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This action is funded by the European Union

ANNEX

of the Commission Decision on the financing of the Annual Action Programme 2018 part 2 in favour of West Africa

Action Document for Support to AFRITAC WEST 2 Project – Phase II

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 110(2) of the Financial Regulation, applicable to the EDF by virtue of Article 37 of the Regulation (EU) 2015/323 in the following sections concerning grants awarded directly without a call for proposals: 5.4.1

1. Title/basic act/ CRIS number	Support to AFRITAC WEST 2 Project – Phase II CRIS number: ROC/FED/041-514 financed under the 11th European Development Fund (EDF)	
2. Zone benefiting from the action/location	West Africa (WA) The action shall be carried out at the following Economic Community of West African States (ECOWAS): Cape Verde, Ghana, Liberia, Nigeria, Sierra Leone and Gambia	
3. Programming document	11th EDF Regional Indicative Programme (RIP) for West Africa 2014–2020	
4. Sector of concentration/ thematic area	Regional economic integration	DEV. Aid: YES[1]

[1] Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

5. Amounts concerned[2]	Total Estimated Cost: EUR 17 000 000 Total amount of 11th EDF contribution: EUR 5 000 000 This action is co-financed in joint co-financing by: Germany, China and United Kingdom (UK) for an indicative amount of EUR 12 000 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management:– direct award of Grant Agreement to the International Monetary Fund (IMF)			
7 a) DAC code(s)	15111 Public finance management (20 %) 15114 Domestic revenue mobilisation (20 %) 15142 Macroeconomic policy (20 %) 24010 Financial policy and administrative management (20 %) 24020 Monetary institutions (20 %)			
b) Main Delivery Channel	43000 International Monetary Fund (IMF)			
8. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Main objective**
	Participation development/good governance	☐	☐	X
	Aid to environment	X	☐	☐
	Gender equality (including Women In Development)		X	☐
	Trade Development	☐	X	☐
	Reproductive, Maternal, New born and child health	X	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	X	☐	☐
	Combat desertification	X	☐	☐
	Climate change mitigation	X	☐	☐
	Climate change adaptation	X	☐	☐
9. Global Public Goods and Challenges (GPGC) thematic flagships	Flagship 10 Domestic Revenue Mobilisation initiative for growth and development			

[2] Belgium, Canada, Switzerland and United Kingdom have shown willingness to contribute; their contributions will be added when decided.

10. Sustainable Development Goals (SDGs)	Main SDG: • SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development (SDG 17.1: strengthen domestic resource mobilisation; SDG 17.3: mobilise additional financial resources for developing countries from m multiple sources; SDG 17.4: Assist developing countries in attaining long-term debt-sustainability through coordinated policies ; SDG 17.9: enhance international support for implementing effective and targeted capacity building in developing countries; SDG 17.13: enhance global macroeconomic stability; SDG 17.14: enhance policy coherence for sustainable development) Secondary SDGs: • SDG 16: Peace, Justice and Strong Institutions (16.6, 16.8, 16.a) • SDG 4 Quality education • SDG 5 Gender Equality • SDG 8: Decent work and economic growth • SDG10 Reduced inequalities

SUMMARY

The overall objective of the project is to contribute to higher growth and poverty reduction in the six member countries, through promotion of regional economic integration, strengthening the steering of harmonised economic and financial policies at the regional level, consolidating the macroeconomic, financial and fiscal frameworks and improving economic governance in West Africa.

The specific objective of the programme is to strengthen the institutional and human capacities of the States of the WA region for effective macroeconomic management in the areas of competence of the AFRITAC. The capacity development activities aim to improve the design, implementation, and monitoring of sound macroeconomic, financial, fiscal and monetary policies, and enhanced regional harmonisation, in alignment with the regional objectives of the Economic Community of West African States (ECOWAS).

The main expected results are:

Output 1. Enhanced capacity of member countries to improve and harmonise legislations, policies, processes and systems for **macroeconomic analysis and public financial management (PFM)** in member countries.

Output 2. Strengthened institutional and human capacities on **customs and revenue administration** in the member countries.

Output 3. Enhanced capacity for a more effective and market friendly monetary policy and operations in the member countries and operational capacities for **strengthen banking supervision** and **public debt management** consistent with regional monetary integration efforts;

Output 4. Improved capacity on quality, coverage, dissemination and timeliness of macroeconomic **statistics** and their compliance with international data dissemination standards;

Output 5. Improved capacity for greater r**egional coordination** of the technical support provided to ECOWAS member states and ECOWAS Commission in the areas of intervention of the AFRITAC West 2.
The action is to be implemented through direct support to the International Monetary Fund's (IMF) Regional Technical Assistance Centre in the West Africa region. The IMF's regional approach to capacity development allows for better tailoring of assistance to the particular needs of a region, closer coordination with other development partners and regional organisations, and an enhanced ability to respond quickly to emerging needs.

1. CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The Member countries the region covered by AFRITAC West 2 (AFW2) face macroeconomic challenges such as fiscal challenges against the backdrop of falling commodity revenues, and sluggish global growth and export demand. Overall growth prospects have improved relative to the 2016–17 period reflecting favourable commodity prices. While many AFW2 countries narrowed their fiscal deficits in 2017, public debt remains relatively high in the region averaging 75 % of gross domestic product (GDP). Given large infrastructure gaps and rising demand for public services, there is need to press ahead with structural reforms and, increase domestic revenue mobilisation. Additional efforts to strengthen public financial management and improve domestic revenue mobilisation are required. In particular, the region covered by AFRITAC West 2 includes countries that suffered a hardest hit by the new environment of low oil prices such as Nigeria. The region is still struggling to deal with the resulting budgetary revenue losses and balance of payments pressures. With policy adjustments delayed and still limited, spill overs from lower oil prices to the non-oil sectors continue to damage the region economies, and could generate even deeper difficulties. Other member countries such as Ghana, a commodity exporter, is grappling with larger fiscal deficits but has made progress toward fiscal consolidation.

The regional outlook is also clouded by the incidence of drought, pests (the recent Ebola outbreak had a strong impact on fragile states such as Liberia and Sierra Leone), security issues, ongoing conflicts, and policy uncertainty associated with election cycles that have contributed to a slow pace of growth in the recent years.

The external environment is expected to offer only limited support. Recent improvements in commodity prices, while providing welcome breathing space, will not be sufficient to address the existing imbalances in resource-intensive countries. In such a context, policy actions are urgently needed to address macroeconomic imbalances.

Fiscal measures should support binding limits on central bank financing to governments and help contain external pressures. In countries where the exchange rate tool is available, such as Nigeria greater exchange rate flexibility and the elimination of exchange restrictions that are inflicting serious harm on the real economy should be part of a coherent policy package.

Countries in the region need to promote fiscal consolidation, in order to avoid unsustainable levels of debt when borrowing costs are expected to rise. Debt trajectories are on an upward trend and at around or above 50 % of GDP in many non-resource-intensive countries (e.g. Cabo Verde). Thus, reviving growth in the region requires sound domestic policies, including fiscal policy that prevents excessive public debt accumulation, monetary policy geared toward low inflation, outward-oriented trade policies, and structural policies that reduce market distortions. It will be important to ensure that public investment, which has led to rising debt levels, is returned to normal levels consistent with medium-term fiscal and external sustainability. Access to international capital markets remained tight for sub-Saharan African frontier market economies, with only Ghana and Nigeria tapping the market since early 2016.

The informal economy is an important component of most economies in the region, contributing between 25 and 65 % of GDP and between 30 and 90 % of total non-agricultural employment. Countries need to be able to design and implement policies to create an economic environment that supports the growth of the formal sector and also raises the productivity of the informal sector, hence facilitating the transition of resources from the informal to the formal sector and helping sustain growth accelerations.

Weakening commodity exports, the ensuing sharp slowdown in economic activity, and the build-up of government payment arrears to contractors are all restricting private firms' capacity to service their loans to various degrees across the region. This has resulted in a widespread increase in nonperforming loans. In the face of deteriorating asset quality and declining banking system liquidity and tighter monetary policy (e.g. Ghana), it is important to sustain and speed up the institutional capacity to design and implement sound macroeconomic and financial policies to promote growth and reduce poverty in the areas to be identified in point 1.1.3.

1.1.1 Public Policy Assessment and EU Policy Framework

The EU's New European Consensus on Development "our world, our dignity, our future"[3] presents a new common vision for development policy for the EU and its Member States, bringing the previous 2005 European Consensus on Development in line with the 2030 Agenda for Sustainable Development and addressing in an integrated manner the five main orientations in the 2030 Agenda: people, planet, prosperity, peace, and partnership. The Consensus will contribute to the objectives and values of EU external action, as agreed in the Lisbon Treaty, and will support the Global Strategy on the EU's Foreign and Security Policy.

Within Agenda 2030, a key message that emerged from the Addis Ababa Agenda for Action is that domestic public finance – revenue mobilisation and effective use of resources – provides by far the largest and most stable source available for financing sustainable development. Building on three important policy landmarks – the Communications "Tax and Development" in 2010, "Budget Support" and "Agenda for Change" in 2011, the European Commission presented a holistic approach to domestic public finance fully outlined in the "Collect More – Spend Better" Staff Working Document in 2015 to support developing countries to increase domestic revenue mobilisation and to spend financial resources more effectively. This document analyses ways to support developing countries in providing the resources required to ensure the right mix of public goods and services for implementing the 2030 Agenda for Sustainable Development. The European Commission is also a co-founder of the Addis Tax Initiative in 2015, which intends to generate more resources for capacity building in the field of domestic revenue mobilisation/taxation as well as more ownership and commitment for the establishment of transparent, fair and efficient tax systems.

The EU is also one of the main development partners committed to providing part of its aid through budget support, in order to build domestic accountability and use country systems:

[3] OJ C 210 of 30.6.2017

annual EU budget support disbursements were around EUR 1 600 000 000 in 2015, representing 20 % of the Official Development Assistance (ODA) disbursed by EuropeAid and the Directorate-General for Neighbourhood and Enlargement Negotiations. The breakdown of budget support commitments by region shows that Sub-Saharan Africa remains the largest recipient of budget support at 47 %. All budget support formulations and disbursements require assessment of three general eligibility conditions: public finance management, macro-economic framework and budget transparency, which are all closely related to the work of the IMF Regional Technical Assistance Centres.

The EU has also launched the new European External Investment Plan "Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan[4]" that aims to encourage investment in partner countries. One of the objectives of this ambitious plan is to support partner countries to improve their investment climate by supporting regulatory, policy reforms and economic governance. The activities of AFRITAC will contribute to this goal in particular addressing key constrains to investment as the macroeconomic framework, governance and public finance management, financial markets and access to finance, investment incentives, economic and trade prospects, economic efficiency, among others.

In December 2016, the Directorate-General for International Cooperation and Development of the European Commission and the International Monetary Fund (IMF) endorsed a new Strategic Partnership Framework (SPF) that will guide future support on boosting economic growth and stability in developing countries. The framework focuses on supporting economic institution building, including the design and implementation of macroeconomic policies and structural reforms which are key for achieving the Sustainable Development Goals (SDGs) of the 2030 Agenda. It will be organised around three main pillars including an "Africa Flagship Initiative" to support economic growth in Africa; a "Collect More Initiative" to foster revenue mobilisation; and a "Spend Better Initiative" to achieve tangible expenditure outcomes. Support to Regional Technical Assistance Centres is a key component of the SPF.

The European Union has sound expertise in the areas where the AFRITAC provides support, in part due to its experience as a committed budget support donor (see section 1.1.1). It also has a long history of collaboration with the IMF by virtue of this work, including for example on developing the assessment frameworks for Public Expenditure and Financial Accountability (PEFA) and Tax Administration Diagnostic Assessment Tool (TADAT).

1.1.2 Stakeholder analysis

At national level the following stakeholders are directly concerned:

- Ministries of Economy and Finance and/or other Ministries and State Departments responsible for monitoring and implementing reforms in the areas of public financial management, mobilisation of revenue, etc.;
- National central banks;
- Ministries of Economic Planning;
- Budget Offices;
- Statistics Offices;

[4] COM(2016) 581 final of 14.9.2016

- Accountant General's Departments;
- Debt Management Offices;
- Revenue Administrations;
- Parliaments and other public and private sector Agencies involved in macroeconomic and financial policy formulation management.

Other stakeholders are indirectly affected by the activities implemented. These include:

- National Accounts Courts;
- National Coordination Committees (NCCs) of ECOWAS in the field of macroeconomic surveillance.

At the regional level the ECOWAS Commission; notably the Departments responsible for Macroeconomic Policy, Trade, Customs and Free Movement are directly concerned; the West African Monetary Institute (WAMI); the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT), West African Institute for Financial and Economic Management (WAIFEM) and the Key ministerial structures responsible for ECOWAS regional integration in Member States.

1.1.3 Priority areas for support/problem analysis

AFW2 (the Centre) is providing technical assistance (TA) in the following areas: revenue administration[5] (tax and customs), public financial management, macroeconomic statistics, monetary operations and payments system and banking supervision. The Centre currently has eight resident advisors including a Results-Based Management Advisor. The activities undertaken by the Centre follow a detailed work plan, which is reviewed and approved by the Orientation Committee. While it provides the general guidelines for the centre's work, the plan is applied flexibly and could change according to emerging needs and requests. The Centre is financed by the IMF, multilateral and bilateral development partners.

AFRITAC support is provided through targeted national and regional TA and training activities, many of which foster peer learning and exchange. Specifically, support from AFW2 is expected to continue in the following areas:

- **Revenue Administration and Taxation**: Revenue mobilisation – technical assistance in this area include: (i) strengthening the organisation of tax agencies, processing functions, enforcement, and taxpayer services; value added taxation, international taxation, and small taxpayer taxation; (ii) strengthening budget formulation and planning, budget approval, budget execution, accounting and fiscal reporting in PFM; (iii) enhancement of transparency in border and customs management, customs procedures, information exchange, risk analysis, post clearance audits selectivity criteria in customs administration; and (iii) gap analysis of data from Customs and domestic taxation.
- **Enhanced PFM capacity and systems**: to identify and manage emerging fiscal risks, development and improvement of information technology (IT) systems, investments in large infrastructure projects and use of advanced financing instruments (e.g. public-private

[5] Tax Policy will be covered by IMF HQ on a need basis.

partnerships, concessions, guarantees and treasury bonds). In particular, AFW2 work will contribute to improved laws and effective PFM institutions; comprehensive, credible and policy-based budget preparation process; improved budget execution and control; improved coverage and quality of fiscal reporting; improved integration of asset and liability management framework (treasury single account arrangements, cash flow forecasting, debt management, etc.); strengthened identification, monitoring and management of fiscal risks.

- **Regional fiscal surveillance and fiscal convergence**. AFW2 will contribute to Fiscal Transparency Evaluations (FTEs) through IMF Headquarter (HQ), for member countries and will support efforts in the ECOWAS/**West African Economic and Monetary Union (**UEMOA) regions to improve and harmonise countries' medium-term convergence programmes. AFW2 will help with developing PFM systems and harmonise practices to good international standards to achieve strong public financial and debt management.

- **Financial regulation and supervision**, supporting member countries supervisors in developing standards on key supervisory topics such as consolidated and risk-based supervision, Basel capital adequacy standards, stress testing, and anti-money laundering/combating the financing of terrorism (through IMF HQ). Support covers enhancing financial stability including through improving asset classification and strengthening provisioning norms. In this regard, effective regulation and supervision of the growing financial sectors would require technical assistance on financial market infrastructure and managing cross-border flows.

- **Monetary policy and operations** – including sharing experiences in modernising monetary policy frameworks, supports efforts to introduce inflation-targeting frameworks where conditions permit, supports efforts to enhance assistance for regional integration concerning the establishment of a monetary union. Supports the Member states and regional organisations' efforts to modernise monetary policy frameworks, including liquidity and inflation forecasting, central bank governance, and monetary policy communication and support the development of financial market infrastructures and payments to international standards.

- **Statistics** – the implementation of best statistical practices and international standards is a powerful tool for the production of harmonised and comparable data across the region (in addition to providing a sound basis for policy design and implementation) improving national account statistics for use by policy makers.

- **Strengthening the capacities of regional organisations – ECOWAS and UEMOA -**, for instance through the participation of these institutions' staff in training events, or joint operations.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
• The objectives and activities implemented not sufficiently coordinated with the objectives of the Regional Organisations (ORs).	H	• Increased effort of alignment of centre activities and regional integration agenda.
• Insufficient human resources is a common feature of ECOWAS.	H	• Strengthening human resources in ECOWAS will help reduce the risk of substitution by TA.
• The activities implemented by AFRITAC West 2 are not coordinated with the other technical support of the PIR and/or NIPs and with the activities of AFRITAC WEST 1.	M	• Increased alignment of working plans with development partners priorities in the domains covered by the Centre. Use of Centre knowledge in the formulation of future support. Ensure more structure dialogue and donor coordination to ensure that recommendations can be incorporated into the identification and formulation cycle.
• Lack of co-financing from other development partners will force the Regional Technical Assistance Centres (RTACs) to limit their TA compared to their plans.	M	• EU to keep close contacts with other development partners/potential development partners and coordinate carefully. • To improve contributions of member countries.
• Partner governments are unable to absorb TA due to other priorities or staff constraints or delay in the follow-up of the Centre's Capacity Development recommendations.	H	• Partner governments are part of Orientation Committees and RTACs have proven flexible enough to accommodate timing/content changes in the past. Active coordination with development partners can also ensure follow-up of advice. Strengthening accountability for Capacity Development results.
• Election cycles, change in governments and political instability; regional conflicts; public heath emergencies. • Ability to retain and recruit key advisers/changes in personnel.	M M	• Ensure longer duration contracts with options for renewal. Initiate processes for extension in a timely manner, and Centre to put in measures to allow for a smooth transition.

Assumptions
• Macro-economic factors do not undermine the implementation of the project activities. • No new significant adverse climatic conditions or conflicts prevailing in the region. • Appropriate accompanying measures are implemented, and resources, as needed, provided by the member states and regional organisations. • Absence of exogenous shocks. • Sustained commitment to national and regional reforms by member countries.

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS CUTTING ISSUES

3.1. Lessons learnt

AFRITAC West 2 has been delivering capacity development services since January 2014 and serves Cabo Verde, Ghana, Liberia, Nigeria, Sierra Leone and Gambia. Additional efforts are needed to strengthen public financial management and improve domestic revenue mobilisation. In the programme's second phase, the Centre will continue to be responsive to individual member countries' needs ensuring coherence with the regional objective and deliver prompt capacity building support in its core areas of expertise. The mid-term evaluation of the 10th EDF supported programme has considered:

Relevance: The relevance of AFW2 as a whole; its objectives and implementation strategy and its different activities have been assessed as good to excellent. AFW2 TA and training activities have been highly consistent with the overall AFW2 programme document. The programme design and implementation approaches are largely coherent and adequate. AFW2 TA has been highly responsive to the diverse needs of the member countries and purposely avoids "one size fits all" approaches. AFW2 needs assessment takes into account existing reform plans and strategies. While AFW2 has acknowledged the need to promote regional cooperation, this promotion of regional integration through the implementation of specific TA and training activities has varied across TA areas.

Efficiency: The overall efficiency of the AFW2 programme is rated as good. AFW2 internal processes are well-established, the TA delivery is well organised and timely delivered. The Orientation Committee has become increasingly involved in AFW2 activities. However, it has mainly served as a platform for sharing information and accounting for the implementation of the previous year's work plan. Budget execution still requires improvement. There is the need to conduct more proactively strategic outreach to counterparts in the member countries and other TA providers. EU Delegations and other development partners have expressed the need for systematic briefings at the end of TA missions and more constant exchange of information.

Effectiveness: Overall effectiveness of the AFW2 programme has been assessed as modest to good. The achievement of objectives of completed activities is generally good across all areas, except for some PFM activities for which the targeted performance indicator was defined at an outcome level. AFW2 activities achieve to a large extent tangible results. The countries were satisfied with the high-quality and professional competence of AFW2 TA and training. The ability of the recipients to translate the immediate results to intermediate and final outcomes is challenging for various reasons such as insufficient human and institutional capacity, complementary resources, and political expediency.

Sustainability: Overall, the sustainability of the accomplishments realised by AFW2 assistance is assessed as modest to good across all three sub-criteria: country ownership of the delivered TA and institutionalisation of the built capacity, promotion of the use of regional expertise, and mitigation of (external) factors affecting sustainability. Promoting regional experience and expertise has been limited in a number of technical areas. There are a range of factors affecting sustainability both positively and negatively. Many factors affect absorption capacity and sustainability related to:

- Low involvement of Nigeria in the first two years;
- Fragile situation in two member countries (Liberia and Sierra Leone) which poses additional challenges in promoting sustainability;
- The fact that four countries experienced general elections which were won by the opposition party and the subsequent change of key officials resulted in disruptions of the workflow, the high attrition rate and low capacity at the beneficiaries' institutions, and;
- The challenging working environment, as many authorities were under resourced.

Impact: the evaluation considered that it is too early to expect measurable outcomes and impacts. Impact measurement is complicated as countries are also receiving assistance through other IMF channels and from other development partners. The case studies point to a "modest to good" score.

The European Union is also a long-standing partner to regional integration in West Africa. Lessons learnt from the European Union suggest the need for enhancing coordination between support at the regional and the national level. More follow-up and coordination are required in relation to the transposition and application of legislation and the implementation of regional policies. For this reason, there is the need for a stronger partnership between the AFRITACs and the regional organisations - ECOWAS and UEMOA- in order to strengthen national capacities to improve implementation of economic reforms and to ensure higher sustainability of results. This also implies a strong coordination with the other RTAC from the region AFRITAC WEST.

The Centre would be required to support activities within its mandate that could foster regional integration in ECOWAS and also to foster more peer-to-peer learning to facilitate knowledge sharing among its members. In particular, the Centre has to put more planning and implementation of joint activities with ECOWAS, West African Institute for Financial and Economic Management (WAIFEM), West Africa Monetary Institute (WAMI) and UEMOA.

The Centre plans to ramp up capacity development activities in Liberia and Sierra Leone as well as deeper engagement with the existing administration in Nigeria. Synergies should be further exploited with the work implemented in the Centres operating in West Africa (AFRITAC WEST I and II). The Centre has continued to collaborate with other Regional Technical Assistance Centres (RTACs) in the delivery of its work programme. AFW2 and AFRITAC South jointly delivered two regional workshops on Foreign Exchange Market Simulation and Monetary Policy Communications for their member countries.

The Centre has to improve its budget execution capabilities and to put in place the risk management strategies that allow it to operate under stringent security conditions.

3.2. Complementarity, synergy and donor coordination

The Centre is one of five IMF regional technical centres in sub-Saharan Africa and offers capacity development services to member countries in the areas of revenue administration, public financial management, monetary operations and payment systems, financial sector supervision and regulation, and macroeconomic statistics. There are five regional centres and one training institute in Africa forming part of the IMF's Africa Capacity-Building Initiative. Current partners include the European Union, the United Kingdom, Germany, Luxembourg, Switzerland, the Netherlands, China, Australia, the African Development Bank, France, Canada, Korea, and the European Investment Bank.

These centres were established to support member countries to strengthen human and institutional capacity to design and implement sound macroeconomic and financial policies to promote growth and reduce poverty. AFW2 started operations in January 2014 in Accra, Ghana to serve six countries in West Africa - Cabo Verde; Ghana; Liberia; Nigeria; Sierra Leone and Gambia. These countries are the English and Portuguese speaking countries not covered by the AFRITAC West (AFW) in Côte d'Ivoire that supports French-speaking countries in the region. Therefore synergies between those West Africa centres should exist.
AFRITACS also collaborate through joint workshops that bring together practitioners from a wide geographic spectrum to facilitate peer-to-peer learning and to strengthen networking. The AFRITACs have adopted a new IMF-wide Results-Based Management (RBM) framework, which includes a harmonised set of strategic objectives, outcomes, related verifiable indicators and milestones that will be used for all technical assistance delivered by the IMF regardless of financing model. In parallel, the framework will be linked to the Capacity Development Information Management System (CDIMS), the aim of which is to standardise the processes related to financial reporting and to improve the coverage and dissemination of information. The design of the RBM framework and CDIMS takes into account the information needs of RTAC stakeholders, including contributing development partners. Linking the new RBM system to CDIMS will help aggregate results across topics, countries, and TA delivery modes, and will improve information sharing with all stakeholders.

Through the Centres' Orientation Committee (SC), and the relationships and expertise at regional level of AFRITAC staff and advisors, TA activities would be coordinated with those of other TA providers and are integrated with the member countries' poverty-reduction and development strategies. In countries where the EU provides budget support, there are expected to be additional complementarities. The project should also ensure complementarities with other West Africa RIP projects in the area of Regional economic integration such as the multi donors trade facilitation programme and the fiscal transition programme

At present, it is expected that co-funding will be provided by Australia, Belgium Canada, China, Germany, Switzerland, United Kingdom and the IMF itself. Donor coordination will be ensured in the AFW2 Steering Committee.

3.3. Cross-cutting issues

Gender: In disseminating best practice, it is expected that the RTAC will also, where appropriate, share information and build capacity in the use of relevant gender-sensitive tools or other methods relevant to other key cross-cutting issues e.g. environment.

Gender Equality

During phase 1, **AFRITAC was proactive in fostering gender inclusion in its CD activities.** RTAC specifically encouraged the nominations of female officials to participate in regional events. In addition, gender balance was pursued in the formulation of training teams. In this context, the Centre requested member countries to nominate female officials to participate in the training of trainers' modules. Furthermore, gender issues formed an integral part of training materials. For example, in customs administration, gender issues were discussed in themes encompassing legislation, risk management, and operational controls.

AFRITAC West 2 (AFW2) will continue IMF's commitment to promoting gender equality focuses on: strengthening policy advice and analysis to improve women's labour force participation and address pay inequities; reducing gender data gaps; pushing forward work on gender budgeting; building on research to address the discriminatory effects of legal restrictions, and further research on gender equality and growth.

As part of the IMF's capacity building, the RTAC will place emphasis in ensuring participation of women in their technical assistance missions and training. For example, the Centre will promote equality through its Public Financial Management (PFM) programme, mainly in the area of **gender-based budgeting and fiscal reporting**; on the basis that good PFM can provide key information that can be used to make more gender-sensitive programmes and policy decisions. In particular:

- Gender responsive budget analysis can be used to provide information necessary for promoting gender equality and more effective equality policies at large.
- Other gender-based budget allocation, management, and reporting tools can be integrated into PFM systems to make them more gender responsive, e.g., budget output monitoring and reporting templates adapted to collect gender disaggregated data and assess the gender impact of budget allocations.

Moreover, there is now more scope to improve the gender equality dimension of AFRITAC West 2 (AFW2) work in terms of:

a) A stronger gender-budgeting focus to make it more effective, including increasing the dissemination of IMF research on gender within the region;

b) More active and explicit attention to gender equality in existing programmes, such as in relation to revenue administration, trade facilitation (where women comprise a large part of the informal sector), and financial inclusion (in particular by promoting financial literacy among women);

c) Closer cooperation with civil society groups (training, workshops, etc.) to provide opportunities for their voice to be more influential in capacity development activities; and

d) Deliberate attention is paid to gender equality in contracting experts engaged in TA delivery.

To support work on gender, it is proposed to allocate resources and specific expertise aimed at ensuring appropriate mainstreaming of gender throughout AFRITACs' work. More efforts will also be made to develop relevant indicators and guidance materials, and increase the dissemination of IMF's research on gender within the region, which could be replicated throughout the RTAC network.

Environment:

The programme does not specifically address environmental issues. However, it is expected that more efficient spending and improved domestic revenue mobilisation will free Government resources to finance climate change-related interventions. Having a strong PFM system in the states of West Africa is critical for the effective and efficient use and implementation of climate-change-related finance, and projects for adaption and mitigation.

4. DESCRIPTION OF THE ACTION

4. 1. Objectives/results

Overall and specific Objective

This programme is relevant for the United Nations 2030 Agenda for sustainable development. It contributes primarily to the progressive achievement of SDG Goal 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development (SDG 17.1: strengthen domestic resource mobilisation; SDG 17.3: mobilise additional financial resources for developing countries from multiple sources; SDG 17.4: Assist developing countries in attaining long-term debt-sustainability through coordinated policies ; SDG 17.9: enhance international support for implementing effective and targeted capacity building in developing countries; SDG 17.13: enhance global macroeconomic stability; SDG 17.14: enhance policy coherence for sustainable development). The programme also promotes progress towards Goals SDG 16: Peace, Justice and Strong Institutions (16.6, 16.8, 16.a); SDG 4: Quality education; SDG: 5 Gender Equality; SDG 8: Decent work and economic growth and SDG10: Reduced inequalities. The project will contribute to the second phase of AFRITAC West 2 covering a five year period.

The Overall Objective of the project is to contribute to higher growth, improved economic and financial governance and facilitate regional integration in West Africa.

The Specific objective of the project is to improve and consolidate the macroeconomic, financial and fiscal management frameworks in the six member countries, while deepening regional integration and strengthening the harmonisation of economic and financial policies in West African countries.

Expected outputs

Through the achievement of these objectives, the project will contribute to the following outputs:

Output 1. Enhanced capacity of member countries to improve and harmonise legislations, policies, processes and systems for **macroeconomic analysis and public financial management (PFM)** in member countries.

Output 2. Strengthened institutional and human capacities on **customs and revenue administration** in the member countries.

Output 3. Enhanced capacity for a more effective and market friendly monetary policy and operations in the member countries and operational capacities for **strengthen banking supervision** and **public debt management** consistent with regional monetary integration efforts;

Output 4. Improved capacity on quality, coverage, dissemination and timeliness of macroeconomic **statistics** and their compliance with international data dissemination standards;

Output 5. Improved capacity for greater r**egional coordination** of the technical support provided to ECOWAS member states and ECOWAS Commission in the areas of intervention of the AFRITAC West 2.

4. 2. Main activities

Capacity-building activities leading to outputs will be implemented through training, technical assistance and support including the following:

- Capacity building and training to member countries, including through collaboration with, regional organisations;
- Professional attachment and other peer-learning and peer-exchange programmes;
- Diagnostic assessments;
- Dissemination of information and raising awareness and visibility of regional integration processes;
- Programme management and coordination;
- Programme monitoring, and evaluations.

The project will focus also on **regional activities**:

- Capacity building of regional organisations.
- Support for the implementation of the roadmap for the creation of the ECOWAS single currency.

Further refinement and planning for the activities will be adopted by the respective AFRITACs Orientation Committees and will require individual country and ECOWAS' adaptation as per the need and speed of reforms. The regional organisation ECOWAS will be associated with the Orientation Committees. The activities of the Centre are defined in annual work programmes, approved by Orientation Committees.

Specific activities will be determined by the RTACs in close collaboration with the Orientation Committees, Individual Countries and ECOWAS Commission.

The following indicative activities are presented per output:

Output 1: *Enhanced macroeconomic analysis and public financial management (PFM).* The capacity building activities may include: 1/ Activities related to strengthening of macroeconomic analysis capacity will be organised around annual training seminars; 2/ Strengthening capacity of relevant authorities at national level for macro-economic analysis and modernisation measures to enhance processes, improve policies and systems for PFM; 3/ Support for the implementation of a harmonised framework for PFM in ECOWAS member countries; 4/ The transposition at national level of the ECOWAS regional directives on the harmonised framework for macro-economic analysis; 5/ Strengthening the overall budgetary discipline and the strategic allocation of resources.

Output 2: *Improved tax and custom administrations.* The capacity building activities may include: 1/ Harmonisation and computerisation of customs procedures; 2/ Strengthening tax control; 3/ The implementation at national level of tax administration modernisation measures planned as part of the tax transition; 4/ Raising revenues from domestic taxation based on voluntary tax compliance by taxpayers, enforcement activities to combat tax fraud and evasion and ensuring good governance.

Output 3: *Strengthened banking supervision and operational capacities for public debt management.* Capacity building activities may include 1/ Supporting countries to reduce the cost and risk of public debt, 2/ Develop government securities market, and 3/ Support a more effective banking supervision and stronger bank crisis resolution mechanism. Particular attention will be given to the development of regional cooperation in banking supervision.

Output 4: *Statistics harmonised and in conformity with international standards*. Activities may include: 1/ Support the compilation of statistics in accordance with Government Finance Statistics Manual (GFSM) 2001 standards; 2/ Supporting the development and dissemination of statistics in line with national accounts standards.

Output 5: *Regional Coordination improved*. Specific activities will be determined by the RTACs in close collaboration with the Orientation Committees, individual countries and ECOWAS Commission.

4. 3. Intervention logic

The capacity development activities aim to improve the design, implementation, and monitoring of sound macroeconomic, financial, fiscal and monetary policies, and enhanced regional harmonisation, in alignment with the regional objectives of the Economic Community of West African States (ECOWAS). The action will provide tailored national technical assistance and regional training activities delivered to the Ministries of Finance, Central Banks, Statistical Offices and other government institutions in the six member countries.

The action contributes to the establishment of an integrated regional economic area at the level of the second focal area of the Regional Indicative Program (RIP 2014 - 2020). It will take over from an action currently underway in support of Phase I of West AFRITAC 2 and will cover the same broad areas of intervention. It will strengthen information on technical assistance support and contribute to national ownership of economic and financial governance in general.

The intervention logic of the action is to help beneficiary countries in the areas of specific know-how of the International Monetary Fund (IMF). In particular, the project will enhance AFW2 technical assistance and training activities in tax and customs administration and public financial management, while continuing to focus on financial stability, an essential condition for achieving financial inclusion and deepening the financial sector. AFRITAC West 2 will continue to actively seek cooperation with the regional institutions – ECOWAS and UEMOA - to provide technical assistance and training services.

5. IMPLEMENTATION

5. 1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5. 2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out, and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5. 3 Implementation of the budget support component

N/A

5. 4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation[6].

5.4.1. Grant: direct award – Support to the AFW2 - Phase II (direct management)

a) Objectives of the grant, fields of intervention, priorities of the year and expected results:

The objective of this grant agreement is to support the operation of AFW2 - Phase II for an operational implementation period of 60 months. The operations of AFW2 - Phase II comprise technical assistance and training across the following sectors: Public Financial Management; Revenue and Administration; Macroeconomic Analysis and Forecasting; Financial Sector Supervision; and Macroeconomic Statistics as defined in point 4.

This grant of EUR 5 000 000 will contribute to the AFW2 - Phase II subaccounts.

b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to International Monetary Fund (IMF).

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals to the International Monetary Fund (IMF) is justified because: on one hand, it ensures the continuity of the previous phase; and on the other hand, only the IMF disposes of the highly specialised technical capacity required for the assistance to be provided.

The EU already provided significant support to AFW2 under the 10th EDF, and this brought tangible results to the region and the countries covered by these programmes in the fields of PFM, revenue administration, banking standards and supervision, statistical standards and monetary issues, among others. The IMF's regional approach to capacity development allows for better tailoring of assistance to the particular needs of a region, closer coordination with other development partners and regional organisations, and an enhanced ability to respond

[6] https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

quickly to emerging needs. The quality of IMF technical assistance and its high profile mandate contribute to there being a greater likelihood of their advice being implemented, especially when combined with policy dialogue at the EU Delegation level. The unique technical competence and reputation of the IMF justify a direct award.

c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100% of the eligible costs of the action.

e) Indicative trimester to conclude the grant agreement:

Second quarter of 2019

5. 5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1) (b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5. 6 Indicative budget

	EU contribution (amount in EUR million)	*Indicative Co-financing (EUR)*	*Total contribution (EUR)*
Direct management – direct award of Grant Agreement to the IMF - *Technical Assistance* (cf section 5.4.1)	5	12	17
Evaluation, (cf. section 5.9), 5.10 – Audit (cf. section 5.10)	*Not foreseen*	*N.A.*	*0*
Contingencies	*N.A.*	*N.A.*	*0*
Communication/Visibility (cf. section 5.11)	*Included in the grant agreement*	*N.A.*	*0*
Total	5	12	17

5. 7 Organisational set-up and responsibilities

The second phase of the AFRITAC West 2 will be administered through a multi-donor trust fund, established under the IMF's policies and procedures as approved by the IMF Board. The Centre will be governed by a Steering Committee, comprising the contributors to the trust fund, namely the member countries, the EU and other development partners, and the IMF. The Steering Committee will meet at least yearly to review the annual reports, endorse annual work plans and priorities, and to provide strategic direction. The Centre will be managed by a Programme Coordinator, i.e. an IMF staff member whose costs are covered by the IMF, a core team of resident advisors, complemented by short-term experts, and support staff recruited in the host country where the Centre is located, in Ghana. The regional organisation ECOWAS will be associated with the Steering Committees. Coordination with AFRITAC WEST will be ensured.

The Centre will collaborate closely with ECOWAS to ensure that CD activities in member countries are geared towards the adoption of ECOWAS-related directives. In this regard, efforts to strengthen the harmonisation of the various frameworks among member countries that have a regional dimension should be highlighted in the Centre's monitoring and evaluation framework. AFRITAC WEST 2 will continue to support capacity development needs in regional integration including through joint training seminars, technical meetings and ECOWAS representation at the Steering Committee. The modalities for developing a memorandum of understanding between ECOWAS and the IMF have been discussed and would encompass approval by the IMF's Executive Board.

Contributions by the Commission will be used to finance the IMF's provision of technical assistance and training in its core area of expertise in the six member countries (Cabo Verde, Ghana, Liberia, Nigeria, Sierra Leone, and Gambia) as well as to regional organisations covered by the European Union – West Africa, Regional Indicative Programme, 2014 – 2020 (11th EDF). In this regard, the employment of experts through an employment contract by the

IMF does not constitute an act of procurement for purposes of the Agreement, as per Section II.3.4 of the Framework Administrative Agreement (FAA).

5. 8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner will anchor its CD activities within a standardised results-focused framework, and establishes a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding verifiable indicators, using as reference a log frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

In line with article 3.6 of the FAA progress and final reports shall be understood to mean those prepared as part of the IMF's regular reporting to the Action's Steering Committee.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5. 9 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

5. 10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

An Audit is not foreseen. In the case the Commission decides to undertake such an audit, the financing of the audit shall be covered by another measure constituting a financing decision.

5. 11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5. 6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

In line with Article 3.8 of the FAA, visibility for the Commission, as a co-contributor to this Action, will be provided within the IMF's overall visibility plan for the Action (see AFRITAC West 2 Programme Documents), acknowledgement of the use of EU funds, including display of the EU logo, will be implemented in the same manner as for other contributors to the Action.

[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) [7]]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	**Indicators**	**Baselines (2019)**	**Targets (2024)**	**Sources and means of verification**	**Assumptions**
Overall objective: Impact	To contribute to higher growth, improved economic and financial governance and facilitate regional integration in West Africa.	Average of GDP annual percentage growth of the Six AFRITAC 2 Countries	4 % average GDP growth rate estimate, see annex 2 for GDP growth rate for six countries in 2018	Target will be identified during inception phase	IMF World Economic Outlook; IMF Article IVs	
Specific objective(s): Outcome(s)	To improve and consolidate the macroeconomic, financial and fiscal management frameworks in the six member countries	Progress in/attainment of agreed milestones and outcomes in the five thematic areas as defined in the AFW2 results based management logframes as follows: 1**. Revenue Administration** (Domestic Tax and Customs): revenue to GDP ratio Amount of total customs duties and taxes collected.	**For tax:** AFW2 countries' average revenue to GDP ratio is 15.7 %, ranging from the lowest (Nigeria) 6 % to highest Cabo	Average revenue to GDP for AFW2 countries at 17.7 %	IMF Regional Economic Outlook report	Strong commitment from the member countries for aligning their policies with regional objectives.

7 Mark indicators aligned with the relevant programming document mark with "*" and indicators aligned to the EU Results Framework with"**".

		2. **PFM:** PEFA ratings,	Verde (24.9 %). Weak PFM systems and frameworks in member countries as per the PEFA assessments;	Improved performance/ PEFA ratings on (i) budget preparation; (ii) fiscal risks; (iii) budget execution and control; (iv) fiscal reporting; and (v) asset and liability management	PEFA assessments reports	
		3. **Monetary Policy operations, and financial market infrastructure:** Clear and concise market communications; Closer alignment of policy and inter-bank money market rates within a corridor; Removal of excess liquidity from the market.	Variable monetary policy management and payment systems across countries.	Improvement in the conduct of monetary including better alignment of policy and inter-bank money market rates. Convergence of member country interest rates consistent with regional integration.	Central bank reports on interest and exchange rates and data on excess liquidity.	
		4. **Financial sector regulation and supervision**: Status of policies and processes in line with international standards (International Financial Reporting Standard (IFRS9), Basel II/III).	Supervisory authorities conduct compliance-based oversight of financial institutions.	All central banks in the region review banks on a risk-focussed basis and produce reports which focus on risks and make recommendations for the same.	Central Banks on- and off-site reports; IMF TA evaluation reports	
		5. **Statistics:** quality and timeliness of data are improved to		Target will be identified during the inception phase	National statistics	

		internationally-accepted statistical standards, to better support policy making.				
Outputs	1. Enhanced capacity of member countries to improve and harmonise legislations, policies, processes and systems for macroeconomic analysis and public financial management (PFM) in member countries.	1.1 Number of PFM laws, regulations developed/revised with the support of the AFRITAC 2 in member countries 1.2 Improved accounting and reporting on PEFA (2016) Indicators: PI 27. Financial data integrity PI 28. In-year budget reports and PI 29. Annual financial reports 1.3 Optimisation of public investment management 1.4 Improved performance on consolidation of cash balances and cash forecasting and monitoring in terms of PEFA 2016 indicators viz. PI-21.1: Consolidation of cash balances PI 21.2 Cash forecasting and monitoring:			AFRITAC 2 reports Improved and timely bank reconciliation systems; improvements in coverage, timing and accuracy of in-year reports; and Completeness of annual reports, prepared in terms of adopted accounting standards and submitted in time for audit PIMA reports, country budget documents	

		1.5 Improved external scrutiny and audit on PEFA 2016 Indicators viz. PI 30. External audit relating to- 30.1 Audit coverage and standards 30.2 Submission of audit reports to the legislature 30.3 External audit follow-up and PI 31. Legislative scrutiny of audit reports, particularly on 31.1 Timing of audit report scrutiny 31.2 Hearings on audit findings and 31.4 Transparency of legislative scrutiny of audit reports			PEFA assessments; i. Improved PEFA Ratings ii. Expansion of Treasury single account (TSA) implementation and coverage; and iii. Improvements in producing reliable cash flow forecasts updated on monthly basis based on actual cash out turn Countries' annual capital market reports.	
	2. Strengthened institutional and human capacities on customs and revenue administration in member countries.	2.1 Technical Assistance provided to customs and border officials of member countries in line with international standards and regional integration objectives.	2.1 Some TA currently provided	2.1 Number of TA missions to be defined during inception phase	AFW2 reports and evaluation reports	

		2.2 TA in coordinated border management provided to customs and border officials. 2.3 Number of member countries using the procedures provided through the TA. 2.4 VAT compliance rate in member countries is in line with international standards 2.5 Tax payer compliance improved in all countries	2.2 None 2.3 None 2.4 Average VAT compliance rate for AFW2 countries is about 50 % 2.5 Poor tax compliance in all countries; current average TADAT rating of "C"	2.2 At least one TA mission delivered to each country to develop strategy for coordinated border management. 2.3 Each custom administration of member countries starts applying the procedures. 2.4 VAT compliance rate in member countries is =/> 95 % 2.5 TADAT rating improved from an average of "C" to a range of "B to A" for AFW2 countries.	AFW2 reports and evaluation reports AFW2 reports and evaluation reports TADAT assessment TADAT assessment	
	3. Enhanced capacity for a more effective and market friendly monetary policy and operations in the member countries and operational capacities for banking supervision and public debt management, consistent with regional monetary integration efforts.	3.1 Number of updated policies and processes for key supervisory functions in line with international standards. 3.2 Better alignment of the policy rate with interbank money market rates	3.1 Manuals and processes in various stages of development. Supervisors have initiated discussions for harmonisation through the West African Monetary Institute. 3.2 Excess liquidity resulting in misalignment between policy and interbank money market rates.	3.1 Adoption by all member states of good international practices in financial supervision, and harmonisation of policies in cross border supervision. 3.2 Reduced volatility in interest rates and greater interest rate convergence across member countries.	IMF TA evaluation reports; Regional Technical Assistance Centre annual reports; Central bank reports; Auditors' reports	

		3.3 New capital regulation and minimum requirements are aligned with Basle II/III.	3.3 Inconsistency in the enforcement of prudential norms leading to forbearance.	3.3 Higher levels of provisioning for non-performing loans.		
	4. Improved capacity in quality, coverage, dissemination and timeliness of macroeconomic statistics and their compliance with international data dissemination standards.	4.1 Status of the general data dissemination system, special data dissemination standards, system of national accounts (SNA) 2008 and with IMF Quarterly national accounts 4.2 Extent to which the Framework and concepts follow SNA 2008	4.1 Data sources and methodologies are not well documented. 4.2 GDP estimates associated with outdated base years.	4.1 Dissemination of rebased GDP estimates and new CPI series. 4.2 Number of trained staff to conduct compilation of GDP and CPI is adequate.	National statistics office reports; IMF staff reports and regional economic outlook.	
	5. Improved capacity for greater regional coordination of the technical support provided to ECOWAS member States and the Commission in the areas of intervention of AFRITAC West 2.	5.1 Number of Counterpart departments in ECOWAS for each of the five AFW 2 areas of intervention identified 5.2 Number of ECOWAS staff participating in the capacity building activities organised by AFW2 (disaggregated by sex)	5.1 Not yet identified 5.2 Not scheduled at the moment	5.1 All five counterparts identified. 5.2 To be identified during inception phase according to the activities		