

REGIONAL TECHNICAL ASSISTANCE CENTER FOR WEST AFRICA



PROGRAM DOCUMENT OF PHASE V

(May 2024-April 2029)



MEMBRES



Bénin



Burkina Faso



Côte d'Ivoire



Guinée



Guinée-Bissau



Mali



Mauritanie



Niger



Sénégal



Togo

PARTENAIRES



EUROPEAN UNION



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ACRONYMS AND ABBREVIATIONS

AFC	AFRITAC Central
AFD	French Development Agency
AFDB	African Development Bank Group
AFR	IMF African Department
AFRISTAT	Economic and Statistical Observatory of Sub-Saharan Africa
AFRITAC	IMF Africa Regional Technical Assistance Center
AFS	AFRITAC South
AFW	AFRITAC West
AFW2	AFRITAC West2
AMF-WAMU	Financial Markets Authority of the West African Monetary Union
ASYCUDA	Automated System for Customs Data
ATI	African Training Institute
AUT	WAMU-Securities Agency
BCEAO	Central Bank of West African States
BCRG	Central Bank of the Republic of Guinea
BP	Briefing Papers
CB	Central Bank
CD	Capacity Development
CDCP	Accrual and Asset Accounting
CNDP	National Public Debt Committee
BCG	Budgetary Central Government
BCM	Central Bank of Mauritania
BCRG	Central Bank of the Republic of Guinea
BSR	Banking Supervision and Regulation
CAs	Capacity Assessments
CBMT	Medium-Term Budget Framework
CDMAP	Capacity Development Management and Administration Program
CDMT	Medium-Term Expenditure Framework
C-PIMA	Climate-Responsive Public Investment Management Assessment
COVID-19	Coronavirus disease 2019
CPI	Consumer price index
DAC	Development Assistance Committee
DGD	General Customs Directorate
DGDP	General Directorate of Public Debt
DGI	General Tax Directorate
DGID	General Directorate of Taxes and Property Administration
DGT/DGTCP	General Directorate of the Treasury and Public Accounting
DNTCP	National Directorate of the Treasury and Public Accounting
DPPSE	Directorate of Economic Forecasting, Policy, and Statistics

DRED	Customs Intelligence and Investigation Directorate
EBU	Extrabudgetary Units
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EU	European Union
FAD	IMF Fiscal Affairs Department
FCS	Fragile and Conflicted State
FIN	IMF Finance Department
FY	Fiscal year
GDP	Gross domestic product
GFS	Government finance statistics
GFSM	Government Finance Statistics Manual
GIZ	German Corporation for International Cooperation
HFI	High frequency indicators
HQ	IMF Headquarter
ICD	IMF Institute for Capacity Development
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
INS/INSTAT	National Statistics Institute
IPI	Industrial production index
IPPI	Industrial product price index
IT	Information Technology
LG	Local Government
LTX	Long-Term expert
MCM	IMF Monetary and Capital Markets Department
MEPD	Multiyear expenditure programming document
MTBF/MTEF	Medium-term budgetary framework/Medium-term expenditure framework
MTDS	Medium-term debt strategy
MTRS	Medium-term revenue mobilization strategy
NSI	National Statistics Institute
OECD	Organisation for Economic Co-operation and Development
OTR	Togolese Revenue Office
RSN	Regional Strategy Note
SDG	Sustainable Development Goals
PCA	Post-clearance audit
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PIMA	Public Investment Management Assessment
PPP	Public-private partnership
PSDS	Public Sector Debt Statistics
QNA	Quarterly national accounts
QPSDS	Quarterly Public Sector Debt Statistics
RBM	Results-based management

RTAC	IMF Regional Technical Assistance Centers
PPP	Public-private partnership
SC	Steering Committee
SGCBU	General Secretariat of the WAMU Banking Commission
SNA	System of National Accounts
SOE	State-owned Enterprises
SSA	Sub-Saharan Africa
STX	Short-Term expert
SUT	Supply and use table
SYDAM	Automated Goods Clearance System
TA	Technical assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TOFE	Government Financial Operations Table
TSA	Treasury single account
USD	United States Dollar
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union
WCO	World Customs Organization
WTO	World Trade Organization

Abbreviations of Names of Member and Beneficiary Countries

BEN	Benin
BFA	Burkina Faso
CIV	Ivory Coast
GIN	Guinea
GNB	Guinea-Bissau
MLI	Mali
MRT	Mauritania
NER	Niger
SEN	Senegal
TGO	Togo
ORG	Regional organizations

SECTION I –
EXECUTIVE
SUMMARY

The IMF's Regional Capacity Development Center (RCDC) for West Africa (AFRITAC West, or AFW) was established in 2002. It is the result of an initiative by the International Monetary Fund (IMF) in response to a request from African leaders for more capacity development (CD) for macroeconomic and financial capacity development. In constant communication with other development partners, AFW supports CD in five regional institutions¹ and ten member countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo. Its proximity (located in Abidjan, Côte d'Ivoire) to its member countries allows it to adapt its activities to their CD needs and absorption capacity. AFW provides practical and customized capacity-building solutions to the challenges of its 10 member countries in the IMF's areas of technical assistance.

The Center's CD instruments include regional seminars and webinars, technical assistance (TA) missions, professional attachments, and training workshops. Activities are implemented by Resident Advisors (LTX) and short-term experts (STX). In some cases, these activities are conducted in partnership

with IMF departments dealing with technical assistance issues, with other IMF Regional Technical Assistance Centers (RTACs), or with regional institutions. Thus, during Phase IV, the Center organized seminars and courses in partnership with AFRITAC Central (AFC), AFRITAC South (AFS), AFRITAC West 2 (AFW2), the Institute for Capacity Development (ICD) of the IMF, the Central Bank of West African States (BCEAO), the WAEMU Commission, the German Cooperation (GIZ), the United Nations Economic Commission for Africa (UNECA), the Economic and Statistical Observatory of Sub-Saharan Africa (AFRISTAT) and the IMF's Africa Training Institute (ATI).

The implementation of AFW's work program during Phase IV (May 2017-April 2024) has been solid despite the resurgence of security and COVID-19 pandemic. In the first five years of the phase, AFW conducted 639 activities including 21 professional internships, 58 seminars and webinars. AFW has been able to respond flexibly to changing needs by quickly adjusting its operations and deliverables in the aftermath of the pandemic. The Center has expanded and diversified the range expertise available to its member countries.

Selected achievements encompass diagnostic of revenue administrations in most countries, a key pillar for revenue mobilization, the implementation of medium-term expenditure frameworks (Guinea-Bissau, Togo, and Burkina Faso), and the rebasing of the national accounts, among other notable outcomes (Section II).

The security situation continued to deteriorate in several Sahelian countries covered by AFW. The reasons include the rise of terrorism, political instability, and military coups, which have led to a significant increase in violence and loss of life. These factors have weakened the macroeconomic gains of the past decade, negatively affecting, and weakening economic and financial institutions. Adverse outcomes of this context contributed to a weakening of human capacity due to conflict and ultimately institutional building.

The impact of the COVID-19 pandemic has been less severe in the region than in the rest of sub-Saharan Africa (SSA). Mortality rates have remained contained. However, the pandemic has exacerbated an already delicate situation for countries facing security challenges.

¹ The Central Bank of West African States (BCEAO), the Secretariat General of the Banking Commission

of the West African Monetary Union, the Financial Market Regulatory Agency (AUT), the WAEMU Commission and the Financial

Markets Authority of the West African Monetary Union (AMF-WAMU).

This document presents the Center's operations and achievements over the last five years (Phase IV), outlines its strategic plan for the next financing Phase (Phase V) covering May 2024-April 2029, and describes a strategy for the dissemination of information on the Center's activities.

During Phase V, AFW will support and strengthen institutional resilience in key areas, while scaling up its support to fragile and conflict-affected states (FCS). The strategy centers on three pillars: (i) leveraging the IMF's comparative advantage in developing coherent macroeconomic frameworks; (ii) tailoring policy advice relative to absorptive capacity; and (iii) building synergies with development partners to amplify impact. AFW will continue to support countries' immediate needs in key areas such as public financial management, revenue mobilization, macroeconomic statistics and modelling, debt management and financial stability, while intensifying efforts to prepare countries for the immediate challenges such as climate change, digital development, and green and inclusive growth,

as well as governance issues, including in FCS.

The overall volume of demand for CD is expected to increase significantly in the new phase as countries emerge from the pandemic and political crises. This reflects the urgent need to recover lost macroeconomic gains arising from the series of consecutive shocks and weakened institutions owing to conflicts in several cases. In addition, the increased focus on FCS, climate change, gender inclusion, strengthened governance and digitalization of key public services will also contribute to the demand for CD.

As a result, the budget envelope for AFW Phase V is tentatively expected to be approximately \$63 million, up 19 percent from the previous Phase's budget. This amount will be financed mainly by external partners, but also by the IMF (International Monetary Fund) and member countries. The increase in funding will cover the cost of additional experts/advisors who will be dedicated specifically to FCS.

Phase IV of AFW began in May 2017 and was originally supposed to end

in April 2023. However, the phase was extended to end-April 2024. As of April 30, 2022, out of the operational budget (the budget of the Phase IV program document was 52.6 million) of 40.5 million US dollars (USD), 28.8 million have been spent on CD over 5 years. As of September 30, 2022, the letters of understanding signed by partners and member countries to help finance this budget amount to USD 48.5 million. Contributions received amounted to \$28.2 million. All member countries have signed a letter of understanding to contribute to the funding of the Centre, for a total amount of USD 5.3 million. Of these member countries, five countries, namely Benin, Burkina Faso, Côte d'Ivoire, Guinea, and Mali, made disbursements worth USD 1.8 million. Nine letters of understanding were signed with the following development partners: the European Union (EU), France, Luxembourg, Germany, Norway, China, the Netherlands, Switzerland, and the European Investment Bank (EIB) for a total amount of USD 43.2 million. As of April 30, 2022, the amount disbursed by all partners was USD 37.2 million.

SECTION II –
PHASE IV
ACHIEVEMENTS

A. CAPACITY-BUILDING ACTIVITIES

The implementation of AFW's work program during Phase IV was robust despite a deteriorating security situation and health crises. In the first five years of Phase IV, AFW conducted 639 activities including 21 professional internships, 58 seminars and webinars. In response to the COVID-19 pandemic, AFW was able to quickly adjust its response modalities to continue to meet the needs of its member countries – which made it possible to achieve nearly 80% of its objectives. At the same time, the Center

has expanded and diversified the offer of local expertise available to its member countries.

The CD provided by the Center during Phase IV varied widely across member countries (Figures 1 and 2). The main CD user countries were Guinea, Mauritania, Togo, and Benin. In general, this variation reflects the constraints that have hindered the implementation of the programmed interventions, in particular political, health and security crises; prolonged suspensions of missions; and

low demand for TA by countries despite the need in some areas. The distribution by workstream shows that the Center's activities were dominated by CD in Real Sector Statistics and Tax Administration, followed by Customs Administration and Public Finance Management-Treasury Option (Figure 3). There is also a high use of TA in banking supervision in Guinea, Mauritania, and at the level of regional organizations and tax administration in Togo, Guinea, Mali, and Niger.

B. KEY RESULTS BY AREA

Since the beginning of Phase IV, the following reforms have been supported:

Revenue administration.

Taxes. **In-depth diagnostic missions using the Tax Administration Assessment Tool (TADAT) methodology were conducted in most countries.** They identified the main persistent points of fragility and defined priority areas for intervention. AFW, whose support focused on improving the reliability of taxpayer registers and compliance risk analysis capacity during Phase IV, doubled its resources with

the assignment of a dedicated advisor to three fragile and conflict-affected countries. This resulted in enhanced support, more practical advice, and more frequent and lengthy missions. In **Niger, Togo and Guinea**, the reliability of taxpayer registers has improved and resulted in a significant increase in the number of taxpayers managed by the centres of large and medium-sized enterprises. In **Mali**, the reform of the Directorate of

Medium-sized Enterprises has improved performance monitoring. In **Senegal**, which is currently developing a medium-term tax administration reform strategy (MTRS), the tax audit capacity of large companies has been strengthened.

Customs. **AFW's support has mainly improved the functions of the customs administration, such as valuation and post-clearance audit practices**

or the risk-based clearance procedure.

- In **Côte d'Ivoire**, several results have been achieved (risk analysis system, post-clearance control structure) and others are likely to be achieved relatively quickly (surveillance and intelligence). In particular, the management of exemptions has been automated by incorporating the "Exemption Management" module into the SYDAM system, which allows computerised document management as goods are collected. This improvement is significant as it follows a 26% drop in revenue due to exemptions that were granted between 2015 and 2016.

The discharge of duty-free imports has been integrated into risk management, resulting in a 50% reduction in the number of declarations designated for audit. The application for certificates for certain types of goods (e.g., religious, agricultural, medical, or solar items) has been fully automated.

A dedicated customs audit unit per beneficiary/project has

been set up. However, the impact of measures recommended by the IMF regarding the Customs Supervision and Risk Analysis Units within the Intelligence and Valuation Directorate have had lower than expected.

More specifically, the following results were achieved during the period: (i) 80% of medium-sized taxpayers registered in the file comply with their obligations; (ii) a verification programme based on risk analysis has been put in place; (iii) the computer system allows the management and monitoring of the documentation of exemptions; and (iv) a project to improve the management of exemptions has been validated.

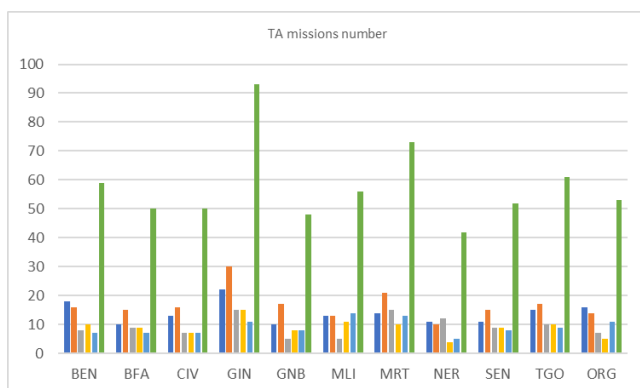
- In **Guinea**, the objective of improving the core functions of the customs administration was partially achieved. **Guinea** Customs has made efforts to improve procedures by creating databases for the registration of specifications and the monitoring of temporary vehicle admissions. However, specific controls on the application of

transaction value had not yet been introduced in the services action plan.

The CD therefore proposed and contributed to the development of a strategy for the implementation of a more structured and functional automated framework and ex-post control, including the creation of a specialised customs valuation unit. A detailed action plan for ex-post control of exemptions and temporary admissions has been developed. This strategy has been adopted, but the plan has not yet been implemented.

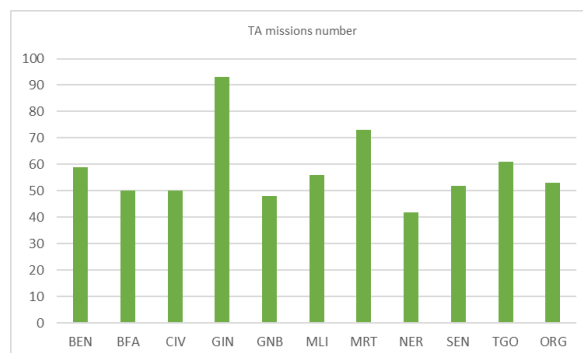
The CD provided to customs administration with several standardized decision support tools (database, procedures manuals, technical sheets) are now used by the Guinean administration (particularly on primary and post-clearance control). CD contributed to operationalizing the ASYCUDA World Transit module by carrying out IT developments in this module, but at the end of the period, automated risk management was not yet sufficiently functional to support the selectivity of controls.

Figure 1. Numbers of missions conducted by fiscal year and beneficiary from May 2017 to April 2022



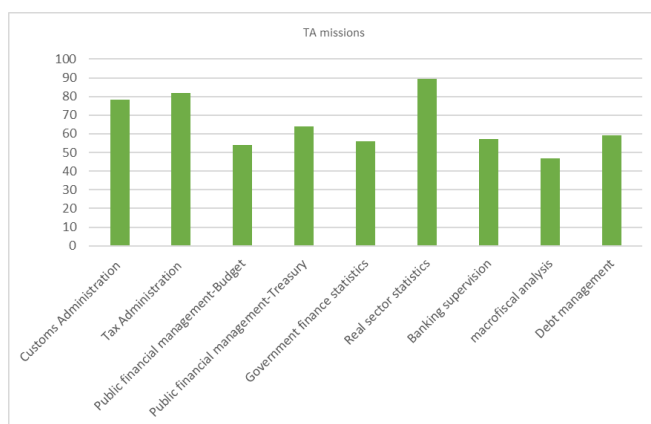
Source: AFW

Figure 2. Numbers of missions conducted by beneficiaries from May 2017 to April 2022



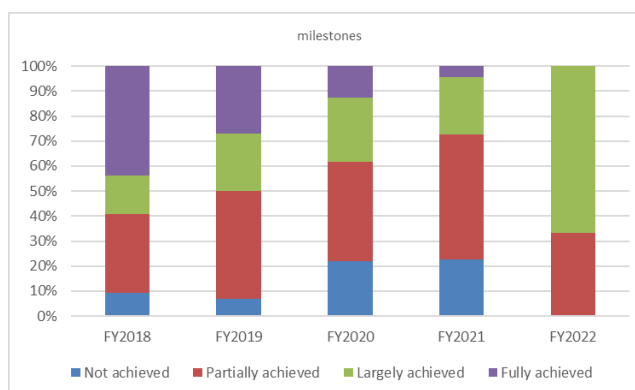
Source: AFW

Figure 3. Numbers of missions conducted by domain from May 2017 to April 2022



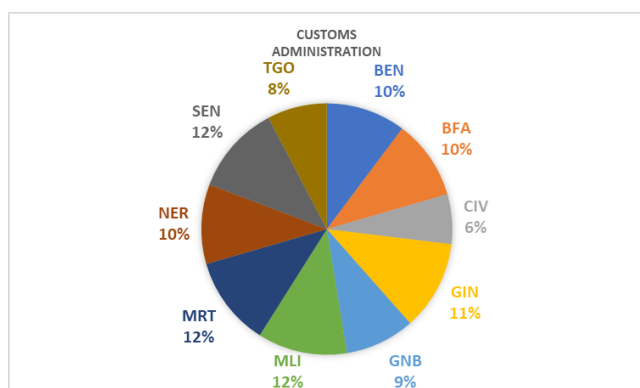
Source: AFW

Figure 4. Revenue Administration Performance Indicators



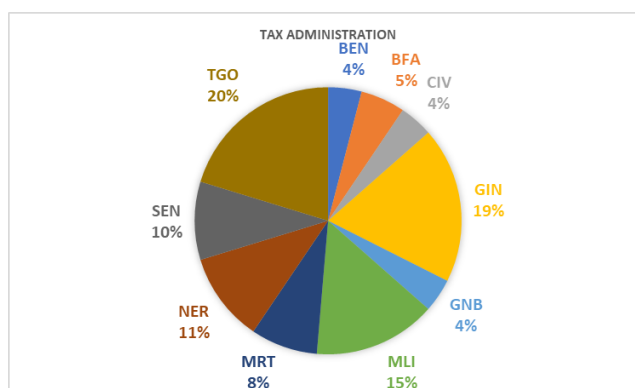
Source: AFW

Figure 5. Distribution of the TA dispensed in Customs Administration



Source: AFW

Figure 6. Distribution of the TA dispensed in Tax Administration



Source: AFW

Box 1. Recent Results of IMF Engagement with Fragile and Conflict-affected States (FCS) in the Area of Tax Administration

This box examines one element of the IMF's broader engagement with FCS. Jurisdictions are termed "fragile" according to the tax administration risk scale, considering taxpayer management risks and taxpayer identification risks. The countries so classified in 2017 were Guinea, Niger, and Togo. Activities of a dedicated advisor to these three countries allowed for enhanced support, with more practical advice and more frequent and longer missions.

Preliminary first results of AFW's support, include:

1. Strengthened fundamentals

- Reliable registers of large and medium taxpayers
- Central administration structures implemented
- Results-based management and risk analysis prerequisites introduced

2. First digital tools implemented

- Tele declaration
- Telepayment
- Preparation of 2nd generation IT levers

3. Collaborations initiated with technical and financial partners

- Joint projects: EU
- Reinforced collaboration on a key project: ADB
- Coordinated technical assistance: AFD
- Information sharing with a dedicated focal point: World Bank

4. A notable development in Guinea

In Guinea, AFW first conducted an initial assessment in 2017 to establish a baseline. This assessment revealed that taxpayers' returns were not aligned with international standards. Tax audits were not effectively managed, and data cross-checking was not effective. Between 2019 and 2022, and despite the negative impact of Covid-19 on tax compliance in 2020 and part of 2021, the number of active taxpayers had increased by 25 percent for large taxpayers, while medium-sized businesses doubled in the interim. The number of taxpayers filing regularly had increased significantly, from 355 to 656 for large businesses (84 percent increase), and from 222 to 482 for medium businesses (117 percent increase). VAT return ratios also improved between 2019 and 2022 for large taxpayers (83 percent) and medium taxpayers (51 percent). The number of geo-tagged taxpayers also increased by 80 percent.

In addition, progress has been made in monitoring and managing arrears. An advisory committee for the analysis of irrecoverable arrears and a unit in charge of the management of recovery within the HQ unit have been created and made operational. According to the data collected, 20.8% of the arrears had been cleared between 2019 and 2022. However, it was not possible to identify the recoverable arrears due to the weakness of the information system.

Public Financial Management (PFM)

AFW has supported PFM reforms at the regional and national levels.

At the regional level, AFW assisted the West African Economic and Monetary Union (WAEMU) in implementing PFM guidelines on programme budgeting and accrual accounting, supporting the harmonization of PFM practices and budget reporting, with 3 regional guides on accounting, budgeting of employment ceilings and internal budgetary and accounting control.

In the area of macroeconomic and fiscal analysis, one of the key results is the establishment or renovation of macroeconomic framework models in 9 countries.

Macroeconomic and fiscal frameworks have also been strengthened, and a process of capacity-building in fiscal forecasting has also been initiated through regional workshops and assistance in the development of tax revenue forecasting tools. In addition, several countries have initiated fiscal risk reporting.

Credible and policy-based budget preparation

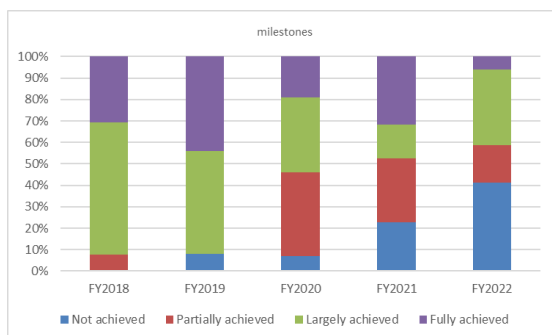
have been supported. This includes strengthening medium-term fiscal and expenditure frameworks (Guinea-Bissau, Togo, and Burkina Faso); managing and preventing expenditure arrears; implementing accrual accounting (ongoing in all countries except Guinea-Bissau); and, in some countries, the addition of tax risk management. Support was also provided for cash management and the implementation of the Treasury Single Account (TSA). In budget implementation, support was provided to restore financial control and accountability, by extending the coverage of public accounts (public enterprises, decentralised identities). AFW supported the implementation of the recommendations of the Public Investment Management Assessment (PIMA) in Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Togo, and Senegal. AFW also supported the design and modernization of macro-fiscal modelling and

revenue projection tools. Several regional workshops and training activities were organized. More recently, workshops and seminars have been held to raise awareness on gender budgeting and climate change.

In the field of accounting reporting, AFW has supported all its countries in the transition to accrual accounting (AC).

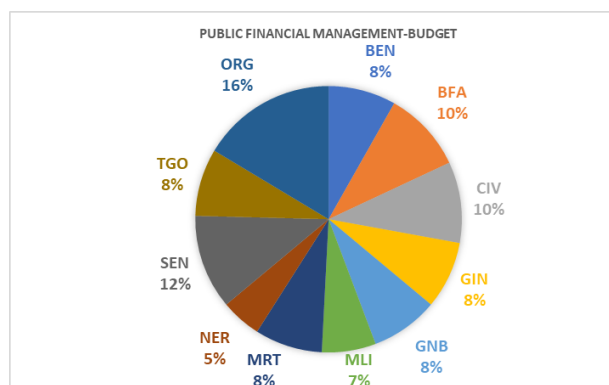
The main projects undertaken relate to: (i) the preparation of the opening balance sheet; (ii) the production of financial statements in an accrual-basis accounting system; (iii) the articulation of material accounting and the accrual-basis accounting system; (iv) the implementation of the accounting internal control system; (v) the accounting quality and the reorganization of provisional allocation accounts. In Guinea, CD supported the development of the State Integrated Accounting System (ICES) in collaboration with the World Bank and the joint IMF-EU project as well as assistance in the migration of accounting data into the system.

Figure 7. Performance indicators in Public Expenditure Management



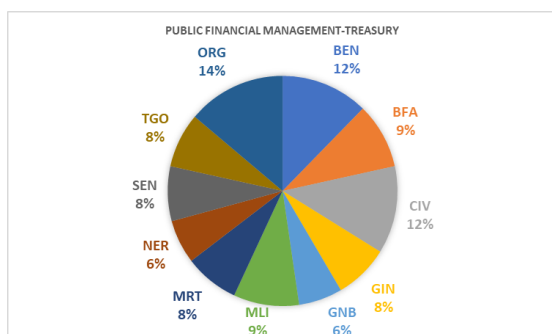
Source: AFW

Figure 8. Distribution of TA provided in Public Expenditure Management-Budget Aspect



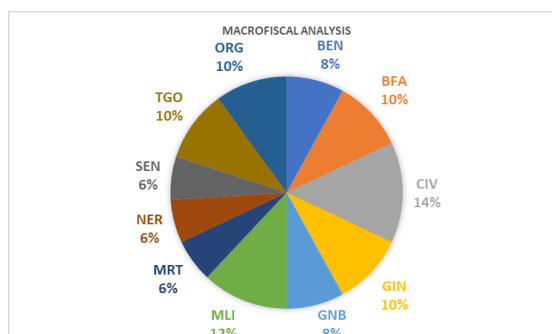
Source: AFW

Figure 9. Distribution of TA in Public Expenditure Management-Treasury Aspect



Source: AFW

Figure 10. Distribution of TA provided in Macro-Budgetary Analysis



Source: AFW

Box 2. Improved cash management in member countries: The Treasury Single Account

The Treasury Single Account (TSA) is defined as a unified structure of the State's bank accounts that provides an overview of its liquidity. The two main objectives of the TSA system are to ensure the consolidation of the State's treasury to meet expenses on time and to facilitate the control of the movement of funds.

The harmonized framework of public finances in WAEMU countries (Articles 57 to 59 of the RGCP), as well as the main texts governing public accounting in Guinea and Mauritania, comprise two principles of cash unit and cash. In addition, the importance of having a single Treasury account, while opening up the possibility of having bank accounts in certain specific cases is underscored.

In many countries, part of the state's treasury is dispersed in a multitude of bank accounts in commercial banks and the central bank beyond the control of the public treasury. This multiplicity of bank accounts prevents the Treasury from quickly and reliably knowing the state's liquid assets. This leads to idle liquidity in financial institutions, while at the same time, the state borrows at a cost greater than the remuneration on its deposits in commercial banks.

All countries covered by the AFW have a single, centralized account structure with:

- An open TSA in the entries of the BCEAO or the central bank (CB) and interconnected (SICA, STAR, or other applications) / in the process of interconnections
- Accounts opened at the CB in the name of Treasury accountants responsible for expenditure and/or revenue (variable numbers), depending on accounting organization and country choices, but not automatically linked
- Transit bank accounts, opened in commercial banks to receive tax and customs revenues (depending on the country): rapid levelling planned towards the TSA is - 48 hours maximum
- Other Treasury accounts at the Central Bank exist alongside the TSA (reserve and/or assigned revenue accounts) to be analysed (dormant accounts).

Progress is ongoing with the gradual closure of public bank accounts in commercial banks in several countries (**Benin and Guinea-Bissau**). On concluding an impact study by the central bank, a list of bank accounts is drawn up and analysed according to the financial exposure. In **Benin**, with remote payment, tax revenues now arrive directly on the TSA, without transiting through commercial banks since 2022. The integration of autonomous public institutions into the TSA is underway in **Niger, Benin, Côte d'Ivoire**, and in experimentation for donor projects; Reorganization of the Directorate General of Treasury and Public Accounting (DGTCP), aimed at managing the TSA and treasury more effectively (**Benin**), and a better integration of cash and debt management (**Côte d'Ivoire**); Computerization efforts for more active cash management: expenditure announcement application (SAT) (**Benin**); TSA application (Sygacut) and more recently implementation of a Treasury Management System (**Côte d'Ivoire**).

Challenges:

- At the central level, the accounts of Treasury accountants opened at the BCEAO are not automatically linked to the TSA, and therefore do not have automated levelling mechanisms towards the TSA.
- In relations with commercial banks, there are difficulties in levelling bank accounts housing tax or customs revenues. Levelling deadlines are not always met by banks, tax administrations and the Treasury have difficulty in keeping up with levelling deadlines, receiving account statements quickly or having easy access to account consultation.
- Effectively close public bank accounts, especially for the accounts of ministries and administrations. Many public bank accounts remain open.

- Successfully integrate autonomous public institutions and donor projects, by developing the banking function of the treasury, while limiting risks to the treasury (Niger, Côte d'Ivoire, Benin, Guinea-Bissau);
- Stop the fragmentation of cash flow by drastically limiting the authorization to open bank accounts and organizing their follow-up.
- Improve the quality of forecasts and the organization of cash management: coordination of the TSA manager, the treasury manager, and the debt manager; and
- Strengthen the capacity of cash flow forecasters.

In Guinea, the Treasury Single Account (TSA) is operational with a scope that covers most bank accounts as well as public financial resources. The operationalization of the TSA took effect from January 2019 with the implementation of the daily levelling of the accounts of its scope, which since then has been gradually expanding. The agreement on the operating procedures of the TSA at the Central Bank of the Republic of Guinea (BCRG) was signed on May 28, 2020, by the Minister of Economy and Finance and the Governor of the Central Bank.

The main challenge remains the integration of funds from local authorities and technical and financial partners within the scope of the TSA.

In Mauritania, the organic law relating to the 2018 finance laws enshrines the obligation to centralize State resources in a TSA open to the Central Bank.

Macroeconomic statistics

Significant progress has been made in compiling and disseminating Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS). This includes

broader coverage of general government, including data on state-owned enterprises (SOEs) in **Senegal**. Except **Mauritania**, all countries are ready to migrate to international standards, including the Government Finance Statistics Manual 2014 (GFSM 2014).

Significant progress has been made in **Burkina Faso, Côte d'Ivoire, Benin, and Niger** in the gradual expansion of the coverage of government finance statistics to the general government. The transition is also well

underway in **Mali, Guinea-Bissau, and Togo**. Work on GFS and PSDS has been closely coordinated with country teams, including for the countries supported by IMF programs.

By sub-sector, the situation is as follows:

- **General government:**
 - **Budgetary Central Government:** In addition to **Senegal, Guinea** has officially migrated to the GFSM 2014 classification and standards. All other countries have the technical expertise to produce the statement of operations (TOFE) by Budgetary Central Government in accordance with GFSM 2014.
 - **Extrabudgetary units (EBUs):** Five countries produce TOFEs for the EBUs;
 - **Social Security and Local Governments (LG):** 7 countries produce the TOFE' for the two subsectors on an experimental basis.
- **Public corporations:** Senegal is the only country to produce the statement of operations (TOFE) for public corporations. Côte d'Ivoire, started to compile GFS data for a selected number of public corporations albeit still on an experimental basis.
- **Regional level:** Government finance

statistics has also focused on the implementation of the WAEMU TOFE directive. In that respect, i) four countries produce the 4 statements of the minimum analytical framework of the TOFE directive; ii) all countries have a debt statement, but still requires improvement; iii) six countries produce the cashflow in line with the GFSM 2001/2014.

Rebasing national accounts

Nine of the ten member countries were able to finalize the rebasing of the national accounts with the support of the Centre, thus providing a better basis for the conduct and planning of economic policy. All countries produce supply and use tables (SUT). SUT provide useful information for understanding the organisation of activities at the detailed product and industry levels. Efforts are now focused on **Guinea** to establish a new base year and its renewed accounts by the end of 2023. More regular assistance has been implemented to better monitor the country's progress and transfer expertise. Emphasis is also being placed on the development of the sequence of sector accounts with a focus on financial accounts. The pioneer countries for financial accounts are **Benin, Burkina Faso, Côte d'Ivoire, Senegal, and Togo**.

Introduction of quarterly national accounts

Benin, Burkina Faso, Côte d'Ivoire, Mali, and Senegal publish quarterly national accounts. Burkina Faso and Senegal are in the process of developing a quarterly supply and use table with the support of AFW. This tool should improve the quality of quarterly accounts, provisional annual national accounts and forecasting tools. Efforts are expected from all countries to improve high-frequency indicators. These include indices of industrial production, turnover data, financial and insurance company statistics, government finance statistics, etc. Collaboration between basic statistical production units and National Statistical Institutes (NSIs) is encouraged during CD missions or regional training workshops. In other countries, including **Mauritania and Togo**, tangible results could be disseminated in 2023.

High frequency indicators (HFI)

In Mauritania, several missions were organized to carry out a diagnostic of the index of industrial production with a view to its rebasing. Recommendations were made to increase the relevance of this indicator, particularly in terms of the classification of activities, the choice of weights by branch of activity and chaining formulas. Training on industrial producer price

indices was also provided to managers of Mauritania's statistical agency.

In Côte d'Ivoire, a review of the methods used for compiling the industrial producer price index was carried out at the request of the authorities. Suggestions for improvement were provided to the Institute to bring its practices closer to the recommendations of the *Producer Price Index Manual: Theory and Practice*. Support will continue to help the Institute implement recommendations relevant to the Ivorian economy and progress with the producer prices of services.

The CD also provided training to countries on the use of data from the tax authorities' monthly turnover database. This database is often marked by shortcomings related to the pace of reporting by companies but is also affected by several reporting errors that render certain information obsolete. A set of data filtering techniques was implemented by the Statistics Department and shared with the National Statistical Institutes. NSIs were encouraged to sign information-sharing protocols with tax authorities and other data gathering entities.

Synergies between CD provided by AFRITAC West and the IMF headquarters

The IMF headquarters will continue to provide

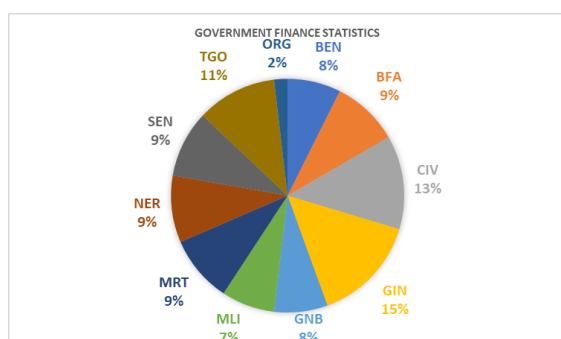
complementary CD in close collaboration with AFW.

In Togo, the development of a monthly indicator of economic growth supported by IMF headquarters will also help with the improvement of data sources for quarterly national accounts. In Senegal, support provided by IMF headquarters to improve the measurement of the oil and gas extraction industry will support the next rebasing of

national accounts. On price statistics, IMF headquarters will conduct a regional workshop on producer, export, and import prices in early 2023. Mauritania will participate. This workshop will assist with the improvement of price statistics and support quality improvements of national accounts statistics in volumes. The workshop will also assess capacity development needs for future

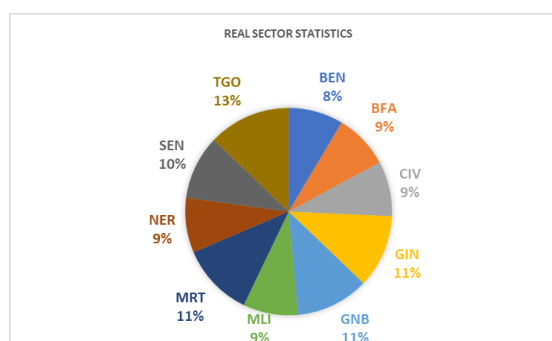
technical assistance. The IMF has also assisted WAEMU countries in improving the quality of the consumer price index. This work was conducted in close collaboration with the BCEAO and the Observatoire Économique et Statistique d'Afrique Subsaharienne. In addition, peer-to-peer learning funded by the IMF headquarters will contribute to capacity building in several NSIs.

Figure 11. Distribution of TA in Government Finance Statistics



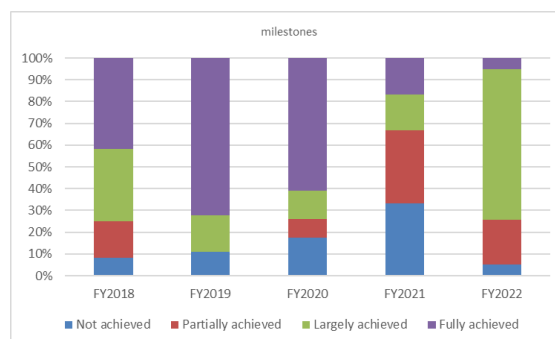
Source: AFW

Figure 12. Distribution of TA provided in Real Sector Statistics



Source: AFW

Figure 13. Performance Indicator in Macroeconomic Statistics



Source: AFW

Debt management

AFW supported debt management practices at both the regional and national levels. At the regional level, AFW supported **WAEMU** financial market institutions and regional financial market authorities (**AUT and AMF-WAMU**) to deepen and modernize the regional auction debt market and improve bond issuance procedures on the syndicated financial market.

At the national level, AFW assisted Mauritania and Guinea to revise and complete the legal framework for domestic debt markets. In addition, **Guinea** received CD in organizing a first Treasury bond auction. AFW also

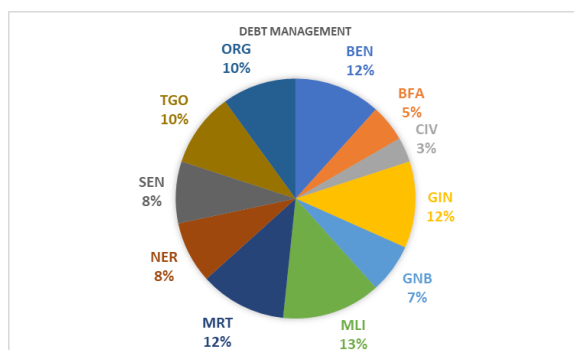
supported **Niger and Guinea** in the design and implementation of their debt strategies and supported other countries (**Côte d'Ivoire, Togo, Senegal, and Mali**) to improve the quality of the debt strategy and annual borrowing plan.

AFW has supported several countries in strengthening debt management. The Center assisted **Togo** in the centralization of all debt management responsibilities at the Directorate of Public Debt and, **Guinea-Bissau** and **Niger** in the organization of the services of the main public debt management structure in front middle and back office. In addition, AFW has participated in reducing the fragmentation of debt

management responsibilities in **Mauritania** and **Senegal** through the revision of the texts of the National Committee on Public Debt (CNDP) and the operationalization of this Committee. The Center also provided training and support on debt portfolio management, debt sustainability analysis and debt reporting.

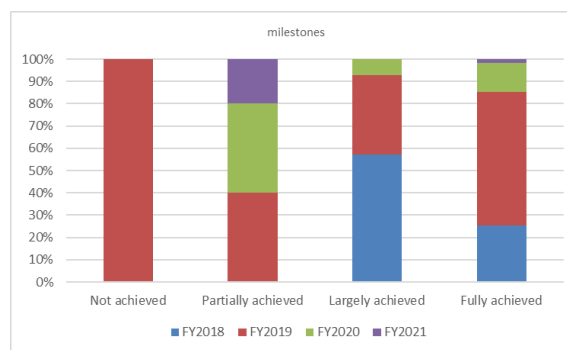
Seven out of 10 AFW countries now produce and publish a medium-term debt strategy; 8 out of 10 debt management offices in the region are structured in Front, Middle and Back Offices and 5 WAEMU countries regularly produce and publish periodic debt information.

Figure 14. Distribution of TA provided in Debt Management



Source: AFW

Figure 15. Debt Management Performance Indicator



Source: AFW

Financial sector and banking supervision

The AFW work programme has been organised around two main pillars.

The first is strengthening the regulatory requirements through the implementation of the Basel II - Basel III framework. Mauritania's capital adequacy and liquidity coverage ratios are now aligned with Basel standards. A similar process is expected to be completed in **Guinea** in 2023. As regards regional market authorities (AMF-WAMU), new regulations have been implemented concerning the authorisation of market intermediaries and asset managers, relevant prudential requirements, and fund separation rules. Support was also provided to the **BCEAO** by strengthening the WAMU banking regulations. In particular the

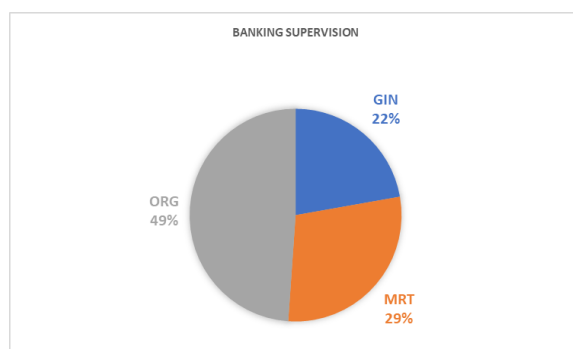
introduction of the liquidity coverage ratio and the net stable funding ratio, as well as to adapt the prudential framework to the specificities of institutions practicing Islamic finance.

The second pillar aims to develop best supervisory practices with the aim of implementing risk-based supervision. For example, the rating systems used have been reviewed in all jurisdictions covered by the AFW to better take risks into account when assessing the vulnerabilities of credit institutions. Many training courses have been organized to share international standards with the Supervisory Authorities, these trainings being

delivered either during traditional technical assistance missions or in the form of specific workshops.

Phase IV was also an opportunity to intervene in new areas, to respond to requests from the authorities. This is the case, for example, with IFRS, the identification of systemically important institutions for the jurisdictions concerned or the development of early warning systems. Finally, themes of major interest were covered during regional seminars. In this regard, cybersecurity, climate risk and iCOVID-19 exit measures are noteworthy. Consequently, the Center received requests for CD in several of these areas.

Figure 16. Distribution of TA provided in Banking Supervision



Source: AFW

Figure 17. Banking supervision performance indicators



Source: AFW

Support from the IMF's Legal Department (LEG).

LEG has led and taken part in several CD missions to AFW member countries mainly in the financial and banking supervision sector. Interventions supported the reform of the central bank law in **Mauritania** and banking regulation in **Guinea**. WAEMU supervisors also benefitted from CD in anti-money laundering and counter terrorist financing.

In Burkina Faso, LEG provided comments on the Law on Simplification of Procurement Procedures for the Public-Private Partnership (PPP) Project. CD focused on legal issues related to fiscal oversight of PPPs and related public fiscal management issues.

In Guinea, LEG provided CD on the banking and PPP

laws. The CD on the Central Bank Act is about to be implemented. In addition, at the request of the Central Bank of the Republic of Guinea (BCRG), LEG will examine the draft statute of the Central Bank of the Republic of Guinea in accordance with international standards and best practices in central banking legislation. The review is expected to be completed by end-2022.

Regarding the legal framework for PPPs, in 2018, LEG provided a comment on the draft decree implementing Guinea's public-private partnership law. Areas for improvement identified included the need for a clear institutional framework and better fiscal oversight of PPPs, as well as more transparent management of unsolicited proposals.

LEG, MCM and AFW commented on the draft banking law and a draft statute of the banking supervisor of the regional central bank (BCEAO). In response to this request, in June 2022, the departments provided comments on the draft banking law and the status of the Banking Commission.

LEG contributed to the facilitation of the FAD-led course on "Institution Building to Fight Corruption in Africa", Presentations on governance included vulnerabilities in the PFM cycle, risk arising from state-owned enterprises and gaps in emergency finance framework.

C. THE INDEPENDENT MID-TERM EVALUATION

AFW is subject to independent external evaluations to ensure that the Center's management is aligned with its strategic objectives. They usually take place before the end of each funding cycle, in order to draw the necessary lessons for the preparation of new Phase. The latest

independent mid-term evaluation covers Phase IV of the CD project implemented by AFW during the period June 2017 to December 2020.

Its objectives are to:

1) evaluate the results of AFW's CD activities, based on OECD (Organisation for Economic Cooperation and

Development) Development Assistance Committee criteria;

2) review AFW's governance system;

and (3) draw lessons and make recommendations for the next phase.

This mid-term evaluation was carried out by CoWater (formerly Transtec), an independent evaluation company.

In terms of relevance, coherence, and effectiveness, AFW's results were rated as good. However, further progress can be made in terms of impact and sustainability. The period covered by this evaluation is marked by unprecedented circumstances and crises.

Despite these circumstances and the reduction in CD activities, AFW largely achieved the targets set (83%).

The evaluation made priority recommendations. They include: (i) strengthening collaboration with regional organizations such as WAEMU; (ii) refine benchmarks and performance indicators; (iii) codify and align funding and information documents with the benchmarks defined by

the Centre; (iv) improve the presentation of the newsletter "La Gazette" published on the Centre's website; (v) further involve the participation of beneficiaries in the monitoring of TA; (vi) hold a second mid-term Steering Committee (SC) meeting; (vii) conduct a country-level capacity assessment for each major reform; and (viii) define the division between face-to-face and online missions (See Annex I).

D. RISKS AND MITIGATION MEASURES RELATED TO CAPACITY BUILDING

Political and economic environment

The political context demanded the need for flexibility in the conduct of CD activities. Mali, Burkina Faso, and Guinea have experienced coups. Côte d'Ivoire has experienced various electoral crises. A failed coup attempt occurred in Guinea-Bissau. These developments have necessitated flexibility in the conduct of activities, given the change of focal points in administrations and the uncertainty related to the political situation. To mitigate the disruptions, the Center

maintained contact with its counterparts and leveraged the role of IMF Resident Representatives as a trusted advisor.

The Center responded to exogenous shocks through resilience and adaptability. All member countries remain vulnerable to shocks to economic activity, government revenues, debt, financial sector dynamics and stability. In some cases, fiscal frameworks have had to be revisited to focus on addressing financing shortfalls. The Center conducted virtual missions, regional workshops to share several notes on good

practices during the COVID-19 crisis, and established communities of practice among Resident Advisors to share innovative interventions.

Coordination and alignment of priorities

Coordination with development partners is important to avoid duplication of efforts.

Efforts have been made to strengthen donor coordination during the COVID-19 pandemic. The participation of technical partners in steering committee meetings facilitates the sharing of

information related to the work plan in order to open lines of collaboration. In addition, regular exchanges with AFW management and the availability of the Center contribute to these coordination efforts. However, further efforts are needed to strengthen this coordination. They include updating the list of delegations of development partners, reporting at the end of the mission by the advisors and taking advantage of the role of resident representatives in coordinating the various interventions in member countries.

Resident representatives have played a key role in donor coordination by ensuring that reforms continue to be integrated into the authorities' development plans.

The Centre's participation in donor mapping exercises bodes well for mitigating duplication of efforts and forging synergies in the delivery of interventions. In terms of strengthening surveillance, early engagement with country representatives will facilitate greater familiarity with advisers' activities.

Persistent risks

The achievement of the objectives expected for Phase V is subject to certain risks. The experience of past Phases and comments from stakeholders indicate that the following factors represent

the most significant risks to programmed objectives.

- **Low absorption capacity.** For some countries, especially those in fragile situations, the scale of reforms, and very often the high number of TA providers, exceeds the absorptive capacity of administrations. This factor is exacerbated by the lack of human and material resources.
- **Change in external economic conditions.** A decline in commodity prices can affect the nature of CD needs by leading the authorities to reorient TA priorities from long-term institution-building needs to short-term needs for managing revenue declines.
- **Security conditions.** An unstable socio-political environment will be detrimental to the conduct of TA actions and the achievement of expected results.
- **Low level of ownership.** Low ownership of reforms or resistance to change by relevant actors often leads to insufficient communication between reform managers in public administrations and leads to delays in the implementation of these reforms. This risk is exacerbated by weaknesses in monitoring mechanisms.
- **Insufficient resources.** In several countries there

is too little allocation of human and material resources for the implementation of reforms, and too high turnover rate.

Risk mitigation

To mitigate risks, AFW will draw on lessons learned from past phases and the IMF's experience in delivering TA success. Emphasis will be placed on:

- The importance of integration capacity building/surveillance/lending.
- The need to establish and maintain the trust of the authorities
- The importance of perseverance and persistence.
- The production of manuals and reference guides to deal with the issue of workforce turnover in administrations.
- The importance of maintaining excellent coordination with other technical assistance providers.
- Creation of the donor platform to enhance dialogue among them.
- The Role of Many IMF Stakeholders.
- The need to adapt the recommendations to the situation in the country and recent developments in the macroeconomic environment.

SECTION III –
RECENT MACROECONOMIC
DEVELOPMENTS AND
FUTURE CHALLENGES

In 2022, the region's growth momentum is expected to weaken and decelerate to 3.8%.

This performance reflects a global slowdown and a recovery in global inflation that is spreading across a region already weary of a continuous series of shocks. Rising food and energy prices are hitting the region and macroeconomic imbalances are approaching levels not seen in decades.

The countries covered by AFW performed, on average, better than the rest of Sub-Saharan Africa (SSA) the continent.

Average growth in the 10 countries was 4.8% in 2021 compared to 4.7% for SSA and is expected to be 4.6% in 2022 compared to 3.6% for SSA. The general level of consumer prices in the member countries recorded an increase, on average, of 4.4% in 2021 after that of 2.9% in 2020 and would stand at 5.8% in 2022. From 2020 to 2022, an acceleration of inflation is observed in all countries. This development is mainly due to the increase in food prices, which are mainly due to the decline in cereal production in WAEMU, in a context of exacerbation of market supply difficulties, mainly due to the impact of the health and security crises, as well as by a surge

in freight costs. However, inflation growth averages 4.3 percent and remains below the sub-Saharan African average of 11.13 percent.

The macroeconomic outlook remains uncertain over the medium term given remaining vulnerabilities.

The economic recovery is expected to accelerate in 2023 to around 4% over the medium term. But this pace is insufficient to make up for lost ground during the pandemic. Several factors at the global level continue to worsen the outlook for the subregion. The uncertainty related to the war in Ukraine will have repercussions on member countries. Beyond that, other major global developments are reshaping the outlook in sub-Saharan Africa: slowing advanced economies and emerging markets, tighter global financial conditions, and volatile commodity prices.

Fiscal deficits have worsened owing to the impacts of the COVID-19 pandemic and the war in Ukraine.

The authorities are faced with a trilemma: maintaining spending to mitigate the impact of various shocks; increase revenues; and curbing debt. In this context, the fiscal space is

very tight. Apart from Mauritania, all member countries of the Center have, over the period 2020-2022, increasing budget deficits, similar to the average for SSA. External debt, estimated at 57 percent of GDP for AFW members, is slightly higher than the average for sub-Saharan Africa.

Decisive political action is needed to navigate the consequences of an uncertain future.

The immediate policy priorities are to provide targeted support to the most vulnerable households in addressing high food and energy costs without adding to existing debt vulnerabilities. In addition, it is important to contain inflationary pressures and manage exchange rate adjustments for countries outside a monetary union. Beyond the pandemic and current geopolitical tensions, job creation and the achievement of the SDGs will require strong, inclusive, and sustainable growth in the region. To this end, decisive policy action is needed to strengthen economic diversification, unlock the potential of the private sector, and address the challenges posed by climate change.

Table 1. AFW countries: Selected indicators 2020-2021

	Employment/ population ratio, 15+ (%)	GDP per capita, PPP (USD, constant 2017 prices)	Life expectancy at birth, (years) ²	Population, total (million)	Human Development Index
Benin	69.9	3449.2	62	12.4	Weak
Burkina Faso	61.8	2241	62	21.5	Weak
Côte d'Ivoire	53.6	5406.7	58	27.05	Medium
Guinea	58.2	2620.2	62	13.5	Weak
Guinea-Bissau	66	1872.5	59	2.015	Weak
Mali	63.3	2227.7	60	20.9	Weak
Mauritania	39.7	5090	65	4.8	Medium
Niger	72.4	1192.3	63	25.1	Weak
Senegal	42.9	3430.4	68	17.2	Weak
Togo	55.1	2166.6	61	8.5	Weak

Source: World Development Indicators, <https://databank.worldbank.org/source/world-development-indicators#>; UNDP (United Nations Development Programme) Human Development Report 2021

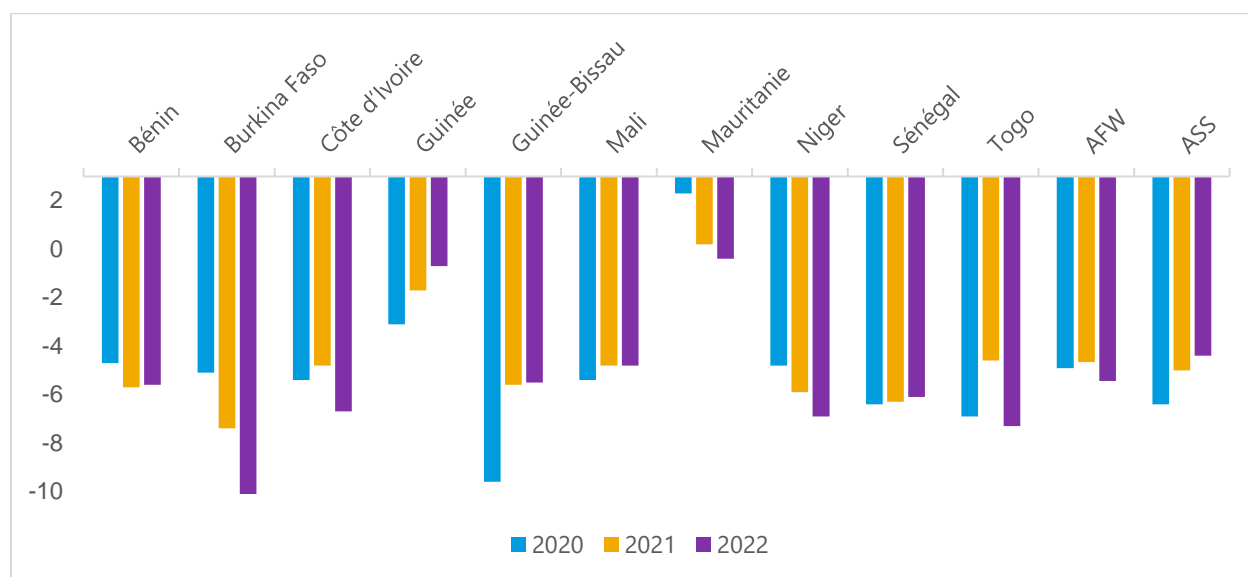
Table 2. Real GDP growth rate of West AFRITAC countries (percent)

	2020	2021	2022
Benin	3.8	7.2	6
Burkina Faso	1.9	6.9	2.5
Côte d'Ivoire	2	7	6.7
Guinea	6.4	3.8	4.3
Guinea-Bissau	1.5	5	3.5
Mali	-1.2	3.1	3.7
Mauritania	-1.8	2.4	4
Niger	3.6	1.3	11.1
Senegal	1.3	6.1	4.7
Togo	1.8	5.3	5.4
AFW	1.9	4.8	4.6
SSA	-1.7	4.7	3.9

Source: IMF, Regional Economic Outlook database.

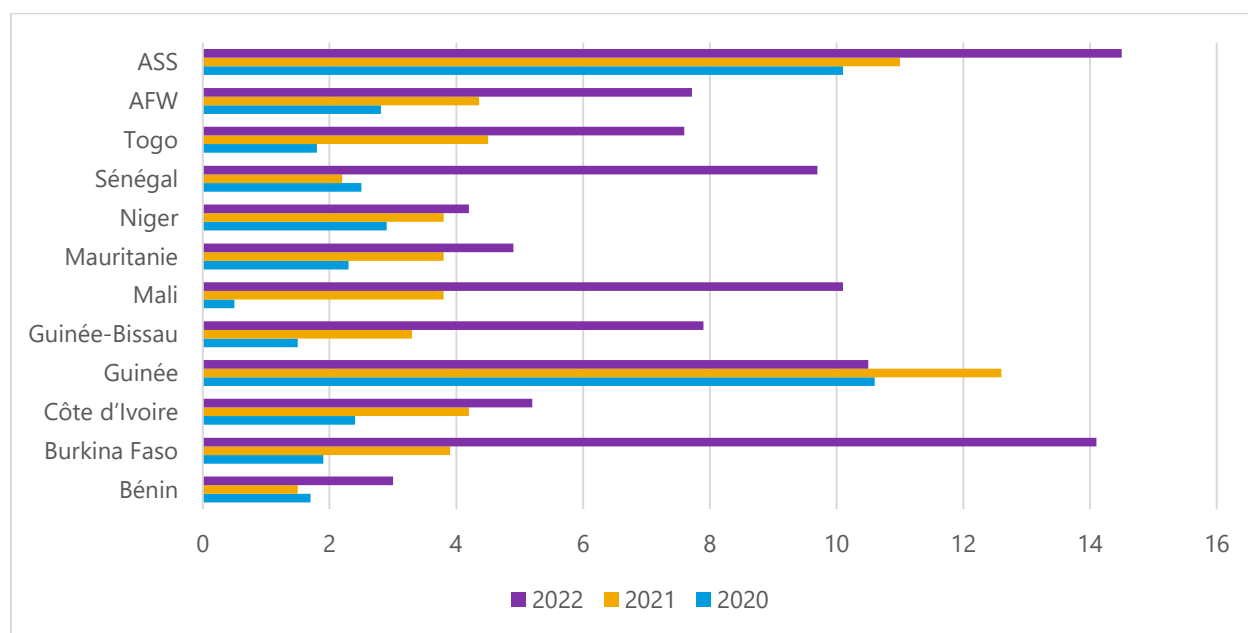
² 2020 data

Figure 18. Budgetary balance (% of GDP)



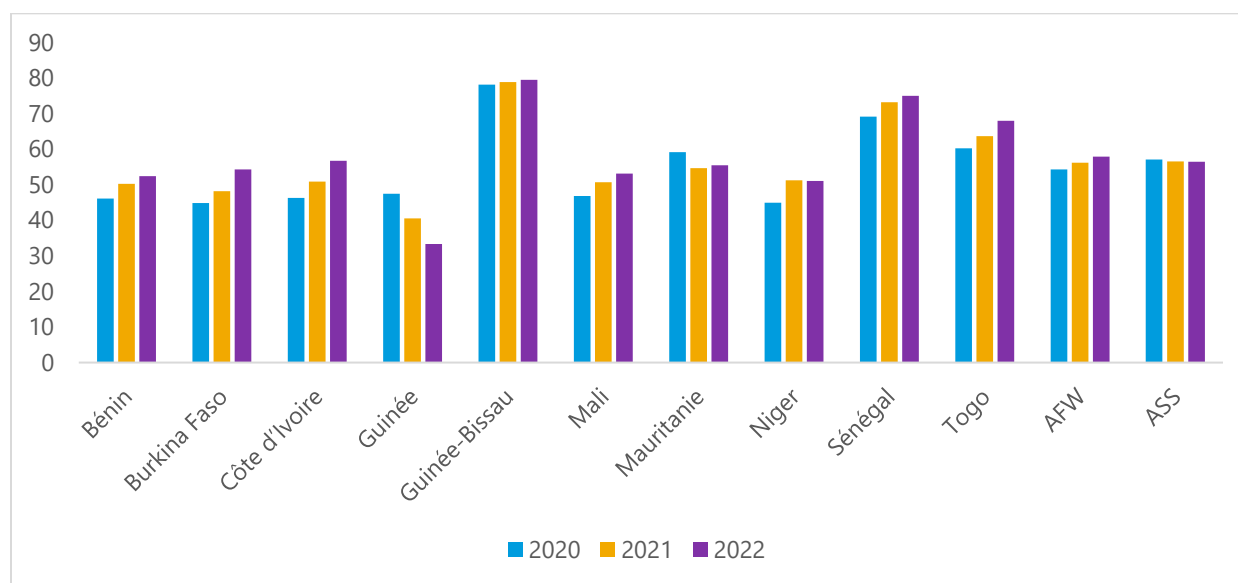
Source: AFW/IMF, Regional Economic Outlook database.

Figure 19. Price change from 2020 to 2022 (percent)



Source: AFW/IMF, Regional Economic Outlook database.

Figure 20. Evolution of public debt (as a percentage of GDP)



Source: AFW/IMF, Regional Economic Outlook database.

SECTION IV –
PHASE V PRIORITIES
AND OBJECTIVES

A. PHASE V PRIORITIES AND OBJECTIVES

During Phase V, AFW will support and strengthen institutional resilience in key areas, while scaling up its support to FCS. AFW will continue to support countries' immediate needs in key areas such as (i) public financial management; (ii) revenue mobilization ;(iii) macroeconomic statistics and modelling; (iv) debt management, financial stability, financial regulation and supervision; (v) Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS). These interventions aim to intensify efforts to prepare countries to address longer-term challenges, such as climate change, digital development, and green and inclusive growth, as well as governance issues, including in FCS.

Strengthening support to FCS is a priority in Phase V. To be effective, the unique circumstances surrounding FCS require targeted policies and capacity building. In line with the IMF's new FCS Strategy, AFW will increase its capacity to support FCS in promoting macroeconomic stability, developing the institutions needed to implement sustainable and inclusive economic growth policies, thereby addressing governance weaknesses.

This will be done through building on the IMF's comparative advantage in macroeconomic frameworks, tailoring advice relative to capacity and macrocriticality and leveraging engagement with development partners to amplify impact.

The strategy envisages additional resources to provide additional and extended missions. To this end, the recruitment of one additional adviser is envisaged in the area of macro-modelling, forecasting and policy analysis. This recruitment will also complement the efforts of other actors and organisations supporting FCS in the region.

The main overall policy priority remains the restoration of macroeconomic balance. CD will aim to achieve high, inclusive, and sustainable growth, while addressing the acceleration of climate change and the digitalization of economies. This approach will be crucial for raising living standards, reducing poverty and inequality, and advancing the SDGs. Member countries need to create fiscal space for critical public investment and social spending through strong PFM institutions, increased

revenue mobilization, and more efficient spending.

A package of policies will help mitigate economic risks. This includes improved public accounting, the establishment of a modern TSA, improved macro-fiscal modelling and government financial statistics. Reducing vulnerabilities to shocks, including climate change, will require more developed and robust financial systems. Crucially, all work streams will integrate aspects related to digitalisation, gender, and climate change.

The strategy reflects the authorities' policy and reform priorities as well as the strategic capacity-building priorities of the IMF and its partners. This approach ensures that AFW's advisors' activities are fully integrated into IMF surveillance and the work program for all countries. The strategy provides adequate flexibility to adapt to changing needs, additional demands, and emerging issues.

The effectiveness of interventions will be results-oriented. In this regard, the Center will continue and expand its training through workshops, courses, and seminars. Technical assistance and practical training will be

tightly integrated. Close coordination and consultation with all stakeholders are expected. For example, between the backstopper of the resident adviser in the member country and the adviser located in the Centre. In addition, collaboration between the various areas at the Centre: debt, cash management, and macroeconomic modelling will amplify synergies. Outreach activities will be conducted with member countries at all levels of capacity-building

implementation to ensure that the strategy reflects their priorities and constraints.

Close coordination with development partners is essential to enhance synergies and avoid duplication. The scope of this cooperation includes other multilateral development banks and development finance institutions involved in the same lines of work. AFW will continue to support and work with all regional organizations and partners (WAEMU,

BCEAO, AMF). The Center will also actively explore opportunities for cooperation with other capacity building providers (AfDB, EIB, World Bank, UNDP, etc.). Other synergies will be explored with CD activities funded by IMF HQ budgets.

Outreach activities targeting parliamentarians and senior authorities will promote ownership and broad understanding of AFW's activities

B. DOMESTIC REVENUE MOBILIZATION (TAX AND CUSTOMS ADMINISTRATIONS AND DIGITALIZATION)

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

The work programme of phase IV will be continued and intensified in phase V to meet the revenue mobilization needs of member countries.

Increasing tax revenues is particularly important to achieve the SDGs, reduce budget deficits and manage public debt. The challenges are significant and underscored by terrorism or

political instability in the sub-region. TADAT evaluations have revealed room for improvement, in the identification and registration of taxpayers, risk management, the collection of tax arrears and the collection of information essential to fight fraud and broaden the tax base. These weaknesses are due to insufficient implementation capacity, inadequate monitoring of reforms, and delays in simplifying and digitising tax procedures. CD activities will continue to be

conducted in close connection with macroeconomic surveillance and IMF programs.

In addition, AFW will coordinate with the IMF's Fiscal Affairs Department (FAD) to help countries address their shortcomings and align their revenue collection with their economic potential. The Center will ramp up its Tax Administration Advisors to three (two of whom are specifically dedicated to - FCS) and one Customs Administration Advisor.

Increased resources will enable the Center to provide more intensive and targeted support to countries with relatively heterogeneous levels of development and capacity.

Three strategic objectives are identified for Phase V:

(i) strengthening the management and governance arrangements of tax administrations, (ii) consolidating core tax functions and (iii) optimizing the functions of Customs administrations. These strategic objectives are intended to contribute to the improvement of tax compliance, through a more optimal management of risks, both of tax compliance, as well as those affecting operational areas and human capital. AFW aims to increase its support offer by developing innovative approaches to technical assistance, strengthening its support in the field, and focusing on FCS.

EMERGING TOPICS

Lessons learned from the COVID-19 pandemic need to be leveraged by revenue jurisdictions. This applies to the entire sub-region already facing climate risks and to member countries that have experienced epidemics (Ebola), as well as those plagued by terrorism for several years. The continuation of tax administration operations in the event of a disaster will

require contingency planning. To this end, business continuity plans will be developed to help authorities better respond to major disruptions. The digitalization efforts that have enabled almost all member countries to ensure the receipt of returns and payments from large taxpayers during the lockdown will continue and will be extended to other categories of taxpayers. A complementary focus to these business continuity plans is the development of post-crisis action plans, which aim to reinvigorate revenue collection after a period of disruption.

EXPECTED RESULTS

The expected results for Phase V are grouped around the three strategic objectives below.

1 – Strengthen the management and governance mechanisms of tax administrations. The projected results include: (i) support for efforts to modernize central administrations and steering capacities by accompanying the implementation of strategic reform plans; (ii) improving risk management, including through enhanced collaboration between tax and customs administrations; (iii) better capitalization of investments in computerization and digitalization; (iv) support to administrations on weaknesses identified by TADAT assessments; and (v) assistance in the

implementation of medium-term reform strategies (MTRS) in close collaboration with IMF headquarters.

2 – Consolidate the essential functions of tax administrations. The

Center's CD will: (i) optimize tax registration procedures and the reliability of taxpayer registers; (ii) improve the level of timeliness of reporting and failure management; (iii) to support initiatives to promote tax citizenship and service to users; (iv) contribute to the implementation of large-scale automated cross-checking systems; (v) to consolidate the quality of the programming and monitoring of the results of the tax audit; and (vi) modernize revenue accounting, tax arrears management and VAT credit refunds.

3 – Consolidate the core functions of Customs administrations. Phase V

activities will aim to broaden the tax base through: (i) strengthening customs valuation capacities and those of surveillance officers in terms of risk analysis and intelligence management; (ii) implementing an automated risk management system; (iii) rationalizing the management and control of exemptions; (iv) improving the control of customs clearance operations for petroleum products; (v) strengthening post-clearance audit; and (vi) monitoring customs commitments and the treatment of customs debt.

C. GOVERNANCE AND TRANSPARENCY (PUBLIC FINANCIAL MANAGEMENT, MACROECONOMIC AND BUDGETARY ANALYSIS, GENDER- AND CLIMATE-SENSITIVE BUDGETING, DEBT MANAGEMENT)

Reforms to improve public financial management remain important. PEFA scores in AFW countries remain low in many areas (70% of scores are below B). Continued support will be needed across PFM work streams. In Phase V, AFW will continue to support the implementation of WAEMU directives, the transition to program-based budgeting, and the integration of gender- and climate-sensitive PFM. More support is needed in cash

management and implementation of TSA and PFM regulations, cash management and public accounting and accrual accounting implementation. Support for the implementation of PIMA recommendations will increase. The identification, monitoring and management of fiscal risks combined with the strengthening of macro-fiscal forecasting techniques remain critical areas in the region. AFW will continue to support WAEMU capacities.

Macroeconomic and fiscal analysis

General considerations and strategic objectives

The setting of credible multi-year public finance targets and their management remains a challenge in the subregion.

The formulation of fiscal policies and the macro-fiscal framework is still in its infancy despite the efforts to strengthen capacity in recent years. Phase IV of the AFW programme was devoted to the implementation and improvement of short-term

macroeconomic framework tools (from one to three years) in all member countries. It also triggered capacity-building in environmental analysis and forecasting of non-grant budget revenues. But there is room for improvement.

The implementation of evaluation tools (PEFA and, TADAT) reveal the following facts in AFW member countries: (i) the revenues realized deviate from the initially approved

budget by about 8% to 16%, (ii) most of the macroeconomic assumptions underlying the revenue estimates are presented in the budget law; (iii) new measures are not evaluated adequately and are not clearly included in budget preparation; (iv) only a few administrations provide mid-year updates, (v) discrepancies between revenue forecasts and outcomes are not sufficiently documented, (vi) revenue collection is relatively well

tracked and reports are produced at least monthly.

In terms of forecasting budget expenditures, significant efforts are warranted in all practices in forecasting overall expenditures. In most member countries, total actual expenditure deviates significantly from the amount of overall expenditure and its composition of the budget. The budget strategy and medium-term outlook for expenditure budgeting score below baseline performance. Total actual expenditure and its composition have deviated significantly from budget amounts in at least two of the last three financial years.

Budgetary balances and their financing, the problems of fiscal rules have not yet been definitively evaluated, despite the existence of multilateral surveillance mechanisms in the sub-region. The projection of the financing of the TOFE remains an arduous exercise and little connected to other PFM mechanisms such as debt and cash management.

As a result, there is significant room for improvement in macroeconomic and fiscal analysis and fiscal risk analysis. Although budgetary and economic programming documents are in place in all countries, the credibility and usefulness of these instruments as a means of anchoring fiscal policy remains to be strengthened. In addition, fiscal risk

assessment remains embryonic despite recent breakthroughs in a few countries. After the ongoing efforts in terms of fiscal risk analysis, risk monitoring and risk management mechanisms, particularly in connection with fiscal regulation mechanisms, should be implemented.)

Five strategic objectives of intervention are as follows:

- Fiscal policies and associated institutional frameworks consistent with progress towards the SDGs;
- Improved fiscal policies and institutional frameworks to address climate change and its impacts (SDG 13);
- Strengthened fiscal policies and framework;
- Strengthening the identification, monitoring and management of budgetary risks
- Strengthen the quality of analyses in multiannual budgetary and economic programming documents.
- **Achieving the SDGs:** This will ensure that authorities have a basic understanding of the degree of alignment of fiscal policies and institutional frameworks with the SDGs. It is essential that medium-term spending is aligned with spending needs in health, education, and some infrastructure (SDGs 3, 4, 6, 7, 9).
- **Climate change:** It will increase the use of tax policy to build resilience to and mitigation of climate risks. **Policies and fiscal framework:** Policy and fiscal frameworks will be strengthened to ensure an appropriate institutional framework for fiscal policy analysis and design. This aims to improve the work on revenue and expenditure projection, including harmonious trend projection and evaluation of new measures, **Fiscal risk management:** Fiscal risk mitigation is a necessity in countries in the sub-region facing multiple shocks. Several countries have begun building their capacity to identify, prioritize and quantify fiscal risks, some have already put in place specific fiscal risk documents. The support will consist of

strengthening the existing and extend the approach of identifying, prioritizing, and quantifying budgetary risks. In a second phase of interventions, it will be necessary to develop capacities for monitoring and managing budgetary risks through appropriate mechanisms.

- **Strengthening the quality of macroeconomic and fiscal analyses:**

This approach will build on the results obtained from the previous phase, in terms leveraging projection tools. This axis will be implemented in partnership with the Resident Adviser for Macroeconomic Analysis. It will

consist of continued support for the organization and facilitation of seminars on macroeconomic trends and forecasts and other workshops organized by subregional institutions, as well as the evaluation of medium-term budget framework documents and their usefulness.

Budget management

General considerations

The introduction of modern results-based budget management or programme budgets enhances the effectiveness of public spending.

Programmatic budget management is ongoing in seven countries. In addition, commitment authorizations allow for proper treatment, more sincere and credible budgeting, and protection of capital expenditures. Five countries have adopted the use of commitment authorizations and payment allocations (Benin, Burkina Faso, Mali, Senegal, Togo). However, budgeting practices in commitment authorizations and payment allocations are still incomplete (except Benin and Burkina). Information on outstanding and accrued liabilities remains incomplete. The level of ownership of commitment authorizations

by sectoral ministries remains limited.

The development of quality internal budgetary control accelerates the achievement of the performance of budget programs.

AFW countries have begun to reform fiscal internal control. The preparation of budgetary frameworks and medium-term expenditure frameworks promotes, among others realism, sincerity, credibility, and sustainability of budgets. These frameworks enable a better articulation between national/sectoral development strategies and budgets and the effective implementation of these strategies. Most AFW countries have prepared multi-annual public expenditure programming documents, but their quality and effectiveness could be improved. In addition, the management of fiscal risks, including specific risks such

as those related to public enterprises, public-private partnerships – PPPs, the environment or climate change is increasingly becoming an important priority. Almost half of AFW countries have started preparing fiscal risk reports, but the capacity for risk analysis and management could be strengthened.

Better management of public investments is needed to compensate for the observed efficiency losses of around 40% for AFW countries.

Progress is being made in managing public investments in countries that have benefited from PIMA and the implementation of its recommendations. Planning and allocation have been strengthened, notably following the establishment of a legal framework covering all phases of the investment management cycle (Benin, Côte d'Ivoire). Progress was

noted with the systematization of ex-ante evaluations (Senegal, Benin), the rationalization and consolidation of the public investment program (Senegal). In terms of monitoring project implementation, the measures implemented concern: (i) improving the reliability and completeness of cash flow plans (Benin); (ii) setting up commitment plans, better monitoring the deadlines for the execution of investment expenditures; (iii) preparing project implementation monitoring reports; and (v) or reviewing the implementation of public investments at mid-term (Mali). Finally, transparency initiatives have been undertaken by clarifying the rules and practices relating to public procurement (Benin, Côte d'Ivoire, Mali), by publishing ex-ante and ex-post evaluations as well as the Public Investment Plan (PIP) (Côte d'Ivoire, Senegal). This progress will continue, mainly in four areas: enhanced multiannual programming of public investments, systematized ex-ante evaluations of projects, improved transparency of PPPs, and more effective monitoring of project implementation.

EMERGING TOPICS

Two interconnected emerging issues will be addressed during this phase. They comprise the integration of SDGs and climate change into macroeconomic analyses, economic policy formulation,

and related institutional frameworks. These challenges will be introduced during this phase through regional workshops, support and advice on institutional frameworks and the deployment of technical assistance for the development of tools in countries for their appropriation and adaptation.

EXPECTED RESULTS

Macroeconomic and fiscal tools and frameworks are strengthened and integrated (these expected results also in the area of budget management):

- Aligning fiscal policies and institutional frameworks with SDGs and inclusive growth and opportunities for their improvement;
- Leveraging fiscal policies and institutional frameworks to support environmental sustainability; Strengthening the identification, monitoring and management of fiscal risk, including macroeconomic risks.

In Phase V, the integration of gender and climate change aspects into PFM is also important. Gender inequalities remain high in AFW countries. In practice,

this translates into difficulties in the living conditions of women and girls in many areas and ultimately into an obstacle to the country's economic development. The COVID-19 crisis has widened these gender inequalities in all countries, following lockdowns. Women are over-represented in the sectors most affected by the crisis, including in the informal economy. Gender-responsive budgeting makes gender equality policies operational through budgets, a reform that is also receiving increased attention at the WAEMU level. In addition, program budgeting represents an opportunity to systematically integrate the gender perspective into budget decisions and performance monitoring throughout the budget cycle (programming, preparation, implementation and control). To enhance its impact, budgetary tools and processes are called upon to be adapted to consider gender as well as the legal and institutional framework, methodology, technical framework and statistics.

Climate change is damaging infrastructure and interrupting services.

The way resources and infrastructure are designed and used also has an impact on climate change, resulting in higher temperatures or an intensification in the frequency of natural disasters. PFM practices and climate-sensitive public investment management practices can help achieve

environmental and emissions reduction goals. Climate-sensitive public financial management (or "green PFM") integrates the climate change perspective into PFM practices, systems and institutional frameworks (in particular, the budget cycle) with the aim of promoting policies that consider climate change concerns. Climate change-sensitive public investment management integrates the climate change perspective into practice, including planning, inter-government coordination, project evaluation and selection, budgeting and portfolio management, and risk management. This allows for better adaptation to and prevention of climate change as well as mitigation of its effects on infrastructure.

STRATEGIC OBJECTIVES

Five strategic objectives are identified for Phase V :

(i) strengthen the preparation of a comprehensive, credible and policy-based budget; (ii) improving budget implementation and control; (iii) improve the management of public investments; (iv) strengthen the identification, monitoring and management of fiscal risks (objective shared with the macroeconomic and fiscal analysis above); and (v) improving institutional frameworks for gender- and

climate-sensitive public expenditure management. These strategic objectives are intended to contribute (i) to strengthening the capacities of agencies and administrations in the preparation, execution, and control of budget execution in the ten (10) countries covered by the Center directly and through assistance to the WAEMU Commission, and (ii) to implementing the WAEMU harmonized framework of public finance directives and the new legal frameworks for public finances adopted by the States. This capacity-building will take place through a variety of CD activities with specific objectives for different countries.

EXPECTED RESULTS

The expected results for Phase V are grouped around the five strategic objectives below.

- Strengthening the preparation of a comprehensive, credible and policy-based budget: More credible medium-term fiscal frameworks are integrated into the annual budget process. More credible medium-term macro-fiscal frameworks support budget preparation. Information on resources and performance by

program is included in the budget documentation.

- Monitoring and control of budget implementation is strengthened. Internal budgetary control shall be effective.
- Strengthening public investment planning to ensure its sustainability. Public investment expenditure is allocated to the appropriate sectors and projects. Public investment execution is improved to bring productive and sustainable public assets.
- Strengthening the identification, monitoring and management of fiscal risks. Risk analysis for fiscal forecasting and overall fiscal sustainability is published. The analysis, publication and management of other specific budgetary risks are more comprehensive. Budgetary costs and risks related to the operations of PPPs managed and controlled.
- Improving institutional frameworks for gender- and climate-sensitive public expenditure management. The budget is an effective tool for the strategic allocation of resources to gender-sensitive and climate-sensitive policies.

Cash Management

General considerations

AFW countries need to further combine efforts to

modernize and streamline cash management. These

efforts aim to mitigate the combined effects on their public finances of the shocks of the COVID-19 pandemic, the war in Ukraine, and the security situation. The programme of Phase V will continue and consolidate the implementation of the TSA and the modernization of cash management. The current constraints on public finances, with the consequent increase in financing needs, require closer integration between cash management and public debt management.

Expected results

The main objective is to improve the integration of the asset-liability management framework.

This objective has two outcomes:

- Cash flow forecasts for central government units are more refined and accurate. The

challenges to achieving these results vary from country to country depending on the stage of implementation of cash management frameworks and tools. Most countries have an institutional framework relatively adapted to cash management, although cash flow forecasts need to be improved. Guinea has been operating the cash flow forecasting tool developed by FAD for more than a year. In Guinea-Bissau, the institutional framework and forecasting tools are under construction.

- Government revenue and expenditure are deposited and

executed in the Treasury Single Account. The targets for this result will be specified for each country according to the level and pace of progress of the TSA implementation process. A distinction is made between countries where the process of setting up the TSA is in its infancy (Guinea-Bissau), countries that have set up the architecture of the TSA but need to broaden its scope and test its centralization mechanisms. The new and cross-cutting reform will be to ensure the integration of debt and cash management.

Accounting reporting

GENERAL CONSIDERATIONS

In the context of pressure on public finances, timely reporting is critical for financial transparency and to ensure an improvement in the financial management of public entities.

EMERGING TOPICS

- The application of international public sector accounting standards is

gradually being implemented in countries that aim to modernize their public accounting, to publish their financial statements in order to provide guarantees of transparency and monitoring of the sustainability of public policies.

- The countries covered by AFW have adopted at sub-

nationally or at the national level some of the international standards in support of their accounting frameworks.

- The WAEMU Commission aims to draw up a guide on management cost accounting and another on management control.
- It is critical for member countries to

test their accounting processes and so that projects in progress lead to the production timely financial statements that meet best practices. The need to move resolutely towards the generalization of the preparation of new financial statements whose balance sheet as well as the implementation of

internal accounting control is more significant.

EXPECTED RESULTS

The strategic goal "The coverage and quality of budget and accounting reporting are improved" encompasses all objectives assigned to each country according to its baseline.

The country-specific results will be broken down for the achievement of the following

comprehensive result: "The completeness, regularity and quality of budget implementation and accounting reports are improved". Overall, it will be a question of continuing and making effective, the implementation of the accounting in accrual assets in all its dimensions to allow the accounting of AFW's statements to fulfil its vocation to present the true and to serve as a decision-making tool.

D. CLIMATE CHANGE (PUBLIC FINANCIAL MANAGEMENT, PUBLIC INVESTMENT MANAGEMENT ASSESSMENT (PIMA), CLIMATE-SENSITIVE PUBLIC FINANCIAL MANAGEMENT REFORMS (GREEN PFM), CLIMATE RISK BANKING REGULATION AND SUPERVISION, DEVELOPMENT OF THE CLIMATE CHANGE INDICATORS SCOREBOARD)

The work programme of Phase V will focus on reducing vulnerabilities and building resilience to climate change. Several focus areas of the center, including macroeconomic and fiscal policy, public financial management, revenue administration, banking supervision, debt management and

macroeconomic statistics, will integrate climate change-related capacity-building activities into the work programme.

CD activities :

Mainstreaming climate resilience/mitigation in public investment management according to module C-PIMA, climate-sensitive budget management, fiscal risk

management, and tax reporting according to the green public finance management framework; revision of tax and financial laws supporting climate action plans; introduction and administration of green taxes (including excise duties on pollutants); drafting roadmaps for incorporating climate-related risks into financial regulations and

supervisory practices; and support to the authorities in their implementation. Popularization of customs missions related to environmental protection (international conventions). Improvements of national accounts statistics will support the development of climate change indicators such as emissions intensities and multipliers by industry and quarterly greenhouse emissions already produced and disseminated by the IMF in its Climate Change

Indicators Dashboard. Production of indicators to measure climate change such as the share of carbon emissions in GDP or consumption. Introduction of climate dimensions, SDGs , or for the analysis of fiscal sustainability or the development of medium/long-term projection models. Reform of green taxation, protection of biodiversity.

Training and peer learning opportunities: In areas such as natural resource

management, climate resilience, green tax administration, strengthening the resilience of macro-fiscal and financial frameworks, and case study development. These will include countries' experiences in implementing climate strategies with a focus on assessing potential impacts and managing risks, including those arising from political economy; Green financing option. Training on biodiversity and endangered species.

E. FINANCIAL SECTOR AND BANKING SUPERVISION

In the next phase, AFW will continue to support the implementation of key financial sector and supervisory reforms initiated in recent years. In a context marked by successive economic crises, of pandemic or security origin, the quality of supervision exercised over banks and financial institutions is an essential goal in order to:

- Protect financial stability and maintain confidence in the regional banking system;
- Guarantee the ability of banks to finance the economy by preserving their solvency;
- Continuously adapt regulations and

supervisory practices to emerging risks.

It is therefore important to continue and complete the actions initiated in phase IV while integrating new areas. In this regard, the main objectives of the AFW are: (i) the strengthening of the regulatory and supervisory framework; (ii) improving accounting and prudential regulatory frameworks for provisioning; (iii) operationalize risk-based oversight and strengthen the methodology and process for off-site oversight and on-site inspection; and (iv) proactive consideration of emerging financial sector issues.

STRENGTHENING THE REGULATORY AND

SUPERVISORY FRAMEWORK

The first step will be to further develop and implement the Basel II and Basel III framework and to ensure its proper application. It is essential to advance supervisors' capacities at the same pace as regulatory changes so that they are able to properly analyze prudential reports and identify any anomalies. Not all liquidity and funding ratios, as defined by Basel III, have yet entered into force in the countries supported by AFW.

The next step is to ensure the identification of systemic banks, using robust methodologies that comply with international

standards, and to ensure the quality of their prudential treatment in order to limit the risks of failure with a view to improving the resilience of the region's financial sectors.

Strengthening the quality of supervision is also based on credit institutions taking ownership of the risks to which they are subject.

Risk mitigation would therefore be implemented by instruments such as internal Capital Adequacy Assessment Process and/or Internal Liquidity Adequacy Assessment Process. These instruments will have to be embedded in regulatory frameworks, but they will also have to be challengeable by supervisors, for example in order to adapt individual capital requirements to the risks borne by institutions. Finally, the regulatory and supervisory framework in several jurisdictions will need to be adapted to new players (non-bank financial institutions, payment institutions, and Islamic banks).

IMPROVEMENT OF ACCOUNTING AND PROVISIONING STANDARDS

Several jurisdictions are involved, to varying degrees, in the implementation of International Financial Reporting Standards (IFRS) standards and in particular IFRS 9 on the accounting for financial instruments.

As these countries are in the initial stages of

implementation, additional support is needed to define the banking accounting framework. There is a need to determine the expected credit losses, which will make it possible to consider earlier the unfavourable developments in the loan portfolios of institutions in the region.

To accompany this development, training aimed at increasing the understanding of these standards by the staff of the authorities is also necessary. In addition, the adaptation of existing analysis and control tools will be essential to the analysis of credit loss models.

OPERATIONALIZATION OF RISK-BASED SUPERVISION

During phase IV, the authorities were able to benefit from seminars and training dedicated to risk-based supervision. It is now necessary to support them to operationalize the tools presented on these occasions. One of the objectives of Phase V will therefore be, for each supervisory authority, to support the development or improvement of the corresponding tools (warning indicators, rating and supervisory review processes, and stress tests). CD will help authorities put in place the corresponding operating procedures and to deepen the knowledge and monitoring of emerging risks.

CONSIDERING EMERGING ISSUES IN THE FINANCIAL SECTOR

The AFW intends to be proactive in identifying emerging issues with likely consequences for the financial sector..

Examples of these issues can be considered in three areas. The digitalization of the financial sector and banking activity must be considered at the level of the regulatory framework and supervisory practices. This is underscored by the emergence of new players (payment institutions, money transfer institutions, and FINTECH), new ways of carrying out banking activity, the associated increased IT operational, and cybersecurity risks. Climate risk is also a priority issue that will soon involve the formalisation of roadmaps for the identification, measurement and regulation of climate-related risks and the implementation of these roadmaps. Finally, gender issues from the point of view of financial inclusion, and, in the absence of an international standard addressing these subjects. The measurement of these phenomena is nevertheless necessary, which raises the problem of data collection, including regarding the governance of institutions and their internal procedures, or customer protection.

Finally, as in Phase IV, the AFW will closely follow developments in international standards, in particular those published by

the Basel Committee, and will endeavour to respond in a timely manner to concerns

that may be difficult to predict in banking systems.

F. MACROECONOMIC MODELLING, FORECASTING AND POLICY ANALYSIS

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

AFW member countries need to strengthen and develop their capacity in macroeconomic forecasting and policy analysis. This reform aims to inform decision-making to better support macroeconomic stability, economic growth, and development. While member countries have short-term macroeconomic framework models, they lack medium- and long-term projection and policy simulation tools. Simplified projection models and assumptions are used in debt sustainability analysis tools, but these tools fall far short of addressing issues related to fiscal sustainability analysis, the SDGs, climate and demographic change, and gender issues. The coming period will be marked by the completion of the construction of government finance statistics according to the GFSM 2014 and the rebasing of the national accounts after the implementation of the *System*

of National Accounts, 2008 (2008 SNA). These developments in the statistical framework will imply a strong demand for the revision of the macroeconomic framework tools used by countries.

This new area will thus build on the progress made in macroeconomic statistics, including real sector statistics, which will help in the development of short-term indicators.

Member countries have made considerable progress in compiling quarterly national accounts and, more generally, in producing high-frequency sets of indicators. The need to strengthen capacities for processing, synthesizing, and analysing short-term trends is becoming urgent. Meeting such needs would contribute to better budgetary supervision and regulation in a context of fragility and shocks. The support will combine technical assistance missions in the field and training activities. To support this new line of work, AFW plans to recruit a new

macroeconomic advisor to respond to the strong demands and needs of member countries, with a particular focus on fragile countries.

Two strategic objectives of the phase are:

- Effectively transferring knowledge and skills taught in the courses (macro econometric analysis and projection, macroeconomic diagnosis, and analysis of fiscal and monetary policies) to participants and subsequently use them in their work.
- Strengthening analytical skills and improving macroeconomic forecasting and policy analysis within ministries, central banks, or other government agencies feed into the economic policy-making process.

The updating of existing macroeconomic framework tools will aim to take macroeconomic statistics into account (TOFE according to the GFSM 2001/14, 2008 SNA, etc.).

The scope includes macroeconomic models, construction, and microsimulation modules of public policies on poverty indicators based on new social statistics (consumption budget survey). This component will affect virtually all countries.

The approach to capacity building includes close collaboration with the IMF's Institute for Capacity Development. In order to sustain the trainings, collaboration with the macroeconomic and budgetary analysis advisor is planned to operationalize training modules and implement a follow-up mechanism for the implementation of lessons learned. AFW will provide training on nowcasting tools, macroeconomic forecasting and analysis, financial programming and policy, macroeconomic management in resource-rich countries, and monetary and fiscal policy analysis with DSGE models, in line with the ICD course curriculum.

In terms of macroeconomic modelling projects, several stages are envisaged. Through workshops and technical assistance missions to the pilot countries, the aim will be to introduce medium- and long-term projection tools to meet the needs of fiscal sustainability analysis. Other aspects include the integration of climate, demographic, and gender change into macroeconomic projections, and more generally in the formulation of

policies for poverty reduction and sustainable development.

The development of sub-annual analysis and forecasting capacities will consist in supporting the efforts of the departments in charge of macroeconomic forecasting. This support

consists of processing short-term economic data (seasonal adjustment), interpreting them and introducing short-term forecasting into economic analysis practices. The objective is to meet the needs for better formulation of projection assumptions and consistent monitoring of budget implementation and budgetary risks.

Finally, emphasis will be placed on supporting the development of analytical tools to improve macroeconomic and macro-fiscal forecasting capacity and policy analysis. Improving financial programming capacity will support policy formulation by better link.

EMERGING ISSUES

Several emerging issues will impact the evolution of the field. Countries are implementing the SDGs, climate change, and gender mainstreaming in macroeconomic analyses. Addressing these emerging macroeconomic challenges will require the development of medium/long-term tools for the medium/long-term

analysis of growth, external imbalances, and fiscal sustainability, as well as for the analysis of long-term risks. They will also require appropriate training, including on the integration of climate change into macroeconomic analysis and decision-making.

These issues will be introduced gradually, through training activities and pilot countries whose selection criteria will be carefully studied.

EXPECTED RESULTS

At the end of the fifth phase, the following results are expected to be achieved:

- The Macroeconomic Projection Tool(s) / Simulation are fully operational, in particular.
- At least three countries have a medium/long-term projection model (greater than 5 years);
- At least three countries have advanced economic analysis and forecasting tools;
- At least two countries have a medium/long-term projection model (greater than 5 years) or a DSGE type model;
- Improved skills in macroeconomic policy analysis and forecasting;
- The preparation of macroeconomic projections and economic policy analyses is integrated into the process of economic

- policy formulation and monitoring;
- Policy transparency and credibility are enhanced through better external communication of macroeconomic outlooks.

The implementation of these strategic objectives

will necessitate flexibility and innovation given human resource constraints. The approaches will combine face-to-face and distance training and missions, development of technical notes and methodological guides, experience-sharing trips outside the zone and peer-

learning between countries in the zone. These approaches could include teachers from statistical training schools with a view to greater integration with the basic training of students in the area.

G. DIGITALIZATION AND GOVERNANCE

FCS face significant challenges in managing public wages. Poor information systems, weak wage control, lack of skills and advanced technology can lead to unauthorized, underbudgeted or inadequate salary payments. This lack of transparency and accountability creates incentives for inefficiency and corrupt practices, with

excessive wage bills crowding out public health or public investment. Building on the implementation of a Blockchain solution for public salary management in Guinea-Bissau, AFW will support the development of a broader applicability solution for public finances in fragile countries. Blockchain solutions can help (i) integrate different databases of ministries; (ii) verify the

integrity of the data and report any discrepancies; and (iii) create a tamper-proof audit trail and generate real-time audit reports. To support this new workflow, which is collaborative work with FAD, LEG, STA and ITD, AFW plans to recruit STX to implement the solution in the field, to help extend the solution to other areas of PFM and to meet requests from other member countries.

H. MACROECONOMIC STATISTICS

Macroeconomic statistics provide information for monitoring economic policies. They serve as basic information for decision-making by governments, the private sector, technical and financial partners and the public. National accounts in

particular provide information on the size, structure and performance of economies while providing details on interactions between sectors. Government finance statistics provide information on the size of the public sector and are essential to assess the impact of government

activities on the economy and inform the design of fiscal policies. The demand for assistance in macroeconomic statistics remained strong, both for the real sector and for government finance statistics.

Regarding statistics on the real sector, interventions will aim to bring statistical systems in line with international standards.

Reforms will aim to improve the compilation of data, their dissemination, their relevance, and their timely availability. In Phase IV, AFW contributed to the rebasing of GDP in nine out of ten countries, and half of them now publish quarterly accounts.

REGULAR REBASING OF NATIONAL ACCOUNTS

AFW will continue to work on rebasing GDP by developing more current base years. The reforms will focus on Guinea, while developing the central framework of the 2008 SNA. Senegal and Burkina Faso have begun to update their base years for the national accounts. The center will support them to strengthen the quality of economic performance assessment. The other WAEMU countries should also benefit from the technical support of the Center in perspectives of financial support of the WAEMU Commission under the second phase of the regional statistical programme. More frequent rebasing is useful to keep economic structures up to date. Availability of financial and human resources to carry out the major statistical operations necessary to update the structures annually remain a major constraint. It is therefore common to update them after a few years. In practice, a

period of five years between two base years is quite widespread.

TIMELY COMPILATION OF NATIONAL ACCOUNTS

The Center will continue to support countries' efforts to produce national accounts in a timely manner, thus providing the basis for the conduct of economic policies. Several National Statistical Institutes still suffer from inadequate resources. This has an impact on the size of the teams, their retention, their capacity to absorb support and constitutes a risk to the impact and sustainability of technical assistance. For example, the Center will support Benin and Côte d'Ivoire in the training of managers, and Guinea and Guinea-Bissau in contributing directly to the estimation of GDP and national accounts. Beyond compiling GDP using supply and use tables, the central framework of the 2008 SNA also covers the complete sequence of accounts from production to financial accounts. The compilation of financial accounts improves the quality of national accounts by providing an opportunity to control a number of aggregates such as gross fixed capital formation, in particular by comparing the lending and borrowing needs of the institutional sectors. Balance sheets are still a final step that will be considered in future programming cycles.

DEVELOPMENT OF QUARTERLY NATIONAL ACCOUNTS

The CD will be provided for the development of quarterly national accounts. With their shorter availability period than the annual national accounts and their synthetic nature, quarterly national accounts are a useful tool for monitoring economic policies and timely decisions. Mauritania is expected to start publishing quarterly national accounts in 2023. Togo and Niger have also been part of the dynamic of developing them rapidly. For the time being, in Guinea and Guinea Bissau, efforts are focused on consolidating annual accounts and developing infra-annual indicators. Senegal and Burkina Faso should consolidate their quarterly national accounts with the compilation of a quarterly table of resources and uses.

SUPPORT TO DEVELOP THE RANGE OF ECONOMIC INDICATORS

- **CD will also focus on the development of high-frequency economic indicators and the improvement of baseline data.** These high-frequency indicators are particularly useful for monitoring economic conditions given their brief time to availability. In addition to the traditional indices produced by the national statistical institutes, these are often sourced from

administrative data which, in addition to their monthly frequency in most cases, have advantages in terms of collection and coverage costs. The Center's efforts will make it possible to disseminate the data processing techniques that are useful for leveraging these substantial amounts of administrative information.

- In addition, support on the index of industrial production and the producer price index will be provided to Côte d'Ivoire and Mauritania in particular. Improvements in national accounts will also support the development of satellite accounts and the compilation of climate change indicators. These include quarterly greenhouse gas emissions or emissions intensities by industry that require supply and use or input-output tables. In some countries, notably Guinea, work is needed to develop more granular sectoral data in the extractive and mining industries. These data should improve the assessment of artisanal production of gold and other precious metals and thereby provide a

better basis for economic policy formulation and monitoring.

CD for government finance statistics will aim to strengthen the countries' capacity to compile and disseminate comprehensive GFS and PSDS with adequate frequency.

HIGH-FREQUENCY GOVERNMENT FINANCE STATISTICS (GFS) AND PSDS

CD will aim to improve the dissemination of high-frequency GFS beyond the budgetary central government. As for PSDS, the aim will be to improve the dissemination of High frequency PSDS data including reporting to the joint IMF/WB Quarterly Public Sector Debt Statistics (QPSDS) database.

Wider coverage of the public sector is essential as well as consolidating and strengthening the use of the Government Finance Statistics Manual (GFSM 2014) framework in economic analysis. Emphasis will also be placed on the compilation of public sector debt statistics (PSDS) in accordance with the *2011 Public Sector Debt Statistics (PSDSG) with a focus on instrument as well as institutional coverage.*

OTHER INTERVENTIONS

- In line with its policy of support to FCS, the Center has recruited an **additional GFS advisor** to increase the capacity of the Center to provide CD in a tailored approach that takes into account countries' limited capacity and outstanding needs.
- The Center's support will be aimed at **expanding the scope of statistics to include non-monetary transactions** that have gained importance as well as to the compilation of opening and closing balance sheets.
- At the end of the current phase, the Center plans to (i) upgrade at least two to five countries for the migration of the budgetary central government TOFE to the standards of the GFSM 2014, (ii) produce the consolidated TOFE of the general government for at least seven countries (iii) as well as expanding debt coverage to the public sector with the inclusion of the operations of public corporations. In addition, this new phase will include non-monetary transactions in government finance statistics.

■ TRAINING AND OTHER REGIONAL EVENTS

Building on the work of previous phases, the Centre will continue to support regional capacity-building and regional integration. Practical training activities and immersion courses will be increased during phase V to further build capacity in the sub-region while supporting the implementation of regional reforms, with a particular focus on WAEMU and ECOWAS directives.

Synergies can be found between the Center's work programme and regional institution. Closer collaboration would foster the implementation of the WAEMU Commission's objectives of promoting close economic integration among member States. Lessons could also be learned from AFRITAC West 2's engagement with ECOWAS, which is responsible for regional integration for Francophone and Anglophone West Africa. In the area of customs administration, AFW will strengthen its collaboration

with ECOWAS and UEMOA by focusing on customs codes and tariff harmonization.

Activities at the regional level will aim to create synergies between the focal areas of the Centre.

This will be achieved through seminars in macroeconomic analysis and forecasting that will help the Center address cross-cutting issues in the areas of financial management, macroeconomic statistics, debt management and macroeconomic modelling for institutions. In collaboration with the WAEMU Commission, the Economic Commission for Africa (UNECA) and AFRISTAT, the Center will also participate in methodological seminars on economic developments and forecasts in member countries. Cross-cutting issues will also be addressed through courses organized with the support of the IMF's ICD including the Financial Policy and Programming Course and the IMF Africa Training Institute (ATI). In addition to capacity-building,

these activities will aim to encourage the exchange of information between institutions in countries and to assist in the development of networks of practitioners.

The Center will continue to encourage participation in IMF's web-based training activities. The courses offered through the Massive Open Online Courses system have contributed to capacity building for a large group of managers. This has expanded over time and have been an important complement to other training activities. AFW will continue to encourage the participation of executives from its member countries by ensuring that information on French-language courses that open online is quickly disseminated to the institutions concerned.

J. DEBT MANAGEMENT

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

Managing the post-Covid-19 period in AFW member countries will be a major challenge for debt managers to mobilize the necessary financing, control the cost of debt and maintain sustainable debt levels. These objectives require the use of modern debt management tools, the implementation of good debt management practices and better coordination between debt policy and fiscal and monetary policies. These objectives could lead to more requests for technical assistance to be provided to member countries during Phase V.

Phase V will consolidate the achievements of recent years in the implementation of best practices in debt management. Interventions will place particular emphasis on the development of the domestic debt market to: (i) diversify sources of domestic financing, particularly for long-term maturities; (ii) strengthening legal and institutional arrangements for debt management; (iii) improving the implementation of the debt strategy; (iv) better integration between debt and cash management;

and (v) support for improved transparency of debt operations.

In Phase V, the debt management program will focus on the following strategic objectives:

- Support the modernization of the institutional framework for public debt management, particularly in Guinea-Bissau, Guinea, and Mauritania;
- Support Guinea-Bissau and Mauritania in the formulation of their MTDS and annual funding plan and continue to support AFW member countries in improving the quality of the MTDS, its implementation and integration with cash management;
- Support efforts to develop the WAEMU regional government securities market and domestic debt markets in Guinea and Mauritania through good practices in exploring the following six building blocks : (i) money market; (ii) primary market; (iii) secondary market; (iv) investors base; (v) financial market infrastructure; and (vi) legal and regulatory framework;
- Build capacity for debt sustainability analysis

using the revised Debt Sustainability Framework for Low-Income Countries (DSF-LICs);

- Improve debt management transparency, debt reporting and the comprehensiveness of the debt database (Mali and Guinea-Bissau);
- Strengthen the capacities of debt managers, including in the use of innovative and green finance;

EMERGING ISSUES

The current international context has had important implications for debt management in the region.

Widening financing needs in some countries, rising interest rates, and the widening of the parity of the U.S. dollar vis-à-vis and other currencies have led to an increase in debt, putting some countries at elevated risk of debt distress. While some countries have benefited from initiatives to reduce the financial impact of COVID-19 on the state budget through temporary debt repayment suspensions such as the Debt Service Suspension Initiative, the new international context has highlighted that more needs to be done in debt management to address these challenges. Such efforts include the

improvement of institutional and legal arrangements for debt management, debt management strategy and diversification of sources of financing, debt transparency and capacity building of debt managers of member countries.

In addition to the difficult international context, climate change and natural disasters will continue to weigh on public finances.

Strengthening knowledge and expertise on green finance will provide member countries with tailored financing options to address these inherent challenges and risks.

EXPECTED RESULTS

The expected results by strategic outcome are summarized below:

- **Strengthening institutional arrangements for centralized and integrated debt and treasury management:** Support the modernization of the institutional framework for

public debt management in Guinea-Bissau through the operationalization of the recently created General Directorate of Debt and the functional organization in front, middle and back office of the debt office in Guinea and Mauritania;

- **Improved capacity to formulate and implement the debt management strategy:** Support Guinea-Bissau and Mauritania in the formulation of a documented and published MTDS accompanied by annual funding plan and annual securities issuance schedules in line with the debt management strategy. Continue to support AFW member countries in improving the quality of the MTDS, its implementation and integration with cash management.
- **Development of the domestic market for public securities:** Support efforts to develop the treasury

securities market in Guinea and Mauritania through the implementation of good practices in the issuance of public securities, an effective market communication strategy and the broadening of the investor base, as well as the strengthening of the primary market and the development of the regional secondary market for WAEMU government securities.

- Encourage the use of innovative and green finance and strengthen the capacity of debt managers in this area.
- **Improving transparency in the management of debt operations:** Improve and generalize to all AFW countries the practices of periodic debt reporting and the completeness of the debt database (Mali and Guinea-Bissau);
- Capacity building in debt sustainability analysis using the revised LIC-DSF framework.

SECTION V – GOVERNANCE,
OPERATIONS AND FINANCIAL
MANAGEMENT

A. GOVERNANCE

The operations of AFW are overseen by a Steering Committee (SC) composed of representatives of member countries, development partners, and the IMF. The WAEMU Commission and AFRISTAT are observer members. The SC meets once a year, and gives strategic guidance to the Centre, including through the approval of its work programme. The SC also comments on the quality of the CD delivered. Each member country holds the presidency of the SC for two years. The Center's operations are managed by a Director working with a group of advisors and supported by

a locally recruited administrative team. The Director is recruited by the IMF's African Department (AFR) in consultation with the other CD and ICD departments. The Director is responsible for managing the Centre's operations, with the strategic directions of the SC, and under the supervision of the IMF. He/she reports to AFR and ensures that the Centre's work is aligned with the IMF's overall capacity building strategy. The Director is in constant contact with SC members in countries, AFR, and IMF TA departments to identify key strategic priorities as well as any new CD developments to be provided by the Centre. In

addition to its financial contribution, the IMF provides the governance framework to ensure that CD delivery is focused, and of excellent quality. The combined responsibilities of the Capacity Building Committee, the IMF's African Department, and CD Departments provide an institutional support framework for capacity building in the field. All capacity building activities, whether financed from internal or external resources, whether carried out by IMF headquarters or by the RTACs, are equally supported within this framework.

B. OPERATIONS

The annual work program of AFW is prepared in consultation with CD delivery Departments³, as part of the IMF's capacity building priority setting process. It considers the macroeconomic reform strategy of each member country. IMF country teams,

in close coordination with the Center's advisers, maintain an ongoing dialogue with CD beneficiaries to agree on capacity building needs and priorities. The preparation of the annual work program is also aligned with the IMF's budget cycle and resource allocation processes to ensure timely and predictable

delivery of capacity building. Like other RCDCs, the Center is designed and operates to ensure that the IMF's CD is responsive to the needs of recipients and is accountable. In this context, the Center ensures that the CD provided is consistent with the high-quality standards that are expected.

³ Institute for Capacity Development (ICD); Legal Department (LEG); Statistics Department (STA); Monetary and Capital Markets

Department (MCM); Fiscal Affairs Department (FAD).

The IMF's recently revised policy on sharing CD reports will help strengthen accountability and facilitate coordination. Under this new policy, CD reports may be shared with SC members with the consent of the CD recipient on a "non objection" basis, with the understanding that the reports remain confidential. The decision to share CD reports with development partners that are not part of the SC is normally taken on a case-by-case basis, depending on whether the development partner concerned has a legitimate interest in the CD report concerned.

The SC is at the heart of the accountability framework. Member countries can immediately provide feedback and recommendations on the delivery and usefulness of the Center's CD activities. All SC members receive information that allows them to guide the work of the Center. In addition, IMF staff solicit contributions from recipient countries at various stages of CD operations planning by AFR and CD delivery departments. IMF headquarters and AFW staff ensure that the quality of CD advice is maintained. CD delivery departments select and recruit regional advisers

in consultation with the Director from a group of experienced experts. IMF headquarters supports AFW by providing logistical support to its staff and operations. By combining the recommendations of previous monitoring and capacity-building missions with the needs of the country, CD delivery departments discuss with the RCs the objectives and results of each mission with a view to ensuring that the CD runs smoothly and improves its impact. The work of short-term experts is reviewed and monitored by resident advisers and/or IMF departments.

C. FINANCIAL MANAGEMENT

For Phase V, contributions from development partners and member countries will be paid into a multi-partner sub-account of AFW. This sub-account, will be used to collect and disburse financial contributions for the exclusive use of AFW activities. All financial resources contained in this sub-account will be for the exclusive use of AFW. Financial commitments made by member countries and development partners will be the subject of a Memorandum of Understanding between them and the IMF.

The Memorandum of Understanding will define the purpose of contributions in relation to this Programme Document. This will be subject to the terms and conditions governing the sub-account as well as the Framework Administered Accounts for Selected Fund Activities Instrument mentioned above. The IMF manages the Fund in accordance with its financial regulations and other applicable practices and procedures. It will report on expenditures and commitments of the AFW

sub-account through a secure external gateway. The annual report on the implementation of the work program and the annual budget of AFW will be communicated at each meeting of the SC. Expenditures will be reported on an actual basis. Transactions and transactions through the sub-account will be audited under the IMF's Administered Framework Account, and the external audit firm's report will be posted on the IMF's website as part of its annual report release.

Table 3. AFW budget for Phase V (USD million)

AFW Phase V Indicative budget (Millions of U.S. dollars) Description	Phase IV Budget	Phase V Indicative budget
Public Financial management	8.6	12.5
Customs administration	4.9	5
Tax administration	6.3	9.6
Banking Supervision and Regulation	3.9	5
Public debt management ⁴	4	0
Real sector statistics	4.8	4.9
Government finance statistics	4.5	4.6
Macroeconomics	3.9	4.7
Governance and Digitalization	0	0.5
Training project	1.1	1.1
Project Administration (FIN & AFR)	1.7	2.2
Governance (ICD)	0.6	0.2
Strategic reserve budget	1	1.1
Subtotal	45.3	51.4
Management of the Trust Fund	3.2	3.6
Total (MFI 02)	48.5	55
Government Finance Statistics (IMF 01)	0	3.3
IMF	3.7	4.0
Host country in kind	0.5	0.6
Grand Total	52.7	62.9

D. RESOURCE REQUIREMENTS AND SUSTAINABILITY

The overall volume of demand for capacity building is expected to

increase significantly in the new phase as countries emerge from the pandemic. The increased focus on FCS,

climate change, gender inclusion, strengthened governance and digitalization of key public services will

⁴ The Debt Management workstream is now financed by a separate Japanese Trust Fund. This is the cost of the office space provided by the Host government as their in-kind contribution.

also contribute to the demand for capacity building.

As a result, the budget envelope for Phase V of the AFW is tentatively expected to be approximately \$63 million.

This envelope will be financed mainly by external partners (US\$50 million), but also by the IMF (US\$7.3 million) and member countries (US\$5 million). The increased funding will cover

the cost of additional experts/advisors with a particular focus on fragile and conflict-affected states. As the host country, Côte d'Ivoire shall continue to provide office space, valued at US\$0.6 million, in addition to its financial contribution as a member.

The increased budget will help meet increased member demand by allowing for three additional long-term advisors,

increasing total number of long-term advisors from 10 to 13. The three additional advisors will focus on the following areas with a specific emphasis on FCS:

- Government financial statistics,
- Tax administration,
- Macroeconomics framework for financial programming, forecasting and policy analysis

E. EVALUATIONS

An independent mid-term external evaluation of Phase V will be carried out after three years. The evaluation will assess the relevance of AFW's CD advise, the effectiveness and

efficiency of CD delivery; its impact in terms of achieving the intended outcomes and objectives; and the sustainability of CD outcomes, bearing in mind the long-term nature of capacity building. More

importantly, the evaluation will formulate focused, prioritized, costed, and implementable recommendations that will inform discussions on AFW's future operations.

ANNEXES

Annex 1. Action Plan in response to the mid-term Evaluation of Phase IV

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
Strengthen coordination with WAEMU.	Agree	<p>Strengthen the involvement of regional institutions in the technical assistance provided by AFW, so that key reforms are not carried out by individual countries, but within the framework of regional priorities to enhance coherence.</p> <p>Discuss with WAEMU the absorption capacities of TA beneficiary administrations, so that results can be achieved in a relatively short time, especially for "fragile countries".</p>	<p>Need to have more discussions between the WAEMU authorities and the IMF. The Center has strong collaborative commitments with the Banking Commission and CREPMF, both located in Abidjan, and with the Dakar-based BCEAO which oversees financial regulation and supervision at the regional level. Efforts could be intensified to strengthen relations with the WAEMU Commission in Burkina Faso. Synergies can be found between the Centre's work program and the Commission's objectives of fostering close economic integration between Member States. Lessons could also be learned from AFRITAC West 2's engagement with ECOWAS, which is responsible for regional integration for Francophone and Anglophone West Africa. Closer engagement with the Resident Representative in Burkina Faso could bode well for strengthening the role of capacity building during Regional Economic Outlook presentations.</p> <p>In the area of customs administration, AFW will strengthen its collaboration with ECOWAS and UEMOA by focusing on customs codes and tariff harmonization.</p>	Phase V	ICD AFR AFW
Better define the milestones in the IMF's	Agree	Milestones sometimes refer to activities or products delivered by experts rather than intermediate	The RBM governance framework was only approved in 2020 and became operational thereafter.	Ongoing	ICD AFW

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
RBM and add performance indicators.		<p>outcomes to be delivered by recipients. Deliverables should be clearly dedicated to the work produced by the IMF, while outcome indicators should define what the administration is expected to deliver. The scores entered in the system should also be systematically commented. IMF headquarters should introduce additional key performance indicators, such as activity and output indicators. For impact and sustainability indicators, more systematic and comprehensive information on political commitment and management ownership of capacity-building should be provided, as well as explanatory comments. Finally, a resource person at the center should be dedicated to defining the steps and implementing the scores in the system. This should not be the responsibility of LTX, whose role should be limited to encoding and assigning scores to their activities, products and services, as well as checking the status of results (scores and comments) - the follow-up responsibility for which could be delegated to an official of the recipient administration. The resource person within the AFW dedicated to RBM management should also oversee the coding of financial resources (input indicators).</p>	<p>Therefore, comparisons over time may not be accurate to discover trends. ICD has clarified the methodology of results-based management in order to better assess the assessment of objectives, results and milestones. The CDMAP IT portal has taken into account many aspects of results-based management, including a narrative approach to interventions, results and associated risks.</p>		
Codify and align resource funding and briefing papers with the milestone activities defined by AFW	Agree	<p>During the budget cycle, establish a "program budget", such as mission reports. It should be possible to systematically link these reports to the milestones defined in the RBM. Some of these recommendations are apparently already being implemented by CDMAP, at least in part, but the</p>	<p>As improvements are made at the level of the CDMAP, it will be possible to systematically link the terms of reference of the missions to the different stages of results-based management.</p>	Ongoing	<p>AFW STA FAD MCM</p>

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
		new RBM system was not operational until July 2021.			
Improve the presentation of the Gazettes published on the AFW website.	Agree	These gazettes are very useful for monitoring AFW's activities during its budget cycle, and they are much appreciated by other donors (who do not otherwise adhere to the same discipline). Their content could nevertheless be improved, particularly by presenting the resources used for the activities carried out or the results achieved. This would make the gazettes more like performance reports. The same recommendation applies to AFW's annual reports.	Working closely with the IMF's Communications Department, ICD, and the Africa Department, AFW will improve newsletters by focusing on objectives, results, challenges, and resources. There is room to refine the narrative and improve the format to promote accessibility. At the same time, the newsletter should avoid naming and publicly denouncing the persons concerned.	Ongoing	AFR COM ICD AFW
Involve beneficiaries more in monitoring the technical assistance provided by AFW	Partially agree	This could be done by establishing stricter selection criteria for inviting participants to workshops, based on their stability within the institution they represent, their degree of collaboration with the AFW, the relevance of their analyses or recommendations from previous seminars, etc. Excessive staff turnover in terms of participation in seminars should be avoided. The seminars could also be used to monitor and discuss the results of the TA provided. Finally, some resource persons could be given the responsibility of monitoring the performance of AFW technical assistance missions on the administration side.	TA recipients are stakeholders and are consulted and involved at every stage of TA delivery, from business planning with the program document and annual work plan to the publication of TA reports and implementation of recommendations. It should be noted that the AFW has no power over the selection of participants beyond the criteria of relevance and competence. That said, staff turnover is a broader issue that may be a function of institutional strength over time.	Ongoing	AFW
Consider having a mid-year SC meeting focused on a program review and follow-up, in addition to the annual meeting.	Partially agree	More SC meetings should also help address perceptions of insufficient discussions and follow-up of CD program performance. It is also recommended to deepen discussions on TA coordination efforts and exchange of information on TA impact and outcomes. Increasing the number	Prior to Phase IV, two OCs were held each year, but the OC decided to have only one meeting per year due to the cost of the meetings and the time required for AFW staff to prepare for these meetings. Few Centres convene a second OC meeting due to	Ongoing	ICD AFW

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
		of SC meetings would increase space to address cross-cutting issues, which are also important to DPs, such as gender, financial inclusion, fragile states and climate change. There would also be more space to share lessons learned from good practices in West Africa.	logistical costs. In addition, with the postponement of the annual meeting of the Committee to June, the holding of a second meeting in October/November provides only minimal additional information given the slow pace of implementation of the work plan at that time (about 30%). Newsletters could be used as an additional means to keep the policy committee informed. If necessary, a second OC could be organized to address emerging issues, such as funding gaps. One meeting could be held in hybrid mode and the other online.		
For each major reform, carry out ex-ante country-based local ownership and Capacity Assessments (CAs) upfront before engaging in CD activities.	Agree	CAs can better inform ex-ante what can be done given the limited skill capacities, number of local staff and political economy constraints that may prevent implementation of TA recommendations. Similarly, insufficient buy-in at the appropriate level could hamper the reforms needed for the success of TA. If the analysis reveals that proper conditions for a successful implementation do not exist, it is recommended that a work program to create such conditions be designed and implemented. Alternatively, CD financing should be stopped for such CD activity, until conditions change, and the matter is addressed with the country's leadership.	What is needed is a risk-based approach to ex-ante capacity building and to monitor implementation risks. This should be part of the CDMAP and BTO RBM framework presentation, which systematically includes an assessment of implementation risks, and would help identify corrective actions. It should be stressed that the assessment of the absorption capacity of TA by the beneficiary authorities is systematically taken into account, even if it could be more formalized, in the definition of the annual work program, and that the objectives of the TA are phased.	Phase V	AFW
Given that post-COVID-19 virtual missions can be carried out well, but without the need for fully eliminating in-person missions, future annual	Agree	They should also reprogram the significant cost-savings per year for post-COVID-19 conditions. Furthermore, when responding to sudden crises, a precise mapping of local needs should be organized: this	The work program for fiscal year 2023 consists of 70% face-to-face and 30% remote missions. This takes into account fragility and conflicts in several member	Ongoing	AFW

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
work programs should define in-person/virtual mission ratios per workstream.		mapping should look at the management of the crisis itself. It is recommended to organize specific consultations with each beneficiary concerned, prior to program restructuring, so as to better capture specific needs of the moment and expectations of beneficiaries and to include the specific needs and expectations in the adapted version of the program. Budgets should be adapted accordingly.	countries (Burkina Faso and Mali for example).		

Annex 2. Sectoral logical frameworks for phase V

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Customs administration													
Strengthening the core functions of Customs administrations	1. Strengthening the capacity of customs valuation and surveillance officers in terms of risk analysis and intelligence management	The effectiveness of the fight against fraud and smuggling is increasing.		•		•	•	•			•		
	2. Further implementation of an automated risk management system	The risk-based system of selectivity of controls has significantly reduced the number of physical checks.							•				
	3. Rationalization of the management and control of exemptions and suspensive arrangements	The regulatory framework for monitoring suspensive regimes and exemptions is strengthened		•									
	4. Improvement of the control of customs clearance operations for petroleum products	The traceability of goods and customs actions in ASYCUDA World is strengthened.						•					
	5. Strengthening Post-clearance audit	Effective application of procedures based on international standards for value, origin and tariff type								•			
	6. Mastery of the monitoring of customs commitments and the treatment of customs debt	Effective application of procedures based on international standards for value, origin and tariff type	•						•			•	
	7. Foreign trade operators better comply with their reporting and payment obligations	An increasing percentage of manifests and goods declarations received and processed electronically by Customs and enhanced reconciliation procedures.								•			

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Tax administration													
Increase the effectiveness of tax administration management and governance systems (SDG 17.1)	1. Reform capacities are enhanced through a clear reform strategy	1. Strategic and operational plans shall be adopted and implemented	•	•	•	•	•	•	•	•	•	•	
		2. A multiannual plan for the implementation and financing of the reforms shall be defined and monitored	•	•	•	•	•	•	•	•	•	•	
		3. A set of key performance indicators measures the progress of the reforms undertaken	•	•	•	•	•	•		•	•	•	
	2. The organisational arrangements in place support the implementation of the reform strategy	1. An institutional framework for monitoring reforms is in place	•	•	•	•	•	•	•	•	•	•	
		2. The organizational structure put in place is built around clear functional lines and taxpayer segmentation	•	•	•		•	•	•		•		
		3. The separation of roles and responsibilities between central and operational services is effective	•	•	•	•	•	•	•	•	•	•	
	3. Support functions contribute to the effectiveness of strategy and reforms	1. Policy and support functions are strengthened (infrastructure, finance, legal framework, R&D, communication.)	•		•						•		
		2. HRM strategies and practices contribute to effective tax administration (TADAT 2019 DA2-7)	•		•						•		
		3. ICT strategies and systems support tax	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		administration reforms											
	4. Transparency and accountability are effective and strained by external audits and internal controls	1. Internal controls covering core tax functions and staff integrity assurance arrangements are effective (TADAT 2015 DA9-25 and 2019 DA9-29)	•		•	•					•		
		2. The operational and financial performance of the tax administration is published (TADAT 2015 DA9-28 and 2019 DA9-32)	•		•	•					•		
	5. The management of institutional priorities is strengthened through management more effective risk	1. Capabilities to identify, assess and prioritize tax non-compliance risks are strengthened (TADAT DA2-3)	•	•	•	•	•	•	•	•	•	•	
		2. Capacity to control the risks of tax non-compliance is strengthened through a tax citizenship improvement program (TADAT DA2-4)	•	•	•	•	•	•	•	•	•	•	
		3. Monitoring and evaluation of tax non-compliance risk control activities are progressing (TADAT DA2-5)	•	•	•	•	•	•	•	•	•	•	
		4. Identification, assessment and control of institutional risks are improving (TADAT DA2-6)	•		•						•		

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Strengthening the core functions of tax administration (SDG 17.1)	1. The integrity of the taxpayer register is strengthened	1. Comprehensiveness, reliability, computerisation and centralisation of taxpayer information in a single database are progressing (TADAT DA1-1)	•	•	•	•	•	•	•	•	•	•	
		2. The control of the taxpayers' register, ensured by regular checks on the completeness and reliability of the information it contains, is strengthened (TADAT DA1-2)	•	•	•	•	•	•	•	•	•	•	
	2. Initiatives to promote tax citizenship are strengthened	1. access, updating and scope of information available to taxpayers is facilitated and enriched (TADAT 2015 DA3-7 and 2019 DA3-11)	•		•						•		
		2. The level of taxpayers' perception of quality of service, measured periodically, is improving (TADAT 2015 DA3-9 and 2019 DA3-11)	•		•	•				•	•		
	3. Timeliness of reporting improves	1. The reporting rate at maturity is improving (TADAT 2015 DA4-10 and 2019 DA4-12)	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		2. Monitoring of reporting obligations is consolidated (TADAT DA4-13)	•	•	•	•	•	•	•	•	•	•	
	4. The level of payments at maturity is improving	1. The payment rate at maturity is improving (TADAT 2015 DA5-14 and 2019 DA5-17)	•	•	•	•	•	•	•	•	•	•	
		2. The management of credit repayments is strengthened (TADAT 2015 DA8-24 and 2019 DA828)	•	•	•	•		•		•	•	•	
		3. Monitoring of tax arrears is improving (TADAT 2015 DA5-15 and 2019 DA5-18)	•	•	•	•	•	•	•	•	•	•	
	5. Tax audit and audit programmes shall ensure the reliability of the elements declared	1. An appropriate range of tax audits is used to detect misrepresentation and fraud (TADAT 2015 DA-16 and 2019 DA6-19)	•	•	•	•	•	•	•	•	•		
		2. Large-scale automated cross-referencing tools are in place (TADAT 2015 DA6-16 and 2019 DA6-20)	•	•	•	•		•	•	•	•	•	
		3. Monitoring of the extent of misreporting shall be consolidated through the adoption of a clear and relevant monitoring methodology (TADAT 2015 DA6-18 and 2019 DA6-22)	•	•	•	•		•		•		•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Macroeconomic analysis and modelling													
Develop capacity for macroeconomic forecasting and policy analysis to support decision-making and policy communications.	Improved analytical skills and capacity for macroeconomic forecasting and policy analysis.	The staff concerned have successfully completed the agreed training, delivered through various modalities (online, classroom courses, workshops). The staff concerned have successfully acquired the skills required to strengthen forecasting and policy analysis, which will be measured by an increase in the average score obtained in a survey covering a range of macroeconomic issues and forecasting techniques. Staff demonstrate the ability to independently use the Macroeconomic Projection Tool (MPM) and other auxiliary models and analytical tools. The OPM-centric analytical framework is used to produce medium-term forecasts, scenarios, and risk and policy analyses. Roles and responsibilities identified, streamlined and	•	•	•	•	•	•	•	•	•	•	•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		clarified within the central forecasting team.											
	At least two countries have a medium/long-term projection model (greater than 5 years) or a DSGE type model; At least two countries have a DSGE-type macroeconomic model; At least two countries have advanced economic analysis and forecasting tools; Countries have appropriate user manuals and methodological guides for the models developed	The macroeconomic projection tool (MPT) is developed as a basic quarterly projection model (TPM). The Macroeconomic Projection Tool (MPT) is developed as a fully structural DSGE model. The macroeconomic projection tool (MPT) is developed as a fiscal/debt sustainability tool, e.g. the dynamic public debt tool (DDT). A user manual on TPM and other models and auxiliary tools is prepared and made available to all staff.	•	•	•	•	•	•	•	•	•		
	The decision-making process is well structured, streamlined and documented, and associated roles and responsibilities are well defined.	The modelling unit is set up and becomes solely responsible for the operation of the OPM. A forecasting team is created and institutionalized, with the modelling unit at the Center.				•		•	•				

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		<p>The Forecasting Coordinator has formal responsibility for coordinating and directing forecasting activities.</p> <p>The forecast schedule is formally adopted and monitored</p>											
Macroeconomic and fiscal policies													
Make fiscal policies and associated institutional frameworks compatible with progress towards the SDGs.	The authorities have a good understanding of the degree of alignment of fiscal policies and institutional frameworks with the SDGs.	Diagnostic analyses and scoping notes have produced a baseline and opportunities for improvement.	•	•	•	•	•	•	•	•	•	•	
	Medium-term spending is aligned with spending needs in health, education and selected infrastructure (SDGs 3, 4, 6, 7, 9).	<p>Access to safe and affordable drinking water (SDG 6.1) and adequate and equitable sanitation and hygiene (SDG 6.2)</p> <p>Education expenditure, as a percentage of GDP, for universal access to equitable and quality primary and secondary education (SDG 4.1).</p> <p>Health spending, as a percentage of GDP, to ensure access to quality essential health care services and</p>	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		<p>safe, effective, quality and affordable essential medicines and vaccines (SDG 3.8).</p> <p>Health worker density (SDG 3.c.1)</p> <p>Proportion of population with access to electricity (SDG 7.1.1)</p> <p>Proportion of rural population with access to an all-season road (SDG 9.1.1)</p>											
Improving fiscal policies and institutional frameworks to address climate change and its impacts (SDG 13)	Increased use of fiscal policy to build resilience to climate risks and disasters	<p>A comprehensive and appropriate spending plan is in place to address accommodation and resilience needs.</p> <p>An effective risk management strategy is developed</p> <p>Credible plans to meet the needs referred to in point 1, from national and other resources, shall be developed and implemented.</p> <p>Strengthened national capacity to develop and implement a fiscal strategy to address the risks of slow climate</p>	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		change and disasters. Budgetary needs to support adaptation to slow-onset climate risks and disaster risks are realistically assessed.											
	Improving fiscal policy to mitigate climate change	The effectiveness of budgetary interventions in support of climate objectives is regularly assessed and communicated. Strengthening international cooperation on tax mitigation policies. Measures to price carbon emissions and related externalities are adopted or strengthened to meet at least NDC standards. Fiscal and spending policies support the transition to greener energy sources.	•	•	•	•	•	•	•	•	•	•	
Strengthened fiscal policies and framework	Better and more credible macroeconomic and fiscal forecasts	Fiscal multipliers estimated and used in macro-fiscal frameworks Percentage Difference Between Revenue, Expenditure, and Budget Deficit Forecasts and	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		Achievements (FTC2.1.3) Percentage change between forecasts and achievements of key macroeconomic variables (Score: FTC2.1.3)											
	More effective and transparent intergovernmental relations	Calculation and disclosure of vertical variance between different levels of government Disclosure of transfers between different levels of government			•	•	•		•		•		
	Fiscal rules are adopted or improved	Percentage point change in GDP of ex ante and ex post results relative to fiscal rules (record score: FTC2.3.1) Publication of clear and observable fiscal rules within an appropriate legal framework (Record Score: FTC2.3.1) Report on Fiscal Rules (Note: FTC2.3.1)	•	•	•	•	•	•	•	•	•	•	•
Strengthening the identification, monitoring and	Analysis and publication of risks to budgetary	Publication of macro-fiscal sensitivity analysis				•	•	•	•	•		•	•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
management of budgetary risks	forecasts and overall fiscal sustainability	or alternative scenarios (Indicators: FTC3.1.1, PEFA 14.3, OBI 15)											
	Analysis, disclosure and monitoring of fiscal risks of public companies are strengthened	Completeness and timeliness of SOE's fiscal risk monitoring and reporting (Indicator: PEFA PI-10.1, FTC 3.3.2, PIMA 3.c) Disclosure of quasi-fiscal activities of SOEs (Indicator: OBI 38)	•	•	•	•	•	•	•	•	•	•	
	Analysis, publication and management of other specific budgetary risks are more comprehensive	Environmental Risk Analysis, Disclosure and Management (Indicators: FTC3.2.7) Financial Sector Exposure Analysis, Disclosure and Management (Indicators: FTC3.2.5) Analysis, disclosure and management of budgetary risks related to public assets and liabilities (Indicators: FTC3.2.2) Analysis, disclosure and	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		<p>management of specific fiscal risks (Indicators: FTC3.1.2)</p> <p>Collateral analysis, disclosure and management (Flag: FTC3.2.3)</p> <p>Disclosure and management of contingent liabilities and other risks (Indicators: PEFA PI-10.3, OBI 42)</p> <p>Natural Resource Assessment, Disclosure and Management (Indicators: FTC3.2.6)</p>											
	Fiscal coordination and central risk monitoring of subnational governments are strengthened.	Completeness and timeliness of subnational government fiscal risk monitoring and reporting (Indicator: PEFA PI-10.2, FTC 3.3.1, PIMA 3.c)	•	•	•	•	•	•	•	•	•	•	
	The costs and tax risks arising from PPP operations are managed and controlled.	Analysis, disclosure and management of public-private partnerships (Indicator: FTC3.2.4)	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		Regular assessment of the tax impact of large PPP projects (Indicator: PIMA3.c)											
Public Expenditure Management (Budget)													
Improved fiscal policies and institutional frameworks for addressing climate change and its impacts	The budget is an effective tool for the strategic allocation of resources to climate-sensitive policies (SDG 13.2, 14.a.1)	Integration of climate change considerations into budget documentation and budget reporting	•	•	•	•	•	•	•	•	•	•	
Fiscal policies and institutional frameworks consistent with progress towards the Sustainable Development Goals	The budget is an effective tool for the strategic allocation of resources to gender-sensitive policies (SDG5)	Systems, processes and tools to plan, track and disclose allocations for gender equality and women's empowerment are in place (SDG 5.c.1)	•	•	•	•	•	•	•	•	•	•	
Preparation of a comprehensive, credible and policy-based budget	More credible medium-term fiscal frameworks are integrated into the annual budget process.	Adequate and transparent allocations for budget contingencies (Indicator: FTC3.2.1) Completeness of budget documentation (Indicator: PEFA PI-5) Completeness of publicly available budget information (Indicator: PEFA PI-9) Efficiency, regularity and timeliness of the	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		budget preparation process (Indicator: PEFA PI-17) Share of headquarters operations outside of financial reporting (Indicator: PEFA PI-6) Share of revenue, expenditure and financing of central government entities presented on a gross basis (fiscal unit) (indicator: FTC2.1.1).											
	More credible medium-term macro-fiscal frameworks support budget preparation	Adoption and communication of clear and measurable fiscal policy objectives (Indicator: PEFA PI-15, CBC 2.3.1) Percentage change between overall spending results and approved budget (Indicator: PEFA PI-1) Percentage change between forecasts and achievements of key macroeconomic variables. (Indicator: PEFA PI-14) Percentage change between		•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		revenue result and approved budget (Indicator: PEFA PI-3) Presentation and explanation of medium-term macroeconomic and fiscal forecasts (Indicator: PEFA PI-14, FTC 2.1.2)											
	Information on resources and performance by programme is included in the budget documentation	Availability of utility performance information (Record Score: PEFA PI-8, FTC 2.3.2)	•	•	•	•	•	•	•	•	•	•	
	More credible planning and budgeting for public investments	Inclusion of medium-term investment projections in the budget (Record Score: PEFA PI-11.3, FTC 2.1.4, PIMA 1 to 5)	•	•	•	•	•	•	•	•	•	•	
Improved budget execution and control	Strengthened monitoring and control of budget implementation	Effectiveness of internal control of non-salary expenses (Record Score: PEFA PI-25)	•	•	•			•			•	•	
Improved public investment management	Budgetary costs and risks related to PPP operations managed and controlled	Regular assessments of the budgetary impacts of major PPP projects (Record Score: PIMA3.c); The operations of major PPP projects integrated into the medium-term expenditure	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		framework and debt sustainability analysis;											
	Public investment planning is strengthened to ensure their sustainability	Medium-term planning of public investments takes into account fiscal sustainability (Record Score: PIMA1); Proposed public investment projects are subject to systematic evaluation (Record Score: PIMA4)	•	•	•	•	•	•	•	•	•	•	
	Public investment expenditure is allocated to the appropriate sectors and projects	Investment projects are protected during budget execution (Record Score: PIMA8); Medium-term projections of capital expenditures are based on full cost (Record Score: PIMA6); There are institutions and procedures that guide the selection of projects (Record Score: PIMA10)	•	•	•	•	•	•	•	•	•	•	
	Public investment execution is improved to bring productive and	Are investment projects well managed and controlled during the execution	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	sustainable public assets	phase (Record Score: PIMA14); The execution of the entire public investment portfolio is adequately monitored (Record Score: PIMA13)											
Public Expenditure Management (Treasury)													
Integration of the asset-liability management framework is improved	Cash flow forecasts for central government units are more refined and accurate	1. Cash flow forecasts are refined and regular and monitored (PEFA PI-21.2) 2. Efficiency and regularity of cash flow forecasts and management of cash balance (DEMPA DPI 11)	•	•	•	•	•	•	•	•	•	•	•
	Government revenue and expenditure are deposited and executed in the Treasury Single Account.	1. Regularity of transfers of revenue recovered to the Consolidated Revenue Fund Account (PEFA PI-20.2) 2. Extent of Consolidation of Cash Balances by the Consolidated Revenue Fund (PEFA PI-21.1)	•	•	•	•	•	•	•	•	•	•	•
The coverage and quality of budget and accounting reporting are improved	The completeness, regularity and quality of budget implementation and accounting	1. Extent of Financial Data Integrity (PEFA PI-27) 2. Completeness, quality and	•	•	•	•	•	•	•	•	•	•	•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	reports are improved	regularity of in-year budget implementation reports (PEFA PI-28) 3.Completeness, regularity and quality of annual financial reports (PEFA PI-29)											
Real sector statistics													
Strengthen compilation and dissemination of High Frequency Economic Activity Indicators	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of Industrial Production Index							•				
Strengthen compilation and dissemination of Institutional Sector Accounts	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual estimates of institutional sector accounts (until net lending)	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of Institutional Sector Accounts	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual financial accounts (flows)									•		
Strengthen compilation and dissemination of Institutional Sector Accounts	A new data set has been compiled and disseminated internally and/or to the public	Developed and released first time annual estimates of financial accounts (flows)	•	•	•	•	•	•	•	•		•	
Strengthen compilation and dissemination of Institutional Sector Accounts	A new data set has been compiled and disseminated internally and/or to the public	Developed and released first time annual estimates of institutional sector accounts (until net lending)							•				
Strengthen compilation and dissemination of	A new data set has been compiled and	Developed and released a new vintage of	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
NAS - Comprehensive updates and rebasing	disseminated internally and/or to the public	quarterly expenditures of GDP at constant prices											
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of quarterly expenditures of GDP at current prices	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of Supply and Use Tables	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of Institutional Sector Accounts	Authorities have a baseline understanding of the current state of Institutional Sector Accounts compilation and dissemination and opportunities to strengthen these capabilities	Diagnostic or scoping mission have produced baseline and opportunities for improvement				•							
Strengthen compilation and dissemination of High Frequency Economic Activity Indicators	Improved periodicity, timeliness, and consistency of data	National accounts statistics are consistent and have been reconciled with external sector statistics	•			•							
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts	Improved periodicity, timeliness, and consistency of data	National Accounts statistics are compiled and disseminated on a frequency consistent with the country's subscription to the IMF data standard	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of	Improved data and metadata accessibility	Sources and methods sufficient to support data											

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Institutional Sector Accounts		analysis have been developed and are available to users											
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing	Improved data and metadata accessibility	Relevant documentation made available in digital format	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts	Improved data and metadata accessibility	Revisions reports are compiled, published and available in digital format	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	New benchmarks have been developed aligned to international statistical standards and using the latest most comprehensive source data available	•	•	•	•	•	•	•	•	•	•	
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing	Statistical techniques are sound	Adjustments (for undercoverage, misreporting, definitional or conceptual differences, reconciliation of two or three measures of GDP, balancing of product level estimates, etc.) made to source data are explicit, transparent and well documented	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
Government finance statistics													
Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Legal/institutional conducive to compile and disseminate macro and fin statistics and monitor relevance/practicality; QA processes in place; Integrity/Transparency/Ethical Practices meet statistical standards; leadership/strategic planning in place	1.The institutional responsibility for collecting, processing, and disseminating these statistics is clearly specified and data sharing and coordination among data-producing agencies are adequate. 2. assist the 3 remaining countries in the creation of GFS committees and improve the functioning of existing committees for the collection and compilation of GFS				•			•			•	
Strengthen compilation and dissemination of Government Finance Statistics (GFS) - SGF	Data are compiled and disseminated using the sectorization of the GFSM 2014	1. GFS are compiled for the general government (or public sector) and its subsectors. 2. GFS are compiled for social security funds. 3. GFS are compiled for extra-budgetary units. 4. GFS are compiled for	•	•	•	•	•	•	•	•	•	•	

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		<p>local governments.</p> <p>5. GFS are compiled for the SOEs</p> <p>6. GFS are compiled for the general government.</p> <p>GFS are compiled for the public sector</p>											
	<p>Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination:</p> <p>The number of staff trained to compile and disseminate these statistics is adequate.</p>	<p>The number of staff trained to compile and/or disseminate these statistics is adequate by end of April 2025</p> <p>Train the producers of primary data</p>				•	•	•	•	•	•		
	<p>Data are compiled and disseminated using the classification of the GFSM 2014</p> <p>1. Revenue and expense transactions by economic classification are classified according to the GFSM 2014 guidelines.</p>	<p>Economic classification of revenue and expense transactions are classified follows GFSM 2014 guidelines.</p> <p>Classification of transactions in financial assets and liabilities follows GFSM 2014 guidelines.</p>	•	•	•	•	•	•	•	•	•	•	•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	2. Transactions in financial assets and liabilities are classified according to the GFSM 2014 guidelines.	Integration of non-monetary operations in public finance statistics, particularly in the TOFE											
	[Classification of Outlays by Functions of Government (COFOG)].	Functional expenditure transactions are classified according to the GFSM 2014 guidelines	•	•	•	•	•	•	•	•	•	•	•
	Stocks	Classification of stocks of assets and liabilities follows GFSM 2014 guidelines for general government and its subsectors.	•			•	•	•	•	•		•	
	Expand the debt coverage to the public sector	The coverage of the debt statement to the public sector is extended.	•	•	•	•	•	•	•	•	•	•	•
Banking supervision													
1. Strengthen the regulatory and supervisory framework	1. Banking regulation on risk management, governance and supervision on a consolidated basis shall be strengthened	1. The current regulatory framework is assessed and deviations from international standards are identified.				•			•				•
		2. Regulations relating to risk management, governance and				•			•				•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		requirements under Basel II/III pillars 1 and 2 shall be published or updated.											
	2. The legal and regulatory framework provides supervisors with adequate powers to take the necessary corrective measures.	1. The regulatory framework and is adapted so that supervisors have adequate powers and tools.				•			•				
		2. Problems faced by banks are identified in time, and dealt with				•			•				•
	3. The level of banks' own funds shall reflect their risk profile.	1. Banks shall regularly assess internally their capital requirement in relation to their risk profile and business model and shall report to supervisors on this internal assessment of capital needs.				•			•				•
		2. Supervisors shall assess banks' reports on their internal assessment of capital needs.				•				•			•
		3. Supervisors shall impose additional capital charges to take into account banks' different risk profiles and their ability to manage their risks.				•				•			•
	4. Liquidity regulation is strengthened to	1. Regulations shall be laid down on short-term				•				•			

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	ensure that banks have liquid assets to withstand shocks or crises and stable resources to finance their long-term jobs	liquidity and stable funding.											
		2. Banks shall measure their short-term liquidity using the LCR.				•							
		3. Banks measure their long-term liquidity using the Net Stable Funding Ratio (NSFR).				•				•			
	5. The institutional structure and operational procedures are strengthened to implement risk-based supervision	1. The level of staffing requirements is assessed and enhanced/				•				•			
		2. Risk-based oversight processes and methodologies are in place.				•				•			•
	6. Banks' forward-looking risk assessments shall be strengthened.	1. Matrices for assessing inherent risks and banks' risk management and internal control shall be developed which incorporate a forward-looking approach.				•				•			
		2. Early warning systems shall be implemented, and risks shall be detected at an early stage.				•				•			•
		3. Stress test models are developed, and banks' risks are assessed under stress.				•				•			•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	7. Supervisors' skills enable them to implement risk-based supervision and other supervisory processes.	1. Supervisors are trained in risk-based supervision and other supervisory processes.				•				•			•
		2. The reports produced by supervisors shall focus on the main risks of each bank, each banking group and the banking system and shall include appropriate recommendations.				•				•			•
2. The regulatory and supervisory framework for cybersecurity shall be strengthened.	1. A regulatory framework for bank cybersecurity is in place	1. A prudential framework for cybersecurity risk management, governance and associated internal controls is in place/				•				•			
	2. Supervisors shall have the necessary skills to effectively supervise cybersecurity risks.	1. Supervisors are adequately trained to review cyber security risks.				•				•			•
		2. Cybersecurity risk supervision shall cover supervised institutions appropriately and using a risk-based approach.				•				•			•
3. The regulatory and supervisory framework for investment firms and management companies shall be strengthened.	1. Paper-based supervision processes are strengthened.	1. The document supervision framework and processes are updated.											•
	2. On-site supervision processes shall be strengthened.	1. The on-site supervision framework and											•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
		processes are updated.											
4. The regulatory and supervisory framework for Islamic finance operations is strengthened.	1. An action plan outlines key steps to establish a regulatory and supervisory framework for institutions offering Islamic finance services.	1. An action plan shall be developed for the implementation of a regulatory and supervisory framework for institutions offering Islamic finance services.				•				•			
	2. The institutional structure and operational procedures for risk-based supervision shall be strengthened.	1. Risk-based oversight processes and methodologies are in place.											•
5. Improve skills in relation to evolving international standards and best practices in the field of financial supervision and regulation.	1. Participants shall acquire knowledge and skills in the field of financial supervision and regulation.	1. Participants shall evaluate the training courses and consider them, by means of a quantitative and qualitative evaluation, to be appropriate to their work.				•				•			•
		2. Participants shall apply the knowledge and skills acquired through the development or updating of supervisory regulations, processes and methodologies.				•				•			•
6. Improve prudential accounting and provisioning methods.	1. An IFRS9 implementation framework for expected credit losses is developed.	1. The Authorities approve an action plan for the implementation of IFRS9.								•			•
	2. Regulations are strengthened to	1. Asset classification and								•			•

Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
	take into account both the concept of expected credit losses under IFRS9 and the Basel principles on credit risk.	provisioning regulations are strengthened to take into account both IFRS9 and Basel principles.											
		2. Banks shall regularly submit reports comparing provisions and expected credit losses.				•				•			•
	3. The effectiveness of documentary and on-site supervision of the implementation of IFRS9 shall be enhanced.	1. The provisioning process shall be enhanced to reflect a forward-looking approach to impaired assets that recognises expected credit losses at loan origination.				•				•			•
		2. Prudential reporting on asset classification and provisioning shall be strengthened, in line with international standards and best practices.				•				•			•
Debt Management													
Strategic Objective	Expected results	Indicators	B E N	B F A	C I V	G I N	G N B	M L I	M R T	N E R	S E N	T G O	O R G
1. Establish an effective institutional structure and an appropriate legal framework for	1. Improving the institutional structure for debt management	1. The debt management entity shall be organised on a front-middle-back office basis.				•		•					

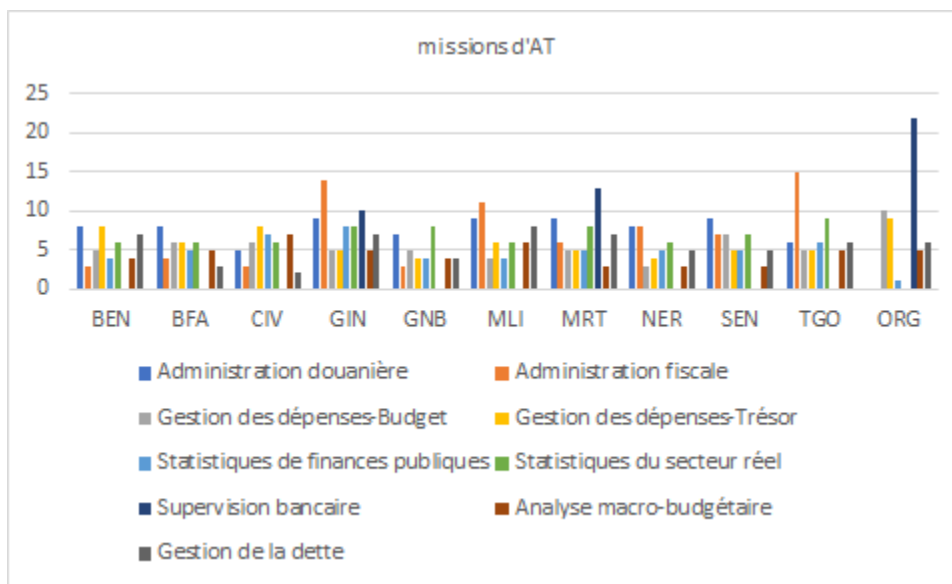
debt management		2. The debt management entity shall ensure effective coordination with the other institutions.				•	•		•		•		
	2. The legal framework provides an effective framework for debt management.	1. The debt legal framework shall be aligned with best practices in debt management.				•		•	•				
2. Develop and implement a medium-term debt management strategy (MTMS)	1. Formulate and implement a medium-term debt management (MTDS) strategy	1. An LMDS is developed and published				•	•		•				
	2. Improve the quality of LMDS and its implementation through an FMP better integrated with the MTDS.	1. An FAP shall be developed, approved by the competent authority and annexed to the MTDS				•	•	•	•				
		2. A timetable for the periodic auction of bills and bonds shall be published at agreed intervals.				•			•				
	3. Ensure better integration between debt and cash management	1. Institutional arrangements and/or coordination mechanisms shall be adapted to facilitate effective integration of cash and debt.	•	•	•	•	•	•	•	•	•	•	

		2.The timing of government securities issuance reflects a better integration between debt and cash.	•	•	•	•	•	•	•	•	•	•	
3.Develop the infrastructure and capacity of the domestic debt market for financing at reasonable cost.	1.An efficient primary market, with market-based issuance.	1.Regular auctions shall be held for the issuance of the debt.				•			•				
		2.Short-, medium- and long-term securities shall be regularly issued				•			•				•
	2.A dynamic secondary market	1. The rules for the functioning of the secondary market shall be defined and published.				•			•				
		2.The volume of transactions is increasing											•
	3. Introduction of debt instruments to improve resilience to climate shocks.	1.Suitable debt instruments shall be issued (green bonds, ...)											•
4. Strengthening debt recording, reporting and monitoring practices	1. Improved back-office procedures for debt registration.	1.La debt database is comprehensive and updated on time					•	•	•				
	2. The debt shall be recorded efficiently and completely.	1. Transactions in foreign, domestic and central government debt shall be recorded within a reasonable period of time					•	•	•				

	1. Debt reporting shall be carried out regularly to the public and competent authorities.	1. Regular publication of a debt bulletin covering central government debt and secured debt. 2. Regular publication of the annual debt management report.				•	•	•	•	•				
5. Develop and strengthen the capacity of the authorities to conduct debt sustainability analyses.	1. Increased knowledge of the DSC-LIC debt sustainability framework and tools.	1. Debt sustainability analyses shall be carried out autonomously	•	•	•	•	•	•	•	•	•	•	•	

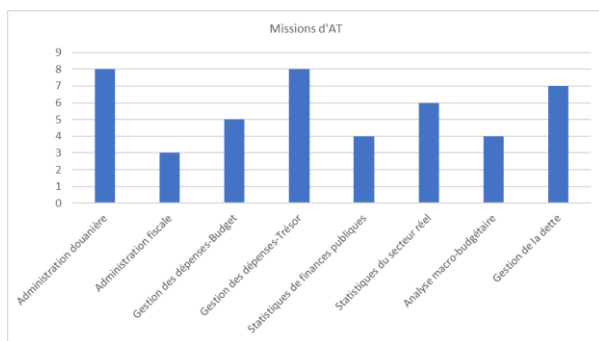
Graphics

Capacity Development in Phase IV

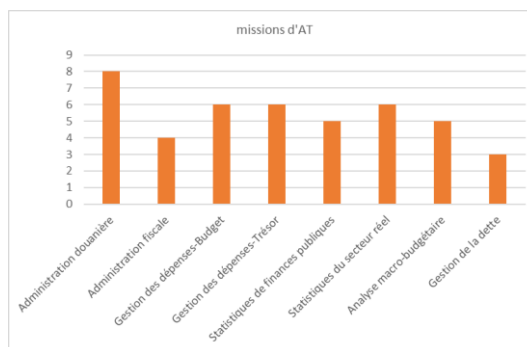


Country distribution of capacity development in Phase IV - Fiscal Years 2017-2022

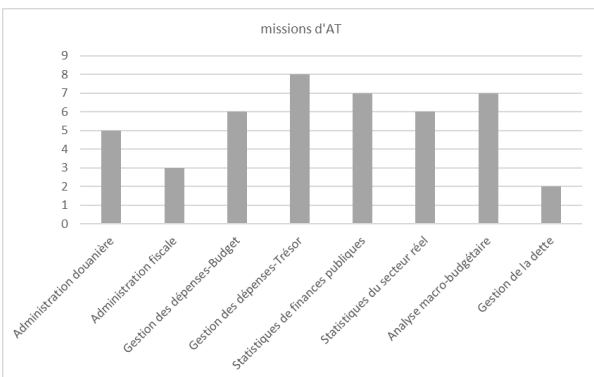
Benin



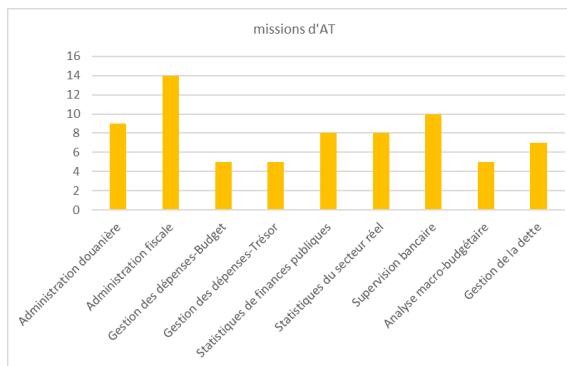
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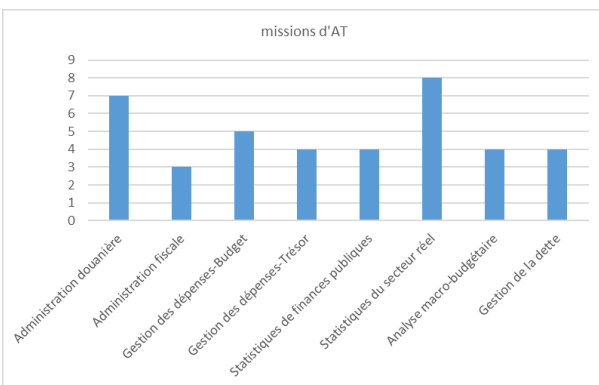
Ivory Coast



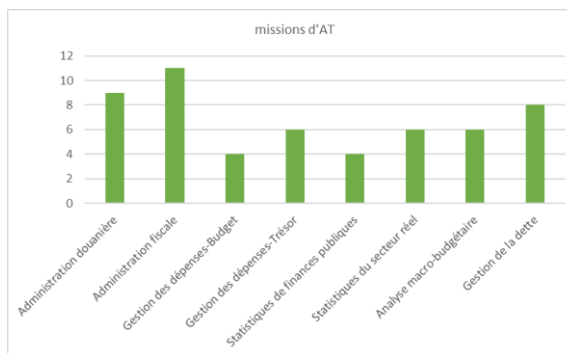
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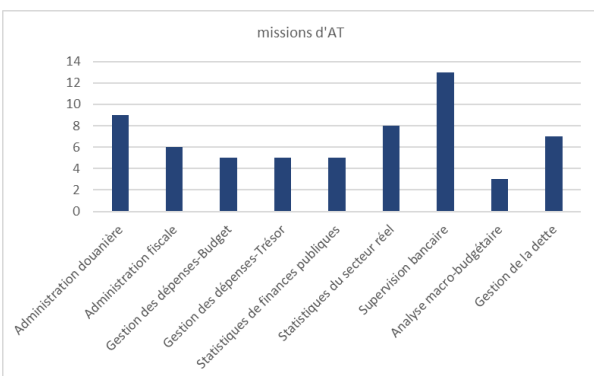
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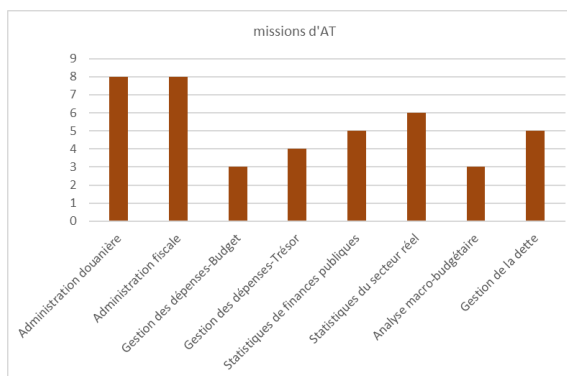
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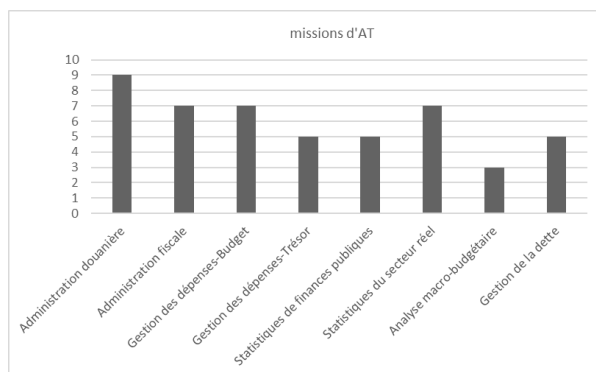
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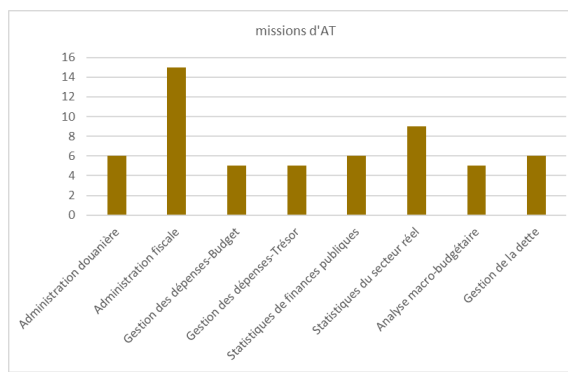
Niger



Senegal



Togo



Regional organizations

