures.  Mission or VTC guidance as appropriate.	End First Quarter FY 2016.	By end of FY 2016, authorities complete at least 80 percent review of principles.	Reports to reflect need for improvements.  Changes/ updates to policies/procedures	VTC failures.  EVD limits expert presence  Authorities do not complete their own self assessments effectively
To strengthen the ability of examiners to analyze financial sector data and trends and conduct off-site supervision	Examiners are better placed to identify rising trends and risks through off-site monitoring of data/information	Information collected and compiled manually.  Examiners lack ability to conduct in-depth analysis of same.	Mission on developing an effective offsite supervisory framework.	End Q3 FY 2016	By end FY 2016 at least 30 percent of examiners trained in conducting effective off-site surveillance.	Examination reports reflect more in-depth analysis	VTC failures  EBV limits expert presence Lack of data to effectively determine trend Manual compilations limit effective Monitoring Authorities prioritize other needs.

Country: The Gambia							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
To help authorities assess the quality of their supervisory systems, and identify future work in relation to the Basel Core Principles.	Supervisory authority work towards achieving a baseline level of supervision as per requirements of principles.	Authorities seeking to conduct self assessments but lack the know-how to effectively assess same.	Guided expert review.  Desk review of policies and procedures.  Onsite or VTC guidance as appropriate.	End First Quarter FY 2016.	By end of FY 2016, authorities complete at least 80 percent review of principles.  Authorities implement measures to improve areas where they fall short.	Reports to reflect need for improvements.  Changes/ updates to policies/procedures.	VTC failures.  EBV limits expert presence  Authorities do not complete their own self assessments effectively.  Inability to source expert.
To enhance the ability of both examiners and banks to utilize IFRS accounting and identify current gaps that exist.	Examiners and Financial Institutions better placed to record transactions based on IFRS principles.  Examiners better placed to identify and address current gaps.	Financial Institutions do not maintain accepted practices in the classification of loans; or adhere to principles related to restructured loans/ impaired assets.	Desk assessment of work conducted so far.  Missions.	End Second Quarter FY 2016	By end of FY 2016, the authorities update policies; make recommendations for improved legislation and	More detailed regulation on loan classifications and the treatment of restructured loans.  Closer monitoring and enforcement of loan classifications	Financial Institutions/Authorities do not act on recommendations and/or ensure compliance with newer framework
To strengthen the ability of examiners to analyze financial sector data and trends and conduct off-site supervision	Examiners better placed to identify rising trends and risks through off-site monitoring of data/information	Information collected and compiled manually.  Examiners lack ability to conduct in-depth analysis of same.	Missions on developing an effective offsite supervisory framework.	End Q3 FY 2016	By end FY 2016 at least 30% of examiners trained in conducting effective off-site surveillance.	Examination reports reflect more in-depth analysis	Lack of data to effectively determine trend  Manual compilations limit effective Monitoring  Authorities prioritize other needs.

## Afrítac West 2 - Logical Framework 2015-2016

## Real Sector Statistics

**General Objectives:** To improve the statistical capacity for producing macroeconomic statistics in the framework of the General Data Dissemination System (GDSS)

## Regional Activities

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
Harmonization of National Accounts Statistics (annual and quarterly) across AFRITAC West 2 (AFW2)	National Accounts statistics across AFW2 are harmonized	A harmonized approach to the production of National Accounts within the region will ensure consistency in methods, build regional capacity and a network of national account experts within the region	Regional seminar on harmonization of national accounts across the region	Q3	Seminar held	A harmonization plan is developed and agreed	Assume all countries will send representatives
Harmonization of Price Statistics (CPI and PPI) across AFW2	Price statistics across AFW2 are harmonized	A harmonized approach to the production of price statistics within the region will ensure consistency in methods, build regional capacity and a network of national account experts within the region	Regional seminar on harmonization of national accounts across the region	Q3	Seminar held	A harmonization plan is developed and agreed	Assume all countries will send representatives

## Medium Term Objectives I: Compilation and dissemination of Annual National Accounts following international standards

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
<b>Cabo Verde:</b> Annual National Accounts (ANA) are aligned with International Standards and good practices	Annual National Accounts are rebased	ANA should be rebased every 5 years. The current base year is 2007 and is to be updated to 2015.	Development of action plan and preliminary preparations for rebasing ANA, including SNA 2008 implementation	Q3 Commencing new activity	Develop action plan and commence preparations for the rebasing of the ANA	Dissemination of rebased annual GDP at an acceptable level of quality and documentation produced	Staff and resources are available
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks

<b>Ghana:</b> Annual National Accounts are aligned with International Standards and good practices	Annual National Accounts are rebased	ANA should be rebased every 5 years. The current base year is 2006 and is to be updated to 2013. Will be released in 2017.	Assist in the processing of the economic survey data to produce rebased GDP estimates	Q3 New activity	Assist in the processing of the economic survey data to produce rebased GDP estimate	Benchmark estimates for all industries are produced at an acceptable level of quality and documentation produced	Economic Survey to be undertaken in 2014/15 so a benchmark can be estimated.  National Accounts personnel are focused solely on national accounts work
<b>Ghana:</b> Annual National Accounts are aligned with International Standards and good practices	Strategy for estimation of the Annual National Accounts is prepared	ANA should be estimated every year independently to which the QNA can be benchmarked	Assistance to develop the strategy and assess its feasibility on an ongoing basis	Q1 Carry over from FY2015 as GSS delayed its updating of their National Statistics Development Strategy	ANA strategy paper developed and approved within GSS management	Strategy paper developed and approved and the strategy is sustainable over time	GSS management support and approve the strategy
<b>Liberia:</b> Annual National Accounts are aligned with International Standards and good practices	Development of annual GDP estimates by production approach	A GDP time series from 2008 to 2015 based on the National Accounts Annual Survey (NAAS) 2010, 2011 and 2012 is to be developed	TA to assess results of ANA time series from 2008-2015. Develop methodologies for ongoing ANA compilation. Training as required	Q1 and Q3 Carry over from FY2015 due to lack of data to assess	NAAS results are finalized for incorporation in the ANA	Estimates are published at an acceptable level of quality and data sources are reliable	Consultant who developed the time series is available to resolve queries and finalize estimates. Capacity to conduct surveys, collect data from administrative records and process and validate survey results and administrative data is enhanced
<b>Liberia:</b> Annual National Accounts are aligned with International Standards and good practices	Development of annual GDP estimates by expenditure approach	Develop GDP estimates by expenditure ensuring all available data sources are used, including the latest Household Income and Expenditure Survey (HIES)	TA to assist in development of methodologies, including identification of sources; and to review and assess results. Training as required	Q4 Carry over from FY2015 dependent on HIES results	Preliminary GDP (expenditure) estimates are produced and reviewed	Estimates are published at an acceptable level of quality and data sources are reliable	HIES results are available to collect data from administrative records
<b>Nigeria:</b> Annual National Accounts are aligned with International Standards and good practices	Backcast the annual GDP time series	The national accounts is a time series, therefore the rebased GDP needs to be backcast	TA to assist with the techniques used to backcast the times series	Q1 New activity	Time series of GDP estimates are released	Estimates are published at an acceptable level of quality	Staff and resources are available to undertake the backcasting
<b>Sierra Leone:</b> Annual National Accounts are aligned with International Standards and good practices	Strengthen the compilation of GDP using the production and expenditure approaches	Need to improve data collection ensuring all available data sources are used, and sound compilation techniques are implemented	TA to assist in development of methodologies, including identification of sources; and to review and assess results. Training as required	Q1 Carry over from FY2015 due to Ebola	ANA estimates are released and data sources and methods are documented	Estimates are published at an acceptable level of quality and data sources are reliable	Capacity and funding to conduct surveys. Improved cooperation from administrative data providers.

<b>The Gambia:</b> Annual National Accounts are aligned with with International Standards and good practices	Annual National Accounts are rebased	The collection of source data (including the implementation of a regular annual establishment survey) in order to produce GDP (production and expenditure) estimates in time series is required	Provision of training to staff as per recommendations of the Joint International Financial Institution Statistical Capacity Development. TA to assist in development of methodologies, including identification of sources; and to review and assess results.	Q1/Q2 and Q4 Continuation of activity	Assist in the processing of the economic survey data to produce rebased GDP estimate and ensure documentation is produced	Estimates are published at an acceptable level of quality and data sources are reliable	Comprehensive annual establishment surveys are available for compilation. Detailed administrative data are obtained. A resident national accounts advisor (funded by the World Bank) will be stationed here for 2014-2016.
<b>Medium Term Objectives 2: Compilation and dissemination of Quarterly National Accounts following international standards</b>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
<b>Cabo Verde:</b> Quarterly National Accounts are aligned with International Standards and good practices	QNA by expenditure and sector estimates are developed	Quarterly GDP estimates by demand/sector are developed	TA to identify data sources and commence development of methods to estimate quarterly GDP estimates by demand/sector	Q2 New activity	Release of QNA estimates of GDP by demand/sector and data sources and methods are documented	Estimates are published at an acceptable level of quality within three months of the reference quarter	Staffing and resources are available.
<b>Cabo Verde:</b> Quarterly National Accounts are aligned with International Standards and good practices	Improvements in QNA by production approach	QNA estimates by production approach released April 2015 but need to develop ongoing methods for quarterly Agriculture and Fishing value added	TA to identify data sources and develop methods to estimate quarterly Agriculture and Fishing value added	Q2 New activity	Data sources are identified and methods are developed and documented to produce quarterly agriculture and fishing value added estimates	Estimates are published at an acceptable level of quality within three months of the reference quarter	Staffing and resources are available.
<b>Ghana:</b> Quarterly National Accounts are aligned with International Standards and good practices	Development and improvement of quarterly GDP (expenditure) estimates	GDP estimates (expenditure) in current and constant prices are developed	Develop and assess the GDP(E) estimates and review the sources and methods documentation	Q1 and Q3 Carry over from FY2015	Release of QNA estimates of GDP(E) and data sources and methods are documented	Estimates are published at an acceptable level of quality within three months of the reference quarter	National Accounts personnel are focused solely on national accounts work

<b>Liberia</b>							
<b>Nigeria:</b> Quarterly National Accounts are aligned with International Standards and good practices	Development of quarterly GDP by expenditure estimates	GDP estimates by expenditure in current and constant prices are being developed	TA to review and improve sources and methodology as well as review estimates of GDP	Q3 Carryover as concentration on rebasing of ANA in FY2015	Data sources and methods are identified, implemented and documented	Estimates are published at an acceptable level of quality within three months of the reference quarter	Annual National Accounts are rebased and released. Staffing and resources can be made available to resume this work
<b>Sierra Leone:</b> Quarterly National Accounts are aligned with International Standards and good practices	Development of QNA by production and expenditure	Investigate available sub-annual indicators to establish their suitability for the compilation of quarterly GDP estimates	TA to assist in determining the feasibility of producing QNA by identifying data sources and methodology. Training as required	Q1 and Q3 Carry over from FY2015 due to Ebola	Feasibility ascertained	Identification of data sources of quarterly indicators	Capacity and funding is available such that resources are available to undertake annual national accounts work as well as QNA
<b>The Gambia:</b> Quarterly National Accounts are aligned with International Standards and good practices	Development of QNA by production and expenditure	Investigate available sub-annual indicators (including VAT which has been recently introduced) to establish their suitability for the compilation of quarterly GDP estimates	TA to assist in development of methodologies, including identification of sources; and to review and assess results. Training as required	Q2 and Q4 Continuation of activity	Sub-annual indicators are identified and methods documented	Documented findings and decision on feasibility of compiling QNA estimates	Capacity of staff to be developed. Primary data sources (i.e. VAT and Ag data) have to be made available on a regular basis. VAT is industry coded.
<b>Medium Term Objectives 3: Improved accuracy of price statistics*</b>							
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
<b>Cabo Verde:</b> Price Statistics are aligned with International Standards and good practices	CPI updated based on 2014/2015 Household Survey	Results of the Household Survey are used to reweight and update the CPI	Commence CPI update by assessing the basket and weights in preparation for the final results of the Household Survey	Q3 New activity	Updated weights and consumer basket, rebasing the CPI	CPI compiled and disseminated at an acceptable level of quality; deficiencies identified and plans to remedy them are developed.	Resources are available to support the CPI rebase, update methodology and index improvements
Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
<b>Cabo Verde:</b> Price Statistics are aligned with International Standards and good practices	Development of a PPI	Commence development of a PPI	TA to assist in the identification of data sources and methods used to create a PPI	Q4 New activity	Data sources and methods are identified and documented	PPI compiled and disseminated at an acceptable level of quality	Resources are available to support the development of a PPI

<b>Ghana:</b> Price Statistics are aligned with International Standards and good practices	Rebase CPI	CPI is rebased using the latest Ghana Living Standards Survey (GLSS) results.	TA to assist the update of the CPI incorporating the latest GLSS results as well as review the compilation methods and weighting structure.	Q3 Continuation of activity from FY2015	Rebased CPI has been reviewed and released and documentation produced	CPI compiled and disseminated at an acceptable level of quality; deficiencies identified and plans to remedy them are developed.	Resources are available to support the CPI rebase, update methodology and index improvements
<b>Liberia:</b> Price Statistics are aligned with International Standards and good practices	Development of CPI	CPI is developed using the Household Income and Expenditure Survey results.	TA to assist in the identification of data sources and methods used to create a CPI	Q4 New activity	Data sources and methods are identified and documented for the CPI	CPI compiled and disseminated at an acceptable level of quality	Resources are available to support the development of a CPI
<b>Nigeria:</b> Price Statistics are aligned with International Standards and good practices	Improve CPI and revise weights	Develop new CPI weights using data from the 2009/10 expenditure survey	TA to assess the revised weighting structure and methods used to create a CPI and assist in the development of an enumerators manual	Q4 New activity	Weighting structure for the CPI has been reviewed and enumerators manual developed	CPI compiled and disseminated at an acceptable level of quality; deficiencies identified and plans to remedy them are developed	Resources are available to support the CPI corrections to methods and index improvements
<b>Sierra Leone:</b> Price Statistics are aligned with International Standards and good practices	Improve the compilation methods of the CPI	Review the CPI with respect to the correction of the errors in compilation methods that were identified in 2010.	TA to assess sources and methods documentation as well as review the CPI compilation methods	Q2 Carry over from FY2015 due to Ebola	Revised CPI is released and data sources and methods are documented	CPI compiled and disseminated at an acceptable level of quality	Adequate resources are made available for CPI work
<b>Sierra Leone:</b> Price Statistics are aligned with International Standards and good practices	Development of a PPI	PPI needs to be developed consistent with international standards	TA to assess methods and sources required to produce a PPI	Q4 Carry over from FY2015 due to Ebola	Data sources and methods are identified and documented	PPI compiled and disseminated at an acceptable level of quality	Adequate resources are made available for PPI development and survey work; and an adequate sampling frame and production data are available
<b>Objectives</b>	<b>Outcomes</b>	<b>Baseline and Intervention Logic</b>	<b>Activities and TA</b>	<b>Timelines and Progress to-date</b>	<b>Milestones</b>	<b>Indicators</b>	<b>Specific Risks</b>

<b>The Gambia:</b> Price Statistics are aligned with International Standards and good practices	Development of a PPI	PPI needs to be developed once the economic census is complete	TA to identify methods and sources required to produce a PPI	Q4 Continuation of activity, dependent on economic survey results being available	Data sources and methods are identified and documented	PPI compiled and disseminated at an acceptable level of quality	Adequate resources are made available for PPI development and survey work; and an adequate sampling frame and production data are available
<b>The Gambia:</b> Price Statistics are aligned with International Standards and good practices	Rebase the CPI	CPI is rebased using the latest Integrated Household Survey results.	TA to assist the update of the CPI incorporating the latest Integrated Household Survey results as well as review the compilation methods and weighting structure	Q2 Continuation of activity	CPI is released and data sources and methods are documented	CPI compiled and disseminated at an acceptable level of quality	There is statistical capacity and expertise. Adequate resources are made available for CPI development and survey work.

\* Will be supported by the prices module of the Enhanced Data Dissemination Initiative (EDDI) supported by the UK Department for International Development (DFID) from April 2015 to March 2019.



## RBM Regional Integration

Afritac West 2 - Logical Framework 2015-2016

## Regional Integration---Proposed One-Day Seminar

**General Objectives:** To facilitate regional integration for the economic progress of ECOWAS member countries

## Regional Activities

Objectives	Outcomes	Baseline and Intervention Logic	Activities and TA	Timelines and Progress to-date	Milestones	Indicators	Specific Risks
Strengthening institutional capacity at the country level to foster regional integration.	Institutions are strengthened at the country level to facilitate regional integration in ECOWAS	AFW2's capacity building activities at the country level can contribute to easing some of the bottlenecks to regional integration; including, facilitating trade, enhancing payment systems interconnectivity and advancing financial inclusion	A one-day regional seminar on regional integration	Q3 2016	Seminar held	A roadmap developed on the practical steps for using capacity building to foster regional integration	Lack of the cooperation of the various regional institutions and also national authorities as well as the language barriers within ECOWAS