

# REGIONAL TECHNICAL ASSISTANCE CENTER FOR CENTRAL AFRICA

Improved Macroeconomic Policy  
Frameworks in Central Africa



**AFRITAC**  
Central

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# ANNUAL REPORT 2018

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



Burundi



Cameroon



Congo



Gabon



Equatorial  
Guinea



Central African  
Republic



Democratic  
Republic of  
the Congo



Sao Tome et Principe



Chad



Affaires mondiales  
Canada

Global Affairs  
Canada



# A MESSAGE FROM THE AFRITAC CENTRAL STEERING COMMITTEE CHAIRMAN



His Excellency

**Mr. Régis IMMONGAULT**

*Minister of the Economy, Long-Term Planning,  
and Sustainable Development Programming of  
Gabon until May 2018*

*Currently Minister of Foreign Affairs,  
Cooperation, Francophone Affairs, and  
Regional Integration*

The period covered by this report was marked by a great number of challenges, but also by significant progress in the key areas of intervention of the IMF Central Africa Regional Technical Assistance Center.

After a period of sharp contraction, the 2017-2018 period is expected to be marked by a recovery of growth in the majority of AFRITAC Central countries. This positive development would be accompanied by improvements in macroeconomic and budget management. To consolidate the promising trend in fiscal year 2018, AFRITAC Central continued its mission of strengthening the institutional, technical, and

human capacities of the member countries and regional institutions in cooperation with the other development partners. The mission aims to help the authorities improve economic governance in order to achieve the objectives fixed, particularly in the areas of resource administration, public financial management, the production of reliable macroeconomic statistics, and the maintenance of sound financial systems. Fiscal year 2018 saw both the addition of macroeconomic and budget analysis and forecasting to the Center's technical portfolio and the inclusion of Sao Tome and Principe in the Center's coverage in November 2017.

The Center, which delivers high-level technical assistance through targeted actions coordinated with the member countries and development partners, executed 103 percent of its program of activities, the highest proportion since the Center was created. In fiscal year 2018 alone, the Center strengthened the capacities of 470 professionals from the member countries through seminars, regional workshops, and courses on a variety of topics. This highlights the importance for the Center of adopting a regional approach to capacity building.

During the period under review, AFRITAC Central increased its support to the member countries through a range of activities including seminars, off-site workshops, and training programs. The third inter-regional seminar on coordination between tax and customs administrations, organized jointly with AFRITAC South, strengthened managers' capacities to increase tax revenue. Two other seminars were organized in partnership with AFRITAC West, one on credit risk supervision and the other on issues for budget execution in program mode. Those activities included a review of the most recent international

standards applicable to credit risk, including the new Basel III standard method and IFRS 9, with a focus on a number of specific procedures for the effective implementation of on-site and off-site reviews; and also served to familiarize actors with the issues and challenges involved in the transition from resource-based budgeting to program budgeting. In addition, the Center organized a study trip to Cape Verde for managers from the Sao Tome and Principe tax administration to observe the organizational changes implemented by their Cape Verdean counterparts to effectively manage VAT. Another success was the Forum of Senior Budget Officials of AFRITAC Central Member Countries (FoHBAC), which provided a space for important reflections in the context of second-generation public finance reforms. The Forum's seventh meeting focused reflection on strengthening the budget function amid the challenges of economic and public finance reforms. This issue arises in the context of implementing economic recovery programs and continued public finance reforms in the different countries of the area.

These efforts will continue during fiscal year 2019, which began in May. In a context of global economic recovery combined with rising international commodities prices, AFRITAC Central's technical support is more critical than ever to making the most of the promising signs of improvement in the international environment.

While supporting programs under way in the region, increased technical assistance for the member countries is needed to deepen the important reforms already planned or under way to increase revenue, improve the quality of public expenditure, better manage public debt, enhance the quality of statistics, and maintain the stability of the banking and financial sector.

As Gabon assumes the chair of the AFRITAC Central Steering Committee, I would like to take this opportunity to thank my fellow ministers, the development partners, and the entire AFRITAC Central team for all the support they have given us to date.

# FOREWORD FROM THE AFRITAC CENTRAL COORDINATOR



**Paulo Drummond**

Fiscal year 2018 was AFRITAC Central's most productive year since its founding.

The Center pursued its objective of strengthening its member countries' management capacities to promote growth and reduce poverty. The year also saw the launch of activities in Sao Tome and Principe, which joined the existing eight member countries, and the introduction of a new area of the Center's technical expertise, macroeconomic and budget analysis. This reflects the Center's concern for providing the technical support needed in its member countries' priority areas and in expanding its regional scope of action.

The fiscal year ended with numerous successes in the Center's areas of intervention and in all countries. Improved transparency and strengthened macroeconomic framing mechanisms in the areas of public finance and tax administration; the adoption of good international practices for producing and disseminating macroeconomic and statistical data; and progress in institutional and operational reforms of financial sector supervision continue to be the focus of the Center's activities.

Notable achievements include the reorganization of customs services, modernization of clearance procedures, and cross-checks against tax records as a means to raise resources; support in the drafting of implementing regulations under the new Central African Economic and Monetary Community

(CEMAC) customs code; consolidation of program budget templates; support in budget preparation and execution and liquidity management; compilation and dissemination of government finance statistics in accordance with international standards; the strategy to bring annual national accounts series current; strengthening of member countries' human and institutional capacities in debt management; and support in strengthening financial sector stability.

During fiscal year 2018, the Center demonstrated its flexibility and responsiveness by organizing a number of regional professional gatherings and off-site workshops for the member countries. Also, support to fragile member countries accounted for 87 percent of the Center's resources. All of these results were achieved through close cooperation with our development partners, which we applaud for their constant support.

During fiscal year 2019, AFRITAC Central will redouble its efforts to fulfill its commitments to strengthen its member countries' capacities, counting on the support of those countries and all the development partners. To this end, AFRITAC Central maintains strong relations with the member states' authorities and stands ready in fiscal year 2019 to continue its program of support for reforms led by the countries.

I thank the government authorities of the Republic of Gabon for their outstanding support for the Center during the first year as chair of the Steering Committee. Finally, my thanks also go to my colleagues at the Center for their professional dedication to improving macroeconomic capacities in Central Africa.

# LIST OF ACRONYMS AND ABBREVIATIONS

<b>AfDB</b>	African Development Bank	<b>DGBFIP</b>	Directorate General of Budget and Public Finance
<b>AFRISTAT</b>	Economic and Statistical Observatory for Sub-Saharan Africa	<b>DGIC</b>	Directorate General of Industry and Competitiveness
<b>AFRITAC</b>	IMF African Regional Technical Assistance Center	<b>DRC</b>	Democratic Republic of the Congo
<b>AFRITAC Central</b>	Regional Technical Assistance Center for Central Africa	<b>DSA</b>	Debt Sustainability Analysis
<b>APP</b>	Annual Performance Plan	<b>DSA-LIC</b>	Debt Sustainability Analysis for low-income countries
<b>BCC</b>	Central Bank of the Congo	<b>DSA-MAC</b>	Debt Sustainability Analysis for market-access countries
<b>BDEAC</b>	Central African States Development Bank	<b>DSIF</b>	Directorate of Financial Intermediaries Supervision
<b>BDI</b>	Burundi	<b>EAC</b>	East African Community
<b>BEAC</b>	Bank of Central African States	<b>ECA</b>	Economic Commission for Africa
<b>BOP</b>	Operational Program Budget	<b>ECCAS</b>	Economic Community of Central African States
<b>BRB</b>	Bank of the Republic of Burundi	<b>ECOWAS</b>	Economic Community of West African States
<b>CAMELS</b>	Capital adequacy, Asset quality, Management, earnings, Liquidity, Sensitivity to market risk	<b>EIB</b>	European Investment Bank
<b>CAR</b>	Central African Republic	<b>ERETES</b>	Automated tool used in compiling national accounts
<b>CDC</b>	<i>Caisse des Dépôts et Consignations</i> (Gabon)	<b>EUROSTAT</b>	European Commission directorate responsible for European statistics
<b>CEMAC</b>	Central African Economic and Monetary Community	<b>FAD</b>	IMF Fiscal Affairs Department
<b>CFA</b>	African Financial Community	<b>FoHBAC</b>	Forum of Senior Budget Officials of AFRITAC Central Member Countries
<b>CMR</b>	Cameroon	<b>FSAP</b>	Financial Sector Assessment Program
<b>COBAC</b>	Central African Banking Commission		
<b>COG</b>	Congo		

<b>GAB</b>	Gabon	<b>ORAP</b>	Organization and strengthening of Preventive Action
<b>GDDS</b>	IMF General Data Dissemination System	<b>PCE</b>	Government accounting framework
<b>GDP</b>	Gross Domestic Product	<b>PE</b>	Commitment plan
<b>GFS</b>	Government Finance Statistics	<b>PEFA</b>	Public expenditure and financial accountability
<b>GFSM</b>	Government Finance Statistics Manual	<b>PPM</b>	Procurement and Contracting Plan
<b>GIZ</b>	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German development cooperation agency)	<b>QNA</b>	Quarterly National Accounts
<b>ICA</b>	Turnover index	<b>RBM</b>	Results-Based Management
<b>IFRS</b>	International Financial Reporting Standards	<b>RGCP</b>	General Public Accounting Regulations
<b>IMF</b>	International Monetary Fund	<b>SADC</b>	South African Development Community
<b>INSAE</b>	National Institute for Statistics and Economic Analysis	<b>SNA</b>	System of National Accounts
<b>ISP</b>	Index of Service Prices	<b>STP</b>	Sao Tome and Principe
<b>LCR</b>	Liquidity coverage ratio	<b>TA</b>	Technical Assistance
<b>LOFIP</b>	Public Finance Act	<b>TCD</b>	Chad
<b>MAC</b>	Market-Access countries	<b>TOFE</b>	Government Financial Operations Table
<b>MCM</b>	IMF Monetary and Capital Markets Department	<b>TSA</b>	Treasury Single Account
<b>MFI</b>	Microfinance Institutions	<b>UNCTAD</b>	United Missions Conference for Trade and Development
<b>MTDS</b>	Medium-term Debt Strategy	<b>UNDP</b>	United Nations Development Program
<b>MTBF</b>	Medium-term Budget Framework	<b>VAT</b>	Value Added Tax
<b>MTEF</b>	Medium-term Expenditure Framework	<b>WAEMU</b>	West African Economic and Monetary Union
<b>NBE</b>	Government Budget Nomenclature		

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SECTION I

THE IMF REGIONAL  
TECHNICAL  
ASSISTANCE  
CENTERS (RTACS)



20th meeting of the AFRITAC Central Steering Committee, Libreville, March 2018

## A

# GENERAL PRESENTATION OF THE AFRITAC INITIATIVE AND AFRITAC CENTRAL

The five regional technical assistance centers of the International Monetary Fund (IMF or the Fund) currently operating on African soil (the AFRITACs) represent the combined efforts of the member countries, the development partners, and the IMF. They are the key element of the Fund's response to the African Heads of States' request for increased technical assistance in economic and financial areas, particularly in institutional strengthening. The centers now cover all of sub-Saharan Africa.

AFRITAC Central covers all countries of the Central African Economic and Monetary Community (CEMAC) (i.e., Cameroon, the Republic of Congo, Gabon, the AFRITAC Central host country, Equatorial Guinea, the Central African Republic (CAR), and Chad), the Republic of Burundi, the Democratic Republic of the Congo (DRC), and the Democratic Republic of Sao Tome and Principe.

The prevalent financial arrangement at AFRITAC Central clearly illustrates the member countries' interest in the services provided by the Center, since the contributions expected from the government for Phase 3 are expected to represent roughly 40 percent of the total budget for the cycle – with the



Partners of AFRITAC Central, Steering Committee, Libreville, March 2018

donors and the IMF contributing 60 percent. This financial arrangement demonstrates the countries' interest in AFRITAC Central's activities will be sustained for years to come, and is proof that the Center's activities have effectively addressed the members' needs. The approach used, which is to use innovation to adapt to the specific circumstances and needs of each member country, is the right one. This was one of the firm conclusions of the external evaluation of AFRITAC conducted in 2008-2009, when AFRITAC Central was in its early stages. The independent evaluation of AFRITAC Central Phase 2 conducted in 2014-2015 reinforced that positive perception.

For all the regional centers, technical assistance consists of strategic advice, provided during missions organized by IMF technical departments in Washington, combined with implementation on the ground. The assistance is provided by AFRITAC resident advisors during on-site visits and in the context of missions conducted by consultants supervised directly by the advisors.

All of these missions are of course part of the Fund's broader technical assistance activities. This not only ensures consistency and coordination but also provides an assurance of quality insofar as the missions benefit from review by IMF headquarters staff. The strategic options guiding the Center's



Member countries authorities, Steering Committee, Libreville, March 2018



Opening ceremony, Steering Committee, Libreville, March 2018



Regional seminar on innovative payment services, Libreville, September 2017



AFRITAC Central resident advisors, Steering Committee, Libreville, March 2018

activities are discussed by a Steering Committee formed of representatives of the member countries, the partners, and organizations participating as observers. The Steering Committee meets regularly to validate the work program and monitor program implementation.

Since its founding in 2007, AFRITAC Central has been based in Libreville, the capital of Gabon, its host country. Gabon served as the first chair of the Steering Committee, followed by Cameroon. The second cycle of the Center's financing, covering the period from May 1, 2011 to October 31, 2017, began under the chairmanship of the Republic of Congo. From May 1, 2013 to April 30, 2015, it was headed by Chad, followed by the Democratic Republic of the Congo from May 1, 2015 to April 30, 2017. Gabon currently chairs the Steering Committee and will serve in that capacity until April 30, 2019.

Oversight of AFRITAC Central's operations is provided by a coordinator. Capacity building is conducted by resident advisors in the areas of tax and customs administration (one advisor), public financial management (two advisors), macroeconomic and budget analysis (one advisor), government finance statistics (one advisor), macroeconomic statistics (one advisor),

public debt management (one advisor), bank regulation and supervision (one advisor), and results-based management (one advisor).

In addition to the missions discussed above, AFRITAC Central also supports the development of its member countries' institutional capacities through regional seminars and national workshops and by arranging for member country professionals to be seconded to other countries of the region. Under the supervision of advisors and international experts, the seminars and workshops serve to disseminate a common doctrine and principles to senior officials of the nine member countries and promote sharing of experiences and best practices.

# AFRITAC CENTRAL'S OPERATING AREAS

## REVENUE ADMINISTRATION

In the area of customs and tax administration, the Center supports the member countries in strengthening the capacities of tax and customs administrations, increasing tax revenue, and promoting citizens' ownership of their role as taxpayers.

### OBJECTIVES

- (1) Strengthened revenue administration management and governance arrangements,
- (2) Strengthened core tax administration functions,
- (3) Improved customs administration functions.

## PUBLIC FINANCIAL MANAGEMENT

In this area, the Center's technical support is focused on financial transparency and on harmonizing budget preparation, execution, and control with regional directives to promote effective public financial management.

### OBJECTIVES

- (1) Improved PFM laws and effective institutions,
- (2) Comprehensive, credible, and policy-based budget preparation,
- (3) Improved budget execution and control,
- (4) Improved coverage and quality of fiscal reporting,
- (5) Improved asset and liability management.

## MACROECONOMIC AND FISCAL ANALYSIS AND FORECASTING

In this area, the Center works to strengthen the macroeconomic framing functions in the member states' budget preparation and identify and monitor budget risks.

### OBJECTIVES

- (1) Comprehensive, credible, and policy-based budget preparation,
- (2) Strengthened identification, monitoring, and management of fiscal risks.

## GOVERNMENT FINANCE STATISTICS

In this area, the Center supports the member states in compiling and harmonizing government finance statistics to ensure they are both reliable and consistent with international standards.

### OBJECTIVES

- (1) Strengthen compilation and dissemination of data on financial statistics for decision making.
- (2) Enhance transparency of financial statistics for decision taking through strengthened dissemination via the Fund's Data Standard Initiatives.

## MACROECONOMIC STATISTICS

In this area, the Center supports the member states in compiling national accounts that are robust and compliant with international standards and in implementing effective economic policy tools.

### OBJECTIVES

- (1) Strengthen compilation and dissemination of data on macroeconomic statistics for decision making.

## PUBLIC DEBT MANAGEMENT

The Center supports the member states in the effective management of public debt in order to reduce their vulnerability to domestic and external shocks, support economic growth, and improve the investment climate.

### OBJECTIVES

- (1) Develop an MTDS to minimize cost of public debt subject to risks and foster development of domestic debt markets,
- (2) Enhance debt portfolio risk management to minimize cost of public debt subject to risks and foster development of domestic debt markets,
- (3) Support debt sustainability by providing staff with ability to perform their own debt sustainability analysis,
- (4) Develop government securities market to reduce cost and risks of public debt increasing efficiency and financing choices in the domestic market,
- (5) Develop Sukuk market to increase the availability of long-term finance for infrastructure development, to reduce cost and risk for public debt and to increase efficiency and financing choices,
- (6) Support the authorities in establishing an efficient institutional structure for managing public debt.

## BANKING REGULATION AND SUPERVISION

In this area, the Center helps the countries consolidate their banking systems and stabilize their financial environments.

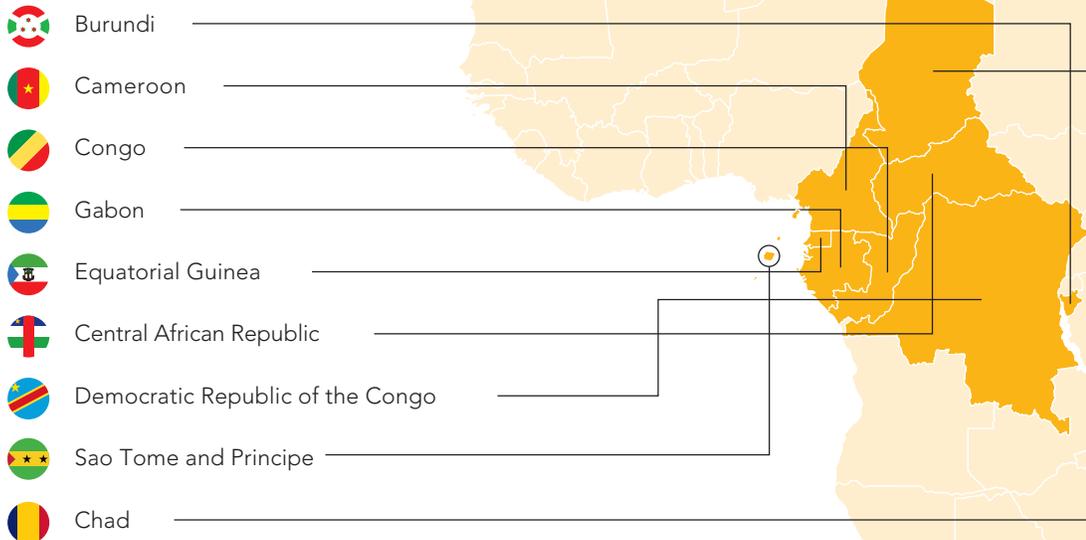
### OBJECTIVES

- (1) Strengthened financial sector surveillance through upgrading of regulatory framework in line with international standards,
- (2) Make more efficient use of supervisory resources to better oversee key risks in the banking system,
- (3) Ensure that banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability,
- (4) Improved supervisory effectiveness through enhanced capacity in IFRS knowledge related to provisioning.



# AFRITAC CENTRAL MEMBER STATES AND PARTNERS

## AFRITAC CENTRAL MEMBER COUNTRIES



## AFRITAC CENTRAL PARTNERS

<p>France</p> 	<p>ACP Countries</p> 	<p>European Union</p> 	<p>The Netherlands</p> 	<p>European Investment Bank</p> 
<p>African Development Bank</p> 	<p>Australia</p> 	<p>Germany</p> 	<p>Canada</p> 	<p>China</p> 

**AFRISTAT\***

Economic and Statistical Observatory for Sub-Saharan Africa

**BDEAC**

Development Bank of Central African States

**BEAC\***

Bank of Central African States

**EECAS**

Economic Community of Central African States

**CEMAC\***

Central African Economic and Monetary Community

**COBAC\***

Central African Banking Commission

**EAC**

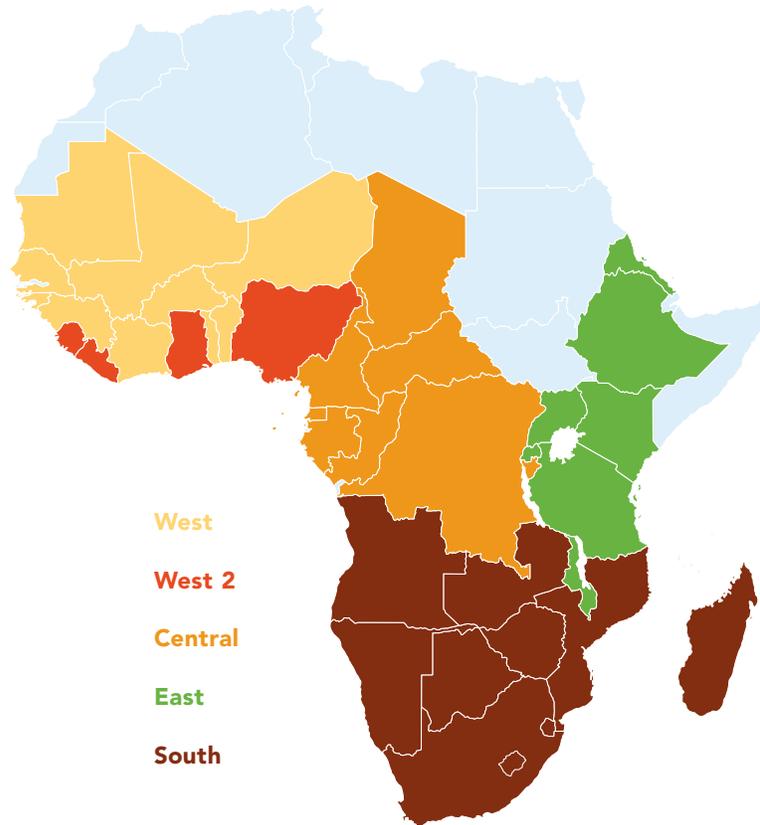
East African Community

**SADC**

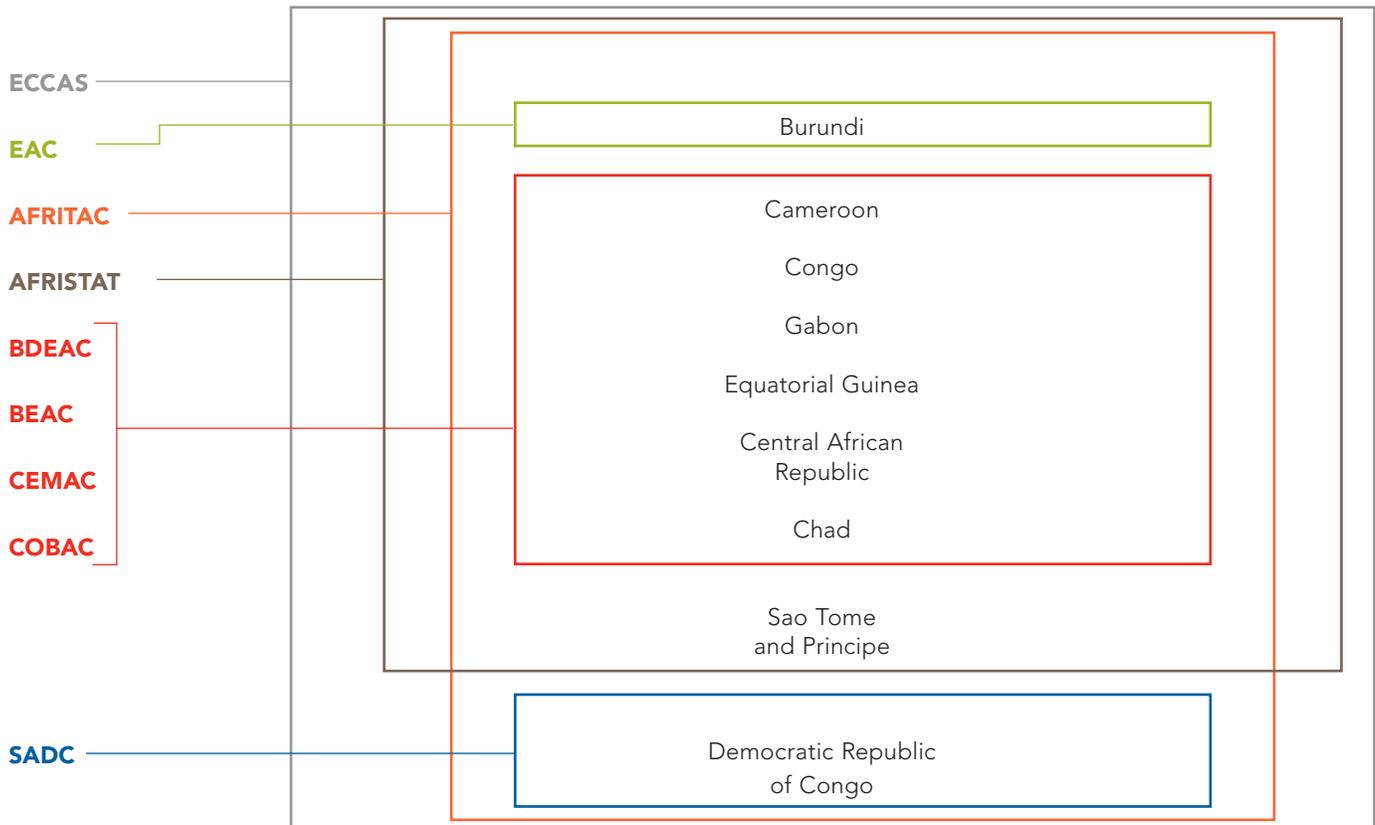
Southern African Development Community

\* AFRITAC Central Observers

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



**SUBREGIONAL ORGANIZATIONS: GEOGRAPHIC COVERAGE**



**SECTION II**

# RESULTS

(MAY 2017 – APRIL 2018)



Regional seminar on government finance statistics, Libreville, April 2018



# SUMMARY AND OVERVIEW

During fiscal year 2018, the strategic objectives of the AFRITAC Central 2017-2022 logical framework provided the underpinning for the activities offered by the Center. To effectively respond to the member states' requests, the sector technical assistance activities were supplemented by joint seminars and national workshops, enabling the Center to maintain a high execution rate.

## **MAIN ACHIEVEMENTS**

The principal results achieved during the year in implementing the logical framework are presented by country graphically in Table 1 (pages 22-25) and in narrative form in Box 1 (pages 26-27). The high rate of execution of the work program, closer coordination of technical assistance with the partners, and support for regional reforms were the key factors of success in fiscal year 2018. Also during the year, the Center's activities were implemented despite difficult economic and security conditions in several member states (Box 2, pages 28-29).

**TABLE 1. IMPLEMENTATION OF THE AFRITAC CENTRAL LOGICAL FRAMEWORK AT APRIL 30, 2018**

Progress achieved:

- No activities were conducted during May 2017 – April 2018
- 1. Results not achieved
- 2. Results partially achieved
- 3. Results achieved
- 4. Results broadly achieved

	AFRITAC Region	CEMAC	Burundi	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	DRC	STP	Chad
<b>REVENUE ADMINISTRATION</b>											
<b>Customs administration</b>											
Objective 1: Strengthened customs administration management and governance arrangements	● 4	● 3			● 4		● 4	● 4		● 4	
Objective 2: Improved customs administration functions				● 3		● 4			● 4		● 4
<b>Tax administration</b>											
Objective 1: Strengthened tax administration management and governance arrangements										● 3	
Objective 2: Strengthened core tax administration functions	● 4			● 4	● 4	● 4	● 3	● 4	● 4		● 4
<b>PUBLIC FINANCIAL MANAGEMENT</b>											
Objective 1: Improved PFM laws and effective institutions	● 3	● 3								● 3	
Objective 2: Comprehensive, credible, and policy-based budget preparation	● 3			● 2	● 2	● 2	● 2	● 2	● 2		● 2
<b>MACROECONOMIC AND FISCAL ANALYSIS AND FORECASTING</b>											
Objective 1: Comprehensive, credible, and policy-based budget preparation	● 3			● 2	● 3	● 3		● 2			● 2

**TABLE 1. IMPLEMENTATION OF THE AFRITAC CENTRAL LOGICAL FRAMEWORK AT APRIL 30, 2018 (CONT.)**

	AFRITAC Region	CEMAC	Burundi	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	DRC	STP	Chad
Objective 2: Strengthened identification, monitoring, and management of fiscal risks				●							
<b>GOVERNMENT FINANCE STATISTICS</b>											
Objective 1: Strengthen compilation and dissemination of data on financial statistics for decision making	●		●	●	●	●	●	●	●	●	●
Objective 2: Enhance transparency of financial statistics for decision taking through strengthened dissemination via the Fund's Data Standard Initiatives	●		●	●	●	●	●	●	●	●	●
<b>MACROECONOMIC STATISTICS</b>											
Objective 1: Strengthen the capacities of national accounting officers in preparing annual national accounts.			●		●	●	●	●	●		●
Objective 2: Strengthen the capacities of national accounting officers in preparing quarterly national accounts			●								
<b>PUBLIC DEBT MANAGEMENT</b>											
Objective 1: Develop a medium-term debt management strategy (MTDS) to minimize cost of public debt subject to risks and foster development of domestic debt markets					●				●		●

**TABLE 1. IMPLEMENTATION OF THE AFRITAC CENTRAL LOGICAL FRAMEWORK AT APRIL 30, 2018 (CONT.)**

Progress achieved::

- No activities were conducted during May 2017 – April 2018
- 1. Results not achieved
  - 2. Results partially achieved
  - 3. Results achieved
  - 4. Results broadly achieved

	AFRITAC Region	CEMAC	Burundi	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	DRC	STP	Chad
Objective 2: Enhance debt portfolio risk management to minimize cost of public debt subject to risks and foster development of domestic debt markets	<span style="color: blue;">●</span>			<span style="color: green;">●</span>				<span style="color: orange;">●</span>	<span style="color: green;">●</span>		<span style="color: green;">●</span>
Objective 3: Support debt sustainability by providing staff with ability to perform their own debt sustainability analysis	<span style="color: blue;">●</span>					<span style="color: green;">●</span>					
Objective 4: Develop government securities market to reduce cost and risks of public debt increasing efficiency and financing choices in the domestic market	<span style="color: green;">●</span>										
Objective 5: Develop Sukuk market to increase the availability of long-term finance for infrastructure development, to reduce cost and risk for public debt and to increase efficiency and financing choices	<span style="color: orange;">●</span>										
Objective 6: Support the authorities in establishing an efficient institutional structure for managing public debt					<span style="color: orange;">●</span>			<span style="color: orange;">●</span>			

**TABLE 1. IMPLEMENTATION OF THE AFRITAC CENTRAL LOGICAL FRAMEWORK AT APRIL 30, 2018 (CONT.)**

	AFRITAC Region	CEMAC	Burundi	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	DRC	STP	Chad
<b>BANKING REGULATION AND SUPERVISION</b>											
Objective 1: Strengthen financial sector surveillance through upgrading of regulatory framework in line with international standards	●	●	●						●	●	
Objective 2: Make more efficient use of supervisory resources to better oversee key risks in the banking system	●	●	●						●	●	
Objective 3: Ensure that banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability			●								
Objective 4: Improved supervisory effectiveness through enhanced capacity in IFRS knowledge related to provisioning									●		

## BOX 1. MAIN RESULTS OF AFRITAC CENTRAL TECHNICAL ASSISTANCE (MAY 2017 TO APRIL 2018)

### BURUNDI

- Convergence of the bank regulatory and supervisory framework toward international standards,
- Implementation of an LCR-type short-term liquidity ratio consistent with Basel III,
- Support in implementing supervision of banks' internal control and risk management,
- Support in early detection of bank difficulties and early intervention by the banking authority at troubled banks.

### CAMEROON

- Assistance in implementing cross-checks of tax information to identify priority actions to increase tax revenue,
- Formalization of performance management tools, stricter control of tax exemptions, and strengthening of customs risk management,
- Support in implementing the new budget nomenclature,
- Strengthening of the macro-fiscal function and the identification and monitoring of budget risks,
- Support in preparing the country's first financial statistics series,
- Drafting of opinions on the conformity of draft texts transposing directives into national laws
- Capacity strengthening in the use of derivatives to hedge financial risks associated with the debt portfolio.

### CONGO

- Drafting of opinions on the conformity of draft texts transposing directives
- Support in budget preparation and execution and liquidity management

- Strengthening of tax and customs administration officials in macroeconomic framing and financial programming and policies,
- Support in preparing the country's first financial statistics series, covering the period 2014-2016,
- Reinstatement of the National Public Debt Committee

### GABON

- Assistance in implementing cross-checks of tax information to identify priority actions to increase tax revenue,
- Support in improving budget comprehensiveness and traceability of operations to revenue allocated,
- Improved internal and external controls and management of budget and tax risks,
- Assessment of institutional and methodological capacity strengthening needs,
- Support in preparing the country's first financial statistics series,
- Estimation of national accounts for years 2011-2015 and provisional accounts for 2016 in progress,
- Support in conducting autonomous debt sustainability analyses (DSA) using the DSA template for market-access countries.

### EQUATORIAL GUINEA

- Support in defining new clearance procedures,
- Development of mechanisms for managing exemptions,
- Support in identifying short- and medium-term technical assistance needs,

- Definition of the framework for customs and tax administration cooperation,
- Dissemination of the 2006-2015 series of national accounts,
- Completion of the needs assessment and organization of the unit responsible for the government financial operations table (TOFE).

### CENTRAL AFRICAN REPUBLIC

- Improved integrity of financial and accounting data and improvements in the cash flow management function,
- Support in drawing up sector and central commitment plans,
- Evaluation of the institutional and technical frameworks for the development of macroeconomic and budget framing,
- Support in determining financing requirements based on more robust statistics.
- Improvement of debt reporting and production of a quarterly debt bulletin.

### DEMOCRATIC REPUBLIC OF THE CONGO

- Support in implementing performance frameworks and consolidating program budget templates,
- Preparation of a draft medium-term debt management strategy,
- Convergence of the bank regulatory and supervisory framework toward international standards,
- Revision of prudential regulations applicable to banks' internal control, risk management, and governance,

- Strengthening of the BCC's capacities in the analysis of IFRS-compliant financial statements submitted by banks,
- Training of new BCC bank supervisors.
- Design of the framework for managing the Central African Banking Commission (COBAC) supervision procedures,
- Establishment of the framework for consolidated supervision at the COBAC,
- Strengthening the capacities of subregional bank supervisors in regulating and supervising payment services and service providers,
- Strengthening the capacities of subregional bank supervisors in supervising credit risk.

#### SAO TOME AND PRINCIPE

- Provision of a targeted review program with respect to VAT,
- Development and implementation of an action plan to establish annual performance plans,
- Establishment of a capacity-building program for national accounting officers,
- Development of an action plan to improve debt management.
- Revision of COBAC procedures for off-site surveillance of microfinance institutions to incorporate a risk-based approach,
- Revision of the COBAC early intervention process to address troubled banks,
- Establishment of the COBAC regulatory framework for supervision of payment services and service providers.

Source: AFRITAC Central

#### CHAD

- Support in incorporating the new budget nomenclature in the information system,
- Assessment of the SIGNET model and identification of requirements in the area of macro-fiscal framing,
- Contribution to the draft national strategy to develop public finance statistics (SNDSFiP),
- Preparation of the 2016 national accounts,
- Preparation of a draft medium-term debt management strategy.

#### REGION

- Strengthening the budget function amid the challenges of implementing economic programs and public finance reforms,
- Strengthening capacities of the region's officials in managing budget and accounting execution and budget execution in program mode,
- Support for the AFRITAC Central member countries to make up delays in publishing national accounts,
- Training regional managers in the 2008 system of national accounts (SNA), nomenclatures, data collection, and models for treatment of sources,

#### CEMAC

- Support in reviewing the conformity of the countries' proposed transpositions of CEMAC directives,
- Supporting drafting and disseminating implementing regulations under the new CEMAC customs code,
- Support in developing the government securities market,
- Improving the member countries' access to domestic debt markets,
- Strengthening capacities of the region's officials in managing budget and accounting execution and budget execution in program mode,
- Strengthening the capacities of subregional bank supervisors in consolidated supervision of banking groups,

## BOX 2. MACROECONOMIC DEVELOPMENTS IN AFRITAC CENTRAL MEMBER COUNTRIES BETWEEN 2012 AND 2018

During the period 2012-2016, economic growth in the AFRITAC Central countries slowed sharply in response to lower commodities prices, including oil prices, combined with the financial costs of maintaining security in several countries of the subregion. During that period, the debts of AFRITAC Central countries increased with the exception of the Republic of Congo and the Central African Republic. Budget deficits also widened in all countries.

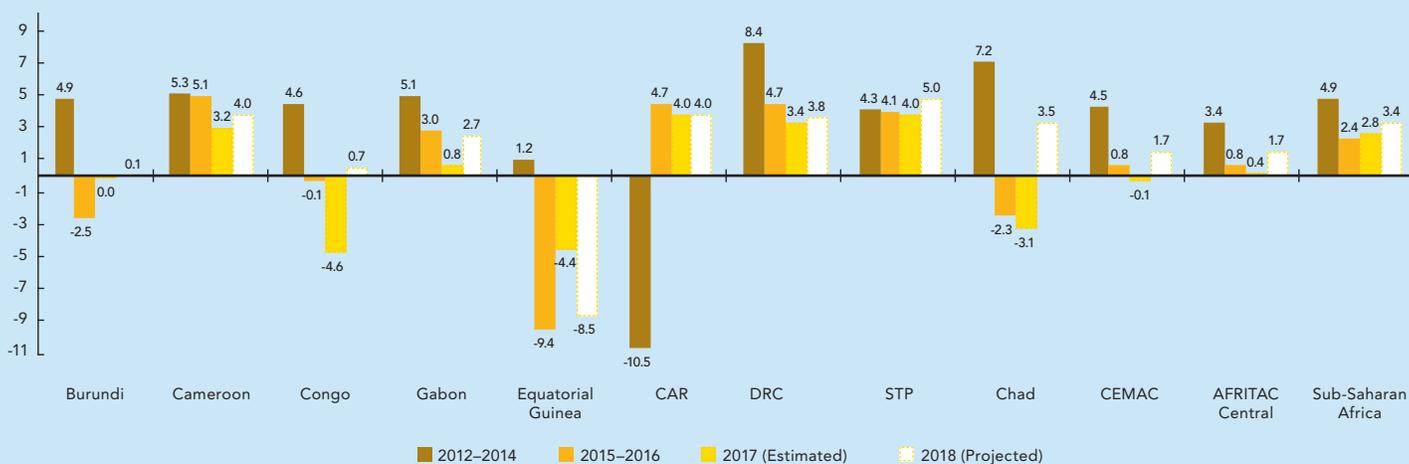
Large trade deficits persisted despite efforts under way to diversify the countries' economies. However, inflation remained stable and contained in all countries except Burundi, where it was relatively high relative to the general regional trend.

In 2018 we should see a recovery of growth in sub-Saharan Africa, including the Central AFRITAC member countries with the exception of Equatorial Guinea. At the same time, according to current

projections, more effective public financial management is expected to produce a modest reduction of budget deficits in the region and a decline in the member countries' public debt. A marked reduction is also observed in the member countries' current account deficits. Finally, the projections call for an overall reduction of inflationary pressures in 2018.

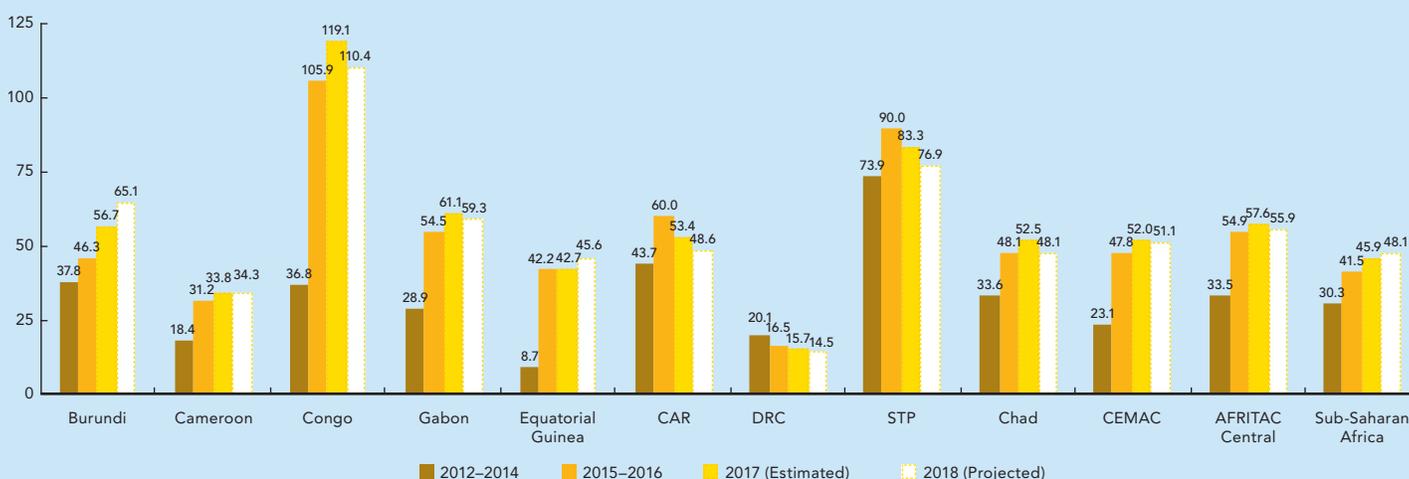
### REAL GDP GROWTH

(In percent)



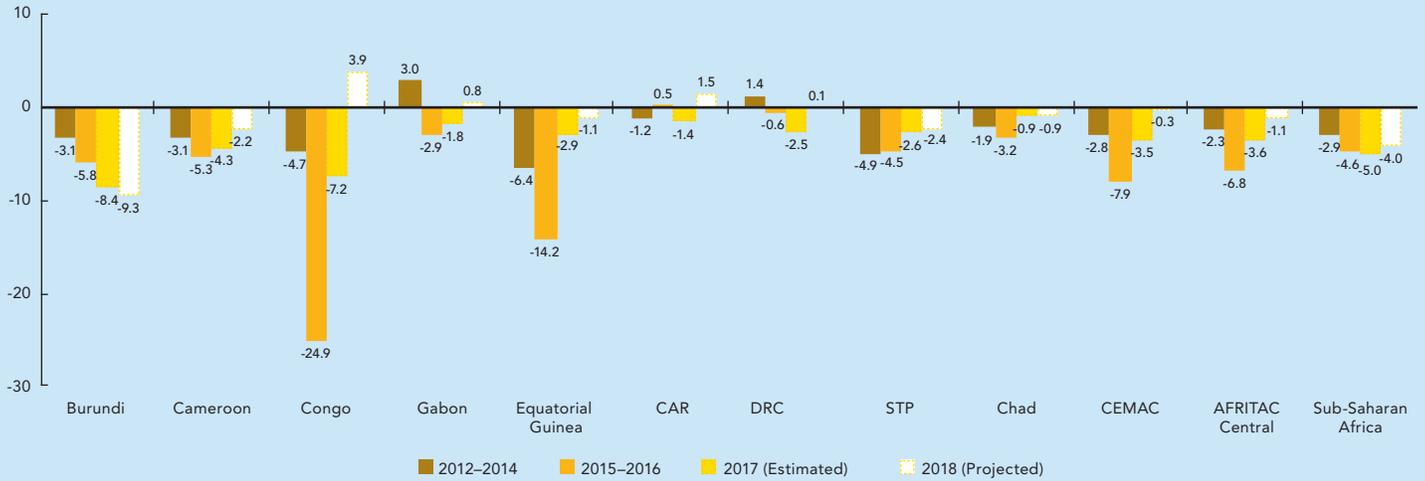
### GOVERNMENT DEBT

(In percent of GDP)



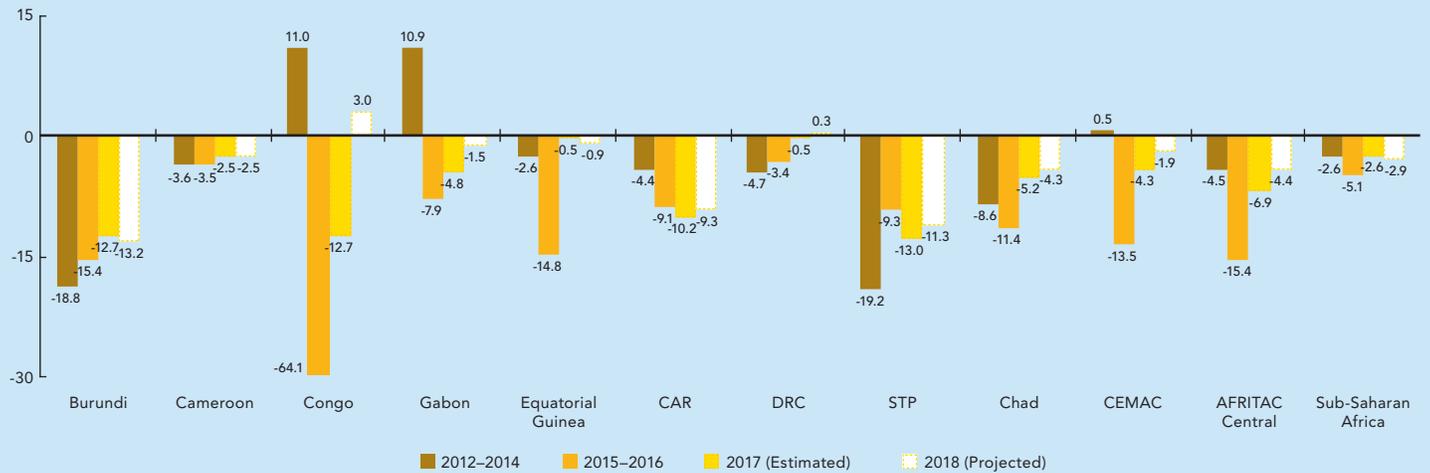
## OVERALL FISCAL BALANCE, INCLUDING GRANTS

(In percent of GDP)



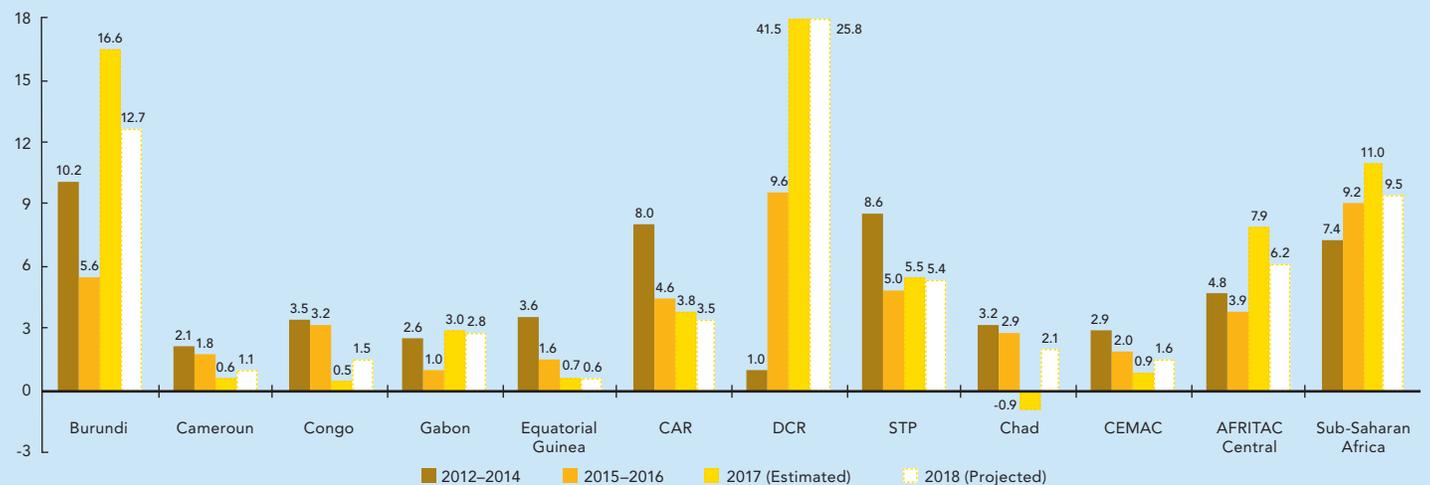
## EXTERNAL CURRENT ACCOUNT

(In percent of GDP)



## CONSUMER PRICES INFLATION

(In annual average percent change)



Sources: IMF, African Department databases and *Regional economic outlook*, April 2018

## PERFORMANCE OF MILESTONES

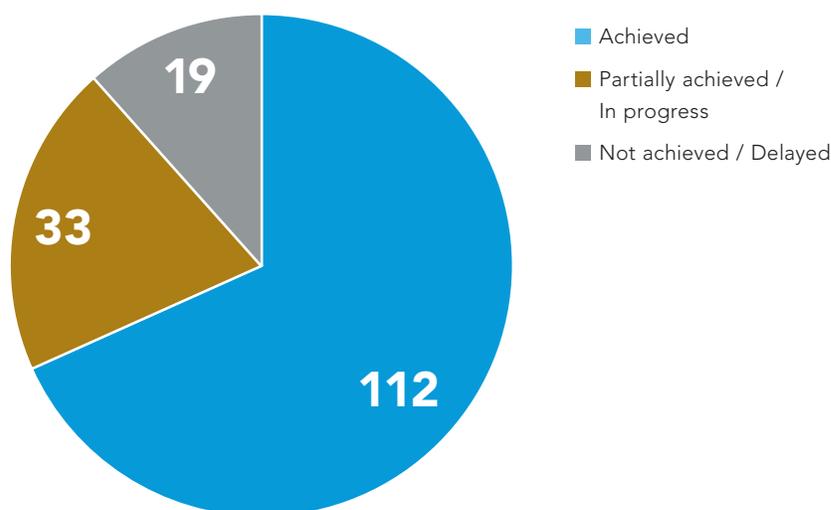
During fiscal year 2018, AFRITAC Central stepped up the implementation of its results-based approach. Logical frameworks were developed to ensure that all the Center’s activities are correctly planned, scheduled, budgeted, implemented, monitored, and evaluated in accordance with the member countries’ requirements for capacity building and the Fund’s priorities for technical assistance. Internally, the gradual implementation of results-based management during the fiscal year facilitated better reporting on the Center’s support to its member countries.

Of the 164 milestones implemented by the Center during fiscal year 2018, 112 (or 68 percent) were achieved, 33 were partly achieved or in progress (20 percent), and 19 (12 percent) were not achieved or were deferred (Chart 1).

The security situation in several countries in the sub region posed challenges in conducting certain technical assistance projects. This was particularly the case in Burundi where numerous activities were canceled (Chart 2). The majority of milestones

### CHART 1. IMPLEMENTED MILESTONES IN THE CENTER FOR FISCAL YEAR 2018 (IN NUMBERS)

Source: AFRITAC Central



was achieved or partially achieved in all operating areas (Chart 3).

activities benefiting fragile states<sup>1</sup> and 82 benefiting CEMAC member countries<sup>2</sup> (Table 2, Chart 4, page 32).

## HIGH EXECUTION RATE

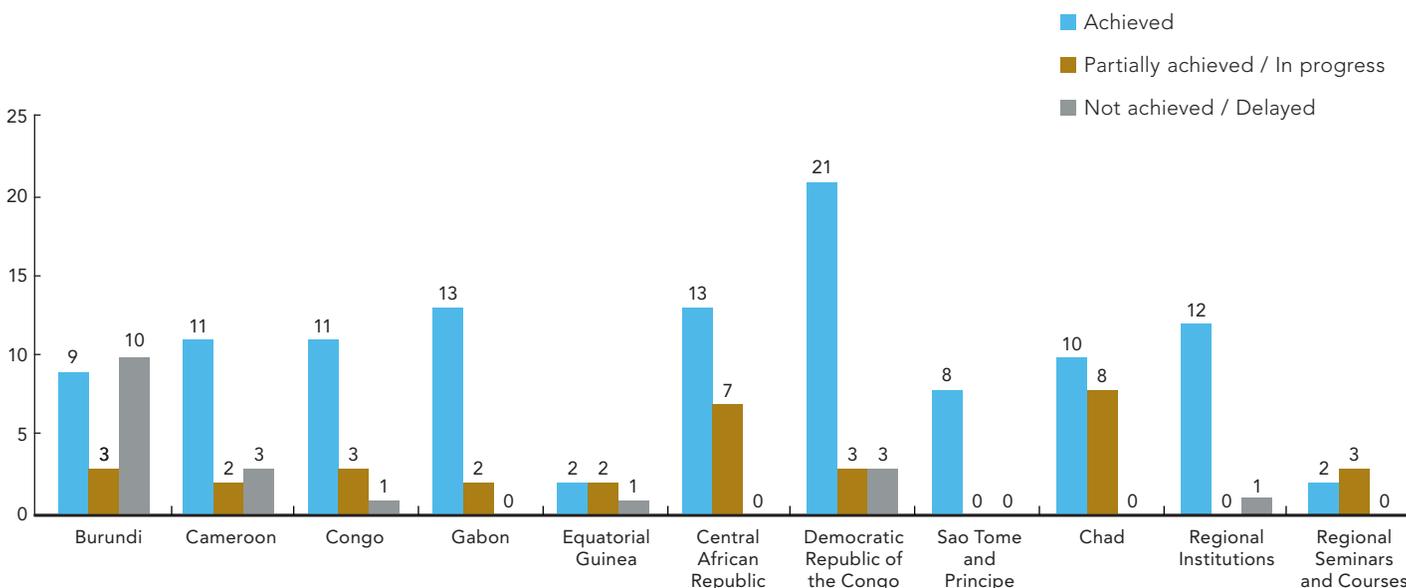
Overall, the Center executed 103 percent of the activities planned for fiscal year 2018, with 134 activities completed, including 71

<sup>1</sup> Burundi, Congo, the Central African Republic, the Democratic Republic of the Congo, Sao Tome and Principe, and Chad (Source: IMF, *Regional Economic Outlook*, October 2017)

<sup>2</sup> Cameroon, Congo, Gabon, Equatorial Guinea, the Democratic Republic of the Congo, and Chad.

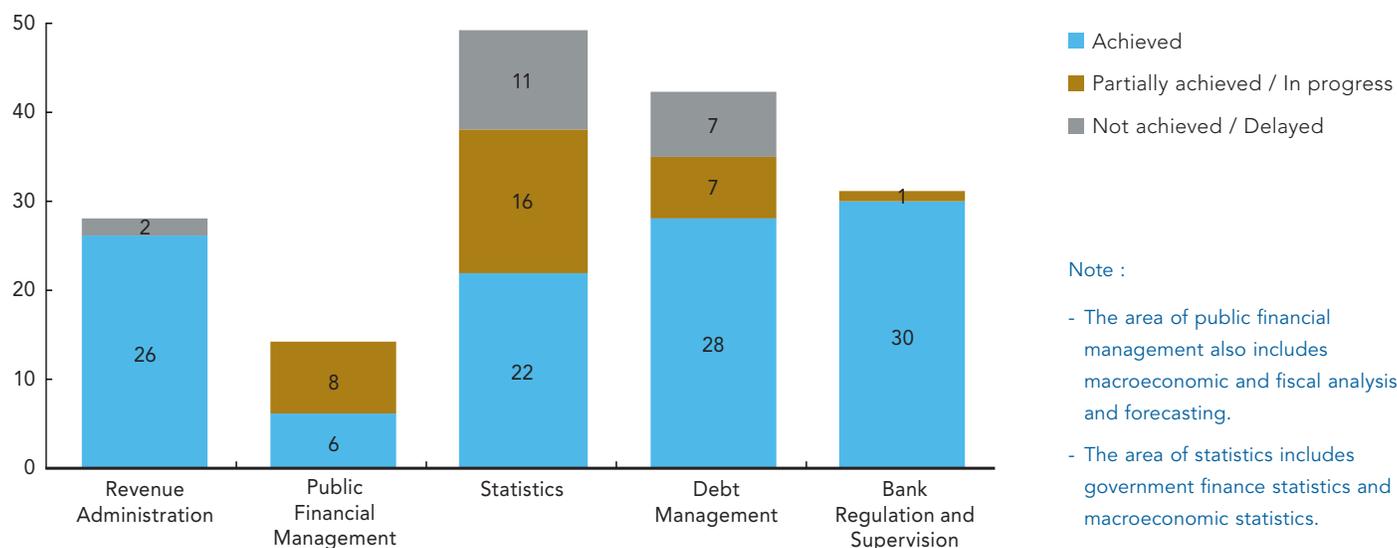
### CHART 2. MILESTONES BY COUNTRY DURING FISCAL YEAR 2018 (IN NUMBERS)

Source: AFRITAC Central



### CHART 3. MILESTONES BY OPERATING AREA DURING FISCAL YEAR 2018 (IN NUMBERS)

Source: AFRITAC Central



In terms of support to regional institutions, the Center completed 16 activities, including seven for the COBAC. For the regional seminars component, the Center arranged the 12 seminars provided in the program (covering all areas of intervention) and a regional course in macroeconomic management for countries rich in natural resources, providing an opportunity for regional officials to considerably strengthen their capacities.

The Center also organized eight off-site workshops in the areas of public financial management, macroeconomic statistics, public debt management, and bank regulation and supervision in order to maintain a high rate of execution.

Program execution was broadly in line with projections and continued at a stable pace throughout the year. Resource utilization represented 435 person-weeks during fiscal year 2018 (Table 3, Chart 5). As at April 30, 2018, the overall resource utilization rate stood at 93 percent for all member countries combined. The largest share of those resources was used directly by the Center's team of eight advisors, and the remainder was used to deploy

**TABLE 2. IMPLEMENTATION OF THE FISCAL YEAR 2018 WORK PROGRAM (IN NUMBERS OF ACTIVITIES)**

Source: AFRITAC Central

Country/Region/Seminar	Activities planned	Activities executed	Execution rate
BURUNDI	11	5	45
CAMEROON	8	8	100
CONGO	10	10	100
GABON	12	18	150
EQUATORIAL GUINEA	6	8	133
CENTRAL AFRICAN REPUBLIC	17	16	94
DEMOCRATIC REPUBLIC OF THE CONGO	14	14	100
SAO TOME AND PRINCIPE	9	11	122
CHAD	13	15	115
Regional institutions	16	16	100
Regional seminars and courses	14	13	93
<b>GRAND TOTAL</b>	<b>130</b>	<b>134</b>	<b>103</b>
Fragile states	74	71	96
CEMAC countries	66	82	124

experts to conduct short-term missions in support of the resident advisors and under their technical supervision. The resources used for the fragile member countries stood at 87 percent, and for the CEMAC countries, 107 percent. The rate of resource utilization in **Burundi** is low, reflecting the authorities' weak commitments to implementing the program of activities and deterioration of the conditions for delivering support.

During fiscal year 2018, the Center devoted 22 percent of its resources to regional institutions and seminars (Chart 6, page 34). In addition to the resources used for regional support, the CEMAC countries received 59 percent of the Center's resources.

Slightly over half of AFRITAC Central's activities supported public finance reforms (customs and tax administrations and public expenditure). This is consistent with the programming and also reflects the priorities of

member states who have embarked on reforms of their administrations (Chart 7).

### NOTABLE ACHIEVEMENTS

Among the Center's achievements this year, the most notable are the following: (1) support in cross-checking tax information in **Cameroon**, (2) reprogramming and relocation of a number of activities for Burundi and the Democratic Republic of the Congo to the AFRITAC Central headquarters, (3) production of a complete TOFE for **Congo** in accordance with CEMAC directives, (4) organization of the third multi-disciplinary inter-regional seminar held jointly with the IMF Regional Technical Assistance Center for Southern Africa (AFRITAC South) on customs–tax administration cooperation in combating VAT fraud, (5) organization of the seventh FoHBAC on strengthening the budget function to meet the challenges of economic

and tax reforms and programs. Also, AFRITAC Central arranged for officials from the **Sao Tome and Principe** national tax directorate to visit their counterparts in Cape Verde to promote peer learning and exchanges on the continent to strengthen capacities. The purpose of the visit was to learn from the Cape Verdeans' experience with effective VAT administration.

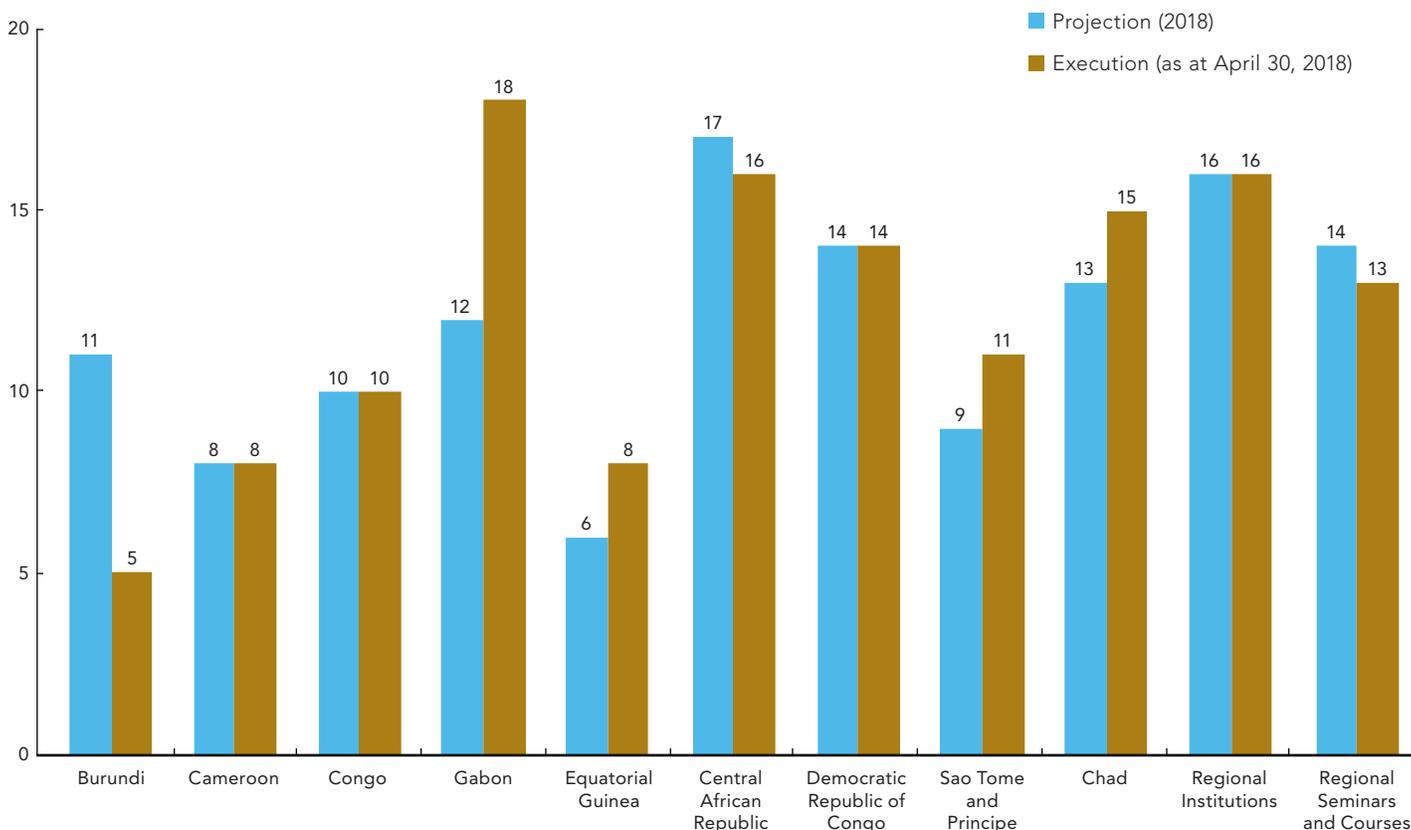
### SEMINARS AND REGIONAL SUPPORT

The activities also covered support in implementing regional reforms in terms of work in cooperation with regional institutions (the Economic Community of Central African States (ECCAS), the CEMAC, the Bank of Central African States (BEAC) and the COBAC) or activities with the individual states to internalize the reforms.

Twelve regional seminars were conducted during fiscal year 2018, or more than one regional seminar

## CHART 4. ACTIVITIES PLANNED AND COMPLETED DURING FISCAL YEAR 2018 (IN NUMBERS)

Source: AFRITAC Central



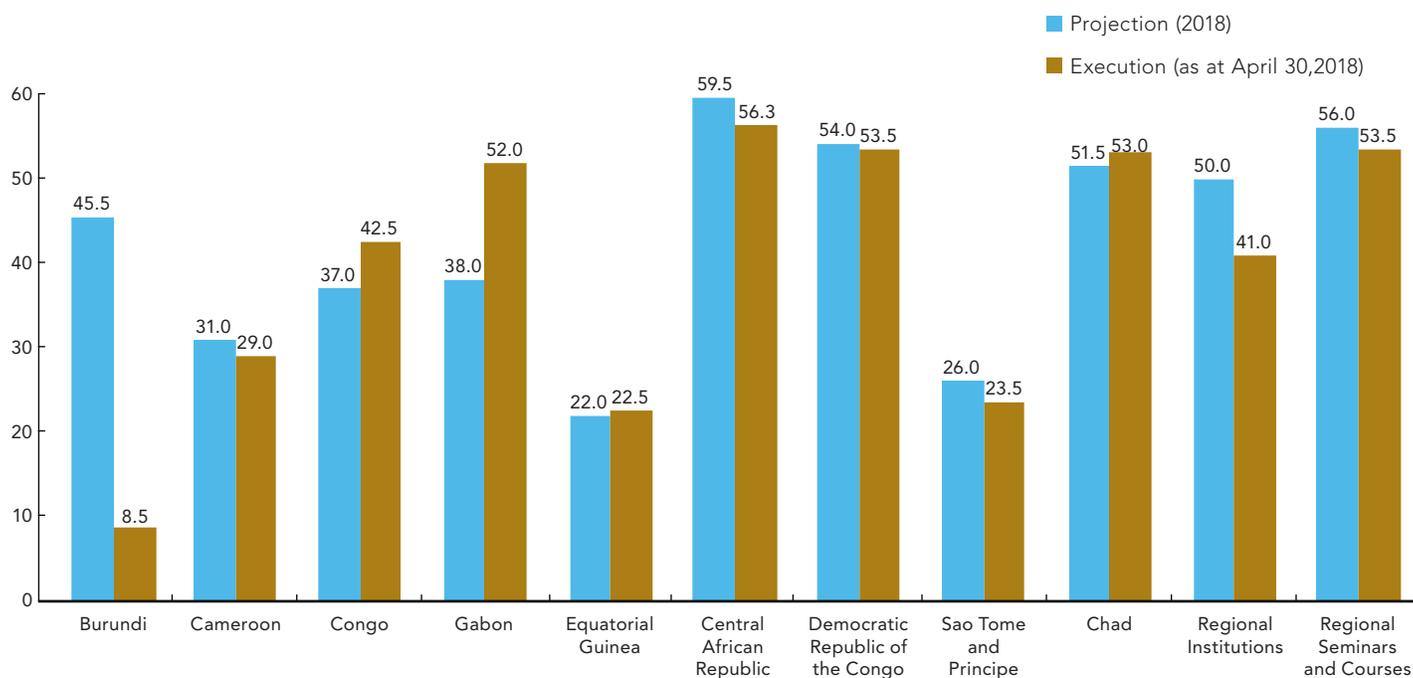
**TABLE 3. EXECUTION OF WORK PROGRAM DURING FISCAL YEAR 2018 (IN PERSON-WEEK)**

Source: AFRITAC Central

Country/Region/Seminar	May 2017 through April 2018					
	Resources programmed				Execution	Execution rate (In percent)
	Resident advisors		Short-term experts	Total		
	AFC headquarters	Site				
BURUNDI	13.5	16.0	16.0	45.5	8.5	18.7
CAMEROON	9.0	8.0	14.0	31.0	29.0	93.5
CONGO	14.0	16.0	7.0	37.0	42.5	114.9
GABON	16.0	8.0	14.0	38.0	52.0	136.8
EQUATORIAL GUINEA	8.0	8.0	6.0	22.0	22.5	102.3
CAR	16.5	23.0	20.0	59.5	56.3	94.6
DRC	14.0	18.0	22.0	54.0	53.5	99.1
SAO TOME AND PRINCIPE	9.0	9.0	8.0	26.0	23.5	90.4
CHAD	14.5	20.0	17.0	51.5	53.0	102.9
Regional institutions	14.0	20.0	16.0	50.0	41.0	82
Regional seminars and courses	23.5	15.0	17.5	56.0	53.5	95.5
<b>GRAND TOTAL</b>	<b>152.0</b>	<b>161.0</b>	<b>157.5</b>	<b>470.5</b>	<b>435.3</b>	<b>92.5</b>
Fragile states	81.5	102.0	90.0	273.5	237.3	86.8
CEMAC countries	78.0	83.0	78.0	239.0	255.3	106.8

**CHART 5. RESOURCES PROGRAMMED AND UTILIZED DURING FISCAL YEAR 2018 (IN PERSON-WEEK)**

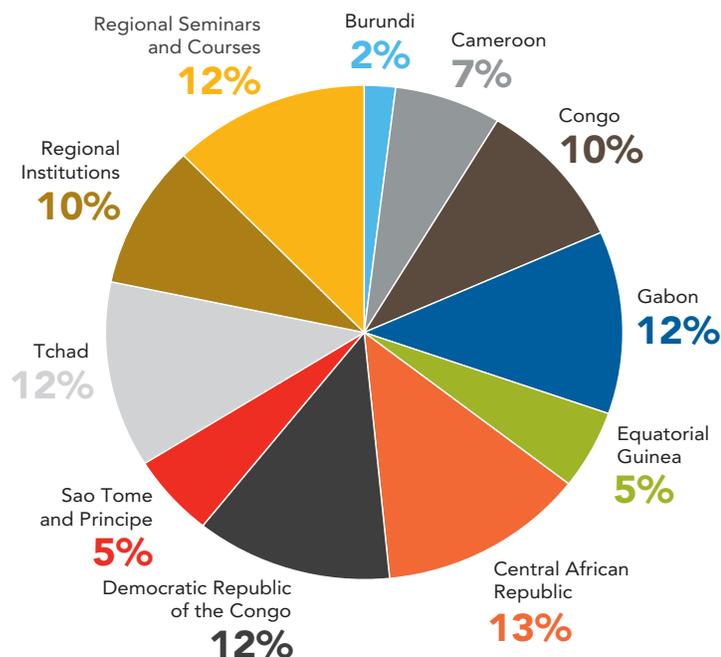
Source: AFRITAC Central



per area of activity. A number of the seminars addressed multidisciplinary topics such as financial institution regulation and supervision; activities relating to innovative payment services and electronic money; internal budget and accounting control; the TOFE and national accounts; and budget execution in program mode. A joint seminar on bank supervision was arranged with AFRITAC West on the methodology for credit risk supervision. Since 2014, joint seminars have become a modality of AFRITAC Central's technical assistance used to promote discussions among officials from

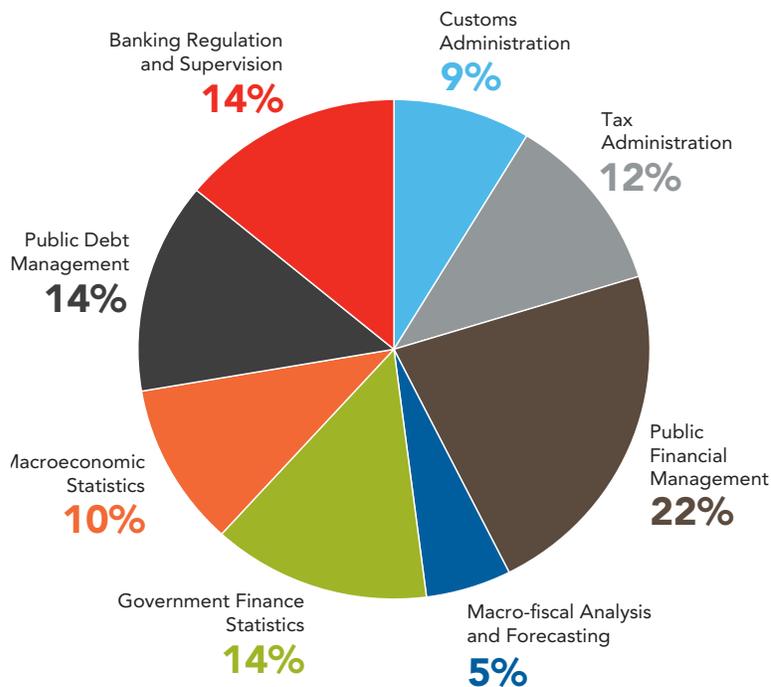
**CHART 6. ACTIVITIES IMPLEMENTED BY COUNTRY DURING FISCAL YEAR 2018**

Source: AFRITAC Central



**CHART 7. ACTIVITIES IMPLEMENTED BY AREA DURING FISCAL YEAR 2018**

Source: AFRITAC Central



The key indicators of execution of the 2018 work program are as follows:

**435** person-weeks devoted to strengthening the memberstates' administrations. **103** percent is the execution rate for the 2018 activity program.

**134** activities implemented by resident advisors and short-term experts. **87** percent of resources were allocated to fragile member states.

**470** officials trained during **12** regional seminars, **1** course, and **8** technical workshops. **59** percent of resources were allocated to CEMAC countries.

**48** percent of resources were allocated to public finance reforms.

different regions on common issues and identify appropriate solutions.

In the area of training in 2018, the Center organized a course for the region's managers, in cooperation with the IMF Africa Training Institute and Institute for Capacity Development on macroeconomic management for countries rich in natural resources. The course on budget analysis and forecasting was reprogrammed for next fiscal year.

At the regional level, in addition to support for the CEMAC Commission relating to the directives on the harmonized framework for public financial management mentioned above, the Center supported efforts to strengthen the customs code and tax harmonization for the CEMAC area. During the fiscal year, the activities conducted for the COBAC increased considerably relative to fiscal year 2017. The other regional activities took the form of regional seminars to facilitate sharing of experiences and capacity development, in the interest of pooling resources for greater impact.

## CLOSE COORDINATION WITH THE TECHNICAL AND FINANCIAL PARTNERS

In the interest of effectiveness and coordination, the programmed activities were conducted in close cooperation with IMF staff and other development partners, including joint efforts with several partners. As mentioned above, AFRITAC Central's activities are part of the Fund's general capacity-building assistance provided to the member countries to support economic reforms.

To this end, the Center continued its coordination with the other partners, particularly in the areas of public finance (revenue and expenditure), macroeconomic statistics, debt management, and bank regulation and supervision. The support offered by AFRITAC Central is coordinated – and conducted jointly at times – with the Center's principal partners, in particular the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT), the French Development Agency, the Banque de France International Banking and Financial

Institute, the United Nations Development Program (UNDP) Regional Service Center in Dakar, and the European Union.

In that context, AFRITAC Central:

- (1) continued modernizing legislation and reorganizing the customs administration and procedures in **Equatorial Guinea** ahead of the implementation of the ASYCUDA World system in partnership with the United Nations Conference on Trade and Development (UNCTAD),
- (2) maintained support for the **CEMAC** Commission to monitor implementation of the directives on the harmonized public financial management framework, in cooperation with the World Bank, UNDP Dakar, and the European Union,
- (3) continued its program of support in implementing program budgeting in the Republic of **Congo** in partnership with UNDP Dakar,



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

- (4) maintained productive exchanges with the French Development Agency on improvements to systems supporting integrated data management for the expenditure cycle in the **Central African Republic** to improve production of the TOFE,
- (5) continued exchanges with the World Bank and the African Development Bank (AfDB) on options for optimizing public financial management applications to improve the quality of TOFE data in **Chad**,
- (6) strengthened its cooperation with the World Bank in establishing a strategy to bring **Equatorial Guinea** current in publishing the national accounts. Based on the strategy, Equatorial Guinea has updated national accounts for the years 2006 to 2016.
- (7) maintained its partnership with the Committee of Bank Supervisors of West and Central Africa (SBSWCA) by organizing a regional seminar with the **COBAC** on current principles for consolidated supervision of banking groups based on a risk-based approach,
- (8) continued activities to support the Central Bank of the **Congo** in the migration of the banking system to IFRS standards after two years of technical assistance from the German Development Cooperation Agency (GTZ).

In order to keep the partners informed at all times of the Center's activities, the advisors and experts arrange feedback sessions during their visits to the member countries. During fiscal year 2018, the Center continued updating the content on its website<sup>3</sup> on a regular basis to inform the partners of its activities. The Center also has a Facebook page<sup>4</sup> that is updated regularly to share the results of its activities with the public.

<sup>3</sup> [www.afritaccentre.org](http://www.afritaccentre.org)

<sup>4</sup> <https://www.facebook.com/AFRITACcentre/>



Partners of AFRITAC Central, Kinshasa, March 2017

# REVENUE ADMINISTRATION

## Increase Tax Revenue

### MAIN ACHIEVEMENTS

- (1) Cross-checking tax records as an effective lever to raise domestic resources in **Cameroon** (Box 3, page 39),
- (2) The formalization of performance management tools and heightened review of customs exemptions and customs risk management,
- (3) Closer customs – tax administration coordination to combat fraud in **Cameroon, the Central African Republic, Gabon, the Democratic Republic of the Congo, and Chad,**
- (4) Support in drafting and disseminating implementing regulations under the new **CEMAC** customs code,
- (5) Participation by countries of the region in the International Survey on Revenue Administration (ISORA),
- (6) Capacity-building for officials of the region in monitoring transits, destination inspection of exemptions, and improved customs – tax cooperation,



Regional seminar on modernization of customs procedures, Libreville, February 2018

- (7) Reorganization of customs units and modernization of clearance procedures (**Congo, Equatorial Guinea, Central African Republic, and Sao Tome and Principe**),
- (8) Mastery of organizational and management methods applicable to VAT in **Sao Tome and Principe** (Box 4, page 41).

### SUMMARY OF WORK PROGRAM EXECUTION

At April 30, 2018, the work program for revenue administration was completed in close cooperation with the regional technical assistance program conducted by staff of the IMF Fiscal Affairs Department (FAD).

In the area of **customs administration**, all activities came within the scope of multiyear projects included in the regional program for reform and modernization of customs administrations.

At the **regional** level, the Center supported the review and update of the CEMAC customs code and the drafting of 17 implementing texts in cooperation with FAD staff. The Center organized a regional seminar on the topic, "Modernization of customs procedures in the context of the new regional customs code," which provided an opportunity for customs officials from the member countries to share and acquire best international practices in the context of modernizing customs procedures. To this end, a framework directive on procedures to be modernized and a catalog of modules to be automated were drafted to make better use of the customs information system.

In Burundi, in view of organizational constraints, the technical workshop planned for January 2018 in Libreville could not be conducted.

In **Cameroon**, the Center contributed to: (1) modernization and securing of transit procedures, (2) processing and clearing of transit operations, and (3) assistance in the use of the customs information system transit module.

In **Congo**, the Center assisted in drafting a framework instruction, including position descriptions, covering all clearance processes at the Pointe-Noire port.

In **Gabon**, the activity led by the Center assisted the responsible staff in developing measures to secure clearance operations and in tracking and inspecting exempt goods. The joint FAD /AFRITAC Central activity contributed to the adoption of an action plan for customs inspections designed to correct weaknesses identified by the August 2017 joint mission. The weaknesses

identified were: (1) the application of rates not consistent with the community customs tariff, (2) exemptions granted without an adequate legal basis, and (3) values applied to products without regard to recent price trends in the international market.

In the **Central African Republic**, the Center supported the preparation of the draft framework directive on clearance procedures for merchandise transported to or through the Douala port and the establishment of an accounting organization that provided improved traceability of customs revenue.

In the **Democratic Republic of the Congo**, the Center contributed to the identification of requirements and development of an action plan to digitize customs dispute procedures.

In **Chad**, the two missions organized by the Center served to devise practical measures to develop expertise in customs values and the tracking and destination inspection of exempt



Regional seminar on modernization of customs procedures, Libreville, February 2018

## BOX 3. CROSS-CHECKING OF TAX INFORMATION AS A HIGHLY EFFECTIVE LEVER FOR MOBILIZING DOMESTIC RESOURCES IN CAMEROON

**CONTEXT:** Cross-checking of tax information is an opportunity Cameroon intends to develop to increase domestic revenue

 <p>Cameroon</p>	<p><b>Area of intervention:</b> Revenue administration</p> <p><b>Implementation date:</b> 2014-2018</p>
<p><b>Objectives of the support</b></p>	<p>Improve the programming of tax audits based on risk analysis criteria so as to optimize tax receipts..</p>
<p><b>The Center's role in the support</b></p>	<p>AFRITAC Central supports tax and customs administrations in training the staff responsible for investigations and cross-checks. The Center provides support with utilizing the data in Excel spreadsheets to compare (1) imports with tax declarations, (2) payments to government contractors with the contractors' tax returns, (3) the amounts paid to suppliers or customers of large businesses with the businesses' tax returns.</p>
<p><b>Main results</b></p>	<p>The results of data cross-checking was used for (1) the identification of new firms previously missing from tax administration records, (2) the identification of understated or concealed income, enabling the tax administration to collect substantial additional revenue following audit procedures and the issuance of tax deficiency notices, (3) the reclassification of firms in the appropriate new segments (large, medium size, and small businesses), and (4) the detection of serious cases of fraud within the customs frontier.</p>
<p><b>Project impact</b></p>	<p>Cross-checks of tax information served to (1) expand the tax base and (2) change taxpayers' reporting behavior.</p>
<p><b>Factors for success</b></p>	<p>AFRITAC Central contributed substantial added value to Cameroon's customs and tax administration with respect to (1) proficiency in the conduct of cross-check operations by investigative staff, and (2) acquisition of functional expertise in conducting tax operations.</p>
<p><b>Lessons learned</b></p>	<p>Despite budget deficits resulting from the economic downturn, a better understanding and more effective utilization of tax information enabled the authorities to mobilize domestic revenue. Cooperation among the financial administrations (customs, treasury, and tax) that administer 60 percent of budget operations is essential and could lead to valuable opportunities for increasing revenue.</p>

goods, as well as provide assistance in implementing the exemption and transit management application.

In **Sao Tome and Principe**, a technical assistance mission facilitated:

- (1) the adoption of an action plan to modernize the customs directorate,
- (2) the completion of a plan to modernize procedures,
- (3) modification of the data entry tables in preparation for the integration of future VAT receipts within the customs frontier in January 2019.

In the area of **tax administration**, all the activities came within the scope of multiyear projects included in the regional program for reform and modernization of tax administrations.

At the **regional** level, the third inter-regional seminar on the topic of integration of tax and customs missions to combat fraud, organized for the member countries of AFRITAC Central and AFRITAC, enabled the 30 participants to consolidate the knowledge acquired at recent gatherings and share the initial results

achieved by those countries most advanced in the area.

In **Burundi**, in view of organizational constraints, the technical workshop planned for January 2018 in Libreville could not be conducted.

In **Cameroon**, two missions were conducted, one of them a joint mission with FAD to develop a strategy for reform of the Directorate General of Taxes and prepare specific actions to increase tax revenue. A second mission conducted in March 2018 helped evaluate the implementation of FAD/

AFRITAC Central recommendations and develop a tax audit plan for 2018.

In **Congo**, the Center assisted in defining actions to: (1) improve the integrity of taxpayer files, (2) establish a bona fide tax audit unit, (3) correct discrepancies identified through a comparison of customs and tax information, and (4) monitor operational activities by means of performance indicators.

In **Gabon**, the three activities conducted by the Center served to: (1) identify measures to systematically flag taxpayers that also engage in customs operations, (2) develop a timetable for auditing the largest importers of products entailing a high risk of fraud, and (3) propose practical measures for prior confirmation of the validity of exemptions and the identity of the beneficiaries. The Center also took part in an FAD mission to develop a strategy for reform of the Directorate General of Taxes, define specific actions to increase tax revenue, and identify preliminary measures to prepare for creation of the Gabonese Revenue Office (OGR).

In **Equatorial Guinea**, the Center supported: (1) the modernization and simplification of filing and payment procedures, (2) training in the area of tax audits, (3) the identification of measures to improve the management of tax arrears, and (4) the preparation of a tax procedures manual.

In the **Central African Republic**, the Center's activities in the area of customs–tax cooperation resulted in: (1) the development of a plan to expand the tax base by comparing customs and tax information for 2016, and (2) the development of a plan for tax audits and the collection of tax arrears and easily recoverable taxes. The Center also assisted in the identification of measures to strengthen the directorate in charge of medium size businesses.

In the **Democratic Republic of the Congo**, the center supported (1) the consolidation of taxpayer files, (2) the preparation of an action plan for audits based on risk analysis, and (3) the preparation of an action plan for the recovery of tax arrears.

In **Sao Tome and Principe**, the Center's activities led to the development of an action plan to establish dedicated units responsible for large and medium size business taxpayers, in preparation for the implementation of the VAT in 2019. In addition, the Center organized a trip to enable tax administration staff to learn from the experience of their Cape Verdean counterparts in regard to effective VAT administration.

In **Chad**, the Center's activities contributed to: (1) the consolidation and expansion of the taxpayer files, (2) improved monitoring of compliance of tax obligations, (3) the preparation of an audit plan based on an analysis of key risks, (4) improved management of tax arrears, and (5) the development of performance indicators. The second mission in March 2018 also supported the implementation of previous recommendations from AFRITAC Central.



Inter-regional seminar on the integration of tax and customs missions, Yaoundé, February 2018

## BOX 4. PEER LEARNING FOR THE INTRODUCTION OF VAT IN SAO TOME AND PRINCIPE

**CONTEXT:** Sao Tome and Principe requested technical assistance from AFRITAC Central in connection with its plan to gradually introduce a VAT in its tax system



Sao Tome  
and Principe

**Area of intervention:**

Revenue administration

**Implementation date:**

January 26-28, 2018

<b>Objectives of the support</b>	To learn from the Cape Verdeans' experience and expertise in the process of introducing VAT, in order to facilitate the introduction of VAT in Sao Tome and Principe. Sharing of experiences in the process of implementing the VAT.
<b>The Center's role in the support</b>	AFRITAC Central's technical and financial support, in cooperation with FAD, provided peer learning opportunities for eight experts from Sao Tome and Principe.
<b>Main results</b>	The Cape Verdean experience enabled officials from Sao Tome and Principe to better understand the issues involved in VAT reform and appreciate the challenges of implementing the tax. The peer learning experience also pointed to the urgency and need to develop the tools necessary for effective VAT management.
<b>Project impact</b>	The project acquainted the Santomean officials with the actions needed to introduce the VAT and thereby generate significant future tax revenue for the country.
<b>Factors for success</b>	The experience gained by the Cape Verdean administration, the ownership of the reform by the Santomeans, and technical support from AFRITAC Central.
<b>Lessons learned</b>	Peer learning enables two countries from the same region to demonstrate, through concrete successes, that the implementation of tax reforms is a reality. It allows the learning country to benefit from feedback based on successful experiences. Finally, it generates interest and provides reassurance for those who might be reluctant to undertake reforms

# PUBLIC FINANCIAL MANAGEMENT

## Promote Effective Public Financial Management

### MAIN ACHIEVEMENTS

- (1) The preparation of conformity opinions for draft texts to be transposed in the context of implementation of **CEMAC** directives by **Congo** and **Cameroon**,
- (2) The consolidation of program budget templates in the **Democratic Republic of the Congo**,
- (3) Greater comprehensiveness and traceability of the allocation of revenue in the budget document,
- (4) Support for budget execution and liquidity management in **Gabon** (Box 5, page 44),
- (5) The organization of the seventh annual FoHBAC on the topic, "The budget function amid the challenges of economic and tax reforms and programs,"
- (6) Support for the implementation of the new budget nomenclature in **Chad**,
- (7) Capacity-strengthening for officials of the **region** in coordinating budget and accounting execution and budget execution in program mode,
- (8) Support in implementing sector and central commitment plans in the **Central African Republic**,



Regional seminar on budget execution, Libreville, November 2017

- (9) Improved integrity of financial and accounting data and improvements in the cash flow management function in the **Central African Republic** (Box 6; page 45).

## SUMMARY OF WORK PROGRAM EXECUTION

At the **regional** level, the Center helped strengthen legislators' capacities at a workshop organized by the **CEMAC** in N'Djamena. The workshop included a presentation of tools and techniques used by legislatures to ensure the accuracy of the government budget. At the workshop held in Douala, the Center collaborated in defining strategies for implementing reforms in the segments identified, such as program budgeting, investment, asset accounting, and internal control. The Center also reviewed the conformity of texts transposing CEMAC directives for Congo and Cameroon. The capacities of regional professionals were strengthened in the area of monitoring budget and accounting execution, budget execution in program mode, and strengthening of the budget function amid the challenges of implementing public finance reforms and economic and financial programs.

In **Cameroon**, the technical assistance mission supported the improvement and modernization of the government accounting system by: (1) fully implementing the accounting standards applicable to the treatment of long-term investments, (2) reviewing and finalizing the accounting standards, and (3) verifying progress in validating the fiscal year 2015 balance sheet. The Center supported the staff of the Directorate General of Budget in developing the new budget nomenclature.

In **Congo**, AFRITAC Central supported technical staff during fiscal year 2018 in preparing an action plan for the production of the budget documents identified in the CEMAC directives, as

reflected in the budget framework law (LOLF). A survey of the existing budget documentation was conducted and a proposed action plan, consistent with the deadlines established by the LOLF and CEMAC directives, was submitted to the authorities. In addition, the Center reviewed the implementation status of recommendations from previous missions on the program budget reform

In **Gabon**, a joint AFRITAC Central/FAD mission recommended an organizational framework and processes to more effectively monitor two groups of public entities: specialized quasi-autonomous administrative agencies (*établissements publics à caractère administratif*, EPA) and public corporations. Accordingly, a technical assistance mission:

- (1) reviewed the implementation status of recommendations from the May 2016 mission on revenue allocated separately from the general budget,
- (2) identified constraints on execution of the special appropriations accounts (CAS) previously created,
- (3) analyzed the allocation of revenue to specific public expenses not reflected in the budget law, and
- (4) proposed solutions to incorporate them in the annual budget law.

In **Equatorial Guinea**, an analysis was conducted during the fiscal year to identify the technical assistance needs of Equatorial Guinea's financial agencies in the area of budget and accounting management in order to address them in the Center's work program. However, the country did not take part in the regional technical workshop on accounting documentation held in July 2017 at the Center's headquarters in Libreville.

In the **Central African Republic**, the technical assistance mission was conducted in December 2017 and set up a module in the information system to support the preparation of sector and central commitment plans. The module supports articulation with the other management instruments, i.e., the contracting and procurement plans and the cash flow plan.

In the **Democratic Republic of the Congo**, a technical assistance mission (1) supported the authorities in consolidating the program budget templates, (2) prepared an action plan aligned with the provisions of law regarding program budgets, and (3) reviewed the conditions of allocating revenue in the form of budget annexes



Eighth annual Forum of Senior Budget Officials from the AFRITAC Central Member Countries (FoHBAC), Libreville, April 2018

## BOX 5. SUPPORT IN IMPROVING THE COMPREHENSIVENESS OF THE CENTRAL GOVERNMENT BUDGET

**CONTEXT:** In Gabon, the budget operations of government agencies are not adequately presented in the government budget document. It was therefore determined that capacity strengthening was needed in regard to legal provisions governing the allocation of revenue, identification of revenue, and presentation in the budget documentation.

 Gabon		<b>Area of intervention:</b> Public financial management
		<b>Implementation date:</b> 2014-2017
<b>Objectives of the support</b>	Identify revenue allocated and managed outside the normal budget process and incorporate them in the central government budget to improve budget comprehensiveness.	
<b>The Center's role in the support</b>	Provide training to the authorities on the bases for the different allocations of revenue (budget annex, Treasury special account, and autonomous budgets of public agencies) and on the inventory and analysis of legal texts providing for the revenue allocated. Support the determination and implementation of modalities of presentation and the budget law.	
<b>Main results</b>	New presentation of the structure of the budget law and central government budget; improved comprehensiveness of the budget through the creation of six special appropriations accounts; incorporation of operations previously executed on a cash basis in the government budget; and improved comprehensiveness of the budget law.	
<b>Project impact</b>	A better understanding of government budget and financial operations, which facilitated a more compliant presentation of Gabon's budget laws.	
<b>Factors for success</b>	The Gabonese authorities' readiness, rigor, and will to maintain the current pace of program budget reforms.	

or special appropriations accounts. New revenue allocations were identified and recommendations were made to account for a number of them in the general budget.

In **Sao Tome and Principe**, the mission identified requirements of the Santomean technical financial units for support in the area of budget and accounting management in order to incorporate them in the Center's work program.

In **Chad**, a July 2017 technical workshop organized by the Center in Libreville served to strengthen the capacities of the financial administrations' staff in order to improve bookkeeping practices and improve the integrity of the

accounts, the balance sheets produced, the cash flow plan, and financial reporting based on those elements. The second technical assistance mission surveyed current practices with respect to the presentation of revenue allocated in the government budget, and was able to identify a budget annex and several Treasury special accounts to be incorporated in the government budget. Finally, a technical assistance mission configured the new government budget nomenclature in the information system as part of the budget preparation component. Following configuration of the system, all of the management reports of budget revenue and expenditure were available using the new nomenclature.

## BOX 6. INTEGRITY OF FINANCIAL AND ACCOUNTING DATA AND IMPROVEMENTS IN THE CASH FLOW MANAGEMENT FUNCTION

**CONTEXT:** The Central African Republic has substantial needs in the areas of strengthening human and technical capacities of the national accounting officers and the integrated management system.

	<p>Central African Republic</p>	<p><b>Area of intervention:</b> Public financial management</p>
		<p><b>Implementation date:</b> 2017</p>
<p><b>Objectives of the support</b></p>	<p>Raise the Central African authorities' awareness of the need to strengthen the accounting function in order to (1) improve the quality of budget, accounting, and financial information and reduce lead times for producing the information, and (2) improve the reliability of cash flow management.</p>	
<p><b>The Center's role in the support</b></p>	<p>The AFRITAC Central support was multifaceted and included: (1) development of tools to support the country in maintaining and centrally managing the public accounting system, (2) assisting the country in developing a regulatory framework for the public accounting system, (3) training the authorities in producing budget and accounting information within the prescribed time limits. Specifically, the support served to strengthen the CAR's capacities in the verification of budget, accounting, and financial information produced and in the resolution of anomalies discovered in the 2016 and 2017 central government accounting trial balances.</p>	
<p><b>Main results</b></p>	<p>Gradual rectification of anomalies discovered, production of annual accounting balances, and production of outstanding national accounts through the use of tools proposed by AFRITAC Central.</p>	
<p><b>Project impact</b></p>	<p>The country's national accounts are now more reliable and produced more quickly, enabling it to improve its cash flow management over the long term.</p>	
<p><b>Factors for success</b></p>	<p>The internalization of results by beneficiaries and policy makers, the targeting and relevance of support, the advisors' expertise, and support from the IMF.</p>	



Workshop on accounting documentation (Chad), Libreville, July 2017

# MACROECONOMIC AND FISCAL ANALYSIS AND FORECASTING

## Improve Budget Forecasts

### MAIN ACHIEVEMENTS

- (1) The identification of institutional and methodological capacity development needs in the area of macroeconomic and budget forecasting (Box 7) in **Cameroon**, the **Central African Republic**, **Congo**, **Gabon** and **Chad**,
- (2) Capacity strengthening for managers of economic and financial administrations in macroeconomic framing and financial programming and policies in **Congo** and the **Central African Republic** (Box 8, page 48),
- (3) Evaluation of the SIGNET model and identification of needs in the area of macro-fiscal framing in **Chad**.

### SUMMARY OF WORK PROGRAM EXECUTION

The work program came within the context of the launch of activities in the area of macroeconomic and budget analysis and forecasting, in response to the needs expressed by the member countries, particularly in terms of strengthening the capacities of ministry officials responsible for the macro-fiscal function (Box 7).

The efforts during the fiscal year emphasized the identification of technical assistance needs to strengthen the macro-fiscal function in five countries and the development of multiyear action plans to meet them.

At the **regional** level, a high-level seminar was held in April 2018 to facilitate discussion of the challenges of technical assistance in the area of macroeconomic analysis and forecasting. The seminar marked the launch of AFRITAC Central activities in this area of intervention, which was introduced in 2017. The seminar generated productive exchanges among the participants on requirements for capacity strengthening in this area, initiatives under way in their respective countries, and potential areas of intervention for the Center.

In **Cameroon**, a technical assistance mission from the Center identified capacity strengthening needs for the

macro-fiscal function and developed a 2018-2022 action plan to improve macroeconomic and budget analysis and forecasting.

In **Congo**, as part of a joint mission with the IMF Institute for Capacity Development (ICD), the Center supported the training of managers from economic and financial administrations on macroeconomic framing and financial programming and policies. The Center also identified requirements for institutional capacity strengthening and methodologies in the area of macroeconomic and budget analysis and forecasting.

## BOX 7. INTRODUCTION OF THE MACRO-FISCAL FUNCTION AT AFRITAC CENTRAL

**The macro-fiscal function intervenes ahead of budget preparation** and consists of preparing, adopting, and implementing a relevant, robust medium-term budget strategy. The function supports: (1) the inter-sector and intra-sector allocation of public resources based on public policies and economic conditions, and (2) more efficient and effective expenditure.

**The following conditions are required for an effective macro-fiscal function:** (1) real political will at the highest levels of government to make it a respected and useful process anchored in the decision making process, (2) the will

to subordinate any policy decision and the evaluation of its financial impact to the discipline of the MTBF/MTEF process, (3) progress in the area of controlling spending and improved collection of government revenue, and (4) implementation reports provided to senior authorities, including the legislature.

**The strengthening of the macro-fiscal function in the countries covered by AFRITAC Central should ensure, more specifically, that:** (1) functional macroeconomic and budget framing committees are in place, (2) the monitoring of economic

conditions is enhanced with the use of high-frequency indicators, (3) integrated, robust macroeconomic framing mechanisms are in place and updated on a regular basis, (4) framing mechanisms for the annual budget are based on the macroeconomic framing and grounded in both central and sector medium-term expenditure frameworks (MTEF) and medium-term budget frameworks (MTBF), (5) ad hoc templates are available to support forecasting and simulations by the relevant agencies, and (6) budget risks are identified and documented.

In **Gabon**, the technical assistance mission conducted a survey of institutional and methodological capacity development needs in the area of macroeconomic and budget analysis and forecasting. Particular emphasis was given to improving the organization, functioning, and operating procedures of the technical secretariat of the Interministerial Macroeconomic and Budget Framing Committee (CICMB).

In the **Central African Republic**, the Center's activities included: (1) contributing to the training of management officials from economic and financial administrations in financial programming and policies, as part of a joint mission with the ICD, (2) evaluating the institutional and technical frameworks for the development of macroeconomic and budget framing, and (3) analyzed the current use of macroeconomic and budget framing tools and models in the decision making process, the limitations of those tools and models, avenues for improvement, and opportunities for strengthening the economic and financial administrations' capacities.



Regional seminar on the challenges of developing the macrofiscal function, Douala, April 2018



Training on financial programming and policies, Bangui, February 2018

## BOX 8. TRAINING IN MACROECONOMIC FRAMING AND FINANCIAL PROGRAMMING IN CONGO AND THE CENTRAL AFRICAN REPUBLIC

**CONTEXT:** AFRITAC Central, the Africa Department, and the IMF Institute for Capacity Development (ICD) organized a joint training program on macroeconomic framing and financial programming in Congo and the Central African Republic.

 <p>Congo</p>	 <p>Central African Republic</p>	<p><b>Area of intervention:</b> Macroeconomic and financial analysis and forecasting</p> <p><b>Implementation date:</b> February and March 2018</p>
<p><b>Objectives of the support</b></p>	<p>This training is the third component of an IMF project supporting the CEMAC countries and financed through the Managing Natural Resource Wealth Thematic Fund and AFRITAC Central. The project, which was launched in late 2016, includes four segments: (1) an online course on financial programming and policy (conducted at the end of 2016), (2) a course provided by the IMF Training Institute (conducted in Mauritius in January 2017), (3) follow-up missions in the CEMAC countries, and (4) a peer assessment seminar.</p>	
<p><b>The Center's role in the support</b></p>	<p>In addition to its financial contribution to the project, AFRITAC Central arranged for the resident advisor to take part in defining the content of training and in conducting the training on site. The training allowed participants the opportunity to conduct simulation exercises based on their own countries' data and to work with the different technical departments concerned. AFRITAC Central shared good practices, particularly in the organization, structure, and functioning of macroeconomic and financial framing committees in Francophone countries.</p>	
<p><b>Main results</b></p>	<p>The training helped define priorities for future technical assistance activities, beginning with the launch of activities of the framing committees.</p>	
<p><b>Project impact</b></p>	<p>The training: (1) familiarized a number of country officials with the use of a simplified financial programming template, with data from their respective countries, (2) introduced reviews of inter- and intra-sector consistency of macroeconomic projections, and (3) facilitated discussions of the national teams' current macroeconomic framing processes and options for improvement. It also served to establish a core group of experts who could play a key role in the technical framing committees to be launched.</p>	
<p><b>Factors for success</b></p>	<p>The involvement of senior authorities from the administrations of both countries in organizing the training.</p>	
<p><b>Lessons learned</b></p>	<p>The training had a greater impact owing to the coordination with IMF capacity development actions (training and technical assistance) and the use of actual country data for the practical exercises.</p>	

In **Chad**, AFRITAC Central's support focused on (1) an inventory of instruments, tools, models, and media (notes, reports, bulletins) used in the macro-fiscal function, (2) the identification of capacity-building

needs of the administrations and other institutions responsible for macroeconomic and budget analyses and forecasting, and (3) a diagnostic assessment of the SIGNET model

used to produce macroeconomic and budget forecasts.

# GOVERNMENT FINANCE STATISTICS

## Collaborate in the Harmonization of Government Finance Statistics

### MAIN ACHIEVEMENTS

- (1) Adoption of a roadmap for implementation of the new government finance statistics methodology for the member countries of **CEMAC**, **Burundi**, the **Democratic Republic of the Congo**, and **Sao Tome and Principe**,
- (2) Preparation of a first-ever financial statistics series consistent with the *Government Financial Statistics Manual 2001/2014* (GFSM 2001/2014) and the adoption of Directive 05/11-UEAC -190-CM-22 on the TOFE in **Gabon** and **Cameroon** (Box 9, page 51),
- (3) Determining financing requirements based on more reliable statistics in the **Central African Republic**,
- (4) Contribution to the definition of the draft National Government Finance Statistics Development Strategy (SNDStFiP) in **Chad**,
- (5) Preparation of the first financial statistics series for 2014 through 2016 in accordance with GFSM 2001/2014 and Directive 05/11-UEAC<sup>1</sup>-190-CM-22 on the TOFE (the "TOFE directive") in **Congo** (Box 10, page 52).



Regional seminar on preparation of the Government Financial Operations Table (TOFE), Libreville, April 2018

<sup>1</sup> UEAC: Union of Central African States

## SUMMARY OF WORK PROGRAM EXECUTION

At the **regional** level, the Center organized a regional seminar in Libreville to develop the capacities of member country officials responsible for government finance statistics (GFS) on the sectorization of public sector units and the use of appropriate source data to compile the TOFE in accordance with GFSM 2001/2014. The Center also supported Burundi in drafting the *Manual of procedures for the Treatment of PPPs*<sup>1</sup> at an AFRITAC East regional seminar on government finance statistics (in Zanzibar).

In **Cameroon**, the mission explained the new TOFE format to the Cameroonian authorities, particularly the fact that the GFSM presentation ensures that so-called “above the line” transactions (operations in financial assets and liabilities) and “below the line” transactions (net financing) are in balance. The mission also produced a series of annual statistics under the new format, based on the cash-basis TOFE, for the period 2012-2016.

In **Congo**, a technical assistance mission, inter alia: (1) trained the Congolese TOFE team on the classification assistant to convert the codes and accounts used in the national accounting framework (PCE) and the GFSM 2001/2014, and on the use of the Treasury accounting trial balance as a data source for the TOFE, and (2) developed an Excel tool for reporting public sector debt data used in preparing the TOFE financing section.

In **Gabon**, the mission assisted in the production of a GFS series in accordance with the GFSM 2001/2014 and the TOFE directive for the period 2012 through 2016, by reclassifying the existing cash-basis TOFEs to the new format to maintain a statistically consistent series.



Regional seminar on preparation of the Government Financial Operations Table (TOFE), Libreville, April 2018

In **Equatorial Guinea**, two missions (one of which in the form of a training workshop) introduced the basic principles of the GFSM 2001/2014 to the staff in charge of producing statistics. TA also initiated creation of a TOFE working group, which will be responsible for the compilation of GFS data as well as drafting an implementation plan for adoption of TOFE Directive.

In the **Central African Republic**, two technical assistance missions supported the preparation of a cross-reference table between the government accounting framework and budget nomenclature (PCE/NBE) and the classification system prescribed by the GFSM 2001/2014, which enabled the Treasury accounting trial balance to be used as a key data source for GFS. The mission also prepared TOFEs for fiscal years 2014, 2015, and 2016, enabling the Central African Republic to fill in some of its outstanding years in the GFSY.

In the **Democratic Republic of the Congo**, two technical assistance missions supported the preparation of the DRC institutional table for the public sector (delimiting the subsectors of the Congolese public sector), the finalization of the action plan for a gradual migration to the GFSM 2001/2014 methodology and the preparation of a trial TOFE for budgetary central government in GFSM 2001/2014 format using source data from fiscal year 2016.

In **Sao Tome and Principe**, the principal actions conducted by the two missions are as follows: (1) the preparation of a status report on GFS, and on the process of adopting GFSM 2001/2014 in particular, (2) a proposed roadmap for the adoption of GFSM 2001/2014 for use by the authorities in preparing an action plan, (3) the identification of areas of future technical assistance and determination of priorities for the Center’s future support for the country, and (4) the preparation of a draft

<sup>1</sup> Public-private partnerships

## BOX 9. SUPPORT IN PREPARING THE FIRST FINANCIAL STATISTICS SERIES IN GABON AND CAMEROON

**CONTEXT:** Gabon and Cameroon requested AFRITAC Central’s support in implementing the GFSM 2001/2014 and in adopting Directive 05/11-UEAC-190-CM-22 on the TOFE

		<b>Area of intervention:</b> Government finance statistics
Gabon	Cameroon	<b>Implementation date:</b> 2017
<b>Objectives of the support</b>	Improve the preparation and dissemination of government finance statistics to support decision making.	
<b>The Center’s role in the support</b>	Deliver appropriate technical support, in particular in the use of all forms of source data in the TOFE, including the Treasury accounting trial balance and existing itemized tables in the cash-basis TOFE.	
<b>Main results</b>	The first-ever statistical series using the CEMAC TOFE format (GFSM 2001/2014) was produced for the period 2012-2016 by reclassifying the existing cash-basis TOFEs to the new format. The production of government finance statistics is shaped by the need to ensure comparability of economic and financial data within the CEMAC within the framework of multilateral surveillance. In addition to meeting CEMAC requirements, the implementation of the GFSM 2001/2014 methodology provided the opportunity to implement a bona fide GFS production system consistent with international standards and good practices. Both countries will now be able to (1) comply with public finance criteria for coverage, methodology, periodicity, and timeliness prescribed by the Special Data Dissemination Standards (SDDS), and (2) facilitate the countries’ adherence to the standards when the time comes.	
<b>Project impact</b>	Both countries will be able to produce GFS – CEMAC TOFE and maintain statistical consistency with the historical cash-basis TOFEs already used by a number of users.	
<b>Factors for success</b>	The staffs’ expertise in the TOFE and the interest and support for GFS on the part of supervisors and senior officials.	

action plan for migration to the GFSM 2001/2014 methodology.

In **Chad**, the support focused on: training the TOFE team on the use of the classification assistant to convert the accounts and codes used in the PCE to GFSM 2001/2014 format, a review of the Treasury accounting trial balance (BGCT) statement as a potential source of TOFE data, and the preparation of a trial TOFE for fiscal years 2014 and 2015 under the new format.

## BOX 10. SUPPORT IN PREPARING THE FIRST FINANCIAL STATISTICS SERIES IN CONGO

**CONTEXT:** Congo needed support from AFRITAC Central to adopt the methodology for preparing government finance statistics (GFS) in accordance with the GFSM 2001/2014.

 <p>Congo</p>	<p><b>Area of intervention:</b> Government finance statistics</p> <p><b>Implementation date:</b> 2017 – in progress</p>
<p><b>Objectives of the support</b></p>	<p>Improve the preparation and dissemination of GFS to support decision making and improve the transparency of financial statistics by participating in the IMF general data dissemination system (electronic-General Data Dissemination System – e-GDDS).</p>
<p><b>The Center's role in the support</b></p>	<p>Deliver appropriate technical support, in particular in the use of all forms of source data in the TOFE, including the Treasury accounting trial balance and existing itemized tables in the cash-basis TOFE.</p>
<p><b>Main results</b></p>	<p>The support developed staff capacities in the use of source data and the compilation of statistics using appropriate techniques. The new GFS series was disseminated internally and to the general public.</p> <p>This makes the Congo the only AFRITAC Central member country to have produced GFS covering the majority of general government agencies in accordance with the GFSM 2001/2014 methodology. The IMF Statistics Department has already validated the country's most recent annual GFS series, for fiscal years 2014-2016, prepared in accordance with GFSM 2001/2014. The country is now up to date in the publication of its series in the IMF <i>Government Financial Statistics Yearbook</i> (GFSY).</p>
<p><b>Project impact</b></p>	<p>The Congolese authorities are able to formulate their budget and determine their financing requirements based on more reliable statistics. The development partners have consistent, verifiable financial statistics to use in their analysis and decision making.</p>
<p><b>Factors for success</b></p>	<p>Implementation of the recommendations from AFRITAC Central missions and the Congolese authorities' rigor and will to maintain the current pace of public finance reforms.</p>

# MACROECONOMIC STATISTICS

## Support in Producing Reliable Macroeconomic Statistics

### MAIN ACHIEVEMENTS

- (1) The AFRITAC Central member countries produced outstanding years in their annual national accounts series (Box 11, page 55,
- (2) Estimation of national accounts for years 2011-2015 in **Gabon** and provisional accounts for 2015 in progress,
- (3) Publication of the available national accounts is well under way in the **Democratic Republic of the Congo** and **Chad**,
- (4) Support in the preparation of quarterly national accounts in **Burundi** and **Cameroon** (Box 12, page 55),
- (5) Support in the rebasing effort for the transition to SNA 2008 in the **Democratic Republic of the Congo**,
- (6) Preparation of national accounts for 2016 in **Chad** (Box 13, page 56),
- (7) Establishment of a capacity strengthening program for national accounting officers in **Sao Tome and Principe**,
- (8) Training of **regional** staff in the SNA 2008 system, including nomenclature, data collection, and models for treatment of sources.



Regional seminar on the national accounting framework, Malabo, April 2018

### SUMMARY OF WORK PROGRAM EXECUTION

The strategy used by AFRITAC Central to enable the member country accounting officers to quickly complete outstanding years in their national accounts series was to develop a simple, flexible tool, useful to all. The method is called "skipping years," and entails preparing the accounts for the most recent years and skipping the intermediate years, which are prepared

thereafter by interpolation (Box 11, page 55). This simplified tool uses sub-tables of the source and application of funds table from one year and produces those for more recent years in a more aggregate nomenclature, in a relatively easier way, in order to take account of available human resources.

In terms of **regional** capacity building activities, the Center helped strengthen the capacities of national accounting officers through an introductory seminar on quarterly national accounts – the first seminar of its kind in this area. The seminar, conducted during April 22–26 in Malabo, was attended by two participants from each member states, a representative of each of the member states' central banks, one participant from the CEMAC, and one participant from the ECCAS.

In **Burundi**, two activities were planned, one on the quarterly national accounts and the other to continue the rebasing effort and transition to SNA 2008. The second mission was postponed to the following fiscal year because the country had not yet made sufficient progress on the preliminary work. The first mission received funding from the World Bank for the project statistics component, which allowed the planned tasks to be accomplished.

In **Congo**, technical assistance was provided in the national accounting system during the fiscal year, which

served to strengthen the national accounting officers' capacities in the national system of provisional accounts and interpolation (SCNPI) and support the preparation of the national accounts for 2016, which is now under way. The accounting officers were trained in the use of the ERETES tool; the training included a review of aspects of SNA 2008.

In **Gabon**, three technical assistance missions were conducted during the fiscal year, and served to begin work on producing outstanding years in the country's annual national accounts. The following results were obtained: (1) the implementation of a simplified tool for preparing the national accounts, (2) the production of estimated national accounts for the years 2011-2015 and the start of work on provisional accounts for 2016, and (3) the training of the national accounting officers in the setup and use of the simplified tool for preparing the national accounts.

In the **Central African Republic**, three technical assistance missions were conducted during the period. They produced the following results: (1) the implementation of a simplified tool for preparing national accounts, (2) a preliminary estimate (available) of the accounts for use 2013 through 2016, and (3) the training of national accounting officers in the setup and use of the simplified tool for preparing the national accounts.

In the **Democratic Republic of the Congo**, a technical assistance mission supported the compilation of the 2016 national accounts using a simplified tool devised for that purpose. A national accounts series from 2005 to 2016 based on the SNA 1993 was validated and disseminated. A second mission provided training to newly hired staff, in particular on the use of the ERETES tool and a review of aspects of SNA 2008. A third mission assisted the DRC with preparations for the rebasing and transition to SNA 2008 under the statistical component of a project funded by the African Union Commission (AUC).

In **Sao Tome and Principe**, the technical assistance provided during the fiscal year facilitated a review of the national accounts and the adoption of a program of activities with the authorities.

In **Chad**, a technical assistance mission supported the preparation of the 2016 provisional national accounts and recommended publication of the series, which will supplement the 2005-2015 series already published. This will be the first time Chad meets the GDDS timeliness requirement for annual GDP, i.e., nine months after the reference period. A second mission supported the launch of preparatory work for the rebasing and transition to SNA 2008.

## BOX 11. STATUS OF OUTSTANDING NATIONAL ACCOUNTS, AS OF DECEMBER 2017

MEMBER COUNTRIES	Types of accounts available		
	Final annual national accounts	Provisional annual national accounts	Quarterly accounts
BURUNDI	2005-2015	2016	Through fourth quarter 2017, publication expected
CAMEROON	1993-2015	2016	Through fourth quarter 2017
CONGO	2005-2015	2016 in progress	
GABON	2001-2010; 2013	2014	Next step FY 2019
EQUATORIAL GUINEA	2006-2015	2016	
CENTRAL AFRICAN REPUBLIC	2005-2008; 2012	2013-2015	
DEMOCRATIC REPUBLIC OF THE CONGO	2005-2015	2016	
SAO TOME AND PRINCIPE	2001-2008	2009-2016	Next step FY 2019
CHAD	2005-2015	2016	

## BOX 12. FILLING IN GAPS IN NATIONAL ACCOUNTS SERIES

**CONTEXT:** Five countries were between one and five years behind in preparing the national accounts under the SNA 1993 system.



Burundi



Congo



Equatorial Guinea



Democratic Republic of the Congo



Chad

**Area of intervention:**  
Macroeconomic statistics

**Implementation date:**  
2017 – Sustainability in progress

<b>Objectives of the support</b>	Bring the countries' national accounts series current and ensure that the accounts comply with international standards, beginning with SNA 1993 and thereafter with SNA 2008.
<b>The Center's role in the support</b>	Two main areas of intervention: (1) the Center's implementation of a flexible, simple tool to help national accounting officers produce the outstanding years under the provisional accounts and interpolation method, and (2) strengthening capacities through training and exchange of experiences in regard to good practices for national accounting systems.
<b>Main results</b>	The outstanding national accounts were produced through the use of the simplified tool. A series of updated national accounts (based on SNA 1993) for 2005-2016 is not only available but also published (those accounts had not been disseminated for many years). The tool is well suited to the countries' needs and is being expanded to include the other member states.
<b>Project impact</b>	The countries now have more reliable national accounts, which will enable them to formulate appropriate economic policies and consider the next phase, i.e., the preparation of quarterly national accounts.
<b>Factors for success</b>	The close involvement of authorities from the National Statistics Institute in developing the statistics and AFRITAC Central's expertise with a tool better suited to the member states' needs.
<b>Lessons learned</b>	Further efforts are needed to ensure that basic data are available on a timely basis in order to compile more reliable national accounts. The hiring and training of national accounting officers should continue to be a priority.

### BOX 13. PREPARATION OF QUARTERLY NATIONAL ACCOUNTS (QNA)

**CONTEXT:** Cameroon began preparing quarterly national accounts (QNA) with AFRITAC Central in November 2010, and published its first accounts in December 2013. Burundi’s initiation to QNA with AFRITAC Central began in July 2014, after its annual national accounts were brought up to date

		<b>Area of intervention:</b> Macroeconomic statistics
Cameroon	Burundi	<b>Implementation date:</b> 2016-2017
<b>Objectives of the support</b>	The support consists of providing both countries with quarterly national accounts to better support decision making, and the training national accounting officers to prepare them to undertake the QNA effort.	
<b>The Center’s role in the support</b>	Technical assistance missions were conducted until the objective was achieved.	
<b>Main results</b>	Cameroon enhanced its QNA by introducing series corrected for seasonal variations. Burundi prepared its first QNAs, which are expected to be published.	
<b>Project impact</b>	Both countries have QNAs that are used to develop appropriate economic policies.	
<b>Factors for success</b>	The close involvement of authorities from the National Statistics Institute in developing the statistics and AFRITAC Central’s expertise.	
<b>Lessons learned</b>	Greater political will is needed to promote the collection of in-year data.	



Regional seminar on the national accounting framework, Malabo, April 2018

# PUBLIC DEBT MANAGEMENT

## Contribute to Improved Debt Management

### MAIN ACHIEVEMENTS

- (1) The development of a medium-term debt management strategy in the **Democratic Republic of the Congo** (Box 14, page 58),
- (2) Support in the development of a government securities market in the **CEMAC** area (Box 15, page 59),
- (3) Strengthening of human and institutional capacities in debt management in the **Central African Republic**, the **Democratic Republic of the Congo**, and **Chad**,
- (4) Support to **Gabon** in conducting autonomous debt sustainability analyses (DSA) using the DSA tool for market-access countries (DSA-MAC),
- (5) Launch of activities of the national public debt committee in **Congo**,
- (6) The production of periodic bulletins and an annual report on debt management for the **Central African Republic**, the **Democratic Republic of the Congo**, and **Chad** (Box 16, page 60),
- (7) Improved access for the member countries to domestic debt markets,
- (8) The reorganization of debt management units into front, middle, and back offices in individual member countries,
- (9) Strengthening of **regional** managers' capacities in debt sustainability analysis.



Joint AFRITAC Central-IMF regional seminar on debt sustainability analysis, Libreville, July 2017

## SUMMARY OF WORK PROGRAM EXECUTION

At the **regional** level, a capacity-strengthening seminar for the region's debt managers, organized jointly with the IMF Strategy, Policy, and Review Department, presented the framework for debt sustainability analysis in low income countries (DSA-LIC).

Technical support for the **BEAC** supported the identification of actions to develop the government securities market in the **CEMAC** zone.

In **Cameroon**, AFRITAC Central took part in strengthening the capacities of debt management staff on the use of derivatives to hedge financial risks related to the debt portfolio. The staff received training on the prerequisites to the use of derivatives in debt

management and on the issues and mechanisms for their use.

In **Congo**, the Center supported the authorities in reinstating the national public debt committee (CNDP). The mission conducted a diagnosis of the institutional framework for debt management, identified problems hindering the CNDP operations, and proposed a roadmap with specific actions leading to a fully operational CNDP. In regard to the MTDS objective, a country workshop designed to strengthen the capacities of debt managers introduced the process and the different steps in preparing the MTDS and enabled them to appropriate the tool for quantitative analysis of the MTDS.

In **Gabon**, debt managers developed their capacities in the area of debt

sustainability analysis for market-access countries (DSA-MAC). Staff of the Directorate General of Debt analyzed the sustainability of Gabon's debt using the quantitative DSA-MAC tool. The Gabonese government is now in a position to autonomously analyze the sustainability of Gabon's public debt.

In the **Central African Republic**, the technical assistance provided served to strengthen the capacities of debt managers in the area of risk analysis and debt reporting. A debt bulletin was produced during the first half of fiscal year 2018 after the conclusion of the first mission. During the second mission, the debt portfolio was analyzed, risk indicators were calculated, and recommendations were formulated to improve the quality of the debt portfolio. The technical assistance also supported the authorities in

### BOX 14. DEVELOPMENT OF THE CEMAC GOVERNMENT SECURITIES MARKET

**CONTEXT:** The Bank of Central African States (BEAC) manages government securities auctions and is responsible for providing data on the market's development. The BEAC does not publish yield curves for issues, a step generally recommended for the development of the government securities market.

 <p>Bank of Central African States (BEAC)</p>		<p><b>Area of intervention:</b> Public debt management</p> <p><b>Implementation date:</b> 2015-2016</p>
<b>Objectives of the support</b>	Assist the BEAC in producing and regularly publishing yield curves for each issuer.	
<b>The Center's role in the support</b>	Provide technical support to BEAC staff in the construction and interpretation of yield curves for the government securities markets and support the BEAC in developing and implementing an application or tool to produce yield curves.	
<b>Main results</b>	Yield curves are produced and published on a regular basis (once a month), and market participants (Treasury, primary dealers, investors, etc.) are better informed of trends in securities yields.	
<b>Project impact</b>	The BEAC has better visibility into and is able to conduct its monetary policy based on the operation and development of the government securities market.	
<b>Factors for success</b>	The quality of assistance provided by the Center and the support of BEAC managers and staff.	
<b>Lessons learned</b>	The correct identification of beneficiaries' priorities is critical to the success of technical assistance.	

## BOX 15. PREPARATION OF A MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS)

**CONTEXT:** The development of a medium-term debt management strategy (MTDS) is one of the objectives set by the Congolese authorities to improve public debt management. This called for strengthening personnel capacities in the process of preparing the MTDS and using the quantitative MTDS tool.

 Democratic Republic of the Congo	<b>Area of intervention:</b> Public debt management  <b>Implementation date:</b> 2016-2017
<b>Objectives of the support</b>	Assist the Directorate General of Public Debt (DGDP) in preparing an MTDS and in the production of an MTDS document to improve debt management practices and formalize the process of selecting the instruments used for borrowing.
<b>The Center's role in the support</b>	Train the debt management units' staff on the process of preparing the MTDS and use of the quantitative MTDS tool developed by the IMF and World Bank, and assist the DGDP in producing an MTDS report.
<b>Main results</b>	The capacities of debt management staff, including the DGDP in particular, were strengthened. An MTDS was developed for the period 2017-2020, and an MTDS report was produced.
<b>Project impact</b>	Debt management practices were improved and the DGDP is now able to utilize the quantitative MTDS tool and autonomously produce the annual updated MTDS.
<b>Factors for success</b>	The discipline of the staff and units involved in debt management and the Congolese authorities' willingness to adhere to recommended best practices for public debt management.
<b>Lessons learned</b>	Debt management units needs support to enable the staff concerned to appropriate the tools developed by the IMF and World Bank (MTDS, DSA, risk management, etc.) to improve debt management practice in countries of the region.

strengthening the legal and institutional framework for public debt.

In the **Democratic Republic of the Congo**, a training workshop strengthened the capacities of debt managers in the area of debt reporting. An annual debt management report was produced for 2016 and a debt bulletin was published for first quarter 2017. In addition, a country workshop strengthened the capacities of debt managers in the process and different steps of preparing the MTDS. The participants were also afforded the opportunity to appropriate the quantitative MTDS analysis tool. A preliminary draft MTDS document was produced.

In **Chad**, AFRITAC Central's support served to strengthen debt managers' capacities in debt reporting. An annual debt management report was also produced for 2016, and a periodic debt bulletin was published for first quarter 2017. In regard to the MTDS objective, a country workshop designed to strengthen the capacities of debt managers introduced the process and different steps in preparing the MTDS and enabled them to appropriate the tool for quantitative analysis of the MTDS. A preliminary draft MTDS document was produced.

In **Sao Tome and Principe**, the assessment mission completed the following efforts: (1) the preparation of

a situation survey on debt management practices, (2) the identification of requirements for future technical assistance, and (3) the determination of priorities for the Center's future activities in support of the country.

## BOX 16. IMPROVEMENT OF DEBT REPORTING IN CHAD

**CONTEXT:** The national authorities in Chad identified as one of their priorities the publication of an annual report on the country's public debt. This calls for developing the staff's technical and operational capacities in debt management practices.

 <p>Chad</p>	<p><b>Area of intervention:</b> Public debt management</p>
	<p><b>Implementation date:</b> 2016-2017</p>
<p><b>Objectives of the support</b></p>	<p>Assist the Debt Directorate (DD) in producing an annual report on public debt in order to meet a condition for disbursement of the IMF credit, and introduce the production of an annual report in the country's debt management practices.</p>
<p><b>The Center's role in the support</b></p>	<p>Train DD staff in the analysis of risks relating to the debt portfolio and assist the DD in the production of an annual debt report.</p>
<p><b>Main results</b></p>	<p>The capacities of DD staff were strengthened and the annual debt report for 2016 was produced and published.</p>
<p><b>Project impact</b></p>	<p>The DD is now capable of autonomously producing the annual debt report on a regular basis and public debt reporting is improved.</p>
<p><b>Factors for success</b></p>	<p>The support and willingness of DD staff and the national authorities' role in making the reorganization of tasks within the DD a priority in order to make debt reporting one of the priorities for debt management activities.</p>
<p><b>Lessons learned</b></p>	<p>Debt management units need support to transition from administrative debt management to active debt management in line with best practices.</p>



Joint AFRITAC Central-IMF regional seminar on debt sustainability analysis, Libreville, July 2017

# BANKING REGULATION AND SUPERVISION

## Strengthen Financial Stability

### MAIN ACHIEVEMENTS

- (1) Convergence of the bank regulatory and supervisory framework toward international standards for **Burundi**, the **Democratic Republic of the Congo**, and the **COBAC**,
- (2) Strengthening of the capacities of Central African bank supervisors to implement risk-based supervision by organizing regional methodological seminars and training missions for **Burundi**, the **Democratic Republic of the Congo**, **Sao Tome and Principe**, and the **COBAC**,
- (3) Intensification of technical assistance at the **COBAC** (Box 17, page 62),
- (4) Implementation of a short-term, LCR-type liquidity ratio in **Burundi** consistent with Basel III (Box 18, page 64),

- (5) Strengthening the capacities of **regional** professionals in regard to targeted prudential issues, in particular: (1) consolidated supervision of banking groups, and (2) supervision methodologies for internal control, risk management, compliance, and governance.

### SUMMARY OF WORK PROGRAM EXECUTION

At the **regional** level, the two seminars programmed were conducted. The seminars were organized for the authorities of AFRITAC Central countries and the central banks of two additional Francophone countries (Comoros and Madagascar), with the support of AFRITAC South. Both events contributed



Workshop to finalize the management of prudential regulations on short-term liquidity for the Bank of the Republic of Burundi, Libreville, April 2018

notably to developing the subregional bank supervisors' capacities in a number of highly relevant and timely issues.

The **regional** seminar on supervising payment and electronic money service providers was organized in September 2017 in Libreville, Gabon. It presented an overview of issues relevant to the

subregion such as the supervision of payment and electronic money services based on the European standard, and proposed relevant strategies to increase the effectiveness of the regulatory framework.

The regional seminar on supervising credit risk, organized jointly with

AFRITAC West, was conducted in January 2018 in Dakar, **Senegal**. It provided a presentation of updated international standards in this area, in particular the prudential provisions of Basel III and accounting provisions of IFRS 9, and introduced the authorities to the effective implementation of credit risk supervision under a risk-based

## BOX 17. INTENSIFICATION OF TECHNICAL ASSISTANCE TO THE COBAC

**CONTEXT:** The COBAC requested AFRITAC Central's support in implementing its strategic action plan to improve the effectiveness of its supervisory model and implement the recommendations of the most recent FSAP mission (2014-2015).

 <p>CEMAC (COBAC)</p>	<p><b>Area of intervention:</b> Bank regulation and supervision</p> <p><b>Implementation date:</b> 2017-2018</p>
<p><b>Objectives of the support</b></p>	<p>Assist the COBAC in revising prudential regulations and strengthening its capacities to conduct risk-based supervision.</p>
<p><b>The Center's role in the support</b></p>	<p>AFRITAC Central intervened primarily to: (1) review the draft regulations provided by the SG-COBAC and, where applicable, propose adaptations of the prudential choices to be made, and (2) review existing procedures used in on-site examination and off-site surveillance to propose specific adjustments to adapt practices to risk-based supervision.</p>
<p><b>Main results</b></p>	<p>AFRITAC Central intensified its technical assistance to a level not previously achieved, and: (1) completed seven technical assistance missions during fiscal year 2018, (2) prepared and conducted a CBSWCA seminar at the COBAC's request, and (3) arranged for a number of COBAC staff to participate in two new regional seminars. As a result, SG-COBAC received well considered advice – in the form of presentations, <i>aide-memoire</i>, and mission reports – to move ahead on its reforms in a number of areas particularly useful to perform its missions more effectively: consolidated supervision, supervision of payment and electronic money services, early intervention by the COBAC to address troubled banks, off-site surveillance of MFIs under a risk-based approach, and structuring internal SG-COBAC procedures relating to bank supervision.</p>
<p><b>Project impact</b></p>	<p>The combination of diverse missions addressing a variety of topics consolidated the COBAC reform process promoted by its secretary general. A number of missions are part of multiyear projects that are still in progress. It will be up to the SG-COBAC to finalize implementation of the projects by appropriating the detailed recommendations provided in the context of the technical assistance.</p>
<p><b>Factors for success</b></p>	<p>The willingness and commitment of the COBAC secretary general and teams to provide AFRITAC Central the opportunity to make so rich a contribution. For its part, AFRITAC Central demonstrated a great willingness and capacity to adapt to the SG-COBAC's stiff constraints to modulate its support according to evolving and targeted needs. The effective cooperation by the resident advisor and the strong background and expertise of the short-term experts hired by AFRITAC Central contributed substantially to the progress of reform plans and the development of COBAC supervisors' capacities. The sharing of experiences in bank supervision and proposed operational solutions adapted to specific subregional needs also proved highly effective.</p>

approach. The joint organization of the seminar encouraged exchange of experiences and sharing of good practices among the two subregions.

In addition, at the request of the (COBAC), a regional seminar on consolidated supervision of banking groups under the risk-based approach of the Committee of Bank Supervisors of West and Central Africa (SBSWCA), of which the COBAC secretariat general serves as permanent secretariat, was prepared and conducted by AFRITAC Central in May 2017 in Libreville, **Gabon**. The event also provided the opportunity to train COBAC staff in consolidated bank supervision before embarking on a multiyear plan to revise the corresponding prudential framework.

As provided by the work program, technical assistance activities for the **COBAC** resumed intensively during fiscal year 2018. A number of the planned activities were restructured during the year to better address the evolving requirements identified by the COBAC secretariat general. However, the expansion of the COBAC reform plan during the second half of the year had the effect of limiting its capacities for absorption, leading AFRITAC Central to postpone one of the eight missions originally planned and cancel a portion of another mission. Nevertheless, the Center was able to complete seven important technical assistance missions during fiscal year 2018: (1) structuring of internal management processes and procedures relating to bank supervision, (2) amendment of the regulatory framework for consolidated supervision of banking groups, (3) a review of existing procedures used in off-site surveillance of microfinance institutions (MFIs), according to a risk-based approach to supervision, (4) increasing the operational effectiveness and legal soundness of preventive measures imposed in the context of early intervention to address difficulties at troubled banks, (5) revision of the regulatory framework for supervision of



Regional seminar on regulating and supervising service providers and activities related to innovative payment systems and electronic money, Libreville, September 2017

payment and electronic money services, (6) a review of the proposed model financial statements to be incorporated in revised regulations on consolidated supervision of banking groups, and (7) further elaboration on the topics addressed in the previous mission on payment services.

AFRITAC Central's technical assistance to the **Bank of the Republic of Burundi** (BRB) continued proactively despite the difficulties relating to the lack of authorization to travel to the BRB to conduct missions. Accordingly, AFRITAC Central adapted its modes of intervention, offering off-site workshops for its activities and arranging remote support for the BRB to work on other topics. At the request of the BRB, a third mission was added to the program and the topics were adjusted to take account of the belated identification of priority technical assistance needs. The three missions conducted during fiscal year 2018 address: (1) the revision of prudential regulations on short-term liquidity (adoption of an LCR-type ratio consistent with Basel III), (2) strengthening the BRB capacities in early detection of difficulties at banks, and (3) operational training for the BRB in the supervision of

banks' internal control and risk management mechanisms.

AFRITAC Central's support to the **Central Bank of the Congo** (BCC) was reinforced by the addition of a fourth mission to the three planned for fiscal year 2018 to address an urgent requirement identified, the revision of qualitative prudential regulations. The implementation of activities was disrupted by the intermittent suspension of on-site missions, but AFRITAC Central made a special budget effort to conduct the most essential activities off-site without shortening their duration. As a result, three missions were conducted during 2018: (1) and (2) the revision of prudential instructions relating to internal control, risk management, and governance applicable to Congolese banks (two missions), and (3) training for 20 new supervisors hired by the BCC in basic principles for effective bank supervision and risk-based supervision, with a focus on credit risk and operational risk. The fourth mission, on strengthening BCC capacities to analyze IFRS-compliant financial statements submitted by banks, was conducted in April 2018.

On November 1, 2017, AFRITAC Central began assisting Sao Tome and

## BOX 18. IMPLEMENTATION OF AN LCR-TYPE SHORT-TERM LIQUIDITY RATIO CONSISTENT WITH BASEL III

**CONTEXT:** The capacity strengthening program consists of implementing the strategy defined by the East African Community (EAC), of which Burundi is a member, which aims to establish a single supervisory framework in the EAC in the medium term.

 <p>Burundi</p>	<p><b>Area of intervention:</b> Bank regulation and supervision</p> <p><b>Implementation date:</b> 2016-2017</p>
<p><b>Objectives of the support</b></p>	<p>Finalize the new prudential regulations relating to short-term liquidity (liquidity coverage ratio, LCR).</p>
<p><b>The Center's role in the support</b></p>	<p>The Center: (1) served as liaison between the BRB and Bank Al-Maghrib (BAM) to arrange for BRB staff to travel to Morocco to learn from the BAM experience in transposing the LCR to the Moroccan context, (2) organized two off-site workshops to determine the prudential options to be implemented, establish a roadmap to undertake the reform, and then review the BRB drafts according to the instructions provided, (3) provided remote assistance to enable the BRB project team to move ahead with their work between the two workshops.</p>
<p><b>Main results</b></p>	<p>The draft regulatory circular and the model reporting form to be used for the LCR are nearly finalized, which will enable the BRB to quickly conduct an impact study, after which the final version of the documents can be published and take effect.</p>
<p><b>Project impact</b></p>	<p>Subject to finalization by the BRB of the draft regulatory circular mentioned above and the model reporting form to be used for the LCR, the AFRITAC Central technical assistance enabled the BRB to undertake its reform on rigorous bases, consistent with international standards and adapted to Burundi's context.</p>
<p><b>Factors for success</b></p>	<p>AFRITAC Central contributed essential added value to the BRB in regard to: (1) internalization of international standards, (2) acquisition of operational expertise in work methods and in managing a complex regulatory reform such as the LCR, and (3) the definition of relevant prudential options adapted to Burundi's specific requirements.</p>
<p><b>Lessons learned</b></p>	<p>Despite the difficulties implementing the technical assistance due to the mission's inability to travel to Burundi, AFRITAC Central displayed a notable capacity to adapt and complete willingness to provide remote support as needed during the period between the two workshops.</p>

Principle in the area of bank regulation and supervision. As provided by the program, a mission was conducted at the **Central Bank of Sao Tome and Principe** (BCSTP) (in consultation with the central bank) to determine the topics of technical assistance to be planned in this area for fiscal year 2019 and thereafter. This initial mission provided an opportunity to assess the issues inherent to the bank supervision system and identify the priority requirements for reform, which correspond to two main areas

of AFRITAC Central intervention: revision of prudential regulations and strengthening BCSTP capacities to implement risk-based supervision.

**SECTION III**

**WORK PROGRAM**  
(MAY 2018 – APRIL 2019)

## A

SUMMARY  
AND OVERVIEW

This section summarizes the work program planned for the period May 1, 2018 to April 30, 2019, corresponding to the IMF fiscal year. The work program reflects the strategic objectives programmed in connection with the third cycle of AFRITAC Central financing, covering the period November 2017 – April 2022.

For each area, a summary of the objectives, nature and modalities of activities planned, and the proposed criteria is provided, distinguishing activities planned at the regional level from those planned for the individual member countries.

The 2019 work program is based on the following considerations:

- The Center's objectives for the fiscal year 2019 work program are adopted based on the strategic objectives of the IMF African Department.
- The continuation of multiyear projects, particularly in the area of customs, tax, and bank supervision. This project-driven approach meets the expectations expressed by the authorities and other members of the Steering Committee. Its aim is to ensure continuity of support to achieve defined objectives based

on results indicators, the resources allocated, and the risks identified.

- Requests for support received from the member countries in recent months and support provided directly by IMF headquarters and other development partners.
- The allocation of resources to benefit fragile member states,<sup>1</sup> which stands at over two-thirds of total available resources.
- The establishment of the new results-based management framework and monitoring activities.

#### ALIGNMENT WITH CAPACITY DEVELOPMENT STRATEGIES AND SUSTAINABLE DEVELOPMENT GOALS

(1) The priorities for the fiscal year 2019 work program are aligned with the capacity development strategies established by the member states with the intervention of key stakeholders. They reflect the areas of capacity development requested by the member countries, including the most fragile

<sup>1</sup> Burundi, Congo, the Central African Republic, the Democratic Republic of the Congo, Sao Tome and Principe, and Chad. (Source: *Regional Economic Outlook*, IMF, October 2017).

states (in particular Burundi, Congo, the Central African Republic, Sao Tome and Principe, and Chad).

(2) The priorities reflected in the work program are also closely related to the IMF commitments in respect of the Financing for Development Agenda (FfD) to facilitate the achievement of sustainable development goals through increased mobilization of national resources, better utilization of public resources, expanded financial inclusion, and improved compilation and dissemination of statistics to support more consistent decision making in the area of economic policy. The Center plans to maintain its supporting the area of debt management and bank supervision, a prerequisite for financial inclusion and for strengthening the banking sector's role in supporting the economy. The Center will also step up technical assistance and training activities in macro-fiscal management and public finance.

#### PRIORITIZATION BY RESULTS-BASED MANAGEMENT

(1) During fiscal year 2019, the AFRITAC Central's results-based management (RBM) platform will be fully operational. It will serve to ensure that all the Center's activities are properly

planned over time and are budgeted, implemented, monitored, and evaluated according to the member countries' technical assistance and training needs as well as IMF technical assistance priorities for the region.

(2) The RBM platform will serve to keep the Center and the Fund informed of progress in implementing technical assistance projects, and will support the identification of projects at risk in order to take appropriate measures to mitigate the effects. The platform currently includes 89 logical frameworks for fiscal year 2019. It will monitor the implementation of activities planned in respect of 89 objectives and 127 expected results (cf. table below). The figures are expected to change during the forthcoming fiscal years according to the member countries' needs and the planning of activities among the national authorities and technical departments of the IMF and AFRITAC Central. In addition to implementation monitoring, the RBM platform will track the ratings (based on a system of four color codes) of 174 milestones in all the countries and regional institutions covered by the Center.

(3) The resident advisor in RBM will be responsible for analyzing information from the platform to produce performance reports for both the Center and the Fund. Information from the platform will also be used to analyze the effectiveness of the Fund's and the Center's capacity development activities in order to identify potential areas of improvement for future technical assistance projects.

(4) ICD and IMF regional technical assistance centers are in the process of finalizing a new dashboard to supplement the RBM platform. The dashboard, which will access information contained in the RBM platform, will provide AFRITAC Central with consolidated information on the Center's performance with respect to its results and budget.

**TABLE 4. AFRITAC CENTRAL LOGICAL FRAMEWORKS<sup>1</sup> FOR FISCAL YEAR 2019**

Source: AFRITAC Central

Subject area	Number of logical frameworks	Number of objectives	Number of expected results	Number of milestones
Revenue administration	19	20	24	31
Debt management	14	13	18	32
Public financial management <sup>2</sup>	30	30	32	35
Statistics <sup>3</sup>	18	18	38	46
Banking regulation and supervision	8	8	15	30
<b>Total AFC</b>	<b>89</b>	<b>89</b>	<b>127</b>	<b>174</b>

<sup>1</sup> Data as at May 11, 2018, subject to change according to member country requirements.

<sup>2</sup> Including the macro-fiscal area.

<sup>3</sup> Including the macroeconomic statistics and GFS areas.

### CROSS-CUTTING OBJECTIVES: REDUCTION OF INEQUALITIES, ENVIRONMENT, AND GENDER

The Center will work toward reducing inequalities and combating poverty. It will support the member countries in raising national resources and improving the use of public resources in order to achieve the Sustainable Development Goals, in particular reducing inequalities, combating poverty, and preserving the environment.

During fiscal year 2019, the center will accord particular attention to questions of gender in monitoring and evaluating training activities among the member countries and in the designation of participants in the regional seminars. The objective pursued is to significantly increase

women's participation in seminars, training, study trips, and regional courses organized in partnership with the IMF Africa Training Institute. The fiscal year 2019 work program also includes the issue of gender in the area of public financial management. In that context, the topic of raising awareness of actors in the reform of gender-based budgeting was selected in connection with the upcoming FoHBAC. Also, in the context of implementing the program budget reforms, the Center will assist the member countries in addressing considerations of gender identification in the design and implementation of public policies.

## MODALITIES OF TECHNICAL ASSISTANCE

The modalities of the planned activities are as follows:

- (1) Missions conducted by resident advisors: Four resident advisors – one for revenue administration, one for macro-fiscal analysis, and two for public financial management. Two resident advisors in GFS and real sector statistics. Two resident advisors for the financial sector, one in the debt management area and the other in banking regulation and supervision.
- (2) Missions conducted by short-term experts to complement the work of the resident advisors.
- (3) Regional seminars and workshops. These workshops will continue to offer practical training and serve as platforms for sharing of knowledge and experience among peers. Based on the results from fiscal years 2017 and 2018, the Center will offer 15 seminars in fiscal year 2019. The topics addressed at the seminars will reflect the priorities identified in the reports of technical assistance missions or discussions with the beneficiaries of technical assistance.
- (4) Peer learning missions will be arranged to promote the sharing of regional and inter-regional experience, develop regional expertise, and promote cooperation between the countries. By way of example, tax and customs officials from Sao Tome and Principe took part in a study trip to Cape Verde in connection with the forthcoming introduction of a VAT in their country.
- (5) Participation in headquarters missions and seminars organized by other development partners.
- (6) Coordination with IMF headquarters backstopping, to ensure that the technical assistance and advice offered by the Center are of high quality and consistent with IMF economic policies and best international practices.

(7) Training activities. The ICD will organize three regional courses covering financial instruments, debt sustainability, and fiscal policy analysis.<sup>2</sup> In parallel, the program provides for efforts to increase synergies between technical assistance and training. To this end, the technical assistance missions will monitor training requirements, in particular through training modules and workshops on the delivery of technical assistance. The online training will extend training efforts.

(8) For fragile countries, efforts will continue to offer training through the AFRITAC Central resident advisors and through longer technical assistance missions to those countries by the AFRITAC centers.

## COMMUNICATION AND VISIBILITY

Based on the strategy outlined for Phase 3, the Center will continue to enhance the visibility of its activities, building on progress made during Phase 2. The communication and visibility activities are based on a proactive strategy to be updated regularly and presented in the Center's activity reports. During fiscal year 2019, the Center will continue:

- (1) Updates of its website.<sup>3</sup> Since the beginning of Phase 3, the Center has made full use of its new website, which is now more attractive and more easily navigable. The Center updates its content weekly (news and events) to make the website more dynamic and expand its audience. The website content includes the Center's work programs, quarterly letters, semiannual and annual reports, and reports of independent evaluations.
- (2) Update of SharePoint (secure shared space). This is a private, secure site

<sup>2</sup> The Institute's training catalog can be downloaded at the following link: <http://www.imf.org/external/np/INS/french/pdf/catalog2017f.pdf>

<sup>3</sup> [www.afritaccentre.org](http://www.afritaccentre.org)

offered by the IMF and restricted to members of the Steering Committee. The secure space is incorporated into the Center's website and contains reports of technical assistance missions and confidential documents directed to the Steering Committee.

(3) Publication of its quarterly letter, which provides regular updates on the Center's activities and achievements and announces activities planned for the coming months. It will continue to be shared with Steering Committee members on the Center's website and on the secure shared space (SharePoint), and sent to the Steering Committee by email to facilitate broader dissemination of the achievements and results obtained through the Center's technical assistance. During fiscal year 2019, the Center plans to improve it with new sections and interactive links to the website.

(4) Meetings with the development partners and authorities. The Center coordinator conducts missions regularly in the member countries to meet with all stakeholders. The technical assistance missions and regional seminars will be used increasingly to promote dissemination of information on the Center's activities.

(5) Media events in the member countries. The Center coordinator will have the opportunity to meet with the press on various occasions, particularly at the beginning of seminars and Steering Committee meetings.

(6) The Center's presence in social networks. The Center will expand its presence on social networks through its Facebook page<sup>4</sup> to make the general public aware of how the IMF works in partnership with the region's countries to help them overcome the economic challenges they face.

<sup>4</sup> <https://www.facebook.com/AFRITACcentre/>

## PRINCIPAL OPERATIONAL RISKS

The security situation, the commitment of national managers and teams responsible for implementing the reforms, and the availability of financial resources are the most serious operational risks to the achievement of the objectives and results as defined in the AFRITAC Central logical framework.

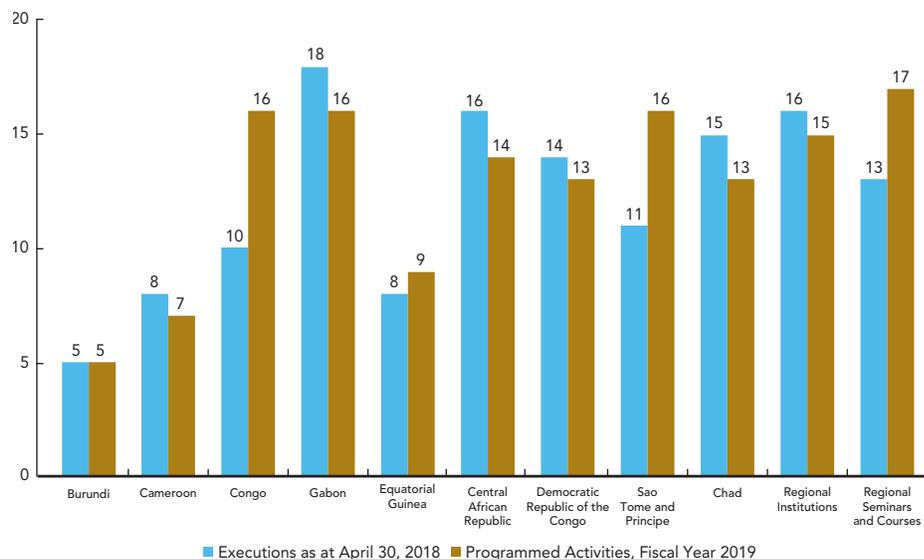
(1) Security situation and political stability. Strengthening capacities in fragile states, particularly Burundi and the Democratic Republic of the Congo, is a priority for the fiscal year 2019 work program. However, program execution in those states depends on security conditions and the stability of the environment.

(2) Commitment of national managers and teams. In light of the modalities by which the Center delivers support, essentially through short-term visits by advisors and experts, the commitment of managers and availability of national teams to work with those advisors and experts were essential conditions to the missions' effectiveness, as well as their availability to continue work between two expert visits.

(3) Adequate financial resources. The achievement of the objectives of the AFRITAC Central logical framework continues to be subject to the availability of sufficient financial resources. The sustainability of results produced since the Center's creation in 2007 depends on the financial support of the member countries and of the new development partners. Those are the two main levers that enable the Center to offer high-level technical assistance to support the implementation of critical reforms and strengthening of its member countries' macroeconomic capacities.

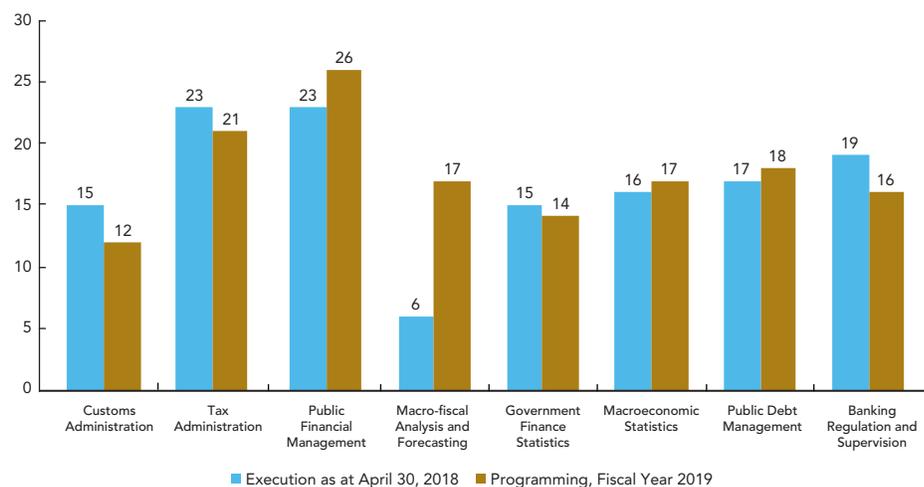
## CHART 8. ACTIVITIES PROGRAMMED BY COUNTRY FOR THE FISCAL YEAR 2019 (IN NUMBERS)

Source: AFRITAC Central



## CHART 9. ACTIVITIES PROGRAMMED BY AREA FOR THE FISCAL YEAR 2019 (IN NUMBERS)

Source: AFRITAC Central



## ACTIVITIES PROGRAMMED BY COUNTRY/REGION

The Center has programmed 141 activities in support of the member countries for fiscal year 2019. During the coming year, the work program will continue to prioritize support for fragile member countries, in particular by contributing to the implementation of the IMF fragile states initiative in

accordance with priorities for capacity strengthening defined by the IMF. In 2019, the number of activities benefiting fragile member states totals 77, or a 10 percent increase with respect to activities conducted in 2018 (Chart 8).

During fiscal year 2019, the Center plans to organize 15 regional seminars and two courses for member country personnel. In revenue administration,

three seminars are proposed, one for customs administration and two for tax administration. In the area of public financial management, four seminars are planned: a budget seminar, an accounting seminar, an inter-regional seminar with AFRITAC West, and the eighth annual FoHBAC. In the area of macro-fiscal analysis, the Center will organize a seminar on budget risks. In the statistics area, the Center has planned three seminars, one of which on the methodology of the 2011 GFSM. In the area of debt management, the Center plans two seminars. The first, financed by IMF headquarters, will address debt sustainability and management in low income countries, and the second will cover the preparation of financing plans. Finally, with respect to bank regulation and supervision, two seminars will be organized, one of them a joint seminar with AFRITAC West on bank governance and financial transparency. The two regional courses programmed in partnership with the IMF Africa Training Institute will address macroeconomic management in countries rich in natural resources and budget analysis and forecasting.

### ACTIVITIES PROGRAMMED BY AREA

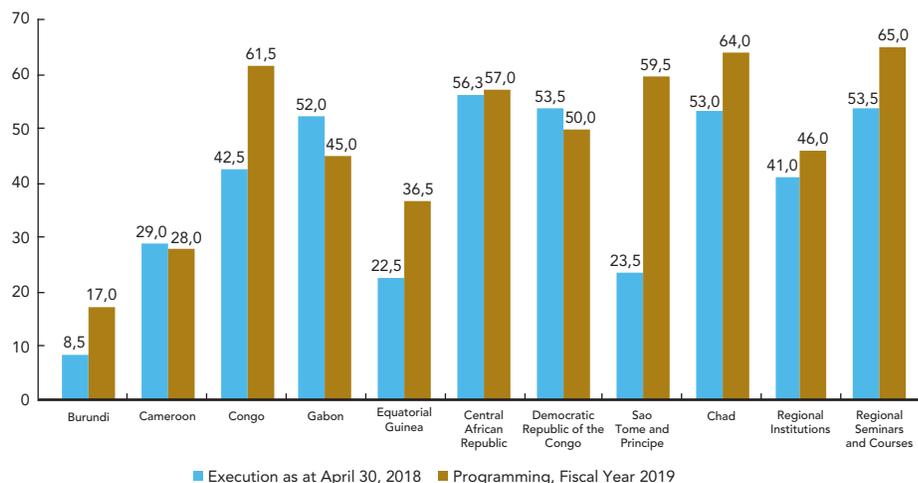
With respect to activities programmed by area, the Center has programmed 141 activities, or an annual growth rate of 5 percent with respect to fiscal year 2018 (Chart 9, page 69). The team in charge of public finance (revenue administration, budget, accounting, and macro-fiscal analysis) has planned 76 activities. The team in charge of statistics has planned 31 activities, while the teams in charge of debt management and bank regulation and supervision propose 34 activities.

### RESOURCES BY REGION/COUNTRY

The fiscal year 2019 work program provides for a 22 percent increase in the resources allocated to capacity strengthening (530 person-weeks compared to 435 person-weeks

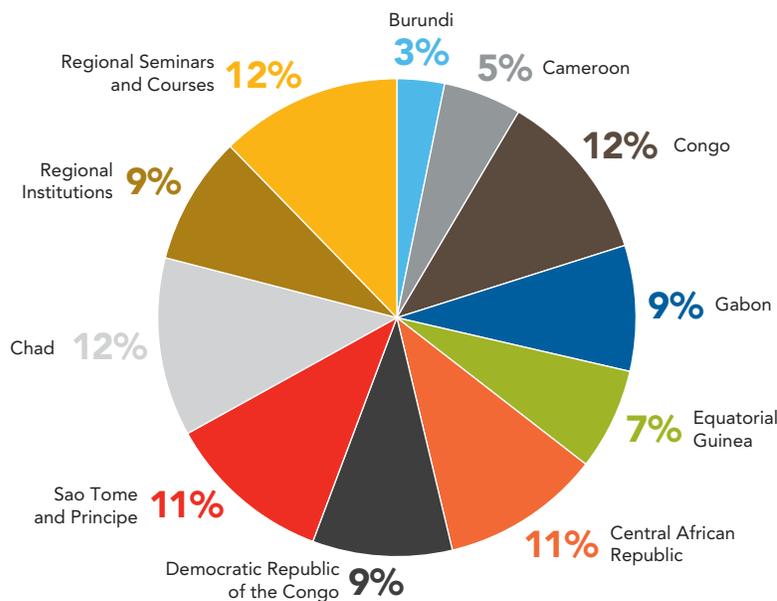
**CHART 10. RESOURCES PROGRAMMED BY COUNTRY FOR THE FISCAL YEAR 2019 (IN PERSON-WEEK)**

Source: AFRITAC Central



**CHART 11. DISTRIBUTION OF RESOURCES BY COUNTRY FOR THE FISCAL YEAR 2019**

Source: AFRITAC Central



completed in fiscal year 2018). The increase reflects, notably, the expansion of AFRITAC Central's activities to Sao Tome and Principe; the introduction of macroeconomic and budget analysis to the portfolio of areas covered by the

Center; and an increase in the resources allocated to regional seminars. The majority of those resources will be used directly by the Center's team of eight resident advisors; the rest will be allocated to experts hired for short-term

missions to support the resident advisors, working under the advisors' supervision. The program provides for 336 person-weeks on site, including 159 person-weeks for resident advisors and 177 person-weeks for short-term experts.

The work program will continue to prioritize support for fragile member states, in particular by contributing to the implementation of the IMF fragile states initiative in accordance with priorities for capacity strengthening defined by the IMF. In 2019, the resources allocated to fragile member states will represent 59 percent of total available resources (Chart 10), and 55 percent of the resources allocated to the CEMAC member countries. However, the security situation in the fragile member countries will determine the modalities of the activities planned by the Center: if the situation deteriorates, the Center may propose off-site workshops in Libreville for staff of the countries concerned (as it has done since 2015).

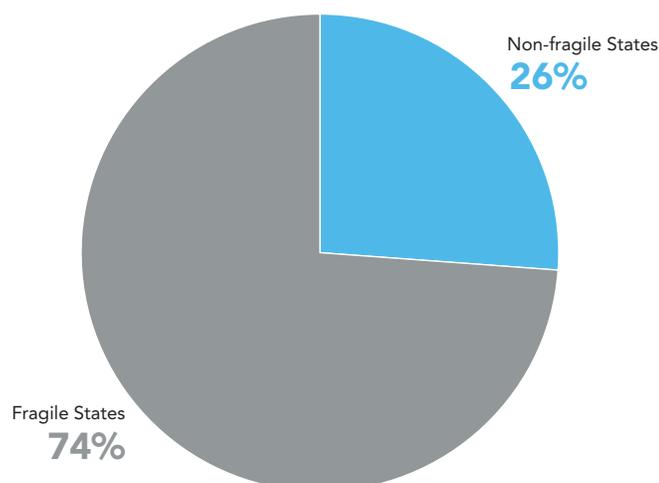
During fiscal year 2019, the Center will devote 21 percent of its resources to regional institution and seminars (Chart 11). The programming, which is fairly stable, confirms the importance the Center attaches to supporting regional initiatives both by supporting the region's institutions and by strengthening capacities by means of regional seminars. In addition to the resources planned for regional support, the CEMAC countries are the beneficiaries of over half the resources programmed in 2019.

### RESOURCES ALLOCATED TO FRAGILE COUNTRIES

During fiscal year 2019, the resources provided to fragile countries will represent 74 percent of the resources planned. In accordance with AFRITAC Central and IMF priorities, the fiscal year 2019 activities will again accord priority to fragile countries (Chart 12).

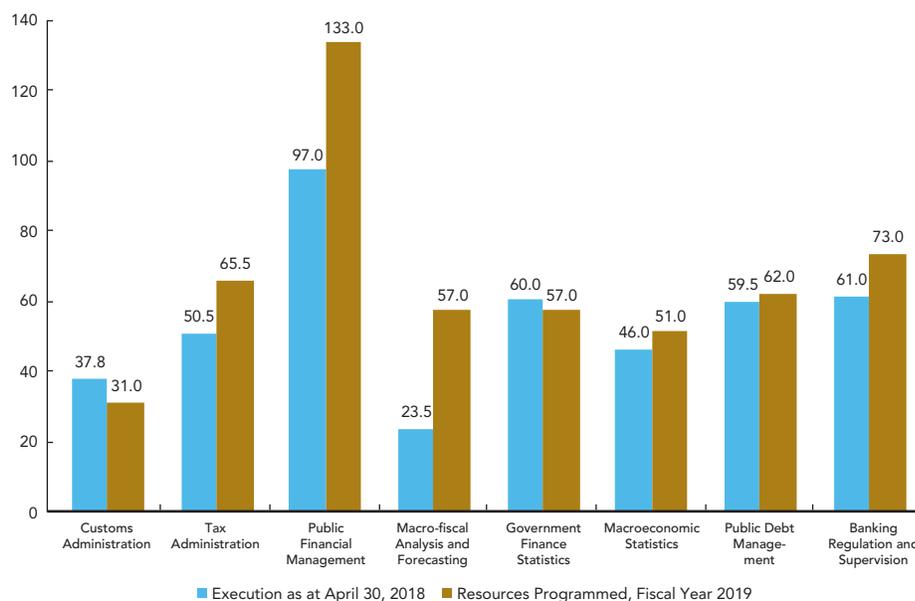
### CHART 12. DISTRIBUTION OF RESOURCES PROGRAMMED FOR FRAGILE STATES FOR THE FISCAL YEAR 2019

Source: AFRITAC Central



### CHART 13. RESOURCES PROGRAMMED BY AREA FOR THE FISCAL YEAR 2019 (IN PERSON-WEEK)

Source: AFRITAC Central



### RESOURCES BY AREA

The distribution of activities by area of intervention in 2019 reflects a slight rearrangement of the Center's portfolio of activities due to: (1) the significant increase in regional support in bank supervision, (2) the addition of the area of macroeconomic and budget

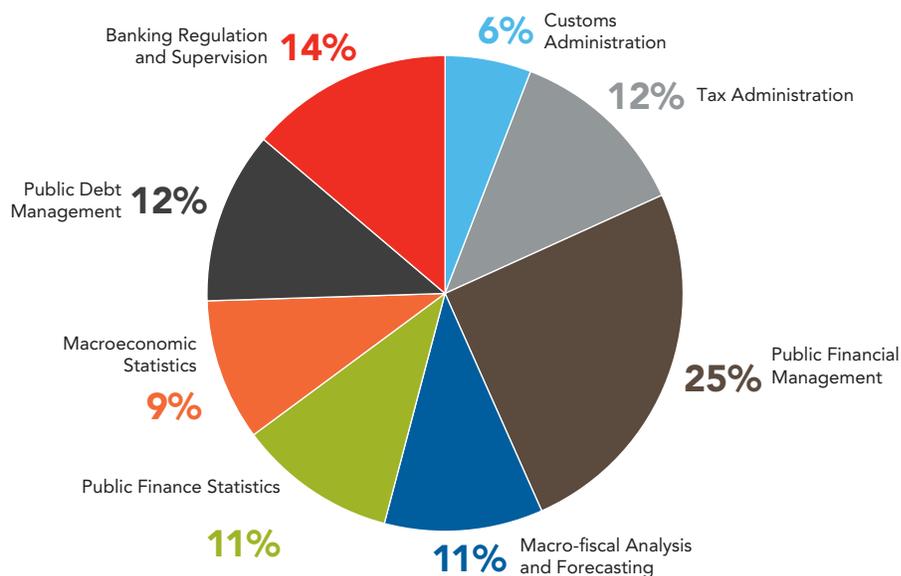
analysis, and (3) the coverage of Sao Tome and Principe beginning November 2017. The tax areas, including revenue administration, public financial management (budget and public accounting system) and macro-fiscal analysis, represent 54 percent of AFRITAC Central's programmed activities (Chart 13). The other areas

represent over half the resources, of which 21 percent for statistics (GFS and national accounts), and 25 percent for public debt management and bank regulation and supervision.

Fifty-four percent of the resources programs will support public finance reforms (Chart 14). The statistics sector, in turn, represents 20 percent of the resources planned for the fiscal year. Finally, 26 percent of the resources program will go to the public debt management and bank regulation and supervision sectors.

**CHART 14. DISTRIBUTION OF RESOURCES BY AREA FOR THE FISCAL YEAR 2019**

Source: AFRITAC Central



# REVENUE ADMINISTRATION

## Increase Tax Revenue

Under the fiscal year 2019 work program, the activities to be conducted in the area of revenue administration will focus on three objectives which prefigure the objectives adopted in the next logical framework for Phase 3 of the AFRITAC Central financing cycle:

- **Objective 1:** Strengthened revenue administration management and governance arrangements,
- **Objective 2:** Strengthened core tax administration functions,
- **Objective 3:** Improved customs administration functions.

The support proposed by the Center in revenue administration is summarized below:

To increase tax and customs revenue, the Center's two general objectives are to: (1) modernize the institutional frameworks, and (2) strengthen the principal functions of the revenue administrations. To further those objectives, the priority areas for capacity development will be:

- (1) modernization of organizations and strengthened surveillance of operations,
- (2) simplification of declaration and

payment procedures, including VAT refunds, (3) improved management of customs and tax risks and completion of the process of segmenting business taxpayers, (4) intensified investigative and inspection activities in order to expand the bases of tax and customs revenue, (5) support in cooperation between customs and tax administrations to combat fraud, and finally (6) harmonized implementation of community directives in the **CEMAC** zone.

In the area of **tax administration**, the Center will continue its technical assistance program to finalize the segmentation of business taxpayers in Congo, Equatorial Guinea, Sao Tome and Principe, and Chad. The activities to strengthen taxpayer compliance through heightened tax audits, expansion of the tax base, and strengthened tax/customs cooperation will concern **Burundi, Cameroon, Congo, Equatorial Guinea, the Central African Republic, the Democratic Republic of the Congo, and Chad.**

In the area of **customs administration** in fiscal year 2019, AFRITAC Central will continue its program to modernize



merchandise clearance procedures in **Equatorial Guinea, the Central African Republic, and Sao Tome and Principe**. Also, support in monitoring transit, destination inspection of exempt goods, and post-clearance inspections will concern **Burundi, Cameroon, Congo, Gabon, the Central African Republic, the Democratic Republic of the Congo, and Chad**. Finally, technical assistance to develop expertise in customs value will focus on **Congo, the Democratic Republic of the Congo, and Chad**.

**TABLE 5. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: REVENUE ADMINISTRATION**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: MODERNIZE THE REVENUE ADMINISTRATIONS TO RAISE INCREASED TAX REVENUE</b>					
<b>STRATEGIC OBJECTIVE 1: BETTER REVENUE ADMINISTRATION, MANAGEMENT AND GOVERNANCE ARRANGEMENTS</b>					
<b>SPECIFIC OBJECTIVE: Strengthened revenue administration management and governance arrangements.</b>					
CEMAC	The customs administrations in the CEMAC member countries do not uniformly apply the provisions of the Customs Code.	Customs procedures, as provided by the revised CEMAC customs code, are modernized and aligned with best international practices.	The implementing regulations under the revised CEMAC customs code provide for modern procedures aligned with best international practices.	13 regulations are written implementing the revised regional code.	Missions to support the drafting of regulatory texts implementing the revised CEMAC customs code.
COG, GNO, CAR, STP	The procedures used are not aligned with best international practices.	Customs procedures aligned with best practices are developed, implemented, and disseminated.	The customs organization and procedures are modernized and aligned with best international practices.	Customs procedures aligned with international practice are drafted.	Technical assistance mission on modernization of procedures, organization, and collection of customs revenue
GAB, STP	The current organization is not modernized.	The organization put in place supports the effective implementation of reform strategies.	Segmented taxpayer management units are established.	Drafts texts creating medium-size business taxpayer offices (CIME) and the large business taxpayer office (DGE) are adopted.	Mission to assist in modernizing the organizational structure of tax units and staff study visit to a third country
GNO, STP	Tax procedures are not modernized.	Tax procedures are modernized and aligned with best international practices.	Modern procedures, consistent with best international practices, are developed, implemented, and disseminated.	The draft texts on tax procedures are available.	Mission to assist in the modernization of tax procedures.
AFC Countries	The data for 2016 and 2017 are not yet entered in the ISORA platform.	Capacities for reform are strengthened because a bona fide reform strategy is in place and a strategic management framework has been adopted and institutionalized.	The rate of completion of the ISORA platform is 100% for all member countries as at end-March 2019.	The rate of completion of the ISORA platform is 80% for all member countries as at end-October 2018.	Joint AFRITAC Central – AFRITAC West inter-regional seminar on ISORA

**TABLE 5. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: REVENUE ADMINISTRATION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: STRONGER TAX ADMINISTRATION CORE FUNCTIONS</b>					
<b>SPECIFIC OBJECTIVE: Strengthened core tax administration functions</b>					
BDI, GAB, GNO, DRC, TCD	The region's tax administrations do not have audit strategies based on the principal tax risks.	The tax risks are well applied.	The audit programs contribute effectively to compliance with tax rules.	The tax audit programs provide better coverage of the risks of tax fraud.	Missions to support the programming and implementation of tax audits
CMR, COG, GAB	The countries lack methods and tools to effectively investigate and process information.	The audit programs contribute effectively to compliance with tax rules.	Tax audits contribute more effectively to compliance with tax rules.	Data cross-checking is used to verify the accuracy of tax filings.	Mission to support strengthening of audit and investigation activities
COG, GAB	The revenue collection and accounting mechanism is inadequate.	A greater proportion of taxpayers uphold their filing and payment obligations.	The number of taxpayers who fulfill their tax obligations by the legal deadline gradually increases.	Detailed programs are prepared to recover tax arrears.	Mission to support activities to recover tax arrears
COG, CAR	The portfolios of large and medium-size business taxpayers are not entirely accurate and complete and nonfiler rates remain high.	A greater proportion of taxpayers uphold their filing obligations	The number of taxpayers who fulfill their filing obligations by the legal deadline gradually increases.	Risk-based audit programs are developed. Tools for taxpayer surveillance/ monitoring are developed at each due date.	Mission to support improved management of medium-size business taxpayers
AFC Countries	Inadequate cooperation between the two revenue administrations contributes to the proliferation of fraud.	Tax audit and customs inspection programs contribute effectively to compliance with tax and customs rules.	Tax audit and customs inspection programs contribute more effectively to compliance with tax and customs rules.	The number of post-clearance inspections increases gradual and tax audit programs provide better coverage of risks.	Regional seminar on strengthening customs-tax cooperation
<b>STRATEGIC OBJECTIVE 3: STRENGTHEN CUSTOMS ADMINISTRATION CORE FUNCTIONS</b>					
<b>SPECIFIC OBJECTIVE: Improved customs administration functions</b>					
CMR, GAB, DRC	Expertise in destination inspection of exempt goods is lacking.	The inspection programs contribute effectively to compliance with customs regulations.	Post-clearance inspections contribute effectively to compliance with customs regulations.	A framework directive on destination inspection of exempt goods is available.	Missions to support strengthening of destination inspections of exempt merchandise
COG, TCD	Expertise in determining customs values is lacking.	Inspections conducted during the clearance process result in more accurate declarations.	The estimation of customs value based on recognized international standards is improved.	A reorganization plan to strengthen customs value procedures is available.	Missions to assist in strengthening the customs value bureau

**TABLE 5. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: REVENUE ADMINISTRATION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 3: STRENGTHEN CUSTOMS ADMINISTRATION CORE FUNCTIONS</b>					
<b>SPECIFIC OBJECTIVE: Improved customs administration functions</b>					
AFC Countries	Customs staff expertise in programming and conducting post-clearance inspections calls for improvement.	Customs inspections contribute more effectively to compliance with customs rules.	The number of customs inspections gradually increases.	The framework instruction on programming and implementing post-clearance inspections is available.	Regional seminar on programming and conducting post-clearance inspections



# PUBLIC FINANCIAL MANAGEMENT

## Promote Effective Management of Public Finances

Under the fiscal year 2019 work program, the activities to be conducted in public financial management will focus on the following five objectives adopted in the logical framework for the Phase 3 cycle of AFRITAC financing:

- **Objective 1:** Improved PFM laws and effective institutions,
- **Objective 2:** Comprehensive, credible, and policy-based budget preparation,
- **Objective 3:** Improved budget execution and control,
- **Objective 4:** Improved coverage and quality of fiscal reports,
- **Objective 5:** Improved asset and liability management.

The support proposed by the Center for public financial management in fiscal year 2019 is summarized below:

**Strengthen the legal framework for public finance; improve the budget preparation, execution, and control**



### processes; and increase transparency.

The issues relating to public finances also include liquidity management, internal and external controls, and the management of fiscal risks. The Center will continue to support the **CEMAC** countries in implementing the regional directives on public financial management. AFRITAC Central will support the CEMAC countries in issuing conformity opinions for the texts to be submitted to it.

**Regarding the objective of improved budget preparation, the Center will provide support in improving the quality of annual performance plans (APPs) in Congo.** In **Gabon**, the Center will work to improve the presentation of the operations funded from allocated

resources. In **Equatorial Guinea**, the Center will introduce actors to the innovations of the new harmonized framework and the modalities of implementing them. In the **Democratic Republic of the Congo**, the Center will provide support in the preparation and quality control of the remaining APPs. And **Chad** will receive support from the Center in implementing the execution component of the new budget nomenclature.

**Improve budget and accounting execution and control.** The Center will work to implement internal budget control in the priority ministries in **Burundi** and **Cameroon**. In **Gabon**, emphasis will be given to strengthening the technical and financial oversight

of administrative public entities. In the **Central African Republic** and **Sao Tome and Principe**, the technical assistance will support the implementation of effective tools to manage budget execution.

**Improved coverage and reporting.**

The Center’s technical assistance missions will work to ensure the integrity of financial reporting and improve the operations of the TSA in the **Central African Republic** and **Sao Tome and Principe**. In **Congo, Gabon** and the

**Democratic Republic of the Congo**, the technical assistance will focus on the integrity of financial information and clearing of suspense accounts.

**Improve cash flow management.**

The Center will work on consolidating cash balances by means of the Treasury single account in **Congo, Gabon**, the **Central African Republic**, and **Chad**. In **Burundi, Cameroon**, and **Equatorial Guinea**, the technical assistance will focus on improving the

reliability of budget units’ cash flow and commitment plans.

**TABLE 6. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC FINANCIAL MANAGEMENT**  
(Includes the macroeconomic and budget analysis and forecasting area)

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: PROMOTE GOOD GOVERNANCE THROUGH EFFECTIVE PUBLIC FINANCIAL MANAGEMENT</b>					
<b>STRATEGIC OBJECTIVE 1: STRONGER PFM LAWS AND INSTITUTIONS</b>					
<b>SPECIFIC OBJECTIVE: Improved PFM laws and effective institutions</b>					
AFC Countries	Instruments are not in place to support multiyear programming of public investments.	More credible investment programming and planning	PEFA PI 11.3	<ul style="list-style-type: none"> <li>• Training on the instruments,</li> <li>• Implementation of the instruments,</li> <li>• Use of the instruments.</li> </ul>	Seminar AFRITAC Central/AFRITAC West
CEMAC countries (CMR, COG, GNO, CAR)	The proportion of directives on the harmonized framework is 33 percent, which is quite low.	Availability of a complete legal framework for public financial management	FTC.222	Issuance of opinions on the conformity of proposed texts	<ul style="list-style-type: none"> <li>• Issuance of opinions on draft texts proposed for transposition.</li> <li>• Participation in capacity development initiatives</li> </ul>
<b>STRATEGIC OBJECTIVE 2: BETTER BUDGET PREPARATION</b>					
<b>SPECIFIC OBJECTIVE: Comprehensive, credible, and policy-based budget preparation</b>					
CMR	NA	Strengthen control of budget execution	PEFA PI-25	Preparation of a strategy to implement internal control	Ad hoc mission

**TABLE 6. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC FINANCIAL MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
COG	Not all ministries have developed performance frameworks for program budgets	Preparation of annual performance plans (APPs) according to the agreed program	PEFA PI-5. PI-8	<ul style="list-style-type: none"> <li>• Consolidation of the program template</li> <li>• Distribution of program costs and personnel</li> </ul>	Ad hoc mission
COG, DRC, TCD	Specific functions of the framing models are not operational	Diagnostic assessment of macroeconomic and budget framing models	PEFA PI-14	Proficiency in use of tools	Ad hoc mission
GAB	Absence of an entity responsible for financial oversight of autonomous administrative agencies (EPAs)	Strengthened technical and financial oversight of administrative public entities	PEFA PI-6	<ul style="list-style-type: none"> <li>• Identification of a host country, Agreement of the authorities</li> </ul>	Field trip for DGBFiP staff
GNQ	The harmonized public financial management framework is not transposed into national law.	Improved budget documentation	PEFA PI-5	Outreach workshop	National workshop
GNQ, STP	NA	Strengthening of the macro-fiscal function	PEFA PI-14	Identification of capacity strengthening needs	Ad hoc mission
AFC Countries	Insufficient progress in implementing program budgets	Information on policy-based resource allocation and performance is available.	PEFA PI-8	<ul style="list-style-type: none"> <li>• Training on the instruments,</li> <li>• Training on the process and documents</li> </ul>	High-level forum
AFC Countries	The mechanisms used for monitoring economic conditions and macroeconomic forecasting are outmoded.	Strengthening of mechanisms for monitoring economic conditions and macroeconomic forecasting	PEFA PI-14	<ul style="list-style-type: none"> <li>• Review of monitoring of economic conditions,</li> <li>• Review of the methodology and processes used in macroeconomic forecasting</li> </ul>	AFRITAC Central/CEMAC/ECA seminar
AFC Countries	NA	The participants are trained in budget analysis and projections.	PEFA PI14	NA	Regional course

**TABLE 6. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC FINANCIAL MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: BETTER BUDGET PREPARATION</b>					
<b>SPECIFIC OBJECTIVE: Comprehensive, credible, and policy-based budget preparation</b>					
CAR	The framing committee is not yet active. The country does not have an integrated framing model.	Improvement of institutional mechanisms and techniques for macroeconomic and budget framing	PEFA PI-14	Exploratory AF18 mission	Ad hoc mission + peer-learning mission
CAR	NA	Establishment of technical mechanism for preparation of MTBFs	PEFA PI-16	Situation survey regarding the preparation of MTBFs	Ad hoc mission
DRC	Not all ministries have yet developed a performance framework for program budgets.	Information on policy-based resource allocation and performance is available.	PEFA PI-8	Mission to review draft APPs	Ad hoc mission to review draft APPs
TCD	Presentation of the budget law and budget operations not aligned with the new budget nomenclature	Improved understanding of the budget	PEFA PI-5	Review of the presentation of the government budget structure	Ad hoc mission
<b>STRATEGIC OBJECTIVE 3: BETTER BUDGET EXECUTION AND CONTROL</b>					
<b>SPECIFIC OBJECTIVE: Improved budget execution and control</b>					
CMR	Poor predictability of financial flows	Improved monitoring of cash flow plans	PEFA PI-21	Regular update of cash flow plans	Ad hoc mission
CAR	Poor predictability in budget execution	Improved in-year predictability of budget execution	PEFA PI 21 PI 21.3	Incorporation of general and sector commitment plans in the system forms	Ad hoc mission
STP	Poor predictability of budget execution	Improved control of budget execution	PEFA PI-21	<ul style="list-style-type: none"> <li>• Identification of managers,</li> <li>• Analysis of the budget structure,</li> <li>• Analysis of the information system structure</li> </ul>	Ad hoc mission

**TABLE 6. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC FINANCIAL MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 4: IMPROVED COVERAGE AND QUALITY OF FISCAL REPORTING</b>					
<b>SPECIFIC OBJECTIVE: Improved coverage and quality of fiscal reporting</b>					
COG	Accounting and financial information not available	Improvement of the quality, reliability, and integrity of financial data	PEFA 27-2	Gradual restoration of accounting fundamentals	Ad hoc mission
GAB	Lack of comprehensive financial data	Improvement of the quality, reliability, and integrity of financial data	PEFA 27-2	Monthly closings, clearing of suspense accounts and temporary accounts	Ad hoc mission
CAR	Audit of inactive accounts complete and renegotiation of bank agreements under way	Improvement of the quality, reliability, and integrity of financial data	PEFA 27-1	Closing of inactive accounts and explanation of discrepancies	Ad hoc mission
DRC	N/A	Improvement of the quality, reliability, and integrity of financial data	PEFA 27-2	Monthly closings, clearing of suspense accounts and temporary accounts	Ad hoc mission
STP	Weaknesses in cash flow management	Improvement of the quality, reliability, and integrity of financial data	PEFA 27-1	<ul style="list-style-type: none"> <li>• Identification of all accounts held at commercial banks,</li> <li>• Consolidation of cash balances and the balance sheet</li> </ul>	Ad hoc mission
<b>STRATEGIC OBJECTIVE 5: IMPROVED ASSET AND LIABILITY MANAGEMENT</b>					
<b>SPECIFIC OBJECTIVE: Improved asset and liability management</b>					
CMR	N/A	Greater predictability of cash flow plans associated with commitment plans (PE) and procurement and contracting plans (PPM)	PEFA 21-2	Development and update of cash management plans	Ad hoc mission
COG	Accounting information for the TSA is not available	Centralization, consolidation, and reliability of TSA accounting information	PEFA 21-1	Inventory of accounts held at commercial banks	Ad hoc mission
GAB	Need for clarification of procedures for operation of the TSA	Daily centralization and reliability of financial information	PEFA 21-1	An understanding of procedures for operation of the TSA and identification of all accounts held at commercial banks and the CDC	Ad hoc mission

**TABLE 6. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC FINANCIAL MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 5: IMPROVED ASSET AND LIABILITY MANAGEMENT</b>					
<b>SPECIFIC OBJECTIVE: Improved asset and liability management</b>					
GNQ	Lack of PE and PPM cash flow plan	Ensuring the integrity of accounting documents (balance sheet), establishment of PE and PPM cash flow plan	PEFA 21-2	Production of basic accounting documents, better control of cash flow monitoring	Ad hoc mission
CAR	Bank centralization is not rationalized.	Cash flow forecasts are updated monthly.	PEFA 21-2	Daily pooling of cash balances in the TSA	Ad hoc mission
TCD	N/A	Centralization, consolidation, and reliability of TSA accounting information	PEFA 21-1	<ul style="list-style-type: none"> <li>• Visibility into accounts held at commercial banks,</li> <li>• Modalities of consolidation of cash balances and transfer to the TSA</li> </ul>	Ad hoc mission
<b>STRATEGIC OBJECTIVE 6: STRENGTHENED IDENTIFICATION, MONITORING, AND MANAGEMENT OF FISCAL RISKS</b>					
<b>SPECIFIC OBJECTIVE: Strengthened identification, monitoring, and management of fiscal risks</b>					
CMR, GAB	The macro-fiscal risks are not documented.	Actors are made aware of the methods for identifying and monitoring macro-fiscal risks.	PEFA 14.3	Exploratory work in the country	Ad hoc mission
AFC Countries	NA	The participants are trained in the analysis of macro-fiscal sensitivities and the construction of alternative scenarios	PEFA 14.3	Exploratory mission CMR AF18	Seminar

# MACROECONOMIC AND FISCAL ANALYSIS AND FORECASTING

## Improve Budget Forecasts

Under the fiscal year 2019 work program, the activities to be conducted in the area of macroeconomic and fiscal analysis will be based on the following two objectives provided in the logical framework for Phase 3 of the AFRITAC Central financing cycle:

- **Objective 1:** Comprehensive, credible, and policy-based budget preparation,
- **Objective 2:** Strengthened identification, monitoring, and management of fiscal risks.

The support proposed by the Center for fiscal year 2019 in macroeconomic and fiscal analysis and forecasting is summarized below:

The technical assistance aims to support member countries in their macroeconomic and budget framing. The technical assistance will be delivered based on the following strategic objective: strengthen preparation of the budget to make it more detailed, credible, and policy based. The objective should facilitate more credible multiyear budget programming. The work in the area of macro-fiscal forecasting will be

closely coordinated with the technical assistance in statistics to use more recent historical data, encourage the application of internationally recognized statistical methods, and recognize the analytical risks associated with weaknesses in data quality.

**Strengthen the preparation of the government budget to make it more comprehensive, credible, and policy based.** In **Congo**, the technical assistance will focus on developing expertise in the use of macroeconomic and budget framing models. The Center will help **Equatorial Guinea** and **Sao Tome and Principe** strengthen their macro-fiscal functions. In the **Central African Republic**, the technical assistance will aim to improve the production chain for macroeconomic and budget analyses and forecasts. In **Chad**, the assistance will aim to strengthen the functionalities of macroeconomic and budget framing models. Also, **Congo**, the **Central African Republic**, and **Chad** will receive support in the setup and use of a simple tool for preparing the medium-term fiscal framework (MTFF). This will entail integrating a credible MTFF in the annual budget process.



Finally, at the **regional** level, the Center will work to strengthening the institutional and technical framework for macroeconomic and budget framing. The technical assistance will also aim to improve the preparation of the MTFF and coordination of the MTFF with the annual budget preparation process in the region.

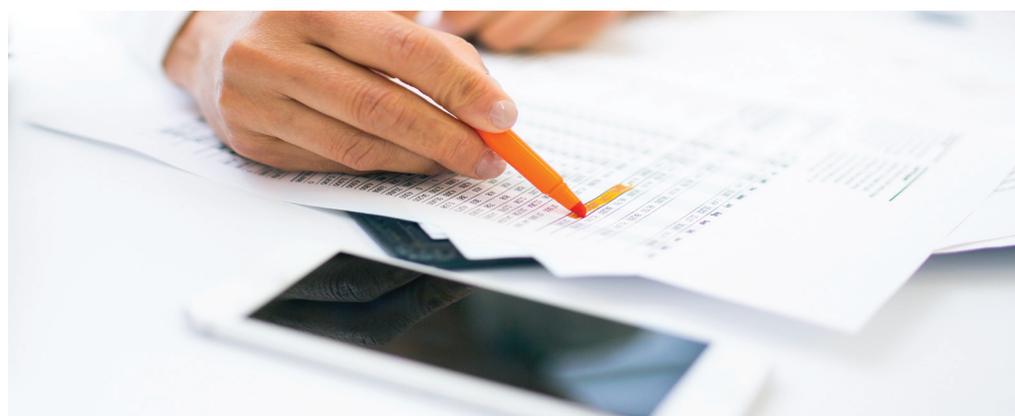
**Strengthened identification, monitoring, and management of fiscal risks.** Concerning this objective, the Center will provide technical assistance to **Cameroon** and **Gabon** on methods for identifying and monitoring macro-fiscal risks. At the **regional** level, staff will be trained in the analysis of macro-fiscal sensitivities and the construction of alternative scenarios.

# GOVERNMENT FINANCE STATISTICS

## Collaborate in the Harmonization of Government Finance Statistics

Under the fiscal year 2019 work program, the activities to be conducted in the area of government finance statistics will be based on the following two objectives provided in the logical framework for Phase 3 of the AFRITAC Central financing cycle:

- **Objective 1:** Strengthen compilation and dissemination of data on financial statistics for decision making,
- **Objective 2:** Enhance transparency of financial statistics for decision making through strengthened dissemination via the IMF's Data Standards Initiatives.



The technical assistance in GFS to be provided in fiscal year 2019 is summarized below:

**Strengthen the preparation and dissemination of GFS for decision making**, relying on the *Government Finance Statistics Manual 2014* (GFSM 2014), and support the countries' efforts to improve the transparency of financial statistics by participating in the IMF general data dissemination system.<sup>1</sup> The Center will support the CEMAC member countries (**Cameroon, Congo, Gabon, Equatorial Guinea, the Central African Republic, and Chad**) in implementing the TOFE directive based on the GFSM 2001-2014). And in **Burundi, the Democratic Republic of the Congo,**

and **Sao Tome and Principe**, the Center will support the implementation of the GFSM 2001-2014.

**Enhance transparency of financial statistics for decision making through strengthened dissemination via the IMF's Data Standards Initiatives.**

This will entail **Congo's** and **Gabon's** participation in the e-GDDS. The objective is to update four principal categories of the countries' data in the online metadata (e-GDDS).

<sup>1</sup> Electronic General Data Dissemination System – e-GDDS

**TABLE 7. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: GOVERNMENT FINANCIAL STATISTICS**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: PROMOTE CONSISTENT FISCAL AND BUDGET POLICIES THROUGH HARMONIZED FINANCIAL STATISTICS</b>					
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN COMPILATION AND DISSEMINATION OF DATA ON FINANCIAL STATISTICS FOR DECISION MAKING</b>					
<b>SPECIFIC OBJECTIVE: Strengthen compilation and dissemination of financial statistics for decision making according to the relevant internationally accepted statistical standards, including developing/improving statistical infrastructure, source data, serviceability and/or metadata</b>					
CMR, COG, GAB, CAR, DRC, TCD	GFS are currently produced based on the GFSM 1986, i.e., on a cash basis.	<ul style="list-style-type: none"> <li>• Development of personnel capacities through training, particularly in the preparation of source data, and in the methods of compiling and disseminating GFS.</li> <li>• Source data are adequate for the purpose of compiling financial statistics (DQAF 3.1).</li> <li>• A new GFS series has been compiled and disseminated internally and/or to the general public.</li> </ul>	A sufficient number of member country staff are trained in the production and dissemination of financial statistics. Source data are exhaustive and support the compilation of financial statistics for the budgetary central government.	A minimum of two staff members per country are trained in the restatement and use of source data in the new TOFE format.	Ad hoc mission – support and onsite training.
AFC Countries	Current staffing levels are inadequate.	Development of personnel capacities through training, particularly in the preparation of source data, and in the methods of compiling and disseminating GFS	A sufficient number of member country staff are trained in the production and dissemination of financial statistics.	At least five staff members per country have participated in regional seminars on the principles of GFSM 2001/2014 and the 2011 Public Sector Debt Statistics Guide (MSDSP).	Regional seminars and peer learning visits with staff responsible for preparing GFS.

**TABLE 7. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: GOVERNMENT FINANCIAL STATISTICS (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: ENHANCE TRANSPARENCY OF FINANCIAL STATISTICS FOR DECISION MAKING THROUGH STRENGTHENED DISSEMINATION VIA THE IMF'S DATA STANDARDS INITIATIVES.</b>					
<b>SPECIFIC OBJECTIVE: Participation in the GDDS</b>					
COG, GAB	No e-GDDS metadata have been produced or the e-GDDS metadata have not been updated for more than four years.	The member countries are beginning to participate in e-GDDS (or have fully updated their GDDS metadata)	E-GDDS metadata are finalized for at least four categories of principal data	At least two of nine countries have drafted their e-GDDS metadata	Ad hoc mission – support and on-site training

# MACROECONOMIC STATISTICS

## Support in Producing Reliable Macroeconomic Statistics

Under the fiscal year 2019 work program, the activities to be conducted in the area of macroeconomic statistics will be based on the following objective provided in the logical framework for Phase 3 of the AFRITAC Central financing cycle:

- **Objective:** Strengthen compilation and dissemination of data on macroeconomic statistics for decision making.

The technical assistance to be provided by the Center in fiscal year 2019 in the area of macroeconomic statistics is summarized below:

**Strengthen compilation and dissemination of real sector statistics to facilitate economic policy decisions**, including the accentuation of regional arrangements (public financial management directives for CEMAC countries). The objective is to improve the quality of the national accounts and price statistics, in particular the basic data used to prepare statistics,



by ensuring that they are consistent with international standards, available on a timely basis, and accessible to users. The relevant projects include the Enhanced Data Dissemination Initiative (EDDI), which covers external and financial sector statistics, and a project [supported by] the Japan Administered Account for Selected IMF Activities on external sector statistics in Francophone countries. The Center will also support the development and upgrade of statistical infrastructures, data sources, and metadata.

All the member countries except Cameroon will compile and produce up-to-date national accounts. The technical assistance will consist of supporting the transition to SNA 2008, rebasing, and training of staff in charge of the national accounts. At the regional level, capacity development activities will be conducted for managers in

charge of preparing the national accounts under SNA 2008.

In order for some member countries to compile and produce quarterly national accounts, the Center will provide technical assistance mainly to **Burundi, Cameroon, Gabon and Chad**.

The activities will focus primarily on an introduction to quarterly national accounts, production of the Industrial Production Index (IPI) and the Producer Price Index (PPI), and training teams in the method adopted.

**TABLE 8. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: MACROECONOMIC STATISTICS**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: SUPPORT THE PREPARATION OF ECONOMIC STATISTICS THROUGH RELIABLE STATISTICS</b>					
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN COMPILATION AND DISSEMINATION OF DATA ON MACROECONOMIC STATISTICS FOR DECISION MAKING</b>					
<b>SPECIFIC OBJECTIVE: Strengthen compilation and dissemination of macroeconomic statistics for decision making according to the relevant internationally accepted statistical standards, including developing/improving statistical infrastructure, source data, serviceability and/or metadata</b>					
CMR	<ul style="list-style-type: none"> <li>The quarter the national accounts are prepared according to the production approach.</li> <li>New and more reliable in-year indicators are being compiled.</li> </ul>	In-year data have been compiled and disseminated internally and/or to the general public CEQD 4.1.1.	Compilation and dissemination of quarterly or monthly national accounts	Quarterly national accounts series, using the production approach at current prices, is available in May and June 2018	Ad hoc technical support missions
CMR, COG, GAB, GNQ, CAR, DRC, STP, TCD	The available national accounts are based on SNA 1993 – with base year 2005 for the majority.	A new data set has been compiled and disseminated internally and/or to the general public.	New data from the national accounting system in accordance with the most recent <i>National Accounting System Manual (2008)</i> are available.	<ul style="list-style-type: none"> <li>The most recent source data (censuses, sur-veys, current statistics) are included in the rebasing effort.</li> <li>The 2016 national accounts, new base year, consistent with the SNA 2008 are available in December 2018.</li> </ul>	Ad hoc technical support missions
CMR, COG, GAB, GNQ, CAR, DRC, STP, TCD	The countries of the region have greater capacity strengthening requirements in the area of SNA.	National managers have a stronger understanding of the SNA.	The workshop evaluation is satisfactory, as is the number of participants in the training.	Seminar preparation, particularly the organization of the event and topical presentations	Regional seminar

**TABLE 8. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: MACROECONOMIC STATISTICS (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
COG, GAB, GNO, CAR, DRC, TCD	There are scarcely two individuals per country able to compile the accounts	Resources are insufficient to compile and disseminate macroeconomic and financial statistics CEQD 0.2.	<ul style="list-style-type: none"> <li>• The number and/or capacities of personnel in charge of compiling and disseminating statistical data are adequate.</li> <li>• The number and quality of computers and software are adequate for the purpose of compiling and disseminating data.</li> </ul>	Two additional individuals acquire the capacity to compile accounts in December 2018.	Ad hoc technical support missions
COG, GAB, GNO, CAR, DRC, STP, TCD	The national accounts are not up to date. Gaps of from 1 to 4 years are observed and there are no tools for provisional national accounts.	Improved timeliness of the data made available internally or to the general public	The national accounts are disseminated in accordance with the appropriate dissemination standard.	<ul style="list-style-type: none"> <li>• The tool for provisional national accounts is in place.</li> <li>• Accounts from recent years (2005-2016) are prepared and disseminated.</li> <li>• Accounts are prepared for skipped years.</li> </ul>	Ad hoc technical support missions

# PUBLIC DEBT MANAGEMENT

## Contribute to Improved Debt Management

Under the fiscal year 2019 work program, the activities to be conducted in the area of public debt management will be based on the following six objectives provided in the logical framework for Phase 3 of the AFRITAC Central financing cycle:

- **Objective 1:** Develop an MTDS to minimize cost of public debt subject to risks and foster development of domestic debt markets,
- **Objective 2:** Enhance debt portfolio risk management to minimize cost of public debt subject to risks and foster development of domestic debt markets,
- **Objective 3:** Support debt sustainability by providing staff with ability to perform their own debt sustainability analysis,
- **Objective 4:** Develop government securities market to reduce cost and risks of public debt increasing efficiency and financing choices in the domestic market,
- **Objective 5:** Develop Sukuk market to increase the availability of long-term finance for infrastructure

development, to reduce cost and risk for public debt and to increase efficiency and financing choices,

- **Objective 6:** Support the authorities in establishing an efficient institutional structure for managing public debt.

The support proposed by the Center in the area of debt management is summarized below:

**Advocate effective public debt management.** Effective public debt management reduces vulnerability to domestic and external shocks, promotes economic growth, and improves the investment climate. The assistance provided by the Center in debt management will be based on the technical assistance previously offered in the region and on current DSA analyses and will aim to: (1) modernize the legal and institutional framework for public debt management in the member countries, (2) promote development of the government securities market, (3) further strengthen the member states' analytic capacities to support the implementation of MTDSs, and (4) continue to provide advice on the



use of market-based mechanisms to meet the countries' financing needs.

**Develop a medium-term debt strategy (MTDS).** At the **regional** level, professionals will be trained in good practices for the preparation of annual financing plans. In **Gabon** and **Chad**, AFRITAC Central's assistance will focus on support in preparing the MTDS, and in particular the strategy for issuing government securities. In **Burundi**, **Congo**, the **Central African Republic**, and the **Democratic Republic of the Congo**, the training for management personnel will enable them to produce a preliminary draft MTDS for their respective countries.

**Improve the management of risks related to the debt portfolio.** In the **Central African Republic**, the Center's support is focused on the debt directorate's preparation of the

annual debt report. In **Sao Tome and Principe**, the assistance will focus on strengthening professionals' capacities in the areas of debt management and financial analysis of the debt portfolio.

**Strengthen capacities in debt sustainability analysis (DSA).** In **Chad**, the staff will be able to autonomously conduct annual debt sustainability analyses for their country through the use of the revised DSA-LIC tool.

**Develop the domestic market for domestic debt.** In **Congo** and **Sao Tome and Principe**, the Center will work to develop the primary and secondary markets, expand the investor base, diversify instruments, and extend maturities.

**Support countries in developing the Sukuk market.** In **Chad**, the technical assistance will establish a roadmap leading to the issuance of Sukuk. It will also develop a legal and institutional framework for the issuance of Sukuk, with a personnel training component on the structuring and implementation of Sukuk issues.

**Strengthen the legal and institutional framework for debt management.** In the **Central African Republic**, through its support for the preparation of a procedures manual on public debt operations, AFRITAC Central intends to provide the authorities with a guide on the implementation of debt instruments and the management of public debt

operations. In **Sao Tome and Principe**, reform of the legal and institutional framework for public debt management will be undertaken to provide the country with texts consistent with best international practices.

**TABLE 9. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC DEBT MANAGEMENT**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: CONTRIBUTE TO ECONOMIC GROWTH THROUGH IMPROVED DEBT MANAGEMENT</b>					
<b>STRATEGIC OBJECTIVE 1: DEVELOP AN MTDS TO MINIMIZE COST OF PUBLIC DEBT SUBJECT TO RISKS AND FOSTER DEVELOPMENT OF DOMESTIC DEBT MARKETS</b>					
<b>SPECIFIC OBJECTIVE: Formulate and support the implementation of a sustainable MTDS resulting in a solid debt portfolio</b>					
COG, GAB, CAR, DRC, TCD	<ul style="list-style-type: none"> <li>The CEMAC debt policy regulation, the IMF / World bank guidelines on public debt management and the IMF / World bank MTDS framework serve as a reference.</li> <li>Most countries do not dispose a medium-term debt management strategy.</li> <li>The loan portfolio is not monitored by means of standard indicators.</li> </ul>	Strengthen debt managers' capacities with respect to the MTDS framework and quantitative MTDS tool to prepare them to better identify and manage debt-related risks.	<ul style="list-style-type: none"> <li>Prepare for export of the loan database to the MTDS tool.</li> <li>Calculate the standard debt portfolio indicators.</li> <li>Learn the eight recommended steps for the MTDS.</li> </ul>	<ul style="list-style-type: none"> <li>The participants in training analyze country debt data using the MTDS tool.</li> <li>The participants are able to calculate indicators for the portfolio/country.</li> <li>The participants are familiarized with the eight recommended steps for preparation of the MTDS.</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc mission</li> <li>National work-shop</li> <li>Regional work-shop</li> </ul>

**TABLE 9. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC DEBT MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: ENHANCE DEBT PORTFOLIO RISK MANAGEMENT TO MINIMIZE COST OF PUBLIC DEBT SUBJECT TO RISKS AND FOSTER DEVELOPMENT OF DOMESTIC DEBT MARKETS</b>					
<b>SPECIFIC OBJECTIVE: Develop a periodic analysis of risks for the debt portfolio and establish an effective risk management framework that informs the debt management strategy and debt sustainability, resulting in a solid debt portfolio.</b>					
CAR	<ul style="list-style-type: none"> <li>• Technical assistance reports.</li> <li>• The annual debt report is not produced or is of poor quality.</li> </ul>	Proficiency in the use of techniques and good practices for debt analysis and reporting, and production of an annual debt report	Produce of an annual debt report	An annual debt report is produced, and periodic debt bulletins are produced and published.	<ul style="list-style-type: none"> <li>• Ad hoc mission</li> <li>• National work-shop</li> </ul>
STP	<ul style="list-style-type: none"> <li>• Technical assistance reports, IMF/World Bank guidelines for public debt management.</li> <li>• The management of risks relating to the debt portfolio is not integrated into ordinary debt procedures.</li> </ul>	Establish an effective risk analysis framework.	Use the risk management framework effectively and follow-up on results obtained.	The participants calculate indicators for debt portfolio stocks and flows.	<ul style="list-style-type: none"> <li>• Ad hoc mission</li> <li>• National work-shop</li> </ul>
<b>STRATEGIC OBJECTIVE 3: SUPPORT DEBT SUSTAINABILITY BY PROVIDING STAFF WITH ABILITY TO PERFORM THEIR OWN DEBT SUSTAINABILITY ANALYSIS</b>					
<b>SPECIFIC OBJECTIVE: Strengthen debt managers' capacities in debt sustainability analyses</b>					
GAB, TCD	The authorities do not autonomously analyze debt sustainability		Produce a DSA autonomously at least once per year	<ul style="list-style-type: none"> <li>• The participants in the various workshops complete a DSA exercise using the DSA tool.</li> <li>• The participants understand the linkages between debt and macroeconomic data in the DSA.</li> </ul>	<ul style="list-style-type: none"> <li>• Ad hoc mission</li> <li>• Country training workshop</li> <li>• Regional workshop</li> </ul>

**TABLE 9. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC DEBT MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 4: DEVELOP GOVERNMENT SECURITIES MARKET TO REDUCE COST AND RISKS OF PUBLIC DEBT INCREASING EFFICIENCY AND FINANCING CHOICES IN THE DOMESTIC MARKET</b>					
<b>SPECIFIC OBJECTIVE: Establish a legal and institutional infrastructure for the government securities market that is both effective and compatible with the state of the market’s development</b>					
COG	<ul style="list-style-type: none"> <li>• Authorities’ request and technical assistance reports</li> <li>• The domestic market lacks depth.</li> </ul>	Development of the government issues market	Develop a country strategy for issuing securities.	<ul style="list-style-type: none"> <li>• Establish a strategy for communication with the market.</li> <li>• Diversify investors.</li> <li>• Diversify the maturities used.</li> </ul>	Ad hoc technical assistance mission
STP	<ul style="list-style-type: none"> <li>• December 2017 technical assistance reports</li> <li>• The domestic debt market was only recently created; a strategy for the market’s development is needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Standardization of instruments and practices for the issuance of government securities</li> <li>• Development of the process of issuing government securities.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare an action plan.</li> <li>• Revise the rules of operation for the primary market.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce long-term instruments.</li> <li>• Develop an annual issuance schedule.</li> <li>• Formulate a market development strategy.</li> </ul>	Ad hoc technical assistance mission
<b>STRATEGIC OBJECTIVE 5: Develop Sukuk market to increase the availability of long-term finance for infrastructure development, to reduce cost and risk for public debt and to increase efficiency and financing choices</b>					
<b>SPECIFIC OBJECTIVE: Establish a legal and institutional framework for the Sukuk market that is both effective and compatible with the market’s state of development</b>					
TCD	<ul style="list-style-type: none"> <li>• Sukuk could serve as a source of long-term financing.</li> <li>• Lack of legal framework for the issuance of Sukuk</li> </ul>	Establish a roadmap leading to the issuance of Sukuk	<ul style="list-style-type: none"> <li>• Identification and prioritization of government development projects over a three-to-five-year period</li> <li>• Description of existing public assets that could serve as underlyings for Sukuk</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare an action plan for the issuance process.</li> <li>• Identify and prepare a list of assets associated with Sukuk issues.</li> <li>• Determine the technical and legal prerequisites.</li> </ul>	Ad hoc technical assistance mission

**TABLE 9. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: PUBLIC DEBT MANAGEMENT (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 6: SUPPORT THE AUTHORITIES IN ESTABLISHING AN EFFICIENT INSTITUTIONAL STRUCTURE FOR MANAGING PUBLIC DEBT</b>					
<b>SPECIFIC OBJECTIVE: Support the authorities in establishing an effective institutional structure for public debt management</b>					
COG, STP	<ul style="list-style-type: none"> <li>• A single authority has not been instituted.</li> <li>• Lack of the structure to coordinate debt-related activities</li> <li>• Debt management units are not organized on a functional basis.</li> <li>• Lack of a manual on debt management procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise the legal framework for public debt.</li> <li>• Modernize the organizational and institutional framework for the debt.</li> </ul>	Prepare an action plan for reform of the legal, organization, and institutional framework for debt management.	<ul style="list-style-type: none"> <li>• Amend the regulatory texts.</li> <li>• Reorganize debt management units.</li> <li>• Supplement the legal framework to institute a single debt authority.</li> </ul>	Ad hoc technical assistance mission
CAR	<ul style="list-style-type: none"> <li>• March 2017 technical assistance report</li> <li>• The procedures for debt management are not formalized.</li> </ul>	Formalize debt management procedures	Prepare a manual on debt management procedures	<ul style="list-style-type: none"> <li>• Revise the texts concerning the National Public Debt Committee (CNDP).</li> <li>• Formalize debt management procedures.</li> </ul>	Ad hoc technical assistance mission



# BANKING REGULATION AND SUPERVISION

## Strengthen Financial Stability

The pillars of the AFRITAC Central work program for the period corresponding to budget year 2019 (referred to as “fiscal year 2019”), running from May 1, 2018 to April 30, 2019, are identical to those of last year and are consistent with the strategic objectives defined in the standardized RBM logical framework defined by the International Monetary Fund for the Monetary and Capital Markets Department (MCM). For reference, the strategic objectives for AFRITAC Central technical assistance take account of the distribution of roles and responsibilities of the IMF departments (MCM) likely to intervene in the area of bank supervision in general. Consequently, the technical assistance provided by AFRITAC Central does not correspond directly to the following topics: financial stability, macroprudential surveillance, stress tests, bank resolution, deposit guarantee systems, anti-money laundering mechanisms, revision of the legal framework for bank supervision.



The Center’s scope of intervention focuses essentially on bank regulation and supervision from the standpoint of prudential standards and operational implementation. For fiscal year 2019, the technical assistance missions in this area are therefore structured according to the following four objectives of the logical framework referenced above:

- **Objective 1:** Strengthen financial sector surveillance through upgrading of regulatory framework in line with international standards,
- **Objective 2:** Make more efficient use of supervisory resources to better oversee key risks in the banking system,

- **Objective 3:** Ensure that banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability,
- **Objective 4:** Improved supervisory effectiveness through enhanced capacity in IFRS knowledge related to provisioning.

The technical assistance the Center will provide in the area of bank regulation and supervision during fiscal year 2019 is summarized below:

**In the area of banking regulation and supervision, the Center will work to strengthen the regulatory and prudential frameworks, the framework for risk-based supervision,**

**the implementation of Basel II/ Basel III, and the recognition of nonperforming loans in accordance with the IFRS.** In particular, the Center's support will focus on the implementation of financial institution and bank supervision to make it more relevant and effective in regard to risks. In light of weaknesses in the regulatory, surveillance, and bank resolution frameworks in the member countries of the African Financial Community (CFA), emphasis will be placed on micro-prudential surveillance. The priorities of the **COBAC** and the Central Bank of the **Democratic Republic of the Congo** will be to assist in implementing the recommendations of the FSAP mission: the institution of risk-based supervision, the upgrade of the regulatory framework, strengthening the effective enforcement of regulations, and strengthening of supervisors' skills.

**Strengthen financial sector surveillance by building regulatory frameworks consistent with international standards.** At the

**COBAC**, the technical assistance will support the implementation of consolidated supervision, pending the convergence toward Basel II/III, and the amendment of regulations on risk management. In **Burundi**, the Center will revise the prudential regulations pursuant to the new banking law. In the **Democratic Republic of the Congo**, the Center will work on revising licensing regulations and finalize the amendments to the Central Bank's qualitative prudential regulations. Finally, in **Sao Tome and Principe**, the technical assistance will continue to focus primarily on revising the central bank's qualitative prudential regulations (internal control and risk management).

**Make better use of resources dedicated to supervision to more effectively control the risks inherent to the banking system.**

At the **regional** level, the Center will strengthen the capacities of bank supervisors in the subregion through two regional seminars on the implementation of risk-based

supervision, bank governance, and financial transparency. At the **COBAC**, the Center will support capacity strengthening in the control of operational risk, implementation of risk-based supervision, and analysis of the corrective action plans of distressed MFIs. In **Burundi**, the technical assistance will strengthen the BRB capacities in IT audits of banks and improvement of the bank rating and evaluation system used by the BRB. And in **Sao Tome and Principe**, the Center will assist the central bank in upgrading its tools for ongoing surveillance.

**TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>AREA OBJECTIVE: STRENGTHEN FINANCIAL STABILITY BY MEANS OF A ROBUST REGULATORY AND BANK SUPERVISION FRAMEWORK</b>					
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN FINANCIAL SECTOR SURVEILLANCE THROUGH UPGRADING OF REGULATORY FRAMEWORK IN LINE WITH INTERNATIONAL STANDARDS</b>					
<b>SPECIFIC OBJECTIVE: Develop/Strengthen bank regulations and prudential standards</b>					
BDI	Burundi’s new banking law was published in August 2017 and the BRB embarked on an update of all its prudential regulations to make them consistent with the new law.	The BRB has an updated set of prudential regulations implementing the new banking law.	Publication of amended regulations	<ul style="list-style-type: none"> <li>• BRB validation of the proposed modifications</li> <li>• BRB completion of draft directives</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the BRB in revising draft regulations implementing the new banking law in order to make them consistent with the law and with international standards</li> <li>• Detailed aide-memoire provided to the BRB with recommendations</li> </ul>
CEMAC	The COBAC does not yet have prudential regulations implementing CEMAC regulation 01/2015 on consolidated supervision and crossborder cooperation.	The COBAC quickly acquires an operational framework for qualitative and quantitative consolidated prudential supervision, without awaiting convergence toward Basel II/III.	Publication of COBAC implementing directives on risk management	<ul style="list-style-type: none"> <li>• COBAC validation of the proposed modifications</li> <li>• COBAC completes the draft regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the COBAC in adapting existing credential regulations (qualitative, quantitative) to consolidated supervision.</li> <li>• Aide-memoire detailing recommended prudential requirements</li> </ul>
CEMAC	The COBAC updated its prudential regulations on internal control in 2016. A number of specific texts implementing the regulations have yet to be finalized.	The COBAC has a complete regulatory framework for the supervision of internal control and risk management.	Publication of COBAC implementing directives on risk management	<ul style="list-style-type: none"> <li>• COBAC validation of the proposed modifications</li> <li>• COBAC completion of draft directives</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the COBAC in revising draft directives implementing Regulation 2016/04 on internal control, specifically on risk management</li> <li>• Detailed aide-memoire provided to the COBAC with recommended prudential provisions</li> </ul>

**TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 1: STRENGTHEN FINANCIAL SECTOR SURVEILLANCE THROUGH UPGRADING OF REGULATORY FRAMEWORK IN LINE WITH INTERNATIONAL STANDARDS</b>					
<b>SPECIFIC OBJECTIVE: Develop/Strengthen bank regulations and prudential standards</b>					
DRC	Serious difficulties encountered by number of Congolese banks warrant stricter BCC requirements for licensing of banks.	The BCC has draft licensing regulations that are effective and rigorous	Preparation of draft directives modified by the BCC (nos. 18 and 19)	<ul style="list-style-type: none"> <li>BCC validation of the proposed modifications</li> <li>BCC completion of draft directives</li> </ul>	<ul style="list-style-type: none"> <li>Support for the BCC in revising existing regulations to conform to international standards</li> <li>Detailed aide-memoire provided to the BCC, including preliminary drafts of amended directives (nos. 18 and 19).</li> </ul>
DRC	The generally unsatisfactory quality of governance, internal control, risk management, and licensing conditions warrant the reform of prudential requirements in these areas applicable to Congolese banks, in accordance with international standards.	The BCC has a complete set of qualitative prudential directives that are consistent with international standards.	BCC publication of amended directives (nos. 17, 18, 19, 21, and 22)	<ul style="list-style-type: none"> <li>BCC validation of the proposed modifications</li> <li>BCC completion of the final versions of directives</li> </ul>	<ul style="list-style-type: none"> <li>Final review of all draft directives modified by the BCC to verify conformance to international standards</li> <li>Training of supervisors in implementing the directives</li> <li>Detailed aide-memoire provided to the BCC</li> </ul>
STP	The BCSTP prudential regulations on internal control, compliance, and risk management are out of date (2007) and incomplete.	The BCSTP has a complete set of qualitative prudential regulations that are effective and consistent with international standards.	Publication of modified or supplemented regulations on banks' internal control and risk management	<ul style="list-style-type: none"> <li>BCSTP validation of the proposed modifications</li> <li>BCSTP completion of draft regulations</li> </ul>	<ul style="list-style-type: none"> <li>Support for the BCSTP in revising existing regulations to conform to international standards and good practices for supervision</li> <li>Detailed aide-memoire provided to the BCSTP with suggested modifications and recommendations</li> </ul>

**TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: MAKE MORE EFFICIENT USE OF SUPERVISORY RESOURCES TO BETTER OVERSEE KEY RISKS IN THE BANKING SYSTEM</b>					
<b>SPECIFIC OBJECTIVE: Establish a system of risk-based supervision and upgrade the other supervision processes</b>					
BDI	<ul style="list-style-type: none"> <li>The BRB needs to improve the effectiveness of its risk-based supervision, beginning by rating banks according to their risk profile</li> </ul>	<ul style="list-style-type: none"> <li>The BRB has a revised, operational system of rating banks according to their risk profile.</li> <li>The BRB has a list of surveillance and warning indicators for use in offsite examination of records</li> </ul>	<ul style="list-style-type: none"> <li>Revision of the system of rating banks according to their risk profile.</li> <li>Structuring of surveillance and warning indicators</li> </ul>	BRB completes operational implementation of the revised mechanisms based on the aide-memoire	<ul style="list-style-type: none"> <li>Revision of the bank rating tool according to the banks' risk profile (ORAP type system).</li> <li>Submission of a detailed aide-memoire to the BRB with methodological recommendations to complete the process</li> </ul>
BDI	<ul style="list-style-type: none"> <li>The BRB needs to strengthen the methodological rigor of IT audits conducted at banks.</li> <li>The BRB requested support in effectively implementing its new circular on the supervision of payment services.</li> </ul>	<ul style="list-style-type: none"> <li>The BRB has a methodological framework enabling it to conduct IT audits at banks.</li> <li>The BRB is able to apply its new circular on the supervision of payment services.</li> </ul>	The BRB onsite examinations include (1) an IT component, and (2) a payment services component	BRB completion of internal procedures based on the aide-memoire	<ul style="list-style-type: none"> <li>Training of BRB in good practices for auditing IT systems security.</li> <li>Methodological advice and guidance on procedures for onsite audits in this area.</li> <li>Training for the BRB in implementing the new BRB circular 001/17.</li> <li>Transmittal of prepared training materials</li> </ul>

**TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: MAKE MORE EFFICIENT USE OF SUPERVISORY RESOURCES TO BETTER OVERSEE KEY RISKS IN THE BANKING SYSTEM</b>					
<b>SPECIFIC OBJECTIVE: Establish a system of risk-based supervision and upgrade the other supervision processes</b>					
CEMAC	The SG-COBAC needs to strengthen its capacities to effectively implement consolidated supervision of banking groups.	The COBAC has effective procedures to supervise banking groups on a consolidated basis.	The COBAC conducts consolidated surveillance of banking groups (offsite examination of records and onsite inspections).	COBAC finalization of the language of internal procedures for ongoing supervision and revision of the inspection manual based on the aide-memoire.	<ul style="list-style-type: none"> <li>• Review of existing procedures used in onsite examinations and offsite surveillance of banking groups with a view toward restructuring procedures for greater efficiency</li> <li>• Support in revision of the SYSCO2 system for that purpose</li> <li>• Methodological guidance in implementing onsite inspections on a consolidated basis</li> <li>• Transmittal of a detailed aide-memoire to the COBAC</li> </ul>
CEMAC	The review of SG-COBAC procedures for ongoing supervision in order to adapt them to risk-based supervision has been completed for the Directorate of Microfinance (DMF), but not for the Directorate of Onsite Inspections (DCP) (banks).	<ul style="list-style-type: none"> <li>• The COBAC is able to adapt its procedures for onsite inspections of banks to the risk-based approach.</li> <li>• The DCP is able to use the updated bank rating tool.</li> </ul>	The COBAC conducts ongoing surveillance of banks using a risk-based approach.	COBAC completion of its internal procedures based on the aide-memoire.	<ul style="list-style-type: none"> <li>• Review of existing procedures used in onsite bank examinations at the COBAC (DCP) under the risk-based approach to supervision.</li> <li>• Review of rating criteria used by the SYSCO 2 expert system</li> <li>• Transmittal of a detailed aide-memoire to the COBAC</li> </ul>

TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
CEMAC	The COBAC Bank Inspection Department (DIB) needs to strengthen its capacities to review banks' mechanisms to control operational risks (particularly the risk of fraud).	The COBAC is able to conduct effective onsite examinations of operational risk at banks.	The COBAC conducts onsite inspection missions according to the guidance and recommendations.	COBAC completion of the revised inspection manual based on the aide-memoire	<ul style="list-style-type: none"> <li>• Review of existing procedures used in onsite reviews of operational risk (including risk of fraud) with a view toward restructuring procedures for greater efficiency</li> <li>• Methodological advice and guidance for onsite inspections in this area.</li> <li>• Transmittal of a detailed aide-memoire to the COBAC</li> </ul>
CEMAC	The difficulties in the CEMAC MFI sector call for strengthening of the SG-COBAC's capacities to review the corrective action plans.	The COBAC is able to ensure early detection of difficulties at MFIs and make appropriate decisions regarding their corrective action plans.	The DMF supervises troubled MFIs according to the guidance and recommendations.	COBAC validation of the recommendations and finalization of internal procedures based on the aide-memoire	<ul style="list-style-type: none"> <li>• Review of existing procedures used by the Directorate of Microfinance (DMF) in analyzing microfinance institutions' corrective action plans</li> <li>• Methodological advice and guidance in this area</li> <li>• Transmittal of a detailed aide-memoire to the COBAC</li> </ul>

**TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)**

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
<b>STRATEGIC OBJECTIVE 2: MAKE MORE EFFICIENT USE OF SUPERVISORY RESOURCES TO BETTER OVERSEE KEY RISKS IN THE BANKING SYSTEM</b>					
<b>SPECIFIC OBJECTIVE: Establish a system of risk-based supervision and upgrade the other supervision processes</b>					
CEMAC, BDI, DRC, STP	It is important to survey the status of risk-based supervision, with respect to the requirements expected of the authorities and the methodological approach to implementing this type of supervision.	The supervisory authorities of the subregion assimilate the general rationale of risk-based supervision and are able to define the operational conditions for implementation.	Launch of a structured project to implement risk-based supervision	Preliminary situation assessment (by each authority) before launching a project to transition to risk-based supervision	<ul style="list-style-type: none"> <li>Regional seminar on the approach to implementing risk-based supervision</li> <li>Transmittal of presentation materials prepared for the seminar</li> </ul>
CEMAC, BDI, DRC, STP	Bank governance and financial transparency are essential issues for which situation assessments are needed in terms of principles as well as the prudential requirements to be instituted.	The supervisory authorities of the subregion have received capacity development and methodological support to improve the procedures used in their supervision of governance and financial transparency.	Update of prudential regulations, procedures, and internal methodological notes on governance and financial transparency	Preliminary analyses of gaps (for each authority) prior to launching a reform project	<ul style="list-style-type: none"> <li>Regional seminar on governance and financial transparency in banks</li> <li>Transmittal of presentation materials prepared for the seminar</li> </ul>
DRC	The BCC needs to continue strengthening the capacities of its bank supervisors.	The new BCC supervisors have acquired the capacity to perform their operational functions in accordance with international standards.	Supervisory methodology contained in training materials	Improve organization and functioning of the internal BCC training process for bank supervisors	Supplemental training of new BCC supervisors in financial analysis of banks, accounting under IFRS standards, internal control, and risk-based supervision

TABLE 10. EXCERPT FROM THE 2019 LOGICAL FRAMEWORK: BANKING REGULATION AND SUPERVISION (CONT.)

Country / Region / Institution	Baseline	Outcomes	Indicators	Milestones	Mode of intervention
STP	The BCSTP needs to structure its methodology for risk-based supervision, beginning with the rating of banks according to their risk profile	The BCSTP implements risk-based supervision	Development of a rating system for use by bank supervisors based on the banks' risk profile	BCSTP finalization of the draft based on the aide-memoire	<ul style="list-style-type: none"> <li>• Development of a CAMELS/ORAP type tool for rating banks according to their risk profile.</li> <li>• Submission of a detailed aide-memoire to the BCSTP with methodological recommendations to complete the process</li> </ul>



SECTION IV

AFRITAC  
CENTRAL STAFF

## Coordinator/Director



**Paulo Drummond**

(Since September 2016)

Prior to taking up his assignment as Coordinator/Director with AFRITAC Central, Mr. Drummond served at IMF headquarters in Washington as Deputy Chief of the Technical Assistance Division, Monetary and Capital Markets Department. Mr. Drummond brings a wealth of operational experience gained from his positions with several IMF's departments. At the IMF's African Department, Mr. Drummond was the Mission Chief for the West and East African countries and contributed to research and analyses on Fund's regional economic outlooks. At the Strategy, Policy, and Review Department, he worked on debt relief for low-income countries in collaboration with the Paris Club. At the European Department, he worked on a range of issues involving industrialized and emerging-market countries and served as the IMF resident representative in 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 TAX)



**Renilde Bazahica**

(Since July 2017)

Ms. Bazahica is a graduate of the University of Burundi's Faculty of Law and the National School of Tax Administration in Clermont-Ferrand, France. She has served in various positions in the Burundi and foreign governments, including as Director General of Taxation in Burundi; expert consultant to the World Bank; technical advisor to the Director General of Taxation in the Central African Republic; short-term advisor to the IMF; project leader in implementation of the semi-autonomous revenue agency in Togo; and more recently as a resident advisor in Tax Administration for AFRITAC West.

## PUBLIC FINANCIAL MANAGEMENT



**Abdoulaye Touré**

(Since September 2014)

Mr. Touré is a graduate of the National Business School of Bamako, Mali; the School of Public Administration of Rabat, Morocco; and the Center for International Development Studies (CERDI) of the University Blaise Pascal in Clermont Ferrand, France. Prior to joining the Center, Mr. Touré served in the Malian Prime Minister's office as Deputy Chief of Staff for the economic sector and as Secretary General of the Ministry of Economy and Finance; he also held positions at the National Budget Directorate as Director General, National Budget Director, and Chief of the Expenditure Division. Mr. Touré was also a part-time lecturer in law and government finance at the National School for Industry, Business, and Administration from 1991 to 1993, and Assistant lecturer of Government Finance at the National Business School of Bamako, Mali from 1994 to 1996.



**Blaise Yehouenou**

(Since August 2018)

Mr. Blaise Yehouenou joined AFC as a Public Financial Management advisor in August 2018. Since 2009, he has been a member of the International Monetary Fund (IMF) expert's panel. He was Director of public accounts (2001-2006), Director of vocational training (2006-2008) and Chief cashier of the Republic of Benin (2008-2012). Resident advisor in charge of public financial management for the IMF Fiscal affairs department in Togo (2012-2015) and West AFRITAC (2015-2018). He is a specialist in public accounts, cash management, and elaboration of functional standards for the development of accrual-based accounting management information systems.

## MACROECONOMIC AND FISCAL ANALYSIS AND FORECASTING



### Séverin Yves Kamgna

(Since November 2017)

Mr. Kamgna, a statistician/economist, began his career in 1999 at the headquarters of the Bank of Central African States (BEAC), where he focused successively on regional economic conditions, macroeconomic forecasting, monetary programming, public finance, and multilateral surveillance. In parallel, he taught macroeconomic modeling, monetary economics, and international economics at the Subregional Institute for Statistics and Applied Economics (ISSEA) in Yaoundé, Cameroon. He has worked on macroeconomic modeling projects in Central Africa, supervised task forces, and published a number of articles on issues in macroeconomic management in Africa. During the three years prior to joining AFRITAC Central, Mr. Kamgna served as regional resident advisor in macroeconomic analysis and forecasting for the AFRITAC West (the IMF regional technical assistance center supporting 10 countries of West Africa).

## 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 30 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. He helped the Forecasting Directorate of the Ministry of Economy and Finance of Benin to develop a macroeconomic model used in the 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, including classifications and national accounts for the WAEMU, ECOWAS, and CEMAC.

Before joining AFRITAC Central, he was recruited by the IMF to serve as a real sector statistics advisor, responsible for the two Congos.

## GOVERNMENT FINANCE STATISTICS



### Francis Gahizi

(Since March 2016)

Mr. Gahizi, a national of Rwanda and expert in finance and public financial management (PFM) systems, served as a lecturer of finance and accounting in a number of Rwandese universities from 2002 to 2008. He then served as an advisor on PFM's reforms and information systems with ministries of finance of Rwanda and South Sudan. Before joining the Center, Mr. Gahizi was an advisor on financial management systems with the Global Sanitation Fund in Geneva, Switzerland covering a number of 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 REGULATION AND SUPERVISION



**Alexis Boher**

(Since September 2016)

Mr. Alexis Boher is a graduate of the Institute of Political Studies, Paris and holds a License in Law from the University of Paris 1 Pantheon-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 holds a Ph.D. in international law and political science from the University of Reims in Champagne-Ardenne France. Before joining AFRITAC Central as the resident advisor in results-based management (RBM), he worked for various international organizations including the United Nations Economic Commission for Africa, the United Nations Development Programme, the United Nations Institute for Training and Research, and the International Labour Organization. Drawing on his extensive experience in project evaluation, monitoring, and management, Mr. Athanassiou is in charge of implementing the Fund's new RBM framework at AFRITAC Central to strengthen the planning, monitoring, and coordination of all the Center's technical assistance activities and drafting the associated reports.

## Administration



OFFICE MANAGER

**Marie-Hélène Issembe**



PROJECT OFFICER

**Armel Houtsa**



ADMINISTRATIVE ASSISTANT

**Carine Mboumba**



ADMINISTRATIVE ASSISTANT

**Larissa Mabika Balenga**



ADMINISTRATIVE ASSISTANT

**Djena Laetitia Djembo**



ADMINISTRATIVE ASSISTANT

**Gianna Mamalepot**



TECHNICIAN/DRIVER

**Batsielili Idoudou**

## Former Staff Member

(FY 2018)



RESIDENT ADVISOR,  
PUBLIC FINANCIAL MANAGEMENT

**Agnès Turenne**

(October 2016-March 2018)

# ANNEXES

**ANNEX 1. STATUS OF FINANCIAL CONTRIBUTIONS FOR PHASE 2 (AS OF OCTOBER 31, 2017)**

	Currency*	Commitments		Contributions received (U.S. dollars)	Payments pending (U.S. dollars)
		(partner currency)	(U.S. dollars)		
<b>PARTNERS</b>					
AfDB	U.S. dollar	1,500,000	1,500,000	1,500,000	0
Australia	U.S. dollar	1,250,000	1,250,000	1,250,000	0
Canada	Canadian dollar	2,000,000	2,077,650	2,077,650	0
China	SDR	650,000	989,580	989,580	0
European Commission (ACP) <sup>1</sup>	Euro	6,000,000	8,172,160	5,565,600	2,606,560
European Commission <sup>2</sup>	Euro	2,149,200	2,403,839	2,403,839	0
European Investment Bank (EIB)	Euro	500,000	685,600	685,600	0
France	Euro	1,600,000	2,090,879	2,090,879	0
Germany	Euro	1,000,000	1,316,500	1,316,500	0
<b>SUBTOTAL, PARTNERS</b>			<b>20,486,209</b>	<b>17,879,648</b>	<b>2,606,560</b>
<b>MEMBER COUNTRIES</b>					
Burundi	U.S. dollar	325,000	325,000	298,277	26,723
Cameroon	U.S. dollar	5,000,000	5,000,000	4,695,694	304,306
Chad	U.S. dollar	5,000,000	5,000,000	1,250,000	3,750,000
Democratic Republic of the Congo	U.S. dollar	1,800,000	1,800,000	1,650,000	150,000
Gabon <sup>3</sup>	U.S. dollar	10,000,000	10,000,000	3,491,798	6,508,202
Congo	U.S. dollar	5,000,000	5,000,000	5,000,000	0
Transfers from FAA <sup>4</sup>	U.S. dollar	174,395	174,395	174,395	0
<b>SUBTOTAL, MEMBER COUNTRIES</b>			<b>27,299,395</b>	<b>16,560,164</b>	<b>10,739,231</b>
<b>GRAND TOTAL</b>			<b>47,785,604</b>	<b>34,439,812</b>	<b>13,345,791</b>

Source: IMF, Institute for Capacity Development

\* Contributions in currencies other than U.S. dollars are converted using the exchange rate in effect on the date of signature of the convention.

<sup>1</sup> LOU 453 – Agreement signed for € 6.0 [million], of which € 4.0 million was received. The U.S. dollar amount of the convention was converted at the exchange rate € 1 = US\$ 1.3620 at the date of signature of the accord.

<sup>2</sup> LOU 669 – An accord was signed in the amount of € 3.0 million, of which € 2.7 million was received. € 2.14 million was used for Phase 2, and € 0.56 million was transferred to Phase 3. The U.S. dollar amount of the convention was converted at the exchange rate € 1 = US\$ 1.1184 at the date of signature of the accord

<sup>3</sup> Includes the US\$ 2.8 million as host country.

<sup>4</sup> Transfers after termination of the Framework Administration Account (FAA) instrument. This amount includes the contributions from Burundi, the Democratic Republic of the Congo, and the CEMAC (Cameroon, Chad, Central African Republic, Congo, Gabon, and Equatorial Guinea).

## ANNEX 2. STATUS OF EXPENDITURE FOR PHASE 2 (AS OF OCTOBER 31, 2017)

Purpose of expenditure	Fiscal Year 2013 expenditure	Fiscal Year 2014 expenditure	Fiscal Year 2015 expenditure	Fiscal Year 2016 expenditure	Fiscal Year 2017 expenditure	Fiscal Year 2018* expenditure
	(U.S. dollars)					
<b>RESIDENT ADVISORS</b>	<b>1,360,884</b>	<b>1,423,896</b>	<b>1,620,369</b>	<b>1,696,142</b>	<b>1,873,073</b>	<b>1,070,237</b>
Public finance/ Revenue administration	788,294	760,297	759,353	778,573	740,397	427,727
Results-based management	-	-	-	-	-	53,567
Financial markets	379,141	394,489	585,235	596,075	600,965	310,900
Statistics	193,448	269,110	275,782	321,494	531,711	278,044
<b>SHORT-TERM EXPERTS</b>	<b>1,168,565</b>	<b>1,025,426</b>	<b>1,277,029</b>	<b>1,326,297</b>	<b>1,567,966</b>	<b>836,652</b>
Public finance/ Revenue administration	890,123	521,080	706,200	715,236	836,142	523,738
Financial markets	133,856	400,637	436,043	396,262	313,625	205,270
Statistics	144,585	103,708	134,787	214,799	418,199	107,644
<b>DIAGNOSTIC INTERVENTIONS</b>	<b>-</b>	<b>-</b>	<b>4,132</b>	<b>-</b>	<b>5,014</b>	<b>-</b>
<b>TRAINING</b>	<b>458,869</b>	<b>615,622</b>	<b>734,872</b>	<b>722,575</b>	<b>671,213</b>	<b>434,293</b>
Training in macroeconomic and financial management	-	97,792	143,045	36,948	(9,996)	-
Seminars	458,869	517,830	591,827	685,627	681,209	434,293
<b>TRAVEL</b>	<b>368,601</b>	<b>456,469</b>	<b>454,136</b>	<b>354,012</b>	<b>443,327</b>	<b>235,652</b>
Resident advisors	259,800	313,837	330,699	236,453	274,188	181,601
Center Coordinator	73,475	58,916	55,493	61,836	57,774	26,215
Personnel travel	35,326	83,715	67,944	55,723	111,366	27,837
<b>METHODOLOGICAL SUPPORT PROJECT MANAGEMENT</b>	<b>136,006</b>	<b>231,141</b>	<b>219,735</b>	<b>274,612</b>	<b>352,728</b>	<b>135,549</b>

\* between May 1 and October 31, 2018

**ANNEX 2. STATUS OF EXPENDITURE FOR PHASE 2 (AS OF OCTOBER 31, 2017) (CONT.)**

Purpose of expenditure	Fiscal Year 2013 expenditure	Fiscal Year 2014 expenditure	Fiscal Year 2015 expenditure	Fiscal Year 2016 expenditure	Fiscal Year 2017 expenditure	Fiscal Year 2018*
	(U.S. dollars)	(U.S. dollars)				
<b>OTHER</b>	<b>188,605</b>	<b>191,545</b>	<b>249,289</b>	<b>233,840</b>	<b>230,478</b>	<b>106,220</b>
Other/Communication expenses	188,605	191,545	116,906	130,564	230,478	106,220
Evaluation	-	-	132,383	103,276	-	-
<b>CENTER MANAGEMENT</b>	<b>479,759</b>	<b>634,084</b>	<b>768,908</b>	<b>673,869</b>	<b>696,235</b>	<b>375,475</b>
Office space	315,436	458,431	549,905	460,362	521,994	285,883
Support personnel	164,323	171,687	219,003	211,129	174,241	89,592
Support personnel training	-	3,967	-	2,378	-	-
<b>SUBTOTAL, CENTER MANAGEMENT</b>	<b>4,161,289</b>	<b>4,578,183</b>	<b>5,328,471</b>	<b>5,281,348</b>	<b>5,840,034</b>	<b>3,194,078</b>
Trust fund management (7%)	291,290	320,473	372,993	369,694	408,802	223,586
<b>TOTAL, AFRITAC CENTRAL</b>	<b>4,452,579</b>	<b>4,898,655</b>	<b>5,701,464</b>	<b>5,651,043</b>	<b>6,248,836</b>	<b>3,417,664</b>

Source: IMF, Institute for Capacity Development

\* between May 1 and October 31, 2018

### ANNEX 3. STATUS OF FINANCIAL CONTRIBUTIONS FOR PHASE 3 (AS OF JULY 31, 2018)<sup>1</sup>

Information on the agreement					Contributions received (U.S. dollars)	Contributions pending (U.S. dollars)		
Contributors	Signature date	Currency <sup>2</sup>	Amount	U.S. dollars		Amount called	Future call <sup>3</sup>	
Total Partners					11,525,478	6,505,634	-	5,019,844
China	7/12/2018	USD	3,300,000	3,300,000	-	-	3,300,000	
European Commission <sup>4</sup>	6/9/2017	EUR	850,667	951,395	615,872	-	335,523	
European Investment Bank	4/19/2017	EUR	200,000	237,180	237,180	-	-	
France	11/27/2017	EUR	2,000,000	2,346,041	961,720	-	1,384,321	
Germany <sup>5</sup>	2/14/2017	EUR	3,000,000	3,531,300	3,531,300	-	-	
Netherlands	11/17/2017	EUR	1,000,000	1,159,562	1,159,562	-	-	
Total Member Countries					8,000,000	-	5,000,000	3,000,000
Cameroon	12/05/2017	USD	2,000,000	2,000,000	-	1,000,000	1,000,000	
Democratic Republic of the Congo	04/06/2018	USD	2,000,000	2,000,000	-	2,000,000	-	
Gabon, <i>Host country</i>	04/30/2018	USD	4,000,000	4,000,000	-	2,000,000	2,000,000	
Grand total					19,525,478	6,505,634	5,000,000	8,019,844

Source: IMF, Institute for Capacity Development

<sup>1</sup> The center will be fully funded, assuming signed contributions are disbursed and US \$9.5 million pledged by partners (EU and Germany) and US \$7 million from member countries come through.

<sup>2</sup> Contributions in currencies other than U.S. dollars are converted using the exchange rate in effect on the date of signature of the convention

<sup>3</sup> The future contribution in dollars may fluctuate according to the exchange rate of the currency used to transfer funds.

<sup>4</sup> Includes a balance of € 300,000 under LOU 669.

<sup>5</sup> Additional support of € 2 million has been pledged by Germany.





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