



AFRITAC West
INTERNATIONAL MONETARY FUND
Abidjan, Côte d'Ivoire



ANNUAL REPORT FOR FISCAL YEAR 2019

June 2019

AFRITAC West is an IMF initiative supported by the following member states and development partners:

MEMBERS



Benin



Burkina Faso



Côte d'Ivoire



Guinea



Guinea-Bissau



Mali



Mauritania



Niger



Senegal



Togo

PARTNERS



EUROPEAN UNION



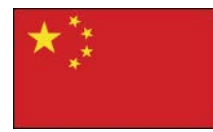
Luxembourg



Germany



France



China



European Investment Bank

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ABBREVIATIONS

AE	Multiyear expenditure commitment authorization (<i>autorisation d'engagement</i>)
AfDB	African Development Bank
AFRITAC	IMF Africa Regional Technical Assistance Center
AFW	AFRITAC West
ASYCUDA	World Bank automated customs system
BCEAO	Central Bank of West African States
BCRG	Central Bank of the Republic of Guinea
BPM6	IMF Balance of Payments and International Investment Position Manual, 6 th Edition
CD-PORT	Capacity Development - Projects, Outputs, and Results Tracking
CE	Commitment appropriations
CP	Annual payment appropriations (<i>credit de paiement</i>)
CREPMF	Regional Public Investment and Financial Markets Board
CTCCMB	Joint technical committee on macroeconomic and fiscal framing
DAF	Directorate of Finance
DEP	Directorate of Analysis and Programming
DGB	Directorate General of the Budget
DGBF	Directorate General of Budget and Finance
DGCI	Directorate General of Contributions and Taxes
DGD	Directorate General of Customs
DGDP	Directorate General of Public Debt
DGE/DGEP	Directorate General of the Economy and Planning
DGI	Directorate General of Taxes
DGID	Directorate General of Taxes and Property Administration
DGPEE	Directorate General of Economic Forecasting and Studies
DGT/DGTCP	Directorate General of Treasury and Public Accounting
DNB	National Directorate of the Budget
DNEEP	National Directorate of Economic Analysis and Forecasting
DPAE	Directorate of Economic Forecasting and Analysis
DPB	Directorate of Budget Programming
DPBEP	Directorate of Fiscal and Multiyear Economic Programming
DPEE	Directorate of Economic Forecasting and Studies
DPIB	Directorate of Public Investment Programming
DPPD	Multiyear expenditure programming document
DPPSE	Directorate of Economic Forecasting, Policies, and Statistics
DRAR	Directorate of Information and Risk Analysis
ECENE	Survey on the non-registered external trade
EFC	Extended Credit Facility
EU	European Union
FAD	IMF Fiscal Affairs Department
FY	Fiscal year
GDP	Gross domestic product
GFSM	Government Finance Statistics Manual

GIZ	German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
ICD	IMF Institute for Capacity Development
IMF	International Monetary Fund
INS/ INSTAT	National Statistics Institute
INSEED	National Institute for Economic and Demographic Statistics and Analysis
IVP	Import Verification Program
MTDS	Medium-term debt strategy
MTEF	Medium-term expenditure framework
MTFF	Medium-term fiscal framework
NIF	Taxpayer identification number
OHADA	Organization for the Harmonization of Business Law in Africa
PAP	Annual performance plans
PCE	Chart of accounts
PCA	Post-clearance audit
PFS	Public finance statistics
PIM	Public investment management
PIMA	Public Investment Management Assessment
PPAT	Multiyear technical assistance project
QNA	Quarterly national accounts
RBM	Results based management
SGCBU	WAMU Banking Commission Secretariat-General
SGE	Large business taxpayers unit
SI	Information System
SIGFiP	Integrated public financial management system
SME	Midsized business taxpayers unit
SNA	System of National Accounts
SYSGEX	Exemptions management system
TA	Technical assistance
TOFE	Government fiscal reporting table
TSA	Treasury single account
VAT	Value added tax
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union
WCO	World Customs Organization
ONS	National Statistics Office
WTO	World Trade Organization

**FOREWORD BY ADAMA KONE, CHAIR,
AFRITAC WEST STEERING COMMITTEE**



Côte d'Ivoire had the honor of chairing the Steering Committee during fiscal years 2018 and 2019. On behalf of the member states, I would like to express our thanks to the European Union, Luxembourg, Germany, France, China, the European Investment Bank, and the International Monetary Fund for their financial support, which is invaluable to the effectiveness of our administrations, our institutions, and our teams.

Our members appreciate this technical assistance delivered locally, focused on concrete actions, based on our priorities, and flexibly addressing our needs. The member countries' commitments to finance the Center's activities attest to our desire to be a stakeholder and actor in its governance. All the member countries supported by AFRITAC West have embarked on thoroughgoing economic reforms to accelerate economic growth, expand the private sector's role, and boost employment in West Africa. The reforms are focused on our sustainable development goals, which we all share. The economic reforms supported by the IMF and the budgetary support from the European Union and our partners are bearing fruit. The WAEMU, Mauritania, and Guinea are on track for strong growth. Those results would not have been possible without AFRITAC West's support in implementing our reforms and the WAEMU directives and building our capacities. I applaud in particular the expansion of peer learning opportunities and regional seminars that bring professionals together to exchange experiences and knowledge.

AFRITAC West's support will continue to be essential in the medium term. Although we are seeing economic growth and the regional fiscal position is consolidated, vulnerabilities remain. *Public borrowing is still contained but is increasing*, calling for improvements in debt management. *Domestic revenue is still inadequate in regard to social needs and our investment programs*. We must continue to expand the tax base, limit and control exemptions, and strengthen our tax and customs administrations. The social outcomes and effectiveness of public investment, and the performance of public spending, can be improved – and we must accelerate the reforms under way in managing public spending and investments. In all these areas, and in the modernization of our financial statistics and strengthening of financial surveillance, AFRITAC West has played and must continue to play a central role. I therefore thank the partners for their continued support of the Center, an important resource whose effectiveness and excellence is applauded by all its beneficiaries.

At the conclusion of the last Committee meeting, in keeping with the Committee's practice, the chairmanship of the Steering Committee was handed from Côte d'Ivoire, which had held it since May 1, 2017, to Guinea for the next two years. I wish the new chairmanship every success and encourage AFRITAC West in its quest for excellence and effectiveness.

FOREWORD BY THE COORDINATOR



The WAEMU countries and Mauritania and Guinea posted strong economic growth in 2018, and the outlook for 2019 remains solid in a context of fiscal consolidation and controlled inflation. The countries continue to implement the economic reforms needed to strengthen their resilience and generate sustainable, strong, inclusive growth to create new jobs.

Achieving those objectives will require raising additional tax revenue, improving the efficiency of investments, consolidating public financial management, increasing transparency, improving debt management, strengthening financial stability, and improving the quality of public finance statistics and the national accounts.

AFRITAC West continues to support its members' ambitious economic reforms in all these areas through its technical assistance and training activities, peer learning, and regional seminars.

This report reviews the implementation of the AFRITAC West work program for fiscal year 2019 and presents the Center's priorities and activities planned for fiscal year 2020 as determined by consultations among the IMF, AFRITAC West, the partners, and the technical assistance beneficiaries.

At end-April 2019, the Center had delivered the equivalent of 610 weeks of technical assistance, representing 87 percent execution of the annual program (Table 1). The execution rate exceeds 70 percent in all areas, and eight sectors were above 80 percent (Figure 2). This execution rate reflects the postponement of some activities, at the authorities' request, and the lack of short-term experts in public finance statistics. In terms of beneficiaries, the volume of activities is highest in Guinea, Mauritania, Togo, and Guinea-Bissau (Figure 3).

The Center continues to demonstrate great flexibility, which enabled us to respond to new request for technical assistance and training from several countries or regional institutions.

In terms of training activities, 11 seminars and six peer-learning activities (*stages d'immersion*) were organized in each of the functional areas. These activities trained 331 professionals. They were a complete success and received very positive feedback from the authorities – who were especially appreciative of the exchange of experiences in implementing reforms.

AFRITAC West continues to publish and update content on its website, and provides Committee members access to mission reports on a secure platform on its website. AFRITAC West's mission is promoted on social media and brief videos of selected activities have been posted, including comments of participants in seminars organized by the Center. Every three months, the Center publishes a newsletter, *la Gazette*, summarizing its activities, the main results of its missions, and the schedule of missions for the upcoming months.

The Center is strengthening its partnership with donors to ensure better alignment between the strategic interests of the member countries and regional institutions and those of donors and the IMF. The cooperation with AFRITAC's partners and donors was strengthened through regular debriefing during our missions. Those exchanges contribute to the effective integration of the partners' interventions in our member countries' needs. The Center is strengthening dialogue with regional institutions in order to better integrate them in AFRITAC activities.

AFRITAC West launched its technical assistance monitoring tool in the context of implementing the recommendations of the 2013 external evaluation – Results Based Management (RBM). The tool will eventually be used to evaluate the effectiveness of technical assistance in relation to long-term objectives – defined for each functional area. The Center is now able to generate preliminary data for analysis and reports to support monitoring of costs and outcomes.

For the 2019-2020 period, the Center will operate in a regional macroeconomic context marked by sustained economic growth, despite a complex external environment. The outlook for growth in the countries covered by the Center remains strong with low inflation rates. The GDP rebasing implemented in several countries with support from AFRITAC will have an impact on a number of macroeconomic indicators, in particular the debt ratio and tax ratio.

The volume of technical assistance planned for fiscal year 2020 is 619 person-weeks (Table 2). The details of activities, objectives, and expected outcomes are presented in the annexes to this report. To adapt to reduced funding and preserve the Center's medium-term strategic objectives, a series of measures is proposed, including joint regional seminars combining functional areas, the decision to hold Steering Committee meetings Abidjan, and a reduction of headquarters missions.

The program provides for nine regional seminars and 12 secondments as part of the peer learning program. The training actions will provide the opportunity for AFRITAC West to combine capacity-building efforts with those of other partners working in the same areas, and identify potential synergies with other regional centers and IMF departments.

I. DECISIONS ADOPTED BY THE 29TH MEETING OF THE AFRITAC WEST STEERING COMMITTEE

The AFRITAC West Steering Committee held its 29th session on March 21, 2019 in Abidjan.
Absent: Niger.

At the close of the session, the Steering Committee:

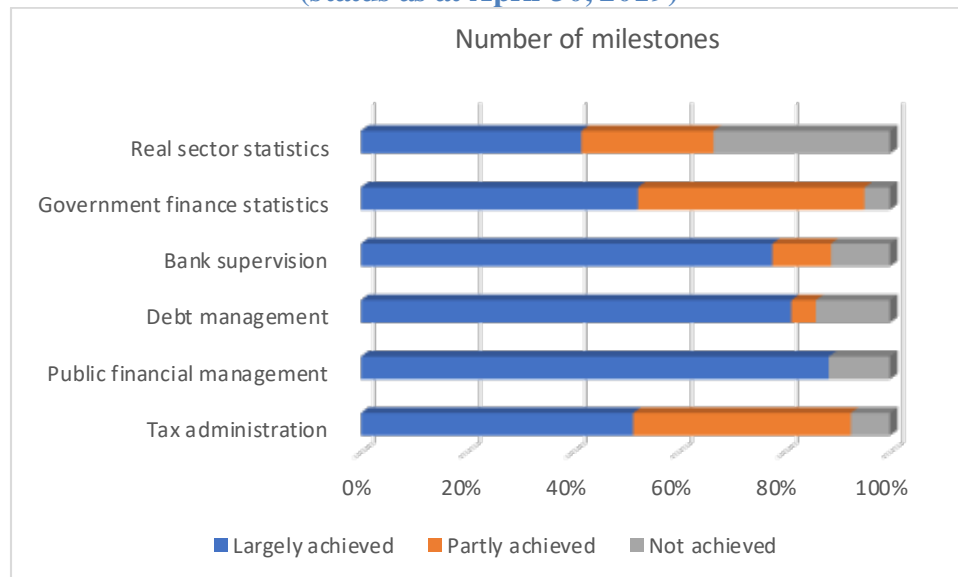
- adopted the minutes of the 28th meeting of March 22, 2018 in Abidjan;
- ratified the reports on execution of the work program and budget for fiscal year 2019 as at end-January 2019 and on the budget and work program for fiscal year 2020;
- welcomed news that the roster of IMF experts would be expanded to include officials from the countries and institutions covered by the Center;
- approved the systematic integration of officials from the WAEMU, Guinea, and Mauritania in the Center's macro-fiscal activities;
- decided that all Steering Committee meetings in the next two years would be held in Abidjan;
- decided that the next Steering Committee meeting would be held in Côte d'Ivoire in March 2020 and chaired by Guinea.

II. EXECUTION OF THE FY 2019 WORK PROGRAM AND FY 2020 WORK PROGRAM

A. Execution of the FY 2019 work program

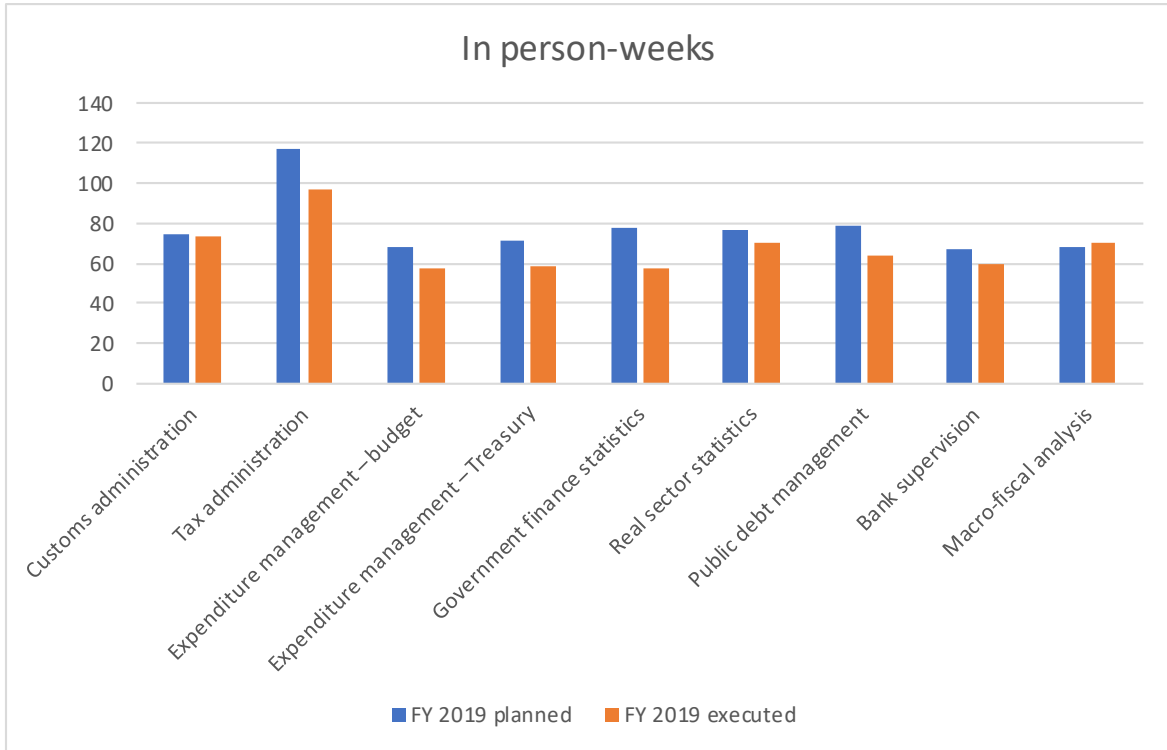
1. As at end-April 2019, AFRITAC West (AFW or the Center) had executed 87 percent of its annual work program for FY 2019. Eleven seminars were conducted, and six secondments (*stages d'immersion*) were arranged to provide trainees with practical experience in the use of various methodologies. The enhancement of tools used to manage the Center's activities improved its monitoring of strategic objectives, expected outcomes, results indicators, and intermediate phases and milestones. The results as at April 30, 2019 are quite satisfactory: of the 188 weighted milestones for FY 2019, 123 were achieved, 44 were partially achieved, and 21 were not achieved. The results by sector of activity indicate that over 80 percent of the planned milestones were achieved in the areas of public finance statistics, bank supervision, debt management, public financial management, and revenue administration (Figure 1).¹

**Figure 1. Achievement of FY 2019 milestones
(status as at April 30, 2019)**

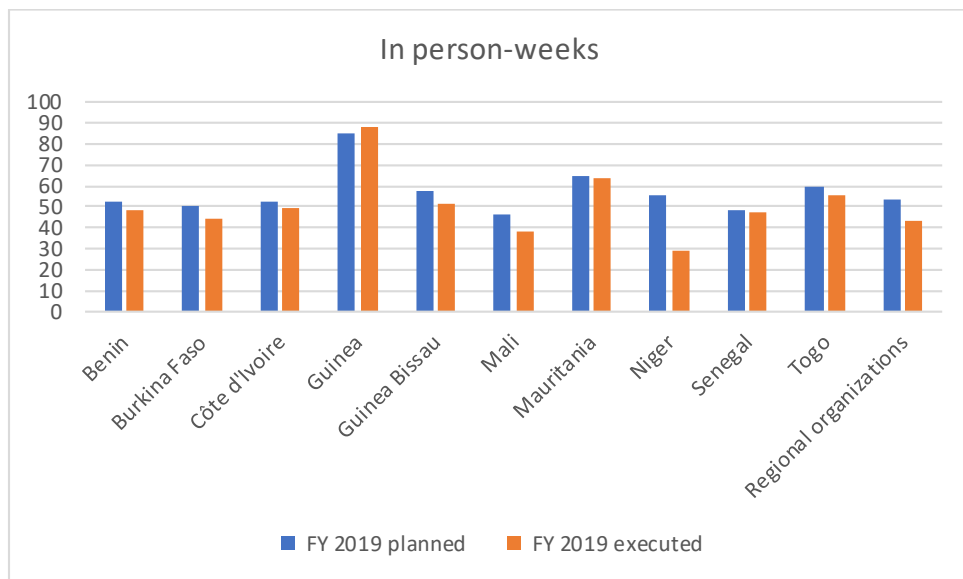


¹ Activities completed, canceled, and postponed are indicated in green, red, and orange, respectively, by project and country, in the tables annexed to the report.

**Figure 2. FY 2019 work program execution by functional area
(Status as at April 30, 2019)**



**Figure 3. FY 2019 work program execution by beneficiary
(Status as at April 30, 2019)**



**Table 1. FY 2019 work program execution by functional area
(Status as at April 30, 2019)**

Functional area	Initial program	Revised FY 2019 program	Resources used	Execution rate (percent)
Customs administration	71	75	74	99
Tax administration	115	117	97	75
Public expenditure management - budget	67	68	58	85
Public expenditure management – Treasury	73	71	59	83
Government finance statistics	68	78	57	73
Real sector statistics	69	76.5	70.5	92
Public debt management	72	79	64	81
Bank supervision	69	67	60	90
Macro-fiscal analysis	68	68	70.5	104
TOTAL	672	699.5	610	87

Benin

Customs administration

2. **The Directorate of Customs Intelligence and Investigations made significant progress in performing post-clearance audits.** Its successes include (1) the allocation of additional human resources and equipment, (2) the creation of a committee charged with finalizing the draft manual of ex post audit procedures, and (3) the creation of teams responsible for designated portfolios of cases. The mission also took part in a review of all pending cases and provided recommendations and advice for the continued implementation of various controls. Finally, the mission recommended allocating personnel exclusively to the directorate; most of the directorate's staff currently hold other concurrent positions.
3. **The multiyear automated risk management project was concluded.** Ambitious actions were undertaken (reduction of the proportion of declarations verified from 65 percent to 20 percent, implementation of a green lane for 5 percent of low-risk declarations, deactivation of the majority of selectivity rules applicable to impoundments). Despite this significant progress, there is still much to do: (1) maintain the rate of verification of declarations at 20 percent and increase verifications in the green lane to 25 percent, (2) create an intelligence unit to oversee surveillance of the entire information system, (3) pay particular attention to discrepancies between ASYCUDA World and Benin Control systems as to numbers of containers, and (4) conduct inspections for high-risk bulk products.

Tax administration

4. **Tax revenue increased.** Reforms undertaken by the tax administration (DGI) in connection with its plans to improve taxpayer compliance and modernize its information system have already produced a significant increase in tax revenue: the tax ratio in Benin increased from 15.4 percent to 16 percent between 2017 and 2018. The Center supported this progress through interventions to (1) strengthen collection actions and (2) combat tax fraud. As a result of those efforts, the clearing of tax arrears contributed 0.6 percentage points of GDP in six months; and the programming, monitoring, and analysis of completed audits was refocused on risk analysis (the objective for controls of origin was 63.5 percent as at June 30, 2018, with a an actual rate of close to 65 percent covered by targeted controls, compared to 8 percent for traditional accounting audits for the same period).

Public expenditure management

5. **Capacity strengthening in public investment management (PIM).** The Center's continued technical support in April 2019 helped deepen and consolidate the technical implementation of commitment authorizations (AE) and payment appropriations (CP) for effective budgeting and monitoring of public investment expenditure execution. The support, provided centrally and to the sector ministries, resulted in:

- ✓ implementation of the AE/CP structure of public investment expenditure in 14 other ministries and improved quality of their multiyear expenditure programming documents (DPPD);
- ✓ further training for the Directorate General of Budget (DGB) instructor team to undertake implementation of the AE/CP mechanism for capital expenditures in other ministries and institutions; and
- ✓ improved quality of budget documents – DPPD and annual performance plans (PAP) – in preparation for the transition to program budgeting in January 2020.

6. **Progress in preparing the new government accounting framework and strengthening capacities in cash flow and debt management.** With the Center's support, draft government accounting standards were prepared to ensure the reliability of the first opening balance sheet. At the authorities' request, the planned mission on the Treasury single account was replaced by capacity building for the personnel responsible for cash flow and debt management, in coordination with the AFW advisor in debt management.

Public finance statistics

7. **Expansion of the coverage of public finance statistics to all general government subsectors.** The technical assistance (TA) supported the preparation of cross-reference tables used in compiling subsectors statistics for the budgetary central government, local administrations, the social security administration, and extrabudgetary units. The public finance units are expected to produce experimental versions of those subsectors' financial operations during FY 2018 based on 2017 data. The forthcoming country missions will define the frequency for regular production of statistics and prepare the consolidated status of general government

statistics. The Center also supported the review and refinement of reports on cash and debt flows and identified data sources for preparation of the financial position.

Real sector statistics

8. **The Center conducted two TA missions to review the results of efforts on the change of base year for the national accounts**, from 2007 to 2015. The results of the unregistered foreign trade survey (ECENE), still pending, are expected to improve estimates of informal exports not captured through official channels.

Debt management

9. **Capacity strengthening in preparing the annual financing plan.** The TA helped identify the steps the authorities should take to facilitate better integration of cash flow management with public debt management. Recommendations were also provided to improve the structure and operation of the government cash flow steering committee.

10. **Strengthen capacities in implementing the annual financing plan.** This TA trained 11 members of the Caisse Autonome d'Amortissement staff in the approach to accounting for the cost of guarantees and fees as well as unfavorable interest rate and exchange rate scenarios in calculating the total effective rate of a financing proposal. The mission developed a tool for use by managers in estimating the effective interest rate of a financing proposal.

Macroeconomic and fiscal analysis

11. **The Center led a mission to reinstate the functioning of the macroeconomic and fiscal framing mechanism and strengthen the processes of preparing macroeconomic framings.** The efforts entailed a review of the functions and roles of various members of the committee on GDP and the government fiscal reporting table (TOFE); review of the timetable for preparing the framing and linkages with the budget preparation schedule; analysis of links to the macroeconomic and fiscal framing; and debt sustainability analysis. The mission reviewed draft texts to support the operations of the GDP–TOFE–macroeconomic framing committee created in April 2018, and proposed a schedule for macroeconomic framing tasks and key components of a capacity building program for the committee.

Burkina Faso

Customs administration

12. **Strengthened management, monitoring, and audit of exemptions.** The mission identified additional measures to bring meaningful improvement and an action plan was proposed to strengthen the post-clearance audit units. The Burkinabè customs administration rationalized exemption certificate procedures by eliminating validation by the general directorate. However, difficulties persist: (1) the exemptions module of the ASYCUDA World system is not yet operational, (2) the Ouagadougou Exemptions Bureau continues to release merchandise for which

exemptions are claimed in exchange for a promise to submit certification subsequently, (3) the inventory of exceptions in SYSGEX is not yet complete due to the lack of reliable data, and (4) the supplemental codes relating to legal provisions used in ASYCUDA World have not been updated.

13. Support in exiting the import verification program (IVP) and strengthening the customs valuation function. Following a visit by the IMF Fiscal Affairs Department (FAD) in May 2018, the Center's monitoring determined that the customs administration's strategy for bringing the merchandise valuation function back in-house, which was adopted by the operational units, appears to be on track. The FAD recommendations were fully or partly implemented: (1) creation of the transition and surveillance committee, (2) definition of the key indicators to be used in monitoring, (3) creation of a dedicated unit, the value control team, which achieved positive results, (4) designation of the limited list of products for the launch of the insourcing experiment, and (5) the deployment of a communication strategy. In response to private sector comments, the mission proposed the relevant adjustments to (1) continue securing revenue, which has increased, and (2) improve the method of bringing the valuation function back in-house while promoting enhanced transparency, facilitation, and efficiency in the performance of clearing operations.

Tax administration

14. Successful implementation of remote procedures. Burkina Faso upgraded its services to large and midsize business taxpayers. Beginning last April and July, those taxpayers are able to report and pay their principal taxes online (by October 2018, 25 percent of large businesses and 9 percent of midsize businesses were already using the service). In parallel, a telephone payment solution was implemented for the residence tax, and efforts continue on rollout of the standardized electronic tax bill throughout the Burkinabè territory. However, these reforms, to which the DGA devoted all its efforts this past year, did not produce an increase in revenue in the short term (the tax ratio is expected to remain around 16.7 percent in 2018). In that context, AFW focused its assistance on: (1) validating the taxpayer file and (2) strengthening collection actions. The Center postponed the third planned mission on VAT credit refunds (the DGI gave assurances that a monitoring module was under review, with deployment planned during 2019).

Public expenditure management

15. Improved credibility of public investment programming and budgeting. The center's technical support determined the implementation status of the recommendations of the Public Investment Management Assessment (PIMA) (conducted by FAD in March 2017) and supported the development of an action plan to implement the priority recommendations. In particular, it also supported the authorities in finalizing an ex ante evaluation guide and selecting and prioritizing public investment projects. The Center's work is expected to improve the credibility of public investment programming and budgeting.

16. **Support for implementation of the Treasury single account and preparation of the government's 2019 opening balance sheet.** The quality review of the framework document for the Treasury single account (TSA) and two draft texts on the creation of the TSA and its operations, and on the roadmap for TSA implementation improved the implementation of the TSA. In addition, a draft accounting directorate on the 2019 opening balance sheet and six dossiers relating to the principal accounts of the opening balance sheet were prepared. Technical workshops were conducted to strengthen capacities in these two areas.

Public finance statistics

17. **Contribution in the review and refinement of tables of the Minimum Analysis Framework and cross-reference tables** for the general government subsectors in accordance with the 2014 Government Financial Statistics Manual (GFSM). Those efforts provided Burkina Faso with inputs for use in compiling general government statistics in accordance with the 2014 GFSM. In addition, fiscal year 2017 data will serve as reference for compilation of the general government asset account. The Center also supported the finalization of other tables of the Minimum Analysis Framework, specifically the public debt position and cash flow position, and the identification of data sources for the financial position, which will still depend on completion of the inventory of government financial assets during fiscal year 2019.

Real sector statistics

18. **Completion of three TA missions to review the results of the change of base year** for the national accounts from 1999 to 2015 and move forward on the alignment of the quarterly national accounts (QNA) on the new base year. Burkina Faso asked the IMF Statistics Department to take part in a technical session to review the results after implementation of the October 2018 mission's recommendations. Burkina Faso disseminated the results of the rebasing on December 30, 2018. In February 2019, a mission on the alignment of the quarterly accounts reviewed the template for calculating the QNA, emphasizing the need for more accurate estimates of volumes.

Debt management

19. **Strengthened capacities in implementation financing plans.** The Center provided instruction on the process of evaluating a commercial financing proposal for 15 individuals involved in debt management operations.

Macroeconomic and fiscal analysis

20. **Budget discipline and medium-term budget appropriations. Burkina Faso implemented program budgets two years ago.** The TA consisted of evaluating the practice of medium-term fiscal framing and its linkages with the macroeconomic framing two years after the implementation of budget programming. It analyzed the medium-term fiscal strategy and the incorporation of the strategy in the budget preparation process, particularly in terms of the macroeconomic framing and the budget allocation exercises and the public borrowing strategy.

Based on those analyses, the mission provided recommendations to strengthen discipline and the credibility of medium-term budget programming.

Côte d’Ivoire

Customs administration

21. **Strengthened mechanism for managing, monitoring, and auditing exemptions.** The Ivorian customs administration made considerable progress in managing exemptions. The recommendations provided in June 2017 were implemented or are in progress: (1) the management of exemptions is automated, (2) a customs unit dedicated to audit by beneficiary/project was implemented, (3) clearance of exempt imports was incorporated in risk management (50 percent reduction in the number of declarations designated for audit), (4) and inventory of exemptions by legal basis and exempt products for capital projects can be produced in SYDAM, and (5) the certificate application for certain types of merchandise (articles for religious, agricultural, medical, or solar use, for example) is fully automated. The mission proposed consolidating the new exemption management procedures and launching the operations of the Directorate of Economic Regimes.

22. **Strengthened capacities of customs surveillance and intelligence units.** Little action was taken on the measures recommended during the previous February 2018 mission for customs surveillance and the units in charge of intelligence within the Directorate of Risk Analysis, Intelligence, and Value. Two factors that clearly contributed to this situation are the lack of coordination by an ad hoc structure and the fact that implementation of the measures was left largely to the initiative of the units concerned, which were occupied by other operational tasks. To remedy the principal weaknesses observed, the mission proposed a number of specific measures: (1) create a central “surveillance bureau” capable of addressing all the issues and specific challenges of customs surveillance, (2) reinstate and partially revise the maritime and lake surveillance mechanism, (3) revise the framework directive on intelligence, (4) train the staff of all units involved in gathering and exploiting intelligence, and (5) create a container targeting unit.

Tax administration

23. **Risk analysis and launch of the DGI automation plan.** Despite the numerous reforms undertaken, the tax ratio, which stood at 16.5 percent in 2017, is not expected to change significantly in 2018. Accordingly, the Center continued supporting the tax administration in: (1) expanding the use of risk analyses in programming tax audits (which increased the proportion of audits of cases identified by data cross-checks in one year from 22.5 percent to 36 percent in June 2018), and (2) the deployment of targeted audits, particularly for monthly VAT declarations filed by a large and midsize businesses reporting a zero balances or claiming a refund. The also Center provided specific assistance in: (3) taxpayers required to pay or opting to pay VAT, managed by small business taxpayers centers, and (4) the launch of a study of midsize businesses located outside the capital, considered an unexploited reserve of potential tax revenue. All these efforts to increase the country’s domestic revenue will be complemented in the near future by the appointment of an long-term expert to prepare the launch of an ambitious plan to

automate the Ivoirien tax administration based on the model currently followed in Senegal (Project Hackathon).

Public expenditure management

24. **Strengthened capacities in PIM.** The continued support of AFW in April 2019 helped deepen and consolidate the implementation of the AE/CP mechanism to properly budget and manage the execution of public investment expenditure. The support, provided centrally and to the sector ministries, resulted in:

- ✓ implementation of the AE/CP structure of public investment expenditure in six other ministries and improved quality of their multiyear expenditure programming documents (DPPD);
- ✓ further training for the DGB instructor team to undertake implementation of the AE/CP mechanism for capital expenditures in other ministries and institutions; and
- ✓ improved quality of budget documents (DPPD and PAP) in preparation for the transition to program budgeting in January 2020.

25. **Support in preparation of the government's opening balance sheet.** AFW supported the preparation of a draft directive on the methodology for compiling the government's opening balance sheet, planned for 2020. It also helped assemble several model opening balances for key accounts. The Directorate General of Treasury in Public Accounting (DGTCP) staff received training in the methodology to continue integrating accounts into the 2020 opening balance sheet.

Public finance statistics

26. **In the area of public finance statistics,** the Center supported the update of deposit institutions' net claims on the central government through sectoring of the general government units. It also assisted in finalizing and refining cross-reference tables for the various subsectors of the general government. These various tools enabled Côte d'Ivoire to plan for the regular compilation of statistics in accordance with international standards and classification systems in use, including the 2014 GFSM. With respect to other tables of the Minimum Analysis Framework, the Center's interventions entailed a review of the statements produced. It bears mention that Côte d'Ivoire has produced the public debt position, the cash flow position, and the financial position on a regular basis since 2018. The TA also included training of Ivoirien public finance officials in accounting standards and accrual accounting.

Real sector statistics

27. **The Center has conducted four missions in this area for Côte d'Ivoire since May 1, 2018.** The first mission supported an update of the template used to estimate the quarterly accounts and the dissemination of first quarter 2018 results. The second mission addressed preparation of the financial accounts and a review of sources for the rebasing project, which will change the base year from 1996 to 2015. The third mission, requested by the Directorate of Economic Forecasting, Policies, and Statistics (DPPSE), provided capacity building for professionals from several units, including the DPPSE and National Statistics Institute (INS) on Activity and Product

Nomenclatures and Survey Techniques. The fourth mission supported INS during November 26 to December 7, 2018 in the change of base year for the national accounts.

Debt management

28. Strengthening capacities in the preparation and implementation of financing strategies.

The TA mission noted progress by the authorities in preparing the medium-term debt strategy (MTDS) as well as remaining gaps to be addressed. It assisted the authorities in correcting deficiencies observed in the 2019-2023 MTDS document and provided suggestions to limit deviations observed in recent years during implementation of the MTDS.

Macro-fiscal analysis

29. Improvement of macroeconomic and fiscal framing mechanisms, development of the draft text creating a macroeconomic and fiscal framing committee, and design of a start-up plan for the committee.

In the modeling component, after a review of existing tools and discussions with the DPPSE team, the decision was made to revise the entire model for the four accounts based on the general logic of the BUDGECO model, instead of piecemeal correction of the existing model and incorporation of the missing accounts. The mission's tasks included the start of work on modules for the real sector and balance of payments after determining the basic template for the model. The mission also reviewed a draft text creating a macroeconomic and fiscal steering committee and proposed a plan for the start of the committee's operations and an action plan for implementation of the framing model.

30. Review of implementation of the DGI action plan for revenue forecasting. The mission noted progress achieved and continuing weaknesses, and on that basis updated the action plan for the 2019-2020 period. The mission organized an interministerial seminar whose objectives included clarification of the theoretical framework for revenue forecasting with all the actors involved in the forecasts – DGI, DGD, the Directorate General of Economy (DGE), the Directorate General of Budget and Finance (DGBF), the DGTCP, and the INS. Following input from the DGI units, the mission put in place the two forecasting models and added a forecasting module specific to refunds to the VAT template.

31. Programming and financial policy course applied to Ivoirien data. AFW and the IMF Institute for Capacity Development (ICD) conducted training for members of the macroeconomic framing committee being created. In addition to communications relating to the training, discussions were held with the participants and authorities of the ministries of economy and finance, planning, and budget on the macroeconomic framing tools used in Côte d'Ivoire and potential avenues for improvement.

Guinea

Customs administration

32. Modernization and securing of transit processing procedures. A number of improvements were observed since the previous mission in October 2017. The Guinean

customs service had made solid strides in the automated transit project: (1) the launch of the ASYCUDA World Transit module is on track, (2) future users (customs agents, declarants) had been informed and trained, and (3) the pilot project for the Guinea-Sierra Leone corridor was expected to be launched during the second half of 2019. However, automated risk management to support selectivity of controls is not yet functional. The mission provided the following recommendations: (i) begin operation of the bonding system managed by the Chamber of Commerce and Industry, (2) eliminate administrative harassment along the highway corridors, (3) create a dedicated unit with national jurisdiction to support businesses, and (4) launch the project to implement GPS tracking of merchandise carriers.

33. Modernization and securing of transit processing procedures. A second mission noted considerable progress: (1) the national transit procedure is fully automated at the Sierra Leone and Mali borders (the other borders are not yet connected to ASYCUDA World), (2) risk management is in production in ASYCUDA but is not yet operational. The proportion channeled through the green line (currently 15 percent) should be increased to take advantage of the system and further contribute to trade facilitation. An action plan was proposed to make the transit bureau the central unit in charge of automated transit. Other actions should also be reinstated: (i) the use of bank guarantees to cover transit operations, (2) self-diagnosis of the transit system, in accordance with World Trade Organization (WTO) recommendations, (3) the elimination of administrative harassment along corridors, and (4) launch of the GPS project.

34. Strengthened monitoring and control of exemptions and temporary admissions. Little progress was observed in the implementation of measures proposed by the June 2017 mission to improve the tracking and control of exemptions and temporary admissions. The development of automated tools is still in progress. No effective change has occurred in operations. The situation is due in part to the lack of tracking of proposed measures. The following recommendations were made to better monitor and control exemptions and temporary admissions: (1) implementation of the ASYCUDA World exemptions model, (2) implementation of the action plans prepared during the mission to strengthen post-clearance control of exemptions and temporary admissions.

35. Strengthening of the customs valuation function. At the authorities' request, the Center conducted a TA mission to support the customs administration DGD in bringing in-house the function of valuing merchandise imports, which had been outsourced in the context of an IVP. Despite the arsenal of legal and regulatory provisions put in place to support the exit from the IVP, a number of weaknesses were observed (transaction value not applied uniformly throughout the customs territory, insufficient human and logistical resources to enable the value section to effectively perform its tasks, weak technical capacities of staff responsible for combating undervaluation of merchandise, absence of sanctions following findings of false declarations of value, and lack of procedure for appeal of customs decisions). The mission proposed a multiyear TA project, approved by the DGD, to strengthen the customs valuation function.

Tax administration

36. Implementation of multiyear program to strengthen key tax functions and reform the tax administration's organizational framework. The Center's support led to the following results:

- ✓ Since the project launch in 2017, the proportion of taxpayers complying with VAT reporting obligations (“*contribuables fiscalement actifs*” or “active taxpayers”) increased by 16 percent for the large business taxpayer unit (SGE) and more than 59 percent for the midsize business taxpayer unit (SME). In terms of physical dossiers, 47 percent were updated at the SGE and 42 percent at the SME.
- ✓ To support the tax administration’s efforts against chronic nonfilers and lapsed and untaxed filers, and initial “directory of active taxpayers” was published. A joint communiqué from tax and customs officials prohibits nonfilers from accessing services after the grace period established for corrections. A compliance assistance bureau (*bureau spécial de régularisations*) inaugurated recently by the president of Guinea facilitates the administrative steps by nonfilers before inclusion in the directory of active taxpayers and return of their dossiers to the management units.
- ✓ An effort was undertaken to clear arrears. An inventory was compiled of the debts of large and midsize businesses, representing 61 percent of revenue collected. A plan to clear the tax arrears was designed and the risk analysis begun.
- ✓ At the authorities’ request, a new law on the tax administration organization and functions was drafted, providing for the following innovations: (1) the expansion of the number and coverage of coordinating units; clarification of responsibilities between the headquarters and operational units, and (3) restructuring of the accounting function.

Public expenditure management

37. **Strengthened capacities in PIM.** The Center’s TA supported the start of implementation of the AE/CP mechanism to properly budget and monitor of the execution of public investment expenditure.

The support, provided centrally and to the sector ministries, addressed:

- ✓ capacity building for PIM actors in the central government as well as sector ministries,
- ✓ the start of technical implementation of the AE/CP framework for proper budgeting and monitoring of public investment expenditure execution,
- ✓ implementation of the AE/CP structure of public investment expenditure in six pilot ministries and improved quality of their multiyear expenditure programming documents (MTEF), and
- ✓ training of an instructor team of the National Directorate of Budget (DNB) to continue implementation of the AE/CP structure of capital expenditures in other ministries and institutions.

38. **Support for the government accounting system and strengthened capacities in accounting,** with the preparation of three draft accounting procedures guides for the different senior government accountants, and a three-day workshop in accounting to strengthen capacities in general accrual accounting and the differences between accrual- and cash-basis accounting.

Public finance statistics

39. **In the area of public finance statistics, the Center's support facilitated the preparation of the TOFE for the budgetary central government** in accordance with the 2014 GFSM standards and classification codes, and provided Guinea with the tools to monitor and analyze the objectives and quantitative performance criteria of the economic and financial program (2017-2019 Extended Credit Facility, ECF). The center also assisted the authorities in expanding the scope of coverage of public finance statistics to the general government subsectors. In the context of outreach, it also met with authorities from the Ministry of Economy and Finance and the Ministry of Budget.

40. **Strengthened capacities in accounting and improved quality of accounting documentation.** A workshop strengthened the capacities of about 40 professionals in cash and accrual accounting. Three accounting procedures guides were underwent collaborative review by the participants to improve quality.

Real sector statistics

41. **Guinea received two missions as provided by the work program.** The first mission addressed the change of base year and conducted a review of draft nomenclatures (including activities, products, and sectors) and reviewed the available data sources. The second mission assisted the INS in estimating the interim 2017 and final 2016 financial statements. It strongly recommended that the rebasing process be expedited in order to do away with the current system of preparing the national accounts.

Debt management

42. **Strengthened capacities in preparing and implementing financing strategies.** In the context of implementing one of the benchmarks of the Fund-Supported Economic and Financial Program, the first TA assisted the authorities in preparing the 2019-2023 MTDS. The mission also offered advice to facilitate effective implementation of the domestic financing plan, and called the authorities' attention to essential reforms of the institutional framework to facilitate the preparation, implementation and monitoring of credible MTDSs and effective management of public borrowing operations.

43. **To support implementation of the 2019-2023 MTDS, the second TA supported the authorities in finalizing the strategy for launch of Treasury debt securities via auction.** The technical details of the issuance of Treasury securities by auction were reviewed with the staff. A test Treasury bond issuance was successfully completed using the electronic auction system, which served to familiarize staff with the system's debt securities module. A procedure was developed for completing and coordinating the various tasks involved in issuing Treasury securities. Finally, the Center provided advice throughout the launch phase of the issuance program and proposed adjustments required for the 2019 issuance plan.

Bank supervision and restructuring

44. **Strengthening of bank supervision.** The Center analyzed the results of consultation with local commercial banks on the adaptation of the accounting framework for banks and the redesign

of the model periodic statements and financial statements which banks are required to submit to the central bank. An implementation schedule was also defined, given that the mechanism will have a profound impact on the supervision of Guinean credit institutions. The mission also reviewed the rating system for credit institutions in order to identify weak or fragile banks in the context of implementing risk-based supervision. Lastly, the mission assisted in finalizing various draft regulatory texts, including the text defining the modalities of heightened surveillance.

45. Adoption by the authorities of texts relating to the revised accounting framework and the new system of bank reporting. The Center assisted in the final stage of drafting directorates rendering numerous documents developed in the two previous years obligatory and introductory notes to the new tax. The texts were finally adopted in early May 2019. The plan for transition to the new system is expected to extend over 12 months, and the date of April 1, 2020 was finally set for the entry into force. The mission also supported studies of banks through the use of new rules of the bank rating system, in particular rules concerning the assessment of qualitative criteria for internal control, governments, and risk management.

Macro-fiscal analysis

46. Strengthening of the technical macroeconomic framing mechanism. The mission contributed improvements to the MSEQU model by improving the mining sector forecasting model. Capacities in macroeconomic and fiscal framing were also strengthened, and the framing procedures manual was improved. Finally, the mission produced a capacity building plan for the macroeconomic and fiscal framing committee.

Guinea-Bissau

Customs administration

47. Strengthening of the customs valuation function. Little improvement was observed since the previous October 2017 mission, mainly due to a significant lack of appropriation of knowledge of customs valuation and risk management. To strengthen the implementation of good practices, the mission focused on (1) establishing the value unit within the Directorate of Anti-Fraud Services (DSAF), (2) emphasizing the use of the ASYCUDA++ Value module by providing training to DSAF staff, and (3) setting up a database of reference values as a dynamic tool to support the DSAF in bringing the customs valuation function back in-house.

48. Reform of customs disputes procedures. In response to the authorities' specific request, an AFW TA mission was conducted to support the DGD in reforming the customs dispute procedures, particularly the technical and administrative components for which the applicable legal provisions date from 1944 and 1960, respectively. Regarding tax disputes, a law was approved by the legislature in November 2018 and is pending promulgation by the president. Two draft regulations were prepared in collaboration with the task force created for that purpose by the DGD in order to resolve technical and administrative disputes. The mission insisted on the following measures: (1) monitor the process of publications and entry into force of the new tax disputes law, (2) implement the administrative procedure without delay, so that the draft texts on technical and administrative disputes can enter into force during the first half of the year, and (3)

require the responsible units to conduct periodic (monthly) checks of cargo manifests, and (4) submit lists of merchandise not cleared or abandoned to the disputes unit, which should take the appropriate administrative steps and collect any applicable taxes and penalties.

Tax administration

49. **A tax administration priority: ensuring the reliability of the taxpayer file.** In a country with one of the lowest tax ratios of the subregion (10.3 percent in 2017 and 11.9 percent anticipated in 2018), control of the taxpayer file remains the priority for Guinea-Bissau's tax administration. With the Center's assistance, the Directorate General of Contributions and Taxes (DGCI) made substantial progress with respect to the previous year: the data recorded in the information system were clearly defined; a GPS solution was defined for tracking taxpayers; automation of the units was extended to the small business and microenterprises tax centers of the capital region, and a dedicated team was created to validate and supply new data to the taxpayer file.

Public expenditure management

50. **Strengthening budget execution and rationalizing the expenditure cycle.** AFW's technical support on improvement and control of budget execution by strengthening the budget execution mechanism and procedures and ex ante control of public expenditure entailed:

- ✓ conducting a review of the status of implementing the recommendations of previous FAD and AFW TA missions in the area of budget execution,
- ✓ proposing sequenced, prioritized action plans to implement the recommendations of those missions in order to improve and control budget execution, and
- ✓ proposing an approach for implementation of the recommendations from the action plan.

Public finance statistics

51. **Real progress in implementing regional reforms in public finance statistics.** In the context of expanding the scope of coverage of public finance statistics to all general government units, the mission finalized and provided public finance actors with inputs for production of statistics for the subsectors of the budgetary central government, local administrations, and social security administration. A work methodology was also defined to begin preparation of the financial position and TOFE for extrabudgetary units and companies in which the government holds the stake. For the other tables of the minimum analysis framework, the Center provided authorities with an improved version of the public debt position and cash flow position. The creation of the public finance statistics committee will serve to improve oversight of the migration of public finance statistics to international standards.

Real sector statistics

52. **Two TA missions for Guinea-Bissau, in June and November 2018, to move forward on the rebasing project.** As a result of the missions, a resource-utilization table was available for the first time, including an itemized table of intermediate entries, for the base year 2015 and the 2016

and 2017 accounts (in progress). A series of retroplated accounts for the 1997-2014 period was developed. A technical note on discrepancies between the new and old base year is also available. The mission recommended dissemination of the revised account as soon as possible. The INS planned to organize an official ceremony in the presence of the authorities.

Debt management

53. **Improvement of the institutional framework for public debt management.** The TA delivered by the Center during the period under review led to the preparation of a reorganization strategy for the public debt management framework and effective implementation of the new Directorate General of Public Debt (DGDP). The DGDP organizational structure is expected to be reorganized into two units, one responsible for front and middle office task and the other for back office task. As its capacities are strengthened, the DGDP responsibilities are expected to gradually expand and the scope of authorities of the other units involved in debt management should be clarified. The mission offered specific proposals to assist the DGDP in coordinating and boosting the effectiveness of the national public debt committee.

Macro-fiscal analysis

54. **Strengthened appropriation of the macroeconomic model.** The mission on strengthening appropriation of the macroeconomic model (1) assessed the implementation status of the roadmap, to audited the functioning of the TCHINTCHOR model and corrected problems observed, (3) strengthened capacities in the construction and functioning of the model during a three-day training workshop. Regarding the fiscal component, the mission analyzed macroeconomic and fiscal framing practices and led a workshop and discussions on the medium-term fiscal framing. The overall functioning of the macroeconomic framing mechanism is satisfactory. However, capacity building actions should be conducted to improve practices and the quality of outputs. A refined version of the TCHINTCHOR model was provided to the Directorate General of Economic Forecasting and Studies (DGPEE) at the conclusion of the mission. The DGPEE team is expected to continue calibrating and revising the model's parameters. An updated action plan was prepared and discussed with the authorities.

55. **Multiyear expenditure programming and preparation of the DPPD.** The mission reviewed the implementation status of the recommendations of previous macro-fiscal missions with the stakeholders. Capacities in fiscal framing were also strengthened. The mission set up templates for use in preparing medium-term budget appropriations and a user guide for the template. A detailed DPPD plan was also prepared. Finally, the mission provided recommendations in the form of an action plan to improve the credibility of the macroeconomic framing and effectively implement budget programming.

Mali

Customs administration

56. **Strengthening of the customs valuation function.** Progress was made in implementing the prerequisites to the launch of a multiyear TA project to bring the customs valuation function back

in-house: (1) creation of the project team and five technical subcommittees, (2) preparation for implementation of the value module of ASYCUDA World, (3) training in customs valuations, and (4) centralized management of post-clearance review of declarations at the Directorate of Post-Clearance Inspections. Those measures will have only a modest impact on the project's success until other conditions are met: (1) substantial and rigorous investment in the project team, (2) development of an action plan to support the Malian customs strategy in insourcing the customs valuation function, (3) implementation and effective use of the value module and other automated tools, (4) a substantial increase in the risk analysis and intelligence units' staffing, and (5) the entry into force of the framework directive on intelligence. Since the mission was advised that the IVP had been renewed for five years, the TA will now focus on other priority aspects to be defined with the Malian customs authorities.

57. Modernization and support for the automated clearance procedure in the form of a draft framework directive. The TA mission and members of the drafting committee, composed of staff from the directorate general and the operational units, prepared a draft framework directive on the automated clearance of merchandise imports and exports. To facilitate implementation, the committee decided to take preliminary actions including: (i) finalize the directive and upgrade the IT system, (2) reorganized the customs clearance bureaus (redeployment of staff, tracking procedures), (3) conduct a risk analysis to validate the risk management system for selectivity of declarations, (4) refocus the missions of surveillance units, (5) implement training, internal communication, and external communication plans, (6) modernize human resources management, (7) establish a procedure to verify completion of tasks and measure customs performance, and (8) reinstate all projects relating to modernization (regional transit and simplified procedures). The mission proposed gradual implementation of the directive's provisions and full adoption by April 2019.

Tax administration

58. Resumption of TA after difficult start of the year. The two first missions initially programmed had to be canceled: the first in July, because of the electoral schedule; and the second in September, at the DGI director's express request, at a time when it was becoming increasingly obvious that tax revenue was plummeting relative to initial provisions (-4 percentage points of GDP compared to 15.9 percent expected for 2018). The change of DGI management team led to the resumption of TA missions: two visits were arranged in January and March 2019. Both concerned midsize business taxpayers, for which the principal problem continues to be the thin portfolio. The number of midsize business taxpayers under management has barely changed in two years (the 1461 active VAT filers in 2018 represents an increase of only 11 since 2017).

Public expenditure management

59. Progress with the new government accounting framework and preparation of the 2018 fiscal year closing using accrual accounting. The Center's TA supported the preparation of three draft accounting directives on operating expenses, fixed and intangible assets, and implementation of accrual-basis accounting for the 2018 fiscal year closing.

60. Support for the national seminar on cash flow management. The Center took part in leading a national seminar and in capacity building relating to the Treasury single account and cash flow management.

Public finance statistics

61. **Expansion of the scope of coverage of public finance statistics. The Center's support provided the country with tools to compile statistics in accordance with international standards including the 2014 GFSM.** At the conclusion of the TA, Mali was able to produce statistics for the subsectors of the budgetary central government and the social security subsector. The production of statistics for at least three subsectors is planned for the first half of 2020, and the consolidated TOFE for the general government in December 21, provided work begins on the compilation of statistics for subsectors of extrabudgetary units.

Real sector statistics

62. **The Malian National Institute of Statistics (INSTAT) benefited from two TA missions** in June and December 2018 to work on available sources in the context of the project to change the base year from 1999 to 2015. The missions also supported the preparation of quarterly accounts for the first three quarters of 2018.

Debt management

63. **Support continued on improving the public debt data management system developed internally by the authorities.** The authorities are making progress in aligning the system's functionalities with those expected of a standard system and improving its robustness. The Center helped the developer team in preparing specifications for integration of the domestic debt model in the system and resolving technical difficulties they were facing. A new timetable was agreed with the authorities; according to the timetable, the system should be put in production by March 2020. Keeping the project on schedule will depend on improved work methods within the developer team and with the system users.

Macro-fiscal analysis

64. **The TA mission supported the integration of the new economic accounts (real sector (SNA 1993), BPM6, GSFM 2001, and TOFE)** in the MME-DNPD macroeconomic model. The version provided at the mission's conclusion could be used for future official framings. However, improvements were proposed in terms of functioning and framing practices in the context of the 2018-2020 action plan.

Mauritania

Customs administration

65. **Strengthening of capacities in post-clearance audit.** The DGD made significant progress in post-clearance audits (PCA), reflected in increased human resources and equipment and the development of a PCA procedure, which has yet to be approved and implemented. In close cooperation with all staff of the Directorate of Investigations and Post-Clearance Audit (DECAD), the mission proposed: (1) minor amendments to the draft PCA manual before approval

by the DGD, (2) a new organizational chart to reflect the modernization of PCA, (3) amendment of the decree on the directorate general's organization to reflect the new focus, (4) the appointment of sufficient staff to each unit of the DECAD, and (5) definition of the legal framework for the customs intelligence function.

66. Enhancing value checks through the use of mirror databases. The mission was a great success among the Mauritanian customs staff. Workshops were arranged on the following topics: methodology, databases and results of mirror analyses, and identification of the team to oversee the analysis of mirror data. The workshops highlighted the value of mirror data from the standpoint of customs valuation as well as risk management. List of suspicious tariff positions identified by the analysis were provided to the PCA unit to open specific investigations and to support the work of the national value bureau in valuing merchandise imports. The mission made three recommendations that were discussed with and validated by the customs authorities: (1) immediate validation of the composition of the team in charge of mirror analysis, (2) a specific action plan for processing the results of mirror analysis, which was developed during the mission, and (3) utilization of the value and disputes modules of ASYCUDA World by all automated customs bureaus.

Tax administration

67. Mixed results. The TA achieved three-fourths of the expected results of the AFW program expected in 2018: 83 percent of large businesses declare their VAT on time, 60 percent of recoverable tax arrears were cleared during the previous year, and the taxpayer file, for which duplicates, temporary taxpayer identifiers, and nonfilers had been eliminated, can now be considered reliable. The sole objective not achieved for 2018 concerns targeted audits of VAT declarations reporting a zero balance or refund due. Despite efforts in this area, particularly the adoption of the tax audit module, only 7 percent of those returns are covered, well below the objective of 20 percent expected as at December 31, 2018. Also, despite progress in several areas, the tax ratio, estimated at 19 percent in 2017, is not expected to increase significantly in 2018. Overall, there is still little significant improvement in the total amount of revenue in the absence of a genuine change in attitudes.

Public finance statistics

68. Resumption of TA. After several postponements, the TA mission provided the authorities with tools to compile statistics for local administrations. Also, in the interest of better supervision of the compilation of statistics in accordance with international standards, the Center helped establish: (1) a TOFE team within the DGTCP responsible for compilation of the budgetary central government statistics, and (2) a committee on public finance statistics expanded to units of the general government subsectors for compilation of real sector statistics in the medium term.

Real sector statistics

69. Two TA missions to support Mauritania's National Statistics Office (ONS) with tasks associated with the rebasing project, which will replace the base year of 1998 with 2014. After the April 2018 mission, the ONS disseminated preliminary results for the new base year. A January 2019 mission worked on finalizing the 2014 base, the 2015 account, and retropolation for

earlier years. A second mission in April 2019 assisted the ONS in finalizing results for the new base year, which were disseminated by the ONS in May 2019.

Public expenditure management

70. **Capacity strengthening in PIM.** The Center's two TA admissions in November-December 2018 and March-April 2019 supported the launch and consolidated implementation of the AE/CP technique for proper budgeting and monitoring of public investment expenditure execution. The TA supported central units as well as the sector ministries, and facilitated:

- ✓ capacity-strengthening for the central and ministerial units responsible for PIM;
- ✓ the start of AE/CP implementation to ensure appropriate budgeting and management of capital expenditures,
- ✓ full implementation of the AE/CP mechanism at pilot ministries, and
- ✓ training for the Directorate General of Budget (DGB) instructor team to undertake implementation of the AE/CP mechanism for capital expenditures in other ministries and institutions.

71. **Support for the development of a new accounting framework and improved quality of the government accounts.** In preparation for the accounting reform, the Center provided a quality review of the draft text instituting the new government accounting framework, and took part in a detailed review of the draft proposed system of accounts. Following a review of the trial balance, a plan was defined for validation of third-party accounts in order to complete the prerequisites for accrual-basis accounting and provide a reliable basis for the government's future opening balance sheet.

Debt management

72. **Strengthening capacities in implementing the financing plan.** Ten officials received instruction on giving consideration to the costs of guarantees and other fees and interest and exchange risks in calculating the effective costs of a proposed loan; and on an approach to analyzing financing offers.

73. **Implementation of new procedures for Treasury securities.** The Center assisted the authorities in finalizing the revised rules for issuance of Treasury securities on the primary market and in incorporating those changes in the various analytical tools used in preparing and conducting auctions. It also assisted the Treasury during a day of outreach to market participants on the new rules.

Bank supervision and restructuring

74. **The Center's principal area of intervention was the adaptation of prudential regulations applicable to banks.** The Center supported finalizing draft tax on credit institution solvency and liquidity following consultation of the banking sector. The Center's experts also took part in the final stages of finalizing the banking law that was adopted by the legislature in July 2018.

Macro-fiscal analysis

75. Improvement of macroeconomic and fiscal framing processes and tools. The mission led a discussion session on good practices that included a presentation and discussion of its findings. The mission also reviewed a draft decree on the budget preparation process and schedule. To address the absence of a functional framing tool, the mission worked with the Directorate of Economic Forecasting and Analysis (DPAE) on the development of the macroeconomic framing tool in cooperation with the Mauritania team of the IMF Middle East and Central Asia Department. The approach entailed creating a hub between the modules used by the IMF for real sector, balance of payments, monetary position, TOFE, and public debt forecasts. An action plan was also agreed for the 2018-2020 period to pursue the following objectives: (1) improve the macroeconomic and fiscal framing tools, (2) improve the process of developing the macroeconomic and fiscal framing, and (3) strengthen the macro-fiscal function.

Niger

Customs administration

76. National workshop on the principles of the World Trade Organization (WTO) agreement on transaction value. The Center supported the customs administration in bringing the evaluation function back in-house. The mission entailed a national seminar to study the WTO agreement on the principles of transaction value. The seminar, attended by 30 customs officials, focused on the following points: (1) review of fundamentals of the concept of customs value introduced by the WTO agreement (neutrality, equity, and consideration of the realities of international trade), (2) review of the structure of the agreement and annexes and the institutions involved in implementation, and (3) review of merchandise valuation methods. The workshop and content presented were given high marks by the majority of participants.

77. Strengthening of the customs valuation function. The DGD confirmed its support for the multiyear TA project: (1) creation of a project group in charge of implementation: (2) selection of 10 product for the implementation of transaction value, (3) training for 147 inspectors on customs valuation, and (4) implementation of inspection certificates to facilitate improved risk management. A number of weaknesses remain that could impact the multiyear TA project: (1) deficiencies in physical inspections and PCA, (2) excessive personnel mobility, which undermines morale, and (3) inadequacies of internal and external communications. The mission identified supporting measures: (1) design of an action plan to support the project's three pillars (effective use of all ASYCUDA World functionalities, strengthened inspections and audits, enhanced professional skill), (2) creation of a mandatory field in ASYCUDA to support decisions by customs inspectors, and (3) the development of position descriptions and profiles to strengthen the PCA function.

Tax administration

78. Strengthening tax functions. The Center's support led to the following advances:

- ✓ Organizational reforms based on a functional approach were deepened to support tax operations. After the reform of tax audit management in 2017, a Directorate of Central Administration was created with responsibility for the tax base and collection activities.
- ✓ The performance plan based on five indicators is now used by the DGI to monitor developments in tax operations. Through the use of the tool, 96 percent of large business taxpayers file VAT returns and 92 percent file employer tax returns compared to 94 percent and 72 percent, respectively, in 2017. Tax audit coverage increased to 38 percent for the DGE, and 40 percent of DGE arrears were cleared. Despite this progress, the tax administration must appropriate the plan and make it an essential tool for operations management.
- ✓ To assist the tax administration in dealing with chronic nonfilers, a project to strengthen VAT was put in place. The components being implemented are: (1) a campaign to encourage registration, (2) capacity building for DGI staff responsible for new registrants' tax and reporting obligations, and (3) publication of a directory of active taxpayers, to be shared electronically with the customs administration.

Public expenditure management

79. **Postponement to FY 2020 of the planned mission to optimize budget execution in program budget mode at the authorities' request.**

80. **Postponement to FY 2020 of the planned mission to strengthen the accounting function at the authorities' request.**

Public finance statistics

81. **Progress in implementing regional reforms of public finance statistics.** With the Center's support, Niger refined and finalized the cross-reference tables to support the compilation of statistics for the budgetary central government, local administrations, and the social security subsectors in accordance with the 2011/2014 GFSM. The TA also identified a group of extrabudgetary units for the compilation of statistics for that subsector using cross-reference tables to be developed. A group of rural communes were also designated during the TA mission to begin production of the TOFE for the local administrations subsector. With respect to other tables of the minimum analysis framework, the TA provided Niger with cross-reference tables for the cash flow position and public debt position, and identified data sources for production of the financial position.

Real sector statistics

82. **Niger's INS received two TA missions to support the change of base year,** from 2006 to 2015. After the March 2018 mission, the INS disseminated a limited set of preliminary results for the new base year. The mission in October 2018 worked on finalizing the 2015 base and retropolation. It provided recommendations to improve the branch accounts and operating accounts. In March 2019, the INS received second mission to review the results of retropolation and the base year. The mission recommended dissemination of results of the new base year in

June 2019. The mission also worked with the INS to set up quarterly account templates consistent with the IMF Quarterly National Accounts Manual, 2017 Edition.

Macro-fiscal analysis

83. **Strengthening capacities in maintaining the macroeconomic and fiscal model.** During the mission, the operations entailed in maintaining the model were reviewed and documented. The mission contributed improvements to the model and the methodological guide was restructured and supplemented with a description of the key phases of maintenance operations. A workshop was arranged for members of the technical secretariat of the joint macroeconomic and fiscal framing committee (CTCCMB). The outline of the macroeconomic and fiscal framing note was also reviewed to cover those elements. Three principal short-term challenges lie ahead for the macroeconomic framing mechanism: (1) revise the CTCCMB charter, (2) incorporate the national accounts series produced following implementation of the new base year in accordance with the 2008 System of National Accounts (SNA) in the AYOROU macroeconomic model, and (3) continue to increase staffing at the Department of Analysis and Programming (DEP), which currently plays a key role within the CTCCMB.

Senegal

Customs administration

84. **Improving tracking and control of exemptions and temporary admissions.** The customs administration has made an effort to improve the management of exemptions and temporary admissions, in particular by (1) increasing the number of staff responsible for managing and monitoring these sectors of activity, (2) deploying an automated platform to manage exemption certificates, (3) creating a dedicated section responsible for those areas within the Post-Clearance Audit Bureau, (4) improving IT tools, and (5) disseminating all regulatory texts to personnel via an automated document management system. A number of weaknesses were identified, and the Center developed an action plan to address them (full implementation of the IT application to manage and track exemptions and temporary admissions, improved audit and monitoring of temporary admissions, and increased staffing for the unit in charge of PCA for those activities).

85. **Strengthening of the customs valuation function.** The review of implementation of the April 2018 mission's recommendations was encouraging. The customs administration is continuing to effectively deploy its strategy of bringing the merchandise valuation function back in-house. Substantial efforts have been made, for example in the development and use of automated tools to support decisions by the customs valuation staff (inspection and research personal). The results are more mixed in regard to the strengthening of support units (origin and value office, intelligence and documentation office, and PCA office). The mission recommended (1) finalizing implementation of the measures proposed in April 2018 and (2) taking additional actions to secure revenue, improve the method of insourcing the merchandise valuation function, and facilitate clearing operations.

Tax administration

86. **The results of automation and taxpayer compliance efforts are highly encouraging.** With a long-term expert on site, progress in deploying the automation plan at the Directorate General of Taxes and Property Administration (DGID) and in improving taxpayer compliance is fully on track. One-third of the expected results of the AFW program have been achieved: 95 of large business taxpayers and 90 percent of midsize business taxpayers are now timely VAT filers. In parallel, substantial progress has been made in collection actions and the research and data cross-check mechanism (the percentage of tax arrears collected increased from 9.5 percent to 11 percent in one year, and the personnel and material resources allocated to research have tripled). Despite these exemplary results, additional efforts will be required to attain the target 20 percent tax ratio set by the government for 2021 (it was only 16 percent in 2018).

Public expenditure management

87. **Strengthening capacities in PIM and budget preparation.** In the budget area, two TA missions were conducted to support implementation of the AE/CP structure of capital expenditures and improve budget documents in preparation for the transition to program budgets in January 2020. The mission led to the following results:

- ✓ capacity building for PIM actors in the central government as well as sector ministries,
- ✓ continued implementation of the AE/CP mechanism to support the budgeting and monitoring of investment expenditure execution,
- ✓ implementation of the AE/CP structure for the capital expenditures of six other ministries and improvement of the quality of their DPPD,
- ✓ the creation of a team of instructors from the Directorate of Budget Programming (DPBP) to continue implementation of the AE/CP structure in other ministries and institutions,
- ✓ a quality review of the key budget documents prescribed by the budget law to enhance the transparency and credibility of the government budget,
- ✓ capacity building for the actors involved in preparing those documents, and
- ✓ agreement on an action plan to strengthen the quality of DPPD in accordance with the requirements of the budget law and international standards for transparency in public finance.

88. **Improved quality of accounts with support for implementation of internal accounting control and preparation of a draft model accounting procedures for ministerial accounting officers.** Accounting risk maps covering two expenditure processes, payroll and public procurement, were developed for the sector ministries. The DGTCP's risk mapping capacities were strengthened to enable it to apply the approach for the ministries' other expenditure process. An accounting procedures guide was developed for future use by ministerial accounting officers to supplement the new internal control mechanism in the context of accounting reforms. A draft new accounting organization chart was also prepared.

Public finance statistics

89. **Expansion of the coverage of public finance statistics.** With the Center's TA, Senegal was able to produce consolidated general government statistics and begin the production of statistics for government-held corporations. Also, with the functional classification of expenditure, the Center provided Senegal with an additional tool for public financial analysis. The AFW teams also finalized statistics for different subsectors of the general government; produced the consolidated general government position for operations as at end-December 2017; and began the production of public sector statistics. As a result, Senegal has consolidated its leading position in producing public finance statistics in accordance with international standards, including the 2001/2014 GFSM.

Real sector statistics

90. **TA mission on the quarterly accounts to support the National Statistics and Demographics Agency.** The mission assisted in efforts to ensure consistency between series produced using the new 2014 base year and high-frequency indicators (calibration).

Debt management

91. **Strengthening capacities in managing financial risks in the debt portfolio.** The TA trained 15 professionals in managing the risks related to currency swaps in the context of public debt management. Specific suggestions were provided to better manage the risks related to the authorities' portfolio of currency swaps.

92. **Capacity strengthening in debt sustainability analysis.** Training in the use of the new debt sustainability framework was provided to 14 professionals from the Ministry of Economy, Finance, and Planning. At the conclusion of the training, the participants were able to conduct a debt sustainability analysis for their country.

Macro-fiscal analysis

93. **Workshop on quasi-accounting modeling.** The mission held several technical meetings with the principal actors in macroeconomic and fiscal framing to analyze practices in the area of macroeconomic and fiscal framing. The mission led a training workshop in quasi-accounting modeling for personnel from the Directorate of Economic Forecasting and Studies (DPEE), the National Demographic Statistics Agency, the Treasury, and the customs administration. The workshop is expected to help the DPEE as it undertakes the redesign of its macroeconomic framing model, which is based on an input-output table. An action plan was agreed to address the challenges identified, and covers the following areas of effort: (1) align the macroeconomic framing mechanism on the budget preparation schedule in accordance with the framework budget law (LOLF), (2) establish a quasi-accounting model with a disaggregated resource-utilization table, and (3) strengthen the medium-term fiscal framework.

Togo

Customs administration

94. **Support for the multiyear TA project on automated risk management for audit selectivity.** To accelerate the implementation of scoring, which is central to risk management, the mission worked with a software developer on the initial steps in the development of an application enabling the Directorate of Intelligence and Risk Analysis (DRAR) to incorporate audit performance and data quality in its analyses. The Togolese customs administration confirmed its intention to move ahead on the project, committing to two essential conditions for its success: (1) the selectivity committee should meet more frequently to monitor and adjust selectivity rules based on the performance indicators provided by the DRAR, and ensure that its decisions are implemented in the automated risk management system, and (2) the proportion of declarations channeled through the red lane at the Lomé port for declarations of home use, currently between 50 percent and 66 percent, should be promptly reduced to 30 percent.

Tax administration

95. **Securing of the taxpayer identification number (NIF) and improved surveillance of monthly VAT declarations.** The Center's support led to the following results:

- ✓ Two midsize business taxpayer centers were created to improve VAT management. Their portfolios increased by 4.7 percent relative to 2017. A book of tax procedures was published and the Tax Code was updated.
- ✓ A draft directory of active taxpayers, shared with the customs commissioner, was designed and implementation of the directory was launched. Withholding of 15 percent of imports was instituted for chronic nonfilers in order to encourage taxpayer compliance.
- ✓ Ninety-one monthly declarations filed by large business taxpayers (9.5 percent of the portfolio) and 348 from midsize business taxpayers (19.8 percent) were identified as presenting potential risk, and appropriate audits were undertaken after preliminary training of units on the methodologies of risk analysis based on desk audits and targeted controls.
- ✓ Intelligence was collected on close to 300 taxpayers to support the surveillance of monthly declarations considered as presenting risks.
- ✓ A model risk analysis framework for tax declarations was designed to support the automation of that activity in the context of project E-Tax.

Public expenditure management

96. **The Center conducted three TA missions to:** (1) support the adaptation of the integrated public finance information management system (SIGFiP) to complement and support budget reforms under way, (2) assist in the drafting of a procedures manual for ex ante evaluation and selection of projects to support improved PIM, and (3) in preparation for the forthcoming transition to program budgets, strengthen capacities of the ministries' budget and finance directorates (DGBF) and financial affairs directorates (DAF) in assessing the quality and

relevance of program budgets, budget documentation (DPPD), and performance frameworks (PAP). Collectively, the three missions:

- ✓ evaluated work completed and in progress to adapt SIGFiP to provisions of the new legal framework for public finance (e.g., budget preparation, program classification, treatment of appropriations, AE/CP structure of investment expenditure),
- ✓ strengthen capacities of professionals responsible for planning and managing an IT project,
- ✓ propose improvements to functional and technical specifications for the new SIGFiP,
- ✓ assist authorities in finalizing the methodology guide for ex ante evaluations, selection and prioritization (in cost-benefit, cost-efficiency, and risk analyses) for public investment projects, in order to strengthen PIM and improve budget execution and control,
- ✓ strengthen the capacities of PIM actors in the issue of evaluation and selectivity of major capital projects prior to budgeting,
- ✓ strengthen capacities of responsible staff members from the priority ministries' DGBF and DAF in analyzing the quality, relevance, and reasonableness of performance frameworks of budget proposals in regard to available resources,
- ✓ propose a dashboard to support reviews of DPPD and PAP prior to validation for the government budget, and
- ✓ provide draft sections of a minister of finance circular letter on the method of evaluating program costs and distribution of budget headroom.

97. Progress in implementing the TSA and in documentation of the new government accounting framework (PCE). The functions of the Central Bank of West African States (BCEAO) Treasury settlement account were diagrammed using the SICA and STAR IT tools. Each and every account of the new government accounting framework was documented by means of a detailed guide, including examples. Staff capacities were strengthened at a workshop in Cameroon to exchange experiences in implementing the TSA, and technical workshop on accounting under the new PCE was conducted in the context of implementation of government accounting standards. The mission also reviewed the draft PCE in its entirety.

Public finance statistics

98. Progress in implementing regional reforms in public finance statistics. The training delivered by the Center enabled public finance professionals to appropriate the standards and principles of the 2001/2014 GFSM. In the context of practical exercises, the Center provided finance professionals with refined cross-reference tables for subsectors of the budgetary central government. In particular, the cross-reference tables were refined for the budgetary central government, social security, and local administration subsectors. The Center also assisted in refining the cash flow position and public debt position, and identified data sources for production of the financial position.

Real sector statistics

99. **TA mission supporting the National Statistics and Demographics Institute (INSEED) in rebasing the national accounts.** The mission helped prepare templates for calculating the production of financial activities and insurance. It also reviewed the sources for agricultural statistics and end consumption expenditures. The work plan provides for the dissemination of results for the 2016 base year at the end of the first half of 2019, and completion of the rebasing effort, including 2017, retropolation, and the QNA, by the first half of 2020.

Debt management

100. **Capacity strengthening in developing and implementing financing strategies.** The TA mission noted progress by the authorities in preparing the MTDS and provided suggestions to address the gaps identified.

Macro-fiscal analysis

101. **Integration of the revised national accounts in the macro-fiscal model and modernization of the PRECOMA-T model.** During the mission, the revised 2015 national accounts, final 2016 accounts, and preliminary 2017 accounts were incorporated in the model. Improvement were also made to the model's functioning. In its current form, the model projects the national accounts using data from the preliminary 2017 accounts, providing relatively robust results for the projection period. Accordingly, the model can begin to be used in the macroeconomic framing process for 2020 budget preparation. Significant challenges remain, however, to improve the quality of macroeconomic forecasts and framing practices. They include, in particular: (1) reformulating the equations for production of specific sectors of activity to obtain the behavior of a demand model, (2) constructing equations to obtain resource–utilization equilibria by product, and (3) aligning macroeconomic framing practices on the schedule for preparation of the budget under review, and revision of the GDP Committee texts to provide for the establishment of a macroeconomic and fiscal framing committee.

WAMU Securities Agency

102. **Development of the government securities market.** The Center assisted in preparing a draft industry convention to serve as a guide for the standards and formulas to be used in calculating prices, interest rates, and yields of WAEMU government securities traded over the counter. The adoption of the guide will help to reduce misunderstandings observed between operators on the secondary market.

Regional Public Investment and Financial Markets Board (CREPMF)

103. **Development of the government securities market.** The Center assisted in developing new procedures to significantly reduce lead times for the issuance of government securities by syndication and correct dysfunctions identified in the current procedures.

104. **Financial supervision mission to continue work on revision of the accounting framework for market actors, which is subject to specific accounting provisions under OHADA texts.** The draft that was produced must now be validated internally then forwarded for

consultation of the stakeholders. Additional draft prudential texts were also produced; they pertain to internal control and rules to be applied by accredited financial institutions (SGIs) for the segregation of customer funds.

The BCEAO and the WAMU Banking Commission

105. **Series of training sessions for members of the WAMU Banking Commission's Secretariat-General, specifically on-site inspectors, to strengthen skills in specific areas.** One session was devoted to IT risk control in banks, a particularly sensitive area to the extent the risks of cyber attack are increasing for the region's banks. Another training session addressed controls to be implemented by supervisors to ensure WAMU credit institutions' compliance with anti-money laundering and terrorist financing provisions. Another session concerned the Basel III framework finalized in December 2017, which serves as the principal international standard for bank supervision. Finally, the workshop on controls and analyses for prudential reports shed light on imperfections in the control and analysis of information received from banks.

106. **Bank supervision mission to the BCEAO.** The mission observed that the drafts it reviewed incorporate the requirements of the Basel Committee standards and are well crafted. The adjustments discussed and proposed should have little impact on the future regulatory framework. With respect to the two liquidity standards, the BCEAO should conduct an additional simulation exercise with credit institutions in the future to evaluate the capacity of community institutions to comply with the new standards and, where applicable, make adjustments in the calibration of weights.

107. **Course on financial programming and policies.** With the BCEAO's support, AFW and the ICD arranged two regional courses on financial programming and policies in Dakar in 2018 and 2019. The courses, which were attended by professionals from the 10 countries covered by AFW, their central banks, and the WAEMU Commission, discussed methods of projecting macroeconomic accounts, the interrelation of the accounts, and the diagnosis and formulation of macroeconomic and financial policies based on those diagnoses.

WAEMU Commission

108. **Training actions in the area of accounting and Treasury, following previous sessions held in Benin, Mali, and Togo.** The Center continued support for a national training workshop in Senegal, designed and conducted under the direction of the WAEMU Commission. The topics addressed by the Center's resident advisor concerned: (1) prerequisites to the implementation of accrual accounting, and (2) creation of the opening balance sheet under accrual accounting.

109. **Strengthening the capacities of WAEMU public financial managers in accounting.** AFW took part in a meeting of the public finance observatory on internal accounting control and management control to support the member countries in the transition to accrual accounting.

110. **Strengthening the capacities of WAEMU public financial managers to implement the reforms recommended by regional directives of the harmonized public financial management framework.** The Center's participation in two meetings of the WAEMU public finance observatory helped support the member countries in the ongoing transition to program

budgets, and helped the commission finalize the draft texts on harmonization of content of the wage bill and tax revenue.

111. **Participation in activities organized by Economic and Statistical Observatory for Sub-Saharan Africa, the WAEMU Commission, and the United Nations Economic Commission for Africa.** The activities covered regional seminars on economic conditions and macroeconomic forecasts in West African countries.

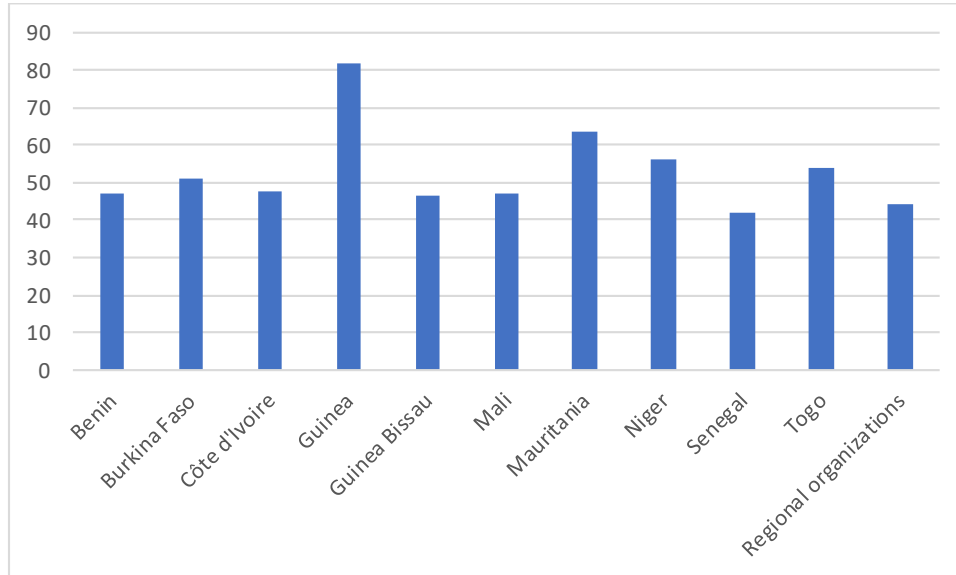
B. FY 2020 work program

112. **The detailed work program by project and country is presented in the tables Annex to the report.**

**Table 2. Distribution of TA volume by functional area
(In person-weeks)**

Functional area	Resident advisor		Short-term expert	Total FY 2020
	Abidjan	Site		
Customs administration	22	16	26	
Tax administration	30	49	23	
DGDP – Budget	17	24	23	
DGDP – Accounting and Treasurer	18	18	23	
Government finance statistics	20	25	28	
Real sector statistics	15	25.5	29	
Debt and financial markets development	16.5	24	16	
Bank supervision and restructuring	17	23	21	
Macroeconomic and fiscal analyses	17	28	25	
TOTAL	172.5	232.5	214	

**Figure 4. Distribution of TA volume by beneficiary
(In person-weeks)**



Customs administration

Context and priorities

113. **The FY 2020 work program is aligned with the objectives of the Center’s medium-term strategic framework.** It covers four principal pillars: (1) support for control of the taxable base of imported merchandise (customs value, tariff classification, and origin), (2) the automation of customs procedures (simple and secure clearance procedure), (3) improved risk management and selectivity of declarations, and (4) strengthened control and monitoring of exemption regimes and temporary admissions. Accordingly, in view of the progress made by each customs administration concerned, the FY 2020 work program focuses on the following objectives:

- ✓ Customs controls during the clearing process are more effective and performance in terms of revenue is positive with (1) strengthening of the customs evaluation function in **Burkina Faso, Guinea, Guinea-Bissau, Mauritania, Niger, and Senegal**, (2) automation of national transit in **Guinea**, and (3) support for the clearance procedure in **Mali**.
- ✓ International trade operators undergo more targeted, optimal inspections following capacity building in PCA in **Benin, Niger, and Mauritania**.
- ✓ The mechanism for monitoring temporary admissions and exemptions is now functional and facilitates transparency and efficiency and efficient, relevant programming of PCA in **Burkina Faso**.
- ✓ Management of priorities and compliance with laws and regulations is improved through effective risk management in **Benin and Togo**.

- ✓ Sanctions are more easily imposed when customs violations are found and thereby promote voluntary compliance on the part of economic operators through amendment of the customs dispute law in **Guinea-Bissau**.
- ✓ Customs border controls are more relevant and effective in terms of revenue and border security following strengthening of surveillance agents' capacities in risk analysis and targeting in **Côte d'Ivoire**.

Activities programmed and expected outcomes

- ❖ **Regional seminar.** The Center will organize a regional seminar on the topic, "Data in service of inspections." The objective of the seminar will be to (1) demonstrate the value of appropriate use of data to better target inspections, and (2) strengthen customs officials' audit and inspection capacities.
- ✓ **Peer learning experiences.** To continue the sharing and exchange of knowledge and support regional integration, the center will conduct a peer learning program:
 - (1) for customs officials of **Benin** who are in need of a disputes management tool. It would be valuable for Benin's customs officials to benefit from the expertise of their Mauritanian counterparts (who have implemented the disputes module of ASYCUDA World) to make use of this valuable tool to improve the effectiveness of anti-fraud and anti-counterfeiting efforts;
 - (2) for customs officials of **Côte d'Ivoire**, who need to upgrade their risk management system currently in operation. A customs administration on the African continent with greater expertise in this area than the Ivoirien customs administration will need to be identified.
- ✓ **TA missions.** The Center will conduct TA missions and take part in diagnostic missions organized by FAD in the member countries. A number of missions are also put "on hold." They concern continued strengthening of the management and control of exemptions and temporary admissions in **Guinea** and **Senegal**, continued work on amending the 1944 customs disputes law in **Guinea-Bissau**, and capacity building in PCA in **Niger**.

Tax administration

Context and priorities

114. **FY 2020 work program: maintained focus on VAT administration and midsize business taxpayers, with priority given this year to collections and efforts to combat tax fraud.** Despite progress achieved in modernizing tax administrations, the tax ratio and revenue collected remain generally low in the subregion. In response, the actions programmed aim to assist the member countries in (1) improving collections rates and (2) better targeting their audits. The automation of tax administrations, which some member countries have already begun, is the principal lever for those actions (development of remote procedures, launch of the online tax account, expansion of automated cross-checks throughout the region, etc.).

115. **Two important strategic objectives of TA activities for specific fragile states. In keeping with the Center's logical framework for 2017-2022 and in view of tax administrations' results in FY 2019** and the needs identified by those administrations, the TA

activities will focus on: (1) strengthening the effectiveness of tax administration governance, and (2) improving essential tax administration functions. The activities planned for FY 2022 further the objectives programmed for the Fourth Funding Cycle and consider the requirements of tax administrations in fragile states in light of recent developments in the implementation of reforms and the strategy defined in the Capacity Building Framework for fragile states.

116. Six priority pillars for activities planned for FY 2020. To support the achievement of the strategic objectives cited above, the activities will aim to: (1) strengthen central administrations responsible for overseeing basic tax functions, (2) continue to ensure the accuracy of taxpayer files maintained by the large and midsize business taxpayer units, (3) enforce reporting obligations, (4) expand the tax base, particularly in the midsize business segment, (5) improve the effectiveness of tax audits, and (6) effectively manage tax arrears.

117. FY 2020 objectives for fragile states considering their specific needs and the priorities defined in the Capacity Building Framework. The objectives are as follows:

- ✓ Capacities of central government units in charge of basic tax functions will be consolidated first in **Guinea** and **Niger**, to enable them to analyze the evolution of tax revenue, identify priorities, support operational units, and effectively oversee activity, and evaluate performance.
- ✓ The validation of taxpayer records for large and midsize business taxpayers will continue in **Guinea, Niger, and Togo**, including the gradual publication of directories of active NIFs, sharing of directories with the customs administrations, and more rigorous monitoring of reporting obligations.
- ✓ The effectiveness of research units will be gradually consolidated in **Guinea, Niger, and Togo** with more intense utilization of customs information to support the identification of new taxpayers, particularly in the midsize business taxpayer segment (and especially in **Niger**), and support tax audits.
- ✓ Tax audit operations are more effective in **Niger** with support for the experimental project on tax audits of businesses of the general trade sector to increase the accuracy of their declarations. In **Guinea** and **Togo**, audit efficiency will be improved through the introduction of risk analyses of declarations and risk-based selection of dossiers.
- ✓ The management of tax arrears will be professionalized in **Guinea** by considering the risk of recoverability of tax debts and the gradual introduction of mechanisms to write off unrecoverable amounts, in order to strengthen the tax effort and the accuracy of public accounts.

Activities programmed and expected outcomes

- ✓ **Regional seminar.** The Center plans to organize a regional seminar on the following topic:

Issues for integrity of taxpayer records. The seminar comes within the context of simplification and decentralization of registration procedures and improved tools to secure tax identification numbers, including through the exchange of data with third-party

administrations. The objective is to clarify concepts (registrant, economically active taxpayer, fiscally active, catch-all directory, directory of active NIFs, etc.), then identify new approaches to the taxation of registered taxpayers, relations with investment promotion agencies, and customs administrations to construct more robust tax systems.

- ✓ **Peer learning.** The work program provides for secondments to provide practical learning opportunities in the following areas: (1) administration of midsize business taxpayers, (2) governance of the tax audit function, and (3) governance of an automation project.
- ✓ **TA missions.** The proposed TA missions are indicated in the accompanying tables. In parallel with expert visits, now expanded to the so-called fragile states (**Togo, Guinea, and Niger**), the participation of AFW resident advisors in FAD missions was expanded to consolidate synergies between the different IMF TA programs.

Public expenditure management - budget aspect

Context and priorities

118. **FY 2020 work program in support of the Center’s strategic objectives for the Fourth Funding Cycle.** The program aims to strengthen budget preparation through improved accuracy, transparency, and relevance, and optimize budget execution and control. In particular, the activities provided by the work program aim to:

- ✓ improve programming, budgeting, monitoring, and therefore optimization of PIM through support for implementation of recommendations of the PIMA evaluations in **Guinea, Mali, and Togo**; relying in particular on the implementation of MTEFs in the ministries of **Mauritania** and improved budget credibility and performance frameworks of program budgets in **Senegal**;
- ✓ improve the quality of budget documents to ensure the provision of pertinent information to the legislature and the public, particularly in terms of identifying and managing fiscal risks, and improved budget transparency in **Benin**;
- ✓ improve budget execution and control of budget execution to optimize budget execution and strengthen the credibility and transparency of the budget in **Burkina Faso and Guinea-Bissau**, or to support results-based budget programming in **Côte d’Ivoire, Mali, and Niger**.

Activities programmed and expected outcomes

119. **Regional seminar.** The work program provides for two regional seminars (potentially inter-regional seminars conducted jointly with AFRITAC Central): one on optimized management of public investments (programming, budgeting, and monitoring public investments) and the other on the new organization of budget directorates (DGB) following reforms prescribed by the new legal frameworks for public financial management adopted by the member states.

120. **Participation in the activities of regional institutions.** The work program also provides for capacity building activities for public finance professionals organized by WAEMU to support implementation of directives of the Union’s harmonized public financial management framework.

121. **TA missions.** Fourteen missions are planned, including two each in **Guinea, Mali**, and the WAEMU Commission; and one in **Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mauritania, Niger, Senegal, and Togo.**

122. **Peer learning.** A study trip is also planned to provide peer learning in the identification, reporting, and management of budget risks. It will be conducted in **Côte d'Ivoire** for countries preparing to undertake this important reform.

Public expenditure management - accounting and Treasury aspect

Context and priorities

123. **The two priority objectives for FY 2020 are improving the government general accounting system and the cash flow management system.** The Center's efforts will focus on three key areas of effort:

- ✓ **Continued support for the implementation of accrual accounting**, with the preparation of accounting directives and support for preparation of the opening balance sheet, fiscal year closing procedures, accounting thresholds for nonfinancial assets and stocks, accounting procedures for debt, preparation of new financial statements, and validation of accounts in **Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Togo, and Senegal.**
- ❖ **Continued support for capacity strengthening in basic cash accounting** and regular production of the government trial balance in **Guinea and Guinea-Bissau.**
- ✓ **Continued support in the area of cash flow management and the TSA**, in particular through support for the implementation of the TSA and improved cash flow plans in **Benin, Burkina Faso, and Guinea-Bissau.**

Activities programmed and expected outcomes

124. **Regional seminar.** The activity program for accounting and Treasury provides for a seminar on the topic, "Toward better integration of cash flow management and debt management," in cooperation with the advisor on debt management. The seminar will enable participants to appropriate the approach and tools to better integrate cash flow and debt management.

125. **TA missions.** Fourteen missions are planned, including two each in **Benin, Burkina Faso, Côte d'Ivoire, and Guinea-Bissau;** and one in **Guinea, Mali, Mauritania, Niger, Senegal, and Togo.** One mission in **Guinea** and one mission in **Burkina Faso** will be conducted in cooperation with the European Union project and GIZ, respectively.

126. **At the regional level, two missions to support the WAEMU Commission** are also planned in the context of capacity building for WAEMU public finance experts and practitioners.

127. **Peer learning.** The work program provides for a study trip to provide peer learning on the TSA and cash flow management. This activity will be hosted by Cameroon, which implemented

the TSA in 2007, and a Treasury directorate responsible for cash flow planning and monitoring within the Directorate General of Treasury and Financial and Monetary Cooperation.

Public finance statistics

Context and priorities

128. **FY 2020 activity program furthers the aims of previous activity programs to build on real progress in FY 2019**, particularly in migration of statistics of the 2001/2014 GFSM.

129. **Support for implementation of the 2001/2014 GFSM methodology and for the production and dissemination of public finance statistics (PFS) tables as central pillars of the TA.** This will concern first of all statistics for the budgetary central government, i.e.: (1) the TOFE, the principal summary document for PFS, (2) the cash flow position, (3) the financial position, and (4) the public debt position. The new international standards for PFS also call for expansion of coverage to all subsectors of the general government (extrabudgetary units, social security and local administration subsectors) to improve the quality, comprehensiveness, and relevance of PFS as the principal tool for analysis of fiscal policy sustainability. The fiscal year will also see the start of work on compilation of statistics for public corporations in order to produce the public sector operations.

130. **Importance of outreach to authorities and promotion of collaboration between the various PFS users and producers (compilers)** in line with harmonization of the different macroeconomic statistics systems. Similarly, strengthening the national statistics system, dissemination and publication of data, and transmittal of data and validation/reconciliation of PFS are becoming increasingly central to the TA. These aspects will also be covered by the FY 2020 work program.

Activities programmed and expected outcomes

131. **Regional seminar.** In terms of regional activities, a regional training and outreach seminar for decision makers and key authorities of the ministries and directorates general is planned. Emphasis will be given to outreach to those actors on standards and principles of the 2001/2014 GFSM, calculation and analysis of the principal aggregates, and international standards for good governance and PFM. The key aims of the seminar are to enhance the participants' knowledge and technical skills in PFS and to provide public finance actors with the tools and knowledge required to analyze the impact of economic policies.

132. **TA missions.** The planned activities will include compiling the consolidated position of budgetary central government statistics for the countries covered by the Center. Other statistics being produced will be reviewed with a view toward consolidation. The TA missions will also include an outreach component: with the expansion of the scope of PFS coverage, in line with progress observed in nearly all the countries, the support of authorities will be needed to enable the teams responsible for collection, processing, and compilation of PFS to have access to financial statements and data for all the general government subsectors. Particular attention will be given to monitoring the implementation of recommendations resulting from the TA missions.

133. **Peer learning.** The Center will arrange practical experience for participants to strengthen capacities in management of public corporations and national public entities. The participants will have hands-on experience in preparing guidance notes and strategies for managing the government portfolio, with particular emphasis on the quality and availability of statistics.

Real sector statistics

Context and TA priorities

134. **Activities programmed in the area of real sector statistics focused on national accounting systems.** The activities are focused on two main objectives:

- ✓ implementing the 2008 SNA and the change of base year in all AFW member countries,
- ✓ continuing the implementation of QNA in all the AFW countries.

Activities programmed and expected outcomes

135. **Regional seminar.** The Center organized a regional seminar on the topic “Exhaustive measure of GDP” in the context of 2008 SNA implementation. The seminar provided a framework for dialogue among national accounting officers and survey statisticians to increase the utility of primary data. The seminar also strengthened the capacities of national statistics agency professionals in the correct application of the 2008 SNA recommendations.

136. **TA missions.** The general aim of the activities programmed is to ensure that the countries commit to implementation of the 2008 SNA by rebasing combined with retropolation to provide users with long GDP series, and expand the preparation of QNA. The work program also provides for activities on hold for **Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Mauritania, Senegal, and Togo.**

137. **Peer learning.** The work program provides for two secondments to provide practical experience in retropolation and implementation of the 2008 SNA.

Debt and financial markets development

Context and priorities

138. **Alignment of planned TA activities in this area with the Center’s strategic objectives for the Fourth Funding Cycle.** The activities aim in particular to:

- ✓ help consolidate progress in coordination between debt management and cash flow management in **Benin,**
- ✓ strengthen capacities in preparing and implementing credible financing and cash flow plans in **Guinea, Guinea-Bissau, Mauritania, and Niger,**
- ✓ improve the quality of public debt information in **Guinea, Mali, and Togo,**

- ✓ strengthen capacities in risk analysis and public debt management in **Burkina Faso, Niger, Senegal, and Togo**, and
- ✓ support the **WAMU Securities Agency** and the **CREPMF** in developing the regional market for WAMU government securities.

Activities programmed and expected outcomes

139. **Regional activities.** A seminar on integrating cash flow management and debt management will be organized with one of the Center's advisors in PFM. The training will aim to: (1) deepen some 30 participants' knowledge of good practices for integration and prerequisites for effective coordination of cash flow and debt management, and (2) provide preliminary insights into the effort required in each country to facilitate more effective integration of cash flow management and debt management.
140. **WAMU Securities Agency.** The Center will assist the Agency in updating its procedures manual to reflect recent organizational changes approved by its steering committee.
141. **The CREPMF.** As part of the effort begun in 2017 to modernize procedures for issuing securities on the primary market, the Center will assist the CREPMF in upgrading procedures for government securities operations involving private placements.

Bank supervision

Context and priorities

142. **Strengthening of bank supervision.** This is the focus of the Center's interventions in this area, in particular through alignment with Basel Committee principles for effective banking supervision and the transposition of the international standards known as the Basel III accords. The key activities planned in this area will include a multiyear TA project for the WAMU Banking Commission's Secretariat-General and the central banks of **Guinea** and **Mauritania**. The Center will also support the CREPMF in adapting its regulations and strengthening its supervision of market entities.

Activities programmed and expected outcomes

143. **Country TA missions.** The multiyear programs to strengthen bank supervision in **Guinea** and **Mauritania** will be extended and will pursue adaptation of the regulatory framework and improving the quality of supervision. In particular, the TA will support the Central Bank of the Republic of Guinea in the transition to the new accounting framework, and the Central Bank of Mauritania in preparation for the entry into force of new solvency and liquidity standards for banks.
144. **TA for the Secretariat-General of the WAMU Banking Commission.** The TA activities will support the responsible authorities in their supervision activities in the context of the entry into force of the new prudential rules in 2018 and the introduction of consolidated supervision.

145. **TA for the CREPMF.** The TA will include defining prudential and accounting standards for supervised entities. The Center will also contribute expertise in implementing risk-based supervision.

146. **Regional seminar.** In cooperation with AFRITAC Central, the Center will organize a seminar on preventing the risk of cyber attacks.

147. **Peer learning.** The program also provides for practical experience at a comparable authority. The topic could be the organization and modalities of collecting data from commercial banks through a centralized IT platform.

Macroeconomic and fiscal analysis

Context and priorities

148. **A program of activities for FY 2020 based on the medium-term priorities embodied in the program document for the Center's Fourth Funding Cycle.** The priority topics to be covered include:

- ✓ improving the availability, quality, and frequency of macroeconomic analyses supporting economic decision making, particularly through support in the compilation and analysis of high-frequency statistics in **Benin** and **Côte d'Ivoire**,
- ✓ strengthening medium-term macroeconomic framing, through:
 - deepening of macroeconomic forecasting tools in **Burkina Faso, Guinea-Bissau, Mali, Mauritania, Niger, and Senegal**,
 - integration of the macroeconomic and fiscal framing processes in **Guinea-Bissau, Mauritania, Mali, and Togo**,
 - strengthening the robustness of macroeconomic and fiscal framing and linkages to debt sustainability analyses in **Burkina Faso, Côte d'Ivoire, Niger, and Togo**,
- ✓ establishing sound institutional structures to support economic policy decisions, including through strengthening of tax revenue forecasting mechanisms, in **Burkina Faso, Senegal, and Guinea**.

Activities programmed and expected outcomes

149. **Regional activities.** As part of its communication strategy and to ensure the Center meets the member countries' expectations, AFW, in cooperation with the IMF Africa and Communications departments, will organize a regional seminar on macroeconomic policy management for the member countries' legislatures. The seminar will be attended, inter alia, by the IMF resident representatives in the participating countries.

150. **Country-level activities.** The activities planned for FY 2020 are summarized in the accompanying tables. They aim primarily to assist the countries in strengthening the

appropriation, deepening, and analysis of macroeconomic and fiscal framing. In addition, the program includes missions on hold for **Mali** and **Guinea-Bissau**.

151. **Cooperation with other regional institutions.** The Center will take part in activities organized by the Economic and Statistical Observatory for Sub-Saharan Africa, the WAEMU Commission, and the U.N. Economic Commission for Africa. The activities will include regional seminars on the economy and macroeconomic forecasts in the countries of West Africa.

152. **Peer learning.** The program also provides for practical experience at a permanent macro-fiscal unit in an emerging country, on the topic of the organization of a permanent macro-fiscal function. Travel to **Senegal** will also be arranged for relevant professionals from **Guinea-Bissau** and **Mauritania** to exchange experiences.

III. EXECUTION OF THE 2018-2019 BUDGET AND 2019-2020 PROJECTION (IN U.S. DOLLARS AS AT APRIL 30, 2019)

Project	Summary of phase IV			FY 2019			FY 2020
	Program budget	Program budget	Expenditures	Operating budget	Expenditures	Execution (%)	Operating budget
Public expenditure management	8 580 253	11 084 733	3 863 131	2 537 490	2 320 079	91%	2 300 299
Customs administration	4 890 041	4 832 351	1 840 416	955 082	961 245	101%	804 302
Tax administration	6 257 224	5 821 108	1 650 016	1 224 116	885 049	72%	1 232 938
Bank supervision and regulation	3 905 531	3 787 665	1 343 589	762 714	712 623	93%	758 101
Debt management	3 956 536	3 947 436	1 476 801	801 540	752 601	94%	724 788
Real sector statistics	4 820 268	4 540 173	1 484 242	893 823	815 713	91 %	882 341
Public finance statistics	4 455 771	3 797 275	887 298	683 892	546 637	80 %	695 424
Customs administration	1 725 174	1 616 027	655 185	389 465	383 710	99 %	384 557
Macroeconomic advisor	3 941 239	209 946	244 150	-	34 204	-	-
Training project	1 075,000	872 415	285 413	305 702	281 428	92 %	0
Governance and evaluation	639 321	510 101	21 989	61 598	20 608	33 %	32,000
Subtotal	44 246 358	41 019 231	13 752 230	8 615 422	7 713 897	90%	7 814 751
Reserve							156 295
Trust fund management	3 097 245	2 871 346	742,754	595,380	320,070		547,033
Total²	48,413,603	44 008 276	14 714 886	9 218 502	8 253 870	90%	8 518 078

² Excluding IMF expenditures and host country contribution in kind.

IV. FINANCIAL CONTRIBUTIONS FOR THE FOURTH FUNDING CYCLE AS AT APRIL 30, 2019

Partners	Date of signature of agreement	Currency of	Amount of agreement	Amount of agreement (A)	Contributions received (B)	Contributions solicited (C)	Future contributions D = (A-B-C)
Partners				31,790,217	23,953,795	-	7,669,088
China	13/07/2018	USD	4,000,000	4,000,000	2,000,000	-	2,000,000
EU	24/08/2017	EUR	10,000,000	11,816,141	10,752,300	-	1,063,841
EIB	19/04/2018	EUR	200,000	247,555	237,180	-	-
France	5/12/2017	EUR	4,000,000	4,744,396	1,923,440	-	2,820,956
Germany	29/09/2017	EUR	2,500,000	2,945,335	2,791,100	-	-
Germany	26/11/2018	EUR	2,500,000	2,842,524	2,839,800	-	-
Luxembourg	12/21/2016	EUR	5,000,000	5,194,266	3,409,975	-	1,784,291
Members				2294594	201957	278,666	1,813,971
Burkina Faso	4/24/2018	USD	500,000	500,000	100000	-	400,000
Mali	04/24/2018	USD	503,841	503841	101,957	-	401,884
Mauritania	24/04/2018	USD	678,666	678666	-	278,666	400,000
Senegal		USD	612,087	612087	-	-	612,087
Benin							
Togo							
Total partners and				34,084,811	24,155,752	278,666	9,483,059
Internal transfers							
EIB				5,037	5,037	-	-
France				18,182	18,182	-	-
Luxembourg				6,238	6,238	-	-
Total internal transfers				29,457	29,457	-	-
Host country							
Côte d'Ivoire		USD	1,500,000	1,500,000	-	300,000	1,200,000
Total host country				1,500,000	-	300,000	1,200,000
Grand total				35,614,268	24,185,209	578,666	10,683,059

Source: IMF Institute for Capacity Development

MEMBERS



Benin



Burkina Faso



Côte d'Ivoire



Guinea



Guinea-Bissau



Mali



Mauritania



Niger



Senegal



Togo

PARTNERS



EUROPEAN UNION



Luxembourg



Germany



France



China



European Investment Bank



AFRITAC, BCEAO Building
Abidjan, Plateau
Côte d'Ivoire

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