

# REGIONAL TECHNICAL ASSISTANCE CENTER FOR WEST AFRICA



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## ANNUAL REPORT 2022

(July 2022)

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## Partners



## Members



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# A word from Mr. João Alage Mamadu Fadia, President of the Steering Committee of AFRITAC West

Our countries, like others around the world, are now facing an increasingly complex environment, characterized by the legacy of the health crisis, geopolitical tensions around the world, the war in Ukraine, rising energy and food prices, growing insecurity in West Africa, and the impacts of climate change. These shocks are affecting our macroeconomic balances by causing a decline in revenues, an increase in expenditures, and a rebound in our debt levels - in a number of our countries, budgetary margins are small or non-existent. These crises accentuate the need for the economic reforms that we have undertaken, with the support of our partners and, of course, the support of the IMF and Western AFRITAC.

Faced with these challenges, the missions of AFRITAC West are essential and must be strengthened to help us accelerate the implementation of reforms that will enable us to increase our revenues, improve public finance management, better target and program our investment programs, and strengthen our analytical and statistical tools.

On behalf of the 10 member countries of West AFRITAC, I would like to express our gratitude to the European Union, France, Luxembourg, Germany, China, Norway, the Netherlands, Switzerland, the European Investment Bank and Belgium for their financial support, which contributes to improving the efficiency of our administrations and its executives, and our

institutions by supporting the activities of West AFRITAC in the implementation of its program during the various funding cycles.



I would like to take this opportunity to congratulate the IMF and Western AFRITAC for the quality of the work done throughout the 20 years of the Center's existence for our countries and especially for the activities and results of Phase IV, which will end in April 2023 under the chairmanship of Guinea-Bissau

# A WORD FROM THE DIRECTOR



This report provides a summary of the implementation of the FY 2022 work program and directions for the FY 2023 AFRITAC West (AFW) work program.

FY 2022 was marked by the health crisis, geopolitical tensions around the world and political instability and security challenges in some West African countries. The accumulation of these shocks complicates economic policy choices and budgetary trade-offs.

Countries must also respond to the social and economic impact of the COVID-19 pandemic, the effects of climate change, and the ongoing tightening of monetary policy in the United States and Europe following the sharp rise in inflation. The countries covered by AFW performed better, on average, than the rest of the continent. Growth in the 10 countries averaged 4.7 percent in 2021 compared to 4.5 percent for sub-Saharan Africa (SSA) and is expected to be 5 percent in 2022 compared to 3.8 for SSA.

Beyond the pandemic and geopolitical tensions, creating jobs and achieving the Sustainable Development Goals will require strong, inclusive, and sustainable growth in the region. To this end, decisive policy action is needed to strengthen economic diversification, unleash the potential of the private sector while addressing the challenges posed by climate change.

The acceleration of the COVID-19 vaccination campaign must be accompanied by targeted policies to support the most vulnerable households in coping with high food and energy costs. This support must not add to existing debt vulnerabilities and increase inflationary pressures. Accelerated economic reforms can better address these challenges by improving fiscal performance, managing budgetary resources and public investment policies more efficiently, managing debt prudently and strengthening economic analysis tools. AFW, in close collaboration with its partners, continues to support its members in all these areas.

The Center conducted 118 missions out of 152 planned in FY 2022, representing a 78 percent completion rate using 71 percent of the budget for the fiscal year. This implementation rate is exceptional given the health crisis, political instability in some countries, and security challenges in the Sahel, which led to the cancellation of some missions. Some administrations also preferred to postpone certain activities until face-to-face missions could be resumed. Nine seminars/webinars and two immersion courses were organized from May 2021 to April 2022.

AFW continued its policy of transparency and information sharing. The Center's activities are announced on its website, through the quarterly Gazette, but also on various online platforms.

The resumption of face-to-face missions has been effective since January 2022, as has the return of the Center's staff to the office, in compliance with headquarters' health policies and regulations. The technical assistance provided by AFW during the year led to several results that are detailed in this report.

Budget savings allowed for a one-year extension of Phase IV to April 2023. Numerous efforts and consultations have been made and are still underway to design the priorities and potential focus of Phase V. These will be outlined in a program document that will be available in November 2022. AFW is expected to expand from 10 to 13 resident advisors, with one tax administration advisor covering two fragile countries, an additional public finance statistics advisor covering three fragile countries, and a macroeconomic advisor dedicated to training in financial programming, macroeconomic forecasting, and policy analysis. After more than 3 years at AFRITAC West as Director, I leave with fond memories and experiences of West Africa. I wish my successor, Mr. Oral Williams, the best of luck and an experience as enjoyable as mine.



# ABBREVIATIONS AND ACRONYMS

<b>AFC</b>	AFRITAC Central	<b>CFAF</b>	Franc of the African Financial Community
<b>AFS</b>	AFRITAC South	<b>CIDA</b>	Canadian International Development Agency
<b>AFW</b>	AFRITAC West	<b>CIP</b>	Provisional accounts
<b>AFW2</b>	AFRITAC West 2	<b>CME</b>	Medium-sized Taxpayers Center
<b>AFDB</b>	African Development Bank	<b>CAN</b>	Annual National Accounts
<b>AFR</b>	IMF African Department	<b>CNDP</b>	National Public Debt Committee
<b>AFRISTAT</b>	Economic and Statistical Observatory for Sub-Saharan Africa	<b>CNT</b>	Quarterly National Accounts
<b>AFRITAC</b>	IMF Regional Technical Assistance Center for Africa	<b>COFEB</b>	West African Center for Bank Training and Studies
<b>AGNA</b>	African Group on National Accounts	<b>CREPMF</b>	Regional Council for Public Savings and Financial Markets
<b>APP</b>	Annual Performance Plans	<b>CUT</b>	Treasury Single Account
<b>AusAID</b>	Australian Agency for International Development	<b>DARRV</b>	Directorate for Risk Analysis, Intelligence, and Valuation
<b>AUT</b>	WAMU-Securities Agency	<b>DCIME</b>	DCIME Directorate of the Medium-sized Taxpayer Office
<b>BCEAO</b>	Central Bank of West African States	<b>DDP</b>	Public Debt Directorate
<b>BCM</b>	Central Bank of Mauritania	<b>DGB</b>	Directorate General of Budget
<b>BCRG</b>	Central Bank of the Republic of Guinea	<b>DGD</b>	Directorate General of Customs
<b>BEAC</b>	Bank of Central African States	<b>DGE</b>	Large Taxpayers Directorate
<b>BGCT</b>	Trial balance of Public Treasury accounts	<b>DGI</b>	Directorate General of Taxation
<b>CA</b>	Commitment Authorization	<b>DGSBF</b>	Directorate General of Banking and Financial Supervision
<b>CAA</b>	Government Debt Management Agency	<b>DGSCN</b>	Directorate General of Statistics and National Accounts
<b>CAPTAC-DR</b>	Technical Assistance Center for Central America, Panama, and the Dominican Republic	<b>DGSIF</b>	Directorate General for the Supervision of Financial Institutions
<b>CARTAC</b>	Caribbean Regional Technical Assistance Center	<b>DGT/DGTCP</b>	Directorate General of Treasury and Public Accounting
<b>CBSA</b>	Canada Border Services Agency	<b>DME</b>	Directorate of Medium-sized Enterprises
<b>CD</b>	Capacity development	<b>DND</b>	National Customs Directorate
<b>CDCP</b>	Accrual accounting	<b>DNI</b>	National Tax Directorate
<b>CEMAC</b>	Central African Economic and Monetary Community	<b>DNTCP</b>	National Directorate of Treasury and Public Accounting

# ABBREVIATIONS AND ACRONYMS

<b>DPME</b>	Directorate of Small- and Medium-sized Enterprises	<b>IFRS</b>	International Financial Reporting Standards
<b>DPPD</b>	Multi-year Expenditure Programming Paper	<b>IMF</b>	International Monetary Fund
<b>DSA</b>	Debt Sustainability Analysis	<b>INS</b>	National Institute of Statistics
<b>DSF/DSAF</b>	Debt Sustainability Analysis Framework	<b>INSAE</b>	National Institute of Statistics and Economic Analysis
<b>DSID</b>	Directorate of Customs IT Systems and Statistics	<b>INSD</b>	National Institute of Statistics and Demography
<b>ECF</b>	Extended Credit Facility	<b>INSEE</b>	National Institute of Statistics and Economic Studies
<b>ECOWAS</b>	Economic Community of West African States	<b>IS</b>	Information Systems
<b>EIB</b>	European Investment Bank	<b>MCM</b>	IMF Monetary and Capital Markets Department
<b>ERETES</b>	Computer module for national accounts compilation	<b>MEF</b>	Ministry of Economy and Finance
<b>ESA</b>	European System of Accounts	<b>METAC</b>	Middle East Regional Technical Assistance Center
<b>EU</b>	European Union	<b>MoF</b>	Ministry of Finance
<b>FAD</b>	IMF Fiscal Affairs Department	<b>MTAP</b>	Multi-year Technical Assistance Project
<b>FTE</b>	Fiscal Transparency Evaluation	<b>MTDS</b>	Medium-Term Debt Strategy
<b>FY</b>	Fiscal Year	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>e-GDDS</b>	Enhanced General Data Dissemination System	<b>NBE</b>	Government Budget Nomenclature
<b>GDP</b>	Gross Domestic Product	<b>OECD</b>	Organization for Economic Cooperation and Development
<b>GFS</b>	Government Finance Statistics	<b>OHADA</b>	Organization for the Harmonization of Business Law in Africa
<b>GFSM</b>	Government Finance Statistics Manual	<b>PCE</b>	Government chart of accounts
<b>GIZ</b>	German Agency for International Cooperation	<b>PCSE</b>	Simplified government chart of accounts
<b>GTE</b>	Government cash management	<b>PF</b>	Public Finance
<b>HICP</b>	Harmonized Index of Consumer Prices	<b>PFTAC</b>	Pacific Financial Technical Assistance Center
<b>HRM</b>	Human Resource Management	<b>PLF</b>	Draft Budget Law
<b>ICD</b>	IMF Institute for Capacity Development	<b>PEFA</b>	Public Expenditure and Financial Accountability

# ABBREVIATIONS AND ACRONYMS

<b>PFM</b>	Public Financial Management	<b>TFP</b>	Technical and Financial Partners
<b>PIMA</b>	Public Investment Management Assessment	<b>TOFE</b>	Government Fiscal Reporting Table
<b>Pôle de Dakar</b>	Dakar Pole for Development Strategies and Public Finance	<b>UNDP</b>	United Nations Development Program
<b>PPM</b>	Procurement Plan	<b>UNECA</b>	United Nations Economic Commission for Africa
<b>PVI</b>	Import Verification Program	<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>PVS</b>	Simplified report	<b>VAT</b>	Value-Added Tax
<b>RA</b>	Resident Advisor	<b>WAEMU</b>	West African Economic and Monetary Union
<b>RBM</b>	Results-Based Management	<b>WAMU</b>	West African Monetary Union
<b>RGCP</b>	Public Accounting Regulations	<b>WCO</b>	World Customs Organization
<b>RGT</b>	General Treasury Revenue Agency		
<b>RNCE</b>	Compendium of Government Accounting Standards		
<b>RTAC</b>	Regional Technical Assistance Center	<b>BEN</b>	Benin
<b>SDDS</b>	Special Data Dissemination Standard	<b>BFA</b>	Burkina Faso
<b>SGCB</b>	Secretariat General of the WAMU Banking Commission	<b>CIV</b>	Côte d'Ivoire
<b>SNA</b>	System of National Accounts	<b>GIN</b>	Guinea
<b>SSA</b>	Sub-Saharan Africa	<b>GNB</b>	Guinea-Bissau
<b>STX</b>	Short-Term expert	<b>MLI</b>	Mali
<b>SVT</b>	Primary Dealer	<b>MRT</b>	Mauritania
<b>SYDAM</b>	Automated Customs Clearance System	<b>NER</b>	Niger
<b>TA</b>	Technical Assistance	<b>SEN</b>	Senegal

## AFRITAC West Member countries names acronyms

# THE MAIN DECISIONS OF THE 32<sup>ND</sup> MEETING OF THE SC

The Chairman of the SC of AFRITAC West, submitted the following decisions to the members of the SC which were approved by its members. The SC has:

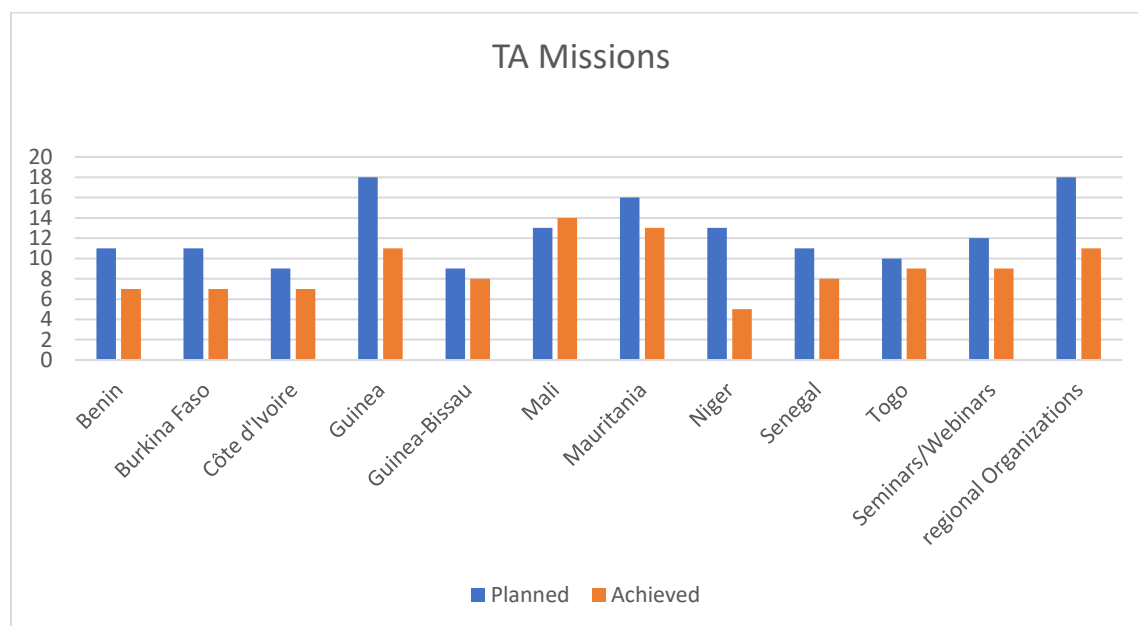
- 1) endorsed the reports on the implementation of the work program and budget for fiscal year 2022 to April 30, 2022, and the budget and work program for fiscal year 2023;
- 2) incorporated the USD 100,000 Blockchain project into the FY2023 program;
- 3) welcomed with great satisfaction the contribution to the financing of the Center's activities by Norway and Belgium;
- 4) supported the proposal to meet in November 2022 to validate the Phase V program document;
- 5) encouraged the Member States to contribute to the financing of the Center's activities despite their difficult financial situation;
- 6) encouraged the various donors and encouraged the observers of AFRITAC West to continue their support and to commit themselves to the new funding cycle (Phase V), in order to enable the Center to continue to ensure capacity building in the sub-region;
- 7) decided that the next meeting will be held in Abidjan in June 2023 under the chairmanship of Guinea-Bissau.



# SUMMARY OF FY 2022 ACTIVITIES AND SOME RESULTS

1. **The Center conducted 118 of 152 planned missions in FY 2022, representing a 78 percent completion rate** (Table 1). This implementation rate is exceptional given the public health crisis, political instability in some countries, and security challenges in the Sahel, which have led to the cancellation of some missions. Some jurisdictions have also preferred to postpone certain activities until face-to-face missions are resumed. Regional organizations, Mali, Guinea, and Mauritania are among the recipients that received more technical assistance (TA) in terms of the number of missions conducted during the fiscal year (Figure 1). Nine seminars/webinars and two practical training courses were held from May 2021 to April 2022.

Chart 1. Execution of the FY 2022 work program (status as of April 30, 2022)



2. **AFW continued its policy of transparency and information sharing.** The Center's activities are announced on its website, through the quarterly Gazette, and on various online platforms. Members of the Steering Committee have special access to mission reports. Each mission is usually followed by a debriefing of the funding partners to strengthen coordination in common areas of involvement. For the past two years, the Gazette has had a section dedicated to more general topics, such as the medium-term revenue mobilization strategy (MTRS), climate risk in banking supervision, the importance of coordinating technical assistance among technical partners, and the fiscal challenges of the public health crisis.

3. **The resumption of face-to-face missions is effective as of January 2022, as is the return of the Center’s staff to the office in compliance with headquarters health policies and rules regarding the resumption of face-to-face activities.**

Table 1. Execution of the FY 2022 work program by functional area (as of April 30, 2022)

Functional area	Initial program (number of missions)	Missions conducted in FY 2022	Execution rate (percent)
Customs administration	15	12	80
Tax administration	25	18	72
Public financial management – budget	17	14	82
Public financial management – Treasury	17	15	88
Government finance statistics	15	14	93
Real sector statistics	21	16	76
Banking supervision	24	15	63
Macro-fiscal analysis	18	14	78
<b>TOTAL</b>	<b>152</b>	<b>118</b>	<b>78</b>

4. **In the areas of public expenditure management, revenue administration, macroeconomic statistics, and banking supervision**, the Center’s advisors have also participated directly in some IMF country team and departmental technical assistance (TA) missions carried out as part of IMF surveillance and program missions. The Center participated in assessment missions based on the Tax Administration Diagnostic Assessment Tool (TADAT) in two countries. The advisors also contributed to the drafting of IMF departmental notes and fact sheets on various public expenditure management topics. This collaboration allows for greater integration of IMF capacity-building activities and surveillance and financial support missions.

5. **The Center held nine seminars/webinars.** Topics included prudential responses to the pandemic crisis and emerging approaches to integrating climate-related risks into banking supervision and regulation, improving the quality of public investments in sub-Saharan African countries, particularly during the COVID-19 period, and the transition to accrual and asset-based accounting in francophone Africa. AFW worked closely with AFRITAC Central (AFC) and AFRITAC South (AFS) in organizing these seminars.

6. **The TA activities of the IMF and the Center are monitored using a results-based management (RBM) system and through the digital portal known as CDMAP, for Capacity Development Management and Administrative Program.** The system is designed to better evaluate the medium-term impact of training and TA activities on the formulation, management, and effectiveness of macroeconomic policies. The different sectors can be evaluated by means of TA performance indicators available on a digital portal that also provides access to detailed logical frameworks for sectors based on objectives, indicators, and intermediate steps or milestones, in accordance with RBM handbooks of the IMF TA departments. The milestones are defined by the advisors in collaboration with the authorities (during preparation of the annual work programs), then validated by the IMF based on the RBM logical framework (RBM Handbook of Strategic Objectives for Capacity Building). The intermediate steps, evaluated by the resident advisors, contribute to the

achievement of the expected outcomes previously defined in the logical framework. Of the 233 milestones or intermediate steps related to execution of the FY 2022 work program, more than 80 percent were partially achieved, or fully achieved (Figure 5). Of the expected results, 43 percent were partially achieved, and 41 percent were mostly or fully achieved (Figure 6).

Chart 2. Evaluation of intermediate steps or milestones

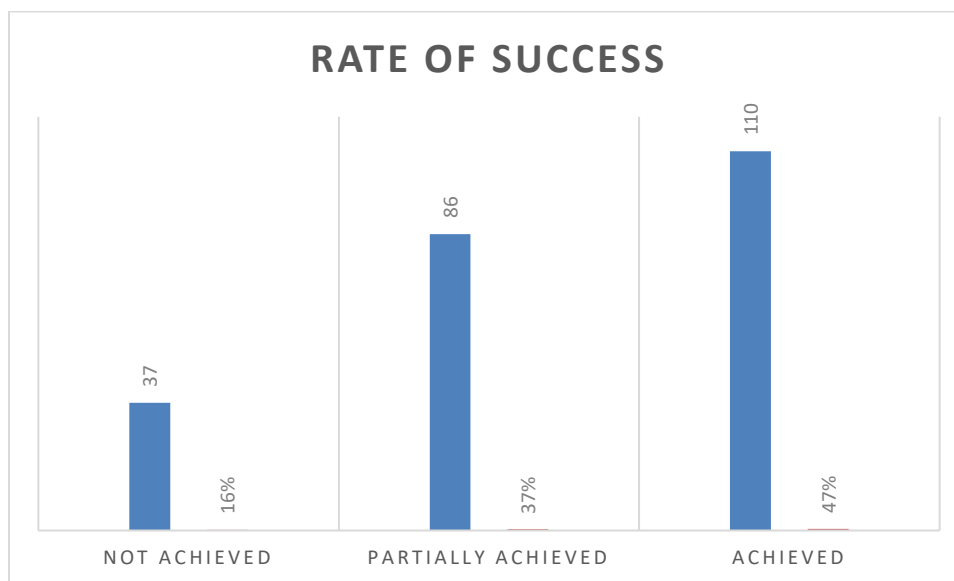
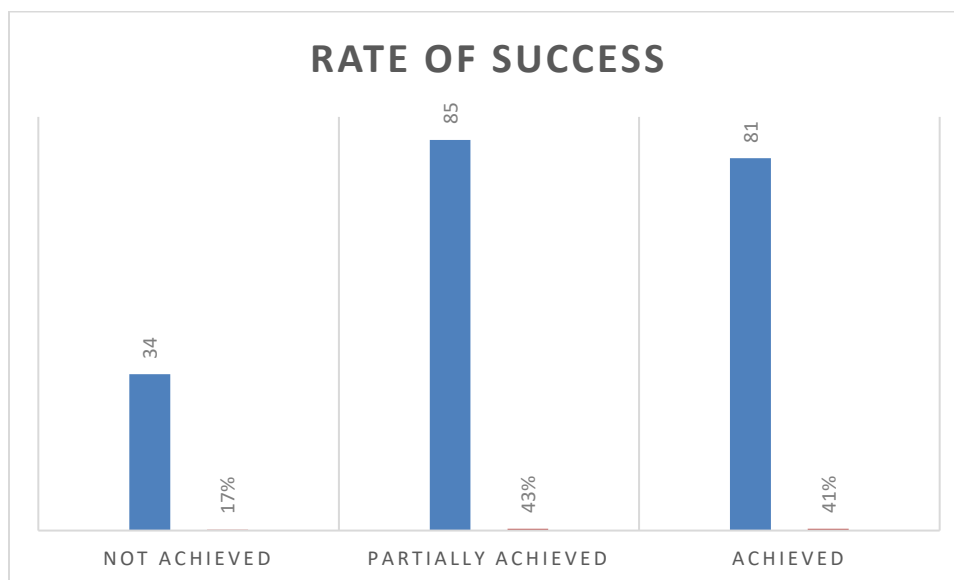


Chart 3. Evaluation of expected results



7. **Some concrete examples:** the results of the year's technical assistance include:

- Support for the analysis and identification of fiscal risks in Benin, Burkina Faso, and Mali;
- Development of the regional guide on internal budget control for the West African Economic and Monetary Union (WAEMU);

- Finalization of the National Customs Code in Mali;
- Categorization and codification of the various indirect tax exemptions and identification of the principles to be followed by the Togolese Revenue Office (OTR) in order to define new additional codes with a view to evaluating tax expenditures in Togo;
- Diagnosis of intra-annual budgetary programming instruments such as public procurement plans, commitment plans, and the cash management plan in Senegal;
- Proposal of priority actions to ensure the success of the project to develop the post-clearance audit and intelligence function in Niger;
- Identification of quarterly gross value added (GVA) series to be seasonally adjusted on the basis of metadata and seasonality tests in Benin;
- Proposal of an approach to ensure proper coordination between accrual accounting and material accounting, accompanied by a draft guide on this coordination in Burkina Faso;
- Review of the draft 2021 first opening balance sheet of the government of Togo to ensure its quality in terms of accrual and asset-based accounting;
- Implementation of mechanisms for optimal application of the new organic legislation on tax administration and the first module of computerized management of reporting obligations of large and medium-sized enterprises in Guinea.
- Establishment of a standard mapping project for two accounting processes on an experimental basis in Burkina Faso

# OVERVIEW OF THE FY 2023 WORK PROGRAM

8. **The capacity-building program for FY 2023 is fully integrated into the surveillance activities and economic programs supported by the IMF.** The capacity development strategy adopted by the IMF African Department aims to strengthen resilience and implement structural reforms. The regional strategy aims to: (i) promote more robust and higher quality growth in the region; (ii) assist countries in striking an appropriate balance between development needs and debt sustainability; (iii) boost domestic revenue collection; and (iv) provide adequate financing for adaptation to crises. The IMF and the African Department intend to further extend capacity development to the most fragile states and countries whose capacity-building needs have not been met.

9. **AFW continues to provide practical solutions to the region's macroeconomic challenges through its capacity-building tools such as regional seminars and webinars, internships, TA missions, and training workshops.** The FY 2023 program of activities comes within the context of pursuing the Center's strategic objectives for the fourth funding cycle as described in the Program Document (2017).

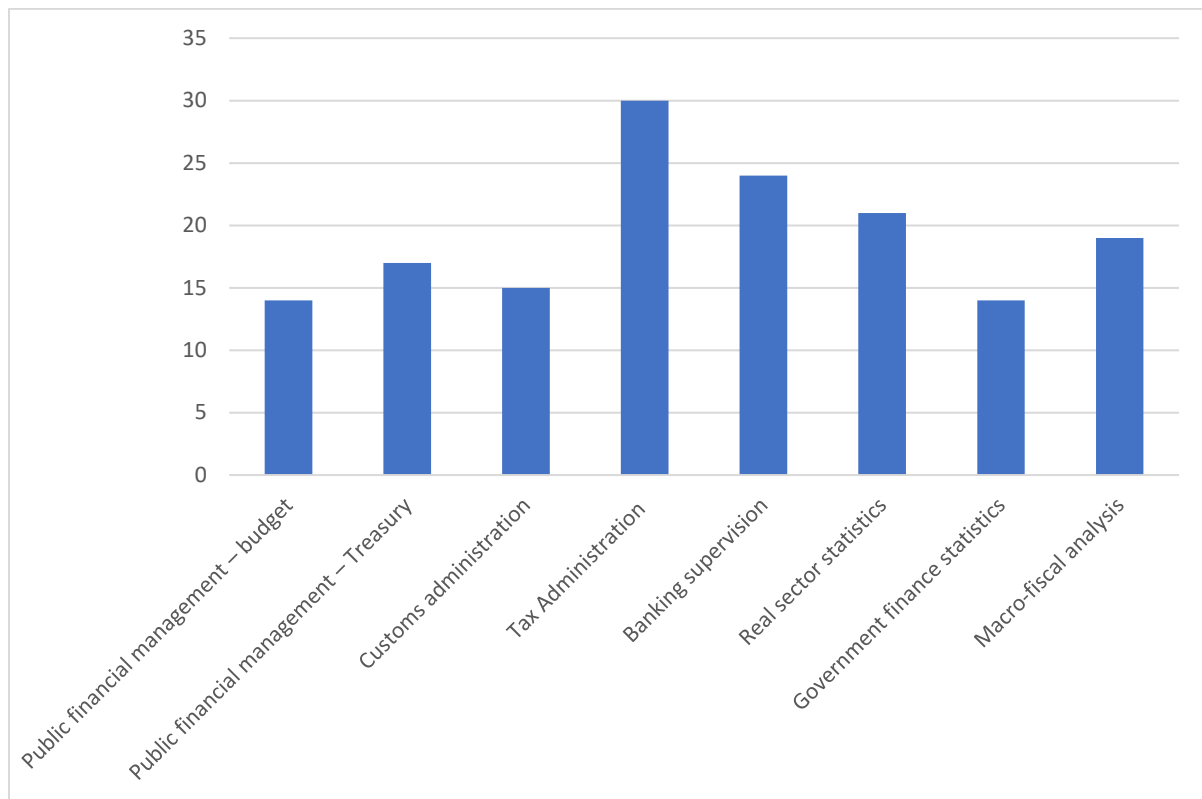
10. **AFW adapts the practical modalities used in its work to take into account the specific conditions in each country.** Sahelian countries will be the recipients of 34 percent of technical assistance missions. In the area of domestic revenue mobilization, some countries such as Burkina Faso, Mali, Guinea, Niger, and Togo benefit from more missions of longer duration. Regional organizations will be the beneficiaries of 13 percent of the TA missions. And almost all of the banking supervision missions will be focused on the central banks, i.e., the Central Bank of West African States (BCEAO), the Central Bank of the Republic of Guinea (BCRG), and the Central Bank of Mauritania (BCM).

11. **The Center's work program continues to be aligned with the AFW member countries' strategic interests, and it was developed in consultation with the governments, IMF country teams, and AFW partners.** The Center will take part in activities organized by the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT), the WAEMU Commission, and the Economic Commission for Africa (ECA). The Center will collaborate in activities of the German Corporation for International Cooperation (GIZ) in the context of regional seminars on the economic environment and macroeconomic forecasts in West African countries, and workshops on best practices for macroeconomic framing. AFW will also take part in meetings of the WAEMU Public Finance Monitoring Center and network of professionals; it will participate in the support to be provided by the Fiscal Affairs Department (FAD) for implementation of budget rules in the WAEMU area; and it will continue to collaborate with the technical partners' long-term experts present in several countries.

12. **The key aspects of the program are as follows:**

- It considers the progress made by the beneficiary governments, the outcomes achieved, and the member countries' additional requests for capacity building. It also draws on the 2017-2023 Logical Strategic Framework of the AFW Fourth Funding Cycle (Phase IV) covering the period May 2017 through April 2023 and the strategic objectives of the different programs supported by the IMF.
- The FY 2023 work program consists of 154 TA missions; 14 seminars/webinars, five of which could be conducted in person; and six practical training courses. National workshops are also planned to disseminate the content of seminars to a larger number of officials or to cover specific topics in certain countries.
- In terms of the distribution of activities by area of involvement, revenue administration continues to be the sector with the most missions planned (31), followed by public expenditure management (30), and banking supervision (24) (Figure 7). The program calls for at least 10 TA missions for each member country, covering 154 objectives and 174 milestones.
- As for cooperation with other regional institutions, the Center will take part in activities organized by AFRISTAT, the WAEMU Commission, and the Economic Commission for Africa. The activities will include regional seminars on the implementation of WAEMU directives, the economic environment, and macroeconomic forecasts in West African countries, and workshops on best framing practices.
- Similarly, the Center will explore synergies to conduct training with the IMF's Africa Training Institute (ATI) and the IMF's Institute for Capacity Development (ICD) in general macroeconomic and fiscal areas that could be useful to AFW member countries, as well as the possibility of hosting webinars on topics ranging from debt dynamics to nowcasting.
- The program includes a component on the governance, wage bill, and blockchain project.
- Details of the program of activities, including the objectives pursued, the expected outcomes, results indicators, milestones or key steps, and the resources allocated to the activities, are set out in the annexes to the report.

Chart 4. Distribution of FY 2023 TA missions by functional area



# I. OUTCOMES OF THE TECHNICAL ASSISTANCE PROVIDED

13. This section describes the activities conducted for the Center's TA recipients and presents the outcomes for FY 2022.

## A. Benin

### Real sector statistics

14. **National accounts from September 13 to September 17, 2021.** The mission provided support for the 2017 quarterly national accounts (QNA). Given the delays in delivering the results of detailed backcasting, the option of calibrating value added (VA) in volumes directly with production indicators was chosen by the National Institute of Statistics and Demography (INSTAD) for its QNA publications. The assumption underlying a direct calibration of VA is the similarity of the movements of output, intermediate consumption, and VA of an industry. Tests of the growth rates of these aggregates and indicators did not confirm this assumption. The mission also encouraged INSTAD staff to develop output and intermediate consumption calibrations to improve the current system. Benin has an industrial production index and a turnover index that are used for manufacturing and market services. The recommendations are intended to make better use of these indices for the formal production mode. For the informal part, the annual accounts approach will be followed through the application of mechanical forecasting methods.

15. **National accounts from September 20 to September 24, 2021.** The raw and

seasonally adjusted series of the quarterly national accounts facilitate the formulation of economic policies. They help identify turning points in the economic cycle for policymaking while informing the IMF's economic analysis and surveillance. The mission assisted INSTAD in identifying a dozen quarterly gross value-added series to be seasonally adjusted on the basis of metadata provided by INSTAD and tests for seasonality. Business day effects, measured with a national calendar, do not appear to be statistically significant. An initial quality report was proposed to assess the quality of the adjustments. INSTAD will conduct further studies to complete this evaluation and examine the stability of the adjustments.

### Macro-fiscal analysis

16. **Assessment of public finance transparency from June 28 to July 19, 2021.** The Center participated in the mission by the IMF's Fiscal Affairs Department to assess the transparency of Benin's public finances. The assessment covered 36 principles across three pillars of the Code: (i) financial reporting; (ii) financial forecasting and budgeting; and (iii) fiscal risk analysis and management. Overall, Benin performs better than the countries with comparable income levels and institutional capacity that were assessed. Benin has made considerable

progress in the transparency of financial and fiscal forecasting, with most practices being satisfactory or even advanced. Several strengths are worth highlighting: (i) the general government budget covers all central government operations and the budget documentation disseminated is exhaustive; (ii) a three-year macroeconomic and macro-fiscal outlook provides a framework for the preparation of the annual budget. Practices in terms of fiscal risk analysis and management are mixed, however. At the same time, the authorities are taking a proactive approach in this area with the publication of a statement on fiscal risks attached to the 2021 Budget Law.

**17. Strengthening macroeconomic risk analysis from November 3 to November 12, 2021.** The mission, led by AFW and FAD/IMF, helped build capacity in fiscal risk identification and characterization in Benin using the Fiscal Risk Assessment Tool (FRAT). Among other things, the tool allowed for the successful identification of a few fiscal risks selected as examples. It also provided an opportunity to evaluate the mitigation measures put in place. The functionalities of the tool, particularly in terms of international comparisons and risk documentation, were also reviewed. Finally, the work made it possible to examine the fiscal risk management system and to identify ways to improve it

#### Public expenditure management

**18. Definition of a methodology for incorporating components of in-kind compensation in the wage bill from November 2 to November 15, 2021.** The mission conducted a differentiation analysis of what truly constitutes a benefit in kind and what does not, as well as an overall view of the structure of the wage bill. It presented

international best practices and collected suggestions from public entities. The mission jointly developed proposals for Benin with the General Directorate of the Budget and the various ministries it met with during three workshops. The recommendations include setting up a project team, the construction of a map, an inventory of benefits in kind by ministry, the definition of management rules as well as the strategy for implementing measures, the construction of databases, the use of data to construct budgetary elements and the Government Financial Operations Table (TOFE), and the preparation of supporting computer systems.

**19. Support for the transition to accrual and asset-based accounting for the preparation of the government's opening balance sheet scheduled for 2022 from January 17 to January 28, 2022.** The year 2022 is a landmark year for public finance reforms in Benin with the start of budget execution in program mode and for the government's accounting reform; significant progress has been made since the beginning of 2020 with the adoption of the new accounting framework, the deployment of an integrated public financial management system (IPFMS) adapted to accrual and asset-based accounting, implementation of the new accounting organization (ministerial treasurers, material accountants), and inventories of roads and other fixed assets (financial debts); the remaining amounts to be recovered are currently being estimated. In order to produce a reliable 2022 opening balance sheet (April-June 2022) according to accrual and asset-based accounting standards, however, the priority recommendations for the opening balance sheet are to adopt the strategy for filling out the five-year opening balance sheet prepared by the General Directorate of the Treasury and Public Accounting (DGTCP) (March 2022)

in order to report on the first financial statements (negative net position of the government); accelerate the deployment of the material accounting system by adding a material accounting module in the IPFMS, in order to increase the number of fixed assets reported in the opening balance sheet for 2023; implement a strategy of gradually extending the scope of assets according to financial considerations (starting in April 2022) and implement the accounting interfaces between the IT applications for customs, taxes (new government financial information (IFE) application under development in 2022), and the Autonomous Amortization Fund (CAA) and IPFMS, in order to make the government's balance sheet more accurate with regard to outstanding debts and financial debt (2023).

**20. Support for consolidation of the Treasury single account (TSA) and improvement of cash management from April 4 to April 15, 2022.** The implementation of the TSA is progressing well, with (i) the preparation and adoption in July 2021 of the manual of procedures for operations on the TSA; (ii) the establishment in early January 2022 of the technical committee responsible for implementing the strategy for repatriating public funds held in commercial banks to the Treasury; (iii) the effective closure of 79 accounts at commercial banks by the Treasury's own accountants; (iv) the closure of the General Tax Directorate (DGI) account at a commercial bank through which tax revenues were transferred by remote payment before being transferred to the TSA; and (v) the finalization, currently underway, of the draft partnership agreement with the BCEAO on the management of the TSA and the agreement with commercial banks. The main recommendations relating to consolidation of the TSA are to continue to repatriate the balances of the bank accounts of the

government and local authorities in accordance with the TSA implementation strategy; review the 68 Treasury accounts at the BCEAO in order to close those that are no longer being used or that are redundant, and to transform into TSA sub-accounts those that need to be maintained and whose balances will be updated on a daily basis in the TSA; equip the decentralized accounting units to send scanned checks for collection (the WAEMU Automated Interbank Clearing System, or SICA), in order to reduce the time needed to process them in the TSA, which is currently about eight days; institute a remote payment system directly in the TSA, following the example of the DGI, for customs duties and taxes; review, streamline, and optimize the system for transferring customs revenues to the Treasury used by the Company for the Operation of the Benin Single Window (SEGUB). Significant progress has also been made in the area of cash management and the main recommendations are to establish better collaboration and information-sharing practices between the parties involved in the preparation and monitoring of the cash flow plan in order to analyze discrepancies between forecasts and actual cash flows; strengthen the technical skills of staff in the analysis of discrepancies, the identification of order-related transactions in forecasts, and the formulation of a strategy for managing cash balances; have the tax services produce cash-based forecasts that are the best estimate of probable future cash receipts, rather than simply updating revenue targets; and finally, prepare for the transition to true active cash management by implementing actions to meet the requirements identified (see report).

#### Government finance statistics

**21. The Center's support made it possible to continue the work of producing**

**government finance statistics in accordance with the 2014 Government Finance Statistics Manual (GFSM) standards and guidelines from April 19 to 30.** Thus, under the leadership of the Unit for Monitoring Economic and Financial Programs (CSPEF), which is in charge of the Technical Secretariat of the Gross Domestic Product-Government Financial Operations Table (GDP-TOFE) Committee, Benin has undertaken to produce the minimum analytical framework tables for the budgetary central government. These include the TOFE, which is produced regularly and has been reviewed; the cash flow statement, for which changes have been made to facilitate its production; the financial balance sheet, for which the various financial instruments have been clarified and the sources of data identified; and the public debt position, the work on

which made it possible to provide a framework for the production of said table and to extend the coverage to financial instruments not managed by the Autonomous Amortization Fund, mainly Treasury correspondents and outstanding payments. As in other countries in the subregion, it is still difficult to obtain information on the counterparty sector for public securities issues.

**22. Production of the consolidated position of the general government.** The progress made in the process of extending government finance statistics to other general government subsectors, notably extrabudgetary units, local authorities, and social security, means that it is possible to project the experimental production of a draft consolidated TOFE for the general government sector during the 2023 fiscal year.

## B. Burkina Faso

### Customs administration

**23. Improved management, monitoring, and control of exemptions from October 18 to 29, 2021.** The technical assistance provided made it possible to assess the implementation of measures recommended by the September 2020 mission, including implementation of the module for the management, and monitoring of exemptions in the Automated System for Customs Data (ASYCUDA WORLD), and it provided support for the strengthening of controls at the final destination of exempted goods. The customs administration has continued its efforts and several advances have been made, including: (i) full implementation of the computerized system for managing exemptions, accompanied by training for customs agents

and authorized customs agents; (ii) modification of declaration selection criteria in ASYCUDA WORLD in order to facilitate trade and reduce instant controls; (iii) development of an action plan and a control program for exemptions and suspension regimes for the year 2021; (iv) introduction of new provisions concerning special transactions and the creation of additional codes in the current revision of the customs code.

**24. Despite this progress, some weaknesses remain in the monitoring and control of exemptions and suspension regimes.** Given the number of transactions recorded, too few ex-post controls were carried out, despite the excellent results recorded in deferred control. The mission proposed additional actions to strengthen the

monitoring and controls of these specific regimes.

### Public expenditure management

**25. Support for the implementation of accrual accounting from July 12 to 23, 2021.** The purpose of the mission was to support implementation of the accrual and asset-based accounting system, about its coordination with the material accounting system, in order to make the assets on the government's balance sheet more reliable in terms of intangible assets, tangible assets, and inventories. It took place in conjunction with the resident advisor's mission on the improvement of accounting quality and consolidation of the Treasury single account.

**26. The work made it possible to propose an approach to ensure effective coordination between accrual and asset-based accounting and material accounting, accompanied by draft guidelines on this process.** The recommendations that were made are aimed at establishing a formal framework for consultation between the General Directorate of the Treasury and Public Accounting, which is responsible for accrual and asset-based accounting, and the General Directorate of Government Property Affairs, which is responsible for material accounting, in order to plan the technical work to be carried out jointly, to review and validate it in a workshop, and then to implement the draft methodological guide for the coordination of accrual and asset-based accounting and material accounting proposed by the mission.

**27. The draft methodological guide for the coordination of accrual and asset-based accounting and material accounting proposed by the mission constitutes support for implementation of the approach.** The detailed outline of the guide

was developed jointly with the authorities and validated at a technical workshop.

**28. Support for implementation of internal accounting controls adapted to accrual and asset-based accounting - from March 28 to April 1, 2022 - Joint mission with FAD on accounting quality and support for the TSA and cash management and for implementation of internal accounting controls.** The mission resulted in the development of a sample mapping project for two accounting processes on an experimental basis, and capacity was developed regarding internal accounting controls. The process of adapting the existing internal accounting controls to the implementation of accrual and asset-based accounting should be continued and expanded in 2023 to improve the quality and transparency of the accounts.

**29. Strengthening fiscal risk management from November 22 to December 13, 2021.** The mission met with a wide range of stakeholders to (i) understand government needs; (ii) learn about current fiscal risk management practices; and (iii) begin to identify the main elements of fiscal risk in Burkina Faso. It held a workshop with the authorities to present the Fiscal Risk Assessment Tool and to provide a report on fiscal risks in Côte d'Ivoire. The mission proposed steps for the preparation of the first fiscal risk statement in Burkina Faso. The authorities will work to develop the first fiscal risk inventory using the FRAT tool in the coming months with the support of AFW.

**30. Mission on monitoring fiscal risk management from March 22 to 31, 2022.** It supported the authorities in their work to apply the FRAT tool to develop the first inventory of macroeconomic risks and fiscal risks related to climate change and to public private

partnerships (PPPs). The authorities have produced the analytical elements for preparation of the first fiscal risk statement in Burkina Faso, which is planned in the coming months with the support of AFRITAC.

### Real sector statistics

**31. National financial accounts from October 25 to November 5, 2021.** The 2016 financial statements for the resident institutional sectors and the rest of the world have been prepared. The National Institute of Statistics and Demography (INSD) will continue to reconcile the financing capacities and needs from the capital and financial accounts up to December 2021. In 2016, microfinance institutions were found to have negative flows for all financial transactions, especially for deposits, loans, and equity investments. The mission recommended that the INSD work with the Microfinance Directorate to review these estimates. Nearly all the data needed to prepare the 2017 financial accounts have also been processed. An initial comparison between the financing capacities and needs of the capital and financial accounts was undertaken. The balance sheets of non-financial corporations should be carefully reviewed by the INSD, however. The INSD will continue to balance the Who-to-Whom matrices and the reconciliation between the 2017 financing capacities and needs of the capital and financial accounts for each institutional sector by March 2022.

**32. Quarterly national accounts from February 21 to March 4, 2022.** The mission continued to work on the implementation of a quarterly supply and use table (SUT) as part of the development of the demand side of the quarterly national accounts. The INSD has a series of annual national accounts (ANA) that include SUTs at current prices and volumes at

the previous year's prices, and QNA consistent with the 2008 System of National Accounts (2008 SNA). The use of a quarterly SUT should improve the quality of the national accounts. The ability to reconcile supply and demand by product for each quarter will enhance the consistency of quarterly economic statistics, and thus the quality of statistical tools to support decision-making. The IMF's Quarterly National Accounts Manual, 2017 edition (QNA Manual 2017) recommends the use of the quarterly SUT as a framework for reconciling QNA.

### Government finance statistics

**33. The Center's assistance enabled the country to produce the TOFE of the government subsector on a regular monthly basis.** The TOFE compilers' consideration of the recommendations of previous missions has made it possible to significantly improve the quality of the TOFE and to update the conversion table by considering new transactions. Similarly, the ongoing contact between the team in charge of compiling statistics and the AFW's regional government finance statistics advisor, in addition to following up on recommendations, facilitates the supervision and processing of government financial operations.

**34. Considering the advances and knowledge gained from GFSM 2014, the Center emphasizes that Burkina Faso can migrate to the TOFE based on GFSM 2014 and use it to monitor the next economic and financial program.** It plans to organize a national training workshop for Burkinabè authorities in charge of conducting and monitoring the economic and financial program during fiscal year 2022.

**35. Regarding the production of the consolidated TOFE of the general**

government sector, the Center's support makes it possible to anticipate the

feasibility of this operation in fiscal year 2022.

## C. Côte d'Ivoire

### Tax administration

**36. Support for the development of a strategic plan for the reform of the Ivorian General Tax Directorate in 2022-2025, from February 7 to March 3, 2022.** The last TADAT assessment (November 2021) confirmed the need for the tax administration to have a strategic reform plan to define, streamline, and prioritize the reforms to be carried out in the medium term. AFW participated in this important headquarters mission, which was intended to serve as a basis for revitalizing the reform process to better meet the new challenges facing modern tax administrations by considering new technological, organizational, and functional developments. In addition to the need to reform the tax system to make it more stable, fair, and efficient, and the need for a stronger tax policy framework, the reform plan for tax administration has been organized around the following five core elements: (i) promotion of civic responsibility regarding taxes and voluntary tax compliance; (ii) combating tax evasion and taxation of the informal sector; (iii) digital transformation and large-scale use of data; (iv) increased professionalism of agents and improvement of their working conditions; and (v) improvement of the governance framework and change management. The development and finalization of the plan were the subject of meaningful, repeated exchanges between the DGI and the mission involving formulation of the measures and actions to be taken,

identification of the main risks to be prevented, and the means and timing of the plan's implementation.

### Public expenditure management

**37. Capacity building related to the process of reviewing annual performance reports and preparing summaries thereof from March 15 to June 28, 2021.** This support was provided in the context of the preparation of the draft annual performance reports (APRs) and the summary report by the line ministries, under the supervision of the Budget Directorate and in line with the budgetary timetable, to work on practical and operational examples. Côte d'Ivoire switched its public financial management (PFM) system to program budget mode on January 1, 2020, in line with the directives adopted by the West African Economic and Monetary Union. It is in this context that the state budget for fiscal year 2020 was prepared, adopted, and executed in the format of Multiyear Expenditure Planning Documents, each of which includes an annual performance plan consisting of measurable result indicators by public policy objective. The line ministries have received training and templates for preparing APRs, and a summary of the APRs is to be appended to the FY 2020 draft budget settlement law. Fiscal year 2020 is thus the first year in which the program budget mode was introduced and the first year in which a "virtuous chain" between the annual performance plans and the annual performance reports was established.

**38. This mission took place in the form of workshops organized remotely, due to the public health situation, between March and June 2021, with the participation of representatives of the Budget Directorate's project team.** The method applied was based first on a review of the general principles underlying the approach to the production of the APRs: the principles pertaining to presentation of the APRs, the format of the objectives and performance indicators, justification of the targets, and the results finally observed were described. On this basis and after a period of internal departmental scrutiny, the draft APRs and summaries were submitted for critical review. Several sessions were dedicated to this critical review, making it possible to consider the observations made by the mission. These review sessions provided an opportunity to make proposals for simplification, clarification, and correction for immediate inclusion in the versions of the APRs or proposals for medium-term changes, to be used for the next annual performance plans and annual performance reports. The mission developed a short rolling action plan for the next four quarters of 2021-2022, for implementation of the annual performance reports and the next annual performance plans.

**39. Strengthen the framework for public investment management from October 25 to November 5, 2021.** This joint virtual mission of AFRITAC West and the IMF's Fiscal Affairs Department focused on three major areas of high potential impact on Côte d'Ivoire's public investment performance: (i) strengthening the institutional and organizational framework for public investment management; (ii) improving the governance and effectiveness of public-private partnerships; and (iii) charting a course to better account for the recurring costs of investment projects. Meetings with

stakeholders and a workshop on international best practices, attended by more than 40 officials from key ministries (Ministry of Planning and Development, Ministry of Economy and Finance, and Ministry of the Budget and Government Portfolio), enabled the mission to develop tailored recommendations in these three areas, which were widely appreciated by the authorities.

**40. Support for the transition to accrual and asset-based accounting - Improved coordination of accrual and asset-based accounting and material accounting from January 24 to February 4, 2022.** The mission supported implementation of the accrual and asset-based accounting system by making proposals to improve its coordination with material accounting in view of the introduction of the government's first opening balance sheet. It identified 10 priority recommendations to continue the transition to accrual and asset-based accounting that has been underway in practice since 2020, to strengthen the coordination with material accounting, and to prepare for the first opening balance sheet, among which the most important are:

- Adopt the government's accounting framework by April 2022;
- Establish a framework for formal consultation with the Audit Office, with a view to preparing for future certification of the government's accounts, by June 2022;
- Formalize and adopt the material accounting implementation strategy, and link it to the accounting reform roadmap, by June 2022;
- Adopt, on a priority basis, the draft regulation on the capitalization threshold and finalize the regulations on a detailed

nomenclature of materials linked to the government chart of accounts, depreciation, and the guide for coordination between accrual and asset-based accounting and material accounting, before the end of 2022;

- Accelerate work on conducting an inventory and valuation of assets, prioritizing assets with high financial impact, such as roads and infrastructure, on an ongoing basis;
- Formalize the strategy for initiating the 2023 opening balance sheet and gradually expanding it over the following years, and give it regulatory status, in conjunction with the Audit Office, by the second half of 2022.

#### Government finance statistics

**41. Preparation of the consolidated statement of the general government and the outlook for extending statistics to public companies according to the Government Finance Statistics Manual 2014 from September 28 to October 1 and from October 11 to October 15, 2021.** The Center's assistance has resulted in significant progress over the past four years in the process of migrating Côte d'Ivoire's government finance statistics to GFSM 2014 standards and principles. Indeed, Côte d'Ivoire has been regularly producing the TOFE for the budgetary central government for the past four years and has begun to extend it to other subsectors of the general government. For example, Côte d'Ivoire prepares financial operations tables for the budgetary central government, social security, local governments, and extrabudgetary units. It is worth noting that the extrabudgetary subsector, formerly limited to national public entities, is gradually being extended to other

public sector units that are not engaged in commercial activities.

**42. The Ivoirian authorities have been producing annual experimental versions of the consolidated TOFE statement of the general government via the GFS committee since 2019.** The Center's support has also made it possible, on the one hand, to begin work on the classification of public sector units and, on the other hand, to provide GFS compilers with a tool for producing the TOFE of public companies. Thus, in the medium term, there is a plan to produce a statement of public sector transactions.

**43. In addition, the progress made in recent years has made it possible to begin integrating non-monetary transactions into government finance statistics.**

#### Macro-fiscal analysis

**44. Deepening the analysis and forecasting of economic conditions from November 18 to 26, 2021.** The mission noted some progress in implementing the recommendations of previous missions. In particular, the Directorate of Economic Forecasting, Policy, and Statistics (DPPSE) has begun trend analyses of economic series. The training consisted of a review and deepening of the concepts discussed during the previous seminar and their application. This included: (i) importing data; (ii) producing charts; (iii) seasonal adjustment using the X13 method; (iv) analyzing and interpreting the results; (v) exporting the seasonal adjustment results; and (vi) creating a specific timeline. The various topics were the focus of practical work.

## Real sector statistics

**45. Institutional sector accounts from April 11 to 22, 2022.** The AFW national accounts technical assistance mission to the National Statistics Institute (INS) provided training to Ivoirian national accountants in the

preparation of institutional sector accounts. Balancing the SUT operations and the Who-to-Whom matrices for the allocation and financial operations makes it possible to generate the Integrated Economic Accounts Table. This balancing work was a focus of the training.

# D. GUINEA

## Customs administration

**46. Support for strengthening the property valuation function from August 16 to 27, 2021.** The mission focused on support for strengthening the property valuation function and finalizing the operationalization of decision-support tools for the implementation of transaction value. The assessment of the recommended measures is positive but there is room for improvement. The General Customs Directorate (DGD) has made efforts to implement several measures: (i) the Steering and Monitoring Committee held working meetings to guide the strategy adopted in November 2019; (ii) the Value Unit began to fully carry out its responsibilities; (iii) in terms of revenue, the results obtained for the five products, subject to the systematic application of the transaction value, are encouraging; (iv) Customs has undertaken efforts in automated risk management; (v) APC departments have also invested in building capacity in the valuation function; (vi) the training program is on track despite limited resources; (vii) actions concerning the communication component have been broadly addressed; (viii) feedback from the private sector on the effective application of transaction value is positive.

**47. There is still room for improvement, however, in order to consolidate and**

**complete the strategy for strengthening the customs valuation function:** (i) customs officers still need to make efforts to optimize audit reports; (ii) performance evaluation of customs officers and pilot offices has been delayed; (iii) the lack of sanctions for customs valuation violations is very detrimental to compliance with declared values and more effective budget revenue mobilization; and (iv) enforcement support tools are not yet available.

## Tax administration

**48. IMF Fiscal Affairs Department mission from April 28 to May 12, 2021.** The mission was part of the updating of the DGI's reform strategy, considering the country's new development ambitions and the current pandemic context. It noted the progress made since the 2018 FAD mission, in particular the adoption of an organic law in line with the standards, followed by the conversion of the National Tax Directorate into a General Directorate, then the appointment of new officials based on this updated framework, the adoption of the new General Tax Code and the Tax Procedures Manual, the operationalization of remote procedures, and the production of the first version of the IT management module. In the tax operations segment, the number of large taxpayers retained increased by 20 percent and the

number of medium taxpayers tripled over the period. A committee for the write-off of uncollectible assessments was created to facilitate the clearance of tax arrears. Despite this progress, there is still significant room for improvement to achieve the objectives of a complete modernization of the DGI and control of the tax system. For example, recently appointed managers are not well equipped to manage and must overcome logistical constraints. Many mining contractors refuse to comply with tax formalities, tax auditing remains weak, and managing arrears continues to be a challenge. Finally, the burden of exemptions and transfer pricing practices erodes tax revenues from the mining sector. Considering these challenges, a new modernization strategy was discussed with the authorities. It is built around consolidation of the capacities of the new staff, in order to better support the reforms and the steering of the missions, optimal use of the achievements of digitalization, strengthening fiscal operations, and an overhaul of the fiscal management of the mining sector.

**49. Support for implementation of the organic law and computerized management of tax operations from August 30 to September 17, 2021.** The mission noted two important advances in the implementation of the General Tax Directorate's reform plan. The officials appointed in March 2021 on the basis of the new organic law supported by the Center have returned to work and the first version of the taxpayer management module of the SAFIG software has been put into operation, following deployment of the remote procedures' platform in September 2020. Nevertheless, there is still significant room for improvement in terms of the incorporation of modern tax administration management principles by the central directors. Furthermore, the enthusiasm of staff for

SAFIG is not enough to conceal the lack of monitoring and internal control tools, the absence of project governance and the adjustments that need to be made to enable the software to address the risks posed by the 85 percent of registered persons refusing to submit to tax formalities, the increase in unusable returns filed by large companies from 29 to 39 percent, and the 12 percent increase in their stock of arrears. In view of these challenges, a simple draft instruction describing the new performance management framework established by the organic law has been prepared, as well as a multiyear plan for strengthening management and an extract from the future booklet "Organic Law: User Guide." To optimize the use of SAFIG, a "task tracking matrix" was proposed to staff and solutions were designed to solve six challenges in the short term. At the request of the authorities, a tax audit adjustment plan was prepared. The strategy for collaboration with other partners assisting the DGI was discussed. Finally, a new framework for limited consultation was tested with the General Directors. It made it possible to design a roadmap whose priorities are: (i) finalization of the instruction on performance; (ii) the deployment of plans to strengthen management; (iii) tax control; and also (iv) reinstatement of the governance of the computerization project.

**50. Revision of the organic law and strengthening of the management of tax operations of the General Tax Directorate from January 17 to 28, 2022.** The mission had three objectives: (i) update the organic law on the DGI; (ii) design a short-term revenue mobilization plan (RMP); and (iii) continue support for the computerization project. The mission appreciated the determination of the new General Director of Taxes to update the organic law considering the conversion of the former National Tax

Directorate into a General Directorate, and to accelerate revenue mobilization, in particular by capitalizing on the initial achievements of the SAFIG software. No strategy has been defined to achieve the ambitious internal objectives assigned to the departments, however, and ownership of SAFIG is still hampered by the fragility of the infrastructure and the internet, as well as a lack of computers and delays in implementing the previous recommendations.

**51. Several deliverables were co-produced with the departments, to support the authorities' ambitions and correct the shortcomings noted by the mission.** First, a new draft organic law has been prepared. It preserves the previous achievements (distinction between design and operational missions, robust guidance services, etc.), while introducing innovations that should strengthen the leadership team, enhance human resources, and consolidate risk analysis and regional services. Next, a revenue mobilization plan (RMP-2022) was developed. Its aim is to address the six tax evasion risks that the DGI is facing, among other things by increasing the number of registered taxpayers by 30 percent and by increasing the number of actual VAT contributions to 50 percent. Finally, roadmaps and new specifications have been defined to boost computerization. Consultations were held with partners involved in revenue mobilization. They made it possible to share the mission's conclusions and to clarify the possibilities for financing the computerization project.

**52. Support for implementation of the 2022 revenue mobilization plan and the computerization project from April 4 to 15, 2022.** The mission was aimed at: (i) evaluating the initial results of the revenue mobilization plan (RMP-2022) implemented in

January 2022; (ii) providing support to the departments; and (iii) assisting the DGI in following up on the adjustments to the SAFIG software recommended by AFRITAC West. Several positive initiatives of the DGI management were welcomed, including the establishment of a committee responsible for the classification of taxpayers, the intensification of investigations that have uncovered more than 200 relocated delinquent taxpayers, organization of the first consultations among the members of the computerization project team, and studies undertaken to correct the shortcomings of the DGI website.

**53. Due to a lack of sufficient statistics, however, a quantitative assessment of the RMP-2022 was not possible.** The mission therefore conducted a qualitative assessment of the program, which identified a number of factors impeding revenue mobilization that could interfere with the achievement of the 2022 objectives: (i) delays in the implementation of sanctions against delinquent taxpayers; (ii) excessive length of proceedings; (iii) lack of internal control of IT risks; (iv) lack of knowledge of the "lines of inquiry" procedure during external tax audits; (v) lack of follow-up on collection notices in the special collection departments and insufficient management of collection plans by the secondary collectors; and (vi) still insufficient configuration of the assessment and cross-checking modules of the SAFIG software.

**54. Several actions were therefore taken by the mission to help the DGI correct these shortcomings and increase the prospects for success of its RMP-2022.** First, a special consultation on the strategy to fight tax evasion was organized with its senior officials and those of the office of the Minister of the Budget. Next, a plan to reorganize the

database in SAFIG was drawn up and a committee to oversee this work was organized. Coaching sessions for auditors were also held, and work was done on analyzing the risks of recovering outstanding debts. Finally, the most urgent adjustments to SAFIG were discussed with the project team and the provider, as well as the duties of the future manager in charge of promoting the use of this tool among the staff.

#### Public expenditure management

**55. Support for capacity building in general government accounting for senior government accountants and their staff from March 28 to April 8, 2022.** At the request of the Minister of Finance, the mission aimed to build capacities in accrual and asset-based accounting among the newly appointed staff of the General Directorate of the Treasury and Public Accounting, to ensure transparency and accountability within the framework of the computerization of general government accounting. Over a period of five days and with approximately 100 people participating, i.e., senior government accountants and their key staff, this training in accrual and asset-based accounting included 19 training modules ranging from reviews of the organization of the accounting system, accounting principles and standards, accounting of the main revenue and expenditure operations, centralization and production of the annual accounts, the daily cash position, and practical advice for launching the accounting application. Based on manuals on accounting procedures and supported by practical exercises, this accounting course also helped prepare the teams for the introduction of the future general government accounting software scheduled for the second half of 2022.

#### Real sector statistics

**56. The 2019 and 2020 national accounts from December 13 to 29, 2021.**

The annual national accounts (ANA) estimated for 2019 have been improved using updated data on corporate financial statements and government finance statistics. Available source data were collected and processed to generate a provisional version of the 2020 ANA based on the 1993 System of National Accounts. Some estimates remain provisional, for example, the output of the small-scale mining sector by volume, which is based on assumptions about border porosity because a production survey is still lacking, and the use of approximation methods to derive enterprise output, such as the collection and preparation of social accounts, was still in progress. The change in companies' annual turnover was used as an indicator of output at current prices.

**57. The mission provided in-depth training on the practical aspects of the ANA compilation process using the simplified ANA preparation tool developed in MS-EXCEL.**

**58.** With respect to the development of new national accounts series using the 2008 System of National Accounts (2008 SNA), the mission focused on following up on recommendations for improving the statistical information system, particularly for agriculture, livestock, fisheries, and mining. In addition, the source data prepared by the National Statistics Office were reviewed for compliance with the 2008 SNA.

**59. Along with its efforts to publish GDP series in a timely manner, the INS should step up the preparation of all source data for the change in the baseline in accordance with the 2008 SNA**

**recommendations.** Assistance provided to the INS in the GDP rebasing exercise is expected to be increased in FY 2022 to speed up implementation of the project.

**60. The 2008 SNA national accounts from February 21 to April 30, 2022<sup>1</sup>.** The mission provided support to Guinea's INS for the rebasing of the annual national accounts. Together with the INS, the mission contributed to the preparation of the source data available for the new 2018 base year of the national accounts under the 2008 SNA. The processing of available survey data for the development of the ANA covered the 2018 National Employment and Informal Sector Survey (ENESI), the 2018/2019 Harmonized Household Living Conditions Survey (EHCVM), as well as the 2019 Nonprofit Institutions Serving Households (NPISH) Survey. At this stage, the processing of administrative source data has involved finalizing source data on the Central Bank of the Republic of Guinea (BCRG). The training provided to national accountants is largely practical, with the preparation of sources and the transposition of economic data into the national accounting language of the application software, together with specific aspects related to the 2008 SNA (non-market output of the central bank, treatment of NPISHs, etc.), as well as the consideration of technical aspects related to the processing of survey data: data reconciliation, preparation of the use matrix, conceptual differences between final consumption in household surveys and final consumption of households in the national accounts (imputed rents, user cost versus purchase cost of durable goods).

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<sup>1</sup> This is a longer-term mission (three working months) with two working days per week, at the request of the authorities of the Republic of Guinea, to allow for better capacity building among staff and to provide sufficient time for the

## Banking supervision and bank restructuring

**61. Central Bank of the Republic of Guinea - Banking regulation and supervision, capital requirements for banks from June 14 to 25, 2021.** The BCRG is engaged in a general process of revising the regulatory framework applicable to lending institutions operating in the Republic of Guinea, and it is focused on adoption of the international standards defined by the Basel Committee on Banking Supervision and known under the generic name of Basel II/Basel III. In this connection, the mission, carried out remotely in the form of a collaborative workshop, examined the conditions under which the Basel regulations concerning the definition of bank capital or the calculation of capital requirements could be incorporated into the local regulatory framework.

**62. Capitalizing on the results obtained during previous visits, the mission helped to finalize a definition of capital that complies with international principles and to make significant progress about calculating capital requirements, which in the future should address all of the usual risks in this area** (credit risk, operational risk, and market risk). At the end of the mission, a preliminary draft of the instruction was drawn up, which will have to be reviewed during a future mission and completed from the standpoint of reporting so that it can then be submitted to the banking community for consultation. At the same time, an update was given on the progress made in the project to adopt International Financial Reporting

collection and preparation of source data necessary for the preparation of the ANA. The mission was postponed and was finally held over the period from February 24 to May 24, 2022.

Standard (IFRS) 9, which is proceeding according to schedule.

**63. BCRG - Implementation of IFRS 9 and calculation of expected credit losses from October 25 to 29, 2021.** As part of its participation in the West African Monetary Zone, which is focused on the harmonization of regulatory frameworks within the zone, the BCRG is conducting a project to implement IFRS 9, which concerns the principles of accounting for financial instruments, including any associated impairments. A first mission, carried out in March 2021, helped to formalize the initial draft documents. On this basis, a consultation with Guinean banks was organized and the results were analyzed during this follow-up mission, which was conducted virtually from October 25 to 29, 2021. The mission allowed for a review the draft documents considering the comments made by the banking community, and it also helped to analyze the banks' readiness for implementation of the standard on January 1, 2023. In this respect, most Guinean institutions belong to groups already using the IFRS and should be able, with the support of their group, to implement this reform; the other, smaller institutions will probably have to use the simplification options provided by the standard. The support procedures for the banks have also been defined, through individualized information sheets. Finally, an update was given on the progress made in efforts to revise the solvency ratio.

**64. BCRG - Financial supervision and regulation from April 4 to 8, 2022.** The purpose of this mission was to continue work on revising the definition of capital and the methods for calculating solvency requirements. Since the previous missions helped to lay the groundwork for a reform, two draft instructions, prepared with the assistance of AFW, were submitted by the

BCRG to the banking community, along with a questionnaire for an impact study. The analysis of the responses to the impact study and to the consultation with the banking community, which was the purpose of the mission, was intended to validate the content of the draft instructions and to definitively calibrate the methods for calculating the ratio, as was done for IFRS 9. The analysis of the banks' responses led to a revision of certain articles of the draft instruction on the calculation of capital requirements, to clarify certain points such as the treatment of off-balance sheet items and guarantees. In fact, multiple errors were identified in the delivery of the new prudential statement model and not all banks responded to the BCRG survey. In this connection, it was proposed that a new mission be carried out quickly, at the beginning of the fiscal year, to support the BCRG in its interactions with the banking community.

#### Government finance statistics

**65. Migration of government finance statistics to GFSM 2014 standards from July 22 to August 9 and from March 21 to April 1.** The Center's support during this fiscal year included three formal remote missions and additional weekly technical sessions during the months of December 2021 and January 2022. At the end of fiscal year 2022, the Center made available to the Guinean authorities a tool for the automated production of the TOFE based on GFSM 2014 for the budgetary central government. It has been agreed, in consultation with the authorities, to hold additional technical sessions aimed at testing the tool based on two requests in order to finalize the migration process in the first half of fiscal year 2023.

**66. The continued momentum seen in the migration process makes the Center**

optimistic that the migration of budgetary central government statistics will take place in early 2023.

## E. Guinea-Bissau

### Customs administration

**67. Strengthening customs surveillance from October 25 to November 5, 2021.** The purpose of this mission was: on the one hand (1) to assess the capacity of existing administrative customs structures to cover the tasks assigned to the "surveillance" function; and on the other hand (2) to assess the means and types of training required by customs inspection units.

**68. The mission first worked with a group of about 20 people representing all the entities involved primarily in combating fraud (port, airport, land borders, and interior of the country).** A workshop focusing on a case study of customs surveillance in Guinea-Bissau was organized. Training in the classification of customs offenses in the event of disputes was also provided, based on the draft customs code which is awaiting approval. This training was carried out with the support of the IMF.

**69. After describing the current capacity and performance of customs surveillance, the mission proposed several reforms and measures to improve the efficiency of customs units based on four core elements.**

### Tax administration

**70. Supporting the Guinea-Bissau authorities in the implementation of a "tax package" from February 21 to March 31,**

**2022.** Following the adoption by the Guinea-Bissau government of a "tax package" including several new provisions, in response to a request from the authorities the IMF's Fiscal Affairs Department and AFRITAC provided support in the form of technical assistance to help implement the package. This ambitious tax package includes the adoption of the new General Tax Code, a law on tax penalties, the adoption of the value-added tax (VAT), an excise duty system, and a new Customs Code. The technical assistance provided was intended to help the General Directorate of Duties and Taxes define a strategy to enhance understanding of the new system among both tax officials and taxpayers. The objectives of this remote technical assistance were: (i) to help identify tax officials to serve on a team of trainers in charge of supervising training sessions for all tax officials; (ii) to strengthen this team's knowledge of the new legislative framework; and (iii) to support the preparation of training sessions. It should be noted that the World Bank has agreed to fund additional training sessions in the country.

### Public expenditure management

**71. Improve the quality of multiyear expenditure programming documents (MEPDs) from October 13 to 26, 2021.** The mission, carried out jointly with the resident advisor on macro-fiscal analysis, reviewed the progress in developing a multiyear budget approach and prepared an MEPD guide. It

was able to discuss this with the central ministries and five-line ministries (national education and higher education; infrastructure, housing, and urban planning; agriculture and rural development; natural resources and energy; and public health). The implementation of MEPDs involves many participants. It is necessary to proceed by ministerial groups to ensure effective guidance and to promote a learning-by-doing process. A first wave (five ministries) would begin preparing MEPDs in 2022 to produce a 2023-2024 MEPD on a trial basis. The second wave would begin production of MEPDs in 2023 and a third wave in 2024. The mission proposed a 2021-2022 timetable for immediate work and a 2022-2026 strategy for multiyear programming reforms with a view to implementing the program-based budget in Guinea-Bissau.

**72. The follow-up mission from April 19 to May 6, 2022.** It was conducted jointly with the resident advisor on macro-fiscal analysis, focusing on the preparation of the 2023-2025 multiyear budget and economic programming document (MBEPD).

**73. Support in implementing the Treasury single account from November 8 to 19, 2021.** The mission provided an update on recent developments toward implementation of the TSA and the gradual consolidation of revenue and expenditure streams under the TSA, and it offered further guidance on next steps. Progress in implementation of the TSA includes:

- The inventory of public bank accounts and their categorization is being finalized (November, provisional data);
- The Treasury has a settlement account opened in the books of the BCEAO,

supporting the automated clearing operations of the TSA;

- The DGTCP is finalizing its participation in the automated transfer and settlement system with the BCEAO (STAR WAEMU). STAR is expected to be operational at the DGTCP in the first quarter of 2022. The recommendations for implementing the TSA are based on application of the WAEMU public financial management legal framework: an obligation on the part of the government (ministries and departments), general government bodies, and local authorities to deposit public funds in the TSA.

The mission proposed three main stages to move forward with the TSA:

- Stage 1: consolidate all government revenues in the TSA and effect expenditures from the TSA (end-2022), while gradually closing the bank accounts of line ministries and other government agencies (up to June 2023);

Stages 2 and 3 are conditional on compliance with requirements relating to the reliability of the cash flow plan, and the legal, organizational, and accounting framework of non-profit public enterprises, local authorities, and the financial management of donor projects:

- Stage 2: expand the scope of the TSA framework to include non-profit state-owned enterprises and local authorities by end-2024;
- Stage 3: expand the coverage of the TSA to include donor projects, in coordination with donors, by end-2025.

## Real sector statistics

**74. The 2018 annual national accounts from September 13 to 29, 2021.** The final 2018 annual national accounts have been completed and the provisional 2019 ANA estimates have been improved. The 2018 and 2019 national accounts release tables have been updated. The mission recommended that the National Statistics Institute (INE) review, validate, and publish the 2018-2019 ANA results as soon as possible. The timely compilation of the ANA also remains a challenge for the National Statistics Institute. Thus, additional efforts are needed for compilation of the final 2019 and provisional 2020 annual national accounts. In general, the technical and institutional capacity of the national statistics system should be strengthened to ensure the availability of the source data needed to prepare the ANA. Business statistics need to be improved to better monitor the non-financial and financial corporate sector. The staffing and technical capacity of the ANA team should be strengthened further.

**75. Quarterly national accounts from December 6 to 10, 2021.** The mission provided remote support to the Guinea-Bissau INE in the preparation of quarterly national accounts. It helped develop a roadmap for the introduction of QNA. The mission recommended that the INE increase the human and financial resources allocated to it, particularly for national accounts and structural business statistics. The compilation of QNA relies on the availability of regularly disseminated annual national accounts and high-frequency indicators (HFIs) providing sufficient coverage of economic activities. In general, the technical and institutional

capacity of the national statistics system should be strengthened to ensure the availability of the source data needed to prepare the national accounts. The mission recommended that the INE compile the general sales tax (GST) database, which would be very useful for the ANA and QNA. The mission was informed by the INE General Director of concerns raised by the authorities about the coverage of GDP. The organization of a new rebasing project could provide answers to these questions and would be an opportunity to build up the INE's resources, develop the national accounts, and strengthen the INE's reputation. In terms of timing, it would be prudent to consider the rebasing schedule to avoid a conflict between QNA based on the current ANA series and the series to be rebased. The mission recommended that the INE devote a period of six months to a year to resolve the institutional problems during 2022, including the initiation of the rebasing project and its completion by end-2024. The project would include, in addition to the base year, backcasting and preparation of QNA.

## Macroeconomic and fiscal analysis

**76. Implementation of the medium-term macro-fiscal framework from October 13 to 26, 2021.** The mission, carried out jointly with the resident advisor on fiscal management, provided a framework for development of the trial Multiyear Budget and Economic Programming Document for the period 2022-2024. The mission reviewed the information available for the MBEPD, it assisted the team set up by the General Directorate of the Budget in filling in the MBEPD tables and illustrations, and it provided guidance in drafting the MBEPD. At the end of the mission, a draft MBEPD was made available, but support will continue in the coming weeks

to finalize the work and build capacity to use the medium-term budget allocation tool.

**77. Discussions on operationalization of multiyear budget programming were also conducted for the purpose of making a switch to a budget and these discussions led to the proposal of a roadmap.**

#### Government finance statistics

**78. In the interest of maintaining and consolidating the achievements and strengthening the knowledge of the new management team of the General Directorate of Economic Forecasting and Research:** Changes within the general directorate in charge of compiling government finance statistics have led to an adjustment of the Center's objectives for Guinea-Bissau. The Center's assistance was focused on capacity building to provide the new staff with the knowledge and tools to produce statistics in accordance with the standards and principles of GFSM 2014.

**79. Regarding the process of migrating statistics according to GFSM 2014, the Center's support made it possible to review the conversion table and provide compilers with an improved tool for producing finance statistics, including the TOFE, in line with the GFSM 2014 standards.**

**80. Similarly, regarding expanding the scope of statistical coverage, the Center's assistance was provided for the social security and local government subsectors, for which the conversion tables were refined.** The local government subsector will require additional work to account for operations related to the financing of the subsector, however.

**81. In addition, with respect to the other tables of the minimum analytical framework, namely the cash flow statement, the financial balance sheet, and the debt position, the Center was able to identify the data sources and clarifications were made to produce these statements.**

## F. Mali

#### Customs administration

**82. Review of the draft law establishing the National Customs Code from May 3 to 11, 2021.** The purpose of this mission was to: (i) review the draft customs code to ensure that it meets existing and foreseeable needs for modernization of the customs administration, taking into account international rules (World Trade Organization (WTO) and World Customs Organization (WCO)), regional commitments (Economic Community of West African States

(ECOWAS) and WAEMU), and Malian priorities, particularly in terms of revenue collection, including considerations specific to petroleum products; and (ii) analyze the draft decree on the organization and operation of the customs administration and propose any necessary improvements. To bring the code into line with the defined objectives, 68 articles were recommended for amendment, along with the addition of 13 new articles and the deletion of six articles. After reviewing these recommendations, the customs administration forwarded them to policymakers for comment.

**83. As for the decree on the organization and operation of the customs administration, recommendations were made to strengthen the units responsible** for: (i) implementation of the WTO Trade Facilitation Agreement measures introduced in the Customs Code; and (ii) risk assessment in combating fraud. These recommendations are currently under review by the customs administration.

**84. Strengthening of the customs valuation function from July 12 to 23, 2021.** The mission was intended to assess the progress made in applying transaction value and successfully transitioning out of the Import Verification Program, and to assist in the implementation of reforms necessary for the application of transaction value, including the transition assigned to the Technical Assessment Center (CET) initiated and implemented by the service provider BIVAC. It was noted that the activities of the Project Group on the reorganization of the customs valuation function, whose main objective is to develop all the necessary actions (structural, technical, and IT) for better application of the transaction value in 2023, have seen significant progress since March 2020. The development of the customs value database has been completed for the targeted products. For the configuration of the Value Module in ASYCUDA World, specific tariff codes have been created for each of the 56 tariff positions. Mali has discontinued the Pre-Shipment Import Verification Program and replaced it with a new program, the Modern Import Control Program. There is, however, a high risk of overlap between the CET and the Customs Intelligence and Investigation Directorate (DRED), as well as with the Value Division. The plan is for the CET to report directly to the General Director. It is recommended that the CET be incorporated into the DRED to minimize overlap and

duplication. Establishing a value database at the CET and at the Value Division will only create confusion and overlap. In any case, the responsibilities assigned to these units will have to be clearly spelled out and fully explained to users and DGD staff.

**85. Coloring and marking of petroleum products from March 28 to April 8, 2022.** The mission requested by the Malian Ministry of Economy and Finance to put an end to the illicit trafficking of petroleum products was aimed at establishing a permanent system for the authentication and traceability of petroleum products benefiting from an exemption from import duties and taxes. The decision was made to outsource the coloring and tracing of the tax-exempt product, diesel, requiring the use of a service provider selected through a call for tenders. The mission worked with a group of 35 customs officers employed in units involved in the management and control of petroleum products. The first week was devoted to the specifications to be submitted for the selection of the service provider and to the process of coloring diesel fuel at the border and in storage. The second week was devoted to the study of the regulations currently in force. The mission proposed a list of measures, including: (1) an administrative procedure for the coloring and tracing of diesel fuel specifying the obligations of the parties involved; and (2) the strengthening of laws and regulations. The experts emphasized the training of customs officers and the legal framework for inspections to be respected.

**86. Given the magnitude of the project to be implemented, the decision to outsource the coloring, the need to train customs officers, and the pressing need to strengthen the existing legal framework to improve compliance and enforcement, this**

**activity will certainly be a major challenge for the customs administration.**

#### Tax administration

**87. Expand and enhance the collection and use of tax intelligence from July 19 to August 26, 2021.** The purpose of the support was to build the capacity of the tax administration in detecting and combating the concealment of economic activities based on intelligence.

**88. The importance and role of tax intelligence in combating fraud and the concealment of taxable activities was discussed:** assessment of the difficulties encountered by the control services in the use of tax intelligence; formulating advice and recommendations for greater efficiency in the collection and use of tax intelligence; proposing a strategy for strengthening intelligence; providing advice and recommendations to improve the management of tax intelligence; and proposing an action plan to expand and enhance the use of tax intelligence. The expanded use of tax intelligence for automated cross-referencing of information from multiple sources is a major factor in broadening the tax base, identifying risks, and combating fraud.

**89. Support for the Malian DGI in setting up medium-sized business centers from September 15 to 29, 2021.** This remote mission by AFRITAC to assist the Malian DGI in the establishment of medium-sized business centers (CIMEs) was intended to:

- Evaluate the implementation of the CIME reform, notably through the execution of a roadmap or a "step by step" procedure and a dashboard proposed at the end of the last mission;

- Suggest possible adjustments and provide advice to overcome any difficulties encountered;
- Evaluate the expected impact on the CIME revenue targets resulting from the transfer of files in accordance with the tax population segmentation rules;
- Assess the impact of file transfers on how the segmentation of the overall tax population is structured;
- Propose measures to strengthen the fiscal management of medium-sized taxpayers.

**90. The mission offered an opportunity to take stock of the progress made in implementation of this reform (meeting of a commission on the transfer of files, effectiveness in the transfer of files, obstacles encountered, and assessment of the impact of the reform on the revenue targets of the units).**

**91. Presentation of the new support modalities of AFRITAC West within the framework of the project financed by the COVID-19 Crisis Capacity Development Initiative (CCCDI) fund.** Not initially scheduled, a progress review was carried out with the General Director of Taxes, during a mission conducted jointly with the Fiscal Affairs Department from January 24 to February 4, 2022, to identify the new needs to be covered and the priority actions to be carried out in light of the political, security, economic, and social situation in the country.

**92. Capacity building of tax investigation units.** From February 21 to March 11, 2022, a remote support mission was conducted in response to a request from the General Director of Taxes to assist the new division created within the Research, Investigation, and Audit Support Directorate,

in the scheduling and practicalities of implementing the special investigative procedure for VAT. Practical advice in terms of scheduling (adapting the scheduling to available resources), management (operations performed by two people), supervision (monitoring of operations), and methodology (simplification and harmonization of the procedural documents used) was provided. The Tax Legislation and Disputes Directorate was also asked about issues relating to the authorizations required by the legislature.

**93. Follow-up on accounting entries for tax issues.** From March 21 to April 8, 2022, a remote support mission was conducted to evaluate the difficulties encountered and propose solutions to be applied in the execution of automated transfers of accounting data for new tax issues from the DGI computer system to that of the National Directorate of the Treasury and Public Accounting (DNTCP). A practical, short, and readily usable data sheet has been distributed to remind managers who issue them and collectors who receive them of the best practices for issuing them (timing, security, follow-up).

**94. Participation from January 24 to February 4, 2022, in an IMF Fiscal Affairs Department mission.** The mission provided an opportunity to meet with the General Director of Taxes to: (1) define in detail the priority capacity development actions to be carried out; and (2) present the new support modalities put in place by AFRITAC West in view of the situation the country is experiencing.

#### Public expenditure management

**95. Support for the preparation of financial statements from June 21 to July**

**2, 2021.** The objective of the mission was to support the staff of the National Directorate of the Treasury and Public Accounting in the preparation of financial statements, to contribute to their reliability, and to assess the progress of the accounting reform in the context of the transition to accrual accounting.

**96. The advancement of the accounting reform has resulted in the production of accrual and asset-based financial statements for fiscal year 2018.** The mission noted several advances in the implementation of accrual and asset-based accounting. The regulatory framework surrounding the production of the opening balance sheet and financial statements is complete and stable. The ongoing project to modernize the accounting information system (Integrated Government Accounting Application 2, or AICE 2) is continuing with several new modules to adapt the application to accrual accounting and cash management. The reconciliation of accounts prior to January 1, 2018, remains one of the priority actions to be completed before end-2021. The prior clearance of accounts is one of the main prerequisites for the production of financial statements in accrual and asset-based accounting in order to achieve a satisfactory level of quality and clarity of accounts. According to best practices, the first opening balance sheet should be presented after prior reconciliation of the items at the top of the balance sheet (fixed assets and financial liabilities) and those at the bottom of the balance sheet (internal movements of funds and transfers between accounts, claims, non-financial liabilities, provisional allocation accounts). The reconciliation report was validated within the DNTCP in 2020, but formal approval by the Ministry of Economy and Finance is required before the accounts can be cleared. The production of the draft opening balance sheet highlighted the need to

strengthen ties with all those involved in the production of the financial statements.

**97. The mission focused on a detailed review of the opening balance sheet as of January 1, 2018, and for the year ended December 31, 2018, as well as the accompanying statement of accounts, to identify the main improvements to be planned for the closing of the accounts for fiscal year 2019 and beyond.**

**98. Incorporation of cash management into debt management from January 17 to 28, 2022.** The objective of this joint IMF virtual mission (Fiscal Affairs Department, Monetary and Capital Markets Department, and AFRITAC West) was to deliver technical assistance in strengthening the integration of cash and debt management for better implementation of the debt strategy and annual borrowing plan in line with the cash flow plan.

**99. The mission emphasized the need for a realistic medium-term debt strategy (MTDS) and reliable cash flow forecasts as essential conditions for developing a credible and stable issuance schedule and for better execution of the state budget.**

**100. In order to improve the cash management framework, the priority recommendations are:**

- i). Establish a three-tiered system, namely a strategic steering body (the current Cash Management Technical Committee), a technical body (the current Permanent Technical Secretariat), and a single operational unit within the DNTCP in which responsibilities for activities and for preparing, monitoring, and updating cash flows will be centralized;

- ii). Integrate the development of the cash flow plan into the budget preparation schedule;

- iii). Increase the use of treasury bills to facilitate cash management and thereby reduce the time required to settle debts;

- iv). Remove non-cash transactions from the cash flow plan (i.e., keep only those transactions that result in a cash inflow or outflow and do not include order-based transactions).

**101. Building fiscal risk management capacity from December 6, 2021, to January 15, 2022.** In this joint remote mission with FAD and the macroeconomic analysis advisor (see Macroeconomic and Budget Analysis below), the FRAT was applied to four types of risks and the state-owned enterprise (SOE) tool was used to analyze the fiscal risks of four public enterprises. In the future, the authorities should continue the work by completing the fiscal risk analysis using both tools.

**102. The mission formulated its recommendations around four core elements:**

- i). Continue implementation of the recommendations from the previous mission in 2018 concerning fiscal risks;
- ii). Strengthen the institutional framework by clearly defining the roles and responsibilities of the different parties;
- iii). Improve the collection of information by ensuring its availability, timeliness, and quality. The tools presented during the mission make it possible to identify the necessary data;

- iv). Improve fiscal risk analysis and transparency by using the two FAD tools mentioned above to enhance fiscal risk reporting with a more structured analysis.

#### Macroeconomic and fiscal analysis

**103. Fiscal risk training from December 6, 2021, to January 15, 2022.** This joint FAD-AFRITAC West remote mission helped the Malian authorities develop their capacity to identify, quantify, and manage fiscal risks, including by training them in the use of two tools developed by the IMF's Fiscal Affairs Department: (i) the Fiscal Risk Assessment Tool (FRAT); and (ii) the health check tool for state-owned enterprises (SOE CHECK TOOL). Participants from seven departments of the Ministry of Economy and Finance and the Ministry of National Planning attended the training sessions to get an overview of best practices in fiscal risk management and practical training in the use of the tools. In addition, internal sessions were scheduled within the Ministry of Economy and Finance to deepen the participants' knowledge of the tools and share with the mission their findings and the challenges they have faced.

**104. Updating of Mali's macroeconomic framework model from January 26 to February 10, 2022.** First, the work provided for the training of officials from the National Directorate of Development Planning (DNPDP) under the Ministry of Economy and Finance and the Forecasting and Modeling Committee in the quasi-accounting approach with a supply and use table. The approach proposed to update the macroeconomic model of the National Development Planning Directorate (MME\_DNPDP) was then presented and validated. Conversion tables between the SUT from the 2008 SNA national accounts and the SUT format of the model were constructed.

Finally, the Supply and Use Balance module was finalized with the introduction of projection formulas for the main elements of the real sector.

**105. The mission relied on the involvement of the Forecasting and Modeling Committee staff in all phases of its work, which should ultimately facilitate the adoption of the model.** The next phase of support is planned for end-March 2022 following the satisfactory implementation of a roadmap agreed upon at the end of the mission.

#### Real sector statistics

**106. Quarterly national accounts from March 28 to April 15, 2022.** A mission to the National Statistics Institute (INSTAT) of Mali was intended to align the quarterly national accounts with the new rebased series of annual national accounts following the recommendations of the International Monetary Fund's Quarterly National Accounts Manual, 2017 edition. INSTAT has not yet released the new ANA series for 2015-2020 (base year 2015), despite its commitment to do so by March 31, 2022. Pending this release prior to that of the revised QNA, the mission assisted INSTAT in compiling the first GDP estimates for the fourth quarter of 2020 aligned with the revised ANA, with 2015 as the base year. The mission recommended that INSTAT put institutional arrangements in place to improve coordination with the ministry in charge of livestock for the improvement of livestock data and the General Tax Directorate to facilitate access to the monthly database on the turnover of companies subject to value-added tax (VAT). The mission recommended that the results of the new QNA series and the methodology document on data sources and methods be published after the release of the new ANA series. To avoid any

delay in publication, however, INSTAT has committed to estimating the fourth quarter of 2021 based on the 1997 base year series, which are the official series.

#### Government finance statistics

**107. The socio-political crisis in the country has not allowed the Center to optimize its assistance to the authorities in charge of producing government finance statistics.** Good cooperation with the authorities, however, has made it possible to obtain draft TOFEs and primary data for the various subsectors.

**108. The process of migrating government finance statistics to the GFSM 2014 standards:** to this end, the Center's support has enabled the Malian authorities to regularly produce the statement of

transactions of the budgetary central government in accordance with the GFSM 2014 classification.

**109. With regard to expanding the coverage of government finance statistics, the Center's assistance from January 24 to February 4 allowed for the regular production of the TOFE for the social security subsector and the inclusion of additional regions in the scope of the local government subsector.** The availability of the balance of financial operations of extrabudgetary units has enabled the Center to produce a draft conversion table. In collaboration with the compilers of government finance statistics, the Center plans to review the conversion tables and validate the statistics produced for fiscal year 2023.

## G. Mauritania

#### Customs administration

**110. Automated risk management from November 15 to 26, 2021.** The purpose of this mission was to review the fulfillment of technical requirements for implementation of the automated risk management system. The work made it possible to: (1) set up the structures in charge of monitoring and executing the project, as adopted by the Customs Directorate; (2) design, validate, and plan the computer modifications necessary to secure the database of control results; (3) initiate risk-based selection based on key performance indicators.

**111. The customs administration does not have the data analysis capabilities that are essential for the project and for monitoring the selection process.** The

structures in charge of implementing and monitoring the project were designed and put in place during the mission. No institutional structures and processes are in place to design, evaluate, and update the selection rules. The customs administration has validated the "memos" defining the composition, roles, and responsibilities of the Selection Committee and the Technical Committee. IT improvements to both the ASYCUDA declaration database and automated inspection actions were proposed by the mission and approved by the Technical Committee. These changes will help improve the quality of the database, which is a major requirement for the project.

**112. After a detailed assessment of the selection process for customs clearance, the mission was able to discuss with the**

**main operational units concerned the added value of risk-based selection in the customs clearance process and the institutional and technical requirements for carrying out such a project.**

**113. Strengthening of the post-clearance audit function from March 7 to 18, 2022.**

The mission was intended to: (1) assess the level of implementation of the measures recommended by the August 2019 and February 2021 missions; and (2) support the customs administration in strengthening the post-clearance audit system. During its work, the mission found that in general, the post-clearance audit project has not seen significant progress since 2019. The measures recommended during previous missions have had limited effect: (i) the committee to oversee actions aimed at the development of post-clearance audit is not functioning; (ii) the draft framework instruction on intelligence to develop this function has not been adopted; (iii) steps have not been taken to remedy the staffing shortage; (iv) staff do not have sufficient material resources to carry out their missions; (v) the training plan for officers has not been put in place; (vi) the deployment of the communication plan to promote the post-clearance audit function has been seriously delayed; and (vi) the integration of quality into the management of the post-clearance audit system is not yet effective.

**114. Nevertheless, there were some encouraging signs.** The new Director of Customs has held meetings aimed at mobilizing his staff to focus on the project and has signed a circular to strengthen control measures. In addition, the officers in charge of post-clearance audits demonstrate a high level of professionalism in the performance of their duties. They carried out a few controls that resulted in findings of violations, one of

which was contested by the user and was decided by the courts in favor of the administration. Still, there are some encouraging signs for improving the effectiveness of the system. According to the status of the files provided to the mission, between 2020 and 2021, six companies were audited, including five deferred audits and one on-site audit. The sectors concerned are telecommunications and industry, and the cement industry. The files reviewed show that a customs dispute following a post-clearance audit was decided by the courts in favor of the administration. The favorable outcome of this proceeding for the administration is proof of the professionalism of the officers, which is one of the system's strengths.

**Tax administration**

**115. Preparation for the upcoming 2022 Tax Administration Diagnostic Assessment Tool (TADAT) assessment mission from December 1 to 15, 2021.** The objective of this remote training was to prepare the Mauritanian tax administration (DGI) for the first assessment of the Tax Administration Diagnostic Assessment Tool, scheduled to take place from February 21 to March 9, 2022 (via an "in-country" assessment, if the IMF's travel policy permits), and to share international best practices of modern tax administrations with DGI staff.

**116. The involvement of the authorities throughout the training was very high, demonstrating a strong commitment to adoption of the TADAT tool.** Despite recurring technical problems, some 60 senior and middle managers followed the entire course with interest. The General Director started the training and his deputy attended and actively participated in the entire course. The first four days of the week consisted of a general presentation of the TADAT

instrument, followed by a detailed presentation of each of the nine TADAT components illustrated by practical cases. To ensure a better understanding of TADAT, the training was specifically focused on presenting best practices. The fifth and final day of the training was given over to the nine officials responsible for the various TADAT components who will be the contacts for the assessment team. They presented the assessment process and the scoring methodology, and explained the procedures involved in the exercise (type of questions and expected answers), emphasizing the evidence-based nature of the assessment.

**117. Participation of AFRITAC in the TADAT assessment from February 21 to March 29, 2022.** This assessment, conducted using the TADAT methodology, was carried out remotely to evaluate the organization and functioning of the Mauritanian DGI in relation to international best practices and standards. The current state of Mauritania's tax system is weak in most of the areas assessed and key functions. The assessment found that there are many governance and transparency challenges in almost all areas of the tax administration (DGI). The DGI faces an ongoing challenge in implementing its reform program, with little implementation capacity in a complex tax environment and little knowledge of international best practices in revenue administration. In addition, some parts of the country are not under the control of the DGI (Nouadhibou free zone, Greater Tortue Ahmeyim Offshore Liquefied Natural Gas (LNG) project). Progress in the reform effort is very slow and the pace of the reforms needs to be accelerated.

**118. The TADAT assessment identified several strengths, including the nature and quality of information provided to taxpayers to meet their reporting**

**obligations, the withholding tax rules, and advance tax payments.** On the other hand, many weaknesses were noted in areas that are receiving support, such as compliance risk management and the online reporting system, which exists but is not yet fully functional and is therefore rarely used. Areas for further improvement include the integrity of the taxpayer registry, timely reporting and payment compliance, audit program planning and quality assurance, operational and human capital risk management, and insufficient internal and external governance and the need for transparency. It should be noted that some areas requiring improvement are beyond the direct control of the DGI and will require the support of other government agencies. For example, the Office of the Auditor General does not always prioritize annual audits of the DGI's financial and operational performance, which significantly undermines both credibility and accountability. The most recent audit of the DGI was in 2013.

**119. Reorganization of tax auditing from April 25 to May 30, 2022.** Several technical assistance reports, as well as the TADAT assessment conducted in February 2022, emphasized the need for a reorganization of tax auditing to bring it into line with international best practices and to align it with environmental elements surrounding the operation of the tax administration. Tax auditing has been a weak link in the Mauritanian DGI's operations for several years. The Fiscal Affairs Department mission carried out in March 2021 identified, among other things, difficulties in the organization of tax auditing and recommended the reorganization of structures accordingly. The arrangements in place did not encourage interaction among departments, did not target audits according to the importance of the risks, and could create imbalances in the

performance of audit operations depending on taxpayer categories.

**120. The mission proposed a more streamlined and efficient organization of the structures responsible for auditing, both in the central administration and in the operational units, with a view to bringing case management closer to auditing operations.** Streamlining the organization of tax auditing should improve its performance both quantitatively and qualitatively by allowing greater use of information sources. The mission made recommendations concerning various aspects of auditing: improving the planning and execution of audits, and carrying out and monitoring audit operations, in particular to reduce the risk of fraud and improve the coverage rate.

**121. Participation of AFRITAC in a governance assessment mission.** In addition to its own program, AFRITAC participated in a cross-cutting governance assessment in Mauritania. This mission began in December 2021 and is still in progress.

#### Public expenditure management

**122. Support for the transition to accrual and asset-based accounting with respect to preparation of the opening balance sheet and monitoring the consolidation of the trial balance from October 11 to 22, 2021.** In accordance with the work of the committee responsible for this matter, the first opening balance sheet is planned for 2023 and the new accounting information system adapted to accrual and asset-based accounting should be operational in 2022. While the inventory and valuation of the government's real estate holdings are progressing well, the DGTCP has been working on the consolidation of provisional

charge accounts since 2020. The mission noted, however, that the process has not yet been finalized, while the trial balance for 2022, which will serve as the basis for the first opening balance for 2023, will have to be completely accurate. The recommendations concern acceleration of the consolidation work to be done on the government's trial balance for 2022 and the preparation of the opening balance sheet for 2023:

- Consolidate key perpetual inventory accounts and financial accounts based on the financial implications and the methodology outlined in previous AFW reports;
- Improve the organization of the teams responsible for preparation of the opening balance sheet by organizing them according to balance sheet cycle and thus train specialists in each item of the opening balance sheet (tangible fixed assets, financial assets, financial debts, active cash flow etc.);
- Improve the coordination of the activities of other partners involved in the preparation of the opening balance sheet, as the accounting function is now shared (DGI, Debt, Customs, etc.);
- Formalize the coordination with the Audit Office regarding preparation for the transition to accrual and asset-based accounting and the opening balance sheet strategy in order to prepare for the certification of accounts exercise.

**123. Better public investment management - Follow-up on the Public Investment Management Assessment (PIMA) recommendations from April 4 to 15, 2022.** This mission reviewed progress in implementing the recommendations of the Public Investment Management Assessment conducted by the IMF's Fiscal Affairs Department in 2020. In addition, it developed

the capacity of the Mauritanian authorities to improve the planning of public investments.

**124. Two years after the PIMA assessment, the authorities have not managed to meet all the deadlines set in 2020.** Significant improvements should be noted, such as the preparation and budgeting by activities, a prerequisite for the ambitious reform of program-based budgeting, and the introduction of a tool dedicated to investment (ISTITHMAR). The implementation of some ambitious reforms has stalled: the inclusion of multiyear frameworks in the draft budget law has been postponed from 2021 to 2022, medium-term expenditure frameworks (MTEFs) have not yet been implemented by line ministries, the public investment program (PIP) has not improved as much as had been expected, and the quality of the PIP has declined. Finally, neither the budgeting of asset maintenance nor the public procurement framework appears to have made significant progress.

**125. These issues were presented and discussed as part of a three-day inter-ministerial seminar, during which the main recommendations made by the participants were as follows:**

- A macro-fiscal planning schedule and a framework for discussions among ministries;
- Improved multiyear frameworks that are shared more effectively with managers;
- Multiyear management in commitment and payment appropriations.

Management tools (information systems, PIP, and commitment and payment appropriations schedules) better adapted to the new needs of managers.

## Government finance statistics

**126. Relaunch of government finance statistics production activities in accordance with the 2014 Government Finance Statistics Manual and establishment of a TOFE team from August 9 to 20, 2021.** The Center's support helped to relaunch the process of migrating statistics to GFSM 2014 standards and principles. Indeed, in view of the delays noted in recent years by Mauritania, the Center has set up, in collaboration with the top authorities of the General Directorate of the Treasury and Public Accounting, a technical team in charge of compiling the statistics of the budgetary central government. The training session and the technical sessions that followed made it possible to begin the work of fine-tuning the conversion table. Similarly, the financial transaction compilation tool for the local government subsector was reviewed and updated. The financial operations table (TOF) for the local government subsector is regularly produced and the status of transactions for fiscal years 2016 through 2019 is available.

**127. The availability of the tool for compiling budgetary central government statistics will facilitate the production of the TOFE for this subsector during the 2022 fiscal year.**

## Real sector statistics

**128. Revision of the industrial production index (IPI) from June 14 to 25, 2021.** The mission to Mauritania's National Agency for Statistics and Demographic and Economic Analysis (ANSADE) contributed to the work on revising the IPI. This revision should update the companies, products, and their weights to better reflect the current industrial structure of Mauritania. Specifically, the mission provided training in the

methodology for calculating and analyzing the IPI and developed a schedule for producing the revised IPI. It also provided training in the use of economic surveys to track business leaders' opinions and developed an action plan for the implementation of such a survey.

**129. Implementation of quarterly national accounts from July 26 to August 10, 2021.** The mission continued the development of the template for calculating quarterly national accounts that was started in November 2020. All the tests covering the full range of manufacturing and service industries were reviewed. This review focused on the testing of high-frequency indicators and the selection of quarterly reporting methods. ANSADE is expected to complete all testing of high-frequency indicators before using the template for retrospective estimates of QNA for the period 2014-2020 by December 2021. The mission recommended that ANSADE give priority to drafting the methodological note for the annual and quarterly national accounts and to improving the methodology for the provisional annual national accounts. The quarterly national accounts will provide information that is more current than the annual national accounts and more comprehensive than the available short-term indicators. They will thus contribute to improving the formulation of economic policies that are more responsive to the economic situation.

#### Banking supervision

**130. Central Bank of Mauritania (BCM) - Banking regulation and supervision from July 12 to 23, 2021.** The mission was devoted mainly to the review of various regulations implementing the Banking Law and the recent law on electronic payment services and electronic currency. Draft instructions on bank governance, the opening

of branches and representative offices, money transfer services, and payment services were reviewed and finalized to a large extent. Draft documents were submitted to the BCM at the end of the mission. Part of the work also focused on analyzing implementation of the reform of the capital requirements calculation method, which will come into full effect in 2020, and on the concerns highlighted by the BCM regarding insurance supervision, a responsibility that has recently been assumed and for which a draft roadmap has been prepared.

**131. Central Bank of Mauritania - Risk-based supervision from January 24 to 28, 2022.** The mission carried out an analysis of existing supervisory procedures and methods regarding the principles of risk-based supervision, as well as the potentially relevant data and information that could be made available through prudential reporting. It provided a short training session to remind participants of the principles and methods of risk-based supervision, identified some necessary changes in regulations, procedures, or methods, and established a roadmap to develop risk-based supervision according to a detailed but realistic timetable.

**132. Central Bank of Mauritania - Early warning indicators from March 21 to 25, 2022.** This mission is a first step in applying the roadmap established during the January 2022 mission, which highlighted the need for the BCM to have simple but relevant indicators that would allow for early identification of a deterioration in the risk profile of banks, as the BCM frequently intervenes when regulatory thresholds are exceeded. Two main tasks were achieved during the mission: (i) identification of early warning indicators that could be representative of the risks borne by Mauritanian banks and suggesting a definition

of these indicators; (ii) starting to draft an operational procedure that describes the treatment of these indicators from the collection of data to the determination of the necessary supervisory actions. At the end of the mission, a draft dashboard was formalized, which includes 34 indicators whose frequency of collection is differentiated (generally quarterly but monthly for liquidity or semi-annually for profitability items) and which cover all the identified risks (credit risk, liquidity risk, operational risk, concentration

risk, exchange risk, profitability, solvency). This dashboard, which uses only available data, will have to be tested on a few representative banks and alert thresholds, in the form of orange or red flashing lights, will have to be defined. A draft procedure has also been prepared listing the processes to be carried out, defining the indicators, including data sources and calculation methods, and proposing various actions to be performed in the event that an alert is triggered.

## H. Niger

### Customs administration

**133. Capacity building in post-clearance audit (PCA) from October 25 to November 5, 2021.** The mission focused on evaluating the development of the post-clearance audit and intelligence function and on supporting the design and implementation of a post-clearance audit program. No significant progress has been made in implementing the actions proposed during the July 2019 visit. The mission did note, however, two encouraging initiatives that will ultimately provide opportunities to improve the effectiveness of the PCA system: (1) the implementation of a framework for data exchange with the tax authorities; and (2) the systematic recording of disputes from all ASYCUDA departments.

**134.** The timely completion of the following priority actions is a prerequisite for successful delivery of the project to develop the PCA and intelligence function:

- Creation of an oversight committee;

- Restructuring and strengthening of the directorate in charge of PCA and intelligence;
- Improvement of regulatory and IT tools;
- Building the capacity of officers and providing information on the PCA function.

**135. Support for integration of the digital platforms of the customs and tax administrations from March 28 to April 8, 2022.** Based on the numerous shortcomings identified by various missions carried out by the IMF Fiscal Affairs Department and AFRITAC West, Niger's authorities decided to improve collaboration between the customs and tax administrations. This collaboration is now based on a solid integration of digital platforms, and more specifically, on the full automation of exchanges related to the taxpayer directory and import and export declarations.

**136. Efforts have been made and the results are encouraging.** The various interviews conducted throughout the mission showed that some actions had been taken to move towards the integration of the respective

digital platforms. Among these positive actions, the following should be highlighted: (i) the revision in 2021 of the interface manual, developed in 2016 to improve the quality of data exchange, as approved by the General Directors of Customs and Taxes; (ii) the development and validation of an action plan, included in the aforementioned manual, to complete the automation of digital platforms by November 2022; and (iii) the creation of a technical committee responsible for updating the interface platform between ASYCUDA and the Integrated Tax and Taxpayer Monitoring System (SISIC).

**137. The mission was also informed that the customs and tax administrations are preparing to migrate to web service technologies in order to improve and optimize their interactions.**

**138. The success of the interface project, however, depends on the implementation of several short- and medium-term measures.** First and foremost, in order to strengthen the integration of the digital platforms of the customs and tax administrations, priority should be given to full automation of the processes involved in the shared data management cycles. This should correct the shortcomings noted in the previous system linking ASYCUDA and SISIC.

**139. The automation of other data and the involvement of business services.** Beyond this main objective, it also seems important: (i) to consider other data automation needs expressed by the DGD and the DGI that are essential to combating customs and tax fraud; and (ii) to provide for greater involvement by business services in this project.

## Tax administration

**140. Phase 1 of the development of a procedural manual for active tax identifier management from January 31 to February 12, 2022.** The mission, organized as a virtual working group, was the first of two sets of capacity-building activities aimed at supporting the new reform strategy of the DGI. The objective was to produce a guide to the procedures for managing the unique tax identifier (IFU), which should contribute to the project to integrate the digital platforms of the tax and customs administrations.

**141. Indeed, in Niger as in the rest of the subregion, the supervision of economic operators and their monitoring throughout the life cycle remain largely insufficient.** Aware of these challenges, the authorities have chosen to base the new IFU management strategy on digital tools, through the interconnection of ASYCUDA (customs) and SISIC (tax). But the shortcomings of previous efforts show that a mechanical linking of software alone is not enough to modernize IFU management. Therefore, to support the authorities, this first mission conducted an in-depth analysis of the challenges associated with managing the IFU, before specifying the proposed deliverables of the future guide.

**142. Regarding the difficulties of managing the IFU, the work has shown that they are reflected in various tax evasion risks that are still poorly controlled.** Many companies (i) operate without an IFU; (ii) refuse to complete the tax formalities; (iii) fail to file their returns; or (iv) submit clearly inconsistent returns. These problems reveal the weakness of the offices, which are often unable to issue reminders due to inaccurate identification data and taxpayers who have moved. Reporting rates are

unreliable, since they are based on an incorrect number of taxpayers, and despite the high level of tax auditing activity, cross-checking remains insufficient to correct inaccurate reporting. Two shortcomings have aggravated these difficulties, namely the inability of the administrations to draw lessons from the government's business creation initiatives, which have profoundly changed the tax registration process, and the lack of skills in developing regulatory and conceptual tools capable of strengthening tax compliance.

**143. This lack of conceptual capacity also explains the inefficiency of current tax management IT tools, since despite the remote procedures that are becoming more widespread, no software in Niger, as elsewhere in the subregion, can:** (i) perform an automatic verification of the identification data of the applicants for registration and manage autonomously (ii) their taxation, (iii) the tracking of returns, and (iv) the cross-checking databases. (v) The performance monitoring dashboards remain largely manual and are focused on revenue alone.

**144. The phase of identifying best practices likely to be used in the future guide has made it possible to highlight three relevant core areas of work:** (i) the legal framework (regimes for safeguarding the tax base, reporting obligations, and tax intelligence); (ii) the conceptual tools for organizing procedures and their computerization; and (iii) IT principles. The outline of the guide and the timetable for Phase 2 of the project have been established on this basis.

**145. Phase 2 of the development of a procedural manual for active management of the tax identifier and support for the project to improve the reliability of the**

**shared directory between taxes and customs, March 7 to 18, 2022.**

**146. The objectives of this second phase** were to: (i) finalize the IFU management procedural guide; (ii) propose, based on the final deliverables, concrete measures that should contribute to the successful implementation of the DGI reform strategy concerning shared management of the taxpayer directory with customs; and (iii) identify avenues for future AFW assistance.

**147. The final version of the guide identifies five best practices for management of the IFU, which can contribute to the reversal of the current difficulties in controlling tax evasion risks.** (i) First, the administration must standardize all the concepts involved in IFU management to avoid different interpretations that weaken the system. A glossary has therefore been included in the guide. (ii) Second, the regulatory framework for registration and reporting must be robust. The different standards to be met from this standpoint have been specified, considering the results of previous reforms. (iii) In addition, the offices should design tools capable of supporting the procedures and their computerization (taxpayer profiling, registration flowchart, taxation, tax return follow-up cycle, analytical tables, etc.). (iv) Relevant management principles should guide the work of officers (e.g., giving "taxation of new registrants" the status of a procedure in its own right). (v) Finally, IT requirements should strengthen the "enterprise architecture" and increase the percentage of functional features to be fully automated.

**148. Recommendations based on the standards specified in the guide have been formulated to avoid any risk of further failure of the data sharing project with the**

**DGD.** Indeed, the previous tax/customs platform did not achieve its objectives because the project had an exclusively technological focus. It was therefore recommended that the DGI integrate all the requirements for optimal management of the IFU into the current process, well in advance of the IT work (improving registration, making the directory more reliable, managing cross-checks, etc.), complete the project team, audit the existing system, plan, and implement corrective measures, and prepare for change management. Finally, the parts of the project that could benefit from joint assistance from AFW and the IMF's CCCDI project were identified and discussed with the authorities.

#### Public expenditure management

**149. Support for consolidation of the TSA and for cash management from May 31 to June 11, 2021.** The purpose of the mission was to support the consolidation of the Treasury single account that has been in place since 2018, cash management, and the transition to accrual and asset-based accounting. The main findings show that since June 2020, little significant progress has been made in consolidating the TSA, modernizing cash management, and transitioning to accrual and asset-based accounting and that weaknesses remain, making it necessary to pursue a priority action plan.

**150. Regarding the consolidation of the TSA, the list of other Treasury accounts at the BCEAO - other than the TSA and the accounts of accounting officers linked to the TSA - could not be established, which prevented a study of the possible streamlining of Treasury accounts at the BCEAO, and consideration, if necessary, of their transfer to the TSA, if they have become superfluous or unnecessary.** The momentum of centralizing the liquidity of

public institutions within the TSA that has existed since 2018 has been maintained, but it should now be accompanied by a stronger mechanism for oversight by the DGTCP regarding any opening of accounts at commercial banks by public institutions and the monitoring of exemptions granted. There is still no shared coding of cash flows among all the participants in the cash management chain, which makes it difficult to reconcile transactions between the cash management and accounting departments.

**151. As for cash management, the existing coordination between the two main participants in cash management should be strengthened.** The composition of the Cash Flow Committee was recently modified to become a Strategic Cash Management Committee, while there is no Technical Cash Flow Monitoring Committee.

**152. Regarding the transition to accrual accounting, the trial balance for 2020 has been produced and is being finalized by the DGTCP in order to produce the 2020 Financial Administration general account attached to the draft budget settlement law.** Since 2018, the recording of expenses has been done at settlement, based on the new government chart of accounts, however the transition to accrual and asset-based accounting with the preparation of the opening balance sheet is barely moving forward.

#### Government finance statistics

**153. Refinement of government finance statistics from November 26 to December 17, 2021.** The main objectives of the mission were to: (i) review and refine the statement of government finance statistics operations (financial operations table, or TOF) for the budgetary central government for the years 2019 and 2020 and for local governments and

social security for fiscal year 2019; (ii) collect and review source data for a sample of 24 extrabudgetary units; and (iii) review the compilation and classification of COVID-19-related expenditures in the TOFE).

**154. The mission was pleased to note the efforts of the authorities to produce the data.** The mission reviewed the TOF for the budgetary central government (FY 2020 and the first half of FY 2021) and for local governments and social security (FY 2019). The mission also reviewed the cash flow and debt schedule (first half of FY 2021) and the financial statements (FY 2020), which were not originally part of the mission's activities.

**155. The mission recommended expanding the coverage of the local**

**government subsector to reach at least 85 percent of the subsector budget.** The current scope of this subsector is limited to four urban local governments (Niamey, Maradi, Tahoua, and Zinder) representing about 65 percent of the country's population and 70 percent of the budget for local governments.

**156. The mission also updated the action plan for implementation of the GFSM and emphasized the importance of collaboration between AFW and the technical focal points in following up on the recommendations and the migration plan to improve budget statistics and implement the GFSM 2001/2014 methodology.**

## I. Senegal

### Tax administration

**157. Strengthening the value function from April 27 to May 7, 2021.** The mission noted that the measures proposed to implement the transaction value function to consolidate revenue, as proposed by the April 2019 visit, had moved ahead in several areas. The administration had taken back control of the tariff classification and customs valuation function on January 1, 2021; a new Directorate of Intelligence and Risk and Value Analysis (DRAV) was created by decree, combining the staff supporting the valuation function; the PCA unit was provided with additional staff; and concrete measures were taken to develop IT tools.

**158. Despite this progress, several weaknesses persist, and the mission**

**provided recommendations with practical measures to improve the application of transaction value and consolidate revenue.** The new DRAV, more specifically the Valuation Bureau, should be put into operation as quickly as possible to support operations; the Customs Dispute Resolution Commission should begin operations and handle all disputes (value, origin, tariff classification) resulting from comments made by customs agents; the Monitoring and Management Committee should become involved in the success of the insourcing strategy for the valuation function, with a series of indicators to support its actions. The legal and regulatory provisions that establish the terms of declaration prior to import should be revised and rigorously enforced; the DGD should develop a strategy to gradually reduce the informal sector and improve compliance with

laws; and an early decision should be implemented to support the resumption of the customs valuation function.

### Tax administration

**159. Participation by AFRITAC in the mission to review the implementation of the Medium-Term Revenue Mobilization Strategy (MTRS) in November 2021.** This second review of the MTRS, eighteen months after its adoption, took place in an environment that was significantly more favorable economically than the environment in January 2021, which was more severely affected by the public health crisis. Several other reasons for satisfaction were noted, including: (1) the MTRS governance bodies that have been put in place; (2) the adoption of a dozen legislative measures in line with the MTRS in the 2021 and 2022 budgets, including introduction of the Tax Compliance Levy; (3) the continued implementation of the Yaatal program with convincing results in terms of expanding the taxpayer rolls, as the number of taxpayers for all major taxes increased by an average of 5 percent between October 2020 and 2021; (4) customs risk management has undergone remarkable changes, including the creation of numerous structures dedicated to risk analysis and customs control, such as the DRAV and the Commercial Intelligence Targeting Unit; and (5) the collaboration between the DGID (General Directorate of Taxes and Property Administration) and the DGD has seen some improvements with the development of a new protocol that should broaden the scope of information exchange and accelerate the implementation of joint controls.

**160. There are still some significant difficulties:** (1) the strategic direction of fiscal policy has not been clarified; it is currently being developed within a vague institutional

framework, on the basis of approaches that are neither agreed upon nor planned; (2) the control of tax and customs operations has not improved: the rates of failure to declare remain high, the capacity to collect information remains insufficient for the large-scale use of tax information, and the human resources allocated to tax and customs control remain inadequate in terms of both quantity and quality; (3) the impact of digitalization in operations management is still not very apparent due to an overly complex IT architecture, internal and external cultural resistance, and poor adaptation of human resources to the challenges of digitalization; (4) communication around the MTRS is still in its early stages, which contributes to the current lack of ownership of the MTRS.

**161. Considering this situation, achieving a 20 percent tax burden by 2024 requires a significant change in scale in the implementation of the MTRS, beginning in 2022.** This paradigm shift entails a two-pronged approach: (1) the identification and prioritization of structural actions; and (2) the establishment of a mechanism to monitor the effective impact of the strategy on revenue mobilization.

**162. On this basis, the mission proposed the following structural measures:**

- Adopt and implement a detailed tax policy reform plan;
- Grant the MTRS implementation unit broad authority to implement the strategy and hold it accountable for results;
- Improve internal and external ownership of the MTRS;

- Increase the use of available computer applications;
- Strengthen efforts to combat tax and customs fraud;
- Adopt a management and accountability framework for the MTRS.

### Public expenditure management

**163. Follow-up on the implementation of PIMA recommendations regarding the programming of public investments and the implementation of commitment authorizations and payment appropriations from May 3 to 14, 2021.** The mission reviewed the status of implementation of the PIMA mission's recommendations on the programming and multiyear management of public investments. It analyzed the approach and conditions for including projects in the Three-Year Public Investment Program (PTIP) and the PIP, identified shortcomings in the institutional framework for the programming of public investments and the proposal of corrective measures, and identified shortcomings related to the programming of PPP projects. With regard to the multiyear management of public investments, the mission analyzed the handling of commitment authorizations/payment appropriations in the Program Budget Support System (SYSBUDGEP) and the Integrated Financial Information Management System (SIGIF) and the impact of any other investment monitoring information systems and identified shortcomings; it analyzed the use of commitment authorizations/payment appropriations by the line ministries and its impact on multiyear programming and budgeting and reviewed the documentation (manuals and regulatory documents); it reviewed the structuring of the state budget in terms of commitment authorizations/payment

appropriations and provided support for their inclusion in the information system. The mission proposed practical measures to improve the programming and multiyear management of public investments.

**164. Intra-annual programming of budget execution: process and instruments from July 26 to August 6, 2021.** The mission provided support for the establishment of an organizational framework for intra-annual programming of execution of the state budget in Senegal. For several years, the Senegalese authorities have been engaged in implementing the provisions of the harmonized framework for public financial management, which has been incorporated into the national legal framework. Among its provisions are those relating to intra-annual programming and regulation during budget execution. Effective execution of the state budget requires sound, forward-looking management of the government's cash flow, which should serve as the basis for implementing budgetary regulation. The mechanism in place could be improved in institutional terms and in terms of procedures and instruments, both at the strategic level of the regulator and at the operational level of the principal authorizing bodies.

**165.** In this connection, the mission: (i) carried out, as a preliminary step, a diagnostic assessment of the intra-annual budgetary programming instruments, i.e., the public procurement plans, the commitment plans, and the cash flow plan; (ii) conducted a quality review of the three macro-processes related to the preparation and execution of plans and commitment ceilings; (iii) performed a review of the work carried out on the IT platform, and particularly the module dedicated to commitment plans developed in the SYSBUDGEP application; (iv) reviewed the draft decree on intra-annual programming of

budget execution, as well as its draft implementing instruction; and (v) proposed, on the basis of what is already in place, a streamlined strategic and operational organization to better steer budget execution in line with cash management. In addition, the mission conducted a training workshop on the different instruments used in the intra-annual programming of budget execution for about 30 staff members and participated in several training workshops for operational staff on the module dedicated to the SYSBUDGEP commitment plans within the context of preparing the 2022 draft budget law.

**166. Support for the implementation of accrual and asset-based accounting from December 6 to 17, 2021.** The mission reviewed progress in the implementation of accounting reforms and provided support for preparation of the government's opening balance sheet using accrual and asset-based accounting by updating the opening balance sheet strategy and proposing scenarios for switching to accrual and asset-based accounting.

**167. Major developments since 2019 include:** (1) the adoption of a comprehensive legal accounting framework and active project governance; (2) appropriate tools and mechanisms to support change management, including the new integrated public finance management system (SIGIF) with an accounting module adapted to accrual and asset-based accounting, the mapping of new accounting macro-processes, and the training of managers in accrual and asset-based accounting and in internal control; and (3) preparatory work for the creation of the opening balance sheet, with the accounting clearance of operations prior to 2020, inventory surveys of fixed assets, and ongoing verification of the reliability of the main items of the first opening balance sheet (financial

debt, tax and customs receivables, and government equity securities). Finally, the DGTCP, as the producer of the government's accounts, has entered a constructive dialogue with the Audit Office in order to validate the strategy for the first opening balance sheet and to prepare for the account certification exercise, the first of which is planned to take place in the form of a "blind certification" from 2022 onwards, or beyond, depending on the progress of the work. Three structural issues in the accounting reform have not yet been resolved, however. There is still uncertainty about the future budgetary and accounting information system that will be available to support accrual and asset-based accounting beyond the 2022 fiscal year (a SIGIF audit is planned for mid-2022), while the current ASTER accounting system, which will be operational by 2022, has not been adapted to accrual and asset-based accounting and there is still no material accounting information system; the networks of ministerial accountants and material accountants, which are essential to the performance of accrual and asset-based accounting, are not yet in place. The mission proposed an update of the opening balance roadmap and identified priority actions to be taken based on three scenarios.

### Real sector statistics

**168. Revision of the national accounts from June 14 to July 9, 2021.** The remote technical assistance mission discussed with the National Agency for Statistics and Demography (ANSD) ways to improve the national accounts statistics and methodology (with 2014 as the base year). It also assisted the ANSD in the preparation of technical documents related to the new 2019 base year surveys. A roadmap for the rebasing of the national accounts was agreed upon with the ANSD. The ANSD plans to conduct a dozen

structural and thematic surveys of households and businesses. The main objective of these surveys is to improve the coverage of economic activities by Senegal's national accounts statistics. The mission assisted the ANSD in the preparation of the selected surveys and made recommendations for their implementation. It also assisted the ANSD in preparing for resumption of the project to produce quarterly supply and use tables. In addition, the mission recommended that the ANSD develop statistical mechanisms for monitoring the quality of quarterly production indicators.

#### Government finance statistics

**169. Improve the TOFE medium-term projections based on the GFSM 2001/2014 version from March 28 to April 8, 2022.** The mission was conducted in two phases. The first phase consisted of an inventory, with the departments concerned, of the TOFE implementation project in accordance with the GFSM 2001/2014 and WAEMU Directive 10/2009, and the development of the macroeconomic framework model. The second phase involved the organization of a technical workshop with the member departments of the Macroeconomic Framework Committee and other relevant administrations.

**170. The training workshop consisted of a presentation of the concepts used in the new GFSM 2001/2014,** identification of the prerequisites and information necessary to proceed with the medium-term projections of

the expenditure lines and elements needed to fund the balance, and a review of the methods for projection of the Financial Operations Table with a view to consolidating the TOF of the general government. Finally, a methodological guide for projecting the TOF of the general government and/or the different components is being finalized and will also be made available.

#### Macroeconomic and fiscal analysis

**171. Improve the TOFE medium-term projections based on the GFSM 2001/2014 version from February 2 to 18, 2022.** The remote mission provided training to about 20 members of the macroeconomic framework committee on the TOFE scope and concepts according to the new Government Finance Statistics Manual 2001/2014<sup>2</sup>. Revenue and expenditure forecasting methods were also reviewed. The mission emphasized specific considerations related to expanding the scope of the TOFE, as well as challenges involved in consolidating the projections of the financial operations tables of each of the governments. The group work allowed the participants to examine in depth the existing methodologies and the organization in place and to make proposals for improvement as part of a roadmap. Finally, the mission proposed a forecasting guide for the Government Financial Operations Table.

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<sup>2</sup> The mission was assisted by Mr. Abdoulaye Toure, resident advisor to the General Directorate of the Budget

# J. Togo

## Customs administration

**172. Support for strengthening the customs valuation function from September 27 to October 8, 2021.** The main objective of the mission was to strengthen the valuation function and finalize the launch of decision-support tools for the implementation of transaction value. The authorities terminated the pre-shipment inspection contract on April 30, 2020, requiring Customs to take over the cargo valuation function. In this connection, Customs has put into place regulations to guide the new activity. Currently, transaction value is applied, and a value section has been established to provide the necessary support to the main customs offices. Some weaknesses were identified, however: (1) the transaction value to manage the commodity value database and provide support to the main offices is not always applied consistently across the customs territory; (2) the value section suffers from a shortage of human and logistical resources to effectively perform its functions; (3) the technical capacity of customs officers is weak in terms of combating fraud and undervaluation of goods; and (4) not all incorrect declarations of value are subject to penalties at the customs offices.

**173. The mission proposed a strategic plan to improve customs officers' ownership of the commodity valuation function, organized around seven core elements.**

## Tax administration

**174. Joint mission of AFRITAC West (taxes) and the IMF Fiscal Affairs**

**Department (customs) on the management of tax and customs exemptions from May 10 to 21, 2021.** The technical assistance was in response to a request from the Commissioner General of the Togolese Revenue Office (OTR) for support in making an inventory of tax and customs exemptions and developing a harmonized code of indirect tax exemptions in preparation to produce Togo's first tax expenditure assessment report. The mission commended the OTR's efforts to begin assessing tax and customs revenue shortfalls, to define the benchmark tax system, and to clarify the scope of the tax expenditure assessment for 2019. But the methodological shortcomings of these initial studies and their limited nature make it impossible to ensure the soundness of the approach. To support these efforts, the mission first identified the legislative and regulatory sources containing exemption measures. Next it carried out an inventory of exemptions, then presented them in the form of a matrix in accordance with the standards. The main categories were included, and the OTR now has a precise list of the exemptions in force in Togo. The mission also proposed the categorization and codification of the various indirect tax exemptions and identified the principles to be followed by the Togolese Revenue Office to define new additional codes with a view to evaluating tax expenditures. The next actions to be taken to finalize this codification work were identified and as a final step, the exemption management plan as well as the exemptions granted in connection with COVID-19 were evaluated.

## Public expenditure management

**175. Support for the implementation of accrual and asset-based accounting - coordination with material accounting to make the assets of the government's balance sheet more accurate from September 13 to 24, 2021.** This support made it possible to evaluate progress in the implementation of accrual and asset-based accounting and in the preparation of the first opening balance sheet following the previous missions. The implementation of the accounting reform is progressing with the draft 2021 opening balance sheet using accrual and asset-based accounting (provisional version) drawn up by the DGTCP, based on the complete accounting framework.

**176. As part of its review of progress in the accounting reform effort, and at the request of the DGTCP, the mission studied the draft 2021 opening balance sheet of the government and identified key recommendations** to improve its quality: (1) before January 2022, adapt the Integrated Public Financial Management Information System (IPFMIS) accounting module in order to make the production of the 2021 opening balance sheet and financial statements, currently prepared in Excel, more reliable by (2) setting up the integration entries specific to the opening balance sheet and (3) producing the accrual and asset-based financial statements through the IPFMIS software according to the format of accounting standard 1; (4) finalize the reconciliation of certain balances in the 2021 opening balance sheet by December 2021 in accordance with the accounts analysis table discussed during the working sessions (outstanding debts and certain provisional charge accounts); (5) initiate the 2021 accounting closure operations in accrual and asset-based accounting as soon as possible

(October/November 2021) in relation to the budgetary closing.

**177. The main recommendations regarding the coordination of material accounting and accrual and asset-based accounting are as follows:**

- Proceed with the material accounting computerization project with project funding from the African Development Bank (AfDB) (the call for tenders is expected to be launched soon);
- Pending introduction of the software (12 to 18 months), proceed with the inventory and valuation of fixed assets in an electronic spreadsheet, establishing fixed asset sheets and performing quarterly reconciliations between material accounting and accrual and asset-based accounting;
- Make the accrual and asset-based accounting information that is transmitted more reliable by putting in place procedures for exchanging and checking information as recommended by the accrual and asset-based accounting and material accounting coordination guide drawn up by the mission (draft guide attached to the report);
- The mission led a capacity-building workshop consisting of several sessions, each time gathering about 20 DGTCP staff members, to discuss (i) a review of the draft 2021 opening balance sheet; (ii) closing operations using accrual and asset-based accounting and the timetable; (iii) issues in the coordination of accrual and asset-based accounting and material accounting, and a review of the detailed outline of the draft guide.

**178. Preparation of templates for the administrative accounts and the budget settlement law in program mode from November 8 to 19, 2021.** The mission proposed templates for the development of the authorizing officers' administrative accounts, their consolidation by the General Directorate of Budget and Finance (DGBF), and the budget law in program mode, as well as a timetable for the development of these tools in line with the budget law and budget timetables and identified the key players and their roles in the development and monitoring and evaluation process. It provided guidance and advice on the development of the consolidated administrative account and budget law for FY 2021. The mission helped build the capacity of DGBF staff and other key players involved in the process of preparing these various documents and in the presentation of and methodology for drafting the budget law's explanatory memorandum, with a review of the process for executing the budget in program mode. It conducted a technical workshop with nearly 120 participants from the Ministry of Economy and Finance and line ministries.

**179. The mission made recommendations that were greatly appreciated by the authorities.** The key actions recommended were as follows: (1) review, within an expanded working committee, the mission's proposed deliverables (data model in the IPFMIS, templates and timetable for administrative accounts and the budget law), validate the documents and then proceed with their implementation in the IPFMIS to digitize the reporting process; (2) proceed with the appointment of program and action managers in the ministries and, on this basis, adopt a regulatory document clarifying the roles, responsibilities, and interactions among the parties in charge of execution in program

mode; (3) continue and implement the sectoral reorganization of the DGBF, then, in the long term, gradually implement the decentralization of accounting activities; (4) develop the legal and documentary framework for implementation in program mode, in particular through an annual circular on implementation issued at the beginning of the fiscal year, a circular on budgetary and accounting closure before the end of the fiscal year, and a manual on budgetary implementation in program mode; (5) include in the IPFMIS a dedicated module on annual work plans broken down into activities and periodic commitment plans, and strengthen effective coordination with public procurement plans; (6) include reporting as a continuous intra-annual process, through links to quarterly budget execution reports and periodic program reviews; (7) develop an open and secure decision-making information center that allows a wide range of people to access data on execution from the IPFMIS.

### Real sector statistics

**180. The 2018 national financial accounts from October 4 to 15, 2021.** The financial accounts help to improve the overall consistency of the final annual national accounts. They complete the sequence of institutional sector accounts that used to be limited to the capital accounts and dealt only with non-financial operations.

**181. Most of the sources needed to develop the 2016 base year financial accounts were collected during the mission.** These sources include balance sheets presented according to the standard reporting form (SRF 1SR and 2SR) for the central bank and other depository institutions (banks), balance sheets derived from statistical reporting and tax returns (obtained from the Financial Stability Directorate, or

DSF) of non-financial corporations and certain financial companies, including financial auxiliaries, the government financial operations table for the central government, and the balance of payments for the rest of the world. Only the balance sheets or account balances of national public institutions, local governments, and non-profit institutions serving households (NPISHs) were not available.

**182. After processing and uploading all the sources into the database, an initial review could be made at an intermediate level of the nomenclature of institutional sectors, comparing the balance of the capital account (balance of non-financial transactions) and the balance of the financial account.** At this stage of the work, significant discrepancies were observed between these balances, which is understandable because the sources used do not cover the entire scope of the sector. Future work on balancing the flows for each financial transaction, which will be done using Who-to-Whom matrices, will make it possible to adjust the balance of the financial account for each sector.

**183. Quarterly national accounts from November 8 to 19, 2022.** A mission to the National Institute of Statistics and Economic and Demographic Research (INSEED) made it possible to achieve progress in evaluating the quality of the available high-frequency indicators and the improvements to be made to them with a view to implementing the quarterly national accounts. This HFI review is done in coordination with the IMF Statistics Department's support missions to develop a monthly economic activity index (MEAI). In addition, a virtual mission was organized for INSEED by AFW to make progress in the national accounts backcasting methodology. The current accounts are prepared in

accordance with the 2008 System of National Accounts (2008 SNA). The availability of the first QNA estimates is still expected in December 2022. In addition to facilitating economic decision-making, the introduction of QNA will increase the consistency between structural and short-term macroeconomic statistics and improve the quality of national accounts. INSEED has access to the monthly turnover database of the Togolese Revenue Office, the harmonized industrial production index (HIPI) and the industrial product price index (IPPI), the turnover index constructed from a survey, government finance statistics (GFS), financial sector statistics, and the monthly foreign trade database. The work was performed at a very detailed level to facilitate a close review of the sources by institutional sector and mode of production. Additional research is recommended to cover the general government sector, in particular the entities beyond the scope of the central government. Monthly turnover figures from the OTR should also be reviewed to supplement missing information, particularly for 2017.

**184. Virtual study trip on backcasting from November 22 to 26, 2021.** Togo's National Institute for Statistics and Economic and Demographic Research has engaged in discussions with Senegal's National Agency for Statistics and Demography to improve the results of its backcasting work. For INSEED, the aim was to strengthen the methodological choices made. The coupling technique is widely used. In addition, recompilation methods are also used to carry out methodological improvements recommended by the 2008 System of National Accounts. This concerns, for example, the calculation of estimates of the output of financial intermediation services indirectly measured and its breakdown by use, the results of research and development, and the output of the central bank. For the ANSD, the

discussions allowed its officials to consider the valuation of volumes at the previous year's price for the backcast series. The discussions highlighted the quality assessment of the backcast series, including the gap between supply and use by product in the new and old volume series. The INSEED results are expected to be released in the first quarter of 2022.

**185. Study trip on quarterly national accounts from April 18 to 22, 2022.** Togo's National Institute for Statistics and Economic and Demographic Research participated in a study trip to the Moroccan High Commission for Planning (HCP). The discussions focused on sharing the experience of the HCP National Accounts Department (DCN) with quarterly national accounts. The DCN's earliest work dates to 1995.

#### Government finance statistics

**186. Migration to GFSM 2014 from November 8 to 19, 2021.** The main objective of the mission was to assist the Togolese authorities in implementing Economic and Monetary Union (WAEMU) Directive No. 10/2009/CM/UEMOA (TOFE Directive) and to migrate their compilation of government finance statistics to the 2014 Government Finance Statistics Manual methodology.

**187. The mission took place within the framework of monitoring the criteria of the next economic policy and financial program, based on the TOFE in line with GFSM 2014.** The work was conducted in technical sessions with GFS compilers from Togo, namely the GFS committee and the other entities responsible for producing primary data for the government subsectors. At the end of the work, the mission was able to fine-tune and produce the conversion table for the regular compilation of the TOFE

according to GFSM 2014 for the budgetary central government and local governments. During the technical sessions, the mission reviewed in detail the revenue and expenditure tables. The mission was unable to meet with the heads of the social security funds because of their relatively busy schedules, but technical progress on the TOFE analytical framework has made it possible to resume production of the tables needed to update the list of entities involved in the production of primary data. The authorities provided primary data on COVID-19 that lacked the necessary details to allow for the classification of operations under GFSM 2014. The mission proposed that an expanded regional workshop be held with ECOWAS and the WAEMU Commission to define and adopt a common assessment methodology. The mission also reviewed and validated the TOFE of the budgetary central government (for August 2021), although some elements need to be improved.

#### Macroeconomic and fiscal analysis

**188. Building capacity in economic analysis from August 4 to 13, 2021.** The support allowed for the observation that the PRECOMAT macroeconomic framework model is operational after the work to update the supply and use tables, but that the substantive improvements have not yet been completed. Some important recommendations remain to be implemented, including the preparation of a framing procedures manual and modification of the framing committee.

**189. The mission's work focused on an analysis of the system for monitoring economic conditions within the General Directorate for Economic Research and Analysis (DGEAE).** This analysis highlighted several weaknesses, including: (i) significant delays in the availability of economic

information at the DGEAE; (ii) a non-centralized database leading to risks of data loss; (iii) several untapped data sources; and (iv) publications on economic conditions that are not fully in line with regional best practices. The system for surveying economic conditions is being revised and is currently characterized by low response rates. The training, which brought together some 15 staff members from the DGEAE, INSEED, and BCEAO, alternated theoretical presentations with practical work. It addressed topics related to: (i) the purpose and tools of economic analysis; (ii) leading indicators of economic activity and synthetic indicators; (iii) seasonal adjustment of economic series; and (iv) economic synthesis and the structure of an economic synthesis note.

**190. Strengthening the medium-term fiscal framework from January 5 to 27, 2022.** The mission took stock of progress in macroeconomic and macro-fiscal frameworks in Togo. A multiyear TOFE is prepared as part of the macroeconomic framework. The work resulted in a tool for developing medium-term budget allocations and a user's manual. A critical analysis of multiyear budget and economic programming documents was conducted and a guide to developing an MBEPD is being finalized.

**191. Three days of training and practical work allowed the participants to be trained in the use of the tool and to gain an understanding of the work to be done to improve its implementation.**

## K. WAEMU Commission

**192. Participation in the meeting of the Public Finance Monitoring Center of the eight WAEMU member states from May 17 to 21, 2021.** The mission contributed to capacity building among experts from the Public Finance Monitoring Center of the eight WAEMU member states in the area of internal accounting controls, through the adoption of the accounting component of the regional guide on internal budgetary and accounting control.

**193. The Commission's presentation of the results of the 2020 self-assessment by member states of implementation of the directives showed that implementation averaged 62.84 percent, compared to 57.73 percent in 2019, representing an increase of 5.11 percentage points for all eight (8) directives.** The overall level of

implementation in each state was estimated at 65.39 percent for Benin, 78.03 percent for Burkina Faso, 67.55 percent for Côte d'Ivoire, 23.55 percent for Guinea-Bissau, 70.97 percent for Mali, 64.41 percent for Niger, 62.73 percent for Senegal, and 70.31 percent for Togo. After a presentation by the Commission on internal accounting controls followed by discussions, the mission presented an assessment of the internal accounting control system, centered around four themes: (i) supervisory controls; (ii) self-assessment, with the presentation during the session of an Excel tool for the risk maturity model (RMM); (iii) internal audit; and (iv) statutory audit (certification of accounts). The roadmap for the implementation of internal accounting controls was then reviewed by the country representatives and adopted in session.

**194. Participation in the 11<sup>th</sup> meeting of the WAEMU Public Finance Professionals Network from September 6 to 10, 2021.** The objective of the mission was to build the capacity of member states in accrual and asset-based accounting by participating in the seminar for WAEMU public finance professionals. These professionals were tasked with reviewing and validating a draft new accounting framework (updated conceptual accounting framework, new government chart of accounts, and 26 accounting standards) proposed by the West African Accounting Council (CCOA).

**195. The main observations of the member states concerned:** (1) the scope of the draft government chart of accounts; (2) the need to clarify the concept of a reporting entity in order to assess the relevance of the proposed accounting consolidation; (3) the value of maintaining the production of the cash flow statement for the government, which has recently been abandoned by some developed countries; (4) the need for a clear definition of the scope of consolidation and a consolidation standard; and (5) the need to clarify the concept of net position, as well as the concept of goodwill for the government.

**196. Four key recommendations were made with a view to achieving sound accounting reform.** They concern the draft accounting framework; an application guide for the government chart of accounts including the list of accounts and practical examples and describing the functioning of the accounts; the links between the financial statements and the government budget laws; and the methods for their oversight and consultation with the CCOA and structures for monitoring implementation of the directives stemming from the harmonized framework for public finance in order to complete the reform

of the government chart of accounts in an optimal manner.

**197. Participation in a technical exchange workshop on the Union's 2021-2025 macroeconomic framework, May 18 to 20, 2021, November 8 to 12, 2021, and April 5 to 7, 2022.** The first webinar was aimed at reviewing and making improvements to the first macroeconomic framework produced with a new macroeconomic framework model developed by the WAEMU Commission. The next two sessions were devoted to an examination of the countries' macroeconomic frameworks prepared by the WAEMU Commission. The webinars brought together the Permanent Secretariats of the National Economic Policy Committees and experts from member states in charge of macroeconomic forecasting. The United Nations Economic Commission for Africa Subregional Office for West Africa (UNECA SRO-WA) and AFRISTAT were also represented. The webinars provided an opportunity to review the principal assumptions and the methodology for forecasting the macroeconomic aggregates of the Union and the member states and to discuss the economic outlook for 2021-2025 and 2022-2026 for the Union and the member states, as well as the medium-term macroeconomic and fiscal risks that have been identified.

**198. Development of the regional guide on internal budget control at the request of the authorities of the WAEMU Commission,** AFRITAC developed a draft guide to harmonize practices in this area within the WAEMU. The main subjects addressed by the guide are: (a) definition of the concept of a staffing ceiling, including its limits and the units and methods for its calculation; (b) the steps and detailed methodology for the budgeting of staffing

ceilings and their relationship to the wage bill; and c) the framework for control and intra-annual monitoring of staffing ceilings. The work was based on WAEMU documentation (existing directives and practical guides) and international experience in tracking and counting public employees.

**199. A technical session by video conference was held on March 17, 2022, to approve the first version of the draft guide,**

**with participation by Commission officials, FAD, and AFRITAC experts.** A webinar will be held in the coming months to gather comments from representatives of WAEMU member countries, respond to them, take them into account, and approve the guide. The final version will be combined with part of the internal accounting control guide to ultimately produce a single internal control guide.

## L. Central Bank of West African States (BCEAO)

**200. Review of the draft regulations applicable to Islamic finance institutions from May 31 to June 4, 2021.** This mission, which was carried out remotely, was intended to review a draft prudential system adapted to Islamic finance institutions. The development of a framework for the practice of Islamic finance is indeed of great importance to the regional authorities. Not so much, for now, because of the volumes of financing involved in Islamic financial activities, but because of the desire of the authorities to provide a formal framework for the future development of such activities. By taking a proactive approach, they are able to make the applicable rules clearer and more comprehensible, which will enable the institutions concerned to make an informed decision on whether or not to offer Islamic financial services.

**201. The first regulations concerning a description of operations considered to be Islamic finance and the conditions for conducting them, as well as the approval of Islamic financial institutions or conventional institutions wishing to open**

**an Islamic branch, were published in 2018.**

The work carried out has been intended to supplement them by adapting prudential regulations, particularly with regard to capital requirements, the internal assessment of capital needs and risk management rules, in order to take into account, the specific characteristics of these activities in terms of lending, market transactions, and operational risks.

**202. Technical assistance mission on the application of IFRS to West African Monetary Union (WAMU) banks from February 14 to 18, 2022.** Adopted by a significant number of jurisdictions around the world, including those in sub-Saharan Africa and in neighbouring WAMU countries, International Financial Reporting Standards now constitute the international benchmark for accounting. It should be noted in this respect that the methods of accounting for expected credit losses, as provided for in IFRS 9, are of great interest from a prudential standpoint in terms of the constitution of provisions, in an environment where credit risk remains high,

due to the economic consequences of the pandemic crisis.

**203. The BCEAO, which has regulatory authority over the principles and rules applicable to bank accounting, several years ago initiated a process aimed at implementing these standards within the WAMU.**

**204. A first mission, carried out in February 2020, reviewed a draft strategic note submitted by the BCEAO's Financial Stability Directorate.** Since then, this draft has been revised and added to and the DSF has requested that it be reviewed again by AFRITAC West during a technical assistance mission.

**205. This mission therefore examined the new strategic guidance note and the associated analytical reports, which had been provided in advance, in accordance with a program agreed upon with the BCEAO.** The mission also offered an opportunity to identify potential challenges for WAMU banks, particularly those that already use IFRS within their group (regional groups present in the financial markets, subsidiaries of foreign groups, etc.), as well as for the Banking Commission Secretariat, particularly in terms of staff training and reporting and analytical tools. The timetable for the transition to IFRS and the roadmap were also studied in detail.

**206. Technical assistance mission concerning the review of a draft circular on cybersecurity from February 21 to 25, 2022.** Cybersecurity issues have become a major challenge for credit institutions in an environment characterized by increased digitalization of the banking business and the emergence of new Fintech-type players. On an inter-regional seminar, organized in

October 2019 on the topic of cybersecurity and in which BCEAO was a very active participant, the Financial Stability Directorate had moreover expressed its concerns about the evolving cyber threat. At the time, it reported an increase in cyber-attacks in the WAEMU area, particularly due to phishing attempts.

**207. In terms of the regulatory framework, WAEMU credit institutions are subject to a set of regulations published in 2017 on governance, internal control, and risk management.** They are, in fact, required to put into place risk management systems, including, of course, cybersecurity systems. Nevertheless, the systemic nature of cyber risk and the increase in related threats led the BCEAO to the conclusion that it was necessary to supplement the general arrangements with requirements specific to cybersecurity, which would be the subject of a separate circular.

**208. The mission therefore consisted of a review of a draft circular prepared by DSF teams, which was analyzed during a participatory workshop to agree on the content of the concepts used and the rules to be imposed on banks.** At the end of the mission, a revised draft circular was sent to the BCEAO teams. The associated roadmap was also reviewed.

## M. General Secretariat of the WAMU Banking Commission (SGCBU)

**209. Remote training mission to the SGCBU about on-site credit risk control from September 6 to 8, 2021.** The purpose of this three-day webinar was to present international best practices, based on the experience of French and European banking supervisors, in the field of on-site credit risk control. The webinar included 12 presentations addressing governance and internal control issues, a review of the granting and monitoring of loans, identification of at-risk loans, monitoring of compliance with accounting and prudential classifications and provisioning rules, monitoring of risk mitigation measures (guarantees) and the collection process, and the analysis of portfolio concentration. It also included detailed audit issues and concrete examples of findings to be observed or situations that could be questioned by the auditors on site. After each presentation, time was set aside for participants to raise questions or concerns. The webinar was held virtually with 18 participants from both the On-Site Audit Directorate and the Continuous Supervision Directorate. Some of the participants were new employees of the SGCBU. The webinar was introduced and ended by the Deputy Secretary General of the SGCBU.

**210. Remote training mission to the SGCBU on the topic of Islamic finance from November 22 to 24, 2021.** The purpose of this three-day webinar was to present Islamic finance to WAEMU supervisors. The organization of the sessions provided first for a presentation of the operating principles of Islamic finance, the role of the various

regulatory bodies, and the characteristics of the products of Islamic finance, with numerous diagrams explaining the financial flows associated with each of these products. The presentations were then focused on the actions expected from supervisory authorities: (i) the issue of licensing, highlighting concerns related to Islamic windows as well as governance of Shariah compliance; (ii) the risks actually borne by Islamic financial institutions by distinguishing between credit/counterparty risk, market risk, operational risk, and leverage risk; and (iii) prudential arrangements. Twenty participants attended the webinar, representing the SGCBU (the Continuous Supervision Directorate, On-Site Audit Directorate, and Directorate of Research and International Relations), and the BCEAO headquarters (the Financial Stability Directorate and Directorate of Banking Activities and Alternative Financing). The webinar was introduced by the Deputy Secretary General of SGCBU and ended by the Director of Research and International Relations. More practical training could be considered later when the new prudential arrangements for Islamic finance come into force.

**211. Remote training mission to the SGCBU on the topic of supervision of electronic currency institutions from December 13 to 15, 2021.** This webinar, attended by 25 people, was intended to present to WAEMU banking supervisors specific characteristics of the operation and supervision of electronic currency issuers. It was organized at the request of the General

Secretariat of the Banking Commission, the institution responsible for supervising electronic currency issuers in the subregion. The organization of the sessions provided first for a presentation of electronic currency issuing activities, the distinctions between these activities and the activities of other payment service providers, and the concepts of mobile money and mobile banking. An overview of the development of electronic currency around the world and in the West African Economic and Monetary Union was also presented. Next, the various risks to which electronic currency issuers are exposed were presented, as well as supervision principles and techniques in terms of accreditation, continuous supervision, and on-site inspections. A number of case studies were presented, and an exercise was conducted to identify indicators that could be used to assess the risks posed by electronic currency issuers and adjust the degree of supervision accordingly.

**212. As this was a training activity, no recommendations were made.**

Nevertheless, AFRITAC West is at the disposal of the SGCBU if it wishes to receive support for the formalization of a supervision methodology.

**213. Remote training mission to the SGCBU on the topic of on-site banking supervision to combat money laundering from January 31 to February 4, 2022.**

During this five-day webinar, the specific features of on-site supervision in terms of compliance with anti-money laundering/combating the financing of terrorism (AML/CFT) requirements were presented to WAEMU banking supervisors. Thirty-three people participated in the training.

**214. The webinar was introduced by a representative of the IMF's Legal**

**Department, which is responsible for AML/CFT issues within the IMF, who spoke about the importance given to supervisory issues in the Financial Action Task Force (FATF) recommendations and standards and the IMF's role in supporting the establishment of effective AML/CFT supervisory arrangements.** Various technical points were then discussed, the organization of on-site audits, the format of reports, on-site audits and the analysis of AML/CFT risk classification, customer due diligence, the monitoring of transactions, the reporting of suspicious transactions, compliance with international sanctions lists and embargoes, as well as the risks associated with certain specific operations (asset management, payment service providers, trade finance, and correspondent banking). Four case studies were presented, as well as numerous examples of findings and poor practices of credit institutions.

## II. FY 2023 WORK PROGRAM – ACTIVITIES PLANNED BY FUNCTIONAL AREA

### A. Customs administration

#### Context and priorities

**215. The work program is organized around five core components:** (1) support for management of the taxable base of imported goods (customs value, tariff classification, and origin); (2) automation of customs procedures (simplified, secure clearance procedure); (3) improvement of risk management and targeting of declarations; (4) improved control and automated monitoring of exemption regimes and duty deferral programs; (5) strengthening the automated monitoring of customs commitments and the processing of customs debt. Accordingly, considering the progress made by each customs administration concerned, the FY 2023 work program, which is included as part of the fourth funding cycle, aims to achieve the following objectives:

- Customs controls performed during the clearance process are more efficient, and performance in terms of receipts is positive, with (i) strengthening of the customs valuation function in Burkina Faso, Mali, Guinea, Guinea-Bissau, and Senegal;
- Controls of international trade operators are better targeted and optimized thanks to capacity building in post-clearance audits in Niger;
- Management of priorities and legal and regulatory compliance is improved through effective risk management in Mauritania.
- The strategy for the adoption of marking and coloring of petroleum products is proposed in Mali;
- Customs border controls are more relevant and effective in terms of import tax collection and protection of the territory following capacity building in risk analysis and intelligence gathering for oversight agents in Côte d'Ivoire;
- The monitoring of customs commitments and customs debt processing is improved in Togo, Mauritania, and Benin.

## Planned activities and expected outcomes

**216. Regional seminar.** The Center will take part in the seminar on customs administration which will be organized in collaboration with Japan's cooperation agency.

**217. Technical assistance missions.** The Center will conduct TA missions (Table 3) and participate in diagnostic missions in the member countries organized by the IMF's Fiscal Affairs Department.

Table 2. Customs administration missions planned by country

Country	Number of missions	Activities	2023 milestones
Benin	1	Providing for closer monitoring of customs commitments and the handling of customs debt	The monitoring of customs commitments and the handling of customs debt is improved
Burkina Faso	2	Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.
		Continued strengthening of the management and supervision of exemption regimes and duty deferral programs.	Duty deferral programs and exemptions are configured in the automated customs information system, and more than 10 percent of the principal economic operators are subject to controls under a post-clearance audit program.
Côte d'Ivoire	1	Continued capacity building for surveillance officers in risk analysis and intelligence.	Over 15 percent of inspections carried out by surveillance officers are based on risk analyses conducted in advance.
Guinea	1	Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.
Guinea-Bissau	1	Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.
Mali	2	Monitoring of imported petroleum product inspections	The strategy for the adoption of marking and coloring of petroleum products is proposed.
		Strengthening of the customs valuation function and the Center for technical expertise in customs values	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement
Mauritania	2	Improvement of automated risk management.	The automated risk management system is in place.
		Providing for closer monitoring of customs commitments and the handling of customs debt	The monitoring of customs commitments and the handling of customs debt is improved
Niger	2	Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.
		Strengthening of the core customs administration functions.	The customs component of the detailed implementation plan for integration of the

Country	Number of missions	Activities	2023 milestones
			digital platforms of the tax and customs administrations is available.
Senegal	1	Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.
Togo	2	Providing for closer monitoring of customs commitments and the handling of customs debt	The monitoring of customs commitments and the handling of customs debt is improved
		Capacity building in the customs valuation function.	Controls at the point of entry and post-clearance audits relating to customs value are better aligned with the principles of the WTO Customs Valuation Agreement.

## B. Tax administration

### Context and priorities

**218. Consolidate progress in the core functions of tax administrations.** Building on the progress made and in close collaboration with regional partners, the FY 2023 work program will continue to strengthen the core functions of tax administrations (registration, tax monitoring, tax collection, and tax auditing) by developing innovative approaches, strengthening support in the field, and focusing on fragile and conflict-affected countries.

**219. Develop more ambitious reform projects when conditions permit.** The FY 2023 work program calls for providing support, in a practical manner and in coordination with headquarters, to countries in the implementation of organizational and operational plans for more specific processes, such as the digitalization of procedures or the implementation of medium-term revenue strategies.

**220. Strengthen support mechanisms for fragile and conflict-affected countries.** The specific mechanism deployed by AFRITAC West for the benefit of the tax administrations of Guinea, Niger, and Togo is extended as of FY 2023 to the tax administrations of Burkina Faso and Mali on the basis of the fund financed by the CCCDI project. In the challenging context of the post-pandemic period and the unstable and conflict-ridden situations that some countries are experiencing, the aim is to provide these countries, which have requested it, with enhanced technical support and a stronger presence on the ground with longer and more frequent assistance missions in order to support their fragile economies through better mobilization of domestic revenues.

**221. In this respect, the main areas of focus are as follows:**

- Implementation of business continuity plans;
- Improved risk assessment and management capacity to optimize resources and improve government performance;

- Increasing the integrity of the taxpayer directory and contributing to its expansion;
- Consolidation of tax compliance management;
- Improving the effectiveness of tax control and enforcement activities, including efforts to combat the informal sector;
- Enhancing services to taxpayers; and
- Promotion of digitalization to secure revenue collection.

### Planned activities and expected outcomes

**222. Regional seminar.** An inter-regional seminar on strengthening governance (TADAT DA2 and DA9) will be organized.

**223. Practical training.** According to the needs expressed by the countries and depending on the host country, training will be organized.

**224. Technical assistance missions.** The proposed TA missions are presented in Table 2. In parallel with the expert visits, the resident advisors participated more actively in FAD missions to build synergies among the Fund's different TA programs.

Table 3. Tax administration missions planned by country

Country	Number of missions	Activities	2023 milestones
Benin	2	Participation in the FAD mission. Strengthening core tax administration functions	
Burkina Faso	5	(1) Giving new impetus to the reforms under way and (2) consolidation of the key tax administration functions	(1) A three-year strategic plan is defined; (2) a reform steering committee, provided with the necessary resources and means, meets regularly to ensure follow-up, track progress, and take corrective action in the event of delays; (3) the integrity of the taxpayer registry is increased; (4) a greater proportion of taxpayers meet their reporting and payment obligations in accordance with regulations; (5) the accounting and monitoring of outstanding debts is modernized; and (6) tax auditing makes it possible to combat tax fraud more effectively
Côte d'Ivoire	2	Support for implementation of the strategic plan	
Guinea-Bissau	2	Continued improvement in the reliability and integrity of the taxpayer directory Training to support implementation of the new General Tax Code.	100 large businesses and 75 percent of microenterprises are captured in the taxpayer directory
Mali	5	(1) Giving new impetus to the reforms under way and (2) consolidation of the key tax administration functions	(1) A three-year strategic plan is defined; (2) a reform steering committee, provided with the necessary resources and means, meets regularly to ensure follow-up, track progress, and take corrective action in the event of

Country	Number of missions	Activities	2023 milestones
			delays; (3) the integrity of the taxpayer registry is increased; (4) a greater proportion of taxpayers meet their reporting and payment obligations in accordance with regulations; (5) the accounting and monitoring of outstanding debts is modernized; and (6) tax auditing makes it possible to combat tax fraud more effectively
Mauritania	2	Post-TADAT FAD mission Support for implementation of the tax control reorganization plan	
Guinea	4	Conduct a TADAT mission Build the capacities of the risk analysis units covering large and medium-sized taxpayers Strengthen the computerized management of tax operations Participate in the FAD mission	<ul style="list-style-type: none"> <li>• The TADAT assessment is performed</li> <li>• The percentage of VAT returns with a zero or positive balance that are checked reaches 25 percent for large companies and 15 percent for medium-sized companies</li> <li>• 70 percent of inactive and duplicate records are removed from the automated taxpayer database (large enterprise segment and medium-sized enterprise segment)</li> </ul>
Niger	3	Improvement of the integrity of the taxpayer registry shared with Customs Participation in an FAD mission	<ul style="list-style-type: none"> <li>• 80 percent of inactive or duplicate records are removed from the automated taxpayer database (Large Enterprise Directorate and Medium-Sized Enterprise Directorate)</li> <li>• The updated taxpayer database is shared in real time with Customs</li> </ul>
Senegal	2	FAD mission – MTRS follow-up (3) Strengthening of MTRS coordination	(1) A coordination mechanism is proposed and adopted; (2) a series of indicators to measure performance and reduce risk is published and used on a regular basis
Togo	3	Develop the risk analysis capacities of the Large Enterprise Directorate; strengthen tax operations: taxpayer management in a computerized environment Participation in the FAD mission	<ul style="list-style-type: none"> <li>• The percentage of VAT returns with a positive or zero balance that are checked reaches 30 percent in the large enterprise segment</li> <li>• 100 percent of inactive or duplicate records are removed from the automated taxpayer database (Large Enterprise Directorate and Medium-Sized Enterprise Directorate)</li> </ul>

## C. Public expenditure management – Budget aspects

### Context and priorities

**225.** The program of activities for FY 2023 was defined in the context of pursuing the Center's strategic objectives for the fourth funding cycle. It aims to improve budget preparation

in terms of accuracy, transparency, and relevance, and improve execution and control of budget execution. More specifically, the activities provided for in the work program are aimed at:

- Improvement of the programming, budgeting, and monitoring of public investment management through support for the implementation of PIMA assessment recommendations in **Mali**, **Mauritania**, and **Niger**; the updating of PIMA and evaluation of the climate-responsive C-PIMA module in **Benin** and **Guinea**; the development of budgetary and medium-term expenditure frameworks in **Guinea-Bissau**; the implementation of commitment authorizations and payment appropriations in **Guinea** and **Niger**; and better consideration of climate change elements in Senegal;
- Improvement of internal budgetary control in **Côte d'Ivoire**;
- Improvement of budget documents to support the quality and usefulness of reporting to the Parliament and the general public, particularly regarding the identification and management of budget risks and enhancing budget transparency in **Burkina Faso**;
- Improved budget preparation, and in particular the quality of personnel expenditure programming (wage bill) in **Benin** and **Togo**.

### Planned activities and expected outcomes

**226. Regional seminar.** The work program provides for two regional seminars. One of them will address public investment management, in particular regional experience in implementing the recommendations of PIMA missions. The other will be the second part of the seminar on fiscal forecasting and will focus on the exchange of current practices in countries of the subregion.

**227. Participation in the activities of regional institutions.** The work program also provides for participation in capacity-building activities organized by the WAEMU for public finance professionals in connection with the implementation of directives of the WAEMU harmonized public financial management framework.

**228. Technical assistance missions.** Fourteen missions are planned, including two missions each to Benin, Guinea, and the WAEMU Commission, and one mission each to Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Mauritania, Niger, Togo, and Senegal.

Table 4. Public expenditure management missions planned - Budget

Country	Number of missions	Activities	2023 milestones
Benin	2	Support for wage bill management	The institutional framework for wage bill management is strengthened
		Support for the updating of PIMA and evaluation of the climate-responsive C-PIMA module	An action plan to improve the management of public investments is available
Burkina Faso	1	Continued support for the identification, analysis, and management of fiscal risks	The first statement of fiscal risks in Burkina Faso is annexed to the draft budget law

Country	Number of missions	Activities	2023 milestones
Côte d'Ivoire	1	Support for the implementation of internal budget control	The institutional framework for the management of internal budget control is strengthened
Guinea	2	Continued support for implementation of the commitment authorization/payment appropriation mechanism	The institutional framework for the implementation of commitment authorizations and payment appropriations is defined and the commitment authorization/payment appropriation matrix is filled out correctly by the pilot line ministries
		Support for the updating of PIMA and evaluation of the climate-responsive C-PIMA module	An action plan to improve the management of public investments is available
Guinea-Bissau	1	Continued support for preparation of the medium-term expenditure frameworks (MEPD)	The capacities of line ministries and institutions are strengthened in preparation for implementation of the MEPD
Mali	1	Improvement of public investment management	Better implementation of the 2021 mission's recommendations on public investment management through improved processes and practical techniques
Mauritania	1	Continued support for multiyear public investment programming	Central and line ministries' capacities in public investment programming are strengthened through processes and practical techniques
Niger	1	Continued support for implementation of the commitment authorization/payment appropriation mechanism and support for implementation of the PIMA mission's recommendations	The commitment authorization/payment appropriation matrix is filled out correctly by the pilot line ministries, the implementation status of PIMA recommendations is updated, and several measures are proposed to make further progress
Senegal	1	Support for the development of a gender-oriented regulatory decree on public investment management	The institutional framework for public investment management is more gender sensitive
Togo	1	Support for the programming and budgeting of personnel expenditures	The capacities for programming and budgeting of personnel expenditures in program mode are developed
Regional	2	Organization of an inter-regional seminar with AFRITAC Central on strengthening public investment management	Best regional and international practices in public investment management are shared and the participants' capacities are developed
		Participation in the seminar on "Improving fiscal forecasting practices" in collaboration with the advisor on macroeconomic and fiscal analysis	Best regional and international practices for fiscal forecasting are shared and the participants' capacities are developed
WAEMU	2	Seminar on approval of the internal budget control guide with the member states and the WAEMU Commission	A single guide on internal budget and accounting controls is approved

Country	Number of missions	Activities	2023 milestones
		Preparation of the single guide on internal budget and accounting controls, in collaboration with the accounting and treasury advisor, incorporating the guide on internal accounting controls	A guide on internal budget and accounting controls is available for the WAEMU member states

## D. Public expenditure management – Accounting and Treasury aspects

### Context and priorities

**229. Support for the transition to accrual and asset-based accounting in order to improve the transparency and quality of government accounts, while consolidation of the Treasury single account and modernization of cash management remain the two priority objectives for countries in the region.** AFRITAC West continues to support all countries involved in the implementation of accrual and asset-based accounting, as well as the consolidation of the Treasury single account and the modernization of government cash management, along with specific support for the integration of cash and debt management. This support is being implemented through technical assistance missions, regional seminars, and practical training in these areas.

**230. The program's two priority objectives are based on the following two core elements:**

- Continued support for the transition to accrual and asset-based accounting, with the technical documentation of certain accounting standards, the development of practical guides for inventory and closing operations, the production and quality review of annual financial statements, the implementation of internal accounting controls, support for the preparation of the opening balance sheet, and the computerization of general accounting in Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Mauritania, Niger, Senegal and Togo. Support for the WAEMU Commission is continuing with the participation by AFRITAC West in the Commission's activities in this area. Practical training is also planned in these areas.
- Continued support for the consolidation of the Treasury single account, cash management, and the integration of cash and debt management in Guinea-Bissau, with two missions to support the implementation and consolidation of the TSA and the improvement of cash management and, in collaboration with the advisor on debt, the integration of cash management and debt management.

## Planned activities and expected outcomes

**231. Regional seminars.** Two regional seminars will focus on: (1) material accounting and (2) integration of debt and cash management, to share experiences and identify best practices of participating countries and build capacity in these two areas.

**232. Technical assistance missions.** Fourteen missions are planned, including two each to Benin, Côte d'Ivoire, Guinea, and Guinea-Bissau. The missions to Guinea, Burkina Faso, and Mali will be carried out as usual in coordination with the activities of the IMF resident advisors in these countries. The country's technical and financial partners receive reports on all of the technical assistance missions.

**233. At the regional level, two activities are planned to support the WAEMU Commission in the context of developing the capacities of WAEMU public finance experts and professionals.** They will include the participation of the advisor in the meetings scheduled by the Commission and work to harmonize the guide on internal budget and accounting controls.

**234. Practical training.** A study trip is planned to facilitate peer learning on a topic to be determined. It will be carried out in a country with interesting experience in the field, for the benefit of a country that has recently become involved in the topic that has been defined.

Table 5. Public expenditure management missions planned by country - Accounting and Treasury

Country	Number of missions	Activities	2023 milestones
Benin	2	Support for the transition to accrual accounting	Data sheets on the methodology for quality control of financial statements are available and capacities are developed
		Support for the transition to accrual accounting	An assessment of the current status of internal accounting controls is available and an action plan for the implementation of internal accounting controls is developed. Capacities are developed in the area of internal accounting controls
Burkina Faso	1	Support for the transition to accrual accounting: adaptation of internal accounting controls to accrual and asset-based accounting	The methods and tools for internal accounting controls are identified and their implementation is outlined in an updated action plan. Capacities are developed in the area of internal accounting controls
Côte d'Ivoire	2	Support for accrual accounting: documentation of the accounting standard on fixed assets	A guide to the application of the accounting standard on fixed assets is available and capacity is developed in this area
		Continued support for accrual accounting: documentation of year-end operations in accrual and asset-based accounting	A practical guide on performing year-end operations in accrual and asset-based accounting is developed
Guinea	2	Support for the restructuring of accounts with a view to computerizing the government's general accounting system	The procedures for reorganizing the balance of accounts are identified

Country	Number of missions	Activities	2023 milestones
		Support for automating the government's general accounting system	Quality review of the entry balances of the new government general accounting application
Guinea-Bissau	2	Continued support for implementation of the Treasury single account	The roadmap for implementing the TSA and improving cash management is updated
		Support for the integration of cash management and debt management	A debt and cash management integration action plan is available and capacity in integration methods and tools is developed
Mali	1	Support for the implementation of accrual accounting: review of financial statements	A quality review of the financial statements is available and capacities are developed
Mauritania	1	Support for preparations to implement accrual accounting: preparation of the opening balance sheet	The priority action plan for the 2023 opening balance sheet is updated and the methodology for opening balance sheet files is documented
Niger	1	Support for the implementation of accrual and asset-based accounting: preparation of the first opening balance sheet in accrual and asset-based accounting	The strategy for preparing the first opening balance sheet and the priority action plan are available
Senegal	1	Support for the implementation of accrual accounting: support for the opening balance sheet	The priority action plan to prepare and make the first opening balance sheet more reliable has been updated
Togo	1	Support for accrual accounting: implementation of internal accounting controls	An assessment of the current status of internal accounting controls is available and an action plan for the implementation of internal accounting controls is developed Capacities are developed in the area of internal accounting controls
Regional	2	Regional seminar on the transition to accrual accounting: material accounting	The participants' capacities are developed and experiences with material accounting are shared
		Regional seminar on the integration of debt management and cash management	The participants' capacities are developed and experiences with the organization, methods, and tools to facilitate the integration of cash management and debt management are shared
Regional WAEMU	2	Participation in two meetings of the WAEMU Public Finance Monitoring Center and network of professionals	The capacities of officials responsible for public financial management in the WAEMU countries are developed with a view to supporting the implementation of public finance directives
		Harmonization of the draft guide on internal budget and accounting controls	The draft practical guide on internal budget and accounting controls is harmonized
Practical training	1	Training mission for three officials from one country to a more advanced country on a topic to be determined	Capacities are developed and experiences are shared

Country	Number of missions	Activities	2023 milestones
<b>Fiscal Affairs Department mission</b>	1	Participation by the advisor in an FAD mission conducted in a country covered by AFRITAC West	

## E. Government finance statistics

### Context and priorities

**235. The program of activities continues the process of migrating government finance statistics to current international standards, including GFSM 2014.** It focuses on the following points:

- Scope of coverage:
  - Public Sector:
    - Public corporations
    - General government
    - Budgetary central government
    - Extrabudgetary units
    - Social security
    - Local or subnational governments
- Sector classification of units within the public sector
- Accounting rules
- Analytical framework for government finance statistics:
  - Stocks (opening and closing balance at the start and end of each accounting period)
  - Flows:
    - Transactions
    - Other economic flows (gains and losses on assets held; Other changes in the volume of assets and liabilities)
- Inclusion of non-monetary transactions in government finance statistics;
- Compilation of the asset account.

### Planned activities and expected outcomes

**236. Recent years were marked by considerable progress in the member countries.** This trend is reflected in plans to transition in the short term from TOFE to GFSM 2014 standards on the one hand, and the choice of the new version of the TOFE to monitor criteria under economic and financial programs on the other hand.

**237. The countries in question are Guinea, Côte d'Ivoire, Burkina Faso, Benin, Mali, and Niger.** As a reminder, Senegal transitioned to production of the TOFE based on GFSM 2014 in June 2015. It has also produced consolidated general government statistics since 2018 and the consolidated public sector position since 2019.

**238. Regional seminar.** The plans for FY 2023 call for the organization of a regional seminar expanded to include the francophone countries covered by AFRITAC South, as well as Haiti. The workshop will continue the work of the FY 2022 workshop on the inclusion of in-kind transactions in government finance statistics.

**239. Technical assistance missions.** The technical assistance missions, summarized in Table 7, aim to maintain the momentum built in the previous fiscal year. There are plans for two missions to certain countries, namely Burkina Faso, Guinea, Guinea-Bissau, Mauritania, and Niger, to consolidate gains, maintain the motivation of stakeholders, and extend the scope of coverage of government finance statistics.

**240. Fiscal year 2022** will bring a new phase in the production of government finance statistics with the inclusion of selected in-kind transactions in statistics and the preparation of opening and closing asset accounts on an experimental basis in a pilot country (Senegal).

Table 6. Government finance statistics missions planned by country

Country	Number of missions	Activities	2023 milestones
Benin	1	<ul style="list-style-type: none"> <li>Transition to the TOFE based on GFSM 2001/2014</li> <li>Extension of other tables of the minimum analysis framework to subsectors of the general government</li> <li>Production of a draft financial balance sheet</li> <li>Expansion of the coverage of government finance statistics to the general government sector</li> <li>Inclusion of in-kind benefits in the TOFE</li> </ul>	<ul style="list-style-type: none"> <li>Statistics for the different general government subsectors are produced on an experimental basis in accordance with GFSM 2014. (December 2022)</li> <li>Inclusion of non-monetary transactions in government finance statistics</li> <li>Production of the consolidated position of the general government</li> <li>Production of the cash flow position, the financial balance sheet, and the debt position for the local government, social security, and extrabudgetary subsectors</li> </ul>
Burkina Faso	1	<ul style="list-style-type: none"> <li>Refinement of TOFEs for the general government subsectors based on GFSM 2001/2014</li> <li>Refinement of the debt position, the financial balance sheet, and the cash flow position</li> <li>Preparation of the consolidated general government TOFE aligned with GFSM 2014</li> <li>Transition to the TOFE based on GFSM 2014</li> </ul>	<ul style="list-style-type: none"> <li>Statistics for the different general government subsectors are produced on a regular basis in accordance with GFSM 2014</li> <li>Production of the consolidated position of the general government</li> <li>Inclusion of non-monetary transactions in government finance statistics</li> </ul>

Country	Number of missions	Activities	2023 milestones
		<ul style="list-style-type: none"> <li>Inclusion of in-kind benefits in the TOFE</li> </ul>	
<b>Côte d'Ivoire</b>	1	<ul style="list-style-type: none"> <li>Refinement of TOFEs for the general government subsectors based on GFSM 2014</li> <li>Refinement of the debt position, the financial balance sheet, and the cash flow position</li> <li>Preparation of the consolidated general government TOFE aligned with GFSM 2014</li> <li>Inclusion of in-kind benefits in the TOFE</li> </ul>	<ul style="list-style-type: none"> <li>Statistics for the different general government subsectors are produced on a regular basis in accordance with GFSM 2014</li> <li>Production of the consolidated position of the general government</li> <li>Inclusion of non-monetary transactions in government finance statistics</li> </ul>
<b>Guinea</b>	2	<ul style="list-style-type: none"> <li>Refinement and production of the TOFE for the budgetary central government based on GFSM 2014</li> <li>Transition to the TOFE based on GFSM 2014</li> <li>Identification of data sources and structures for the production of the debt position, the financial balance sheet, and the cash flow position</li> <li>Inclusion of in-kind benefits in the TOFE</li> </ul>	<ul style="list-style-type: none"> <li>Production of the TOFE under a dual mandate from the budgetary central government in accordance with GFSM 2014. (April 2023)</li> <li>Preparation of a timetable for production of the other tables of the minimum analysis framework</li> <li>Inclusion of non-monetary transactions in government finance statistics</li> </ul>
<b>Guinea-Bissau</b>	2	<ul style="list-style-type: none"> <li>Production of the finalized TOFE based on GFSM 2014</li> <li>Draft debt and cash flow positions</li> <li>Refinement of conversion tables for social security and local governments</li> <li>Expansion of GFS coverage to the extrabudgetary subsector</li> <li>Supervision of the work of the committee in charge of government finance statistics</li> </ul>	<ul style="list-style-type: none"> <li>Production of the TOFEs for general government subsectors (central government, local governments, and social security) in accordance with GFSM 2014 (April 2023)</li> <li>Production of the TOFE for the extrabudgetary subsector</li> <li>Training of public finance professionals</li> </ul>
<b>Mali</b>	1	<ul style="list-style-type: none"> <li>Production of the finalized TOFE based on GFSM 2014 for the general government subsectors</li> <li>Refinement of the debt position, the financial balance sheet, and the cash flow position</li> <li>Gradual expansion of the scope of coverage of government finance statistics</li> </ul>	<ul style="list-style-type: none"> <li>Statistics for the different general government subsectors are produced on an experimental basis in accordance with the GFSM 2001/2014 (December 2022)</li> <li>Production of other tables of the minimum analysis framework for the budgetary central government</li> </ul>
<b>Mauritania</b>	2	<ul style="list-style-type: none"> <li>Resumption of work on production of the TOFE in accordance with GFSM 2001/2014</li> </ul>	<ul style="list-style-type: none"> <li>A conversion table for the budgetary central government is finalized and experimental versions of statistics for the local government and social</li> </ul>

Country	Number of missions	Activities	2023 milestones
		<ul style="list-style-type: none"> <li>• Preparation of drafts of other tables of the minimum analysis framework</li> <li>• Review of data in connection with the gradual expansion of the scope of government finance statistics</li> <li>• Creation of a committee in charge of government finance statistics</li> </ul>	<p>security subsectors are produced in accordance with GFSM 2014 (December 2022)</p> <ul style="list-style-type: none"> <li>• Inclusion of non-monetary transactions in government finance statistics</li> <li>• Creation of an expanded government finance statistics committee</li> </ul>
<b>Niger</b>	2	<ul style="list-style-type: none"> <li>• Production of the finalized TOFE based on GFSM 2014</li> <li>• Refinement of the debt position and the cash flow position</li> <li>• Expansion of the scope of coverage of government finance statistics</li> <li>• Inclusion of in-kind benefits in the TOFE</li> </ul>	<ul style="list-style-type: none"> <li>• The experimental versions of statistics for the budgetary central government, local governments, and social security are produced in accordance with GFSM 2014 (March 2023)</li> <li>• Production of other tables of the minimum analysis framework in accordance with GFSM 2014 (December 2022)</li> <li>• Preparation of a draft conversion table for extrabudgetary units</li> <li>• Inclusion of non-monetary transactions in government finance statistics</li> </ul>
<b>Senegal</b>	1	<ul style="list-style-type: none"> <li>• Refinement of statistics for the different general government subsectors</li> <li>• Production of the consolidated position of the general government in accordance with Special Data Dissemination Standard (SDDS) rules and deadlines</li> <li>• Expansion of statistics to the public sector</li> <li>• Expansion of the coverage of tables of the minimum analysis framework</li> <li>• Compilation of the asset account</li> <li>• Inclusion of in-kind benefits in the TOFE</li> <li>• Creation of a committee in charge of government finance statistics</li> </ul>	<ul style="list-style-type: none"> <li>• The consolidated statement of general government statistics is produced within the deadlines prescribed by the SDDS (December 2022)</li> <li>• Inclusion of non-monetary transactions in government finance statistics</li> <li>• Compilation of the asset account</li> <li>• Expansion of the coverage of debt to the public sector</li> <li>• And consolidated positions of: <ul style="list-style-type: none"> <li>• <i>the general government</i></li> <li>• <i>the public sector</i></li> </ul> </li> </ul>

Country	Number of missions	Activities	2023 milestones
<b>Togo</b>	1	<ul style="list-style-type: none"> <li>• Production of the finalized TOFE based on GFSM 2001/2014</li> <li>• Draft debt and cash flow positions</li> <li>• Inclusion of in-kind benefits in the TOFE</li> <li>• Expansion of GFS coverage to the local government and extrabudgetary subsectors</li> <li>• Production of a draft conversion table for the social security subsector</li> </ul>	<ul style="list-style-type: none"> <li>• Refined conversion tables for the different general government subsectors (central government, local governments) and a draft conversion table for statistics of the social security subsector are produced (April 2023)</li> <li>• Inclusion of non-monetary transactions in government finance statistics</li> <li>• Preparation of other tables of the minimum analysis framework</li> </ul>

## F. Real sector statistics

### Context and priorities

**241. The activities planned in real sector statistics are focused on the national accounting system, high-frequency indicators, and prices.** They are organized around three main objectives:

- Continued implementation of the 2008 SNA and a change in the base year in Mali and Guinea, and improved timeliness of the national accounts in **all AFRITAC West member countries**;
- Support for projects to update the base year of national accounts in Benin, Burkina Faso, Niger and Senegal;
- Continued implementation or development of quarterly national accounts in **Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Senegal, and Togo**.
- Support for the development of high-frequency indicators in Côte d'Ivoire, Mauritania, and Senegal.

**242. With the progress made on the public health front related to the Covid-19 pandemic, the resumption of face-to-face missions will be gradual throughout the year.** A number of virtual missions are also planned. A significant surge was noted between January and April 2021 due to a higher than usual deferral rate as several countries had been waiting for the resumption of face-to-face missions.

### Planned activities and expected outcomes

**243. Regional seminar.** The Center plans to organize a regional seminar on the following topic: “quarterly national accounts: demand approach” This training is intended to build the capacity of staff at national statistical institutes in the preparation of quarterly use estimates, including intermediate consumption, final consumption, gross fixed capital formation, etc. Workshops on consumer price indices are also planned by the Statistics Department.

**244. Technical assistance missions.** The planned activities are summarized in Table 8. Following activities related to the change in base year finalized by eight of the ten AFRITAC countries, support will be provided to two countries in implementing the 2008 SNA with a new base year, combined with backcasting to provide users with longer GDP series. In **Mali**, in particular, this will entail supporting the country in disseminating the available estimates for the years 2015 to 2019 and finalizing the alignment of the quarterly national accounts. In **Guinea**, support will be stepped up to ensure the production of base year accounts. It should be noted that in most countries, the 2014, 2015, and 2016 base years are already being eliminated. Furthermore, several countries, notably within the WAEMU, have announced their intention to rebase their national accounts. In addition, the development of the sequence of sector accounts is another way to improve the national accounts. The Center will also support several countries in establishing a sequence of accounts including the financial accounts. Improvements in the timeliness and drafting of methodology notes will account for some of the Center's activities. AFRITAC will continue to introduce and develop quarterly national accounts, notably with the quarterly supply and use tables project in **Burkina Faso** and **Senegal**. Furthermore, the work program includes activities funded by IMF headquarters through the Data for Development (D4D) program for **Côte d'Ivoire**, **Mauritania**, and **Senegal**. This involves the development of high-frequency indicators for production, foreign trade, and consumption.

**245. Practical training.** The work program includes the organization of practical training in improving the production of the quarterly national accounts in line with changes in the public health situation and the actual resumption of travel.

Table 7. Real sector statistics missions planned by country and institution

Country	Number of missions	Activities	2023 milestones
<b>Benin</b>	3	<ul style="list-style-type: none"> <li>Support in setting up financial accounts</li> <li>Consolidation of the QNA mechanism</li> <li>Seasonal adjustment of QNA</li> </ul>	<ul style="list-style-type: none"> <li>The 2015-2018 sequence of accounts up to the capital account is available</li> <li>The seasonally adjusted QNA are available</li> </ul>
<b>Burkina Faso</b>	2	<ul style="list-style-type: none"> <li>Support in setting up financial accounts</li> <li>Implementation of the QNA mechanism (demand approach)</li> </ul>	<ul style="list-style-type: none"> <li>The 2015-2018 sequence of accounts up to the capital account is available</li> <li>The quarterly SUT is used as a framework for reconciling the QNA</li> </ul>
<b>Côte d'Ivoire</b>	2	<ul style="list-style-type: none"> <li>Support for the preparation of sector accounts up to the financial accounts</li> <li>Alignment of the QNA with the revised national accounts</li> </ul>	<ul style="list-style-type: none"> <li>Source data are processed for the compilation of the sequence of sector accounts</li> <li>The QNA are aligned with the updated ANA Source data from the statistical system are published with their methodologies; adjustments to source data are documented</li> </ul>
<b>Guinea</b>	2	<ul style="list-style-type: none"> <li>Establishment of 2018 as the base year in accordance with the 2008 SNA: Compilation of the 2018-2019 annual national accounts</li> <li>Compilation of the 2020-2021 annual national accounts (1993 SNA)</li> </ul>	<ul style="list-style-type: none"> <li>The updated 2018 ANA are available</li> <li>The basic data for compilation of the ANA (corporations, general government, agriculture, construction and public works, etc.) are available</li> </ul>

Country	Number of missions	Activities	2023 milestones
Guinea-Bissau	2	<ul style="list-style-type: none"> <li>Establishment of the new base year: diagnostic assessment</li> <li>Compilation of the 2020-2021 annual national accounts (2008 SNA)</li> </ul>	<ul style="list-style-type: none"> <li>A project document is available</li> <li>The basic data for compilation of the ANA (corporations, general government, agriculture, construction, and public works, etc.) are available</li> </ul>
Mali	2	<ul style="list-style-type: none"> <li>Establishment of 2015 as the base year in accordance with the 2008 SNA: backcasting</li> <li>Consolidation of the QNA mechanism</li> </ul>	<ul style="list-style-type: none"> <li>The 2015-2020 ANA consistent with the 2008 SNA are released</li> <li>The QNA are aligned with the updated ANA</li> </ul>
Mauritania	2	<ul style="list-style-type: none"> <li>Preparation for the release of QNA and seasonal adjustment</li> <li>Establishment of institutional sector accounts</li> </ul>	<ul style="list-style-type: none"> <li>High-frequency indicators (IPPI, HIPI, turnover index, etc.) are available and incorporated into the process of compiling the QNA</li> <li>The basic data for the compilation of sector accounts are identified and processed</li> </ul>
Niger	2	<ul style="list-style-type: none"> <li>Establishment of the QNA mechanism</li> <li>Establishment of a new base year: diagnostic assessment</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient coverage by high-frequency indicators; the tests are conclusive (calibration, historical simulations)</li> <li>A project document is available</li> </ul>
Senegal	2	<ul style="list-style-type: none"> <li>Establishment of 2019 as the base year in accordance with the 2008 SNA</li> <li>Seasonal adjustment of economic statistics</li> </ul>	<ul style="list-style-type: none"> <li>The available collected data sources are processed</li> <li>Seasonal adjustment tools and techniques are acquired</li> </ul>
Togo	2	<ul style="list-style-type: none"> <li>Establishment of the QNA mechanism</li> <li>Support in preparing the financial accounts</li> </ul>	<ul style="list-style-type: none"> <li>A template for calculating quarterly GDP is developed; historical simulation tests are performed. The 2015-2018 sequence of accounts up to the capital account is available</li> </ul>

## G. Banking supervision

### Context and priorities

**246. The scope of involvement by AFRITAC West in financial supervision and regulation is aimed at strengthening the soundness of the financial system, particularly through ensuring the compliance of regulations and practices with the principles defined by the Basel Committee, such as the prudential framework known as Basel II/Basel III, and the consolidation of achievements in risk-based supervision.** The activities planned in this area will focus primarily on the revision of certain regulatory documents at the BCEAO, the Central Bank of the Republic of Guinea (BCRG), and the Central Bank of Mauritania (BCM), and on developing tools and methodologies for supervision and building supervisors' capacities. The Center will also work to support the Regional Council for Public Savings and Financial Markets (CREPMF) with a view toward the development of risk-based supervision applied to the supervision of markets and market intermediaries. Finally, it should be noted that AFRITAC West also operates in two jurisdictions (the

West African Monetary Union and the Republic of Guinea) to promote the adaptation of accounting frameworks to the International Financial Reporting Standards and that climate risks will be the subject of the first bilateral activities with the BCEAO.

### **Planned activities and expected outcomes**

**247. Country technical assistance missions.** The actions undertaken to strengthen banking supervision in Guinea and Mauritania will be continued and expanded (see Table 7).

**248. In the Republic of Guinea,** two major structural reforms undertaken by the BCRG require additional support. This concerns implementation of the IFRS 9 international financial reporting standard, which defines the accounting and provisioning rules for financial assets and liabilities, as well as the reform of solvency standards. In this connection, a mission is planned in the very near future to explain to local banks the issues involved in the solvency reform and the principles adopted, and to provide details of the new calculation methods. A second mission, aimed at monitoring the two reforms, which will be implemented concurrently, is scheduled for early 2023 to identify any remaining problems and finalize the adaptation of supervisory tools and procedures. Three other missions are scheduled: (i) within the framework of the revision of the banking law, technical assistance will be provided for formalization of the first implementing regulations of the new law; (ii) support will be provided for the definition of a suitable stress-testing methodology; and (iii) training will be offered on liquidity and consolidation aspects, as the BCRG intends to continue the implementation of the Basel framework by putting into place the Liquidity Coverage Ratio (LCR) and implementing supervision on a consolidated basis.

**249. With respect to the Islamic Republic of Mauritania,** the work planned will focus first of all on continuation of the reforms undertaken (risk-based supervision, long-term structural liquidity ratio, formalization of the implementing regulations of the banking law). The BCM has identified new needs, mainly related to the supervision of non-bank financial institutions (payment institutions, issuers of electronic currency, financial institutions such as leasing companies or factoring companies, etc.) (off-site and on-site audits of payment institutions and institutions issuing electronic currency, regulation of leasing companies or factoring companies, etc.), which will be integrated into the mission program.

**250. Technical assistance for the General Secretariat of the WAMU Banking Commission and the BCEAO Financial Stability Directorate.** The technical assistance activities planned for 2022-2023 are intended, on the one hand, to support the BCEAO Financial Stability Directorate within the framework of key projects centered on prudential supervision by reviewing draft guidance notes or regulations that will be submitted to AFRITAC West, and, on the other hand, to develop the capacities of the SGCBU in several areas that may be either general or applicable to specific issues. Support will also be provided to help update the rating system for credit institutions, which was previously developed with the assistance of AFRITAC West.

**251. Technical assistance for the Regional Council for Public Savings and Financial Markets.** Following a contribution to the recent updating of various regulatory documents, technical

assistance will be devoted to the development of risk-based supervision approaches, with support for the establishment of a roadmap and training for supervisors.

**252. Regional seminar.** There are plans to organize a regional in-person seminar on issues related to operational risk, including some of the risks generated by the increased digitalization of the banking business, particularly those related to IT security.

Table 8. Financial regulation and supervision missions planned by country

Institutions/ Country	Number of missions	Activities	2023 milestones
<b>BCEAO/SGCBU</b>	<b>12</b>	Strengthening of banking regulation and risk-based supervision	<ul style="list-style-type: none"> <li>Review of a draft regulatory document on the internal assessment of credit institutions' capital requirements</li> <li>Support for the formalization of a prudential system applicable to microfinance institutions</li> <li>Support for the formalization of regulatory documents applicable to distressed institutions</li> <li>Review of a draft template for the collection of accounting data related to climate risk</li> <li>Training of SGCBU staff in the oversight of operational risk management</li> <li>Training of SGCBU staff in the analysis and evaluation of preventive recovery plans produced by the institutions</li> <li>Training of SGCBU staff in the performance of stress tests by the supervisor</li> <li>Training of SGCBU staff in off-site and on-site auditing of liquidity risk</li> <li>Training of SGCBU staff in the prudential consideration of climate risk</li> <li>Training in market risk and its monitoring</li> <li>Workshop on updating the rating system for credit institutions and the rating of banking groups (2 missions)</li> </ul>
	<b>1</b>	Strengthening of regulatory requirements in the areas of accounting and prudential provisioning	<ul style="list-style-type: none"> <li>Review of progress in adopting the IFRS standards</li> </ul>
<b>CREPMF</b>	<b>2</b>	Implementation of risk-based supervision	<ul style="list-style-type: none"> <li>Development of a roadmap for the implementation of risk-based supervision</li> <li>Training of CREPMF managers and staff in risk-based supervision</li> </ul>
<b>Guinea</b>	<b>4</b>	Strengthening of regulations and bank supervision	<ul style="list-style-type: none"> <li>Finalization of the work on solvency reform and clarification of the new calculation principles</li> <li>Review of potential stress-testing modalities and trial application</li> <li>Support for the drafting of implementing regulations for the new banking law</li> <li>Training of supervisors in the LCR as well as in supervision on a consolidated basis</li> </ul>

Institutions/ Country	Number of missions	Activities	2023 milestones
	1	Strengthening of regulatory requirements in the areas of accounting and prudential provisioning	<ul style="list-style-type: none"> <li>Monitoring the implementation of IFRS 9 and adaptation of prudential tools</li> </ul>
Mauritania	4	Strengthening of regulations and bank supervision	<ul style="list-style-type: none"> <li>Establishment of warning indicators and review of the internal rating of credit institutions</li> <li>Strengthening the supervision of payment institutions, electronic currency issuers, and non-bank financial institutions</li> <li>Finalization of the net stable funding ratio (NSFR)</li> <li>Preparation of implementing regulations for the banking law</li> </ul>

## H. Macroeconomic and Fiscal analysis

### Context and priorities

**253. The activities in this area focus primarily on the development of institutional capacities for the preparation and monitoring of macroeconomic policies.** The program of activities for fiscal year 2023 will also focus on the importance of strengthening the synergies among the various government entities responsible for performing the macro-fiscal function. It will cover:

- The strengthening of medium-term macroeconomic frameworks. This is achieved through:
  - the development of macroeconomic and fiscal forecasting tools and their use in Mali, Mauritania, and Senegal;
  - integration of the macroeconomic and fiscal framing processes in Guinea, Guinea-Bissau, Mauritania, and Togo.
- Strengthening fiscal forecasting in Guinea and Niger
- Strengthening fiscal risk analysis in Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mauritania, Niger, and Senegal:

### Planned activities and expected outcomes

**254. Regional activities.** *The fiscal year will be marked by a series of regional activities in fiscal forecasting.* A regional seminar on the topic “Improving fiscal forecasting practices” will be conducted in May 2022. Two seminars on strengthening the analysis and forecasting of revenues from

extractive industries will be organized with the support of the Government Finance Statistics Department. These seminars follow activities conducted in March 2021 for fiscal forecasting and in April 2022 for capacity building in the extractive industries. These activities are designed to strengthen the credibility of multiyear fiscal forecasts and annual budgets. A high-level workshop, conducted by video conference, will bring together the directors and general directors of entities responsible for the macro-fiscal function in the member states. It will review the institutional structures supporting the formulation of macroeconomic and fiscal policies in the member states and avenues for strengthening them.

**255. Country-level activities.** The activities planned for FY 2023 are summarized in the following table. They are aimed primarily at helping countries strengthen the analysis of macroeconomic and fiscal frameworks and the credibility of budgets. Support will be provided for revenue and wage bill forecasting, and for fiscal risk analysis and monitoring.

**256. Cooperation with other regional institutions.** The Center will take part in activities organized by AFRISTAT, the WAEMU Commission, and the Economic Commission for Africa. The activities will include regional seminars on the economic environment and macroeconomic forecasts in the West African countries, as well as workshops on best framing practices.

**257. Similarly, the Center will explore opportunities for synergy in conducting training with the IMF's Africa Training Institute, where existing courses and a new nowcasting course are good complements to the Center's capacity development objectives in the region.** In the same vein as capacity building activities, the IMF's Institute for Capacity Development offers several training courses in general macroeconomic and fiscal areas that could be useful to AFRITAC West member countries, as well as the possibility of hosting webinars on topics ranging from debt dynamics to nowcasting.

**258. Practical training.** The program also provides for the effective organization of practical training at a macro-fiscal unit on subjects such as macroeconomic and fiscal framing practices and the organization and tools of the macro-fiscal function.

Table 9. Macroeconomic and fiscal analysis missions planned by country

Country	Number of missions	Activities	2022 milestones
Benin	1	Strengthen fiscal risk analysis (project with FAD)	Practices in the area of macroeconomic risk analysis are improved
Burkina Faso	2	Continued support for the identification, analysis, and management of fiscal risks (joint mission, CCCDI project)  Develop risk quantification capacities for investment projects (including PPPs) - with FAD and [sic]	A fiscal risk statement is included as an annex to the 2023 budget law  The capacities of the members of the Forecasting and Economic Environment Committee are improved in terms of quantifying the impact of macroeconomic risks
Côte d'Ivoire	1	Macroeconomic management and fiscal risks	Avenues for improvement in the reporting of fiscal risks are identified

Country	Number of missions	Activities	2022 milestones
			The mechanism for the analysis and monitoring of fiscal risks is improved
<b>Guinea</b>	2	Improved practices and tools used in revenue forecasting Improved fiscal risk analysis (CCCDI project)	The process of preparing revenue forecasts is improved  Forecasting tools for the main tax revenues are improved  The capacities of budget officials in identifying and analyzing fiscal risks are developed
<b>Guinea Bissau</b>	2	Allocation and credibility of medium-term fiscal frameworks	Avenues for improving the credibility of the medium-term fiscal frameworks and of the Directorate of Multiyear Budget and Economic Programming are identified  A medium-term expenditure framework is prepared for the period 2024-2026  The capacities of budget officials in identifying and analyzing fiscal risks are developed
<b>Mali</b>	2	Strengthen macroeconomic risk analysis and quantification with the updated MME_DNPD	The updated MME_DNPD model is used by the teams  Practices in the quantification of macroeconomic risks are improved
<b>Mauritania</b>	3	Improvement of practices in macroeconomic and fiscal framing (CCCDI project)  Introduction of fiscal risk analysis	The macroeconomic and fiscal framing to accompany the 2022 budget is prepared using the macroeconomic model  A macroeconomic framing note and a draft medium-term budget programming document are prepared  The capacities of budget officials in identifying and analyzing fiscal risks are developed
<b>Niger</b>	2	Continued enhancement of fiscal risk analysis practices (CCCDI project)  Improvement of budget expenditure forecasts (CCCDI project)	Fiscal risks are analyzed and their impacts evaluated in the budget documents  The tools and system for forecasting the main tax revenues are improved
<b>Senegal</b>	2	Improvement of macroeconomic risk analysis and monitoring (CCCDI project)  Improvement of the government sector TOF forecast (follow-up mission)	Macroeconomic risks are analyzed and their impacts evaluated in the budget documents  A provisional TOF of the government sector is prepared
<b>Togo</b>	2	Improvement of macroeconomic and fiscal framing practices and processes	The timetable for preparing the macroeconomic frameworks is respected  The macroeconomic framework incorporates several scenarios reflecting fiscal risks  The annual and multiyear fiscal frameworks are prepared based on macroeconomic projections

### III. CONTRIBUTION TO THE FINANCING OF THE CENTER AS OF APRIL 30, 2022

Partners	Date of signature of the agreement	Currency of the agreement	Amount of the agreement	Amount of the agreement in USD (A)	Contributions received (B)
<b>Partners</b>				<b>43,243,137</b>	<b>37,247,534</b>
China	July 13, 2018	USD	4,000,000	4,000,000	4,000,000
European Commission	August 24, 2017	EUR	10,000,000	11,816,141	11,420,275
European Investment Bank	April 19, 2018	EUR	200,000	247,555	237,180
France	April 19, 2022	EUR	8,000,000	8,946,959	4,647,680
Germany	September 29, 2017	EUR	2,500,000	2,945,335	2,791,100
Germany	November 26, 2018	EUR	2,500,000	2,842,524	2,839,800
Luxembourg	December 21, 2016	EUR	5,000,000	5,194,266	5,721,100
Netherlands	November 25, 2020	EUR	2,000,000	2,378,121	1,207,730
Norway	December 3, 2019	NOK	40,000,000	4,363,382	3,867,736
Switzerland	December 18, 2019	CHF	500,000	508,854	514,933
<b>Members</b>				<b>5,289,001</b>	<b>704,817</b>
Benin	February 7, 2019	USD	609,357	609,357	304,785
Burkina Faso	April 24, 2018	USD	500,000	500,000	100,000
Guinea	October 30, 2019	USD	500,000	500,000	100,000
Guinea-Bissau	September 20, 2021	USD	500,000	500,000	-
Mali	April 24, 2018	USD	503,841	503,841	200,032
Mauritania	April 24, 2018	USD	678,666	678,666	-
Niger	March 12, 2019	USD	775,000	775,000	-
Senegal	February 1, 2019	USD	612,087	612,087	-
Togo	February 25, 2019	USD	612,087	610,050	-
<b>Total partners and members</b>				<b>48,532,138</b>	<b>37,952,351</b>
<b>Internal transfers</b>					
European Investment Bank				6,418	6,418
France				18,182	18,182
Germany				10,822	10,822
Luxembourg				6,238	6,238
<b>Internal Transfers Total</b>				<b>41,660</b>	<b>41,660</b>
<b>Host country &amp; IMF</b>					
<b>Host country (Côte d'Ivoire)</b>					
Cash		USD	1,500,000	1,500,000	603,724
In kind				523,527	
<b>IMF</b>				<b>3,668,723</b>	
<b>Total host country and IMF</b>				<b>5,692,250</b>	
<b>Grand total</b>				<b>54,266,048</b>	<b>38,597,735</b>

Source : Institut de renforcement des capacités du FMI

## IV. EXPENDITURE PERFORMANCE AS OF APRIL 30, 2022, AND BUDGET 2023 (USD)

Project	Summary of Phase IV			FY 2022			FY 2023 Operating budget
	Program budget <sup>3</sup>	Operating budget	Expenditures	Operating budget	Expenditures	Execution (%)	
Public expenditure management	8,580,253	11,849,800	8,719,978	2,264,968	1,573,694	69%	2,438,548
Customs administration	4,890,041	4,434,153	3,224,859	767,837	397,177	52%	838,634
Tax administration	6,257,224	5,858,439	4,451,535	1,146,177	983,878	86%	1,244,605
Banking supervision and regulation	3,905,531	3,683,811	2,784,583	708,801	574,065	81%	764,492
Debt management	3,956,536	2,019,986	2,019,986	-	-	-	-
Real sector statistics	4,820,268	3,895,296	3,080,051	669,539	584,593	87%	730,299
Government finance statistics	4,455,771	2,816,321	1,893,619	639,677	415,632	65%	698,657
Project administration	1,725,174	2,193,026	1,671,120	446,392	376,388	84%	451,902
Macroeconomic advisor	3,941,239	244,150	244,150	-	-	-	-
Training project	1,075,000	498,568	300,143	200,000	1,575	1%	-
Governance and evaluation (including RBM)	639,321	195,188	171,162	104,590	117,583	112%	37,019
Strategic Reserve Budget	1,000,000	244,888	-	84,888	-	-	160,000
<b>Subtotal</b>	<b>45,246,358</b>	<b>37,933,625</b>	<b>28,561,186</b>	<b>7,032,869</b>	<b>5,024,586</b>	<b>71%</b>	<b>7,364,156</b>
Trust fund management	3,167,245	2,655,354	1,999,283	492,301	351,721		515,491
<b>Total</b>	<b>48,413,603</b>	<b>40,588,979</b>	<b>30,560,469</b>	<b>7,525,170</b>	<b>5,376,307</b>	<b>71%</b>	<b>7,879,647</b>
IMF expenditures	3,668,723	3,668,723	3,454,670	769,179	661,389	86%	-
Host country in kind	523,527	523,527	84,503	109,762	-	-	-
<b>Total</b>	<b>52,605,853</b>	<b>44,781,229</b>	<b>34,099,643</b>	<b>8,404,111</b>	<b>6,037,696</b>	<b>72%</b>	<b>7,879,647</b>

Source: IMF Institute for Capacity Development

<sup>3</sup> Program document budget





AFRITAC West

01 BP 3775 Abidjan 01, Côte d'Ivoire

Tel.: +(225) 27.20.20.89.87

Email: [afwweb@imf.org](mailto:afwweb@imf.org)

[www.afritaouest.org](http://www.afritaouest.org)

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**INTERNATIONAL MONETARY FUND**

Institute for Capacity Development

Global Partnerships Division

700 19<sup>th</sup> Street NW

Washington, DC 20431 USA

Tel. : +(1) 202.623.7636

Email : [GlobalPartnerships@imf.org](mailto:GlobalPartnerships@imf.org)