

REGIONAL TECHNICAL ASSISTANCE CENTER FOR CENTRAL AFRICA

Improved macroeconomic policy
frameworks in Central Africa



AFRITAC
Central

ANNUAL REPORT 2017



A MESSAGE FROM THE AFRITAC CENTRAL STEERING COMMITTEE CHAIRMAN



His Excellency

Mr. Henri YAV MULANG

*Minister of Finance
of the Democratic Republic of the Congo*

The year covered by this report was marked by various difficulties in member countries, but also by notable successes.

During the past fiscal year, the IMF Regional Technical Assistance Center for Central Africa continued its mission to build human, technical, and institutional capacities in its member countries and the regional institutions in cooperation with the other development partners. This mission aims to help the authorities to improve macroeconomic management with a view to meeting the objectives they have set themselves, in particular in relation to the administration of revenues and public finances, the maintenance of sound financial systems, and the production of reliable macroeconomic statistics.

The Center, which provides high-level technical assistance through targeted actions coordinated with member countries and development partners, executed 88 percent of its programmed activities. In this fiscal year alone, the Center strengthened capacity of 500 member's country officials by

means of several regional seminars on various topics.

The Center's activities were bolstered by experienced short-term experts, 38 percent of whom were hired in the region, a clear evidence of the Center's interest in a regional approach to capacity building.

Over the course of the year, AFRITAC Central strengthened its support for member countries through various activities complementing a large volume of technical assistance missions, including seminars, research trips, and training sessions. An interregional seminar organized jointly with AFRITAC South helped officials to build their capacities on customs and tax integration. Two other seminars were organized in partnership with AFRITAC West 1, including one on access to international capital markets and another on the alignment of budget documentation to the requirements for transparency of financial governance. These activities helped, on the one hand, to raise the participants' awareness of the risks associated with access to international capital markets and to boost their knowledge on the strategic and operational aspects of international bond issuance, and, on the other hand, to establish an action plan accompanied by a timetable to alleviate the constraints related to the optimal production of budget documents. The Center also set up several research visits for officials to member countries, including the visit of officials from the General Directorate of Debt and the Treasury of the Democratic Republic of the Congo to the Ministry of Finance of Tunisia to gain knowledge and take ownership of the practical procedures for programming, preparation, and execution of issuance of government securities. Another success was the Forum of Senior Budget Officials of AFRITAC Central member countries (FOHBAC), which provides a significant opportunity for discussion and feedback as part of second generation reforms of public finances. In its sixth edition, the FOHBAC offered two key budget management

instruments, specifically the schedule and the proforma model for the budget circular being adopted by several of our member countries.

These efforts should be continued during phase III of the Center's financing cycle. With the difficult macroeconomic environment in the region, the support offered by AFRITAC Central is more necessary to strengthen the resilience of our economies to the shocks arising from various sources, above all at a time when most of the countries are confronting monetary and fiscal challenges related to the fall in commodity prices, the slowdown in global growth and demand for exports, the tighter financial conditions, and structural bottlenecks. Alongside the maintenance of the programs under way in the region, it is necessary to provide an increase in technical assistance for member countries to mobilize greater revenues, enhance the quality of public expenditure, improve public debt management, strengthen the quality of statistics, and maintain the stability of the banking and financial sector.

At the close of the Democratic Republic of the Congo's term of office, I would like to take the opportunity to thank my fellow ministers, the development partners, and the whole team at AFRITAC Central for their support during our presidency of the Steering Committee.

Finally, I wish every success to the Republic of Gabon, which is now taking over this role for 2018 and 2019 fiscal years.

FOREWORD FROM THE AFRITAC CENTRAL COORDINATOR



Paulo Drummond

During fiscal year 2017 AFRITAC Central (AFC) pursued its aim of building the management capacity of its member countries to promote growth and reduce poverty.

Indeed, the fiscal year is ending with various achievements in the areas covered by the Center. The improvement of transparency in the areas of public financial management and revenue administration, the adoption of international best practices in macroeconomic data and statistics, and progress in the institutional and operational reforms of financial sector supervision remain at the core of the Center's activity.

These achievements include participation of the member countries in the international survey on tax administration, cooperation in preparing the new customs code for the Central African Economic and Monetary Community (CEMAC), budget program reform in Gabon, the road map for adoption of the new IMF government finance statistics methodology, catching up the delays in preparing national accounts, strengthening interregional exchanges on the opportunities and risks relating to access to international capital markets,

and the development of banking supervision capacity by holding regional methodological seminars.

During fiscal year 2017, the Center showed its flexibility by organizing several regional meetings of professionals and off-site workshops for the benefit of member countries. Support offered to member countries that are in a fragile situation represented nearly 90 percent of the Center's resources. These results were also the result of close cooperation with the development partners and we are extremely grateful for their constant support. With a view to improving the sharing of up-to-date information on its activities with the partners and the general public, the Center undertook a complete revision and makeover of its website (www.afritaccentre.org) and created a Facebook page (<https://www.facebook.com/AFRITACcentre/>).

Against the background of the increasing challenges faced by the region, the program document (<http://www.afritaccentre.org/servlet/servlet.FileDownload?file=00P41000007kxTEAQ>) approved by the Steering Committee at end-March 2017 presents the training and technical assistance priorities and strategy for the next five years (draft). AFRITAC Central will intensify its efforts to meet in full its commitment to capacity building for its member countries underpinned by the assistance provided by these countries and all the development partners.

Finally, I would like to thank the Democratic Republic of the Congo for the high-level support provided during its presidency of the Steering Committee and congratulate the Republic of Gabon, which is taking up the mantle for the 2018 and the 2019 fiscal years.

LIST OF ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank	COBAC	Central African Banking Commission
AFRISTAT	Economic and Statistical Observatory for Sub-Saharan Africa	DGIC	General Directorate for Industry and Competitiveness
AFRITAC	African Regional Technical Assistance Center	DRC	Democratic Republic of the Congo
AFRITAC Central	Regional Technical Assistance Center for Central Africa	DSA	Debt Sustainability Analysis
BCC	Central Bank of the Congo	DSIF	Directorate for Supervision of Financial Intermediaries
BDEAC	Development Bank of Central African States	EAC	East African Community
BEAC	Bank of Central African States	ECCAS	Economic Community of Central African States
BOP	Operational Program Budgets	ERETES	Software tool for compiling National Accounts
BRB	Bank of the Republic of Burundi	EUROSTAT	European Commission Directorate General with EU-wide responsibility for statistical information
CAA	Autonomous Sinking Fund	FAD	Fiscal Affairs Department
CAMELS	Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk	FoHBAC	Forum of Senior Budget Officials of AFRITAC Central member countries
CAR	Central African Republic	FSAP	Financial Sector Assessment Program
CEMAC	Central African Economic and Monetary Community	FY	Fiscal Year
CNT	Quarterly National Accounts	GDP	Gross Domestic Product

GIZ	German cooperation agency/ Deutsche gesellschaft für Internationale Zusammenarbeit	RGCP	General Public Accounting Regulations
GFS	Government Finance Statistics	SADC	Southern African Development Community
GFSM	Government Finance Statistics Manual	SNA	System of National Accounts
ICA	Turnover Index	TA	Technical Assistance
IFRS	International Financial Reporting Standards	TOFE	Government Financial Operations Table
IIP	Indices of Industrial Production	UNCTAD	United Nations Conference on Trade and Development
IMF	International Monetary Fund	UNDP	United Nations Development Program
IPPI	Industrial Production Price Indices	VAT	Value Added Tax
IPS	Service Price Index	WAEMU	West African Economic and Monetary Union
LCR	Liquidity Coverage Ratio		
LOFIP	Law on Public Finance		
MTDS	Medium-Term Debt Management Strategy		
NBE	Government Budget Classification		
ORAP	Organization and Strengthening of preventive action		
PCE	Government Chart of Accounts		
PEFA	Public Expenditure and Financial Accountability		

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Steering Committee Chairman

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SECTION I

THE IMF REGIONAL
TECHNICAL
ASSISTANCE
CENTERS (RTACS)



19th meeting of the AFRITAC Central Steering Committee, Kinshasa, March 2017

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GENERAL PRESENTATION
OF THE AFRITAC INITIATIVE
AND AFRITAC CENTRAL

The five International Monetary Fund Regional Technical Assistance Centers currently operating in Africa (AFRITACs) are the fruit of joint efforts by their member countries, development partners, and the IMF. They are the main component of the Fund's response to the request made by African Heads of State for more economic and financial technical assistance, particularly for institution building. These centers now cover the whole of Sub-Saharan Africa.

AFRITAC Central (AFC) covers all the countries in the Central African Economic and Monetary Community (CEMAC), namely Cameroon, Gabon, which hosts AFRITAC Central, Equatorial Guinea, the Central African Republic (CAR), the Republic of Congo, and Chad, along with the Republic of Burundi and the Democratic Republic of the Congo (DRC). From November 2017, the coverage of AFRITAC Central will include the Democratic Republic of São Tomé and Príncipe.

The financial arrangement prevailing at AFRITAC Central is a particularly a good illustration of the member countries' interest in the services provided by the Center, as the member countries' contributions account for the substantial part of the available financial resources, with the donors and the IMF



Presidium of the Steering Committee, Kinshasa, March 2017

contributions. This financial arrangement has been maintained which is evidence of the member countries' continuing interest in AFRITAC Central's activities. One of the reasons is that the Center's activities have responded well to the countries' needs and that the approach adopted, with innovation when faced with the specific needs and circumstances of the member countries, is appropriate. That is one of the main findings of the external assessment of the AFRITACs undertaken in 2008-2009 when AFRITAC Central was still in its infancy. The independent assessment of phase II of AFRITAC Central carried out in 2014-2015 reinforced this positive impression.

For all the regional centers, technical assistance combines strategic advice developed during missions organized by the technical departments of the IMF from its headquarters in Washington, D.C. and its implementation on the ground. Implementation is the task of the Resident Advisors of the AFRITACs during their on-site visits or during missions carried out by consultants under their direct supervision. Naturally, these missions are an integral part of the IMF's overall technical assistance work. This ensures the consistency and coordination of the assistance, which is systematically monitored by the Fund's headquarters staff to ensure quality. The strategic options for the Center's activities are discussed by



AFRITAC Central Resident Advisors, Kinshasa, March 2017



Steering Committee Authorities, Kinshasa, March 2017



AFRITAC Central Resident Advisors, Kinshasa, March 2017

the Steering Committee (SC), which comprises member country and donor representatives, along with observers from various partner organizations. The SC meets regularly to approve the work program and to monitor its implementation.

AFRITAC Central has been based in Libreville, the capital of the Center's host country, since it was founded in 2007. The Steering Committee was first chaired by Gabon and then by Cameroon. The Center's second financing cycle, covering the period from May 1, 2011 through October 31, 2017, started under the chairmanship of the Republic of Congo. From May 1, 2013 through April 30, 2015 the Steering Committee was chaired by Chad. The chairmanship of the SC passed to the Democratic Republic of the Congo (DRC) from May 1, 2015 through April 30, 2017. Gabon is now chairing the Committee until April 30, 2019.

AFRITAC Central's day-to-day operations are managed by the Coordinator. Capacity building is carried out by the Resident Advisors in the areas of tax and customs administration (one advisor), public finance management (two advisors), macroeconomic statistics (one advisor), government finance statistics

(one advisor), public debt management (one advisor), banking supervision and regulation (one advisor) and results based management (one advisor). The Center is planning to hire an additional advisor in the area of macrofiscal analysis.

In addition to the tasks set out above AFRITAC Central also contributes to the development of institutional capacity of member countries by holding regional seminars and national workshops, as well as by organizing secondments for professional staff from member countries to other countries in the region. These seminars are supervised by international consultants and advisors and aimed at senior professional staff from the eight member countries in order to disseminate a common doctrine and common principles, as well as promoting the sharing of experiences and best practices.

AFRITAC CENTRAL'S OPERATING AREAS

TAX AND CUSTOMS ADMINISTRATION

In the area of tax and customs administration, the Center supports member countries to enable them to maximize tax and customs revenues.

OBJECTIVES

- (1) Modernize the institutional framework of the customs administrations;
- (2) Strengthen the main functions of the customs administrations;
- (3) Modernize the institutional framework of the tax administrations;
- (4) Strengthen the main functions of the tax administrations.

PUBLIC FINANCIAL MANAGEMENT

The Center's technical support in this area focuses on financial transparency, harmonization with regional guidelines, and preparation, execution and monitoring of the budget.

OBJECTIVES

- (1) Modernize the legal framework of public finance;
- (2) Improve the preparation of the government budget to make it more comprehensive and more easily understood;
- (3) Strengthen budget execution procedures and monitoring of budget execution and accounting.

MACROECONOMIC STATISTICS

The Center supports the member countries in establishing reliable national accounts that comply with international standards and in setting up effective tools to guide the economy.

OBJECTIVES

- (1) Support the preparation of annual national accounts;
- (2) Support the preparation of quarterly national accounts;
- (3) Build capacity and share experience and regional and international best practices in the preparation of national accounts and statistics underpinning the national accounts work.

GOVERNMENT FINANCE STATISTICS

In this area, the Center works alongside the member countries in establishing reliable public finance accounts that comply with international standards.

OBJECTIVES

- (1) Strengthen the preparation and dissemination of government finance statistics for decision-making.
- (2) Support the AFC countries in enhancing the transparency of financial statistics by participating in the General Data Dissemination System (GDDS).

PUBLIC DEBT MANAGEMENT

The Center supports the member countries in the effective management of public debt to reduce their vulnerability to internal and external shocks, to support economic growth, and to enhance the investment climate.

OBJECTIVES

- (1) Develop a medium-term debt strategy;
- (2) Ensure better management of debt portfolio risks;
- (3) Build capacity in debt sustainability analysis;
- (4) Develop the domestic public debt market;
- (5) Work alongside the countries in developing the Sukuk market;
- (6) Strengthen the institutional and legal framework for debt management.

BANKING SUPERVISION AND REGULATION

The Center provides the countries with support for rehabilitation of the banking and financial system, enabling it to finance the economy while remaining vigilant with regard to the level of risk that it takes, and for stabilization of the financial environment.

OBJECTIVES

- (1) Strengthen oversight of the financial sector by upgrading the regulatory framework to international standards;
- (2) Increase the efficiency of the use of the means of supervision to improve oversight of the main banking system risks;
- (3) Ensure that the banks have sound liquidity and capital sufficient to cover their risks and to contribute to the stability of the financial system;
- (4) Enhance the effectiveness of supervision by strengthening the understanding of the IFRS about provisioning.

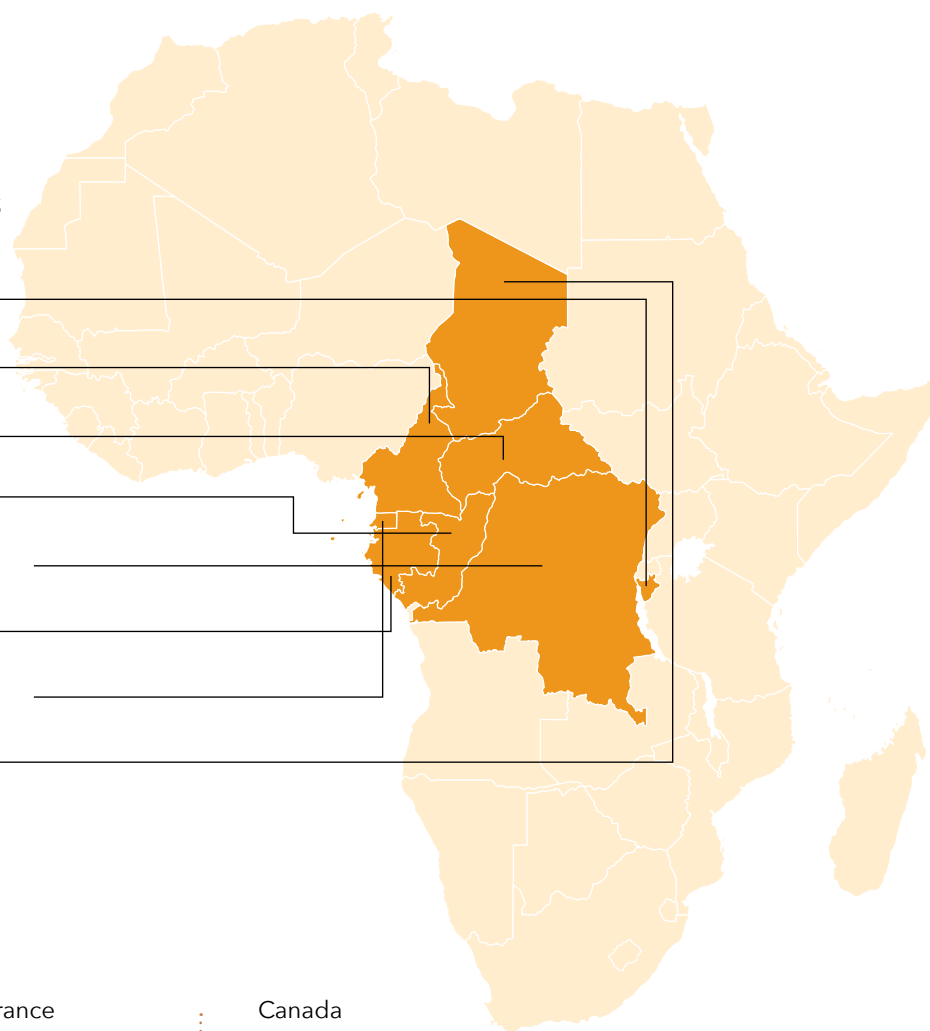
SECTION I



MEMBER COUNTRIES AND PARTNERS OF AFRITAC CENTRAL

AFRITAC CENTRAL MEMBER COUNTRIES

-  Republic of Burundi
-  Republic of Cameroon
-  Central African Republic
-  Republic of Congo
-  Democratic Republic of the Congo
-  Republic of Gabon
-  Republic of Equatorial Guinea
-  Republic of Chad



AFRITAC CENTRAL PARTNERS

European Union/ African,
Caribbean and Pacific States (ACP)



France



Canada



Affaires mondiales Canada Global Affairs Canada

African Development Bank



Germany



Australia



European Investment
Bank



China



International Monetary Fund



AFRISTAT*

Economic and Statistical
Observatory for Sub-Saharan Africa

BDEAC

Development Bank of Central
African States

BEAC*

Bank of Central African States

ECCAS

Economic Community of Central
African States

CEMAC*

Central African Economic and
Monetary Community

COBAC*

Central African Banking Commission

EAC

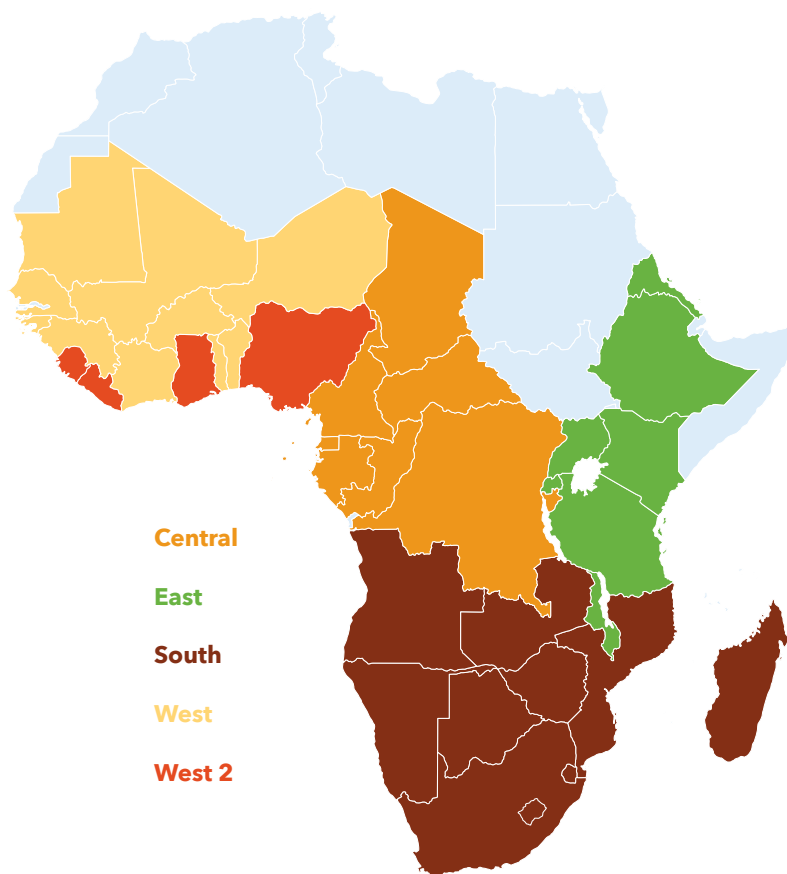
East African Community

SADC

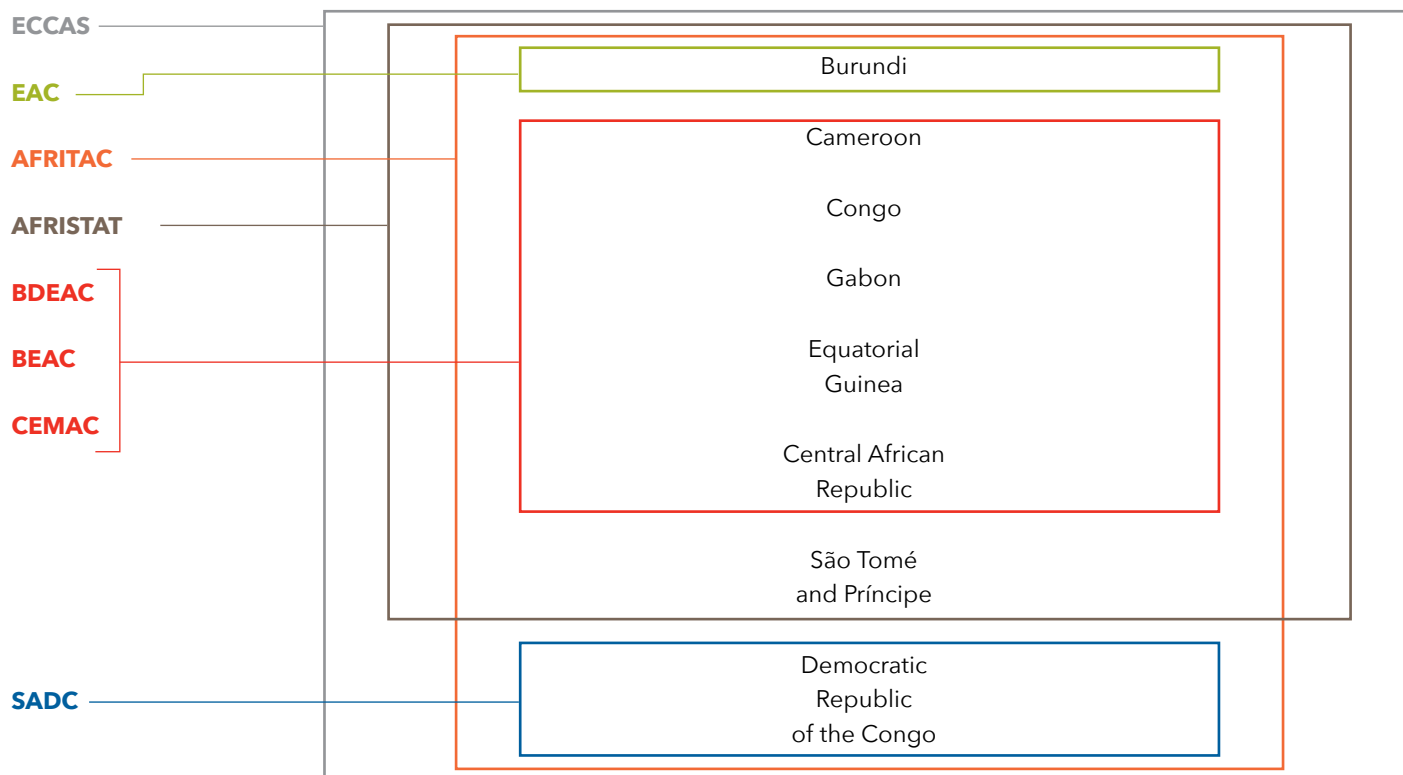
Southern African Development Community

* AFRITAC Central Observers

GEOGRAPHIC LOCATION OF THE COUNTRIES COVERED BY IMF'S REGIONAL TECHNICAL CENTERS IN AFRICA



SUBREGIONAL ORGANIZATIONS: GEOGRAPHIC COVERAGE



SECTION II

MAIN OUTCOMES

(MAY 2016 - APRIL 2017)



Closing ceremony of the regional seminar on monitoring the system for controlling operational risk in banks,
Libreville, February 2017

A

SUMMARY
AND OVERVIEW

In fiscal year 2017, AFRITAC Central's activities were based on the strategic objectives of the Center's logical framework for the date of the second financing cycle set for October 31, 2017. Accordingly, to respond more effectively to member countries' requests, the sectoral technical assistance activities were supplemented, as appropriate, by multidisciplinary or multi-sector seminars and national workshops. Further, the experience of immersion visits to public administrations of countries with more advanced reforms generated opportunities to share practical knowledge among peers.

MAIN ACHIEVEMENTS

The main results achieved over the year are mentioned in the implementation of the logical framework and presented in Table 1 and Box 1, respectively. The high level of execution of the work program, the strengthening of coordination of technical assistance with the donors and lenders, and the support for regional reforms are the main characteristics that stand out for the 2017 fiscal year.

A HIGH LEVEL OF EXECUTION

In fiscal 2017 the planned activities were carried out for the benefit of all the member countries, despite the difficult security and economic conditions in some member countries (see Box 2, pages 28-29).

Generally speaking, program execution is in line with forecasts and maintained a steady rate of progress throughout the year (see Chart 1, page 27).

Just over half of AFRITAC Central's activities related to support for the public finance reforms (customs, taxes, and public expenditure); this is in line with programming and the priority needs of the member countries undertaking reforms in their administrations (see Charts 2 and 3, page 30).

Overall, FY2017 showed an execution rate of 88 percent (see Table 2, page 26). The great majority of activities were carried out in the form of regional activities, one-off technical assistance missions, and multiyear technical assistance projects.

TABLE 1: IMPLEMENTATION OF AFRITAC CENTRAL'S LOGICAL FRAMEWORK AS OF APRIL 2017

Progress made:

- 4. Results achieved
 ● 3. Results broadly achieved
 ● 2. Results partially achieved
 ● 1. Results not achieved
 No activity carried out during the period May 2016 - April 2017

	AFRITAC Region	Burundi	Cameroon	CAR	Congo	DRC	Gabon	Equatorial Guinea	Chad
Customs Administration									
Area 1: Strengthen regional and international cooperation with a view to creating the common market	●	●	●	●	●	●	●	●	●
Area 2: Build capacity in combating fraud		●		●		●	●	●	●
Tax Administration									
Area 1: Strengthen VAT administration	●	●	●	●	●	●	●	●	●
Area 2: Strengthen administration of the natural resources sector						●			
Public Financial Management									
Area 1: Adopt and implement the CEMAC directives in the member countries	●			●			●	●	●
Area 2: Adopt and try out the laws and regulations for implementing the LOFIP in the DRC and Burundi		●				●			
Area 3: Prepare the conditions for the transition to second generation public finance reforms									
Area 4: Present and execute the program budgets for the pilot ministries					●	●	●		
Area 5: Move government accounting toward the international standards and best practices	●	●	●	●	●	●	●	●	●
Area 6: Build human capacity	●	●	●	●	●	●	●	●	●
Macroeconomic Statistics									

TABLE 1: IMPLEMENTATION OF AFRITAC CENTRAL'S LOGICAL FRAMEWORK AS OF APRIL 2017 (CONT.)

	AFRITAC Region	Burundi	Cameroon	CAR	Congo	DRC	Gabon	Equatorial Guinea	Chad
Area 1: Support the preparation of annual national accounts		●		●	●	●	●	●	●
Area 2: Support the preparation of quarterly national accounts		●	●						
Area 3: Support the improvement of consumer price statistics									
Area 4: Build capacity and share experience and best practices in the area of national accounting	●	●	●	●	●	●	●	●	●
Government Finance Statistics									
Area 1: Support the transposition to and implementation of the CEMAC TOFE directive	●				●		●		●
Area 2: Support the preparation and dissemination of government finance statistics (GFS) based on the <i>Government Finance Statistics Manual 2014 (GFSM 2014)</i> for Burundi and the DRC	●					●			
Area 3: Build capacity and share experience and regional and international best practices in the preparation of government finance statistics	●				●	●	●		●
Public Debt Management									
Area 1: Assess technical assistance requirements		●	●	●	●	●	●	●	●
Area 2: Modernize the organizational and institutional framework for the management of public debt				●					●
Area 3: Build operational and analytical capacity of the organizations in charge of public debt management	●		●		●	●	●		●

TABLE 1: IMPLEMENTATION OF AFRITAC CENTRAL'S LOGICAL FRAMEWORK AS OF APRIL 2017 (CONT.)

Progress made:

- 4. Results achieved
- 3. Results broadly achieved
- 2. Results partially achieved
- 1. Results not achieved
- No activity carried out during the period May 2016 - April 2017

	AFRITAC Region	Burundi	Cameroon	CAR	Congo	DRC	Gabon	Equatorial Guinea	Chad
Area 4: Raise awareness of the countries with regard to the use of market mechanisms to cover their financing requirements	●				●	●			●
Banking Supervision and Financial Stability									
Area 1: Regional seminars	●	●				●			
Area 2: Align the legal and regulatory frameworks to international standards	●	●							
Area 3: Establish a risk-based supervision system and build capacity of the supervisors	●	●				●			
Area 4: Put in place a financial stability and banking crisis prevention and management system		●				●			
Area 5: IFRS and financial transparency						●			

Source : AFC

BOX 1: MAIN RESULTS OF AFRITAC CENTRAL TECHNICAL ASSISTANCE ACTIVITIES (MAY 2016 TO APRIL 2017)

BURUNDI

- Action plan for strengthening customs and tax interactions prepared;
- Provisional and annual national accounts made available;
- Capacity of staff members strengthened in the area of legal and institutional framework of the securities market;
- Framework for Bank of the Republic of Burundi (BRB) financial stability supervision finalized.

CAMEROON

- Import supervision mechanisms prepared;
- Draft accounting standard 5 on financial assets completed and tested;
- Correspondence table between the current and new Government Budget Classification;
- National accounts available in 2008 SNA.

CONGO

- Formalized framework for exchange of tax and customs data delivered;
- Final national accounts for 2012 available;
- Annual performance plans completed for at least 50 percent of ministries;
- TOFEs for 2012, 2013, and 2014 prepared in accordance with the *GFSM 2014* classification;
- Support for the production of the first debt management report for 2015.

GABON

- Capacity on transfer pricing and customs value strengthened;

- Supplementary budgets and special accounts clearly tracked in the budget law;
- Institutional plan for strengthening the oversight of public enterprises proposed;
- Experimental TOFE prepared in accordance with the format of the source data for FY2016.

EQUATORIAL GUINEA

- Support for the definition of new customs clearance procedures;
- Preparation of mechanisms for management of exemptions;
- Framework for cooperation between customs and taxes established;
- 2006-2015 series of national accounts released;
- Diagnosis of needs and organization of the unit in charge of the TOFE carried out.

CENTRAL AFRICAN REPUBLIC

- Plans for monitoring, supervision of exemptions, and securing of customs clearance operations proposed;
- Matrix of measures/ actions to mobilize tax and customs revenues;
- Cash flow plans and expenditure commitment plans implemented;
- Final national accounts for 2012 finalized;
- TOFE simulation with data for 2016;
- Action plan for the reform of the legal and institutional framework of the debt.

DEMOCRATIC REPUBLIC OF THE CONGO

- Spot VAT auditing program made available;

- Action plan for completion of annual performance plans prepared and implemented;
- Final national accounts for 2005, 2006, 2010, and 2013 available;
- Two experimental TOFEs for 2014-2015 prepared.

CHAD

- Capacity for monitoring and supervision of exemptions strengthened;
- Measures for safeguarding operations for customs clearance of exempt goods proposed;
- Capacity for tax supervision, on transfer pricing, and customs value strengthened;
- New budget nomenclature adopted by decree;
- National accounts for 2005-2015 in line with the 1993 SNA available;
- TOFE data sources identified;
- Capacity in medium-term debt strategy strengthened.

CEMAC

- Drawing up of draft implementation texts for updating the customs code;
- Assessment of the customs administrations reforms;
- Preparation of a toolbox for modernizing tax and customs procedures;
- Timetable for establishing a data exchange platform;
- Measures for targeting importers and safeguarding the identifier;
- Capacities strengthened for monitoring and assessing the transposition and implementation of the CEMAC directives in the member countries.

Source : AFC

The key indicators for the execution of the 2017 work program are provided below:

442

persons weeks devoted to strengthening the member countries' administrations

500

professional staff trained during 15 regional seminars held

46%

of resources allocated to public financial reforms

109

activities executed by AFRITAC Central advisors and experts

88%

execution rate of the 2017 activity program

62%

of activities for the benefit of CEMAC countries

38%

of the experts used by the Center are recruited from among African professionals

83%

of resources provided to member fragile countries

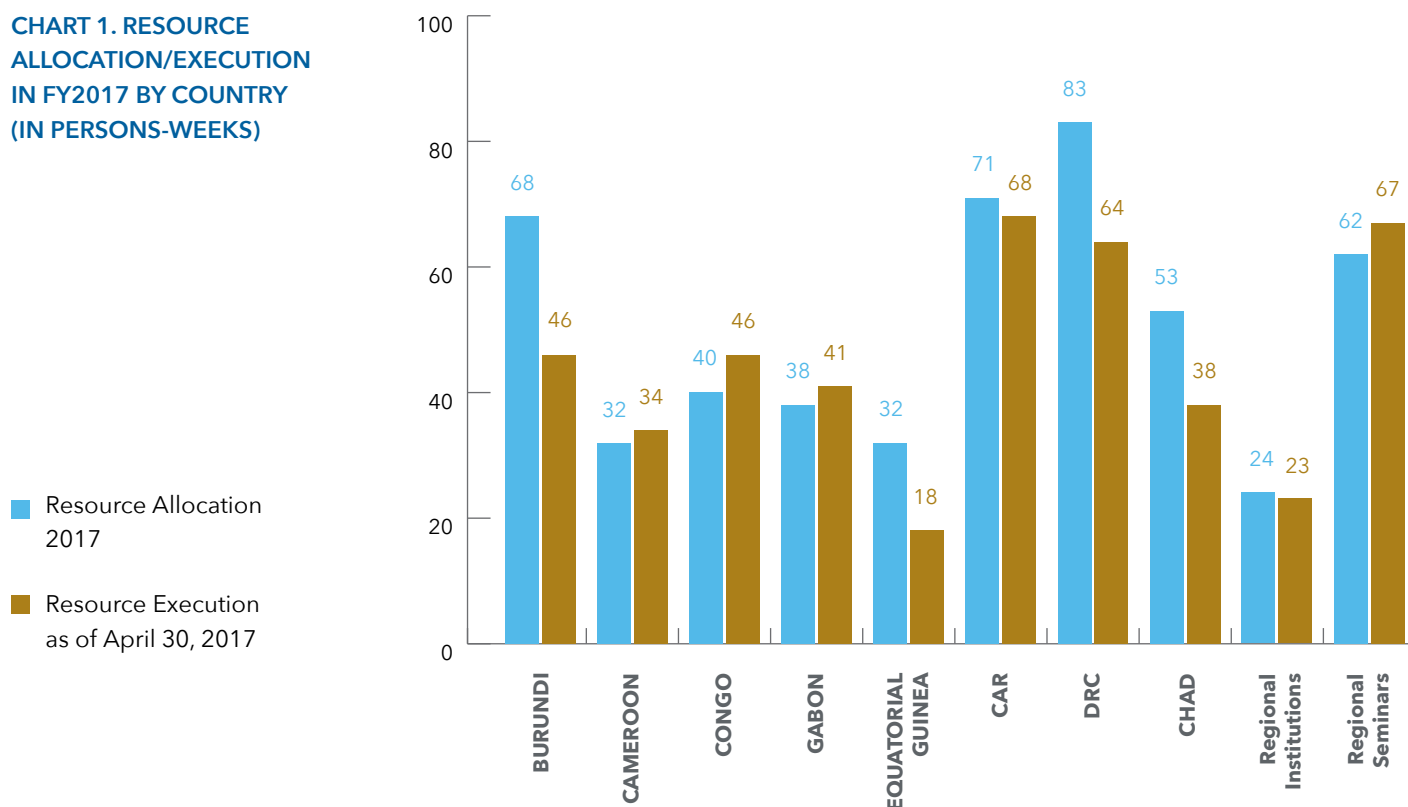
TABLE 2. 2017 WORK PROGRAM EXECUTION AS OF APRIL 30, 2017 (IN PERSONS-WEEKS)

Country/ Institutions/ Regional/ Seminar	Resources allocated (May 2016 - April 2017)				Implemented at April 30, 2017	Execution rate (in percent)
	Resident Advisors		Short-term Experts	Total		
	AFRITAC headquarters	On-site				
BURUNDI	22.5	22.0	23.0	67.5	46.0	68.1
CAMEROON	10.0	14.0	8.0	32.0	34.0	106.3
CONGO	12.0	14.0	14.0	40.0	45.5	113.8
GABON	16.0	9.0	13.0	38.0	40.5	106.6
EQUATORIAL GUINEA	6.5	9.0	16.0	31.5	17.5	55.6
CAR	18.0	20.0	33.0	71.0	68.0	95.8
DRC	24.0	26.0	33.0	83.0	63.5	76.5
CHAD	15.0	17.0	21.0	53.0	37.5	70.8
Regional Institutions	11.0	7.0	6.0	24.0	22.5	93.8
Regional Seminars	24.0	18.0	20.0	62.0	67.0	108.1
TOTAL	159.0	156.0	187.0	502.0	442.0	88.0
Fragile States ¹	91.5	99.0	124.0	314.5	260.5	82.8
CEMAC Countries	77.5	83.0	105.0	265.5	243.0	91.5

¹ Burundi, Congo, CAR, DRC and Chad

Source: AFRITAC Central

CHART 1. RESOURCE ALLOCATION/EXECUTION IN FY2017 BY COUNTRY (IN PERSONS-WEEKS)



Source: AFRITAC Central

Among the achievements of this year, the following stand out:

- (1) the relaunch of banking supervision activities at the COBAC;
- (2) the removal and reprogramming of various activities for the benefit of Burundi and the Democratic Republic of the Congo to AFC headquarters;
- (3) the production of a full TOFE by Gabon and Burundi in accordance with the CEMAC directives and the IMF's *GFSM 2001-2014* methodology, respectively;
- (4) capacity building on customs/ tax cooperation with a view to preventing and combating VAT fraud through a multidisciplinary interregional seminar jointly with the IMF Regional Technical Assistance Center for Southern Africa (AFRITAC South); and

- (5) the organization of a cross-cutting skills and knowledge seminar on the preparation of the Government TOFE bringing together experts in charge of the TOFE, the team of AFRITAC resident advisors specializing in public financial management and government finance statistics, the experts in government finance statistics from the IMF Statistics Department, and an expert from CEMAC in charge of public finance.

In addition, AFRITAC Central organized three awareness-raising visits for officials in order to promote learning by peer group, thereby encouraging capacity building through exchanges within the continent. The first of these was for two officials from the Bank of the Republic of Burundi visiting the Bank Al Maghrib in Morocco on the topic of risk-based supervision. The second visit involved four officials from the Democratic Republic of the Congo Treasury and Debt department going to

the Ministry of Finance of Tunisia on the topic of government security issuance. The third was for the benefit of officials from the Directorate of the Budget of the Democratic Republic of the Congo visiting the Ministry of Finance of Gabon covering the assembly and monitoring of annual performance projects and the management of budgetary reform.



Flags of the six member countries of the Central African Economic and Monetary Community (CEMAC)

BOX 2. MACROECONOMIC DEVELOPMENTS BETWEEN 2012 AND 2017

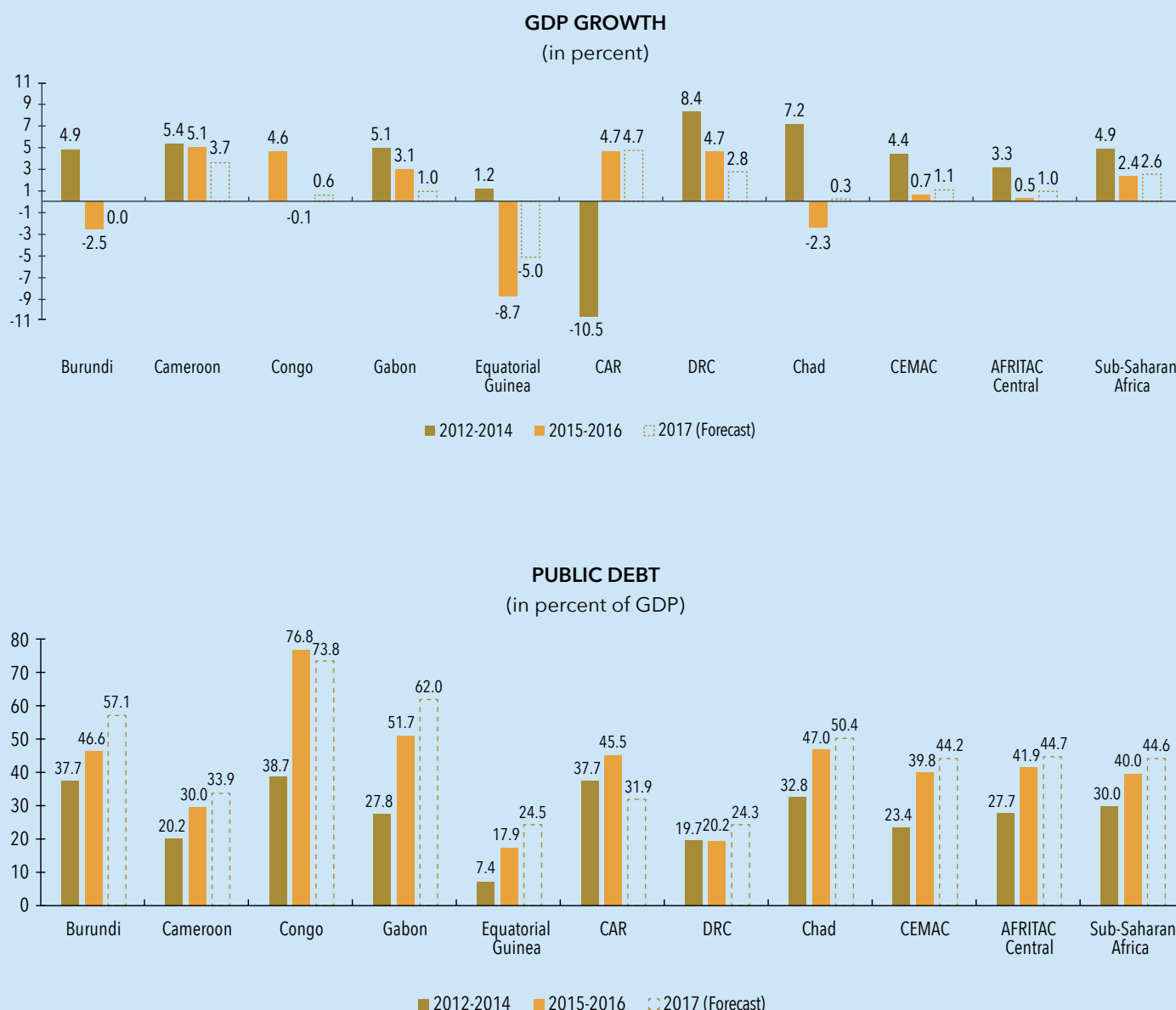
AFRITAC CENTRAL MEMBER COUNTRIES

In the period from 2015 through 2016 economic growth in the AFRITAC Central countries slowed sharply due to the weakening of commodity prices, including oil, combined with the economic costs of maintaining security in some of the countries in the region. During this period, there was an increase of public debt of the AFRITAC Central countries. A worsening of the budget deficit is also evident in most countries. Trade balances remain deeply in deficit despite the start of efforts to diversify

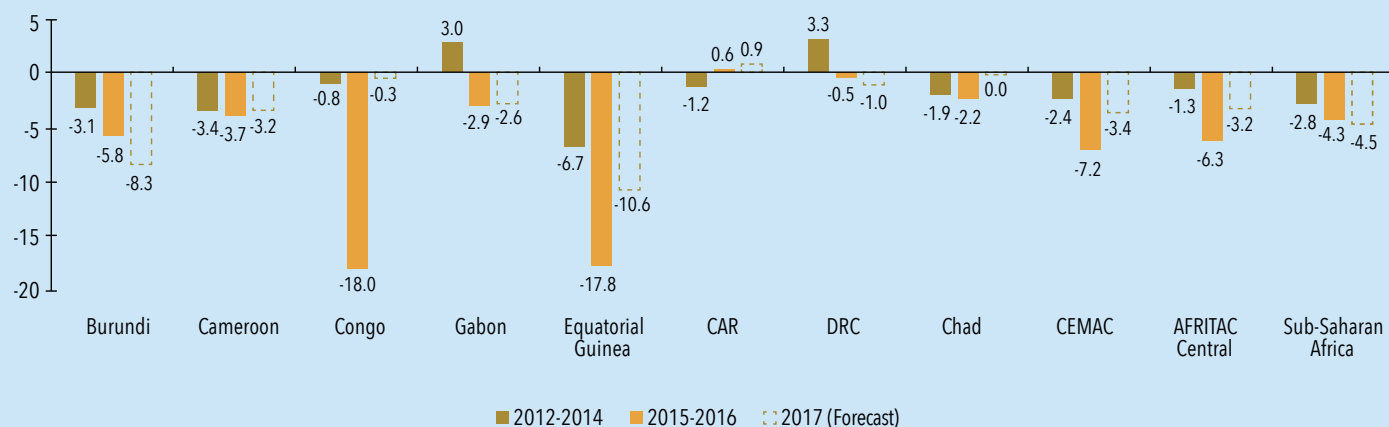
the economies. In contrast, inflation remained stable and under control in the member countries, except in Burundi, where it is relatively high compared with the overall regional trend.

In 2017-18, growth should start to recover in the majority of AFRITAC Central member countries. At the same time, an improvement in public financial management should lead to a reduction in budget deficits in the region and a fall in public debt in the member countries

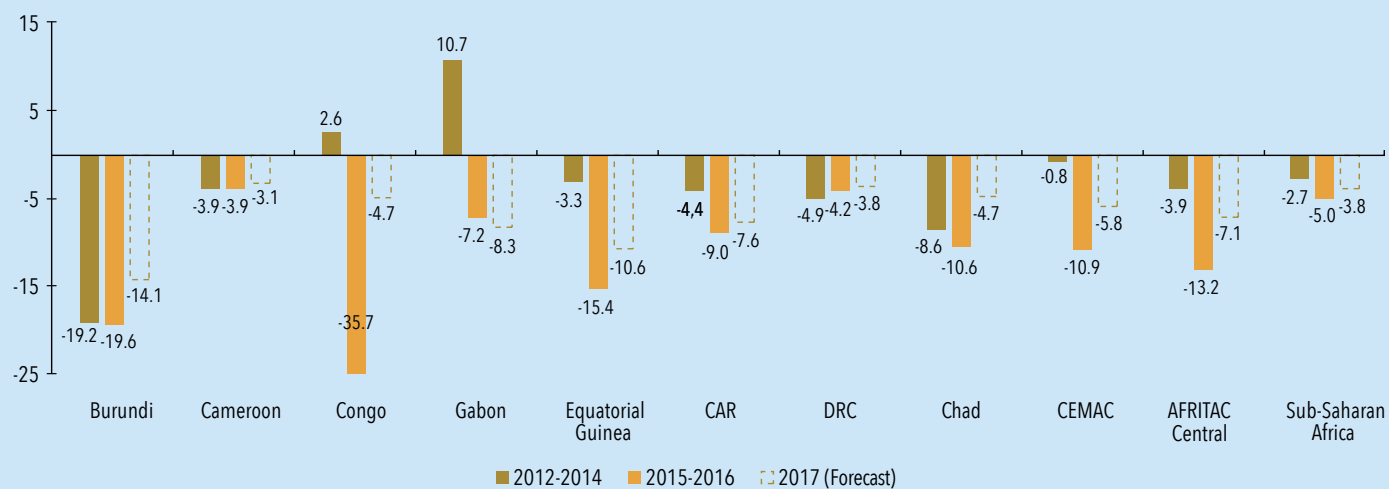
according to current forecasts. Similarly, the current account deficit is expected to narrow in member countries. Finally, projections show a fall in inflationary pressures for 2017.



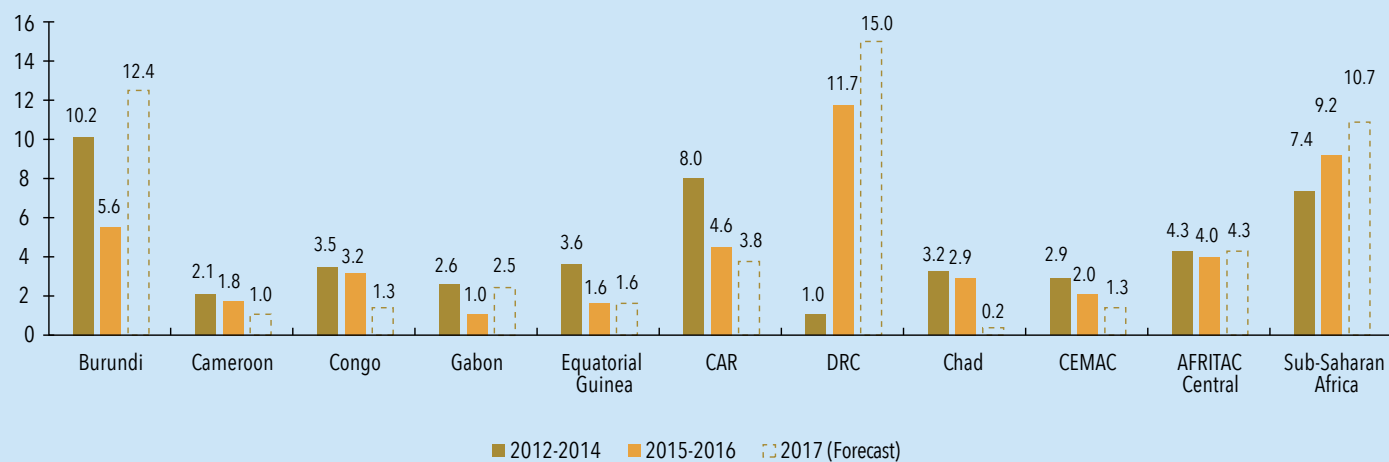
OVERALL FISCAL BALANCE (EXCLUDING GRANTS)
(in percent of GDP)



CURRENT ACCOUNT BALANCE
(in percent of GDP)



CONSUMER PRICE INFLATION
(in average annual percentage change)



Source : IMF, Database of the African Department and the Regional Economic Outlook, April 2017

REGIONAL SUPPORT AND SEMINARS

The activities carried out also covered support for the implementation of regional reforms, both relating to work in cooperation with the regional institutions (ECCAS, CEMAC, BEAC, and COBAC) and relating to government-level activities for the internalization of these reforms.

Fifteen regional seminars were organized by AFRITAC Central in fiscal 2017 on the following topics, respectively:

- (1) performance management, modernization of procedures, and management of the financial information tool;
- (2) transparency and performance in the preparation of the budget law;
- (3) introduction to the System of National Accounts 2008 (2008 SNA);
- (4) adjusting to regional and international standards for government finance statistics;
- (5) access to international capital markets;
- (6) combating money laundering and the financing of terrorism;
- (7) supervision of the cross-cutting functions of internal control, compliance, and risk management in banks;
- (8) aligning budget documentation with the requirements of transparency in financial governance;
- (9) strengthening the regional approach to customs reforms;
- (10) monitoring the operational risk control system in banks;
- (11) integrating customs and tax tasks;

CHART 2. ACTIVITIES CARRIED OUT IN 2017 BY COUNTRY (IN PERCENTAGE OF ACTIVITIES)

Source: AFRITAC Central

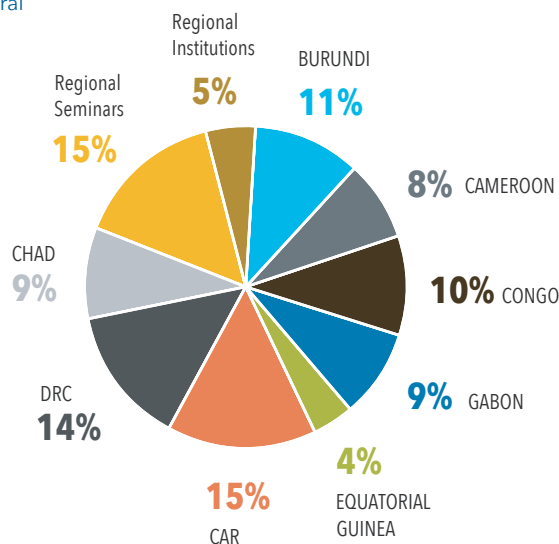
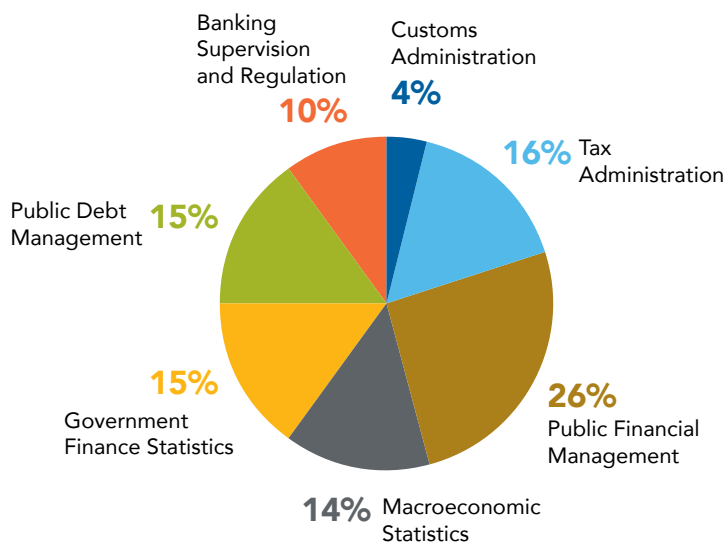


CHART 3. ACTIVITIES CARRIED OUT IN 2017 BY AREA (IN PERCENTAGE OF ACTIVITIES)

Source: AFRITAC Central



- (12) promoting financial transparency in the preparation and execution of the budget law for the general government account;
- (13) managing financial risks associated with the public debt portfolio;
- (14) practical aspects of the adoption of the *Government Finance Statistics Manual 2014*; and
- (15) internal control and audit in the area of public financial management.

Regionally, in addition to the support provided to the CEMAC Commission on the directives for the harmonization of the public finance framework mentioned above, the Center also supported efforts to upgrade the customs code and promote tax harmonization in the CEMAC area. During the fiscal year under review, activities for the benefit of the regional institutions, such as the COBAC, decreased in comparison with fiscal 2016. The other activities on a regional scale took the form of regional seminars for sharing experiences and capacity building in an effort to pool resources for maximum impact.

CLOSE COOPERATION WITH TECHNICAL AND FINANCIAL PARTNERS

To promote efficiency and coordination, the programmed activities were carried out in close cooperation with Fund staff and other development partners, and in some cases jointly with some of these partners. It is worth remembering that AFRITAC Central activities are an integral part of the general capacity building framework provided to member countries by the IMF to support economic reforms.

To this end, there was particularly strong coordination with the other partners in the areas of public finance (revenues and expenditures), macroeconomic statistics, debt management, and banking supervision. The main partners with which AFRITAC Central support is coordinated, or indeed jointly run, are AFRISTAT, the World Bank, the AfDB, EUROSTAT, the German development agency GIZ, Coopération Française, the French Development Agency (AFD), the International Banking and Finance Institute, the UNDP - Pôle de Dakar, and the European Union, in particular.

Accordingly, AFRITAC Central:

- (1) continued the modernization of the legislation and reorganization of the customs administration and procedures in Equatorial Guinea with a view on the implementation of the SYDONIA World project software package in partnership with UNCTAD;
- (2) maintained its support for the CEMAC Commission for monitoring the implementation of the directives on the harmonization of the public finance framework, specifically in cooperation with the World Bank, the UNDP - Pôle de Dakar, and the European Union;
- (3) continued its program of support for the establishment of the program budget in the Republic of Congo in partnership with the UNDP - Pôle de Dakar;
- (4) strengthened its cooperation with the World Bank in establishing the strategy to catch up the delays in the national accounts for Equatorial Guinea. This strategy enabled



AFC's Steering Committee Meeting Observers and Resident Advisors, Kinshasa, March 2017



Representatives of the partner organizations of AFRITAC Central at the 19th meeting of the AFRITAC Central Steering Committee, Kinshasa, March 2017

- Equatorial Guinea to have up-to-date national accounts for the years 2006 through 2016;
- (5) set up fruitful exchanges with the Agence Française de Développement - AFD (French development agency) on ways to improve the integrated data management systems for the expenditure sequence in the Central African Republic with a view to achieving a more optimal production of the TOFE;
- (6) started discussions with the World Bank and the African Development Bank (AfDB) on opportunities to optimize public finance applications to improve TOFE data quality in Chad;
- (7) expanded its partnerships to include the Committee of Banking Supervisors in West and Central Africa (CBSWCA) by organizing with the Central Bank of the Congo an interregional seminar to review bank governance and efforts to combat money laundering and the financing of terrorism;

- (8) relaunched the overall migration of the banking system toward the IFRS accounting standards within the Central Bank of the Congo after two years of technical assistance by the GIZ.

In an ongoing effort to inform the partners on the activities carried out by the Center, the advisors and the experts organize feedback sessions when they visit member countries. During FY2017, the Center remodeled its website. This instrument provides regular information to the partners on its activities. The Center also created and placed on line a regularly updated information page on Facebook in order to share information as widely as possible with the general public.

¹ www.afritaccentre.org

² <https://www.facebook.com/AFRITACcentre/>

REVENUE ADMINISTRATION

MAIN ACHIEVEMENTS

CUSTOMS

- Action plan to control exemptions and special provisions (Burundi - **BDI**, **CAR**);
- Updating of the criteria of the provisional selectivity system (Gabon - **GAB**);
- Preparation of draft texts on customs services organization and tasks (Equatorial Guinea - **GNQ**);
- Spot VAT auditing program made available (**DRC**).

TAXES

- Formalized framework of tax and customs data exchange prepared (Republic of Congo - **COG**, **GAB**, **Chad - TCD**);
- Action plans on the expansion of the tax base and anti-fraud measures prepared (**DRC**);
- Portfolio of large and medium-sized enterprises updated (**TCD**);
- Timetable for bringing into operation the Large Enterprises Directorate updated (**GNQ**).



Regional seminar on performance management, modernization of procedures, and management of the financial information tool for tax administrations, Libreville, June 2016

WORK PROGRAM EXECUTION

As of April 2017, the work program for tax and customs administration had been carried out in close cooperation with the regional technical assistance program implemented by IMF Fiscal Affairs Department staff.

For customs administration, the activities carried out are all part of the multiyear projects included in the regional customs administrations modernization and reform program.

At the regional level, the Center worked hand in hand on the editing and updating of the **CEMAC** customs code, as well as on the preparation of the drafts of the main implementing laws and regulations in cooperation with the Fund's Fiscal Affairs Department staff. The Center also participated in the meeting of the CEMAC Technical Committee on Customs Values. Further, the fourth annual meeting of Directors-General of Customs, in cooperation with IMF Fiscal Affairs Department staff, enabled the customs administrations reforms and the modernization of procedures to be assessed. The main strategic areas of

IMF technical assistance (FAD, AFC) relating to customs administration in the subregion were discussed at this meeting. In addition, this event enabled the Republic of São Tomé and Príncipe to participate in the Center's activities in advance of the next phase. Finally, a multidisciplinary regional seminar on customs and taxes let officials from the member countries:

- (1) familiarize themselves with the concepts and tools of performance management;
- (2) prepare a toolbox for modernizing customs and tax procedures; and
- (3) familiarize themselves with the management of the customs and tax administrations' information tool (International Survey on Revenue Administration (ISORA)/Revenue Administration Fiscal Information Tool (RA-FIT). This training enabled six out of eight member countries to complete this updating exercise (see Box 3).

The customs administrations in **Burundi** and the **Democratic Republic of the Congo** benefited from a workshop

held for their main officials. Practical action plans were developed during this workshop relating to:

- (1) expansion of the customs base,
- (2) combating customs fraud,
- (3) control of exemptions and special provisions, and
- (4) strengthening the interactions among the Commissariats for Customs/ Excise and for domestic taxation and nontax resources/ General Directorate of Taxation.

In **Gabon**, the technical assistance led to:

- (1) a review of the project to automate risk management to improve the selectivity of customs inspections; and
- (2) updating of the transitional selectivity criteria in the database of available information.

In **Equatorial Guinea**, the activities enabled the following:

- (1) establishing new customs clearance procedures;
- (2) preparing mechanisms for exemptions management; and
- (3) preparing draft texts setting forth the organization and tasks of the departments.

These tools are all indispensable for optimizing computerization of the customs services in this country.

The **Central African Republic** benefited from capacity building for the staff responsible for monitoring and supervision of the true destination of exempt goods and received a proposal of practical measures for the safeguarding of customs clearance operations for exempt goods.

In **Chad**, the AFRITAC Central activities helped to build capacity of the staff responsible for monitoring and supervision of the true destination of



Interregional seminar on the integration of tax and customs tasks, Libreville, Mars 2017

exempt goods. Practical measures for the safeguarding of customs clearance operations for exempt goods were also proposed.

For tax administration, the activities carried out are all part of the multiyear projects included in the regional tax administrations' modernization and reform program.

At the regional level, a multidisciplinary interregional seminar on customs/ tax cooperation to prevent and combat VAT fraud was organized jointly with the IMF Regional Technical Assistance Center for Southern Africa (AFRITAC South). At this meeting the participants prepared the following:

- (1) a timetable for establishing permanent data exchange systems;
- (2) a catalog of measures for targeting importers and safeguarding the identifier; and
- (3) proposals for changes to the legal or regulatory texts by country with regard to inspection in enterprises.

This event involved the Republic of São Tomé and Príncipe in the Center's activities. In addition, an interregional course on macroeconomic management of natural resources was organized in Mauritius in partnership with AFRITAC South and the IMF's Africa Training Institute (ATI). This training, which benefited from the cooperation of the Fund's Institute for Capacity Development (ICD), offered the participants the tools needed for the establishment and implementation of policies relating to natural resources, in particular with regard to the financial, monetary, and budgetary aspects, as well as the associated structural reforms. Moreover, the Center actively contributed to the updating by all the member countries of the data in the database of the revenue administrations' on-line financial information tool established by the IMF Fiscal Affairs Department (see Box 3).

The tax administration of **Burundi** benefited from a workshop held for its main officials. During this workshop, practical action plans were developed relating to:

- (1) expansion of the tax base,
- (2) combating tax fraud, and
- (3) strengthening the interactions among the Commissariats for Customs/ Excise and for domestic taxation and nontax resources.

In **Cameroon**, the activities contributing to strengthening the customs/ tax cooperation helped to:

- (1) prepare a mechanism for supervision of imports of goods at risk;
- (2) train customs officials in transfer pricing and customs value; and
- (3) design a harmonized framework for on-site customs, tax, or mixed inspections at enterprises.

Furthermore, with the objective of expanding the tax base, the Center strengthened the survey and research structures of the Cameroonian tax administration. Particular emphasis was laid on the sharing of information with the customs administration and the evaluation of this information for tax purposes.

In **Congo**, the technical assistance aimed to strengthen the new medium-sized enterprise management unit. Specifically, it enabled the:

- (1) updating of the portfolio of enterprises;
- (2) training of staff members in management, supervision, and recovery; and
- (3) validation of the procedures manual.

The Center also prepared a formalized framework of systematic tax and customs data exchange with a view to mobilizing tax and customs revenues and combating fraud.

The strengthening of customs/ tax cooperation in **Gabon** helped to:

- (1) prepare a mechanism for the supervision of imports of goods at risk;
- (2) train customs officials in transfer pricing and customs value; and
- (3) design a harmonized framework of on-site customs, tax, or mixed inspections at enterprises.

The technical assistance activities in **Equatorial Guinea** led to the following achievements:

- (1) updating of the timetable to bring into operation the Large Enterprises Department;
- (2) finalizing of the procedures manual;
- (3) training of 35 staff members in understanding tax obligations and spot checks;
- (4) working alongside the establishment of the Medium-sized Enterprise Department; and
- (5) the proposal of a customs and taxation cooperation framework.

In the **Central African Republic**, the activity carried out in cooperation with the IMF Fiscal Affairs Department (FAD) helped to:

- (1) prepare a matrix of short-term measures/ actions;
- (2) expand the tax-customs base by crossing the data;
- (3) compile a plan to clear the remaining amounts to be collected and/ or arrears; and
- (4) identify importers at risk and then the prepare a supervision and inspection program.

The strengthening of capacity in tax administration of the **Democratic Republic of the Congo** led to:

- (1) preparation of an action plan for



Interregional seminar on fiscal and customs administration integration, Libreville, March 2017

supervision of compliance with tax obligations; and

- (2) the preparation of a VAT spot inspection program.

Working alongside the establishment of electronic procedures by the large mining companies enabled the following actions:

- (1) updating of the actions timetable; and
- (2) establishing the outline for dematerialization of the processing of inspections for greater traceability.

The off-site workshop that was organized for the main officials responsible for this area led to the preparation of practical action plans relating to:

- (1) expansion of the tax base,
- (2) combating tax fraud, and
- (3) strengthening the interactions between the General Directorate of Customs/ Excise and the General Directorate of Taxation.

In **Chad**, AFRITAC Central technical assistance aimed to strengthen the tax management of enterprises and specifically enabled the following:

- (1) updating of the portfolio of large and medium-sized enterprises;
- (2) training of professional staff in tax supervision and management; and
- (3) training of customs professional staff in transfer pricing and customs value.

The Center also prepared a formalized framework of systematic tax and customs data exchange with a view to mobilizing tax and customs revenues and combating fraud. This work of bringing the two administrations closer together led to the identification of new margins of taxation and mobilization of customs and tax revenues.

The ISORA survey is an international initiative launched by several organizations to gather information and data on national tax and customs administrations. It is based on two distinct modules: one focusing on customs administration, the other on tax administration. The IMF, the Organisation for Economic Cooperation and Development (OECD), the World Customs Organization (WCO), the Inter-American Center of Tax Administrations (CIAT), and the Intra-European Organization of Tax Administrations (IOTA), which regularly collect information on the tax administration of their member countries, agreed to gather data on tax administration using the module designed for this purpose for the ISORA survey.

ANALYSIS AND INFORMATION

This on-line financial information tool for revenue administration (ISORA) meets the need for standardization of data to enable better monitoring/ assessment of performance. It also serves as a common platform available to other international organizations. Specifically, it aims to:

- (1) gather and analyze annually data relating to revenue administrations;
- (2) provide the data and analyses to the countries to enable them to monitor their performance and rank themselves against other countries;
- (3) establish benchmarks (performance indicators) for the technical assistance (TA) programs of all the providers and provide a detailed source of data for a results-based management framework; and
- (4) help to adapt TA strategies and improve quality.

AFRITAC Central has been working alongside the countries since 2012, either remotely or on site, to compile the ISORA/RA-FIT database. This cooperation, combined with the on-line availability of the French language version in 2015, enabled the completion rate of 47 percent in 2014 to be increased to 100 percent in 2016.

INITIAL LESSONS FROM ISORA

Despite the difficulties that have punctuated the collection of data, to the point that the information from this first series of surveys is incomplete and presents various weaknesses in terms of quality, a first analysis showed various trends at this indicative stage.

VALUE ADDED TAX (VAT)

The proportion of VAT revenues in relation to overall tax revenues has increased notably during the last ten years in all of the countries, and mainly in the low-income countries (LICs). However, it is evident that the LICs present on average a higher number of VAT creditor declarations (and thus "repayable" VAT credits) than the rich or middle-income countries, at 42 percent of total declarations received. This being the case, in comparison with other groups of countries, the LICs repay the least in percentage of total gross VAT, at 7 percent compared with an average of 18 percent for 36 countries.

LODGMET OF DECLARATIONS.

The rates of on-time VAT declarations remain fairly low compared with international best practice as it relates to large and medium-sized enterprises, which is 97 percent. This situation may be explained by the persistence of burdensome red tape in the

declaration and payment procedures and by the lack of policies to promote taxpayer compliance and the absence of a proactive system for monitoring taxpayers.

CLEARANCE TIME FOR IMPORTED GOODS

The periods for releasing imported goods submitted for inspection tend to improve as national income rises. By contrast, in the AFRITAC Central member countries the periods for releasing imported goods are barely changing, principally due to the multiplicity of parties involved at the border and the delays built up during the establishment of the virtual one-stop shop.

CUSTOMS PROCESSING BY CHANNEL

Although physical inspection of goods is necessary, it is often carried out too systematically, particularly in developing countries. In effect, the LICs inspect 52 percent of imported products (red channel), compared with 34 percent for lower middle-income countries, 26 percent for upper middle-income countries, and 20 percent for high-income countries. This finding reveals weaknesses in risk management and selectivity of inspections in the LICs, and which often lead to an increase in transaction costs and a loss of commercial competitiveness.

IMPROVEMENT IN THE QUALITY AND RELEVANCE OF INDICATORS

The new results indicators proposed for the next AFRITAC Central cycle will aim to restore in a more relevant way the effectiveness and quality of the TA provided, in particular in the context of results-based management of multiyear programs. They will be able to be extracted from the ISORA database and subjected to objective comparison, accordingly.

Source : AFC

PUBLIC FINANCIAL
MANAGEMENT

Mr. Mathias Otounga Ossibadjouo (2nd from left) Minister of the Budget and Public Accounts for Gabon chairing the opening ceremony of the regional seminar on internal control and audit, Libreville, March 2017

MAIN ACHIEVEMENTS

- Nine accounting procedures analysis sheets produced for the accounting module of the integrated public financial management software (**BDI**);
- Draft accounting standard 5 on financial assets completed (Cameroon - **CMR**);
- Draft plan for the budget law execution report in Operational Program Budget (BOP) mode produced at the Audit Office (**GAB**);
- Cash flow and expenditure commitment plans established (**CAR**);
- Action plan for completion of annual performance projects prepared (**DRC**);
- Draft budget nomenclature adopted by decree (**TCD**).

WORK PROGRAM EXECUTION

The regional public financial management activities focused on experience-sharing seminars and

bringing member countries into compliance with the CEMAC directives.

For the seminars, the sixth Forum of Senior Central African Budget

Officials (FOHBAC) organized by the Cameroonian authorities in partnership with AFRITAC Central covered transparency and performance in the budget law preparation process (see Box 4). In addition, a joint AFRITAC Central and AFRITAC West 1 interregional seminar on budget documentation and transparency strengthened the capacity of the officials of the two subregions. Specifically, this seminar was attended by representatives of civil society, who created a platform to promote transparency and financial accountability. Further, AFRITAC Central organized a third regional seminar on internal control and audit, enabling the participants to strengthen their abilities in the areas of internal control and audit. Finally, the subregional seminar on government finance statistics, which brought together the main parties involved in maintaining government finance statistics, enabled the following:

- Sharing the scope of the various instruments and methods of use of the budget nomenclature and the government chart of accounts with the participants;
- Reviewing the state of progress of the adoption of the *Government Finance Statistics Manual (GFSM 2001/2014)* methodology;
- Presenting the practical aspects of the adoption of the *Government Finance Statistics Manual 2014 (GFSM 2014)*;
- Preparing a detailed road map for the implementation of the CEMAC directive on this topic for CEMAC countries and the process under way for non-CEMAC countries.

As regards the support for the **CEMAC** Commission, the activities carried out during FY2017 led to the following actions:

- (1) supporting the training on assessment and monitoring of the transposition and implementation of the government chart of accounts

BOX 4. FORUM OF SENIOR BUDGET OFFICIALS FROM THE AFRITAC CENTRAL MEMBER COUNTRIES

This forum, which was set up in Brazzaville in September 2010 with the support of AFRITAC Central, will soon have been in existence for seven years. These seven years have seen the strengthening of the network of budget professionals with experience of budget reforms. The tasks and objectives set for the network of professionals belonging to this forum are key to the dynamics of the reforms and the improvement of financial governance:

- Facilitating exchanges of experience among the senior budget officials on the implementation and development of budget reforms;
- Promoting consultation on budgetary issues, including those relating to the adoption and implementation of the guidelines for the public financial management framework in the various economic communities to which the AFRITAC Central member countries belong;
- Creating the conditions for genuine cooperation in the area of budgetary reforms;
- Furthering access to member countries' documentation;

- Encouraging centers of excellence in the subregion in the various budget areas.

The recommendations emanating from the work of the Forum are forwarded to the Ministers in charge of the budget of the AFRITAC Central member countries.

With the technical support of the Center, each year the members of this forum meet to discuss topics of common interest in association with the public finance reforms, where experiences are exchanged among practitioners to share the successes, failures, and outlook in the conduct of the vast field of reform on which the countries have set out. This forum has helped to boost the reforms in the Central African subregion. By way of illustration, second generation public finance reforms have been started in almost all of the countries. The members of the forum have played and continue to play a role at the forefront of the improvement of the system of governance of public finance.

Source : AFC

at a seminar on training in the assessment and monitoring of the transposition and implementation of the CEMAC directives;

- (2) participating in the review of the texts (PCE, NBE, and General Public Accounting Regulations - RGCP) transposed by the governments and submitted to the CEMAC for its notice of compliance: Central African Republic, Equatorial Guinea, and Republic of Congo.

The specific situation of the beneficiary countries shows significant progress in capacity building in the area of the budget with particular attention to budget documents. Analysis sheets on accounting procedures were produced to further develop the configuration of the accounting module of the integrated public financial management software in **Burundi**. AFRITAC Central activities in Burundi also strengthened financial supervision and led to inclusion of the wage bill in the budget.



Regional seminar on internal control and audit, Libreville, March 2017

In **Cameroon**, AFC action supported the effective establishment of the accounting standard on financial assets (draft standard 5), editing and finalization of the accounting standards, and verification of progress in making the 2015 fiscal balance more reliable (sixth task of the project). The mission focusing on transposition of the directive on the budget nomenclature checked compliance with the principles incorporated in the directives and the proper enumeration of the various types of classification.

In **Congo**, the activities of the program supporting the approach to performance came to an end with the completion of the 17 annual performance projects. The mission assessing this project found a low level of ownership of the process by the technical staff in charge of the budget. The mission on the government chart of accounts was canceled due to the non-availability of the budget nomenclature.

AFRITAC Central support in **Gabon** enabled the following actions in FY2017:

- (1) improvement of the presentation of the budget law by including the operations on resources allocated (supplementary budgets and appropriation accounts) in the budget law;
- (2) enhancement of the budget document for fiscal year 2017 by taking into account the national sport development fund plus two previously identified items, namely family allowances and pensions;

- (3) strengthening of the oversight of the Public Sector Institutions with the proposal of an institutional plan;
- (4) provision to the Audit Office of a methodology and a draft plan of the execution report for the budget law in BOP mode; and
- (5) preparation of a plan for implementing internal control at the Ministry of Education of Gabon (see Box 5). The AFC Resident Advisors participated in the Public Expenditure and Financial Accountability (PEFA) preparatory and assessment mission and in the assessment review committee.

The reconstruction of the budget and accounting function formed the core of the Center's action in the **Central African Republic**. A mechanism for steering budget execution was set up with the relevant instruments, including specifically a cash flow plan and an expenditure commitment plan.

Meanwhile, in the **Democratic Republic of the Congo**, the AFC's support enabled the preparation of an action plan for the provision of annual performance projects and ownership of the process by the national departments. Guidance was also given in the 2017 budget circular to annex annual performance projects of five ministries and the audit office to the draft budget law. The assessment of the two-year project helped to finalize the completion of the quantified targets of 13 Annual

Performance Projects. The level of ownership by the national technical staff remains weak. Finally, an immersion mission was organized for four officials from the Democratic Republic of the Congo's Ministries of the Budget, Finance, and Health to the Gabonese Ministry of the Budget.

In **Chad**, priorities were focused on implementation of the new nomenclature adopted by decree and the switch of the initial 2016 budget law to the new budget nomenclature (see Box 6). The elements of a draft implementing order for the new nomenclature were made available to the authorities. The AFC activities helped to build capacity of a dozen people in public accounting and in identification of a priority action plan for improving the reliability of the government accounts balance.

BOX 5. REFORM OF THE PROGRAM BUDGET IN GABON

Support by the AFC was part of the dynamic process of the authorities in the second-generation budget reforms with budgetization in program mode. At the institutional level, Gabon transposed all six of the CEMAC directives on the harmonized framework of public financial management. In January 2015, the budgetary system switched from the resources budget to the program mode budget after several years of effort to establish the new classifications, program models, and management breakdown of the budget programs into Operation Program Budgets (BOPs) and Operational Units.

This reform places Gabon among the leading CEMAC countries that have

transitioned to budgetization in program mode.

After the transition carried out in 2015, efforts were subsequently focused on consolidating the accumulated experience and the implementation of the provisions contained in the new public financial management framework.

From January 2016, onward, the presentation of the budget law and government accounts was enhanced by a new structure of budget operations with identification and inclusion in the budget law of operations on resources allocated. To date, three Special Appropriation Accounts have been identified, thereby enhancing the

structure of the Government Budget and the Program Budget. An accounting procedures manual in BOP mode was prepared and a methodological framework was provided to the audit office for the preparation of the report on the draft implementing law in BOP mode.

Source : AFC

BOX 6. REFORM OF THE BUDGET NOMENCLATURE IN CHAD

The Chadian authorities transposed the six CEMAC directives for the harmonized public finance framework. As part of this, the Center contributed to the preparation of the notice issued by the CEMAC on compliance of the texts with the directives. Chad also received support from the Center for the establishment of the new budget nomenclature. This new budget nomenclature, adopted in April 2016 by decree, includes all the mandatory

classifications for revenues (by type) and for expenditures (by administrative destination, by program, by function, and by type), but also additional classifications detailing the following in particular:

- the source of financing,
- the distinction between operations of the Government Budget, the Supplementary Budgets, and the Special Appropriation Accounts,

- the geographic location of the various expenditure operations (internal and external) by region;
- the functional nature of the beneficiary department: Head Office, Central Administrations, Decentralized Administrations, and autonomous organizations.

Source : AFC

MACROECONOMIC STATISTICS



Mr. Hubert Gbossa (center), AFC Resident Advisor on macroeconomic statistics, chairing the welcome ceremony of the regional seminar on national accounts, Douala, October 2016

MAIN ACHIEVEMENTS

- Provisional and annual national accounts made available (**BDI**);
- National accounts available in 2008 SNA (**CMR**);
- Final national accounts for 2012 available (**COG**);
- 2006-2015 series of national accounts released (**GNQ**);
- Final national accounts for 2012 finalized (**CAR**);
- Final national accounts for 2005, 2006, 2010, and 2013 available (**DRC**);
- National accounts for 2005-2015 in line with the 1993 SNA available (**TCD**).

WORK PROGRAM EXECUTION

The strategy established by the AFC for its member countries consisted in the preparation of a single, flexible tool to work alongside the national accountants to increase the speed with which the delays to the accounts could be caught

up. The method is known as “skipping years.” It involved preparing accounts for the more recent years while skipping intermediate years, for which accounts were subsequently drawn up by a process of interpolation (see Box 7).

BOX 7. CATCHING UP DELAYS IN THE NATIONAL ACCOUNTS

THE EXTENT OF THE DELAYS IN THE NATIONAL ACCOUNTS AND THE PROBLEMS RELATING TO THEIR DISSEMINATION

The backlog in the preparation of the national accounts and the delay in their dissemination have been two obstacles affecting the visibility of the work carried out by the national accountants in our member countries. Several countries were recording delays of two to six years. Meanwhile the international standard for national accounts is developing; it passed from the 1968 System (1968 SNA) to the 1993 System (1993 SNA) some twelve years ago, and now the system recommended is the 2008 System (2008 SNA). In some of our countries until quite recently, the official data were still shown under the 1968 System (1968 SNA).

THE STRATEGY ADOPTED AND THE NEED FOR A SIMPLIFIED TOOL

The strategy established by the AFC for its member countries was to establish a single, flexible tool to work alongside

the national accountants to increase the speed with which the delays to the accounts could be caught up. The method is known as “skipping years.” It involved preparing accounts for more recent years while skipping intermediate years, for which the accounts were subsequently drawn up by a process of interpolation. The simplified tool established uses the subtables of the Supply and Use Table for one year and produces those for more recent years in a more aggregated nomenclature to make it easier to produce in light of the human resources available.

RESULTS ACHIEVED

As a result, all the member countries using this system have an up-to-date series of national accounts under 1993 SNA. The 2005-2015 series have been or are in the process of being published in almost all of the countries that have adopted the System. They are: Burundi, the Democratic Republic of the Congo, the Republic of Congo, Equatorial Guinea, and Chad, that is, five countries

out of eight, bearing in mind that Cameroon is already up to date with its national accounts. A striking case is that of Equatorial Guinea, which in 2012 had not yet finalized its base year of 2006. Cooperation provided by AFC/ World Bank, equipped with the simplified tool, managed in just five years to help Equatorial Guinea to complete the series of its 2006-2015 accounts, which has now already been published.

OUTLOOK

It is now a matter of: (1) continuing the support to the countries so as to avoid falling back into delays in the accounts; (2) working to make the transition to the new system of national accounts, that is, 2008 SNA; (3) encouraging the countries to supply the statistical data arising from more recent surveys; and (4) building capacity in both quality and quantity of human resources.

Source : AFC

The simplified tool established uses the subtables of the Supply and Use Table for one year and produces those for more recent years in a more aggregated nomenclature to make it easier to produce in light of the human resources available.

As part of the capacity building activities at the regional level, a seminar on national accounting covering the introduction to the System of National Accounts 2008 (2008 SNA) was organized by AFRITAC Central for the national accountants of the region. The aim of this event was to train the least experienced officials from the teams of national accountants from member countries in the 2008 SNA.

During fiscal year 2017 significant progress has been seen in all of the

AFC member countries. This progress is largely due to the adoption of a strategy of year-skipping by the Center and the beneficiary countries in order to catch up the delays incurred in the compilation and publication of the accounts.

In **Burundi**, the annual national accounts are available with the provisional accounts prepared using the simplified tool established by the AFC. The establishment of the quarterly national accounts is under way. An experimental series is available and will soon be published regularly during fiscal 2018 after the planned consolidation work.

In **Cameroon**, the annual national accounts are available and the country has a version according to the 2008 SNA pending release, as well as a

series of quarterly national accounts published regularly. An improvement in the quarterly national accounts by the production of a series corrected for business days and corrected for seasonal variation was started during the year and will provide an enhanced version for release.

In the **Republic of Congo**, technical assistance helped to produce the final national accounts for 2012 using the ERETES tool. The accounts for 2014 are under way with 2013 being skipped. A team of 11 national accountants has also been trained in this work. The national accounts for 2013 and 2014 were completed using the simplified national accounts preparation tool.



Mr. Couaillac (standing), IMF Statistics expert, at the regional seminar on the introduction to the 2008 system of accounts, Douala, October 2016

As part of the experience-sharing, the head of the national accounts department of **Republic of Congo** participated in the work of an AFC technical assistance mission in Kinshasa with the local team. Upon his return from Kinshasa, the Republic of Congo team was thus able to capitalize on the knowledge gained in Kinshasa to prepare their country's 2009-2011 accounts by interpolation and also prepared the series of the 2005-2014 accounts for dissemination. A review of the macroeconomic models used by the Fiscal and Macroeconomic Framework Standing Committee (CPCMB) was carried out. The macroeconomic and budgetary model used by Congo, called "Mac_Congo" and the short-term forecasting model for Congo, called "MPCT_CEMAC" were both reviewed.

The national accounts for 2001-2009 according to 1993 SNA are available but not yet published in **Gabon**. A road map for catching up the delays in the accounts was proposed to the authorities to establish intra-annual economic indicators.

Equatorial Guinea was able to catch up the delays in its national accounts. Indeed, with the support of the AFC, the accounts for the 2006-2015 series are available and have been

disseminated. The provisional national accounts for 2016 are under way. At present, it is a matter of consolidating the experience gained so far, ensuring that the simplified tool for preparing the national accounts that has been the main contributor to catching up the delays is fully understood, and preparing the country with a view to its transition to 2008 SNA.

In the **Central African Republic**, the 2012 accounts were completed by skipping 2009-2011 with a view to establishing the simplified tool for preparing the national accounts. The 2012 accounts have been finalized. The simplified tool for preparing the national accounts is in the process of being established. The preparation of the national accounts for the skipped years of 2009-2011 and the accounts for recent years 2013-2015 will be undertaken during fiscal 2018.

In the **Democratic Republic of the Congo**, the final accounts for the years 2005, 2006, 2010, and 2013 prepared using the ERETES tool are available. The accounts for the skipped years of 2007-2009, 2011-2012, and the accounts for 2014 and 2015 have also been prepared using the simplified tool. In this way, it was possible to prepare the 2005-2015 series for dissemination.

The work of drawing up the final 2014 national accounts using the ERETES tool is under way to obtain various details not covered by the accounts completed using the simplified tool.

In **Chad**, the support of AFRITAC Central helped the 2005-2015 series of accounts to be prepared, whereby 2005-2010 and 2013 were prepared using the ERETES tool and the other years using the simplified tool, 2012 by interpolation, and 2014 and 2015 by the provisional accounts method. This series is pending release.

GOVERNMENT FINANCE STATISTICS



Distribution of the participation certificates for the regional seminar on the preparation of the government flow-of-funds table (TOFE), Douala, April 2017

MAIN ACHIEVEMENTS

- Experimental TOFE for fiscal years 2012-2015 prepared (**BDI**);
- TOFEs for 2012, 2013, and 2014 prepared in accordance with the *GFSM 2014* classification (**COG**);
- Experimental TOFE prepared with the source data for FY2016 (**GAB**);
- Diagnosis of needs and organization of the unit in charge of the TOFE carried out (**GNQ**);
- TOFE simulation with data for 2016 (**CAR**);
- Experimental TOFEs for 2014 and 2015 prepared (**DRC**).

WORK PROGRAM EXECUTION

The capacity building activities in government finance statistics at the regional level encompassed the organization of two seminars designed for public administration officials responsible

for producing the Government Flow-of-Funds Tables (TOFE) for the CEMAC area, Burundi, and the DRC. The first seminar covered the upgrading to international and regional standards for government finance statistics. During this event the



Regional multidisciplinary seminar on preparation of the Government Flow of Funds Table (TOFE), Douala, April 2017

current situation was duly reviewed, enabling the formulation of a series of follow-up actions to be undertaken in the short and medium term by the representatives of each country. A draft road map was also prepared for the implementation of the GFSM 2001-2014 using a structure in the form of a logical framework (results, indicators, and timetable). The outlines prepared should then be discussed within each country with the potential providers of government finance statistics data and seek the approval of the senior management of the administration.

The second seminar focused on the practical aspects of drawing up the government finance statistics data. The objectives of this event were to produce a progress report on the adoption of the GFSM 2001/2014 methodology by the member countries, present the practical aspects of the adoption of the *Government Finance Statistics Manual 2001/2014* (GFSM 2001/2014) and the 2011 *Public Sector Debt Statistics: Guide for Compilers and Users* (PSDSG 2011), and prepare a detailed roadmap for the implementation of the associated CEMAC directive for the CEMAC member countries and the process under way for the non-CEMAC countries.

The technical assistance on government finance statistics provided to the member countries was strengthened in the course of fiscal 2017.

In **Burundi**, the support of AFRITAC Central helped to: (1) establish a link between the accounts of the general balance of the

accounts and those of the GFSM 2014 and (2) reprocess the balance data to supply the various TOFE tables. Finally, an experimental TOFE for fiscal years 2012-15 was prepared using liquidation basis source data.

In **Cameroon**, technical assistance helped with drawing up the draft decree for the transposition of Directive 5 to be submitted to the CEMAC for its notice of compliance. The activity carried out also helped to reclassify the existing data for FY2015 according to the new analytical framework and the categories of Directive 5. The TOFE prepared in this way was forwarded to the IMF for verification and potential publication in the next release of the Government Finance Statistics Yearbook.

The strengthening activities in **Congo** supported the Public Finance Reforms Committee in drawing up the transposition text to be submitted to the CEMAC for its notice of compliance. The TOFEs for 2012, 2013, and 2014 were also prepared in accordance with the GFSM 2014 classification. However, it should be noted that the TOFE for 2012 has already been sent to the IMF Statistics Department for publication in the Yearbook; those for 2013 and 2014 will also be sent for publication in the next few months.

Capacity building for the administration officials in **Gabon** helped to produce a conversion table between the budget and accounting nomenclatures and the GFSM 2014 classification, as well as to reprocess the source data of the TOFE. Once this work had been completed,

an experimental TOFE was prepared in accordance with the new format based on the source data for fiscal 2016.

In **Equatorial Guinea**, the technical assistance activities led to the identification of the profiles of the components of the future structure of the TOFE. Next, a review of the potential sources of data for the new TOFE was produced within the Treasury and the Budget, Public Accounting, and Public Debt directorates.

Technical assistance supported the Unit Responsible for Monitoring Financial and Economic Reforms (also in charge of the TOFE) for the implementation of the TOFE Directive in the **Central African Republic**. In this context, an Excel tool was provided to the officials to be used as: (1) a conversion table between the Government Budget Classification (NBE) and the accounts of the TOFE Directive, and (2) software for preparing the TOFE in accordance with the new classification. Some FY2016 source data were entered to illustrate the functioning of this tool.

In the **Democratic Republic of the Congo**, two experimental TOFEs for 2014 and 2015 were prepared in accordance with the GFSM 2014 classification. The activities carried out helped to build capacity in the area of government finance statistics preparation. The officials in charge of the TOFE in the DRC were trained in the tool to assist in the classification between the budget nomenclature accounts and those of the GFSM 2014, and also in the reprocessing of the budget execution statement data to draw up the TOFE.

In **Chad**, the activities carried out led to identification of the data sources to draw up the new TOFE (covering all the GFS subsectors) and training in the tool for classification between the general balance of the accounts and those of the GFSM 2014.

PUBLIC DEBT
MANAGEMENT

Mr. Soltani (on the right), Resident Advisor on public debt management handing a certificate to one of the participants in the regional seminar on management of financial risks associated with the public debt portfolio, Libreville, April 2017

MAIN ACHIEVEMENTS

- Capacity of staff members strengthened in the area of the legal and institutional framework of the securities market (**BDI**);
- Capacity strengthened in programming, identification, and mobilization of resources from borrowing (**CMR**);
- First annual debt management report produced (**COG**);
- Overall debt strategy guidance document produced (**TCD**);
- Capacity strengthened in debt sustainability analysis (**GAB**);
- Action plans for reforms in debt management prepared (**CAR**);
- Capacity strengthened in debt risk management (**DRC**).

WORK PROGRAM EXECUTION

During the fiscal year, 14 missions (excluding seminars) were carried out, five of which were carried out jointly by

the Advisor and a Short-term Expert. An immersion mission was also held for four officials from the DRC.

BOX 8. OPPORTUNITIES AND RISKS ASSOCIATED WITH ACCESS TO INTERNATIONAL CAPITAL MARKETS

The aims of the seminar were to build capacity of the participants on the risks relating to access to the international capital markets and the procedures for issuance and management of international bonds. The work covered the pre-issuance stages in relation to prior conditions and the prerequisites for carrying out an issuance on the international capital market, the Eurobond issuance process, the assembly of the issuance and the choice of its financial terms, and post-issuance management with regard to the management of various associated risks.

The main recommendations from the seminar are as follows:

- The international capital markets present external financing opportunities, but also bring enormous risks. Debt managers must prioritize mobilizing the concessional and semi concessional financing that is the most appropriate for financing development projects and which presents lower risks than market instruments;
- The decision to issue instruments on the international capital markets must meet several conditions. It is important to be sure above all of the consistency of the international issuance proposed with the debt sustainability analysis and the medium-term debt management strategy. This decision must be justified by a real need for financing development projects not covered by the other usual sources of financing, bilateral or multilateral borrowing;
- Access to the international capital market has certain institutional, technical, strategic, and organizational prerequisites. It is a question of establishing a qualified team, sound institutional coordination among the various administrations concerned, and commitment by the authorities at the highest level;
- The choice of international banks, or "lead managers," and the market of issuance are key elements in the success of the operation. The choice of banks may be made on the basis of several criteria, including their experience in similar issues and their distribution networks. The choice of market is often dictated by the currency of issuance, its liquidity, and the risk aversion of its investors.
- Eurobond issuance success is rooted in the maintenance of a constant dialog with the rating agencies and the investors before and after the issuance. It is recommended that at least two credit ratings be obtained

from international agencies. The issuer must also draw up an investor communication strategy, provide access to information, and improve the reporting and dissemination of the data required about the country;

- The decisions about the amount and maturity of the Eurobond or the Sukuk must be dictated by the results of the debt sustainability analysis and the medium-term debt strategy. The debt manager must include in his strategy the management of risks associated with bonds issued on the international market;
- The authorities must also ensure that the members of staff tasked with management of issuances on the international market are highly qualified. Continuous training of the staff is important to manage a regular presence on the market.

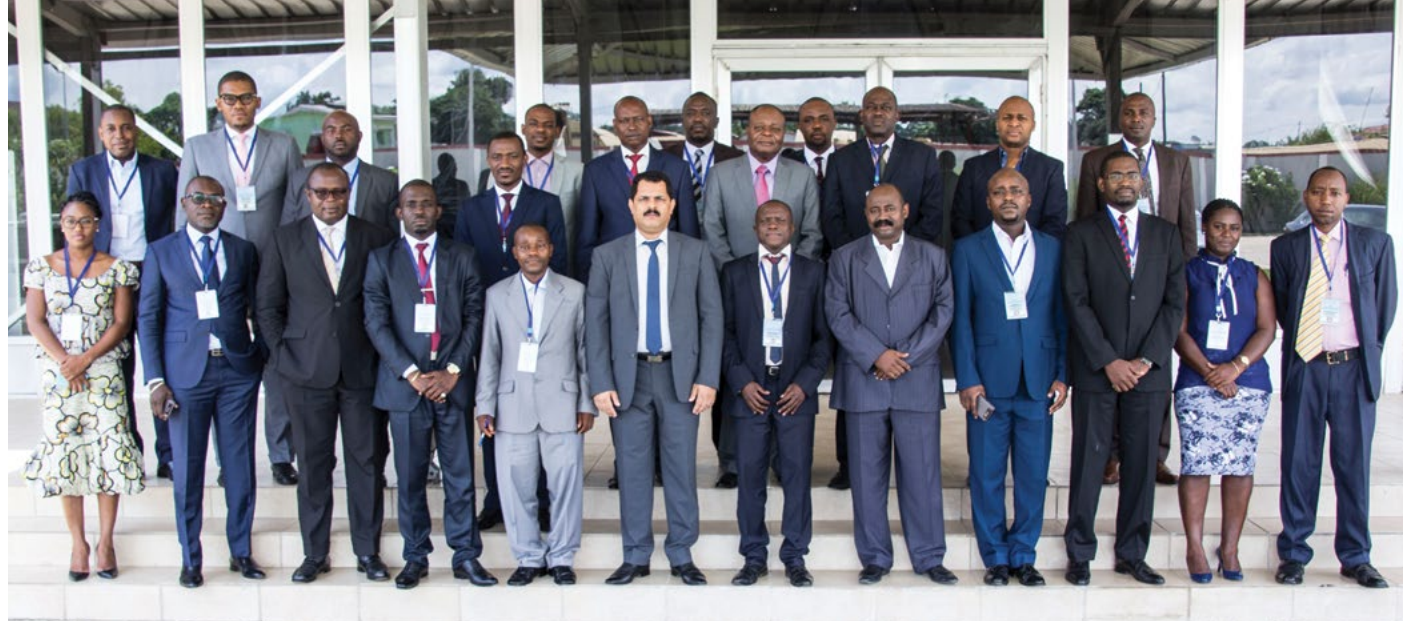
Source : AFC

The capacity building activities in public debt management at the regional level encompassed the organization of a first interregional seminar jointly with AFRITAC West 1 on access to international capital markets. This seminar enabled awareness of the participants to be raised with regard to the risks associated with access to the international capital markets and helped to strengthen their knowledge on the strategic and operational aspects

relating to the issuance of international bonds. It also gave the debt managers a greater understanding of the prior conditions for and the stages of execution of an issuance on the international capital markets (see Box 8). As part of a second seminar on public debt risk management, the Center helped the debt office staff members to gain ownership of the techniques of identification, assessment, and

management of the risks of a debt portfolio and the measures to mitigate these risks.

Among the specific technical assistance activities of the member countries, it is worth highlighting that AFRITAC Central strengthened the capacity of the **Burundi** officials on the legal and institutional framework of the government securities market in Burundi



Regional seminar on management of financial risks relating to the public debt portfolio, Libreville, April 2017

and the techniques and practices used in securities issuance. This training was focused on best practices in terms of programming, issuance, and management of government securities and led to the formulation of recommendations for the development of this market.

In **Cameroon**, particular emphasis was laid on best practices in terms of programming, identification, and mobilization of borrowing resources on the one hand, and on the other hand, on building capacity of the debt managers in techniques for assessing the financial terms of financing instruments.

In the **Republic of Congo**, the technical assistance activities enabled the debt areas to receive advice and actions aiming to improve the production of data and the analysis and reporting of public debt. The AFC also participated in the production of the first debt management report for 2015 and a model structure for a periodic bulletin on the public debt. Support on the preparation of the debt strategy helped the debt management areas to take ownership of the key concepts and the process of preparation of the debt strategy and the production of an overall guide on the strategy, which is to be attached to the budget law.

In **Gabon**, the activities carried out on debt sustainability analysis helped the staff members of the main administrations involved in their country's debt management to take ownership of the key concepts and the process of the debt sustainability framework according to the MAC-DSA approach with a view to being able to produce the Gabonese debt sustainability analysis autonomously.

In the **Central African Republic**, training of the staff members on the management of the various debt operations developed their capacity in the area of analysis and decision-making on debt instruments. The AFC provided support to the authorities with a view to modernizing the legal and institutional framework of debt management, thereby improving the public debt management procedures in line with international standards and best practices recommended in this regard. An action plan was drawn up with the authorities to put in place the reforms identified.

In the **Democratic Republic of the Congo**, training on the government securities market helped to build the debt managers' capacity in the financial characteristics of treasury bills and bonds, the practical procedures of

programming, preparation, execution, and management of treasury bills and bond auctions, as well as raising awareness of the authorities about the necessary preconditions for success in issuance activities and the development of the government securities market. As regards the practical aspect of government securities issuance, an introductory visit was organized for four officials from the Debt Management and Treasury departments. The visit to the Tunisian Ministry of Finance provided practical training in programming of issuances, the functioning of the market, the role of each party involved, and, in particular, the techniques and practices used to develop the market.

In **Chad**, support on the preparation of the debt strategy helped the debt management areas to gain ownership of the key concepts and the process of preparation of the debt strategy and the production of an overall guide on the strategy which is to be attached to the budget law. A training workshop was also provided on managing debt-related risks.

BANKING SUPERVISION AND REGULATION



Mr. Boher (2nd from right) and participants in the regional seminar on supervision of the cross-cutting functions of internal control, compliance, and risk management in banks, Libreville, December 2016

MAIN ACHIEVEMENTS

- Finalization of the financial stability oversight framework (**BDI**);
- Preparation of the methodological framework for supervision of security of information systems in banks (**DRC**);
- Overhaul of the framework for feedback about on-site credit institution inspection reports (**COBAC**);
- Building strengthened operational capacity for the implementation of risk-based supervision for officials (**COBAC, BDI, DRC**);
- Training of recently hired banking supervisors in the Core Principles for Effective Banking Supervision (**COBAC, BDI, DRC**).

BOX 9. BUILDING CAPACITY OF THE BANKING SUPERVISORS OF CENTRAL AFRICA BY ORGANIZING REGIONAL METHODOLOGICAL SEMINARS.

The area of banking supervision and regulation is well-suited to regional activities, given that the CEMAC member countries are subject to a single, integrated supervision under the auspices of the Central African Banking Commission (COBAC) and that the subregion's banking system is developing cross-border banking groups.

In this regard, in 2016-2017 AFRITAC Central took the initiative to organize two new regional methodological seminars to boost the effort to build the operational capacity of the banking supervisors in effective implementation of risk-based supervision.

Dozens of experienced officials from the Central African Banking Commission, the Bank of the Republic of Burundi, and the Central Bank of the Congo (DRC) were able to take part in these seminars held at the COBAC premises, made available to AFRITAC Central free of charge. On the second seminar, two participants from the Central Bank of Comoros and

one participant from the Central Bank of Madagascar were invited with the support of AFRITAC South to enable the banking supervision authorities of the French-speaking Sub-Saharan African countries to benefit from these French language events.

These seminars covered two key, structural topics to ensure effective banking supervision, all the more as they related to the actual issues with which the local authorities are faced when they supervise financial institutions, such as: (i) supervising the cross-cutting functions of internal control, compliance, and risk management and (ii) supervising the operational risk control system, in particular risk mapping, business continuity planning, and combating fraud. Practical guidance was offered to off-site and on-site inspectors to establish their supervision program and points to highlight in these matters. The interactive discussions and presentations enabled the supervisors to express their concerns and share their experiences. At the close of the seminars, the authorities

had been given useful elements to structure and refine their supervision methodologies.

In his closing speech for the first seminar Mr. Halilou Yerima Boubakary, Secretary-General of the COBAC, praised the quality and interest of this type of methodological seminar. AFRITAC Central thanked him warmly for the logistical support provided by the COBAC. Buoyed up by their success, these regional events will be repeated.

Source : AFC

WORK PROGRAM EXECUTION

Technical assistance activities at the regional level included four regional seminars organized by AFRITAC Central in fiscal 2017.

The first was held on the topics of combating money laundering and the financing of terrorism (LCB/FT). This seminar was mainly focused on the cooperation procedures to be established between the various parties involved (banking supervision authorities, financial intelligence units, and customs).

The second regional seminar organized at the request of the Committee of Banking Supervisors of West and Central Africa (CBSWCA), the Permanent Secretariat of which is provided by the COBAC, covered the topics of bank governance and combating money laundering and the financing of terrorism, specifically with respect to new banking products.

Two other regional methodological seminars were held at the initiative of the AFC. The first covered good practice in risk-based supervision relating to the cross-cutting functions of internal control,

compliance, and risk management in banks. The second, of a similar type, was organized on the methodology of supervision of operational risk control systems, in particular relating to fraud, in banks (see Box 9).

Within the **Central African Banking Commission (COBAC)** the activities carried out helped to respond to new needs expressed, such as: (1) to renew the framework for feedback about on-site credit institution inspection reports and (2) to train officials recently hired by the BEAC and the COBAC in risk-based supervision (see Box 10).

BOX 10. STRENGTHENING THE INTENSITY OF TECHNICAL ASSISTANCE TO THE COBAC

In 2016-2017 the number of technical assistance missions programmed for the COBAC was relatively low compared with those carried out to Burundi and the DRC (2 compared with 8 and 7, respectively). As Burundi and the DRC are low income countries, they remain a strategic priority of the IMF as regards technical assistance. This being the case, the increase in macroeconomic and financial difficulties in the CEMAC is leading to high-stake risks for the banking systems of the member countries.

Accordingly, greater attention should be paid to building capacity at the COBAC, the CEMAC's regional authority for banking supervision. In anticipation of the preparation of the work program for 2017-2018 and the 2017-2022

multiyear plan, the AFC is committed to restoring closer relations with the COBAC in order to cooperate with it to identify its technical assistance needs. In this regard, the exchanges of views and meetings organized during the last quarter of 2016 helped to draw up the list of areas requiring external support, specify the expectations of the COBAC, and establish a dynamic process aiming to respond to the highest priority needs from 2017-2018 onward. Various requests for technical assistance, not covered by the AFC, have been redirected to the IMF Monetary and Capital Markets Department (MCM), which is in overall charge of matters relating to banking supervision, financial stability, and management of banking crises.

The implementation of the 2017-2018 program should thus show the first tangible results of this action carried out under the auspices of the Resident Advisor for banking supervision and regulation. In addition, the recent organization of two seminars at the offices of the COBAC, placed at the AFC's disposal by this authority, already represents a practical illustration of the deeper cooperation successfully benefiting all parties involved, as the number of participants was able to exceed by a large margin the usually limited number for this type of event.

Source : AFC

In **Burundi**, the program for establishing a financial stability supervision framework at the BRB was finalized with a workshop at Libreville to prepare the financial stability report for 2015. The liquidity ratio reform, already changed in 2013, was also used to transpose the Liquidity Coverage Ratio (LCR) to the Basel III model. A research visit to the Banque Al Maghrib in Morocco was organized in this respect for a delegation from the BRB. Outside the annual technical assistance program, the AFC sponsors the training of BRB officials at the African Training Institute (ATI).

In the **Democratic Republic of the Congo**, the establishment of a methodological framework for supervision of information system security in banks enabled the supervision of information technology risks to be structured and supervisors to be trained in this area. The assistance to the Central Bank of Congo (BCC) in its project to migrate the banking system fully to IFRS accounting standards was also restarted under the auspices of the AFC in May 2016 after two years of technical assistance by the GIZ. This activity enabled supplementary training to be provided to the BCC, awareness to be raised among the parties involved (banks and auditors) regarding the stakes at risk, and the difficulties encountered in the production of IFRS financial statements to be assessed.

Section III

WORK PROGRAM PRESENTATION

(MAY 2017 - APRIL 2018)

A

SUMMARY
AND OVERVIEW

This section summarizes the work program planned for May 1, 2017, to April 30, 2018, the IMF's 2018 fiscal year. The work program is broken down into strategic objectives programmed as part of AFRITAC Central's third financing cycle covering the period from November 2017 to April 2022.

For each area, the objectives, nature, and modalities of the activities planned as well as the criteria proposed are summarized below by regional activities and by activities specific to member countries.

The work program is focused on the following:

- The continuation of multiyear projects, notably in the fields of customs, taxation, and banking supervision. This project-specific approach meets the expectations expressed by the authorities and the other Steering Committee members. It is aimed at continued support for the achievement of defined objectives on the basis of performance indicators, resources allocated, and risks identified.
- Requests for support expressed by member countries in recent months and support provided directly by IMF Headquarters and by other partners.

- The allocation of resources to fragile member states,³ accounting for two-thirds of total available resources.
- The implementation of the new results-based management framework.
- Increase in the resource allocation for training and peer learning.

PROGRAMMED RESOURCES

In total, the work program for FY2018 provides for allocating 471 person-weeks to capacity building (compared to 442 person-weeks allocated in 2017), a 6-percent increase in activities. This increase is mainly the result of the extension of AFRITAC Central's activities to São Tomé and Príncipe, the introduction of the fiscal and macroeconomic analysis sector in the portfolio of areas covered by the Center, and the significant increase in regional support.

The program therefore provides for 319 persons-weeks on site, including 161 involving resident advisors and 158 involving short-term experts.

RESOURCES BY REGION/COUNTRY

Regionally, the number of activities programmed for regional institutions has grown considerably (see Chart 4). CEMAC activities will involve support

³ Burundi, Congo, CAR, DRC, São Tomé and Príncipe, and Chad. (Source: Regional Economic Outlook, IMF, April 2017)

for drafting the community directives on taxation, and for drafting and disseminating the community customs code. This support provided to CEMAC is in addition to the assistance it has been receiving in implementing the regional harmonized government finance framework. This increase in regional support also stems from CEMAC's greater demand for banking supervision and regulation through COBAC.

With respect to countries, the resources programmed for CEMAC countries are maintained at more than half of total resources (see Chart 5). For fragile states, the work program represents 57 percent of all planned activities this year (see Chart 6). The activities programmed reflect AFRITAC Central's coverage of São Tomé and Príncipe starting from the second half of FY2018, which will increase the portfolio of resident advisor visits and short-term expert missions. However, the countries' security situation will determine AFRITAC Central's conduct of planned activities. As previously done, the Center will be able to use the model of nonlocal workshops organized in Libreville since 2015 for officials from member countries.

CHANGE IN RESOURCES ALLOCATED TO FRAGILE STATES

In keeping with AFRITAC Central and IMF priorities, the activities for this year renew the top priority for fragile states. This trend is clear on Chart 7 below, which shows resource use in respect of fragile states between FY2014 and FY2017, as well as the programming for FY2018.

RESOURCES BY AREA

The distribution of activities by policy area in 2018 reflects a slight change in the composition of the AFRITAC Central activity portfolio due to (1) a significant increase in regional support in banking supervision, and (2) the addition of the fiscal and macroeconomic analysis area. Tax-related areas,

CHART 4. RESOURCES ALLOCATION IN 2018 AND RESOURCES EXECUTED IN 2017 BY COUNTRY/INSTITUTION (IN PERSONS-WEEKS)

Source: AFRITAC Central

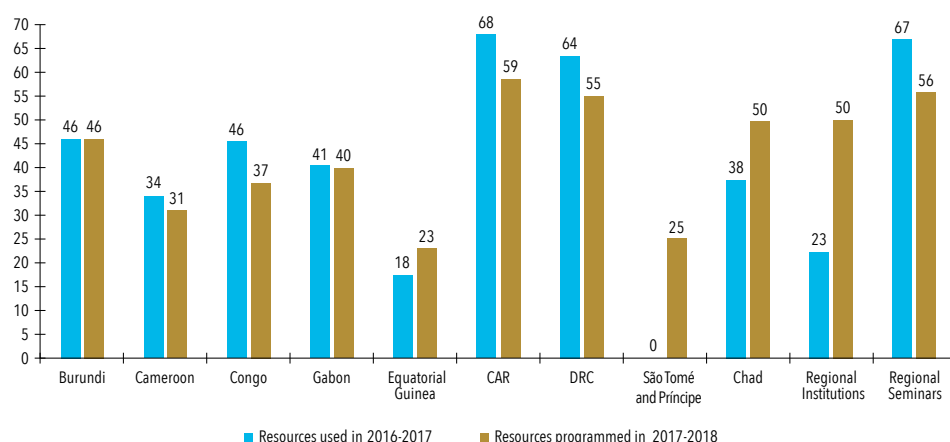


CHART 5. ACTIVITIES PLANNED BY COUNTRY AND INSTITUTION , MAY 2017 - APRIL 2018 (PERCENT OF ACTIVITIES)

Source: AFRITAC Central

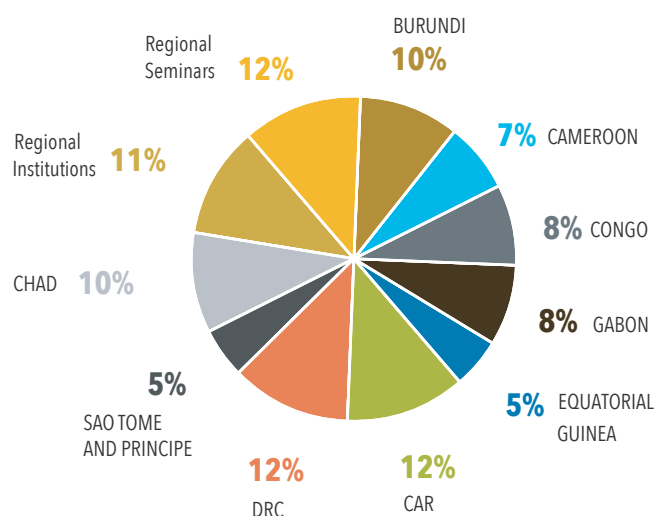
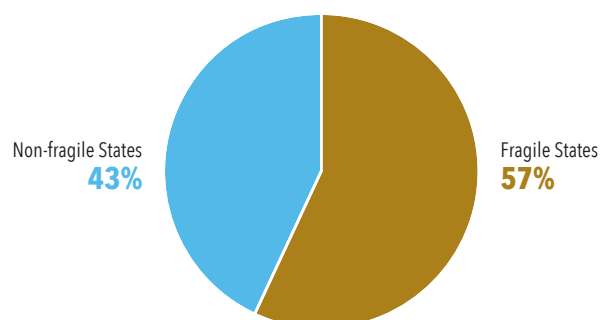


CHART 6. DISTRIBUTION OF ACTIVITIES PROGRAMMED IN 2018 DEPENDING ON FRAGILITY OF RECIPIENT COUNTRY (IN PERCENTAGE OF PROGRAMMED RESOURCES)

Source: AFRITAC Central



including revenue administration, public financial management (budget and public accounting), and macro-fiscal analysis represent 45 percent of AFRITAC Central's programmed activities (see Chart 8). The other areas account for more than half of resources, including 26 percent for statistics (government finance statistics and national accounts), and 29 percent for public debt management and for banking supervision and regulation.

RESOURCES ALLOCATED FOR REGIONAL SEMINARS AND TRAINING

A total of 11 regional seminars are programmed for FY2018, more than one regional seminar per activity area. Many of them focus on multidisciplinary themes, such as prevention of money laundering and efforts to combat terrorist financing or internal budgetary and accounting control, the table of government financial operations, and national accounts. A joint seminar on banking supervision is programmed with AFRITAC West on the credit risk supervision methodology. Since 2014, these joint seminars have been a way for AFRITAC Central to provide technical assistance, as the Center fosters the exchange of experience among officials from different regions on common problems in order to find appropriate solutions.

Two training courses will be organized by the Center in FY2018 for regional officials in collaboration with IMF's Africa Training Institute (ATI) and Institute for Capacity Development (ICD). The first will be on Macroeconomic Management in Resource-Rich Countries (MRC) and the second, on Fiscal Analysis and Forecasting (FAF).

CHART 7. EVOLUTION OF RESOURCES ALLOCATED TO FRAGILE STATES, 2014-2018 (IN PERSON-WEEKS)

Source: AFRITAC Central.

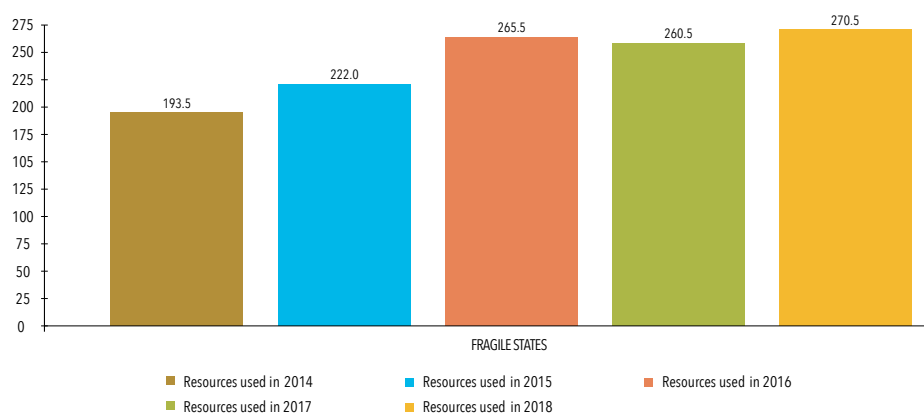
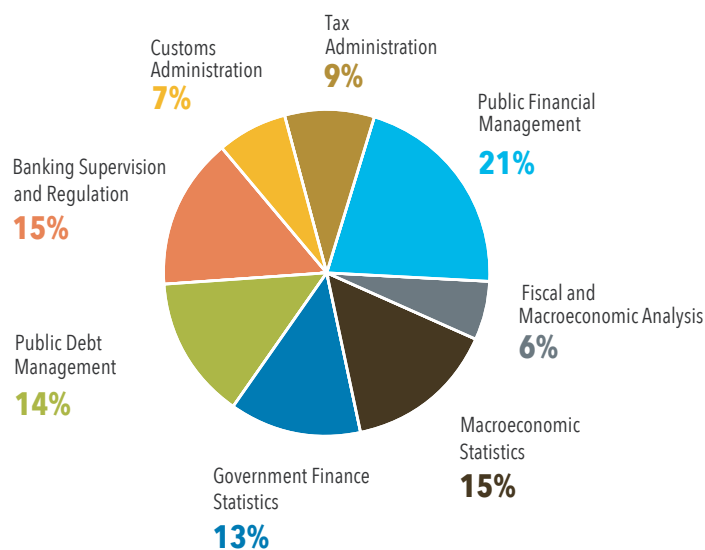


CHART 8. ACTIVITIES PLANNED BY AREA FROM MAY 2017 TO APRIL 2018 (IN PERCENTAGE OF ACTIVITIES)

Source: AFRITAC Central.



REVENUE ADMINISTRATION

Under the work program for FY2018, the activities to be conducted in relation to revenue administration will focus on four new objectives that prefigure those selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. These objectives are:

- **Objective 1:** Modernize the institutional framework of customs administrations;
- **Objective 2:** Strengthen the key functions of customs administrations;
- **Objective 3:** Modernize the institutional framework of tax administrations;
- **Objective 4:** Strengthen the key functions of tax administrations.

AT THE REGIONAL LEVEL, the Center will support the **CEMAC Commission** in drafting legislation implementing the new CEMAC Customs Code (Objective 1) and in appropriating tax harmonization work by member countries (Objective 3). Moreover, two seminars will be organized on strengthening customs/tax collaboration and on monitoring customs transit and exemption control.

IN TERMS OF COUNTRY ACTIVITIES, the various multiyear projects programmed by



group of countries aim to strengthen the key functions of customs administrations (Objective 2) as well as the key functions of tax administrations (Objective 4). The activities proposed will be organized by country subgroups. The modernization of customs clearance procedures for goods will target **Equatorial Guinea** and **São Tomé and Príncipe**.

Meanwhile, the project to monitor transit and destination control of exemptions will apply to all of the Center's member countries.

However, support for the conduct and programming of post-clearance customs controls will focus exclusively on the six CEMAC member countries.

The project to modernize tax reporting and payment procedures will be implemented in **Central Africa**, the

Congo, Equatorial Guinea, São Tomé and Príncipe, and Chad.

Lastly, the action to strengthen tax audit programming and customs/tax collaboration will provide support to **Burundi, Cameroon, Central Africa, the Congo, Equatorial Guinea, the DRC, and Chad.**

TABLE 3. 2018 WORK PROGRAM SUMMARY: REVENUE ADMINISTRATION

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Modernize the institutional framework of customs administrations					
CEMAC and member countries	Multiyear program	Support for drafting and validating legislation to implement new CEMAC Customs Code	Customs procedures not in line with best practices	Customs procedures are legally established and applied	Availability of officials and degree of CEMAC's preparation
OBJECTIVE 2: Strengthen the key functions of customs administrations					
All member countries	Regional seminar	Monitor customs transit and exemption control	Systematic clearance of transit and destination control of exemptions are not always carried out	Strengthened transit monitoring and exemption control framework	Support from political authorities
Burundi, Cameroon, Central Africa, Congo, Gabon, CAR, DRC, and Chad	Multiyear program	Support for developing programs for transit monitoring and destination control of exemptions		Strengthened transit monitoring and exemption control framework	Conditions of on-site visits
Cameroon, Central Africa, Congo, Gabon, CAR, and Chad	Multiyear program	Support for developing programs for valuation control and recovery proceedings	Performance of postclearance valuation controls is poor	Increase in share of imports subject to postclearance controls	Support from political authorities
OBJECTIVE 3: Modernize the institutional framework of tax administrations					
Member countries and CEMAC	Multiyear program	Support for drafting and disseminating community regulations	Tax procedures not in line with best practices	Modern tax procedures are legally established and applied	Availability of officials and degree of CEMAC's preparation
OBJECTIVE 4: Strengthen the key functions of tax administrations					
All member countries	Regional seminar	Strengthening of customs/tax collaboration	Key risks are not covered, and tax audit performance is poor	Customs control and tax audit programs are based on tax-customs risks	Support from political authorities
Burundi, Cameroon, Central Africa, Congo, Equatorial Guinea, DRC, and Chad	Multiyear program	Programming of tax audits and customs/tax collaboration		Tax audit programs provide effective risk coverage	Availability of customs/tax protocol
Central Africa, Congo, Equatorial Guinea, São Tomé and Príncipe, and Chad	Multiyear program	Modernization of tax reporting and payment procedures	Tax procedures not in line with best practices	Improved compliance with tax reporting and payment requirements	Coordination with Public Treasury reforms

C

PUBLIC FINANCIAL
MANAGEMENT

Under the work program for FY2018, the activities to be conducted in relation to public financial management will focus on three new objectives that prefigure those selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. These objectives are:

- **Objective 1:** Improve the legal public finance framework;
- **Objective 2:** Improve government budget preparation to make the budget easier to understand and more comprehensive;
- **Objective 3:** Improve budget and accounting execution and control.

AT THE REGIONAL LEVEL,

the activity program for FY2018 will focus on innovations contained in new organic laws relating to the countries' budget laws. That is why the Center is planning on arranging a joint AFRITAC Central / AFRITAC West 1 interregional seminar on the organization of the budgetary function, on the one hand. On the other hand, the organization of the FOHBAC and support to the **CEMAC Commission** for transposing legislation will also meet this objective and will emphasize discussion between peers on domestic experiences. Lastly, a regional seminar will also be organized on monitoring budget execution, the expenditure chain, and debt.

IN TERMS OF COUNTRY ACTIVITIES, the technical assistance provided to **Burundi** will involve support for establishing internal budgetary control and improving cash flow reliability and management.

In **Cameroon**, meanwhile, focus will be placed on internal control and improved reliability of past operations on suspense accounts likely to be regularized.

In the **Congo**, activities will be part of a process involving the improvement of budget documentation in accordance with international quality standards.

Technical assistance in **Gabon**, on the other hand, will focus on the integration of allocated resource operations into the budget and on the monitoring of other government entities.

Equatorial Guinea, however, will receive support for bringing legislation related to CEMAC directives in line with standards.

In the **Central African Republic**, activities will be part of a process seeking to improve budget documentation in keeping with international quality standards.

As for the **Democratic Republic of Congo**, technical assistance will be aimed at integrating allocated resource operations into the budget and monitoring other government entities.



In **Chad**, technical assistance provided by AFRITAC Central will focus on the integration of allocated resource operations into the budget and on the monitoring of other government entities. At the same time, specific efforts will also be made to restore fiscal and accounting fundamentals, and produce and improve the reliability of trial balances in the Congo, Equatorial Guinea, the Central African Republic, and Chad.

Lastly, an exploratory visit will be organized to **São Tomé and Príncipe** in anticipation of the country's integration into the portfolio of countries covered by AFRITAC Central during the third phase.

TABLE 4. 2018 WORK PROGRAM SUMMARY: PUBLIC FINANCIAL MANAGEMENT

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Improve the legal public finance framework					
CEMAC Commission INTER-REGION REGION	Off-site review	<ul style="list-style-type: none"> • Support for the transposition of directives, and dissemination and reform of the financial regulation • Participation in regional seminars on directives • FOHBAC 	Legislation transposed by member countries is compliant with directives	Better rate of transposition of directives	<ul style="list-style-type: none"> • Transmission of draft legislation to AFRITAC Central • Availability of a Commission action plan
São Tomé and Príncipe	Mission	Exploratory visit			
OBJECTIVE 2: Improve government budget preparation to make the budget easier to understand and more comprehensive					
Congo	Ad hoc mission	Production of budget documents in line with budget law provisions	Completion of 17 annual performance projects	Production of crossover analytical statements and other budget annexes	<ul style="list-style-type: none"> • Commitments from authorities • Implementation of recommendations from previous missions
DRC	Ad hoc mission	Submission of budget law and its annexes	Implementation of performance framework for 13 ministries and institutions	Improved budget documentation	<ul style="list-style-type: none"> • Commitment from authorities • Political risks
Chad	Ad hoc mission	Submission of budget law and its annexes	Transposition of all CEMAC directives	Improved budget documentation	Commitment from authorities
CAR	Ad hoc mission	Support for the reconstitution of the budgetary function	Noncompliance with budget document production timelines	Compliance with budget preparation timelines	<ul style="list-style-type: none"> • Security situation • Implementation of 2016 action plan
Gabon	Ad hoc mission	<ul style="list-style-type: none"> • Continued implementation of program operational budget with supplementary budgets and special accounts • Improved reliability of general accounting 	<ul style="list-style-type: none"> • Inclusion of three special appropriation accounts in the budget law • Reduced closing times and improved arrear tracking 	Continued integration of revenue allocation in the budget law	<ul style="list-style-type: none"> • List of public institutions and compilation of implementing legislation • Commitment from authorities regarding accounting

TABLE 4. 2018 WORK PROGRAM SUMMARY: PUBLIC FINANCIAL MANAGEMENT (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 3: Improve budget and accounting execution and control					
Burundi	Ad hoc mission	<ul style="list-style-type: none"> • Support for the establishment of internal fiscal control in sectoral ministries • Workshop on accounting action plan control and monitoring 	<ul style="list-style-type: none"> • Poor internal fiscal control • Capacity building among inspectors in relation to spending commitments in eight priority ministries 	<ul style="list-style-type: none"> • Implementation of internal fiscal control in a priority ministry • Improved control of spending commitments 	<ul style="list-style-type: none"> • Security situation • Commitment from authorities • Implementation of recommendations from previous missions • Government chart of accounts available
Congo	Ad hoc mission	Strengthened fundamentals	Poor accounting documentation	Cash flow plan and action plan validated	<ul style="list-style-type: none"> • Commitment from authorities • Implementation of recommendations from previous missions
Cameroon	Ad hoc mission	<ul style="list-style-type: none"> • Support for the implementation of internal control • Support project for increased reliability of trial balance and preparation of opening balance sheet 	<ul style="list-style-type: none"> • No control modulation • Increased reliability of trial balance • Availability of standards manual 	<ul style="list-style-type: none"> • Availability on risk identification sheets • Reliable trial balance • Opening balance sheet 	Commitment from supervisory authorities
Chad	Ad hoc mission	Monitoring of action plan on accounting data reliability	Transposition of all CEMAC directives	Better accounting documentation	Commitment from authorities
CAR	Ad hoc mission	Support for the reconstitution of the accounting function	Noncompliance with timelines for the production of budget and accounting documents	Compliance with timelines for the production of sub-annual reports	<ul style="list-style-type: none"> • Security situation • Implementation of 2016 action plan
Equatorial Guinea	Ad hoc mission	Training on fiscal and general accounting	Participants have stronger capacities in fiscal and general accounting	Budget preparation and execution in accordance with CEMAC standards	Commitment from authorities

D

MACROECONOMIC
AND BUDGETARY ANALYSIS

Under the work program for FY2018, the activities to be conducted in macro-fiscal area will focus on one objective selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. This objective is as follows:

- **Objective:** Ensure better preparation of the budget to make it more credible and readable, and better aligned with government policies. The objective should produce more credible multiyear budget programming.



AT THE REGIONAL LEVEL, the Center will address issues involving the sustainability of fiscal policies in the medium term and will participate in forums organized in that regard by CEMAC. A subregional seminar will be organized on the medium-term framework and the credibility of annual budgets.

IN TERMS OF COUNTRY ACTIVITIES, the 2018 work program will focus on the following areas: (i) exploration of the framework mechanisms in place in member countries and their operability; and (ii) the procedures in place and their relationship with the budget cycle.

Considering the context and scheduling constraints, the six CEMAC member countries will be selected as a priority. These countries are: **Cameroon**, the **Congo**, **Gabon**, **Equatorial Guinea**, **CAR**, and **Chad**.

TABLE 5. 2018 WORK PROGRAM SUMMARY: MACROECONOMIC AND BUDGETARY ANALYSIS

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE : Ensure better preparation of the budget to make it more credible and readable, and better aligned with government policies					
Chad, CAR, and two countries new to the subprogram	Ad hoc missions	Exploratory mission	Poor medium-term budget-setting capacity	Realistic budget-setting in line with execution of budget laws	Commitment from authorities
AFRITAC Central member countries	Regional seminar	Seminar on medium-term framework	<ul style="list-style-type: none"> • Poor budget credibility • Poor medium-term budget-setting capacity 	Strengthened human capacity	Designation of persons concerned

E

MACROECONOMIC
STATISTICS

Under the work program for FY2018, the activities to be conducted in relation to macroeconomic statistics will focus on three objectives selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. These objectives are:

- **Objective 1:** Support the development of annual national accounts;
- **Objective 2:** Support the development of quarterly national accounts;
- **Objective 3:** Build capacities and share regional and international experience and good practices on national accounts and statistics development in support of national accounts work.

AT THE REGIONAL LEVEL, the activity program for FY2018 includes a seminar on national accounts, the theme for which is to be as follows: "Models for entering and processing source data for national accounts with a view to transitioning to the 2008 SNA."

IN TERMS OF COUNTRY ACTIVITIES, three groups will be created according to their capacities. Group 1 will comprise **Burundi** and **Cameroon** and will mainly be concerned with objective 2.

Group 2 will comprise the **Republic of the Congo**, the **Democratic Republic of Congo**, **Equatorial Guinea**, and **Chad**. It will mainly be concerned with objective 1.

Group 3 will comprise the **Central African Republic** and **Gabon**, where

the aim will be to attain objective 1, with emphasis on making up for account-related delays.

Lastly, a review mission will be organized in **São Tomé and Príncipe** to establish a roadmap for national accounts and statistics activities in support of national accounts work.

In addition, all member countries with the appropriate capacity will receive assistance in implementing sub-annual macroeconomic indicators in support of national accounts work. At the end of the fiscal year on April 30, 2018, the expected results will be the production and publication of updated annual national accounts for eight countries and the production and publication of quarterly national accounts for two countries.

TABLE 6. 2018 WORK PROGRAM SUMMARY: MACROECONOMIC STATISTICS

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Support the development of annual national accounts					
Congo	Ad hoc missions	<ul style="list-style-type: none"> Follow-up on provisional national accounts work Preparations for preliminary work for transition to 2008 SNA (nomenclature, training, preparation for models for entering and processing sources in keeping with 2008 SNA requirements, etc.) 	Provisional annual accounts system is in place	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	<ul style="list-style-type: none"> Instability and high turnover of national accounts and price statistics teams Insufficient national accounts staffing in terms of financial resources Break in financing for monthly price collection Inability to implement subannual economic indicators on grounds of human and financial resources
Central African Republic	Ad hoc missions	Making up of account-related delays, implementation of and training on provisional account model, training on ERETES and 2008 SNA, implementation of subannual economic indicators	Around four years of account-related delays	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	
Equatorial Guinea	Ad hoc missions	<ul style="list-style-type: none"> Follow-up on provisional national accounts work Preparations for preliminary work for transition to 2008 SNA (nomenclature, training, preparation for models for entering and processing sources in keeping with 2008 SNA requirements, etc.) 	Provisional annual accounts system is in place	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	
Gabon	Ad hoc missions	Support for the development of national accounts with leap years	2010 final accounts are available	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	

TABLE 6. 2018 WORK PROGRAM SUMMARY: MACROECONOMIC STATISTICS (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Support the development of annual national accounts					
DRC	Ad hoc missions	<ul style="list-style-type: none"> Follow-up on provisional national accounts work Preparations for preliminary work for transition to 2008 SNA (nomenclature, training, preparation for models for entering and processing sources in keeping with 2008 SNA requirements, etc.) 	Provisional annual accounts system is in place	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	
Chad	Ad hoc missions	<ul style="list-style-type: none"> Follow-up on provisional national accounts work Preparations for preliminary work for transition to 2008 SNA (nomenclature, training, preparation for models for entering and processing sources in keeping with 2008 SNA requirements, etc.) 	Provisional annual accounts system is in place	Annual national accounts are up to date: 2015 final accounts and 2016 provisional accounts are available	
São Tomé and Príncipe	Ad hoc mission	Review of national accounts		Roadmap for national accounts activities	

TABLE 6. 2018 WORK PROGRAM SUMMARY: MACROECONOMIC STATISTICS (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 2: Support the development of quarterly national accounts					
Burundi	Ad hoc missions	Support for followup on quarterly national accounts and key subannual indicators	Implementation of a quarterly accounts system is underway	Quarterly national accounts are published	
Cameroon	Ad hoc missions	Support for followup on quarterly national accounts and key subannual indicators	Quarterly national accounts are published regularly	Quarterly national accounts are published regularly	
OBJECTIVE 3: Build capacities and share regional and international experience and good practices on national accounts and statistics development in support of national accounts work					
Region	Seminar	Data sources and their processing with a view to transitioning to 2008 SNA		<ul style="list-style-type: none"> • Inventory of data sources and national accounts development methods reviewed in view of 2008 SNA • The capacities of national statistics institutes to develop reliable national accounts are strengthened 	

GOVERNMENT FINANCE STATISTICS



Under the work program for FY2018, the activities to be conducted in relation to government finance statistics (GFS) will focus on two objectives selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. These objectives are:

- **Objective 1:** Strengthen the development and dissemination of government finance statistics for decision-making;
- **Objective 2:** Support AFRITAC Central countries in improving the transparency of finance statistics by participating in the IMF's Enhanced General Data Dissemination System (eGDDS).

AT THE REGIONAL LEVEL, the program aims to build capacities among officials in charge of government finance statistics in the countries as concerns the methods and procedures for identifying, collecting, and reprocessing source data for government finance statistics. This is a logical followup to the training held in FY2017, the main topic of which were the basic principles of the IMF's *Government Finance Statistics Manual 2014 (GFSM 2014)*.

IN TERMS OF COUNTRY ACTIVITIES, technical assistance will seek to provide onsite support for identifying and reprocessing basic government finance statistics data, and applying the GFSM 2014 methodology in developing the government flow of funds table (Tableau des Opérations Financières de l'État - TOFE). More specifically, technical assistance will focus on transposing CEMAC's TOFE directive to the national laws of the **Congo, Cameroon, CAR, and Equatorial Guinea**.

However, the changeover to the TOFE format based on the CEMAC TOFE directive or *GFSM 2014*, as the case may be, the regular dissemination of GFS to the public (via web), and the development of metadata concern all member countries.

Support for the use of the general Treasury account balance for the TOFE of the budgetary central government will be provided in **Burundi, Gabon, the Congo, Chad, and Cameroon**.

Projects to expand the scope of government finance statistics, develop balance sheet accounts (priority being given to financial assets and liabilities), and gradually transition to recording accrual basis accounting operations and improving the transparency of financial statistics by participating in the IMF's eGDDS will apply to **Burundi, Gabon, and the Congo**.

It should be noted that the mission to São Tomé and Príncipe will be meant to establish contact and assess the GFS situation in the country in order to prepare the technical assistance program as part of the third phase of the Center's financing cycle.

TABLE 7. 2018 WORK PROGRAM SUMMARY: GOVERNMENT FINANCE STATISTICS

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites /Risks
OBJECTIVE 1: Strengthen the development and dissemination of government finance statistics for decision-making					
CEMAC countries	Missions in countries	<ul style="list-style-type: none"> • Support for drafting documents on regulatory framework based on CEMAC directive • Support for developing tentative TOFE in line with TOFE directive format • Support for drafting TOFE procedures manuals • On-site training in countries on principles contained in teaching guides and <i>GFSM 2014</i> 	<ul style="list-style-type: none"> • Few countries have a sound enough regulatory framework to develop GFS • No CEMAC countries have a TOFE procedures manual • Except for the Republic of the Congo, which produces and sends to the IMF its TOFE in <i>GFSM 2014</i> format, the rest of CEMAC countries are still producing a TOFE based on <i>GFSM 1986 (cash basis)</i> 	<ul style="list-style-type: none"> • All countries have a GFS regulatory framework • At least three out of six countries have TOFE procedures manuals • <i>At least four countries produce and send to the IMF their TOFE in GFSM 2014 format</i> 	<p>Transposition of TOFE directive to national laws</p> <p>Weak political will</p> <p>Officials not very interested in switching to new TOFE</p>
Burundi, DRC, São Tomé and Príncipe	Missions in countries	Support for identifying, collecting, and reprocessing GFS source data according to <i>GFSM 2014</i> methodology in developing TOFE	All countries are still producing a TOFE based on <i>GFSM 1986 (cash basis)</i>	<ul style="list-style-type: none"> • All countries have a GFS regulatory framework • At least three out of six countries have TOFE procedures manuals • At least two countries produce and send to the IMF their TOFE in <i>GFSM 2014 format</i> 	<p>Security situation</p> <p>Weak political will</p> <p>Officials not very interested in switching to new TOFE</p>

TABLE 7. 2018 WORK PROGRAM SUMMARY: GOVERNMENT FINANCE STATISTICS (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites /Risks
OBJECTIVE 1: Strengthen the development and dissemination of government finance statistics for decision-making					
All AFRITAC Central member countries	Regional seminar	Training on <i>GFSM 2014</i> principles and methodology for identifying, collecting, and reprocessing GFS source data, and developing GFS	Country officials are trained on basic principles of <i>GFSM 2014</i> (<i>sectorization; accounting rules and GFSM 2014 analytical framework</i>)	<ul style="list-style-type: none"> Member countries will begin to participate in the e-GDDS (or update their metadata GDDS) The member countries will take all the necessary measures to subscribe to the national strategy of data diffusion (NSDD) 	The underlying data of the metadata (therefore the GFS) should be of publishable quality
OBJECTIVE 2: Support AFRITAC Central countries in improving the transparency of finance statistics by participating in the IMF's Enhanced General Data Dissemination System (e-GDDS)					
Republic of the Congo, Gabon, and Burundi	Missions in countries	<ul style="list-style-type: none"> Support to countries for developing roadmaps for participation in GDDS Support to countries in meeting the four metadata categories 	Countries' metadata are not updated, and there are no action plans for participation in GDDS	<ul style="list-style-type: none"> Member countries begin to participate in eGDDS (or update GDDS metadata) Member countries take all necessary measures to subscribe to the National Strategy for the Dissemination of Data (NSDD) 	Basic data, themselves metadata (including GFS), must be of publishable quality

PUBLIC DEBT
MANAGEMENT

Under the work program for FY2018, the activities to be conducted on public debt management will focus on six objectives selected for the next logic framework in the third phase of AFRITAC Central's financing cycle. These objectives are:

- **Objective 1:** Develop a Medium-Term Debt Management Strategy (MTDS);
- **Objective 2:** Better manage debt portfolio risks;
- **Objective 3:** Build debt sustainability analysis (DSA) capacities;
- **Objective 4:** Develop the domestic internal debt market;
- **Objective 5:** Assist countries in developing the Sukuk market;
- **Objective 6:** Strengthen the legal and institutional debt management framework.

AT THE REGIONAL LEVEL,

activities for FY2018 will include the organization, jointly with IMF Headquarters (Strategy, Policy, and Review Department), of a regional seminar on debt sustainability analysis (DSA). The purpose of this seminar will be to raise awareness among debt managers of new IMF directives on public debt limits and to build agents' DSA capacities and knowledge, particularly in low-income countries. Technical assistance will also be provided to the BEAC to develop the legal framework for the securitization of internal public debt and claims on the regional market of the CEMAC zone.

IN TERMS OF COUNTRY ACTIVITIES,

AFRITAC Central will assist the **Central African Republic** in reforming its legal and institutional debt management framework, will provide support to the **Republic of the Congo** in order to make its national debt committee operational, and will guide **Chad** in identifying the legal and technical prerequisites for issuing Sukuks.

Technical assistance will also be provided to the authorities of the **Democratic Republic of Congo** in order to finalize varied implementing legislation and launch the domestic government securities market. In **São Tomé and Príncipe**, the first step will be to assess debt management procedures and identify technical assistance needs for the medium term.

Efforts to build the analytical and operational capacities of organizations in charge of managing public debt will continue. Depending on the specific needs of member countries, the training organized will enable participants to familiarize themselves with:

- (1) the MTDS formulation tool and framework (**Burundi, Congo, DRC, and Chad**);
- (2) the management of risks associated with the public debt portfolio (**CAR**);
- (3) the DSA tool in countries with market access (**Gabon**);
- (4) debt instrument analysis techniques and the debt "reporting" component (**Burundi, DRC, CAR, and Chad**); and
- (5) the use of products derived from hedging, i.e. swaps (**Cameroon**).

TABLE 8. 2018 WORK PROGRAM SUMMARY: PUBLIC DEBT MANAGEMENT

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Develop a Medium-Term Debt Management Strategy (MTDS)					
Burundi, Congo, DRC, and Chad	Ad hoc missions	Training on Medium-Term Debt Management Strategy (MTDS) and risk management	A debt strategy has not been developed and the component pertaining to debt portfolio risks has not been integrated	Agents familiarized themselves with the MTDS analysis and risk management framework, and are able to apply the framework to their country's data	Risk associated with the inadequacy of human resources allocated to the project
OBJECTIVE 2: Better manage debt portfolio risks					
Cameroon	Ad hoc mission	Assistance/training on derivatives	The debt portfolio is exposed to market risks	Agents are aware of the prerequisites, mechanisms, and issues related to the use of derivatives in debt management	Risk associated with the inadequacy of human resources allocated to the project
CAR	Ad hoc mission	Training on managing debt portfolio risks	The component pertaining to debt portfolio risks has not been integrated into everyday debt management	Officials are able to identify and measure the various risks of a debt portfolio and propose measures to mitigate them	Risk associated with the inadequacy of human resources allocated to the project
Burundi, CAR, DRC, and Chad	Ad hoc missions	Training on debt reporting	The debt reporting component has not been developed	Officials are better equipped to produce various debt reporting media	Risk associated with the inadequacy of human resources allocated to the project
OBJECTIVE 3: Build debt sustainability analysis (DSA) capacities					
AFRITAC Central member countries	Regional seminar	Regional workshop on LIC-DSA	Lack of proficiency in using the DSA tool and lack of adherence to new IMF directives on public debt limits	Officials are better prepared to conduct DSA in their country	Staff engagement and support Risk associated with the inadequacy of human resources allocated to the project
Gabon	Ad hoc mission	Assistance/training on using the MAC-DSA	Lack of proficiency in using the MAC-DSA tool, which reduces authority visibility on the future development of debt sustainability	Officials are able to conduct DSA for their country using the framework developed by the IMF/WB	

TABLE 8. 2018 WORK PROGRAM SUMMARY: PUBLIC DEBT MANAGEMENT (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 4: Develop the domestic internal debt market					
BEAC	Ad hoc mission	Securitization of domestic public debt	Lack of legal framework for securitizing the domestic debt of CEMAC countries	The BEAC has draft legislation on securitizing debt, for discussion with CEMAC	Political risk: willingness by CEMAC authorities to implement the reforms identified
DRC	Ad hoc mission	Development of legal framework for government securities market	Lack of government securities market and need to implement the varied legal and regulatory legislation necessary to launch such a market	Authorities have a draft legal framework for the government securities market	Political risk: willingness of DRC authorities to implement the reforms identified
OBJECTIVE 5: Assist countries in developing the Sukuk market					
Chad	Ad hoc mission	Identification of prerequisites for issuing Sukuks	The country needs to expand the investor base and use new financing instruments	Prerequisites have been identified, an action plan has been developed, and agents are familiar with the Sukuk issuance process	Political risk: willingness of Chadian authorities to implement the reforms identified
OBJECTIVE 6: Strengthen the legal and institutional debt management framework					
Central African Republic	Ad hoc missions	Reform of legal and institutional public debt management framework	The legal framework, the organization, and coordination between debt structures are hampering proper debt management	Authorities have an action plan identifying the reforms to be undertaken, and draft legislation on such reforms has been developed	Political risk: willingness of authorities to implement the prepared reform action plan
Congo		Support for restoring the debt activity coordination committee	The National Committee on Public Debt (CNDP) created in 2008 is still not operational. There is no coordination between the various debt management structures.	Legislation on the CNDP has been reviewed and guidelines for the Committee's work have been developed	Political risk: willingness of authorities to implement the prepared reform action plan
São Tomé and Príncipe		Review mission	The country will be covered by AFRITAC Central in 2017	TA needs have been identified and a medium-term TA program has been developed	Staff engagement and support

BANKING SUPERVISION AND REGULATION



more efficiently in order to better supervise key banking system risks;

- **Objective 3:** (Basel II/III implementation framework): Ensure that banks have solid equity and liquidity to adequately cover their risks, contributing to the stability of the financial system;
- **Objective 4:** (IFRS framework in connection with nonperforming loans): Improve supervisory effectiveness by strengthening compliance with IFRS in relation to provisioning.

The strategic objectives of the work program for FY2018 have been refocused to take account of changes in the roles and responsibilities of IMF divisions (MCM) likely to be involved in banking supervision in general. AFRITAC Central's third financing cycle (phase III) begins in the middle of FY2018, that is, in November 2017, meaning that the program must be aligned from the start of FY2018. The main notable impact of this change relates to former objective 3 on the implementation of a financial stability and banking crisis prevention and management mechanism. This objective now falls primarily to, on the one hand, the division in charge of macroeconomic and monetary policy and, on the other hand, the division

specialized in dealing with bank crises. The scope of AFRITAC Central's intervention, meanwhile, is focused on banking supervision and regulation.

For FY2018, AFRITAC Central has structured technical assistance missions according to the following four objectives:

- **Objective 1:** (regulatory and prudential framework): Strengthen supervision of the financial sector by bringing the regulatory framework in line with international standards;
- **Objective 2:** (risk-based supervision framework and other supervisory processes): Use means of supervision

AT THE REGIONAL LEVEL,

a regional methodological seminar will be organized (on the regulation and control of payment services—mobile banking—and of specialized institutions in that regard) according to the same formula as that which had been used on two occasions in FY2017 to compensate for the suspension of IMF on-site missions to Burundi and the DRC. This new type of regional seminar helps develop supervisors' capacity to actually implement risk-based supervision and to share good practices. Moreover, another regional seminar will be organized jointly with AFRITAC West 1 on credit risk supervision.

IN TERMS OF COUNTRY ACTIVITIES, AFRITAC Central is forced to re-aim its efforts for the benefit of the regional banking supervisory authority, that is, the Central African Banking Commission (*Commission bancaire de l'Afrique Centrale* – COBAC), because the deteriorating situation in the CEMAC banking system requires that COBAC capacity-building be accelerated. The priority given to Burundi and the DRC since 2013 is maintained, as technical assistance needs continue to be significant. Furthermore, AFRITAC Central will add a new country to its geographical area of competence starting in phase III. That country is São Tomé and Príncipe.

In terms of themes, priority in FY2018 will be given mainly to the first two strategic action objectives due to the urgency of building the authorities' capacity to effectively implement risk-based supervision.

AFRITAC Central will provide **COBAC** with support mainly for (1) implementing measures for the application of consolidated supervision of banking groups in accordance with IFRS; (2) improving the effectiveness of the legal function and control of legal risks faced by the authority; and (3) defining an effective supervision framework for money operations and transactions performed with new digital technologies

and via mobile banking. Moreover, a launch mission will be carried out at the Central Bank of São Tomé and Príncipe.

In accordance with objective 2, AFRITAC Central will give priority to the transmission of specific methodological expertise for use by supervisors. Aside from joint seminars, missions will provide COBAC with support, particularly with respect to off-site inspections, to improve internal information analysis and processing processes with a view to increasing the effectiveness of problem detection and response measures.

Special attention will be paid to supervision of the microfinance sector. A mission will visit the **Central Bank of Congo** (BCC) to train new supervisors on risk-based supervision. Insofar as COBAC wants to measure the impact of adopting Basel II/III before undertaking large, complex projects (and rightly so), AFRITAC Central will continue to provide the **Bank of the Republic of Burundi** (BRB) with particular support to complete and finalize the prudential regulation reform project relating to liquidity (transposition of LCR), initiated in FY2017.

Since systematic and comprehensive IFRS implementation no longer appears to be an explicit objective, AFRITAC

Central will not program large, complex projects in that regard. However, it will continue the project to provide technical assistance to the BCC for transitioning to IFRS, despite the difficulties encountered, with the refocused aim of (i) building BCC capacity to implement IFRS-based supervision and (ii) ensuring that banking standards for the provisioning of bad debts are complied with.

TABLE 9. 2018 WORK PROGRAM SUMMARY: BANKING SUPERVISION AND REGULATION

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 1: Align the legal and regulatory framework with international standards					
CEMAC (COBAC)	Multiyear project	Implementation of consolidated supervision of banking groups in accordance with IFRS. Two missions.	New regulation in effect. Action to be taken. Need expressed by COBAC General Secretariat (SG-COBAC).	Assessment of terms and conditions, and structured project planning. Supervisor training.	Project complexity; commitment from and availability of authority
	Multiyear project	Strengthening of legal risk management. Development of capacities of legal function. Two missions.	Increased risks. Action to be taken. Need expressed by SGCOBAC.	Processes concerned: regulatory oversight, document management, external legal support, college decision-making, regulatory development process	Project complexity; commitment from and availability of authority
	Multiyear project	Review of the supervisory framework of payment institutions, mobile money transfers, and issuance of emoney. First mission (out of two).	Action to be taken. Need expressed by SGCOBAC.	Assessment of terms and conditions, and structured project planning. Creation of new category of licensed institutions.	Project complexity; commitment from and availability of authority
	Ad hoc mission	Review of prudential regulation regarding microfinance institutions.	Action to be taken. Need expressed by SGCOBAC.	Review of applicable regulation and proposed amendments.	Commitment from and availability of authority
DRC (BCC)	Multiyear project	Review of regulation regarding the licensing of institutions, officers, and auditors. First mission (out of two).	Need expressed by BCC.	Review of existing regulation. Proposed amendments to regulatory licensing framework.	Commitment from and availability of authority; lifting of suspension of onsite visits
SÃO TOMÉ AND PRÍNCIPE (BCSTP)	Ad hoc mission	TA program commitment by AFRITAC Central.	Integration of STP into the scope of AFRITAC Central's intervention as of 11/2017	Assessment of TA needs and definition of AFRITAC Central intervention priorities	Language barrier; commitment from and availability of authority

TABLE 9. 2018 WORK PROGRAM SUMMARY: BANKING SUPERVISION AND REGULATION (CONT.)

Country/Institution	Mode of delivery	Activities	Status as of April 30, 2017	Expected outcomes on April 30, 2018	Prerequisites/Risks
OBJECTIVE 2: Implement risk-based supervision					
CEMAC (COBAC), Burundi (BRB), DRC (BCC)	Regional seminar (2)	2 themes: (i) supervision of payment services, (ii) credit risk supervision	Need to build capacity.	Seminars held. Methodological guidelines given.	
CEMAC (COBAC)	Ad hoc mission	Develop offsite supervision methodology. First mission.	Actions underway. Need expressed by SG-COBAC.	Analysis of institutional situations and summary for SG-COBAC.	Commitment from and availability of authority
DRC (BCC)	Ad hoc training	Training for new supervisors on Basel Core Principles (BCP), and credit and operational risk management	Recurring need expressed by BCC.	Training given.	Commitment from and availability of authority; lifting of suspension of onsite visits
OBJECTIVE 3: Implementation of Basel II/III					
BURUNDI (BRB)	Multiyear project (ongoing)	Reform of regulatory framework on liquidity (Basel III transposition). Two on-site missions (otherwise, three nonlocal workshops).	Project launched in FY2017. Study mission to BAM in April 2016. Need expressed by BRB.	Finalization of LCR, transposition of NSFR, review of liquidity risk management rules.	Commitment from and availability of authority; lifting of suspension of onsite visits.
OBJECTIVE 4: Ensure compliance with IFRS accounting framework for nonperforming loans					
DRC (BCC)	Multiyear project (ongoing)	Training for BCC on IFRS-based supervision and on IFRS specific to credit risk. One mission (last one).	Project for full transition to IFRS undertaken in 08/2012 by AFRITAC Central, taken over by GIZ in 2014, then taken over again by AFRITAC Central in 2016. Project not completed.	Refocusing of project on two critical aspects. Capacity-building among BCC supervisors.	Very complex and ambitious projects that cannot be completed without revisions. Commitment from and availability of authority; lifting of suspension of onsite visits.

Section IV

AFRITAC
CENTRAL STAFF

COORDINATOR/DIRECTOR



Paulo Drummond

(Since September 2016)

Prior to his assignment as Coordinator/Director of the Regional Technical

Assistance Center for Central Africa, Mr. Drummond was Deputy Chief of the Technical Assistance Division, Monetary and Capital Markets Department at IMF Headquarters in Washington. Mr. Drummond has brought vast operational experience to his various assignments for a number of years in other departments of the IMF. In the African Department, Mr. Drummond was Mission Chief for West and East African Countries and contributed to the work on the regional economic outlook. In the Strategy, Policy, and Review Department, he contributed to debt relief activities for low-income countries, with the Paris Club. In the European Department, he contributed his expertise in debt relief in his work with emerging and developed countries, and served as Resident Representative to Macedonia. Mr. Drummond holds a Ph.D. in Economics from the University of Illinois at Urbana-Champaign.

RESIDENT ADVISORS

FISCAL AFFAIRS DEPARTMENT

REVENUE ADMINISTRATION (CUSTOMS AND TAXES)



Renilde Bazahica

(Since July 2017)

Renilde Bazahica is a graduate of the Law Faculty of Burundi and the National Tax School of Clermont-Ferrand in France. She has served in various posts for the Burundi administration and foreign administrations, including: General Manager of Taxation in Burundi; expert consultant to the World Bank; technical advisor to the General Director of Taxation in the Central African Republic; short-term advisor to the IMF; Project Manager for implementation of the semi-Autonomous agency in Togo; and more recently Resident Tax Administration Advisor for AFRITAC West 1.

PUBLIC FINANCIAL MANAGEMENT



Abdoulaye Touré

(Since September 2014)

Mr. Toure is a graduate of the National School of Bamako, the Public Administration School

of Rabat, and the Blaise Pascal university, Clermont Ferrand/Center for Studies and Research on International Development –CERDI. Prior to his assignment to the Center, Mr. Touré served as Deputy Chief of Staff for the Prime Minister of Mali responsible for the economic sector and as Secretary General of the Ministry of Economy and Finance, and held a number of positions within the National Budget Directorate as Director General, National Budget Director, and Chief of the Expenditure Division. Mr. Touré's university activities include serving as Part-time Lecturer in Law and Government Finance at the Central Public School of Industry, Business and Administration from 1991 until 1993, and as Assistant Professor of Government Finance at the Public Administration School of Bamako from 1994 until 1996.



Agnès Turenne

(Since October 2016)

Graduate from the Economic University of Reims and the National Treasury School, Agnès Turenne served as a manager in the Public Finance Directorate of the French Ministry of Economy and Finance. She worked substantially in the area of government public expenditure at the Ministry of Defense and with local authorities. She was also involved for six years in implementing the Organic Law on Budget Laws (LOLF) and government internal accounting supervision in the Regional Public Finance Directorate of La Réunion. Seconded for four years to the Ministry of Foreign Affairs as Technical Assistant in Benin, Ms. Turenne was responsible for implementing the decentralization of local finance with the Municipal Development Program.

STATISTICS DEPARTMENT

MACROECONOMIC STATISTICS



Hubert Gbossa

(Since October 2012)

A Statistician/Economist, graduate of CESD-Paris, and holder of a postgraduate degree (DEA) in Macroeconomic Analysis from University of Paris I, Pantheon Sorbonne, Mr. Gbossa has over 20 years of experience as a national accounts expert acquired with UNDP, AFRISTAT, and the IMF. He started his professional career at the Office of Statistics and Economic Analysis (INSAE) in Cotonou, where he then successively held the positions of Head of the Demographic and Social Statistics Unit and Director of Production and Employment Statistics. Mr. Gbossa played a significant role in the creation of the prototype and in the development of the ERETES system, which is used in the subregion to prepare national accounts. At the Forecasting

Directorate of the Ministry of Economy and Finance of Benin, he was responsible for the development of a macroeconomic model used in a study on the impact of the devaluation of the CFA franc on Benin's economy. As Coordinator of the Research and Economic Studies Department of AFRISTAT, he led a vast program on the statistical harmonization of the national accounts nomenclatures for the WAEMU, ECOWAS, and CEMAC. Before joining AFRITAC Central, he was recruited by the IMF to serve as a Real Sector Advisor responsible for the two Congos.

GOVERNMENT FINANCE STATISTICS

Francis Gahizi

(Since March 2016)



A national of Rwanda, Mr. Gahizi, a Finance and Public Financial Management Systems Expert, served as a Finance and Accounting Lecturer in a number of universities in

Rwanda from 2002 until 2008. Since then, Mr. Gahizi has served at the Ministries of Economy and Finance of Rwanda and Southern Sudan as a Public Financial Management Reform/Public Financial Management Information Systems Advisor. Mr. Gahizi recently served as Financial Management Systems Advisor with the Global Sanitation Fund based in Geneva, Switzerland, covering African and Asian countries.

MONETARY AND CAPITAL MARKETS DEPARTMENT

PUBLIC DEBT MANAGEMENT

Chaker Soltani

(Since October 2014)



Before joining AFRITAC Central, Soltani Chaker held several positions in the Ministry of Finance of Tunisia, before he was appointed as Debt Strategy Director in 2006 and Director General of Debt in

2011. He has also served on the Board of Directors of the Central Bank of Tunisia since 2012. In addition, he served as a Short-Term Expert with AFRITAC West 1 and AFRITAC Central in connection with a number of technical assistance missions on debt management.

BANKING SUPERVISION AND REGULATION



Alexis Boher

(Since October 2016)

Alexis Boher is a graduate of the Institute of Political Studies, Paris and holds a License in Law from the University of Paris 1 Panthéon-Sorbonne. Inspector General with Bank of France, and Mission Chief for On-Site Supervision of the Prudential Supervision and Resolution Authority (ACPR), Alexis Boher worked, beginning in 1990 in France, in the areas of banking supervision and central bank internal auditing. He was later seconded to the Directorate General of the Treasury from 2003 until 2006 as Financial Advisor to the Embassy of France in Tokyo representing Banque de France in Japan. As a result of his work in inspection and his experience as Mission Chief in banking supervision, he executed a program of short-term technical assistance missions over a period of six years on behalf of the IMF to the Central Bank of the Comoros before he was seconded as a Resident Advisor in this area to AFRITAC Central.

RESULTS BASED MANAGEMENT



Philippe Athanassiou

(Since August 2017)

Mr. Athanassiou, a Franco-Malagasy national, holds a PhD in international law and political science from the University of Reims Champagne Ardennes (France). Prior to joining AFC as a results-based management advisor, M. Athanassiou has worked for various international organizations such as the United Nations Economic Commission for Africa (UNECA), the United Nations Development Program (UNDP), the United Nations Institute for Training and Research (UNITAR) and the International Labor Organization (ILO). With an extensive experience in program management encompassing monitoring and evaluation, capacity building and strategic planning, M. Athanassiou will assist AFRITAC Central in developing a new results-based management framework in all capacity building activities of the Center and will support the operationalization of the CD Port platform which aims at improving significantly the planning, monitoring, reporting and the coordination of the Center's activities.

ADMINISTRATION



OFFICE MANAGER

Marie-Hélène Issembe



PROJECT OFFICER

Armel Houtsa



ADMINISTRATIVE ASSISTANT

Carine Mboumba



ADMINISTRATIVE ASSISTANT

Larissa Mabika Balenga



ADMINISTRATIVE ASSISTANT

Djena Laetitia Djembo



TECHNICIAN/DRIVER

Batsielili Idoudou

FORMER STAFF MEMBERS

(FY2017)



COORDINATOR/DIRECTOR

Olivier Benon

(Septembre 2013 - Septembre 2016)



RESIDENT ADVISOR,
REVENUE ADMINISTRATION

Anthony Ramarozatovo

(Novembre 2013 - Juin 2017)



RESIDENT ADVISOR
PUBLIC FINANCIAL MANAGEMENT

Marie-Christine Uguen

(Juin 2012 - Août 2016)



RESIDENT ADVISOR
BANKING SUPERVISION
AND FINANCIAL STABILITY

Jean-François Bouchard

(Septembre 2014 - Août 2016)



ECONOMIST/PROJECT OFFICER

Aurélien Serge Beko

(Février 2016 - Juillet 2016)



TECHNICIAN/DRIVER

Serge Pambo Makaya

(Février 2007 - Décembre 2016)

ANNEXES

ANNEX 1

IMF CAPACITY BUILDING INITIATIVE FOR AFRICA - AFRITAC CENTRAL STATUS OF FINANCIAL CONTRIBUTIONS AS AT APRIL 30, 2017

	Contribution currency	Commitments		Contributions received (in U.S. dollars)	Payments pending (in U.S. dollars)
		(in donor currency)	(in U.S. dollars)		
DONORS					
AFDB	U.S. dollars	1,500,000	1,500,000	1,500,000	0
Germany	Euro	1,000,000	1,316,500	1,316,500	0
Australia	U.S. dollars	1,250,000	1,250,000	1,250,000	0
Canada	Canadian dollars	2,000,000	2,077,650	2,077,650	0
EIB	Euro	500,000	685,600	685,600	0
France	Euro	1,600,000	2,090,879	2,090,879	0
China	SDR	650,000	989,580	989,580	0
European Commission (ACP)	Euro	6,000,000	7,711,600	5,565,600	2,146,000 ²
SUBTOTAL, DONORS		14,500,000	17,621,809	15,475,809	2,146,000
MEMBER COUNTRIES					
Burundi	U.S. dollars	325,000	325,000	298,277	26,723
Cameroon	U.S. dollars	5,000,000	5,000,000	4,695,694	304,306
Chad	U.S. dollars	5,000,000	5,000,000	1,250,000	3,750,000
Democratic Republic of Congo	U.S. dollars	1,800,000	1,800,000	1,650,000	150,000
Gabon ¹	U.S. dollars	10,000,000	10,000,000	3,491,798	6,508,202
Republic of Congo	U.S. dollars	5,000,000	5,000,000	5,000,000	0
Transfers from FAA ³	U.S. dollars			156,621	0
SUBTOTAL, MEMBER COUNTRIES			27,125,000	16,542,390	10,739,231
GENERAL TOTAL			44,746,809	32,018,199	12,885,231

¹ Includes US\$2.8 million contribution from host country

² Amounts in U.S. dollars converted at: 1 EUR=1.073 USD

³ Transfers following termination of FAA (Framework Administration Account) instrument

This amount includes contributions from Burundi, the Democratic Republic of Congo, and CEMAC (Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon).

Source: Institute for Capacity Development

ANNEX 2

IMF CAPACITY BUILDING INITIATIVE FOR AFRICA – AFRITAC CENTRAL EXPENDITURE AS AT APRIL 30, 2017

	Expenditure, fiscal year 2012	Expenditure, fiscal year 2013	Expenditure, fiscal year 2014	Expenditure, fiscal year 2015	Expenditure, fiscal year 2016	Forecast expenditure 2017
	(dollar US)	(dollar US)	(dollar US)	(dollar US)	(dollar US)	(dollar US)
RESIDENT ADVISORS	1,311,173	1,360,884	1,423,896	1,620,369	1,696,142	1,801,814
Public Finance/ Revenue Administration	767,461	788,294	760,297	759,353	778,573	732,236
Financial Markets	286,135	379,141	394,489	585,235	596,075	594,511
Statistics	257,578	193,448	269,110	275,782	321,494	475,067
Results-Based Management						
SHORT-TERM EXPERTS	1,063,702	1,168,565	1,025,426	1,277,029	1,326,297	1,132,606
Public Finance/ Revenue Administration	692,287	890,123	521,080	706,200	715,236	575,178
Financial Markets	137,529	133,856	400,637	436,043	396,262	324,267
Statistics	233,887	144,585	103,708	134,787	214,799	233,161
DIAGNOSTIC OPERATIONS	0	0	0	4,132	0	0
TRAINING	191,444	458,869	615,622	734,872	722,575	483,818
Seminars	191,444	458,869	517,830	591,827	685,627	497,884
Training on Macroeconomic and Financial Management	0	0	97,792	143,045	36,948	(14 066)
TRAVEL	376,649	368,601	456,469	454,136	354,012	339,233
Resident Advisors	311,813	259,800	313,837	330,699	236,453	233,488
Center Coordinator	45,150	73,475	58,916	55,493	61,836	40,588
Staff Travel	19,685	35,326	83,715	67,944	55,723	65,156

ANNEX 2 (CONT.)

IMF CAPACITY BUILDING INITIATIVE FOR AFRICA - AFRITAC CENTRAL EXPENDITURE AS AT APRIL 30, 2017

	Expenditure, fiscal year 2012	Expenditure, fiscal year 2013	Expenditure, fiscal year 2014	Expenditure, fiscal year 2015	Expenditure, fiscal year 2016	Forecast expenditure 2017
	(dollar US)	(dollar US)	(dollar US)	(dollar US)	(dollar US)	(dollar US)
METHODOLOGICAL SUPPORT/PROJECT MANAGEMENT	152,386	136,006	231,141	219,735	274,612	281,425
OTHER	153,760	188,605	191,545	249,289	233,840	177,936
Assessment	0	0	0	132,383	103,276	25,819
Miscellaneous / Communication Expenditure	153,760	188,605	191,545	116,906	130,562	152,117
CENTER MANAGEMENT	521,665	479,759	634,084	768,908	673,869	692,019
Support Staff	176,970	164,323	171,687	219,003	211,129	153,080
Support Staff Training	0	0	3,967	0	2,378	595
Facilities	344,695	315,436	458,431	549,905	460,362	538,345
CENTER MANAGEMENT SUBTOTAL	3,770,779	4,161,289	4,578,183	5,328,471	5,281,348	4,908,851
Trust Fund Management (7%)	263,955	291,290	320,473	372,993	369,694	343,620
AFRITAC CENTRAL TOTAL	4,034,733	4,452,579	4,898,655	5,701,464	5,651,043	5,252,471

Source: IMF, Institute for Capacity Development



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