WEST AFRICAN INSTITUTE FOR FINANCIAL & ECONOMIC MANAGEMENT (WAIFEM)

2019 ANNUAL REPORT

I.

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

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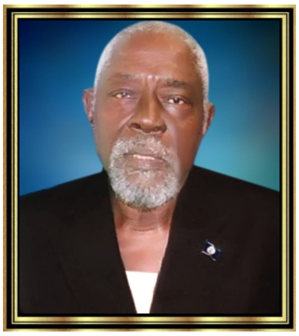
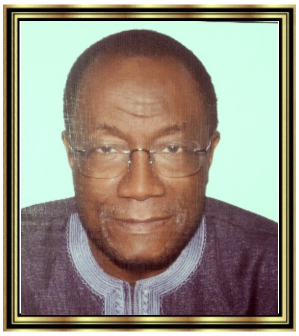
BOARD OF GOVERNORS

Mr. Godwin I. Emefiele
Governor, Central Bank of Nigeria, and Chairman, Board of Governors



Mr. Nathaniel R. Patray III
Executive Governor, Central Bank of Liberia

Hon. Bakary Jammeh
Governor, Central Bank of The Gambia



Prof. Kelfala M. Kallon
Governor, Bank of Sierra Leone

Dr. Ernest Y. K. Addison
Governor, Bank of Ghana

Dr. Baba Y. Musa
Director General, WAIFEM & Secretary, Board of Governors

Message from the Chairman of the Board of Governors

I am delighted to present the 2019 Annual Report and Statement of Accounts of the West African Institute for Financial and Economic Management (WAIFEM) on behalf of the Board of Governors. The reporting period coincides with the successful completion of WAIFEM's first Strategic Plan, which has resulted into great outcomes. This report contains the training and capacity building activities of the Institute and the audited financial statements of the Institute for the period January 1 to December 31, 2019 as well as briefs on the economic performance of WAIFEM member countries, the West African sub-region, Africa and the World at large.

As a Centre of excellence, WAIFEM has catered for the capacity building needs of its member countries and beyond. This is achieved through the delivery of courses, workshops, seminars and missions. We commend the Central Banks of WAIFEM member countries for meeting their financial commitments and WAIFEM'S international partners for providing grants and technical support to facilitate the execution of planned programmes for 2019.

The stakeholders in the sub-region and beyond have continuously applauded WAIFEM for its training and capacity building programmes. I am aware that WAIFEM, through the feedback received from sponsoring institutions and participants, have improved the content and quality as well as the delivery of its programmes. WAIFEM scouts and uses the best facilitators in and outside the sub-region on the basis of qualification and practical experience in a given field. Delivery of training and capacity building are also focused on practical and hands-on activities grounded on sound theoretical foundations.

In 2019, the institute executed fifty-nine (59) training programmes (courses,workshops, seminars missions, etc) which benefitted one thousand five hundred and five (1,505) participants from the West African Sub-region and beyond.

I wish to express my gratitude to WAIFEM Member Central Banks and financial and technical partners for continuing to support the Institute. Despite the economic challenges faced by member countries, the Board has not relented in providing the resources needed by the Institute in the discharge of its functions. I also applaud the Director General, management and staff of WAIFEM for effective execution of training programmes and their dedication, commitment and professionalism in the conduct of the affairs of the Institute.

Finally, I thank all the Board members for their invaluable contributions over the past year. The Board is proud of WAIFEM's achievements over the 22 years of building capacity in West Africa.

Mr. Godwin I. Emefiele (CON)

Governor, Central Bank of Nigeria and

Chairman, Board of Governors of WAIFEM

December,2019

OVERVIEW OF 2019 ACTIVITIES BY THE DIRECTOR GENERAL

At the West African Institute of Financial and Economic Management (WAIFEM), the year 2019 marked another historical moment when the Institute completed the implementation of its first Strategic Plan, which ran from 2015 to 2019. The plan was designed to reposition WAIFEM more effectively in fulfilling its mandate. It also updated WAIFEM's programme of activities to take account of the evolving regional and global contexts of economic and financial management and other developments, including regional integration issues.

During the implementation phase of the strategic plan, some of the accomplishments recorded by the Institute include: the procurement and installation of e-learning facilities at the Institute, the accreditation of additional training programmes, the establishment of the alumni association, the development of e-learning modules in banking supervision, public debt management and the French Language, among others. During the period under review, WAIFEM also strengthened synergies and technical collaboration with various technical assistance institutions such as the IMF's Institute for Capacity Development and Statistics Department, the World Bank Debt Management Facility (DMF), AFRITAC West 2, African Capacity Building Foundation among others.

The Business Development and Consultancy Unit continued to build the capacity of the private sector and other non-traditional partners, provided consultancy services in member countries and delivered high-end demand-driven programmes.

To address emerging challenges to capacity building in the region, the Board of Governors restructured the Institute and expanded the programme departments. In this regard, the Research Department was merged with the Macroeconomic Management Department and renamed as Research and Macroeconomic Management Department. The mandate of the department includes: capacity building activities in macroeconomic analysis and forecasting, financial programming and policies, macroeconomic diagnostics, the balance of payments and national accounts statistic and compilation, cross-border position statistics, government finance statistics, monetary policy analysis and exchange rate, and capital account policies including capital flows, vulnerability diagnostics, and inclusive growth.

The Debt Management Department has been renamed as the Fiscal, Debt Management and Regional Integration Department to cover fiscal analysis and forecasting (FAF), public financial management and taxation, fiscal frameworks and sustainability, debt management, debt sustainability analysis, debt strategy formulation and implementation, fiscal institutions and fiscal discipline, medium-term budgetary frameworks, fiscal rules, strengthening and managing fiscal risks, public sector debt statistics, government securities markets, statistics on international trade in goods and services (ITGS), debt compilation and recording, as well as economic issues in regional integration..

The Financial Sector Management Department has been renamed and expanded to become the Financial Sector and Payments System Department, with responsibility for issues related to financial sector development and financial inclusion, financial market analysis, financial sector surveillance, money laundering and terrorism financing risks, preparing countries for mutual evaluations and application of anti-money laundering (AML) and combating the financing of terrorism (CFT), cybersecurity, digital/cryptocurrencies, reserves management, banking supervision and resolution, fin-tech, artificial intelligence (AI), disruptive technologies, microfinance and poverty reduction, financial markets infrastructure and payment systems etc.

A new department of Governance and Institutional Development has been created to provide training in the areas of governance, transformational leadership and leadership development, proteus, result-based management, corporate governance, interpersonal skills development, human resources development, qualitative issues of Basle 2, executive office administration and secretarial skills, communication and report writing skills, retirement planning and senior management programme, organizational and professional development, problems solving and decision making, and team building.

I am pleased to report that evaluation of WAIFEM programmes during the period under review has shown that WAIFEM's regional capacity-building programmes are effective in addressing the training needs of its clients and member countries through, among other things, the delivery of courses, workshops, seminars and missions. WAIFEM's activities and programmes have contributed immensely to reducing the skill and capacity gaps in the sub-region, and to further improving macroeconomic and financial management in the member countries.

The year 2019 has generally been good. Much has been accomplished in respect of capacity building in the region. The future of capacity-building activities remains bright. With the continued support of the Board and our international partners, WAIFEM will continue to develop the skills of staff from the sub-region with the requisite tools and techniques to address emerging financial and macroeconomic management challenges. We are grateful to the member countries central banks for their financial contributions to WAIFEM, which facilitated the execution of the scheduled programmes and activities for 2019 despite the economic challenges they faced. We also appreciate the support of our technical partners. In conclusion, it is with great delight that I express my appreciation for the work of all members of staff of WAIFEM, as well as our resource persons in the field in supporting the Institute's efforts to build sustainable human and institutional capacity in the West African region and beyond.

Dr. Baba Yusuf Musa

Director-General

West African Institute for Financial and Economic Management (WAIFEM) and Secretary, Board of Governors

December, 2019

PRINCIPAL OFFICERS OF THE INSTITUTE

Dr. Baba Y. Musa
Director General

Mr. Euracklyn V. Williams
Director, Administration and Finance Department

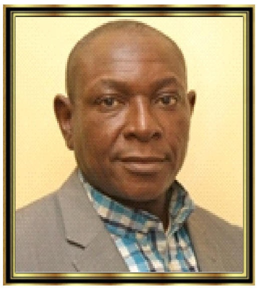
Mr. Paul J. Mendy
Director, Financial Sector & Payment Systems Department

Mr. Aliyu Yakubu
Director, Fiscal Policy, Debt Management & Regional Integration Department

Mr. Emmanuel Owusu-Afriyie
Director, Research and Macroeconomic Management Department

Mr. Alvin G. Johnson
Director, Governance & Institutional Development Department

Dr. Patricia A. Adamu
Senior Programme Manager, Financial Sector Mgt. Dept.



Prof. Douglason G. Omotor
Advisor, Bus. Dev. & Consult. Unit

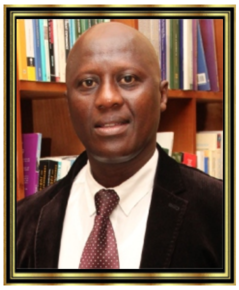
Dr. Okon J. Umoh
Senior Programme Manager, Macroeconomic Mgt. Dept.

Mr. Ogbonnaya Agu
Prog. Manager, Fin. Sec. Mgt. Dept.

Mr. Gabriel Y. Asante
Prog. Manager, Macroeconomic Mgt. Dept.

Mr Momodou L. Jarjue
Prog. Manager, Debt Mgt. Dept.

Mr. Linus Gimoh
Principal Accountant



Mr. Samuel J. Sepha
Library and Publications Manager

OPERATIONS OF WAIFEM

1.1 OVERVIEW OF PROGRAMME OF ACTIVITIES

In 2019, the West African Institute for Financial and Economic Management (WAIFEM) executed a total of fifty-nine (59) programmes, which benefited one thousand, four hundred and eighty-four participants (1,484). The total number of courses offered in 2019 was 2 courses higher than those executed in the previous year. The increase in the number of programmes was due to the continued patronage of the Business Development and Consultancy Unit (BDCU) by both private and public sector institutions from member countries.

Nigeria and Ghana recorded the highest number of participants during the year with 30.7 per cent and 29.3 per cent respectively, followed by The Gambia (13 per cent), and Sierra Leone (13 per cent). Liberia recorded 11 per cent while others recorded 2.1 per cent. In terms of institutional representation, central banks accounted for 43.3 per cent followed by ministries of finance (31.2 per cent) other public agencies (21.6 per cent) and private sector agencies (3.9 per cent). The member central banks staff attended a number of courses offered by the BDCU in addition to private sector participants.

Distributional analysis of programmes by departments reveals that Debt Management Department executed a total of 13 programmes that benefitted 368 participants in 2019 (the number of programmes was one higher than that of the previous year). Joint missions with the World Bank and the IMF, regional courses and workshops, e-learning French language programmes, etc. were executed. The distributional analysis also indicates that Financial Sector Management Department implemented a total of 13 programmes during the period, which benefited 294 participants. Specifically the department executed programmes including banking supervision, micro-finance, and combating money laundering, among others. The Macroeconomic Management Department executed a total of 11 training programmes that benefited 292 participants while the Business Development Unit organised 22 private sector driven courses, which attracted 551 participants. Participants at the BDU seminars and short-term courses were mainly from institutions in WAIFEM member countries including central banks, commercial banks, and MDAs, among others.

The details of the capacity building programmes in 2019 are in the next sections of this annual report.

1.2 DEBT MANAGEMENT DEPARTMENT

1.2.0 INTRODUCTION

The Debt Management Department executed a total of 13 capacity building programmes, which benefited 368 public sector officials from WAIFEM member countries. In terms of country breakdown,majority of the participants of the debt management programmes came from Nigeria (26.8 per cent), followed by The Gambia (23.9 per cent),Sierra Leone(17.1 per cent,) Ghana (15.2 per cent) and Liberia (14.9 per cent). The Federal Republic of Nigeria registered the highest number of participation due to the conduct of a number of debt management missions in the country both at federal and state levels.

In terms of participation by gender, the number of males and females who attended the debt management courses were 70.9 and 29.1 per cent, respectively. In terms of user institutions, 42.7 per cent of the participants of the debt management programmes were from the ministry of finance, which is the government arm that deals with public debt issues. Central Banks accounted for 31.3 per cent of the total participants of the debt management programmes while 23.1 per cent from the central banks and private sector accounted for 3.0 per cent.

Details of the debt management programmes executed in 2019 are provided as follows:

1.2.1 WAIFEM GAMBIA NATIONAL MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS) AND DEBT SUSTAINABILITY ANALYSIS (DSA) TRAINING, BANJUL, THE GAMBIA, JANUARY 10- 20, 2019.

WAIFEM, at the invitation of the Ministry of

Finance of The Gambia, conducted the Country's MTDS and DSA Training and Exercise, from January 10 – 20, 2019 in Banjul, The Gambia. During the mission, a debt management exercise was conducted at the Atlantic Hotel in Banjul for the Country's Debt Sustainability Analysis (DSA) Team comprising of officials from the Ministry of Finance, Central Bank, Bureau of Statistics, Gambia Revenue Authority and other stakeholders. Thirty-two (32) staff members attended both exercises.

The mission, led by Dr. Baba Yusuf Musa, Mr. Momodou Lamin Jarjue – WAIFEM, and Mr. Charles Santigie Conteh and Ms. Doris Dzidzornu both WAIFEM Consultants from WAIFEM Faculty facilitated the exercises. The results of the MTDS analysis were presented by Mr. Ngaja Gaye and Mrs. Ndumbeh Saho, both of Debt Management Directorate, Ministry of Finance and Economic Affairs. The results of the analysis of the four strategies showed the strategy with the least cost and risk possible outcome (i.e. the strategy which maximize external concessional borrowing and domestic debt restructuring).The report recommended the followings:

- Finalize, approve and publish the 2019 MTDS Review Report
- Regarding Strategy Implementation:
  - Strengthen dialogue and engagements with market participants,
  - Regular portfolio analysis,
  - Preparation and publication of Annual Borrowing Plan,
  - Preparation and publication of Public Debt Bulletin

1.2.2 WAIFEM/ACBF/COMSEC REGIONAL TRAINING ON MIGRATION FROM CS-DRMS 2.3 TO MERIDIAN DEBT RECORDING AND MANAGEMENT SYSTEM FOR ANGLOPHONE WEST AFRICAN COUNTRIES USER GROUP. ACCRA, GHANA, FEBRUARY 11 – 15, 2019

The West African Institute for Financial and Economic Management (WAIFEM) with financial support from African Capacity Building Foundation (ACBF) in collaboration with the Commonwealth Secretariat (COMSEC), organized a Regional Training on Migration from Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) 2.3 to Meridian Debt Recording and Management System for Anglophone West African Countries User Group from February 11 – 15, 2019 in Accra, Ghana. The course was attended by Twenty-Eight (28) executive/senior/middle level officials drawn from Ministries of Finance, Debt Management Offices and Central Banks from The Gambia (6), Liberia (5), Sierra-Leone (4), Nigeria (3) and Ghana (10).

The objective of the training was to allow WAIFEM countries conduct pro-active public debt management by offering methodology to migrate to CS-DRMS version 2.3 so as to meet the requirements for Meridian. It also enabled WAIFEM countries to have user group meetings and exchange ideas including sound practices in debt management in the region. In addition, countries were exposed to the existing practices in Sierra Leone and Ghana in capturing and addressing unexpected changes in macroeconomic variables that have major consequences for fiscal sustainability (set of guidelines for fiscal risk disclosure and management).

Other specific areas covered in the broad themes included:

- Public and publicly guaranteed debt, lending portfolios as well as private sector debt that can be recorded, managed, and analyzed;
- Customized deployment of solution in centralized, decentralized and hybrid environments defined by member countries' IT and institutional infrastructure;
- Configuration around the delivery to key stakeholders i.e. ministry of finance, debt management offices and central bank, various funding agencies and project implementation agencies thus streaming information flow between various entities fiscal risk monitoring and management;
- On-lending capabilities to assist governments in their lending and managing on-lending loans to public corporations and private sector; and
- Overview of CS-DRMS External Loan Recording Module, among others.

The course was facilitated by Mr. Samuel Arkhurst (Director of Treasury and Debt Management Division, Ministry Finance, Ghana) Mrs. Hannatu Suleiman (Director of

Organisational and Resource Department, Federal Debt Management Office, Nigeria), Dr. Alhassan A. Mansaray (Director of Risk Management Department, Ministry of Finance, Sierra Leone) and Mr. Macdonald Banda (Adviser and team head-IT System, Economic, Youth and Sustainable Development, Commonwealth Secretariat-COMSEC, London.)

The participants indicated their appreciation of the training and expressed satisfaction with the method of delivery and competence of the facilitators from Commonwealth Secretariat and WAIFEM faculty. However, they made the following recommendations for consideration of the organisers and stakeholders:

- That the training course be segmented and the duration should be extended to not less than ten full working days for the full coverage of the integration to Commonwealth Meridian.
- That the Multicurrency Wizard function of the latest version of the CS-DRMS management tool should be made more user friendly.
- That WAIFEM/ACBF provide an In-country technical support to enable West African Countries migrate from CS-DRMS V2.3 to Meridian before the CS-DRMS expires in 3-year time.
- That auditors and IT staffs should be invited for any future training in Meridian.
- The participants found the workshop very crucial, relevant and timely given the fact that the CS-DRMS version 2.3 would be phased out in 3 years. The represented countries should upgrade to CS-DRMS V2.3 before integrating to Meridian to fully meet the requirements of the front office, (responsible for debt issuance and trading), middle office (dealing with strategy, risk management and performance) and back office (which handles settlement, accounting and reporting functions).

1.2.3 JOINT WORLD BANK/IMF/WAIFEM REGIONAL TRAINING ON DEBT SUSTAINABILITY ANALYSIS FRAMEWORK FOR LOW-INCOME COUNTRIES (LIC-DSF). BANJUL, THE GAMBIA, MARCH 11 - 15, 2019

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the World Bank (WB) and the International Monetary Fund (IMF), organized a regional training on Debt Sustainability Analysis Framework for Low-Income Countries (LIC-DSF) in Banjul, The Gambia from March 11 – 15, 2019. The training was attended by twenty-five (25) senior level officials drawn from the Central Banks, Ministries of Finance, West African Monetary Agency (WAMA) and Debt Management Offices from The Gambia (7), Ghana (2), Liberia (6), Nigeria (4) and Sierra Leone (6).

The overarching objective of the training was to equip participants to have theoretical and conceptual skills about the key features of the revised debt Sustainability Framework for Low-Income Countries (LIC DSF) and provide hands on training on the use of the new LIC-DSF template. Specifically, participants had an opportunity to work through a country case study and analyze the output of the LIC-DSF template to better understand debt vulnerabilities.

The broad themes covered included the following:

- Introduction to Debt Sustainability Analysis (DSA) in Low-Income Countries and New Features of the DSF;
- Input: Definitions and Coverage of Public Sector and Public Debt, Macroeconomic Projections;
- Inputs: Financing Assumptions;
- Macroeconomic Linkages and Debt dynamics; and
- Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth, among others.

The training was conducted by well renowned persons with the requisite expertise in DSA drawn from the World Bank and IMF. Mr. Elliot (Mick) Riordan from the World Bank, Mr. Louis Dicks-Mireaux and Mr. Thomas Best, both from IMF.

The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from World Bank, and IMF. However, they made the following recommendations for consideration of the organisers and stakeholders:

- As DSA can be properly conducted with the collaboration of various stakeholder ministries, Departments, and Agencies (MDAs) - there is higher need for coordination of all agencies involved in macroeconomic policy formulation.
- Member countries of WAIFEM should spend more time and energy in building the capacity of statistics generating agencies so as to generate credible macro-fiscal data that feeds into the preparation of DSA;
- Member countries of WAIFEM should continue to adopt best practices in all aspects of debt management; consequently, maintaining debt sustainability should be encouraged under the West African Monetary Zone (WAMZ) convergence criteria;
- There is need for ECOWAS to establish standard benchmarks for debt management practices in West Africa and in line with international standards; and
- Participating countries are urged to collaborate with one another in sharing information and best practices, among others.

1.2.4 JOINT WORLD BANK/WAIFEM SUB-NATIONAL DEBT MANAGEMENT PERFORMANCE ASSESMENT (DeMPA) MISSION TO OGUN STATE, NIGERIA, APRIL 8 – 12, 2019.

At the request of the Ogun State Government, Nigeria, a World Bank/WAIFEM team undertook a comprehensive assessment of current debt management (DeM) functions and practices in the State during April 8 - 12, 2019. The World Bank's Subnational Debt Management Performance Assessment (SN-DeMPA) tool was applied to help understand how debt management functions are carried out at the state level, and in turn these were contrasted with good international practices. The DeMPA team was comprised of Ms. Signe Zeikate (World Bank Team Lead), Mr. Per-Olof Jonsson, WB Consultant, Mr. Juan Carlos Vilanova, WB Consultant, and Mr. Momodou Lamin Jarjue, WAIFEM.

As part of the assessment process, the team held meetings with relevant officials associated with public debt management and closely related areas. The team benefited from excellent cooperation and hospitality from the Ministry of Finance (MoF). The assessment revealed several challenges to carry out debt management functions in Ogun State. The mission's findings identified areas of improvements including governance and strategy development, coordination of fiscal and budgetary policies, and borrowing and related financing activities, among others.

1.2.5 DEBT MANAGEMENT FACILITY STAKEHOLDERS' FORUM 2019. DAKAR, SENEGAL. MAY 13-14, 2019

West African Institute of Financial and Economic Management (WAIFEM), being one of the Implementing Partners (IP) of the Debt Management Facility was invited to the 10th anniversary of the Debt Management Facility (DMF), Stakeholders' Forum in Dakar, Senegal from May 13-14, 2019. The theme of the forum "The Future of Debt Management" sought to reflect on the past decade of debt, development and debt management; expose looming challenges related to rising debt vulnerabilities and debt management reforms; and identify emerging opportunities - from innovative financing to applications of nascent technologies – to address debt management challenges. The Institute was represented by the Director General of WAIFEM, Dr. Baba Yusuf Musa, and Mr. Momodou Lamin Jarjue, Programme Manager, Debt Management Department.

The purpose of the forum was to discuss current challenges and trends faced by debt managers around the world; present innovations with respect to debt management; provide debt managers with an opportunity to become familiar with the latest policy-relevant research on debt policy and management; and foster knowledge exchange among participants. Over One Hundred and Fifty (150) audience comprising high-level policy makers and government officials, debt management experts, donors, providers of technical assistance, and CSO representatives attended the Forum.

The opening ceremony was attended by H.E. Mr. Abdoulaye Daouda Diallo (Minister of Finance and Budget of Senegal) who delivered the opening remarks, and Ms. Louise J. Cord, (Country Director for Cabo-Verde The Gambia, Guinea-Bissau, Mauritania and Senegal, World Bank Group) also delivered the opening remarks. Ms. Ceyla Pazarbasioglu (Vice

President, Equitable Growth, Finance and Institutions, WBG) delivered the Keynote address.

The two-day forum was organised into plenary, breakout, and special sessions. The plenary sessions discussed topics such as "Debt and Development", "Global Perspectives for Sovereign Debt and Challenges Ahead" and "Debt Transparency: A shared Responsibility" while the breakout sessions focused on topics such as "Loan Guarantees and Contingent Liabilities", Reliable Debt Data: The Fundamental Role of the Back-Office", and "Domestic Government Bond Markets: Key Issues for Debt Managers", among others. The special sessions examined Revision of the Debt Management Performance Assessment (DeMPA) Methodology and the Future of Debt Management.

The DMF II Implementing Partners include:

- Agence UMOA Titres (AUT),
- Debt Management Section of the Commonwealth Secretariat (COMSEC),
- Debt Management Program of the United Nations Conference on Trade and Development (UNCTAD-DMFAS),
- Debt Relief International (DRI),
- Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI), and
- West African Institute for Financial and Economic Management (WAIFEM).

1.2.6 REGIONAL COURSE ON AUDIT OF PUBLIC DEBT MANAGEMENT. MONROVIA, LIBERIA JUNE 10 – 14.

The Regional Course on Audit of Public Debt Management was organised by the West African Institute for Financial and Economic Management (WAIFEM), held at Monrovia, Liberia from June 10 – 14, 2019. The course was attended by thirty-seven (37) executive/senior/middle level officials from central banks, ministries of finance and economic planning, debt management offices, national audit offices, and controller and accountant general offices from The Gambia (7), Ghana (5), Liberia (20), and Sierra Leone (5).

The objective of the course was to provide practical training on procedures to conduct audit of public debt in a sovereign state. At the end of the course, the participants were able to:

- carry out professional and effective value-for-money and performance audit;
- recognize public debt as one of the most important budget expenditures of a country;
- appreciate the need for government financial accountability and transparency in the conduct of public debt audits; and
- explain the basic elements of public debt management.

The following broad themes were covered during the course:

- Auditing organizational arrangements in public debt management;
- Auditing the determination of public borrowing needs;
- Auditing borrowing activities;
- Auditing debt management strategy; and
- Evaluating internal controls in public debt management, among others.

Experienced team of facilitators and practitioners from Deloitte and Touché - The Gambia, Foresight Chartered Certified Accountants - The Gambia, Federal Debt Management Office (DMO) - Nigeria, Ministry of Finance - Sierra Leone, and WAIFEM faculty delivered the course.

The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from Federal Debt Management Office (DMO), Nigeria; Ministry of Finance, Sierra Leone; DT Associates – The Gambia, and Foresight Chartered Certified Accountants, The Gambia. However, they made the following recommendations for consideration of the organisers and stakeholders:

1. The auditors that participated in the course acknowledged that the course was very essential to their work. However, they stressed the need for WAIFEM to have advanced levels tailored to practical training that will enhance their capacity in auditing

public debt and making appropriate recommendations.

2. Most of the participants expressed their satisfaction over the logistical arrangements for the training and urge WAIFEM to continue the good work.

3. The auditors that participated in the course recommend that in addition to the Regional Course on Audit of Public Debt Management, WAIFEM should consider organising other courses in auditing other crucial areas of government Public Institutions.

1.2.7 REGIONAL COURSE ON CONTINGENT LIABILITIES MONITORING AND MANAGEMENT GOVERNMENT FISCAL COMMITMENTS/RISKS. LAGOS, NIGERIA, JUNE 24 - 28, 2019

The regional course on Contingent Liabilities Monitoring and Management of Government Fiscal Commitments/Risks was organised by the West African Institute for Financial and Economic Management (WAIFEM) and held in Lagos, Nigeria, from June 24– 28, 2019. The course was attended by Twenty (20) senior and middle level officials drawn from Central Banks, Ministries of Finance, and Public Cooperation from The Gambia (7), Ghana (4), Liberia (4), Nigeria (1) and Sierra Leone (4).

The objective of the course was to provide comprehensive training to develop and strengthen the skills of participants in the methodologies of monitoring and managing contingent liabilities to ensure that their potential impact on government Fiscal Risks is minimized. The course was structured around the following eight aspects of contingent liability management: (i) the reasons why governments have contingent liabilities, (ii) approaches in managing the contingent liabilities, (iii) understanding the costs; (iv) establishing a robust regulatory and policy framework; (v) building an enabling institutional environment; (vi) improving measurement of CLs; (vii) proactively managing the application, assessment, approval, recording and monitoring processes; and (viii) instituting comprehensive disclosure and reporting requirements understanding costs.

The broad themes covered include the following:

- Fiscal Risks: Sources, Disclosure, and Management;
- Fiscal Risks and Public Contingent Liabilities (CL) Cross-Country Experiences;
- Introduction to Risk Management Framework for Managing Contingent Liabilities;
- Fiscal Risks and Performance Monitoring of State-Owned Enterprises (SOEs) and Sub-National Entities; and
- Role of Debt Management Office (DMO) in monitoring Contingent Liabilities including maintenance of guarantees register, among others.

A team of seasoned and experienced professionals from Nigeria, Ghana, and Sierra Leone facilitated the course. They were Dr. Samuel Rapu (Former Director, Research Department, Central Bank of Nigeria, Nigeria),, Mr. Busari Olusa (Head, Energy and Urban Infrastructure, The Presidency, Infrastructure Concessions Regulatory Commission-ICRC,Nigeria), Ms. Elizabeth N. Bapuohyele (Assistant Economics Officer, Treasury and Debt Management Division, Ministry of Finance, Ghana), Dr. Zakaria Issahaku (Head, Treasury and Debt Management Division, Ministry of Finance, Ghana), and Dr. Alhassan Mansaray (Acting Director, Risk Management Department, Ministry of Finance, Sierra Leone).

The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from The Presidency, Infrastructure Concessions Regulatory Commission (ICRC) (Nigeria), Treasury and Debt Management Division, Ministry of Finance (Ghana), and Risk Management Department, Ministry of Finance (Sierra Leone). However, they made the following recommendations for consideration of the organisers and stakeholders:

- That the course duration to be extended to (2 Weeks) to enable participants fully understand the practical tools, models and techniques used during the training;
- That participants be grouped into teams and be given practical exercises using the presented tools and models to develop and analysis scenarios and come up with possible outcomes;
- That the course on Contingent Liabilities Monitoring and Management of Government

Fiscal Commitments/Risks should be an annual capacity development programme by WAIFEM to enable member countries to take full advantage of managing CLs and Government fiscal risks;

- That a one-day study tour be organised by WAIFEM to the relevant Institution/Ministry tasked to carry out the functions of the theme of study in the host country, and
- That the course materials/slides should be shared with participants after the end of every class to enable participants review the materials and raise possible concerns/discussions in subsequent presentations.

1.2.8 REGIONAL WORKSHOP ON SOVEREIGN BORROWING FROM GLOBAL CAPITAL MARKETS: INTERNATIONAL CAPITAL MARKETS. BANJUL, THE GAMBIA. JULY 15 – 19, 2019.

The Regional Workshop on Sovereign Borrowing from Global Capital Markets: International Capital Markets was organised by the West African Institute for Financial and Economic Management (WAIFEM), and held at Banjul, The Gambia from July 15 – 19, 2019. The Workshop was attended by Twenty-three (23) executive/senior/middle level officials from central banks, ministries of finance and economic planning, debt management offices, controller and accountant general offices from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The objective of the course was to provide participants with in-depth understanding of sovereign borrowing from the capital or global markets, have a broad and deep understanding of global capital markets, the methodology of bond issuance, and the role of bond markets in ensuring growth and financial stability of the economies in WAIFEM member countries.

The following broad themes were covered during the course:

- Why Capital Markets Matters for an Economy;
- International Markets Access (Bonds & Debt Market / IFIs);
- Key participants and their roles and responsibilities;
- Pros and cons of Alternative Funding Sources, from the Issuer's Perspective; and
- Step by Step Guidance on International Issuance, among others.

Experienced team of facilitators and practitioners from Debt Management Office (DMO), Nigeria, Ministry of Finance, Ghana, and Central Bank of The Gambia facilitated the course. The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from Debt Management Office (DMO), Nigeria, Ministry of Finance, Ghana, and Central Bank of The Gambia. However, they made the following recommendations for consideration for the organizers and stakeholders:

- Continuation of training and workshops in sovereign borrowings and debt management.
- Development of strategic regional approach towards sovereign borrowings.
- Most of the participants expressed their satisfaction over the logistical arrangements for the training and urge WAIFEM to continue the good work.

The participants expressed that the relevance of the training in sovereign borrowing and debt management cannot be over emphasized. The course was timely and very relevant to the work of the participants. It was also relevant to the respective areas of work and has further equipped the participants in improving their work. Moreover, the participant pointed out that the course had provided them with greater insight into the elements of public debt management especially the procedures and practices. Overall participants were satisfied with arrangements, facilities and venue of the course.

1.2.9 IMF/WORLD BANK IN COLLABORATION WITH WAIFEM NIGERIA NATIONAL MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS) 2020 - 2023. ABUJA, NIGERIA, JULY 22- 31, 2019.

A joint International Monetary Fund (IMF), World Bank (WB), and West Africa Institute for Financial and Economic Management (WAIFEM) Technical Assistance (TA) mission visited Abuja during July 22—31, 2019, at the Invitation of the Federal

Government of Nigeria through the Federal Debt Management Office (DMO) to assist and advise the Nigerian Debt Management Office (DMO) on revising and updating the Medium-Term Debt Management Strategy (MTDS) for 2020–2023. A total of Thirty-eight (38) officials attended and or were met during the exercise.

The mission met with the Director General of the DMO, Ms. Patience Oniha, and her Senior management team. The DMO is on track to meet the targets sets in its existing Debt Management Strategy (DMS). The DMS will be developed on the basis of medium-term debt management strategy (MTDS) analysis, and the internal MTDS report that outline and compare alternative funding strategies. The current strategy, formulated in 2015, set targets to increase the share of external debt and decrease the share of Treasury bills (T-bills). The DMO's plan was to maximize concessional loans (from multilateral and bilateral creditors) and contain interest-to-revenue ratio, one of the fiscal policy targets, which had been rising. However, concessional financing has not materialized to the extent anticipated, and aggressive Eurobond issuance in 2017 and 2018 has raised the share of external debt. Using some of the proceeds from Eurobond issuance to redeem maturing T-bills has reduced the stock of bills significantly.

As a result of the strategy, refinancing risk has been significantly reduced, while exchange rate risk has increased. Refinancing risk, an acute risk at the start of the 2016 strategy period, measured as debt maturing in one year, has halved to 15 percent as at the end of 2018. In the meantime, heavy reliance on foreign currency borrowing has increased Nigeria's susceptibility to an exchange rate shock.

Adopting and publishing a 2020-23 debt management strategy, before the end of 2019, is a priority for the DMO. The new debt management strategy should clearly set out the debt management targets for the period and provide a clear rationale for their selection. Fiscal sustainability ratios such as debt to GDP and interest payment to revenue should only be included only in Debt Management Strategy (DMS) to inform the public and investors given the lack of control of these ratios by the debt manager. It is recommended that the DMS is updated and published annually.

The cost and risk of the selected strategy should be discussed in detail in the MTDS document, including risks to implementation. In the event that the new strategy envisages the introduction of new instruments such as inflation-linked (IL) and infrastructure bonds, the strategy report should qualitatively discuss the benefits, costs and risks of these instruments.

The transfer of legacy debt to the government balance sheet should also be explained in the DMS. The sudden increase in debt level from the liability transfer of the Asset Management Company of Nigeria (AMCON) and the arrears of State-Owned-Enterprises (SOEs) should be explained in the DMS and the Debt Management Annual Report.

While existing institutional arrangements for debt management are in line with international practice, improving capacity and streamlining the policy framework would enhance DMO's effectiveness. The DMO is organized along functional lines (front, middle and back office) and well staffed. However, enhancing the technical capacity of the middle office would support the DMO's ability to undertake more detailed analysis of cost and risk of potential new issuance. In addition, the overall debt management framework could usefully be re-orientated at the highest level around a core debt management objective based on cost and risk.

The development and publication of a quarterly bulletin and investor presentation would improve debt transparency and support Investor Relations (IR). The DMO website is an example of a well-designed debt management website, but there remains scope for improvement – including increasing the amount of data available. The DMO should consider publishing a quarterly bulletin and develop an investor presentation, updated on a regular basis, to improve communication with the market and end-investors.

The DMO should consider the role of fixed consultation meetings with end-investors and primary dealer market makers (PDMMs). The DMO currently meets market participants on ad-hoc basis. However, regular meetings serve as a vehicle for disseminating information simultaneously and provide a regular update to take stock of market development.

The mission team was composed of Miriam Tamene (Mission Chief), James Knight and Liam O'Sullivan (IMF) Juan Carlos Vilanova (World Bank) and Lamin Jarjue (WAIFEM). The mission made key recommendations for the consideration of the Nigerian Government including updating the MTDS, institutional arrangements, debt transparency and investor relations.

1.2.10 WAIFEM IN COLLABORATION WITH GOVERNMENT OF SIERRA LEONE NATIONAL DEBT SUSTAINABILITY ANALYSIS (DSA). FREETOWN, SIERRA LEONE, SEPTEMBER 2- 6, 2019.

WAIFEM, at the invitation of the Ministry of Finance, Sierra Leone conducted the Country's DSA Exercise, from September 2 – 6, 2019 in Freetown, Sierra Leone.The Objective of the mission was to provide technical guidance, support and lead the exercise to the conduct of the country's National DSA. During the mission a debt Sustainability Analysis exercise was conducted at the Leisure Hotel in Aberdeen, Freetown, Sierra Leone for the Country's Debt Sustainability Analysis (DSA) Team comprising of official from the Ministry of Finance, Bank of Sierra Leone (BSL), Bureau of Statistics, Sierra Leone Revenue authority and all stakes holders. Nineteen (19) staff members from the stake holders attended the DSA exercise.

The mission was led by Mr. Momodou Lamin Jarjue – WAIFEM, who represented the Institute and facilitated the exercise. The Results of the DSA analysis was presented by Mr. Charles S. Conteh, Acting Director Debt Management Directorate, Ministry of Finance.The presentations highlighted the results of the analysis of the four strategies as well as the analysis which showed the strategy with the least cost and risk possible outcome (i.e. the strategy which maximizes external concessional borrowing and domestic debt restructuring) The report recommended the finalization, approval and publication of the 2019 DSA Review Report.

1.2.11 JOINT WORLD BANK/WAIFEM REGIONAL TRAINING ON DEBT MANAGEMENT ASSESSMENT PERFORMANCE ASSESSMENT (DeMPA) TOOL LOW-INCOME COUNTRIES (LIC-DSF). ABUJA, NIGERIA, SEPTEMBER 23 - 27, 2019.

A joint World Bank and West African Institute for Financial and Economic Management regional training on Debt Management Performance Assessment (DeMPA) Tool was conducted from September 23 - 27, 2019 in Abuja, Nigeria. The course was attended by twenty-nine (29) executive and senior officials drawn from Central Banks, Ministries of Finance, Accountant General's Departments, National and Sub-National Debt Management Offices and National Audit Offices consisting from The Gambia (7), Ghana (5), Sierra Leone (6), Nigeria (8) and Liberia (3).

The objective of the training was to build capacity of the participants in Anglophone West Africa to help strengthen capacity and institutions in the countries so that they can manage government debt in an effective and sustainable manner in the medium to long term. The course was also designed to enhance networking and sharing of experiences among debt managers in the region.

The broad themes covered included the following:

1. An Introduction to DeMPA Tool
2. Governance and Strategy Development
3. Legal Framework
4. Debt Management, DSA and MTDS and
5. Debt Management Strategy among others.

The training was facilitated by experienced resource persons from the World Bank (Lillia Razlog, Senior Debt Specialist and Andre Proite, Senior Debt Analysis), and WAIFEM faculty (Dr. Baba Yusuf Musa, Director General and Momodou Lamin Jarjue, Programme Manager). The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from World Bank, and IMF. However, they made the following recommendations for consideration of the organisers and stakeholders:

1. World Bank should consider providing more TA and capacity building programmes for debt managers (all stakeholders in a country) and sub-nationals, considering the increasing role debt managers are expected to play as a result of increasing decentralization. In this regard, and in the medium term, we call on the Bank and WAIFEM to organize similar training every year to develop a pool of experts and ensure sustainability of capacity;
2. Developments of model law and procedural

manual to cover debt managements operations by The Bank. This will enable countries adopt or modify to suit their environment. Development of such document will fasten reforms capacity development in many countries;

3. There is the need to organize training on Debt Sustainability Analysis for countries in Africa, and Sub-National debt sustainability, particularly in West Africa, using the newly developed tool (Analytical LIC-DSF) in order to build capacity for Fiscal and Debt Sustainability. In this regard, there is the need for The Bank to develop standard threshold for debt sustainability, to assist debt managers to provide early warning signal to their authorities;
4. The World Bank in collaboration with WAIFEM should have medium to long term plan on how to coordinate capacity building and in adoption of the DeMPA Tool; and
5. The training be extended by two (2) weeks to increase application on many hypothetical country cases (Like Utopia, Debtopia, etc.). This will enable participants to master the use of the Tool and Reform plans.

The participants expressed their sincere and profound gratitude to the World Bank for its continuous collaboration and relentless effort in enhancing the human resource capacity of officials in developing countries, especially in Africa and beyond, by organizing such an invaluable training.

1.2.12 JOINT WORLD BANK/IMF/WAIFEM REGIONAL TRAINING ON DEBT SUSTAINABILITY FRAMEWORK FOR LOW-INCOME COUNTRIES (LIC-DSF). FREETOWN, SIERRA LEONE, OCTOBER 21 - 25, 2019.

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the World Bank (WB) and the International Monetary Fund (IMF) organized a regional training on Debt Sustainability Analysis Framework for Low-Income Countries (LIC-DSF) in Freetown, Sierra Leone from October 21 – 25, 2019. The training was attended by thirty-six (36) senior level officials drawn from the Central Banks, Ministries of Finance, Debt Management Office, Accountant General Department, Statistical Departments, Revenue Authorities and Parliament Budget Office; from The Gambia (7), Ghana (8), Liberia (5), Nigeria (6), and Sierra Leone (10).

The overarching objective of the training was to equip participants to have theoretical and conceptual skills about the key features of the revised debt Sustainability Framework for Low-Income Countries (LIC DSF) and provide hands on training on the use of the new LIC-DSF template. Specifically, participants had an opportunity to work through a country case study and analyze the output of the LIC-DSF template to better understand debt vulnerabilities.

The broad themes covered included the following:

- Introduction to Debt Sustainability Analysis in Low-Income Countries and New features of the IMF/WB Debt Sustainability Framework (DSF);
- Inputs: Definition and Coverage of Public Sector and Public Debt, Macroeconomic Projections;
- Inputs: Financing Assumptions;
- Macroeconomic Linkages and Debt Dynamics; and
- Public and External Debt Dynamics, among others.

Experienced resource persons were drawn from the IMF (Joyce Miharu Balbuena Saito) and World Bank (Vasilis Tsiropoulos) to deliver the training modules at the training programme. The participants indicated their appreciation of the training and expressed satisfaction with method of delivery and competence of the facilitators from World Bank, and IMF. However, they made the following recommendation for consideration of the organizers and stakeholders:

1. The conduct of DSA is a multiagency activity. There is need for coordination of all agencies involved in macroeconomic policy formulation. Therefore, it behoves a country to have a DSA team;
2. More time was needed to internalize the new DSA framework as participating countries would now be expected to conduct their country specific DSAs using the new template;
3. Member countries of WAIFEM should invest time and energy in building the capacity of statistics generating agencies so as to

generate credible macro-fiscal data that feeds into the preparation of DSA;

4. Member countries of WAIFEM should continue to adopt best practices in all aspects of debt management; consequently, maintaining debt sustainability should be encouraged under the West African Monetary Zone (WAMZ) convergence criteria; an

5. There is need for ECOWAS to establish standard benchmarks for debt management practices in West Africa and in line with international standards, among others.

1.3 FINANCIAL SECTOR MANAGEMENT PROGRAMMES

1.3.0 INTRODUCTION

During the year 2019, the Financial Sector Management Department organised a total of 13 regional capacity building programmes. The total number of participants was 294 from central banks, ministries of finance and other public and private sector agencies, primarily from WAIFEM member countries. In terms of distribution of participants by country, Ghana accounted for 28.9 per cent, followed by Sierra Leone (18.4 per cent), The Gambia (18.0 per cent), Nigeria (17.0 per cent) and Liberia (13.9 per cent). Other countries accounted for 3.7 per cent of the participants.

A breakdown of the participation according to institutions showed that central banks accounted for 199 participants (67.7 per cent), other public sector institutions had 63 participants (21.4 per cent), ministries of finance and economic planning recorded 25 participants (8.5 per cent) and the private sector had 7 participants (2.4 per cent). In terms of gender participation there were 176 male participants accounting for 59.9 per cent and 118 females accounting for 40.1 per cent of total participation.

The details of the courses conducted by the Financial Sector Management department are as follows:

1.3.1 REGIONAL COURSE ON FOUNDATION BANKING SUPERVISION. LAGOS,NIGERIA FEBUARY 25 – MARCH 8, 2019

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the College of Supervisors of the West African Monetary Zone organized a regional course on Foundation Banking Supervision in Lagos, Nigeria from February 25 - March 8, 2019.

The course was aimed at providing participants with the basic knowledge in banking supervision in order to enable them to effectively and efficiently perform their duties as bank supervisors.

The following broad themes were covered:

- An overview of regulations (including regulatory models);
- The functions of central banks and the role of financial institutions;
- The Impact of Bank Failure and the need to supervise banks;
- Concept of bank examination; and
- Fundamentals of bank operations, among others.

A communiqué was issued by the participants at the end of the course with the following observations and recommendations:

Observations:

i. Banking regulation/supervision within the sub-region has similarities in certain areas whereas, it varies in other critical areas. Whiles variations may reflect country specific characteristics such as sophistication in financial sector among others, it does not facilitate comparability of deposit money banks and collaboration of central banks within the sub-region;

ii. Countries within the sub-region are at various stages of adoption and implementation of international standards and principles in the banking sector such as the Basel Core Principles on banking supervision and the International Financial Reporting Standards;

iii. Most countries in the sub-region operate a cash-based economy which facilitates money laundering activities;

iv. Most central banks in the sub-region are yet to establish deposit insurance schemes to safeguard depositors when a bank fails; and

v. The presentation revealed that some countries within the sub-region lack the needed expertise in certain critical areas in banking operations, especially in market risk assessment, among others.

Recommendations:

Central banks in the sub-region should continue to make concerted efforts to harmonize bank regulation/supervision to facilitate comparability of deposit money banks and collaboration of central banks within the sub-region:

i. Participants underscore the need for a concerted sub-regional approach to adopting and implementing the Basel II and III, IFRS 9 and other international standards on banking. This will enhance collaboration in the banking and financial sectors, cross-border supervision and also facilitate integrated economic development;

ii. Countries within the sub-region should endeavour to move towards cashless economies in order to minimize money laundering activities;

iii. In view of the many cases of bank failures experienced across the sub-region over the past few decades and the attendant difficulties in refunding depositors, member countries without deposit insurance schemes should fast tract their establishment and implementation to safeguard depositors, and improve overall confidence in the banking sector; and

iv. Financial literacy framework should be developed in the sub-region to promote deposit mobilization, as well as the utilization of banking/financial services, among others.

1.3.2 REGIONAL COURSE PRODUCTIVITY ENHANCEMENT FOR EXECUTIVE ASSISTANTS AND PERSONAL SECRETARIES TO CEOs. ACCRA, GHANA, MARCH 11 - 15, 2019.

The Regional Course on Productivity Enhancement for Executive Assistants (EAs) and Personal Secretaries (PSs) of Chief Executive Officers was organised by the West African Institute for Financial and Economic Management (WAIFEM) from March 11 -15, 2019 in Accra, Ghana.

The course was aimed at providing executive assistants and personal secretaries of CEOs with the critical knowledge and skills necessary for effective and enhanced job performance. Specifically, the course enabled participants to:

Learn and understand the roles, duties and responsibilities of the executive assistant/secretary, personal assistant and senior secretary;

Acquire the knowledge and skills in office administration and management essential for the effective discharge of their responsibilities;

Develop and upgrade interpersonal skills for office management;

Update their knowledge of the latest office technologies; and

Understand and appreciate the importance of effective communication, among others.

The broad themes covered included:

- Personal/Administrative assistantship; roles, duties and responsibilities;
- Office administration: issues and challenges;
- Techniques of management and impact of change in today's organisation;
- Planning and goal setting (managing time and priorities, etc.); and
- Decision-making, problem-solving, among others.

In a communiqué issued at the end of the course, the participants made the following observations and recommendations:

Observations

(I) The course content was well articulated, elaborate and tailored towards contemporary practice;

(ii) The roles and scope of the Executive Assistants in today's modern organisations have become more challenging than ever;

(iii) Facilitators were all on top of their respective subject matters;

(iv) Participants were very attentive and ready to learn; and

(v) Participants shared experiences and knowledge among one another.

Recommendations

i. More participants should be given the opportunity to attend the course;

ii. A follow up course should be organized on public speaking, Customer care, corporate governance, business mathematics and finance skills, career development, internet and office technologies etc, to enable participants fully appreciate the worth and importance of the course; and

iii. More EA's should be exposed to cutting edge information technology for job effectiveness;

and

iv. A research into the success stories of EAs in the sub-region in terms of harnessing technology to their advantage should be conducted and adopted by other members who may be lagging in performance in this area.

1.3.3 REGIONAL COURSE ON MICROFINANCE REGULATION AND SUPERVISION (LEVEL 1). LAGOS, NIGERIA, MARCH 25 – APRIL 5, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a regional course on Microfinance Regulation and Supervision in Lagos, Nigeria from March 25 – April 5, 2019. The course was designed to enable participants learn innovative strategies in the operations and supervision of microfinance institutions. Specifically, it sought to enhance participants' skills in microfinance operations, supervision, and develop a critical analysis of the broader issues and environment in which microfinance initiatives are based.

The following broad themes were covered:

- Introduction to microfinance banking: why is MFI regulation necessary; evolving financial landscape and the role of government in financial inclusion;
- Development policies and strategies for microfinance institutions;
- Pro-poor financial services: Microcredit
- Fraud prevention in microfinance banks; and
- Credit and marketing in microfinance banks, among others.

A communiqué was issued by the participants at the end of the course with the following observations and recommendations:

Observations:

i. The potentials of microfinance have not been fully exploited in the fight against poverty;

ii. There is misalignment of microfinance strategy with the business conduct of the MFIs;

iii. There is a dearth of affordable and accessible wholesale funding for microfinance;

iv. That pervasive political interference in microfinance remains a challenge;

v. Poor array of innovative products that are sustainable and client-centric;

Recommendations:

(i) Promote the concept of microfinance to fully exploit its potentials in the fight against poverty;

(ii) Proper alignment of MFIs operations to their individual strategies;

(iii) Government and donor agencies to make wholesome funding available, affordable and accessible to the MFIs;

(iv) Governance of MFIs should be largely devoid of political interferences; and

(v) MFIs should be innovative in product development to broaden the choices available to customers, among others

1.3.4 REGIONAL COURSE ON COMBATING MONEY LAUNDERING AND OTHER FINANCIAL CRIMES. BANJUL, THE GAMBIA. APRIL 29 – MAY 3, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Course on Combating Money Laundering and other Financial Crimes in Banjul, The Gambia from April 29 – May 3, 2019.

The course was aimed at developing critical skills in combating money laundering and financial crimes perpetrated through the financial system in the sub-region. The following were the specific objectives:

To enable participants understand the concepts and techniques of money laundering and its effects on the financial system;

To enhance the knowledge of participants in AML/CFT supervision and compliance; and

To expose participants to current developments and trends in global initiatives to combat money laundering and other financial crimes.

The following broad themes were covered:

- Overview of money laundering, economic and other financial crimes (Definitions, stages, types, etc.);
- International/regional initiatives: The revised FATF standards- implication for robust

AML/CFT regime in West Africa;

- ML/TF threats and challenges posed by Fintech and crypto currency;
- Risk based approach in implementing AML/CFT programme; and
- New challenges in AML Supervision, among others.

A communiqué was issued at the end of the course by the participants with the following observations and recommendations:

Observations

(i) Course content is very relevant and addresses crucial regional issues but too packed for a one-week course;

(ii) Level of compliance officers within the institutions in some countries are too low for independent decision making on AML/CFT issues;

(iii) Lack of a central database in each country to assist with verification and information sharing among agencies and regulators;

(iv) Limited awareness and sensitization of the staff of financial institutions on AML/CFT; and

(v) Inadequate whistle-blowing laws and protection for the whistle blowers, among others.

Recommendations

(i) The duration for the course should be extended by a week to enable facilitators cover all aspects of their presentations;

(ii) Compliance officers should be at Senior or Executive level to enable them make independent decisions on AML/CFT policies;

(iii) There is need for a central database in member countries to enhance verification and information sharing among the agencies;

(iv) The course be extended to financial institutions so that they gain profound understanding of how to on-board customers and the continuous monitoring of customers; and

(v) There should be adequate whistle-blowing laws which include protection clauses for whistle-blowers, among others.

1.3.5 REGIONAL COURSE ON FINANCIAL AND ECONOMIC INTEGRATION. ACCRA, GHANA, MAY 6 – 10, 2019

A regional course on Financial and Economic Integration was organized by the West African Institute for Financial and Economic Management (WAIFEM) in Accra, Ghana from May 6 – 10, 2019. The main objective of the course was to broaden participants' perspectives on various aspects of economic, monetary and financial integration.

The following topical issues were presented during the course:

- Overview of financial and economic and monetary integration: Case studies from other regions;
- Requirements for economic and monetary integration;
- Trade, financial and monetary integration (reserve management and exchange rate);
- Political economy, aspects of integration and burden sharing; and
- Integration of the payment systems, among others.

Following the lecture presentations and discussions, the participants made the following observations and recommendations:

Observations

Continuous lack of political will is still hampering the process towards integration in the region, even though some progress have been made;

Some of the parliaments of the member states are yet to ratify the different protocols that would eventually culminate into the ECOWAS Monetary Union;

There is lack of adequate public enlightenment on the benefits of regional integration among member states;

Member states are using different legislation pertaining to payment and settlement systems; and

Mobility within the sub-region is expensive and difficult due to inadequate communication infrastructure, among others.

Recommendations

- Member countries should invest more in infrastructure to facilitate easy movement of goods, persons and services;

- There is the need for member states to fully adhere to series of protocol signed to facilitate free movement. For instance, the Implementation of the ECOWAS Protocol on free movement of persons, goods and services across the region has not been effective over the years;
- Member states should embark on adequate sensitization on the benefits of ECOWAS protocols on free movement, ECOWAS Trade Liberalization Scheme (ETLS), among other policies introduced to facilitate integration;
- The level of development of payments system infrastructure should be standardized across the region to enhance integration;
- The ECOWAS Common External Tariff (CET) should be adopted by all countries within the sub-region, among others.

1.3.6 REGIONAL COURSE ON BANKING SUPERVISION (INTERMEDIATE LEVEL). LAGOS, NIGERIA MAY 20 – 31, 2019

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the College of Supervisors of West Africa Monetary Zone (WAMZ), organized a Regional Course on Banking Supervision (Intermediate Level), in Lagos, from May 20 – 31, 2019.

The course was organised against the backdrop of the complexities in the banking sector in particular, and the financial system in general, due to globalisation and consolidation of the financial system in recent times. These developments have created regulatory gaps and high risks for the financial system, causing occasional pockets of financial crises. Consequently, soundness and stability of the financial system as a whole has become a major challenge to bank regulators and supervisors globally. As a result, there is the need to continuously train proactive supervisors and equip them with the appropriate knowledge and tools to ensure the soundness and stability of the financial system.

The course was designed to upgrade the capacity of officials in the banking supervision departments of WAIFEM member Central Banks. In particular, the course sought to provide participants with in-depth knowledge of the emerging techniques of supervision, bank licensing, preventive and prompt corrective actions (PCAs) that need to be taken to avoid bank failures.

The following broad thematic areas were covered during the two-week course:

- Banking Licensing Process;
- Bank Failure: Causes, Prevention and Resolution;
- Capital and Capital Verification;
- Consolidated Supervision; and
- Foreign Exchange Operation and Examination Process, among others.

Following the lectures and interactions, the participants made the following observations and recommendations:

Observations

(i) The time allocated to some lectures was inadequate and facilitators rushed through them to keep to the time.

(ii) The course content was too broad and detailed for the time allotted for the programme.

(iii) Some of the topics were too advanced to learn at one level.

Recommendations

(i) The time allotted to some of the lectures should be reassessed to ensure efficient delivery;

(ii) Some of the topics should be broken down into foundation, intermediate and advanced levels and spread across the entire programme.

1.3.7 REGIONAL COURSE ON ECONOMIC AND FINANCIAL REPORT WRITING SKILLS AND PRESENTATION TECHNIQUES. ABUJA, NIGERIA, JUNE 10 – 14, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Economic and Financial Report Writing Skills and Presentation Techniques in Abuja, Nigeria from June 10 – 14, 2019.

The course was designed to enhance participants' competence in the writing and presentation of effective economic, financial and other technical reports. Specifically, it was aimed at empowering participants with the capacity to use communication as a powerful tool for enhancing their job effectiveness and competencies in economic and financial technical report writing and presentation techniques. Specifically, the course was intended to:

i. Develop report writers' appreciation of the English language and

ii. Enhance their knowledge on how to structure, write and present more effective economic, financial, and other reports.

The following broad themes were covered during the course:

- The Communication process;
- Grammar in writing;
- Writing styles;
- The spoken English; and
- Features of technical reports, among others.

A communiqué was issued by the participants at the end of the course with the following observations and recommendations:

Observations:

(i) That the course contents and materials supplied were well structured, adequate, very useful and highly refreshing, which enhanced participants' technical report writing skills and presentation techniques.

(ii) That Participants recognized Language as a powerful tool for effective communication and the course further equipped them with vital concepts in effective communication skills. This will be of immense help in effective and efficient execution of their respective duties in their various offices.

(iii) The participants consisted of matured Bureaucrats, and Technocrats who exhibited the highest degree of enthusiasm throughout their quest for further learning. The participation and cooperation of the participants during the course was commendable.

(iv) That the exchange of ideas among participants from member states further enriched the activities and strengthened the participants in effective language usage.

(v) That the course had afforded the participants the opportunity to interact and network to foster unity among the member states.

Recommendations

i. That the course should continue to be offered, to keep officials of the sub-region abreast with evolving techniques and skills in technical report writing and presentation techniques.

ii. The course should be extended to other non-economists and non-financial employees in the central banks and other core economic ministries and related agencies.

iii. The duration of the course should be extended to at least ten (10) working days to enable participants learn more from the course.

iv. More time should be allocated for each session.

v. The speed of the internet to be increased in order to have easy access to research work.

1.3.8 REGIONAL COURSE ON CYBER SECURITY AND STRATEGIES FOR COMBATING CYBER-CRIMES IN THE FINANCIAL SERVICES INDUSTRY. FREETOWN, SIERRA LEONE, JUNE 17 – 21, 2019.

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Cyber Security and Strategies for Combating Crimes in the Financial Services Industry in Freetown, Sierra Leone, from June 17 - 21, 2019. The overall objective of the course was to expose the participants to the recent technological transformation in the financial services industry, the threats posed by cyber-crimes to financial and other institutions, as well as causes and mitigation of such threats. Specifically, the objectives were as follows:

- Discuss concepts and drivers in the financial services industry, exposure to cyber-security concepts, themes, etc., and explain the typical objectives that cyber-security programmes seek to achieve.
- Introduction to Digital Financial solutions (Fintech, Insurtech, etc.), Crypto-currencies/Blockchain and evaluate the impact on the financial service industry.
- Discuss cyber-crime investigations and ways of combating emerging cyber threats and

cyber-security issues in the provision of new generation banking (bank 3.0). The security policy framework/strategy, and the accountability/corporate leadership.

The broad themes covered included the following:

- Overview of cyber-security concepts and drivers in the financial services industry;
- The rapidly developing scope and nature of the threats to cyber-security;
- Steps to conducting an industry-wide risk assessment;
- The role of the regulator in relation to cyber-security; and
- What constitutes compliance for firms in the industry, among others.

A communiqué was issued by the participants at the end of the course with the following observations and recommendations:

Observations:

Cyber-crime is and will continue to be a major global challenge;

The new trend in the financial service industry such as Block chain and Crypto currencies will attract more cyber threats;

There is inadequate sensitization of Senior Management of organizations on the issues of cyber-crime;

Legislation and other regulations in most of the countries in the sub region are failing to deal with cyber-crimes and their perpetrators; and

Current Boards in most organizations in our sub-region do not include experts in Information and Communications Technology (ICT), among others.

Recommendations

- Policymakers and other stakeholders should be sensitized on threats of cyber-attacks and crimes and its implications to the financial service industry;
- Regulators should ensure they have good understanding of cyber-security and the threats they pose in order to be able to proffer robust solutions to insulate the regional financial service industry from cyber-attacks;
- Banks and other financial services institutions in our sub-region should sensitize their senior management on issues of cyber-crimes;
- Required Legislation and other regulations should be enacted in all of the countries in the sub region that deal with cyber security crimes and their perpetrators; and
- Composition of Boards of Directors should include experts in ICT, among others.

1.3.9 WAIFEM/IMF REGIONAL COURSE ON FINANCIAL SOUNDNESS INDICATORS. BANJUL, THE GAMBIA. JULY 29 – AUGUST 2, 2019

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) organized a Regional Course on Financial Soundness Indicators (FSIs) in Banjul, The Gambia from Monday, July 29 – Friday, August 2, 2019.

The course aimed at developing critical skills in the compilations and interpretations of FSIs at the solo and consolidated basis for the purpose of sound financial reporting.The Specific objectives of the course included the following:

- Compilation of FSIs in accordance with its methodology as indicated in the FSI Guide, using source data obtainable from sectoral financial statements and supervisory report forms;
- Calculation of FSIs using different consolidation bases and interpret the different results obtained; and
- Use of FSI information to enhance financial sector supervision and macro-prudential policy.

The following were the broad themes covered during the course:

- Overview and introduction to Financial Soundness Indicators (FSIs);
- Institutional sectors;
- Consolidation basis and consolidation adjustments;
- Regulatory and accounting framework for Deposit Takers; and
- Core FSIs for deposit takers, among others.

Following the lecture presentations and discussions, the participants made the following observations and recommendations:

Observations

(i) The course topics were very relevant;

(ii) The facilitators' performance and lecture delivery were excellent as they exhibited good mastery of the topics and gave practical examples that brought out fruitful discussions;

(iii) The facilitators as well as WAIFEM officials were very friendly and supportive and this provided a pleasant atmosphere during the lectures to facilitate learning;

(iv) The duration of the course (1 week) seems grossly inadequate; and

(v) Course materials were adequately supplied, among others.

Recommendations

- The duration of the program should be extended by one week as the content cannot be reduced owing to the relevance of all topics covered;
- Cross-border consolidation of financial institutions should be highly encouraged in the sub-region and beyond, where applicable;
- Countries in the West African region that are yet to adopt Basel II or III should be encouraged to do so;
- For effective use of FSIs, member countries should be urged to share data and information amongst themselves; and
- Other countries in the sub-region are yet to submit FSIs to the IMF and should be encouraged to do so.

1.3.10 REGIONAL COURSE ON MICROFINANCE REGULATION AND SUPERVISION (LEVEL 2). LAGOS, NIGERIA, SEPTEMBER 2 – 13, 2019

A Regional Course on Microfinance Regulation and Supervision (Level 2) was organized by the West African Institute for Financial and Economic Management (WAIFEM) from September 2 – 13, 2019 in Lagos, Nigeria. The course was designed to enable participants learn innovative strategies in the leadership and management of microfinance institutions. Specifically, the course enabled participants to analyse and adapt current best practices from varied experiences to their own situations.

The following broad themes were covered:

- Development role of central banks through SMEs, policy analysis: case example of CBN and other central banks;
- Legal, regulatory and institutional framework for microfinance institutions;
- The role of regulators and supervisors in microfinance banks;
- Capital Standards in microfinance institutions; and
- AML/CFT requirement in MFIs, NPOs and SMEs, among others.

Following the lecture, presentations and discussions, the participants made the following observations and recommendations:

Observations

- The potentials of microfinance have not been fully exploited in the fight against poverty;
- That pervasive political interference in microfinance remains a challenge;
- There is a poor array of innovative products that are sustainable and client-centred;
- There are significant institutional barriers to microfinance development; and
- There is inadequate human and infrastructural capacity to effectively operate microfinance institutions, among others.

Recommendations

- Countries that are yet to develop the National Financial Literacy Strategy should be encouraged to do so;
- The resource persons for the course should include more regulators from the sub-region;
- Governance of MFIs should be largely devoid of political interferences;
- MFIs should be innovative in product development with bias for customer preference products and process development; and
- Governments, donors and MFIs should intensify efforts to further strengthen capacity in microfinance, among others.

1.3.11 REGIONAL COURSE ON MANAGING HUMAN RESOURCE FOR ORGANISATIONAL EFFECTIVENESS. LAGOS, NIGERIA, SEPTEMBER 23 – 27, 2019.

The West African Institute for Financial and Economic Management (WAIFEM) organised a regional course on Managing Human Resources for Organisational Effectiveness from 23rd to 27th September 2019, at WAIFEM Head Office, CBN Learning Centre, Satellite Town, Lagos, Nigeria. The course attracted officials from central banks; ministries of finance; other public sector institutions and money deposit banks in WAIFEM member countries.

The main objective of the course was to examine the role of efficient human resource management in organizational effectiveness and productivity. Similarly, the course was aimed at preparing participants to appreciate the need for change management, organizational culture, gender issues at the workplace as well as highlight strategic and policy issues in human resource management and their linkages to national/regional economic development.

The broad themes covered during the programme were as follows:

- Technology in human resource management;
- Outsourcing: Its implication in HRM;
- Effective communication skills in human resources management;
- Gaining and maintaining strategic relevance: The human resources agenda; and
- Emerging issues in human resource management, among others.

Following the presentations and discussions during the course, participants observed and recommended as follows:

Observations

(i) Some of the facilitators incorporated activities that prompted participants' interactions;

(ii) Only one level of Human Resource Management training program is offered yearly by WAIFEM;

(iii) There was no media presence during the opening ceremony of the programme, thereby limiting the publicity of the course;

(iv) The ratio of 12 females to 9 males is quite commendable and a reflection of the gender sensitivity of the group; and

(v) The programme was fully residential and offered the participants the opportunity to interact after daily class sessions, among others.

Recommendations

(i) All facilitators should incorporate class activities during the sessions to create an avenue for all the participants to be fully engaged and integrated in the program;

(ii) WAIFEM should consider the possibility of having different levels of the Human Resources Management training programs in the year;

(iii) There should be a media presence during the opening of the course in order to give the programme the necessary publicity;

(iv) The participants agreed for the need to initiate positive changes in their respective organisations to improve efficiency and effectiveness; and

(v) Efforts should be made to provide lifts or alternative means to convey physically challenged participants to the training room on the third floor, among others.

1.3.12 REGIONAL COURSE ON ADVANCED BANKING SUPERVISION AND FINANCIAL STABILITY. BANJUL, OCTOBER 7 – 16, 2019

A Regional Course on Advanced Banking Supervision and Financial Stability was organized by the West African Institute for Financial and Economic Management (WAIFEM), in Lagos, Nigeria from 7th to 16th October, 2019. The course was designed to assist participants to appreciate the need for financial stability and enhance their ability to limit the risk of systemic failure through various reform measures. In addition, the course was also aimed at enabling participants to understand contingency planning, risk-based supervision, macroprudential policy and the mechanics of assessing financial sector vulnerability.

The themes covered during the course include:

- Core principles in banking supervision - self assessment process and procedures: The Ghanaian experience;
- Basel II and Basel III: Issues and challenges;
- Non-bank financial institutions: The

regulatory challenges;

- Banking and electronic/IT based examination;
- Cross-border supervision; and
- Macro-prudential versus micro-prudential supervision: Costs and benefits, among others.

Recommendations

(i) There is the need to expose more financial sector regulators such as the non-banking sector (microfinance, insurance) and staff of the entire financial system to the training in view of the relevance of the course;

(ii) More time should be allotted to plenary sessions for more discussions and exchange of country experiences;

(iii) Attention should be geared towards the effective functioning of the credit bureau system;

(iv) Other WAIFEM member countries that are yet to have Bank Verification Number (BVN) for their customers should do so in order to curtail money laundering and other financial crimes in the sub-region; and

(v) Also, more time to be allocated to facilitators to be able to cover their sessions to avoid rushing or being unable to complete their sessions.

1.3.13 HIGH-LEVEL SEMINAR ON BANK CONSOLIDATION, MERGERS AND ACQUISITIONS FOR COLLEGE OF SUPERVISORS. ABURI, GHANA, OCTOBER 21 – 22, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a High-Level Seminar on Bank Consolidation, Mergers and Acquisition in Aburi, Ghana from 21st – 22nd October, 2019. The objective of the Seminar was to share experiences, proffer solutions to practical problems associated with bank consolidation, mergers and acquisitions and promote a deeper understanding in issues related to financial sector reforms.

The broad themes covered included: conceptual issues on bank consolidation, mergers and acquisitions; banking industry consolidation in Nigeria; pre-conditions for success: legal framework and guidelines, administrative framework, institutional support and cross-sectional issues; and practical consolidation issues and implementation challenges; Ghana's experience on banking sector clean-up exercise and financial requirements, legal issues and challenges in the clean-up exercise; regulatory process and approvals; and resolution of failed institutions post-consolidation. Case studies were also presented.

In the course of the presentations and discussions, the following resolutions were adopted:

(I) The independence or autonomy of the central banks in the Zone should be promoted;

(ii) The powers of supervisors should be strengthened to enable them to carry out resolution of banks effectively;

(iii) Macro-prudential policy should be strengthened to complement micro-prudential supervision;

(iv) Enhance the capacity of supervisors in areas such as risk based supervision, corporate governance, supervision of complex banks as well as introduce safeguards against the dominance or overbearing influence of Board members; and

(v) In the interest of transparency, the rights and interest of all stakeholders should be protected in the context of consolidation, mergers and acquisitions, among others.

1.4 MACROECONOMIC MANAGEMENT DEPARTMENT

1.4.0 INTRODUCTION

The Macroeconomic Management Department organised a total of 11 regional capacity building programmes during the year 2019. The total number of participants of those programmes were 292 from central banks, ministries of finance and other public and private sector agencies primarily from WAIFEM member countries.

A country-wise distribution of participants reveal that Ghana accounted for 28.8 per cent, followed by Nigeria (24.7 per cent), Liberia (15.4 per cent),Sierra Leone (13.7 per cent), and The Gambia (13.0 per cent). Other countries accounted for 4.4 per cent of the participants.

A breakdown of the participation according to institutions showed that central banks accounted for 135 participants (46.2 per cent), ministries of finance and economic planning recorded 139 participants (47.6 per cent), other public sector agancies recorded 13 participants (4.5 per cent and) and the legislature accounted for 5 participants(1.7 per cent). In terms of gender participation, there were 185 male participants accounting for 63.4 percent and 107 females accounting for 36.6 percent of total participation.

The details of the courses conducted by The Macroeconomic Management Department are as follows:

1.4.1 REGIONAL COURSE ON FUNDAMENTALS OF MACROECONOMIC ANALYSIS.

LAGOS, NIGERIA, APRIL 1 – 12, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a ten (10) day regional course on Fundamentals of Macroeconomic Analysis in Lagos, Nigeria, April 1 -12, 2019. The course was attended by twenty-five (25) participants drawn from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. The 10-day course was intended to lay emphasis on equipping the participants with knowledge in macroeconomic fundamentals with the appropriate tools to adequately understand the workings of the economy. Specifically, the course was intended to enable the participants to appropriately intervene in their uncertain economic environment with sound macroeconomic policies

The course covered the following topics: Review of the IS-LM, AS-AD Framework and the Mundell-Flemming Model; New Macroeconomics: Neo Classical, NeoKeynesian etc.; Sources of Economic Growth; Open Economy Macroeconomics: The Balance of Payments and Exchange Rates; Monetary Policy Frameworks: Instruments, Strategies and Challenges; Monetary Accounts and Analysis; Fiscal Policy Frameworks: Instruments, Strategies and Challenges; Fiscal Accounts and Analysis; Economic Policy Coordination; Financial Markets and Liquidity Management; The Foreign Exchange Market: Exchange Regimes and Policies; System of National Accounts (SNA) 2008: Conceptual Frameworks; Openness in Goods and Financial Markets; Introduction to Financial Programming; Introduction to Debt Management in Macroeconomic Analysis; Introduction to E-views; Introduction to STATA; and Hands-on exercises.

Based on the lectures and the discussion sessions, the participants made the following observations and recommendations:

Ineffective macroeconomic policies, inadequate collaboration and coordination among institutions saddled with the responsibilities of formulating economic policies of most African countries account for poor growth and development in the region. These issues are coupled with poor leadership, socio-political crisis, corruption, lack of transparency and accountability, poor investment in research and development, low financial inclusion and low literacy levels in the region;

Irrespective of the foreign exchange policy adopted by a nation, one way to enhance the value of its currency against major world currencies is to provide and support an enabling environment for the development of the manufacturing sector of the nations' economy to boost productivity and export;

The course organization and delivery were excellent for the presentations, and the materials of the course were very educative and informative; and

Harmonious collaboration and coordination among institutions saddled with the responsibility of formulating economic policies in African countries is imperative. This will lead to the desired growth and development, among others.

1.4.2 REGIONAL COURSE ON MACROECONOMIC AND PUBLIC FINANCIAL MANAGEMENT: DEBT, BUDGETING, PLANNING AND PERFORMANCE. FREETOWN,

SIERRA LEONE, MARCH 11 – 15, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a 5-day regional course on Macroeconomic and Public Financial Management: Debt, Budgeting, Planning and Performance from February 18 – 22, 2019. The venue for the course was at the Sierra Lighthouse Hotel in Freetown, Sierra Leone. The course was organized for officials in the fields of Economics, Finance, Statistics, Audits and Accounts from member countries comprising of The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. The course was particularly designed to provide participants with an understanding of the relevant issues relating to public financial management in macroeconomic analysis and the various linkages among the components of PFM systems, with a view to improving economic and fiscal performance in the sub-region. It was generally expected that participants would be equipped with skills to design and analyze the different stages of the PFM cycle, from the perspective of local conditions and political institutions.

The course covered a number of key topics such as: Review of Basic Macroeconomics: Basic Macroeconomics, Models and Indicators, Fiscal and Monetary Policy Coordination; Review of Programme and Performance Management (PFM); Planning, Budgeting and Expenditure Control in the Public Sector; Analysis of Budget Revenues and Projections; The Role of Fiscal Policy; International Standards: PEFA, Codes of Fiscal Transparency; The Medium Term Expenditure Framework (MTEF); Gender Equality and Public Finance Management: Issues and Challenges; Public Debt Dynamics and Financial Management Regulations; and Debt Management in Developing Countries: The Case of Ghana.

In addition to the lectures and subsequent interactive discussions, the following observations were made by the participants:

- The interactions between facilitators and participants helped in sharing country experiences, which is integral for regional integration.
- The course was overloaded within the one duration. As a result, some important aspects such as group discussions and more experience sharing were compromised.
- Time management was a key challenge as some important topics were quickly rush-through.
- Without effective policy coordination, financial stability may be jeopardized, culminating in high interest rates, exchange rate pressure and high inflation (all of which would adversely impact on economic growth).
- Budgets are not often analyzed critically by the fiscal authority to reflect the incidences of poverty in the sub-region.

In view of the foregoing, the participants recommend the following:

(i) There is the need for greater policy coordination between monetary and fiscal authorities so as to achieve the major macroeconomic policy objectives of low and stable inflation and balanced growth.

(ii) The top executive management of both the monetary and fiscal authorities should introduce and institutionalize a quarterly forum for executive coordination of monetary and fiscal policies. A half-yearly forum of Directors from relevant monetary and fiscal agencies would be good;

(iii) National governments should fast track the process of embracing inclusive growth in their budgetary frameworks in order to avert the occurrence of shadow economies.

(iv) The governments of member countries should embrace unified account structure i.e Treasury Single Account (TSA) with a view to consolidating their respective resources as this will in turn help to minimize government borrowing.

(v) Sound and credible macroeconomic framework is necessary for budget credibility and fiscal sustainability; and in designing such framework, it is pertinent for member countries to develop strong institutional reforms and put in place fiscal rule so as to improve the credibility and soundness of macroeconomic policies.

(vi) That public finance institutions in member countries should adhere to and/or adopt standard and best practices (that is, IPSAS, GFS, PEFA, etc.) for effective reporting and evaluation purposes.

1.4.3 REGIONAL COURSE ON TECHNIQUES OF ECONOMIC ANALYSIS, MONETARY POLICY AND FINANCIAL MANAGEMENT. BANJUL, THE GAMBIA, MARCH 4 – 8, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a five 5-day regional course on Techniques of Economic Analysis, Monetary Policy and Financial Management in Banjul, The Gambia, March 4 – 8, 2019. The course was attended by participants from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

The course laid emphasis on equipping the participants with economic tools in dealing with notable challenges in macroeconomic management in West Africa. Specifically, the course was intended to afford participants the opportunity to upgrade their knowledge and skills in economic and financial policy formulation, analysis, performance monitoring and reporting through theoretical and practical expositions.

The course covered the following topics: Introduction to Macroeconomics; Basic Macroeconomic Framework for Policy Analysis, The Balance of Payments Accounts and Forecasting, Monetary and Fiscal Policy in Open Economy, The Foreign Exchange Market, Source of Economic Growth, The Role of Governance in Microeconomic Management, Review of Monetary Policy Tools, Monetary Policy Management in Emerging Markets, The Transmission Mechanism and The Role of Exchange Rate Pass Through in Monetary Policy, Dangers of Exchange Rate Pegging in Emerging Markets, Assessing The External Position, Regional Economic Integration, The Role of Statistics in Economic Management, and The Interpretation of Economic and Financial Indicators. The course comprised of lectures, open discussions and group case studies.

Based on the lectures and the discussion sessions, the participants made the following observations and recommendations:

- The course was too compressed but useful and timely, as facilitators did an excellent job by making the lectures and workshops very interactive.
- Participant also observed that facilitators were vast in their area and owned their jurisdiction of knowledge which were, indeed, commendable.
- The 5-day period allotted to the course was not enough to exhaust the content. Participants indicated that the time allocated to knowledge sharing based on other countries' experiences was inadequate and thus did not allow for thorough explanation by facilitators as well as interaction between participants.

The following are recommendations put forward by participants for consideration:

- Participants are of the view that the course should be lengthened to at least two weeks to have enough time for the much-needed understanding by participants.
- Participant are of the view that the sessions after lunch could be used for case studies and country experience sharing for better understanding of the contextual framework on individual countries.
- The food given out could be improved since there were little or no varieties in the meal options given throughout the course, especially breakfast. The choice of the hotel for participants could be reconsidered since some participants faced problems during their stay.
- Internet facilities and services provided in the hotels were poor, which should be improved upon to enable participants have access to information on the web to enhance their group assignment.

1.4.4 REGIONAL COURSE ON DOMESTIC RESOURCE MOBILIZATION AND ECONOMIC MANAGEMENT. LAGOS, NIGERIA. MAY 6 - 10, 2019

The West African Institute for Financial and

Economic Management (WAIFEM) organised a 5-day regional course on Domestic Resource Mobilization and Economic Management in Lagos, Nigeria from May 6 – 10, 2019. The course was attended by twenty-five (25) participants, made up of fourteen (14) females and eleven (11) males, from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. The five-day course was designed, principally, to equip participants with the knowledge and skills of domestic resource mobilisation and how to formulate policy for effective resource mobilisation.

The course was under the following topics: Overview of Domestic Resource Mobilization, Overview of Domestic Resource Mobilisation and Economic Management: Concepts, Theory and Application, Domestic Resource Mobilisation - Financial Markets, Domestic Resource Mobilisation – Domestic Savings, Sovereign Wealth Funds Remittances, Diaspora Bonds, PPP, Domestic Resource Mobilisation – Debt Issuance, Microstructure in Managing Governments Debt, Tax Policy and Administration; Types of Taxes in West Africa (Direct, Indirect, etc), Governance and Domestic Resource Mobilisation (policy, legal and regulatory issues), Environmental Sustainability and Domestic Resource Mobilization, Traditional Resource Mobilization in Africa: How effective (Esusu, etc), Domestic Resource Mobilisation – Informal Sector; Tax Revenue Potentials and Revenue Forecasting, Taxation of Natural Resources, Capacity Imperatives for Domestic Resource Mobilization (knowledge based institutional capabilities), and Group work.

Based on the lectures and the discussion sessions, the participants made the following observations and recommendations:

- The course content was good and concepts were well explained with practicality;
- The facilitators were experienced and had practical examples to share with the participants;
- The class sessions were very friendly and interactive;
- The training venue was conducive and well equipped; and
- Participants also noted that effective taxation of natural resources is critically important for our countries

1.4.5 REGIONAL WORKSHOP ON ECONOMIC AND FINANCIAL MARKET ANALYSIS FOR FINANCIAL ANALYSTS. MONROVIA, LIBERIA. MAY 20 – 24, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a 5-day regional workshop on Economic and Financial Market Analysis for Financial Analysts in Monrovia, Liberia, May 20 – 24, 2019. The workshop was attended by thirty-six (36) participants from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

The workshop laid emphasis on updating participants' knowledge and skills in economic and financial analysis through theoretical and practical expositions. Specifically, the workshop focused on areas of economic and financial policies, with strong emphasis on economic and financial market analysis, and performance monitoring.

The main areas covered during the workshop included review of some basic macroeconomic concepts, tools of monetary and fiscal policies, coordination of monetary and fiscal policies, hands-on analysis and reporting on a budget speech, financial markets; fiscal risk identification, reporting and management; and the interrelationships among macroeconomic sectors, MTEF/MTSS, concepts, structure and preparation, source of financial and economic statistics, role of statistics in economic management, interpretation of financial and economic indicators, financial markets and money laundering and financial crimes. The workshop consisted of lecture session, open and live budget discussions.

Based on the lectures and the discussion sessions, the participants made the following observations and recommendations:

Observations

- The workshop was too compressed, but useful and timely, as facilitators did an excellent job by making the lectures and workshops very interactive.
- Participant also observed that facilitators were vast in their area and owned their jurisdiction of knowledge which were, indeed, commendable.
- The 5-day period allotted to the workshop was not enough to exhaust the content. Participants indicated that the time allocated

to knowledge sharing based on countries' experiences was inadequate and thus did not allow for thorough explanation by facilitators as well as interaction between participants.

Recommendations

- Participants were of the view that the workshop should be lengthened to at least two weeks to have enough time for the much-needed understanding by participants.
- Participant were of the view that the sessions after lunch could be used for case studies and country experience sharing for better understanding of the contextual framework on individual countries.
- The food given out could be improved since there were little or no varieties in the meal options given throughout the course, especially breakfast. The choice of the hotel for participants could be reconsidered since some participants faced problems during their stay.
- Internet facilities and services provided in the hotels were poor, which should be improved to enable participants have access to information on the web to enhance their group assignment.

1.4.6 REGIONAL WORKSHOP ON INTERNATIONAL TRADE IN GOODS AND SERVICES STATISTICS. ACCRA, GHANA, JULY 15 - 19, 2019

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) organised a one week Regional Workshop on International Trade in Goods and Services Statistics in Accra, Ghana from July 15 - 19, 2019. The workshop was organised for Anglophone and Francophone countries within the West African sub-region.

The main objective of the workshop was to develop both the theoretical and conceptual skills of the participants in relation to data sourcing and the acquisition of the requisite techniques for the compilation of International trade statistics in goods and services. In particular, it was aimed at enhancing the knowledge and skills for the compilation of Balance of Payment statistics; exposing participants to the basic accounting concepts, methods and principles of BoP compilation / classifications.

The main topics discussed during the workshop included the following: Over view of Goods and Services Account, Treatment of Goods in Balance of Payment and Reconciliation with IMTS, Issues in Compiling Goods Account, Manufacturing Services onPhysical Inputs owned by Others and Merchandising, Construction Services, Transport Services, Travels and links to Satellite Account on Tourism Statistics, Insurance and Pension Services, Financial Services, Other Services - (i.e. charges for the use of intellectual property), Government Services, Other Business Services and Digital Trade Compilation challenges, Lessons learnt and future plans for improving Trade Statistics.

The following observations and recommendations were made in the communiqué presented by the participants at the end of the workshop.

Observations

- The workshop was interesting as the topics covered were very relevant to the BoP concepts and compilation; that will help both operational and analytical competencies of participants in broadening their knowledge base.
- Facilitation was excellent as the facilitators exhibited high level of professionalism and expertise in the delivery of the lectures.
- The lectures and the plenary sessions of the workshop were interesting, interactive and very insightful; they provided participants the opportunity to showcase their professional competence in BOP compilation during the class group discussions and hands on exercises.
- The planning and arrangements of logistics specifically the airport pick-ups, lunches and coffee breaks by WAIFEM was astonishing and Inimitable.
- Making the course bilingual is very good as it would help bridge the language barriers and thus foster the building of synergy for progressive regional integration.

Recommendations

- The communication instrument should be improved for better understanding of the lecture through robust and uninterrupted interpretation gadgets.

- Training workshop on International Trade on Goods and Services should be frequent to improve the compilation skills of the BoP compilers, as well as facilitating the comprehension of non-BoP compilers about the process for the purpose of decision making.
- More time should be allocated to workshops and plenary sessions, as hands on exercise are extremely important. It will allow participants have a better understanding of the concepts.
- It is important to have more bilingual face-to-face courses as well as more online courses in French to expedite the process of bridging the language barriers and thus foster rapid regional integration.

1.4.7 REGIONAL COURSE ON ECONOMETRIC METHODS FOR POLICY ANALYSIS.

LAGOS, NIGERIA, AUGUST 5 – 16, 2019

The West African Institute for Financial and Economic Management (WAIFEM) a 10-day regional course on Econometric Methods for Policy Analysis in Lagos, Nigeria, from August 5 – 16, 2019. The principal objective of the course was to prepare participants for the use of theoretical and applied econometrics tools to formulate, analyse and inform policies.

The primary objective of the course, among others, was to prepare participants for the use of theoretical and applied econometrics to formulate, analyse and inform policies. The course was designed specifically to:

- enable participants conduct basic statistical and econometric analyses and forecasting;
- derive multiple regression parameter estimates, and perform statistical inference on regression parameters; and
- enable participants to understand basic research methods and use econometric software (E-views, Stata and SPSS).

The course covered the following themes:

- Overview of the Nature and Methodology of Econometric Modelling and Forecasting;
- Univariate Time Series Modelling and Forecasting;
- Multivariate models: Vector Auto-Regressive (VAR) Model;
- Multivariate Models: Simultaneous Equation Model;
- Unconditional Quantile Regressions

Based on the lectures, workshops and the discussion sessions, the participants made the following observations and recommendations:

Observations

(i) The course was well organized and the facilitators demonstrated in-depth knowledge of the topics discussed during the programme;

(ii) The participants were enthusiastic to partake in the practical sessions that exposed them to some econometric modelling and forecasting techniques such as ARMA, VAR, ARCH and GARCH using various statistical software;

(iii) The time allotment for some important topics was inadequate. The theoretical aspect of some topics consumed major part of the time, leaving insufficient time for hands-on assignments

(iv) The duration of the course (2 weeks) seems to be grossly inadequate for effective and efficient coverage of the topics designed for the course;

(v) Course materials were adequately supplied. Computers and other software programs were supplied;

Recommendations

i. The duration of the course should be extended by one more week to allow for more practical activities;

ii. Facilitators should be allowed to come with additional support staff to assist participants with hands-on assignments;

iii. Internet services within the lecture block and hostel must be improved;

iv. Telephones must be installed in the hostel facility for participant to easily access the appropriate authorities in time of need; and

v. The WAIFEM management should review the food system to allow for full feeding (breakfast, lunch, and dinner).

1.4.8 REGIONAL WORKSHOP ON BANKNOTE AND CURRENCY MANAGEMENT. ABUJA, NIGERIA, JUNE 17 – 21, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised a one week Regional Workshop on Banknote and Currency Management in Abuja, Nigeria from June 17 – 21, 2019. The Workshop was aimed at exploring the key challenges Central Banks face in currency management and how they are tackled. Specifically, the Workshop was designed to deepen the knowledge and upgrade the analytical skills of staff in performing the currency management functions. It was also intended to expose them to contemporary issues in banknote and currency management.

The main topics discussed during the workshop included the following: The Life Cycle of Modern Day Currency, Features and Benefits of Paper Currency, Managing Low Denomination Notes: The Modern Approach to Currency Management, Cash Center Efficiency and Optimization: A Case Study of Nigeria, Currency Unions: The Case of ECO,Trends in Worldwide Currency Developments, Clean Note Policy Implementation and Re-cycling of Currency, Modelling The Cash Cycle: The Case of Nigeria,Adapting a Cash Model/Outsource to meet changing process demands, update on currency management: The case of Nigeria, Review of Central Banks Outsourcing Trends, Educating Key Stakeholders on New Notes Issues, Currency Management: Commercial Banking Perspective, ATM Developments in Africa and Worldwide, and the role of Cash-in–transit in processing coin and notes.

The following observations and recommendations were made in the communiqué presented by the participants at the end of the course.

Observations

(i) The workshop was very interactive and contemporary issues were discussed in details;

(ii) The facilitators were very resourceful with a lot of practical experiences and the program was participatory with relevant information sharing by members;

(iii) Lecture materials were very detailed and relevant to the course;

(iv) Currency life cycle in all economic jurisdictions follows the same pattern from cradle to grave (Design, Printing, Distribution, Processing and destruction). However, the approach to currency management differs from country to country. Central Banks adopt either the traditional, modern or partial approach/model depending on their peculiarities and nature of the economy; and

(v) Best practice requires that the design of notes be reviewed every five to eight (5-8) years to deter the activities of counterfeiters, among others.

Recommendations

(i) That participants should be encouraged to serve as change agents in their respective offices, organizations, societies and countries;

(ii) Going forward, digital currency should be included as a theme for discussion and consideration;

(iii) That majority of the facilitators should not all come from the same institution to allow for diversity of content;

(iv) WAIFEM should advise the Central Banks and participating organizations to nominate staff from locations other than where the workshop is situated to avoid distractions from their respective organizations; and

(v) The daily closing schedule of 5:30pm was late thus the need to review the itinerary of activities, among others.

1.4.9 REGIONAL COURSE ON MODELING AND FORECASTING FOR POLICY ANALYSIS FOR SENIOR ECONOMISTS AND OTHER PROFESSIONALS. LAGOS, NIGERIA.

NOVEMBER 18 – 29, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organised 10-day Regional Workshop on Modelling and Forecasting for Policy Analysis for Senior Economists and Other Professionals (DSGE Model) in Lagos, Nigeria, from November 18 - 29, 2019. The workshop was attended by twenty (20) officials from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. The workshop was intended to upgrade the analytical skills of participants entrusted with the operational responsibility for preparing policy papers, statistical data, forecasts and other inputs into the policy making process. It was also expected that the knowledge gained from the workshop would enable participants develop techniques and procedures for monitoring periodically, movement of key economic variables and tracking the effects on macroeconomic aggregates.

Among some of the key areas covered in the workshop included: an introduction to Dynamic General Equilibrium Models, an introduction to MATLAB and Iris, a primer on economic modelling in MATLAB and Iris, a simple general equilibrium model: applications in MATLAB and Iris, macro-foundations of the new Keynesian model for monetary policy, a country DSGE model for monetary policy: applications in MATLAB and Iris, estimation of DSGE models and applications in MATLAB, amongst others.

The following observations and recommendations were made in the communiqué presented by the participants at the end of the workshop.

The following observations were made during the workshop:

- o Firstly, participants asserted that the workshop was rigorous, useful and timely, given the level of policy challenges facing member countries;
- o The workshop provided the needed platform for the participants to share their experiences, especially in the areas of macroeconomic modelling and forecasting for policy analysis within member countries and the sub-region as a whole;
- o The participants indicated that the facilitators did an excellent job by making the lectures very interactive and interesting;
- o With the technical nature of the workshop, the participants observed that the 10-day working session allotted to the training was not sufficient to exhaust the workshop content; as such, the participants intimated that the time allotted to the workshop was not adequate and thus did not allow for exhaustive explanation by facilitators as well as interaction between participants and their facilitators; and
- o At certain point of the training, access to internet services become a challenge in the lecture room, among others.

In light of the above-mentioned observations, workshop participants proposed the following recommendations:

- o Participants were of the view that the allotted time period for this workshop be extended by at least five (5) additional days to allow for enough time for theoretical as well as practical exercises on country specific data;
- o That the internet services should be improved in the lecture venue to enable participants access workshop materials in real time on the web to enhance their practice working sessions;
- o That workshop participants be carefully invited to these highly technical workshops based on the technical expertise of the inviting institution; and
- o Participants should be encouraged to develop their country models and WAIFEM should consider re-invitation of such participants to another session where such models will be presented for feedback from facilitators and participants.

1.4.10 IMF/WAIFEM REGIONAL COURSE ON FINANCIAL PROGRAMMING AND POLICIES. ACCRA, GHANA, SEPTEMBER 30 – OCTOBER 11, 2019

The West African Institute for Financial and Economic Management (WAIFEM) in partnership with the International Monetary Fund (IMF) Institute for Capacity Development (ICD) organised a 2-week regional course on Financial Programming and Policies held at the ERATA Hotel in Accra, Ghana from September 30 - October 11, 2019. The course was attended by 31 participants from central banks, ministries of finance, revenue authorities, internal audit agency, office of the accountant general of the federation, and an academic institution. The member countries represented on the course were The Gambia, Ghana, Liberia, Nigeria and Sierra-Leone.

The course was organized to acquaint participants with the principal features of the four main sectors of the macroeconomy, and the interrelations among them. It introduced participants to accounting approaches, key analytical issues and simple forecasting methods. It was also intended to expose participants on how to diagnose macroeconomic imbalances and analyzed the effect of macroeconomic and structural policies on the main variables of interest to policy makers. A macroeconomic policy programme was prepared, which aimed at correcting identified imbalances using a case study drawn from the Ghanaian economy.

The main themes covered during the course included: introduction to financial programming, interrelations among macroeconomic accounts, overview of quantitative analysis and forecasting methods, output, expenditure, prices and exchange rates: analysis and forecasting; quantitative analysis and forecasting methods, balance of payments: analysis and forecasting, fiscal sector: analysis and forecasting, fiscal policy and managing aid flows, monetary sector: analysis and forecasting, monetary policy and exchange rate regimes, economic growth and natural resources, medium term perspective, jeopardy game on macroeconomic topics (plenary session), macroeconomic adjustment and program experience, FPP's iterative process: putting the pieces together, and workshop exercises.

Observations

Based on the lectures, case study workshops and the brainstorming sessions, the participants made the following observations:

a) The economies in the sub-region are vulnerable to price shocks due to their dependence on primary commodity exports. Price shocks instigate external imbalance which is compounded by unsustainable fiscal deficit, inefficient financial markets, and geopolitical risks, among others;

b) Fiscal policy is characterized by dwindling revenue flows and increasing expenditure, which creates fiscal imbalance that must be financed either domestically or externally, leading to unsustainable debt levels;

c) There is growing evidence that one of the major challenges of economic growth and improvement in welfare is inconsistency with government policies, usually motivated by political expediency. This manifests in the form of missallocation of resources, and non-adherence to long-term development plans;

d) Understanding the inter-linkages of the macroeconomic accounts, with emphasis on accounting and behaviour is integral to effective financial programming; and

e) Financial programming is a useful tool for achieving and preserving both internal and external stability. This can, however, be undermined by lack of quality data, among others.

Recommendations

a. Although the accounting framework and excel spreadsheets were already computed with linkages, which made computation very easy. Provision of a guide will aid participants in navigating the various sectors and enhance the ability of participants to review the exercises beyond the course.

b. Course materials should be sent to participants ahead of time to enable them read before the commencement of the programme since the time allocated for the course is inadequate given the volume of knowledge that must be acquired. This would engender more active participation and deepen knowledge of participants.

c. Participants should be encouraged to enrol on the online course on Introduction to FPP (Part 1) either before the face-to-face programme or after completion of the face-to-face programme in order to deepen their understanding.

1.4.11 REGIONAL WORKSHOP ON SYSTEM OF NATIONAL ACCOUNTS (SNA). ACCRA, GHANA. OCTOBER 28 - NOVEMBER 8, 2019

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with IMF Africa Regional Technical Assistance Center (AFRITAC) West 2, organized 2-week regional workshop on System of National Accounts (SNA, 2008). The workshop was held from October 28 – November 8, 2019 at the Coconut Grove Regency Hotel, Accra, Ghana.

The workshop was intended to enhance participants' understanding of the system of national accounts particularly SNA 2008. The Workshop covered the principal features of production, consumption and accumulation and the interrelationship among them. It presented the accounting approaches, key analytical issues and simple compilation methods. It discussed how to compile both production and consumption from a given set of data and analyze the effect of macroeconomic and structural policies on key macroeconomic indicators, including output, prices, taxes and value added. It also illustrated how to prepare a national accounts programme aimed at correcting inconsistencies particularly from the informal sector, using a case study drawn from a real-world experience.

The main themes covered during the workshop included overview of the 2008 SNA, the sequence of accounts units, grouping and residency, the statistical infrastructure of national accounts, production account, output of particular industries, household final consumption expenditure, government and NPISH final consumption expenditure, gross fixed capital formation, inventory valuation and consumption of fixed capital, supply and use tables (SUT), main principles of price and volume, price and volume measures for GDP by production, price and volume measures for GDP by expenditure, volume measurements, GDP revisions and back casting, unobserved economy, some compilation issues in measuring GDP, linkage between macroeconomic statistics; national accounts and globalization, business accounts, and summary of the workshop. There were exercises on each topic, country experiences and challenges. Additionally, there were country presentations, and pre-workshop and post-workshop quizzes.

The following observations and recommendations were made in the communiqué presented by the participants at the end of the workshop.

Observations

(i) It was observed that participating countries were not following the sequence of accounts approach in the compilation of their respective national accounts statistics,

(ii) Even though most countries do not have a supply and use table in their national accounts statistics, it came out clearly that countries were following the SUT approach in their national accounts leading to the compilation of GDP by production, expenditure and income approaches,

(iii) The workshop was well structured covering all the essential ingredients of national accounts statistics compilation from the sequence of accounts, SUT, volume measures, informal economy to linkages between the macroeconomic accounts,

(iv) The arrangements made at the hotel for lodging of participants, breakfast, lunch and in between services at the hall of training were excellent and all participants were fully satisfied,

(v) The social events trip to the art center, lunch at the Trade Fair and visit to Makola market, and the group dinner at the Coconut Grove Regency Hotel organized by WAIFEM provided an avenue for further interaction and professional networking among participants.

Recommendations

(i) All invited institutions should make a presentation on how their work is related to the compilation and analysis of national accounts statistics in their respective countries so that the workshop will also provide avenues for deeper collaborations between institutions at home,

(ii) Although it will be difficult to invite all relevant institutions from each country at a given workshop due mainly to prudent financial considerations, it is recommended that out of four participants for a national accounts workshop, two should come from the national statistics office, one from the central bank and one from the tax office or the Ministry of Finance,

(iii) In addition to the country presentations, the organizers should encourage individual presentations on a well-researched area which will contribute to the clarity of the compilation of national accounts and related statistics,

Finally, the participants indicated the need for future workshops to consider the transportation and other sustenance allowances for all participants (including the host country).

1.5 BUSINESS DEVELOPMENT AND CONSULTANCY UNIT

1.5.0 INTRODUCTION

During the year 2019, the Business Development and Consultancy Unit organised a total of twenty-two (22) capacity building programmes. The total number of participants of these programmes were 551 from central banks, ministries of finance and other public and private sector agencies primarily from WAIFEM member countries.

A country-wise distribution of participants reveal that Nigeria accounted for 41.7 per cent of the participants, Ghana accounted for 38.5 per cent, followed by Sierra Leone (8.0 per cent), The Gambia and Liberia (4.2 per cent). Other countries accounted for 3.4 per cent of the participants.

A breakdown of the participation according to institutions showed that central banks accounted for 202 participants (36.7 per cent), ministries of finance and economic planning accounted for 156 participants (28.3 per cent), other public sector institutions had 158 participants (28.7 percent), and the private sector had 35 participants (6.4 per cent). In terms of gender participation, there were 297 male participants accounting for 53.9 per cent and 254 females accounting for 46.1 per cent of total participation.

The details of the courses conducted by the Business Development and Consultancy Unit are as follows:

1.5.1 COURSE ON LEADERSHIP, GOVERNANCE AND ICT APPLICATIONS. DUBAI, UNITEDARAB EMIRATES, JANUARY 10 – 12, 2019

The Business Development and Consultancy Unit of the West African Institute for Financial and Economic Management (WAIFEM) organized a High-Level Workshop on Leadership, Governance and ICT Applications for staff of the Federal Ministry of Finance, Abuja at the Grand Excelsior Hotel, Dubai, United Arab Emirates from January 8 – 10, 2019.

The objective of this training was for top and middle executives (directors, deputy directors and assistant directors) of the Federal Ministry of Finance to learn how to harness information technology to improve governance and to advance social justice, while simultaneously re-positioning national economies and industries for competitiveness in the global economy. The training will thus assist to increase the exposure of top-level executives with respect to understanding the opportunities and threats presented by the ICT revolution.

The following themes were covered during the course:

- Leadership in the Knowledge Age
- New Strategies for Science, Technology, and Innovation (STI)
- Telecommunications Infrastructure & Quality Internet Provision
- ICT Applications and the role of Government
- Education in the Knowledge Age
- Knowledge Society for Africa

1.5.2 REGIONAL COURSE ON FISCAL MODELLING, SIMULATION AND FORECASTING. LAGOS, NIGERIA, JANUARY 21 – FEBRUARY 6, 2019

The Business Development and Consultancy Unit of the West African Institute for Financial and Economic Management (WAIFEM), with funding from the Deutsche Gesellschaft fur International Zusammenarbeit (GIZ) organized a Course on Fiscal Modelling, Simulation and Forecasting for staff in the financial and economic sectors of Anglophone and Francophone Countries in West Africa comprising Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, The Gambia and Togo.

The objective of the course was to develop the capacities of staff from Ministry of Finance and Revenue Mobilisation Authorities of ECOWAS member countries on fiscal modeling, simulation and forecasting. The training, therefore, helped participants to understand the framework of macroeconomic modeling and its application to the analysis of fiscal policy. It also helped participants to know how to build and use the models for fiscal simulation as well as forecasting. Some of the themes covered during the training include the following:

- Interrelations among Macroeconomic Accounts;
- Overview of the Nature and Methodology of Econometrics;
- Overview of Forecasting Methods and Models;
- Guidelines for Forecasting CPI and The GDP Deflator; and
- Forecasting Fiscal Accounts, among others.

A total of thirty-one (31) participants drawn from the Ministry of Finance and Economic Development of the Anglophone and Francophone countries in the West African Sub-region, attended the workshop with twenty-three males (23) and eight females (8). The participants made the following specific recommendations:

- The course content be redesigned to include practical exercises in modeling and forecasting of economic variables;
- Facilitators be reminded to adhere to time allocated for the sessions;
- Interpretation be done for the francophone participants especially during the practical aspect of the training;
- Invitations sent to participants' institution be very clear in all aspects;
- Invitation should include participants from Central Banks and
- Sessions on data cleaning and standard reporting methods be introduced in the course content.

1.5.3 COURSE ON ADVANCED MONITORING AND EVALUATION. BANJUL, THE GAMBIA, MAY 20 – 23, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Advanced Monitoring and Evaluation, May 20 – 23, 2019, Banjul, The Gambia. Twenty-seven (27) participants mainly from the Anglophone W.A countries of The Gambia, Ghana, Sierra Leone, Liberia and Nigeria attended the course.

The overall objective of the training was to build on and enhance participants' skills and understanding of M&E and work through some of the complex challenges in M&E. Themes covered during the course include the following:

- Review of the previously conducted course on the Fundamentals of M&E; Results-based monitoring and evaluation (M&E);
- Evaluability Assessment;
- Challenges to Conducting Evaluations;
- Developing Theory of Change and Evaluation Questions; and
- Measuring Programme Outcomes, among others.

Following the four-day intensive and interactive class, the following observations were made by the participants:

Observations

- The facilitators' lecture delivery was excellent as they demonstrated in-depth mastery of the themes
- Giving practical examples that elicited exciting debates; The planning and arrangement of the logistics for participants was also very satisfactory;
- Facilities/ equipment provided for the programme were adequate;
- The accommodation provided for the participants as well as the lecture environment were also conducive and satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- WAIFEM should organize the course at least bi-annually for i. foundation level and ii. For the Advanced level.
- We would appreciate if steps are taken to establish M&E units in various Ministries, Departments and Agencies and The Private Sector.
- In terms of presentations of the course, we suggest more Case Studies in order to deepen practical knowledge.
- We plead for an extension in the total course duration for deeper understanding.
- We hope the course will include elements of

Contracts in future.

1.5.4 COURSE ON FUNDAMENTALS OF ECONOMETRICS: THEORY AND PRACTICE. LAGOS, NIGERIA, APRIL 15 – 19, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Fundamentals of Econometrics: Theory and Practice for staff of the Federal Ministry of Finance, Abuja from April 15 - 19, 2019 at the Central Bank of Nigeria Learning Centre, Lagos, Nigeria.

The objective of the course was to upscale the skills and competences of policy analysts involved in economic analysis and policy decisions for improved performance and workings of the economy. Accordingly, the course was also intended to cover some key areas in fundamentals of econometrics, review of macroeconomics and sectoral fundamentals; and their application which are relevant in economic analysis.

The themes covered during the course include the following:

- Summary Statistics and Statistical Inference;
- Sampling and Sampling Distribution;
- Hypothesis Testing in Linear Regression;
- Definition of Econometrics, Data type and Source; and
- Simple Linear Regression and Assumptions of OLS.

Following the five (5) day intensive and interactive discussions, the following observations and recommendations were made by the participants:

Observations

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was exceptional;
- Facilities/equipment were adequately provided for the programme;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators;

Recommendations

· WAIFEM should extend the duration of the course from one week to two weeks to enable facilitators cover course contents for the benefit of the participants.

· We suggest that WAIFEM introduce video recordings during training sessions which could be made available to participants after the course, in order to retain the course memory.

· Due to the relevance of the training, participants recommend that an advanced course on the above thematic areas be organized, and invitation extended to Federal Ministry of Finance, so as to consolidate the knowledge already acquired.

1.5.5 COURSE ON IMPROVING MANAGEMENT PERFORMANCE AND OVERCOMING COMMON CHALLENGES IN RETIREMENT. LAGOS, NIGERIA, MARCH 18 – 21, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Improving Management Performance and Overcoming Common Challenges in Retirement from March 18 - 21, 2019 at the Central Bank of Nigeria Learning Centre, Lagos, Nigeria.

The objectives of the course were to:

- Exposure to current performance improvement, management skills and best practice;
- Exposure of administrative professionals and secretaries to work management skills leading to improvement of business processes;
- Put into use the management skills required to manage personal assets and retirement investments;
- Identify and take advantage of opportunities in the economy; and
- Appreciate the art of how to juggle investments and cut losses, among others.

The themes covered during the course included the following:

(i) Challenges in Performance Management; Reconciling Performance Expectation with Corporate Goals;

(ii) Developing Effective Feedback Model; Overcoming Employee Resistance to Feedback;

(iii) How to Give and Receive Feedback;

(iv) Using a Powerful Management Skill; and

(v) Challenges of Retirements: Public Respect, Loneliness, Finances and Investment Income; Social and psychological challenges, among others.

Following the four (4) day intensive and interactive discussions the following observations and recommendations were made by the participants:

Observation

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was exceptional;
- Facilities/equipment were adequately provided for the programme;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- The course should be recommended for younger people also and not just for intending retirees.
- Course duration should be extended to five days.
- WAIFEM should have organized a trip to Pension Fund Organizations and other related organizations where interviews could have been done.
- That training of this kind encompasses field trip so as to give participants an ideal as to how retirement pension work on the other side of the divide.
- That WAIFEM should consider covering every aspect of courses it plans as well as consider an advanced part of this course in the nearest period.
- That more courses of this kind be organized for HR and other clerical administrative professionals.

1.5.6 COURSE ON LOAN SELECTION TECHNIQUES AND DEBT MANAGEMENT. LAGOS, NIGERIA, APRIL 15 – 19, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Loan Selection Techniques and Debt Management for staff of the Federal Ministry of Finance, Abuja from April 15 - 19, 2019 at the Central Bank of Nigeria Learning Centre, Lagos, Nigeria.

The objectives of the course were:

- Thoroughly analyze loan proposals that are put before Parliament;
- Able to scrutinize the terms of loans and advice on its suitability and recommend modification(s) where necessary;
- Relate Fiscal policies to the macro- economic analysis outputs;
- Provide a guideline for ensuring that most borrowing contracted for projects will yield high rate of return while maintaining debt sustainability; and
- Provide guidelines that ensures government meets its financing requirements at the minimum cost possible subject to a prudent degree of risk, among others.

The themes covered during the course include the following:

- Key Elements of Sound PDM Legal Framework;
- Key Elements of Sound PDM Legal Framework: Legal Framework for Borrowing in Anglophone West African Countries;
- Loan Circle and Key Elements in Loan Evaluation;
- Methods of Loan Valuation and Accounting; and

- Examining Public Spending: Estimates Review, among others.

Following the 5-day intensive and interactive classes, the following observations and recommendations were made by the participants:

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was exceptional;
- Facilities/equipment were adequately provided for the programme;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- Federal Ministry of Finance should sponsor the participation of its relevant staff to attend the course at least bi-annually.
- WAIFEM training module should be programmed to cover scenario illustrations, shared experiences of community of practice and case studies management.
- Due to the relevance of the training, an advanced course on the above thematic areas be organized and invitation extended in order to expand the knowledge the participants have acquired.

1.5.7 COURSE ON MODERN MANAGEMENT SKILLS AND COMPETENCES FOR EFFECTIVE ORGANISATION. ACCRA, GHANA, MARCH 5 – 8, 2019

The Business Development and Consultancy Unit (BDCU) of the West African Institute for Financial and Economic Management (WAIFEM), with funding from the African Capacity Building Foundation (ACBF) organized a course on Modern Management Skills and Competences for Effective Organisation, March 5 – 8, 2019, Accra, Ghana.

The objective of this course was to expose participants to modern management techniques to develop the practical managerial skills and expertise employers desire, while building capacity in areas critical to resolving issues, generate value, maximize growth and improve business performance for the organization.

The themes covered during the course include the following:

- Introduction to Effective Management Skills and Work Organisation;
- Productivity, Organising, Efficiency, and Effectiveness;
- Decision Making and Problem Solving;
- Managing Changing Roles and Responsibilities with Bosses, Peers, etc,; and
- Grammar and Effective Communication Process, among others.

Following the 4-day intensive and interactive discussions the following observations and recommendations were made, that:

Observations

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was satisfactory;
- Facilities/ equipment provided for the programme adequate;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations:

- WAIFEM should organize the course for at least bi-annually for Personal Assistants, Executive Assistants and Administrative assistants.
- The participants will appreciate WAIFEM to increase the learning period or days.
- Participants will appreciate if a day is set aside

for excursion.

1.5.8 COURSE ON WORKS ORGANISATION AND EFFECTIVE MANAGEMENTSKILLS. LAGOS, NIGERIA, MARCH 18 – 21, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Work Organisation and Effective Management Skills from March 18 - 21, 2019 at the Central Bank of Nigeria Learning Centre, Lagos, Nigeria.

The objective of the course was to expose participants to new tools with high productivity task systems and templates; and techniques for work organization in the office, while building capacity in areas critical to developing effective management skills such as basic ideas to cut workload, streamline stress, and manage resources effectively.

The themes covered during the course include the following:

- Defining the terms productivity,
- Being organized, effectiveness in today's workplace;
- Debunking myths and getting rid of antiquated tools;
- The power of systemizing your work: thinking it through once and working the work; and
- Distressing to eliminate productivity loss, among others.

Following the 4-day intensive and interactive discussions the following observations and recommendations were made by the participants:

Observations

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was exceptional;
- Facilities/equipment were adequately provided for the programme;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- WAIFEM should organize the course at least bi-annually for Personal Assistants, Executive Assistants and Administrative Assistants.
- We suggest that WAIFEM introduce video recordings during training sessions which could be made available to participants after the course.
- Due to the relevance of the training, participants recommend that an advanced course on the above thematic areas be organized and invitation extended so as to expand the knowledge we have acquired.

1.5.9 COURSE ON ACHIEVING RESULTS THROUGH TASKS MANAGEMENT: MANAGING MULTIPLE TASKS, PRIORITIES AND DEADLINES. BANJUL, THE GAMBIA, MAY 13 – 16, 2019

The Business Development and Consultancy Unit (BDCU) of the West African Institute for Financial and Economic Management (WAIFEM), organized a course on Achieving Results Through Task Management: Managing Multiple Tasks, Priorities And Deadlines, May 13 – 16, 2019, Banjul, The Gambia.

The overall objective of the training programme was to build on participants' understanding and skills of how to develop the techniques needed to manage work pressure to meeting and surpassing deadlines in any organization as professional office managers.

The themes covered during the course include the following:

- Organisational Skills: Prioritising your Workload, Goal Setting, Today for Tomorrow's Plan, Staying on Track;
- Task and Conflict Management;
- Administrative Soft Skills: Social and Emotional Intelligence, Business Acumen, Active Listening;
- Organising Appointments and Meetings, Managing Teams and Team Appraisals; and
- Effective Communication and Interpersonal

Skills, among others.

- Following the 4-day intensive and interactive discussions the following observations and recommendations were made:

Observations

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was satisfactory;
- Facilities/ equipment provided for the programme adequate;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- WAIFEM should organize the course at least annually for Personal Assistants, Executive Assistants and Administrative Assistants;
- We recommend number of days to be increased to a week;
- We recommend last day of the training be set aside for excursions;
- We recommend that all presentations materials be made available at the start or before the training commences; and
- We also recommend that the training incorporates more group work and practical exercises on various case studies, among others.

1.5.10 COURSE ON ADVANCED EXECUTIVE OFFICE ADMINISTRATION AND SECRETARIAL SKILLS. BANJUL, THE GAMBIA, MAY 13 – 16, 2019

The Business Development and Consultancy Unit (BDCU) of the West African Institute for Financial and Economic Management (WAIFEM), organized a course on Advanced Executive Office Administration and Secretarial Skills, May 13 – 16, 2019, Banjul, The Gambia.

The overall objective of the training programme was to provide participants with the theoretical and practical abilities that will enable them take control of their work habits and develop the concrete skills and the personal strengths needed to be professional office managers.

The themes covered during the course include the following:

- Effective Time Management, Delegation and Streamlining Workflow
- Administrative Soft Skills: Social and Emotional Intelligence, Business Acumen, Active Listening
- Organising Appointments & Meetings, Managing Teams and Team Appraisals
- Setting Personal Objectives or Goals/Action Planning; and
- Minutes Writing: Format, Best Practice, Timescales, among others.

Following the 4-day intensive and interactive discussions the following observations and recommendations were made:

Observations

- The facilitators' performance and lecture delivery were excellent as they exhibited in-depth mastery of the topics and gave practical examples that generated exciting debates;
- The planning and arrangement of the logistics for participants was satisfactory;
- Facilities/ equipment provided for the programme adequate;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory; and
- The presentations allowed for exchange of ideas among participants and the facilitators, among others.

Recommendations

- WAIFEM should organize the course for at least bi-annually for Personal Assistants, Executive Assistants and Administrative assistants.
- The participants will appreciate if WAIFEM increases the learning period or days.
- Participants will appreciate a day set aside for excursion.

1.5.11 COURSE ON NEW FRONTIERS IN RISK MODELING AND ANALYSIS. LAGOS, NIGERIA, AUGUST 26 – 30, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on New Frontiers in Risk Modeling and Analysis from August 26 - 30, 2019 in Lagos, Nigeria.

The course was designed among others, to bring participants up to speed with the frontiers in risk modelling and analysis with focus on how Monte-Carlo Simulation Spreadsheet soft-ware can be applied in risk management. Themes covered during the course include the following:

Introduction to Key Risk;

- Uncertainty and the Use of Monte Carlo Simulation;
- Application of Monte Carlo Simulation in Risk Management;
- Building BASEL-Based Banking and other Risk Models in MS-Excel; and
- Selection of Simulation Software Risk, among others.

Following the 5-day intensive and interactive discussions the following observations and recommendations were made:

Observations

- The facilitator's lecture delivery was excellent as it demonstrated in-depth mastery of the themes;
- He gave practical examples that elicited exciting discussion;
- The planning and arrangement of the logistics for participants were satisfactory;
- Facilities/equipment provided for the programme were adequate; and
- The accommodation provided for the participants as well as the lecture environment were conducive and satisfactory, among others.
- Recommendations
- As a follow-up, WAIFEM should organize a course on Advanced Risk Modelling.
- There is need for an extension of the total course duration for wider understanding.

1.5.12 COURSE ON TECHNIQUES OF REPORT WRITING AND MINUTES TAKING. ACRRA, GHANA JUNE 17 – 29, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a course on Techniques of Report Writing and Minutes Taking for staff of Bank of Ghana June 17 – 29, 2019, Accra, Ghana.

The training was on the one hand designed to produce competent and confident communicators with a good general knowledge about communication, what it is and how it can be a powerful tool for job effectiveness at the Bank. The course was also structured to focus on developing report writers' appreciation of the English language and enhancing their competence to structure, write and present more effective economic, financial, administrative and other reports. On the other hand, the course also aimed at equipping participants with the skills to be able to take and write better minutes of meetings and to do so more easily and speedily.

The themes covered during the course include the following:

- Communication Process: Principles for effective report writing;
- Power of language and use of the dictionary;
- Grammar in writing: the written word (2);
- Oral English: The spoken word; and
- Style in writing, editing and report proof-reading techniques, among others.

The participants made the following recommendations at the end of the course:

- The Organizers consider the extension of the duration of the course by a day to allow for more exhaustive handling of the topics by the facilitators.
- The duration of the course should be extended to four (4) days to allow ample time for the facilitators to exhaust the topics and not to rush through them.
- We propose that the management of Bank of Ghana should develop a formal documentation that will cover the internal

written documents for each department to ensure uniformity and consistency across the bank. The document should include the format of written documents with respect to the structure, font size and lettering style to be used. If possible, it should be part of the policies of the bank.

1.5.13 SEMINAR ON ECONOMIC INTEGRATION & FINANCIAL DEEPENING. LAGOS, NIGERIA, MARCH 18-22, 2019

The African Development Bank (AfDB) in collaboration with the West African Institute for Financial and Economic Management (WAIFEM) organized the Economic Integration and Financial Deepening Seminar at the Golden Tulip Hotel, Lagos, Nigeria from 18-22 March 2019.

The Seminar was intended to broaden participants' understanding of various aspects of regional integration; teach them the means through which regional integration and financial deepening can contribute to inclusive growth, job creation, poverty reduction and financial inclusiveness; amongst others.

At the end of the 3-day seminar, participants made the following observations and recommendations:

Observations

(i) Homogeneous elements should be integrated with heterogeneous elements as the latter is a big problem in ECOWAS and this can impinge on its development.

(ii) Member States need to engage much in intra-regional trade in order for the much-canvassed regional integration process to take-off.

(iii) Economic distance can be an issue in regional integration.

(iv) Cryptocurrency has come to stay.

(v) The goal of a society is mainly economic but the means of delivering it is largely political.

Recommendations

(i) Countries joining integration schemes must realize that the benefits come at a cost. Hence, national leaders should be prepared to make the necessary effort required to make regional integration work.

(ii) Landlocked nations must think of how to use incentives and taxes to compensate for the problem arising from landlocked issues.

(iii) Central banks need to pay greater attention to the issues on the currency and understand why people trade in it so as to devise means of protecting the customers from the risks inherent in it.

(iv) AfDB-ADI should include a session on political integration in the design of future seminars. Such seminars should incorporate political leaders to enhance their commitment to the achievement of the integration mandate.

(v) For inclusive integration to take place in the sub-region, Nigeria must pay the price. It must involve the government, the private sector, the civil society and other stakeholders.

1.5.14 COURSE ON ETHICS AND OFFICE ADMINITRATION FOR STAFF OF WAMI. ACCRA, GHANA, MAY 17 – 19, 2019

The course on Ethics and Office Administration was organized by the West African Institute for Financial and Economic Management (WAIFEM) for the staff of West African Monetary Institute (WAMI), May 17-19, 2019, in Aburi, Eastern Region, Ghana. The objective of the course was to provide participants with knowledge and skills on ethical conduct and corporate values, motivation, teamwork and enhance productivity.

The content of the course include; Ethical Conduct in a Corporate Environment; Email Protocol, Phone and Voicemail Etiquette, Corporate Values and Office Administration; Confidentiality and Oath of Secrecy in the Office; Style in Writing; Motivation, Team Work and Productivity, Grammar in Writing, Interpersonal relationships and Effective Time Management.

The following recommendations were made:

- The duration of the programme should be one week.
- More participants should be given the opportunity to attend the course.
- A follow-up course should be organized to enable participants have more practical knowledge of the subject.

- It should be made an annual training progamme for the staff of WAMI.
- The training programme should be held in other West African countries outside Ghana.

1.5.15 COURSE ON ADVANCED RISK-BASED AUDITING AND MANAGEMENT. LAGOS, NIGERIA AUGUST 26 – 30, 2019

The Business Development Unit of the West African Institute for Financial and Economic Management (WAIFEM) organized a Course on Advanced Risk-Based Auditing and Management, Lagos, Nigeria from August 26 – 30, 2019.

The objective of the course was to upscale the competencies of participants with good knowledge of advanced risk-based auditing and management to increase their acquaintances in accomplishing the internal audit objectives of their organization.

The broad themes covered during the course include:

- Overview of Risk and Need for Advanced Risk Techniques;
- Techniques of Measuring Risk and Returns of Portfolio;
- Evolution of Risk Management: Basel I, II, & III and Impact on Financial Services, Operational Risk Allocation;
- Liquidity Risk and Liquidity Contingency Planning; and
- Overview of Auditing, Audit Planning and Risk-Based Audit Plan, among others.

The participants recommended that:

(i) WAIFEM should increase the duration of the course to about two weeks.

(ii) other places like the zoo, and or beaches should be added to the excursion program.

(iii) The same participant who attended advanced risk-based auditing course, if possible should be invited for the upcoming modeling course for completeness purpose.

(iv) Some of the presentation slides should be summarized by bullet points and indebt details of the points to be sent to the participants for further reading.

(v) WAIFEM should include female instructors on the upcoming courses.

(vi) WAIFEM should ensure that all the participants arrive a day before the programme starts.

1.5.16 COURSE ON PRACTICAL APPLICATIONS IN INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS). LAGOS, NIGERIA, OCTOBER 7 – 12, 2019

The Business Development Unit of the West African Institute for Financial and Economic Management (WAIFEM) organized a Course on Practical Applications in International Public Sector Accounting Standards and International Financial Reporting Standards (IFRS) Lagos, Nigeria, October The overall objective of the course was to acquaint participants with the provisions of the International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS). The course was also aimed at equipping participants with the necessary information and skills to advise and guide the transition and practical implementation in either IFRS or IPSAS.

The broad themes covered during the course include:

- Template Designs for International Reporting Standards for Private and Public Sector Entities;
- Introduction to IFRS: Brief Historical Overview and Updates;
- Framework for the Preparation and Presentation of Financial Statements IAS 1;
- Contents of IFRS Financial Statements; Financial Statements and Business Decision I: Financial Accounting Cycle; and
- Essential Notes and Disclosures to Financial Statements, among others.

1.5.17 COURSE ON INTERNATIONAL STANDARDS IN AUDITING (ISA) AND PRACTICAL APPLICATION IN THE AUDIT PROCESS. LAGOS, NIGERIA, OCTOBER 21 – 25, 2019

WAIFEM organised a Course on International Standards in Auditing (ISA) and Practical

Application in the Audit Process in Lagos, Nigeria, from October 21 – 25, 2019.

The objective of the course was to acquaint participants with the knowledge, understanding and practical implementation of International Standards in Auditing (ISA) and Practical Application in the Audit Process (ISA). The broad themes covered during the course include:

- Auditing Standards: IFAC, IAAS and ISAs; ISA 200, Overall Objectives;
- ISA 230 - Audit Documentation;
- ISA 240 - Fraud in an audit of financial statement;
- ISA 300 - Planning an audit of financial statement; ISA 315, Understanding the entity and its environment; and
- ISA 320 and 450 - Audit materiality and evaluation of misstatements, among others.

The participants recommended that:

(i) Time should be set aside for excursion/site seeing especially considering some participants coming from other West African countries to Nigeria for the first time.

(ii) The course should be tailored more to participants' field of work in order to gain more value to aid their field application.

(iii) The facilitators should consider streamlining the course content to make the slides less wordy and easier to comprehend.

1.5.18 COURSE ON OPERATIONAL RISK MANAGEMENT AND RISK-BASED AUDITING. LAGOS, NIGERIA, AUGUST 26 – 30, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a Course on Operational Risk Management and Risk-Based Auditing, Lagos, Nigeria from August 26 – 30, 2019.

The objective of the course was to build understanding of the importance of operational risk management within an organization, and to produce competent auditors with good knowledge of risk-based auditing.

The broad themes covered during the course includes:

- Understanding the Basic Concepts of Risk, Types and Enterprise Risk Management;
- Risk Based Supervision and Risk Management Processes;
- Risk Management Principles, Categorisation/Prioritization;
- Business Risk Management Tools and Methodologies; and
- Operational Risk Management and Measuring Inherent Risk, among others.

The participants recommended the following at the end of the course:

- WAIFEM should organize the course at advanced level and endeavor to invite same participants in the nearest future.
- The learning period or days should be increased.
- Internet connectivity (coverage) could be improved.
- Conditions of rest rooms should be improved and doors of hostels should be properly fixed to improve security.
- Rules and regulations at the training centre should be communicated to participants on arrival.

1.5.19 COURSE ON EFFECTIVE REPORT WRITING FOR ACCOUNTANTS AND INTERNAL AUDITORS. LAGOS, NIGERIA AUGUST 26– 30, 2019

The Business Development and Consultancy Unit (BDCU) of the West African Institute for Financial and Economic Management (WAIFEM) organized a course on Effective Report Writing for Accountants and Internal Auditors from August 26 - 30, 2019 at the Central Bank of Nigeria Learning Centre, Lagos.

This course was designed to help participants write with purpose, develop and reinforce their understanding of business communication required to develop reports and presentation for different levels of audience, primarily – Senior Management, and Board Committees.

The themes covered during the course include the following:

- Internal Audit Capability Maturity Assessment;
- Introduction to Risk Management and Report;
- Root Causes Analysis Techniques and Applications in Audit Engagement Reviews, Investigation and Reporting;
- Analysis of the use and readers of the Audit Report and other types of engagement report; and
- Corporate Governance and the Role of Audit Committee and Internal Audit Functions to make it work, among others.

1.5.20 WAIFEM/DMO TRAINING ON DEBT SUSTAINABILITY ANALYSIS FOR LOW INCOME COUNTRIES (LIC DSF). LAGOS, NIGERIA, NOVEMBER 4 – 8, 2019

The West African Institute for Financial and Economic Management (WAIFEM) organized a Debt Sustainability Analysis for Low Income Countries (LIC DSF) for some members of staff of the Debt Management Office (DMO), at the Central Bank of Learning Centre, Lagos, Nigeria from November 4 – 8, 2019. The objective of the Course was to train participants on the revised LIC-DSF, particularly on the key features of the Framework and provide hands-on training in the use of the new Template.

The broad themes covered during the course include:

Introduction to Debt Sustainability Analysis (DSA) in Low-Income Countries and New Features of the DSF;

Inputs: Definitions and Coverage of Public Sector and Public Debt, Macroeconomic Projections;

Inputs: Financing Assumptions; Macroeconomic Linkages and Debt dynamics;

Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth, Standardized Stress Tests Contingent Liability; and Stress Test, among others.

The course was facilitated by experienced professionals in DSA, drawn from Ministries of Finance in The Gambia and Nigeria. Thirteen (13) participants from the Debt Management Office (DMO) Abuja attended the course.

At the end of the course, participants recommended that WAIFEM should increase the number of days for the DSA Course and training on similar core public debt management functions. Two weeks would be more appropriate; the first week for the theoretical underpinnings and the second week for robust, close-to-real practical exercise such as a mock DSA workshop.

ADMINISTRATION AND FINANCE DEPARTMENT

2.0 ADMINISTRATION AND FINANCE DEPARTMENT

2.1 ADMINISTRATION

2.1.1 Assumption of Duties of the new Director General

Dr. Baba Y. Musa assumed duties at the Institute as Director General on January 1, 2019. Upon assumption of duty, Dr. Musa introduced some measures aimed at increasing the efficiency of WAIFEM's training courses and reducing cost particularly in programmes delivery and procurement of training consumables and overhead. He adopted greater programmatic approach to capacity building emphasizing relevance to meet the beneficiaries' needs. He also introduced the coordination of technical assistance efforts with other agencies such as IMF, World Bank, Commonwealth Secretariat, AFRITAC West 2 etc. to achieve sustained impact in WAIFEM member countries. Those measure have led to improvement in the quality of WAIFEM products and reduction of costs.

2.1.2 Acquisition of New Official Vehicles for Directors

The Institute procured 4 (four) new Ford Edge Utility Vehicles as official cars for the current Directors of the Institute. The vehicles have been allocated respectively to Directors of Administration and Finance Department, Financial Sector Management Department, Macroeconomic Management Department and Research Department. In addition, the Institute also procured a Toyota Land Cruiser Jeep for use of the Director General.

2.1.3 Supply of Utility Items to the Institute

As part of its continuous support towards programme execution and the development of the Institute, the Central Bank of Nigeria in March 2019 supplied the following items for use in the Hostel: Mattress (40 pieces); Side Rug (38 pieces); Toilet Brush (40 pieces); Electric Kettle (40 pieces); Pillow (80 pieces); and Throw Pillow (40 pieces), among others.

2.1.4 Re-designation of Staff

Due to the need to adequately address issues of accommodation at the Institute, the Manager of Administration has been re-designated to serve as Facility Supervisor effective June 24, 2019. The Facility Supervisor will ensure that the hostel rooms are well-kept and resolve all issues that may arise.

2.1.5 Staff Training and Development

It is also worthy to note that during the period under review, two members of staff benefited from the Regional Course on Economic and Financial Report Writing Skills and Presentation Techniques in Abuja, Nigeria from June 10 to 14, 2019 in line with the Institute's efforts to enhance the capacity of its staff.

Moreover, during the period under review, 22 members of staff benefited from the following training programmes organized outside the Institute in line with the Institute's efforts to maintain competent and skilled human resources:

- The Nigerian Library Association (NLA) 2019 National Conference, July 28 to August 2, 2019.
- Workshop on Work Ethics and Social Intelligence for Protocol Officers, August 19 to 23, 2019.
- 49th Annual Accountants Conference, September 9 to 13, 2019.
- Retirement and Entrepreneurship Skill Acquisition Programme, September 9 to 29, 2019.
- Best Practice in Corporate Internal Auditing Compliance, Risk Management and Fraud Control, October 2 to 4, 2019.
- Strategic Project Management Training, October 14 to 18, 2019.
- Workshop for Distinctive Housekeeping, October 14 to 18, 2019.
- Training on Enhancing the Skills and Competencies of Accounting Officers, November 11 to 15, 2019.
- Intermediate Skills for Effective Office Administration, November 18 to 22, 2019.
- Effective HR Practice and People Management, November 21 to 23, 2019.
- Successful Skills for Secretaries,

Administrator's and PA's Course, November 26 to 29, 2019.

- 8 staff on Certificate and Diploma French programmes

2.1.6 Retirement and Resignation from Service

During the period under review, two members of staff left the service of the Institute.

- After reaching the retirement age, Mr. Benson Iwekauba left as Chief Driver on October 1, 2019, after successfully serving the Institute for twenty-two years and seven months.
- Mr. Akan Hanson resigned as IT/E-Learning Officer effective December 31, 2019, after one year and 9 months of service at the Institute.

2.1.7 ENHANCEMENT OF THE INSTITUTE INFRASTRUCTURE

As a result of frequent incidence of slow internet connectivity coupled with frequent complaints by participant and the need to have efficient internet platform and backup facilities to support the e-learning activities, the Institute invited Huawei Nigeria to conduct an evaluation of the IT infrastructure (which include server, storage, backup, Network Architecture – looking at the access, the distribution, and the network edge, the internet and the WAN edge) and to suggest way forward to improve service delivery.

The outcome of their evaluation is as follows:

- Servers and storage are obsolete and have reached end of life. They are not future proof and cannot support the future growth of WAIFEM to drive excellence, innovation and supporting the critical WAIFEM business innovation;
- single point of failure exists in the infrastructure configuration, if there's a failure along the configuration, it causes a business downtime;
- The infrastructure at the moment cannot ensure business continuity in case of a business outage;
- Condensation on the Data Center wall due to unavailability of smart cooling system; and
- Existing Data Centre not flexible for tomorrow's technology, among others.

ITEM	PART NO	DESCRIPTION	Unit	QTY	UNIT PRICE	AMOUNT ₦
	1288H V5_Site1					
1	H12H-05-S8AFF	1288H V5 (8*2.5inch HDD Chassis, With 2*GE and 2*10GE SFP+(Without Optical Transceiver)) H12H-05(For oversea)		2	INCLUSIVE	3,847,679.44
	PAC550S12-BE	PAC550S12-BE AC power supply unit		4	INCLUSIVE	
	BC4M62CPU	Intel Xeon Silver 4110(2.1GHz/8-core/11MB/85W) Processor (with heatsink)		2	INCLUSIVE	
	N26DDR402	DDR4 RDIMM Memory,32GB,2666MT/s,2Rank(2G*4bit),1.2V,ECC		4	INCLUSIVE	
	N2000ST7W2	HDD,2000GB,SATA 6Gb/s,7.2K rpm,128MB,2.5inch(2.5inch Drive Bay)		2	INCLUSIVE	
	BC61ESMN	SR130(LSI3008) SAS/SATA RAID Card,RAID0,1,1E,10,12Gb/s,no Cache		2	INCLUSIVE	
	BC2M04RISE	PCIe Riser Card,RISER2,1*x16 HH,Used for 1288H V5		2	INCLUSIVE	
	OMXD30000	Optical Transceiver,SFP+,10G,Multi-mode Module(850nm,0.3km,LC)		4	INCLUSIVE	
	C0IMSHC02	High Speed Cable,Internal Mini SAS HD Cable,0.85m,Internal Mini SAS HD R/A,8*(1P*30AWG+ 2*Drain)+8C*30AWG,Internal Mini SAS HD STR,R/A-STR		4	INCLUSIVE	
	BC1M02DVD	9.5MM DVD-RW-CD 24X/DVD 8X-SATA DVD-RW Moudle		2	INCLUSIVE	
	SR796X43	RH1288 V3 1U static rail		2	INCLUSIVE	
		GRAND TOTAL				3,847,679.44
		VAT			5%	192,383.97
		NET TOTAL				4,040,063.41

ITEM	PART NO	DESCRIPTION	QTY	UNIT PRICE	AMOUNT ₦
1	**FusionModule500_Site1**				
	02115144	Assembly Cabinet, FusionModule500, Converged Cabinet (42U Cabinet), with PDU,10K UPS, ECC800e, Door Magnetic Switch, Smoke Sensor, Temperature and Humidity Module,Water detector		1	5,938,842.00
	02120837-009	Rack Power Distribution Unit,Basic Type-PDU2000-32-1PH-20/4-B9-20*C13+4*C19-Full height vertical-NO Industrial connector-Free mounting plate		1	
	21240373	Cable Manager, 1 U, horizontal cable routing		1	
	51071LGL	Wireless Data Network Card,Non Latin American region,SMS Notification		1	
	02232JHE	FusionModule500- video frequency storage location - camera /SD card		1	
	02232JHD	Home air conditioning call from the start controller kit		1	
	02232JHA	FusionModule500-9AH battery pack power package		4	
	25031890	Power Cable, 600V/1000V, ZA-RVV, 3x10mm^2, Black(3Cores:Brown,Blue,Yellow/Green), 57A, Outdoor Cable, CE (Unit:meter)		30	
	25030429	Power Cable, 450V/750V, 60227 IEC 02(RV),16mm^2, Yellow/Green,85A, CCC,CE (Unit:meter)		3	
	14170024	Naked Crimping Terminal,OT,16mm^2,M8,Tin Plating, Naked Ring Terminal		2	
		TOTAL			5,938,842.00
Maintenace Services					
	FusionModule500_Site1				
	88134UFA	Assembly Cabinet,FusionModule500,ConvergedCabinet(42U Cabinet) ,with PDU,10K UPS,ECC800e,Door Magnetic Switch,Smoke Sensor,Temperature and Humidity Module,Water detector-Hi-Care Basic 9x5xNBD-S Service-12Month(s)	1	246,740.00	246,740.00
Implementation Services					
	Expert Supervision	FusionModule500 On site Implementation Supervision for 1 day	1	626,340	626,340.00
		Service Total			873,080.00
		GRAND TOTAL			**6,811,922.00**
		VAT		5%	340,596.10
		NET TOTAL			**7,152,518.10**

ITEM	PART NO	DESCRIPTION	QTY	UNIT PRICE	AMOUNT ₦
1	Site 1	AR2240C(C13_Britain)	1	1,001,033.67	1,001,033.67
					-
2	HQ	Boundary Firewall-USG6320(C7_Britain)	1	676,860.02	676,860.02
		Access switch-S5720-52P-PWR-LI-AC	7	812,975.09	5,690,825.60
		Core switch-S5730-60C-HI(C13_Britain)	1	2,063,258.86	2,063,258.86
		eSight Network V300R009	1	2,586,134.14	2,586,134.14
		GRAND TOTAL			**12,018,112.28**
		VAT		5%	600,905.61
		NET TOTAL			**12,619,017.89**

ITEM	PART NO	DESCRIPTION	QTY	UNIT PRICE	AMOUNT ₦
1	Server-2288H V5_HQ				
	02311XBS	2288H V5 (25*2.5inch HDD Chassis, With 2*GE and 2*10GE SFP+(Without Optical Transceiver)) H22H-05(For oversea)	2		8,925,924.44
	02312DEP	PAC550S12-BE AC power supply unit	4		
	02311XFT	Intel Xeon Gold 6132(2.6GHz/14-core/19.25MB/140W) Processor (with heatsink)	4		
	06200241	DDR4 RDIMM Memory,32GB,2666MT/s,2Rank(2G*4bit),1.2V,ECC	8		
	02312RBV	HDD,1200GB,SAS 12Gb/s,10K rpm,128MB or above,2.5inch(2.5inch Drive Bay)	14		
	02311PCH	SR430C-M 2G(LSI3108) SAS/SATA RAID Card,RAID0,1,5,6,10,50,60,12Gb/s,2GB Cache	2		
	02311YPT	LSI3108 2GB RAID controller supercap(8GB,with a cable and supercap tray),used for rack servers	2		
	02312DJG	SM380 Onboard NIC,25GE Optical Interface(MELLANOX CX-4 Lx),Dual-Port,SFP28(without Optical Transceiver)	2		
	02312CVF	2*2.5" Rear Hard Disk Backplane Module	2		
	02318169	Optical Transceiver,SFP+,10G,Multi-mode Module(850nm,0.3km,LC)	4		
	34061254	Optical transceiver,25GBase-SR,0.1km	4		
	21240434	2U Static Rail Kit	2		
		TOTAL			8,925,924.44
2	FusionAccess-FusionAccess PKG_HQ				
	04070013	Signal Cable,Shielded Straight Through Cable,20m,MP8-II,CC4P0.5GY(S),MP8-II,FTP	4	6,424.00	25,696.00
		TOTAL			25,696.00
3	FusionAccess-FusionAccess TC_HQ				
	06170312	Thin Client,Intel Baytrail 2.41GHz Dual-Core,2G,16G,1000M,DVI-I,Win10 English Version,CT5200,DVI-I to VGA adapter,Base and Wall hanging	33	151,552.98	5,001,248.24
		TOTAL			5,001,248.24
4	FusionAccess-FusionAccess Software V100R006_HQ				
	88033LXV	FusionAccess Standard Edition License,per User	30	42,472.31	1,274,169.38
	88033LXY	FusionAccess Standard Edition,3 Years Subscription and Support,per User(3 years from " PO signed plus 90 days ")	30	26,899.13	806,973.94
		TOTAL			2,081,143.31
5	FusionAccess TC BackUp_Site1				

ITEM	PART NO	DESCRIPTION	QTY	UNIT PRICE	AMOUNT ₦
1	Site 1	CloudLink Board	1	16,297,651.50	16,297,651.50
		CloudLink Touch	1	306,659.86	306,659.86
		Telepresence Solution Implementation Service	1	1,135,829.63	1,135,829.63
		GRAND TOTAL			**17,740,140.99**
		VAT		5%	887,007.05
		NET TOTAL			**18,627,148.04**

Out of the recommendation, the Institute took an immediate action to acquire a modern server to avoid disruption of activities. Others are to be addressed in due course. The classrooms were also upgraded with two 77 inches TV screens

2.1.8 REGIONAL AND INTERNATIONAL RELATIONS

2.1.8.1 VISIT of The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) to WAIFEM for a peer learning on the Business Development and Consultancy Unit (BDCU) operations and other training programmes

A delegation from Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) led by Ms Vivian Namugambe (Programme Manager, External Sector and Natural Resources Management) visited WAIFEM from January 29 - 31, 2019 to understudy operations of the Institutes training programmes and peer learning on the Business Development and Consultancy. WAIFEM shared some relevant insights and the modalities of operations of BDCU and capacity building programmes. The two institutions agreed to continue mutual cooperation and share sound practices.

2.1.8.2 - 28th Annual Meeting of the Board of Governors of African Capacity Building Foundation (ACBF), March 7 – 8, 2019, Yaoundé, Cameroon.

WAIFEM was invited to the 28th Board meeting of the ACBF held in Yaoundé, Cameroon. The purpose of the meeting was to provide an important platform where member states and development partners shared knowledge and experience on the critical issue of nurturing transformative leadership for designing and implementing effective policies that could propel Africa's inclusive and sustainable socio-economic development. WAIFEM used the opportunity to seek for funding support from the ACBF.

2.1.8.3 Participation at the International Monetary Fund (IMF)/African Training Institute (ATI) Board Meeting, Luanda, Angola from March 27 – 31, 2019

WAIFEM attended the Steering Committee Meeting of ATI in Angola. ATI usually render technical assistance to WAIFEM; therefore, the Director General used the occasion to source additional technical assistance from the ATI.

2.1.8.4 World Bank/IMF Spring Meetings held in Washington DC, USA, April 2019.

The Director General met with the Director of the IMF Institute for capacity development and Director of Statistics Department during the Spring Meetings. He used the opportunity to call for deepening relationship with the Fund as he takes over as the new Director General to open opportunities for further collaborations in both current programmes and new areas.

The two institutions agreed to collaborate on three training programmes in 2019 among which are: Regional Course on Statistics on International Trade in Goods and Services July 15 -19, 2019, in Accra, Ghana; course on Financial Soundness Indicators (FSI) from July 29 – August 2, 2019 in Banjul, The Gambia; and the Financial Programming and Policy (FPP) to be held in Accra, Ghana and some additional courses to be confirmed during the annual meetings of the IMF/World Bank in October 2019.

The Director General also met with the Director the Macroeconomics and Fiscal Management Global Practice of the World Bank to negotiate for additional funding for debt management programmes of WAIFEM during the Spring Meeting. Under the World Bank Debt Management Facility (DMF) Phase 2, the Macroeconomics and Fiscal Management Global Practice gave 3-year funding support to WAIFEM which ended in June 2019. The Director General negotiated for extension of the funding to December 2019 and discussion of possible funding support from DMF Phase 3 was set to occur during the annual meetings in

Washington DC in October 2019.

The Institute for Capacity Development also encouraged WAIFEM to collaborate with AFRITAC West 2 to get technical support for some of its courses. The management of the Institute requested feedback on the impact of the courses they have collaborated with WAIFEM to execute. The Director General assured the management that he would commission an independent assessment of the impact of the courses jointly executed with the Fund and would share the outcome with the management during the annual meetings.

2.1.8.5 World Bank Debt Management Facility Stakeholders' Forum and Meeting of the World Bank Implementation Coordination Group (ICG) of 2019, May 13 – 14, 2019, Dakar, Senegal.

WAIFEM was invited to make presentation at the 10th anniversary of the Debt Management Facility (DMF) Stakeholders Forum and Meeting of the World Bank Implementation Coordination Group (ICG) in Dakar, Senegal from May 13 – 14, 2019. The purpose of the forum was to discuss current challenges and trends faced by debt managers around the world. During the meeting, Dr. Baba Musa Director General stepped down as the Chairman of the World Bank Debt Management Facility Implementation Coordination Group (ICG) after 4 years as Chair. Membership of the ICG consists of the International Monetary Fund, United Nations Conference on Trade and Development (UNCTAD), Commonwealth Secretariat, the World Bank, Macroeconomic Management Training Institute for Eastern and Southern Africa MEFMI, Debt Relief International DRI, Centro de Estudios Monetarios Latinoamericanos CEMLA, Agence UMOA- Titres, and Japan International Corporation Agency (JICA).

The Forum was attended by over one hundred and fifty debt management practitioners comprising high level policymakers and government officials, debt management experts, donors, providers of technical assistance, and CSO representatives.

2.1.8.6 Participation at the 2019 Annual Meeting of the Board of Governors of the African Development Bank (AfDB) Group, Malabo, Republic of Equatorial Guinea, June 11 to 14, 2019.

The Director General accompanied by the Director; Administration & Finance attended the above-mentioned meeting. The aim was to explore possible collaboration and funding.

2.1.8.7 - Investiture, Ceremony at the Landmark Centre, Victoria Island, Ikoyi, October 26, 2019

The Chartered Institute of Bankers of Nigeria (CIBN) held its 2019 investiture Ceremony at the Landmark Centre, Victoria Island, Lagos. The Director General was invited as the Keynote Speaker. The Investiture ceremony was organised to confer the highest honour of Fellowship on deserving prominent individuals who have excelled in their field of expertise and above all contributed immensely to the growth and sustainability of banking profession in Nigeria and globally. The Governor of the Central Bank of The Gambia was inducted as an Honorary Fellow of the CIBN.

2.1.8.8 - African Capacity Building Foundation (ACBF)'s Strategy Mid-Term Review for 2017-2021, August 30, 2019

The African Capacity Building Foundation (ACBF) undertook a mid-term review of its Strategy for year 2017-2021 to enable the Foundation determine the extent to which implementation of the Strategy has aligned with its objectives and draw key lessons for the second half of the implementation period. ACBF requested a meeting with relevant members of staff of WAIFEM being a grant recipient from the Foundation, in order to gather inputs and perspectives necessary for the evaluation exercise. Mr. Edem Messa-Gavo, M&E, Expert from ACBF facilitated the interview on August 30, 2019.

2.1.8.9 - High-Level Dialogue on Financing for Development, United Nations Headquarters, New York, September 26, 2019

The Director General was invited to participate as panellist in the High-Level Dialogue on Financing for Development of the United Nations General Assembly. The interactive dialogue was on "Financing the SDGs and Climate Action Against Rising Debt Burdens". 47 Heads of State attended the dialogue.

2.1.8.10 - IMF/World Bank Annual Meetings, USA, October 2019

During the 2019 IMF/World Bank Annual Meetings in Washington D.C., WAIFEM held bilateral meetings with the Institute for Capacity Development and Statistics Department of the IMF, the Debt Department of the World Bank and Development Finance Institute to strengthen the technical cooperation between the respective institutions and to solicit additional joint capacity building programmes.

At the end of the meeting with the IMF Institute for Capacity Development, it was agreed that the course on Macroeconomic Diagnostics be executed in year 2020. During the meeting with Statistics Department, it was agreed that the course on Government Finance Statistics be offered in 2020.

The meeting with the World Bank and Debt Management Facility (DMF) was successful. WAIFEM as one of the implementing partners (IPs) gave a report of its DMF activities from May to Mid-October 2019. The DMF II ended in December 2019 and DMF III commences in 2020. A memorandum for the DMF III will be signed by the year 2020. In addition, the meeting with the Development Finance Institute discussed strategy to assist Liberia as a non-commonwealth member country in the deployment and installation of Meridian Recording System (CSDRMS) for recording and management of their Debt data.

WAIFEM COUNTRIES ECONOMIC REPORTS

WAIFEM COUNTRIES ECONOMIC REPORTS

3.1 THE GAMBIA

3.1.1 REVIEW OF THE DOMESTIC ECONOMY

The Gambian economy grew strongly in 2019 despite two major headwinds that affected the services and agriculture sectors. The tourism sector was hit by the collapse of a major travel and tour operator, Thomas Cook (UK). The agriculture sector was adversely affected by weather-related events for the past 3 consecutive years. The cropping season in 2019 was characterized by the late start of rainfall and intermittent dry spells that hampered crop performance and yields.

The outlook for the economy is dented by the COVID-19 pandemic. The global outbreak of coronavirus is having a debilitating impact on the economy. The public health crisis affected all the sectors of the economy especially tourism, trade, and small businesses. A preliminary assessment shows that the economy will contract by 1.2 percent in 2020, primarily due to the disruptive effect of the pandemic. In light of current developments, there is massive uncertainty around the forecast.

Inflation increased in 2019 driven by the acceleration in non-food inflation. The 12-month moving average inflation stood at 7.1 per cent, higher than 6.5 per cent in 2018. The rise in the non-food inflation reflects a shock to the communication index following a marked increase in postal charges in April 2019. It led to a 60 percent increase in the communication index that pushed non-food inflation upward.

The external sector position continued to improve due to the resilience of remittance inflows, and tourism. Despite the deterioration of the goods account, the current account deficit narrowed to 2.6 per cent of GDP in 2019 from 4.3 percent of GDP in 2018. The improvement in the current account continues to support the stability of the exchange rate of the dalasi.

Government fiscal operations for 2019 showed that the budget deficit (including grants) narrowed to 2.9 per cent of GDP from 6.0 per cent of GDP recorded in the previous year. That performance were on account of enhanced revenue mobilization, the marked decline in capital expenditure, and interest payments. However, the stock of domestic debt increased to D33.1 billion as at end-December 2019, from D31.2 million in the corresponding period a year ago.

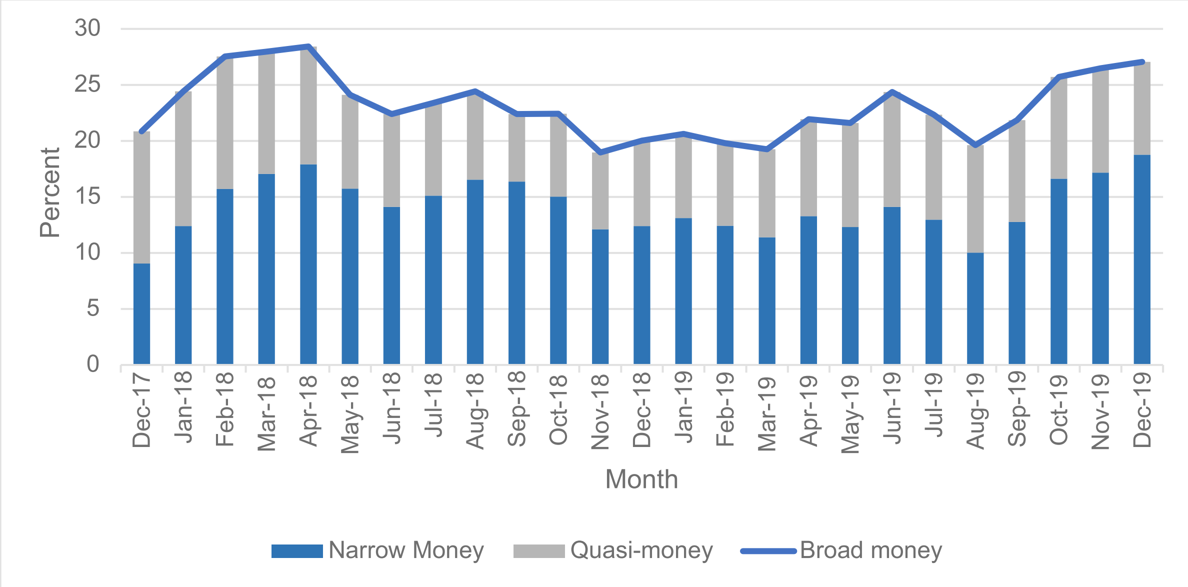
According to key financial soundness indicators, the banking sector remained well-capitalized, profitable, and highly liquid. All the banks maintained a capital level above the statutory requirement. Year-on-year, private sector credit expanded by 35.8 per cent at end-December 2019, higher than 32.9 per cent a year ago. Despite the strong credit growth, the ratio of non-performing loans to gross loans remained low at 4.6 per cent as at end-December 2019. The improvement in the asset quality reflects enhanced regulation, improved risk management, and effective loan recovery measures.

Money supply growth remained high during the year, reflecting the marked increase in the net foreign assets of the banking system on the back of high capital inflows and the external reserve accumulation by the Central Bank. Commercial bank credit to the private sector grew strongly as interest rates on government securities declined. By the end of 2019, broad money grew by 27.1 per cent compared to 20.0 per cent in the corresponding period in 2018. The growth in broad money was driven largely by the increase in NFA of the banking system.

Narrow money (M1), which comprises of demand deposit and currency outside banks increased by 35.4 per cent to D24.2 billion as at end-December 2019, higher than the 24.2 per cent in the previous year. Currency outside banks rose to D7.8 billion or by 19.4 percent at end-December 2019, while demand deposits grew by 44.8 per cent to D16.4 billion at end-December 2019.

Similarly, quasi money increased to D18.7 billion, or by 7.6 percent as at end-December 2019, slightly above the 15.6 per cent recorded a year earlier. Of the components of quasi money, savings deposits increased to D14.8 billion, or by 19.1 per cent in 2019 compared to 17.6 per cent in 2018. Time deposits also increased to D3.9 billion or by 12.3 per cent in 2019 compared to a growth of 9.1 per cent at end-December 2018.

Chart1: Contribution to growth in total money supply



Source: CBG

3.1.2 Reserve Money

Reserve money grew by 17.2 per cent as at end-December 2019, higher than 16.5 per cent recorded in the previous year. Of the components of reserve money, currency in circulation rose by 17.2 per cent as at December 2019, lower than 18.1 per cent in December 2018. Reserves of commercial banks similarly grew by 17.3 percent from a year ago. The NFA of the Bank was the main driver of reserve money growth during the year.

The NFA of the Central Bank rose to D8.5 billion or by 87.7 percent as at end-December 2019. In contrast, the NDA of the Bank contracted to D5.4 billion or by 26.2 percent from a year ago. The Bank's net claims on government on the other hand, contracted by 13.7 percent from a year ago.

3.1.3 - Distribution of Commercial Bank Contribution to the Private Sector

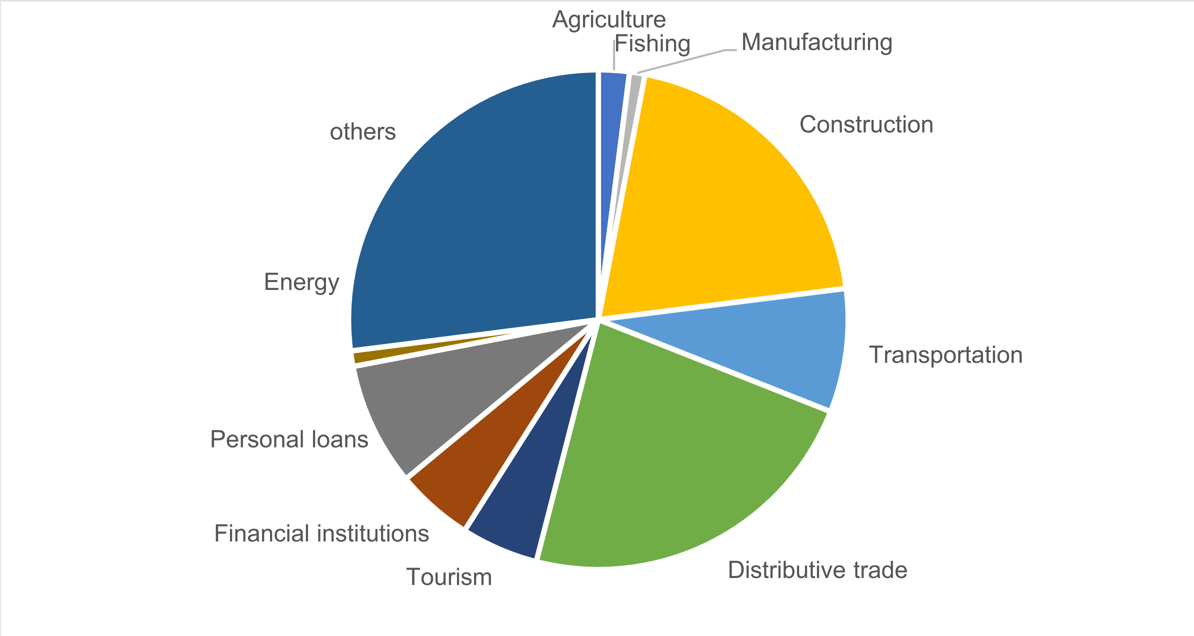
Private sector credit expansion remained strong in 2019, which supported private consumption and investment. Year-on-year, the stock of commercial bank credit to the private sector grew by 33.5 per cent to D7.4 billion as at end-December 2019 compared to D5.5 billion in 2018.

The stock of loans and advances extended to all the major sectors of the economy increased except for fishing, distributive trade, and tourism sectors. Outstanding credit to the distributive trade, which accounted for 22.9 per cent, stood at D1.7 billion in December 2019, a decline of 2.4 per cent from a year ago.

The stock of credit to the fishing sector declined by 13.2 percent to D6.3 million (0.1 percent of total credit) as at end-December 2019 compared to D7.2 million in the same period in 2018. Similarly, credit to the tourism sector contracted by 31.4 percent to D408.1 million and accounted for 5.6 percent of total credit.

The agriculture sector still faces challenges to attract a substantial amount of credit from commercial banks. Agriculture in The Gambia is seasonal and highly vulnerable to climatic factors because it is almost entirely dependent on the increasingly less predictable rainfall.

Chart2: Distribution of commercial banks credit to economic sectors

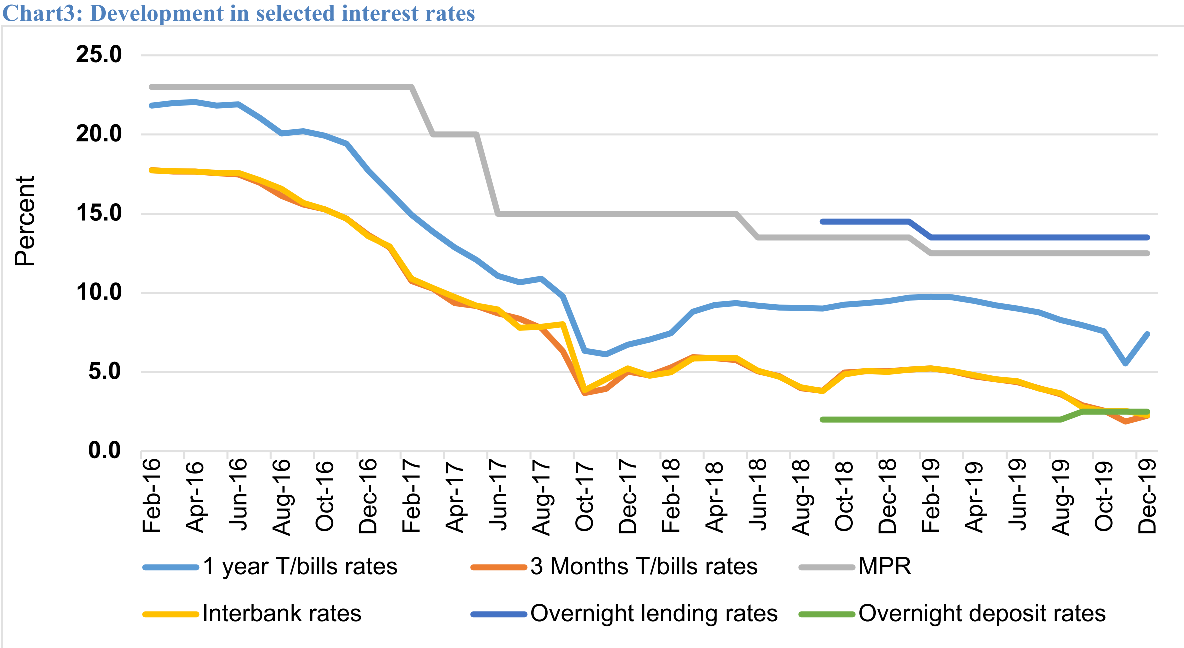


Source: CBG

3.1.4 Interest Rates Development

The money market interest rates decreased in 2019 but remained well below the long-term average. The weighted average interest rates on the 91-day, 182-days, and 365-days treasury bills declined to 2.24 percent, 4.98 percent, and 7.39 percent respectively as at end-December 2019, from 5.06 percent, 7.04 percent, and 9.48 percent in the corresponding period in 2018, respectively. Similarly, the weighted average interest rates on the 3-months, 6-months, and 12-months Sukuk Al-Salaam (SAS) respectively fell from 5.1 percent, 6.96 percent, and 9.39 percent respectively as at end-December 2018 to 2.24 percent, 4.88 percent, and 5.52 percent respectively at end-December 2019. The inter-bank lending rates also decreased as banks generally lended to one another at the 3 months Treasury bills rate.

Chart3: Development in selected interest rates



Source: CBG

The minimum and maximum interest rates on saving deposits were unchanged at 0.5 percent and 8.0 percent, respectively. The minimum and maximum interest rates on short-term deposit stood at 0.25 percent and 4.0 percent respectively, unchanged from a year ago. The minimum and maximum rates for 3-month time deposits declined from 2.0 and 9.0 percent in 2018 to 1.08 percent and 7.21 percent at end-December 2019, respectively. As at end-December 2019, the commercial bank minimum and maximum lending rates remained unchanged at 12.0 percent and 28 percent respectively compared to end-December 2018.

3.1.5 Real Economic Growth

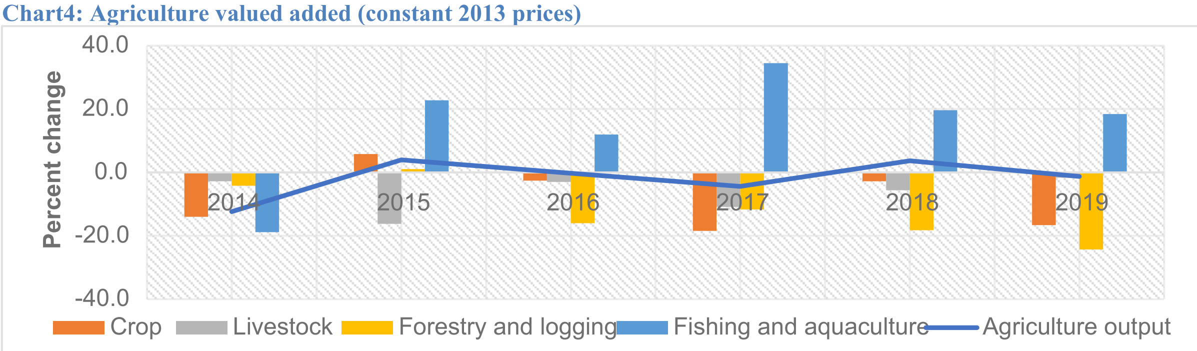
The Gambian economy performed well in 2019, despite shocks to tourism and agriculture sectors during the year. The collapse of Thomas Cook (UK) in September 2019 led to a temporary decline in tourist arrivals in November compared to the previous year. Agricultural production contracted markedly due to the erratic rainfall that affected crop and livestock production during the year. The real gross domestic product (GDP) was estimated to have grown by 6.2 per cent in 2019, lower than 7.0 per cent in 2018. Growth was bolstered by the increase in private consumption and investment, which were supported by foreign exchange inflows, rapid credit expansion, and improved electricity and water supply.

Going forward, the COVID-19 outbreak introduces another level of risk to the economy. In a worst-case scenario, the crisis may cause more permanent damage to the economy's major growth drivers.

3.1.6 AGRICULTURAL AND FISHING SECTOR

The agriculture value-added contracted by 1.3 percent in 2019 in real terms compared to a growth of 3.7 percent in 2018, reflecting the delayed rainfall and long dry spells that characterized the cropping season. In 2019, crop production declined by 16.7 percent, a deeper contraction than 2.8 percent in 2018; livestock production declined by 1.7 percent compared to a contraction of 5.6 percent a year ago; forestry and logging registered a negative growth of 24.3 percent in 2019, a higher contraction than 18.2 percent in 2018; and Fishing and aquaculture, on the other hand, grew markedly by 18.4 percent in 2019 compared to 19.6 percent a year ago.

Chart4: Agriculture valued added (constant 2013 prices)

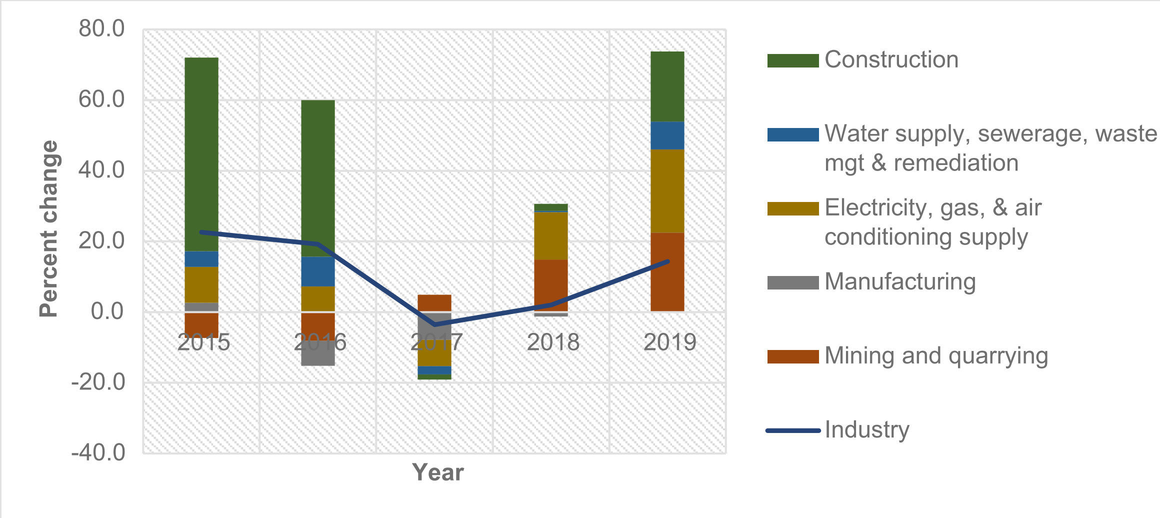


Source: CBG

3.1.7 INDUSTRY SECTOR

The value-added of the industry sector registered strong growth in 2019. The sector is estimated to have grown by 14.3 percent compared to 2.0 percent in 2018. The energy sub-sector expanded by 23.5 percent in 2019 relative to 13.4 percent a year ago. The construction sub-sector rose by 19.9 percent in 2019, higher than the 2.0 percent registered a year ago, reflecting the upsurge in real estate activities which are financed mainly by private remittance inflows. Mining and quarrying grew by 14.9 percent and 22.5 percent in 2018 and 2019, respectively.

Chart5: Industry sector (percent change)

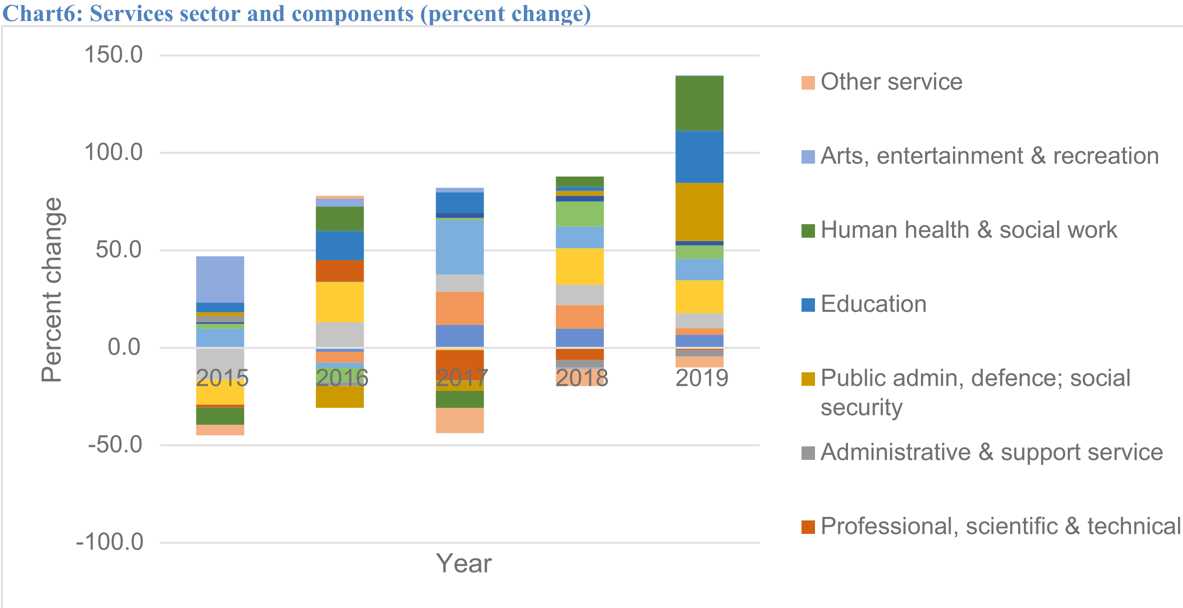


Source: CBG

3.1.8 SERVICE SECTOR

The services sector is the largest contributor to GDP in The Gambia. The sector grew by 6.8 percent in 2019, lower than 9.8 percent recorded in 2018. The key drivers of growth of the sector included financial intermediation, information and communication, transportation, accommodations, public administration, health, wholesale and retail trade, and financial and insurance services.

Chart6: Services sector and components (percent change)



Source: CBG

3.1.9 TOURISM SECTOR

The tourism sector was hit by the collapse of a major travel and tour operator, Thomas Cook (UK) in September 2019 that led to a temporary decline in arrival numbers in November compared to the same period a year ago. The total number of visitors increased by 15.8 percent in 2019 compared to 25.5 percent in 2018. However, the number of tourists from Great Britain, which has been a source country, declined by 15.9 percent due to the collapse of Thomas Cook (UK).

3.1.10 PRICE DEVELOPMENTS

Headline inflation accelerated in 2019, driven by both food and non-food inflation. The rise in the non-food inflation followed a marked increase in postal charges in March 2019 which led to a 60 percent increase in the communication index. Headline inflation accelerated from 6.1 percent in December 2018 to 7.7 percent in December 2019. The 12-month moving average inflation stood at 7.1 percent in 2019, higher than 6.5 percent in 2018.

Food inflation accelerated to 7.6 percent in December 2019 from 6.4 percent in December 2018. Consumer inflation of Bread Cereals, which is the main driver of food inflation, accelerated from 7.7 percent in December 2018 to 8.3 percent in December 2019. The consumer price inflation of Fish accelerated to 10.5 percent from 8.4 percent during the period under review. The consumer price inflation of Fruits and Nuts, and Meat, on the other hand, decelerated during the period under review. All other sub-components of food inflation accelerated during the period under review.

Non-food inflation accelerated to 7.7 percent in December 2019 from 6.5 percent in the corresponding period of 2018. The rise in non-food inflation was mainly on account of the one-time increase in postal charges during the year that led to a 60 percent rise in the communication index. All other components of non-food inflation decelerated except for alcoholic beverages and education.

3.1.11 GOVERNMENT FISCAL OPERATIONS

Fiscal performance improved in 2019 as a result of stronger revenue collection and better expenditure control.

Revenue Performances

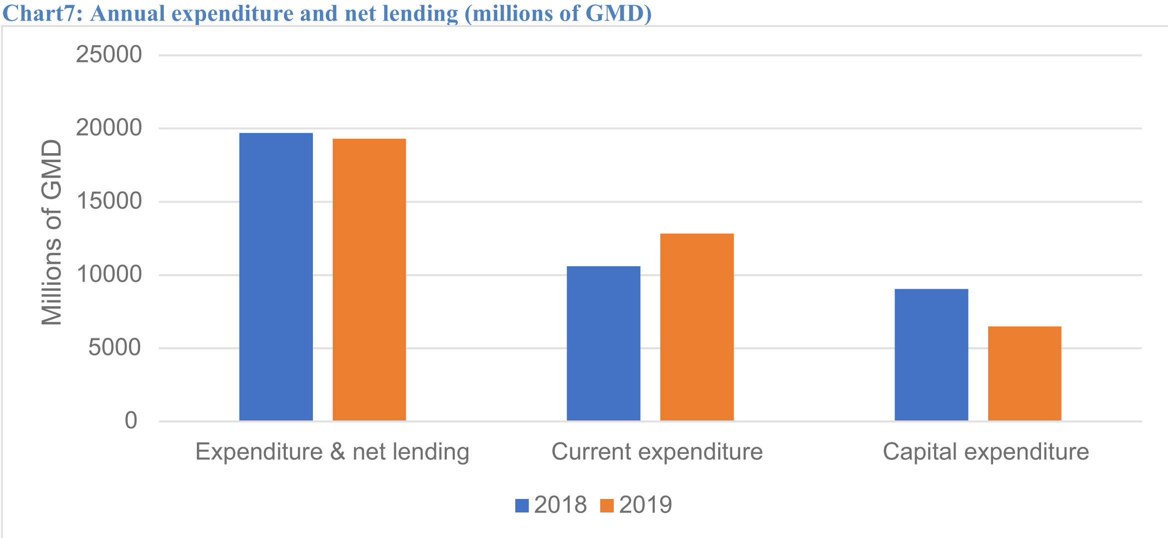
Total revenue and grants mobilized in 2019 increased by 11.8 percent to D16.6 billion (18.2 percent of GDP) compared to D14.9 billion (18.5 percent of GDP) registered in 2018. However, total revenue and grants were D5.9 billion below the projected amount.

Expenditure and Net Lending

Total expenditure and net lending for the year ended 2019 declined to D19.3 billion (21.1 percent of GDP) from D19.7 billion (24.5 percent of GDP) in 2018, due mainly to the 28.4 percent fall in development expenditure.

Recurrent expenditure, on the other hand, increased by 21.0 percent to D12.8 billion (14.1 percent of GDP) in 2019 compared to D10.6 billion (13.2 percent of GDP) registered a year ago. The rise in recurrent expenditure were on accounts of increase in personal emoluments, other charges (of which 55.8 percent was on goods and services), and interest payments by 32.4 percent, 17.4 percent, and 14.8 percent, respectively.

Chart7: Annual expenditure and net lending (millions of GMD)



Source: CBG

Overall interest payments grew by 14.8 percent to D2.8 billion (24.1 percent of revenue) in 2019. Domestic interest payments accounted for 87.0 percent of total interest payments rose by 20.2 percent to D2.5 billion in 2019 and External interest payments at D0.4 billion, representing an increase of 11.7 percent from a year ago.

Capital expenditure declined significantly to D6.5 billion (7.1 percent of GDP) or by 28.4 percent in 2019, from D9.0 billion (11.3 percent of GDP) in 2018. This significant decline is due to the fall in the external loans and project grants by 21.1 percent and 47.3 percent, respectively.

Budget Balance

The overall deficit (including grants) narrowed to D2.7 billion (2.9 percent of GDP) in 2019 compared to a deficit of D4.8 billion (6.0 percent of GDP) in 2018. The overall deficit (excluding grants) narrowed to D7.5 billion (8.2 percent of GDP) in 2019 compared to a deficit of D9.5 billion (11.8 percent of GDP) in 2018.

The primary balance, on the other hand, worsened from a surplus of D2.7 billion (1.3 percent of GDP) in 2018 to a surplus of D0.8 billion (0.9 percent of GDP) during the period under review. Similarly, the deficit in basic balance widened from a surplus of D1.2 billion (1.5 percent of GDP) in 2018 to a deficit D2.0 billion (2.2 percent of GDP) in 2019.

Public Debt

The total public and publicly guaranteed (PPG) debt stock stood at USD1.4 billion, equivalent to GMD 73.4 billion. External debt constituted 56.7 percent of the debt stock while domestic debt accounted for the remaining 43.3 percent. The nominal debt as a proportion of GDP decreased from 89.1 percent in 2018 to 80.1 percent in 2019. Similarly, the present value (PV) of debt to GDP decreased from 76.1 percent in 2018 to 67.8 percent in 2019.

External Debt

The total external debt stock stood at US$814.8 million equivalent to D41.6 billion, representing an increase of 7.2 percent from US$755.8 million (D37.4 billion) in 2018. The external debt stock comprised of debt from multilateral creditors, which accounted for 66 percent of the total external debt portfolio and bilateral creditors accounted for the remaining 34 percent of the portfolio.

Domestic Debt

The stock of domestic debt rose to D33.1 billion in 2019 from D31.2 billion in 2018, representing a growth of 6.1 percent. However, the ratio of domestic debt to nominal GDP declined from 38.3 percent of GDP to 39.7 percent of GDP during the period, due to the faster GDP growth rate. As at end-December 2019, the stock of short-term securities (Treasury bills and Sukuk-Al Salaam) with maturities of one year or less accounted for 58.5 percent of the total domestic debt while the medium and long-term debt represented 12.2 percent and 29.3 percent, respectively.

3.1.12 EXTERNAL SECTOR DEVELOPMENT

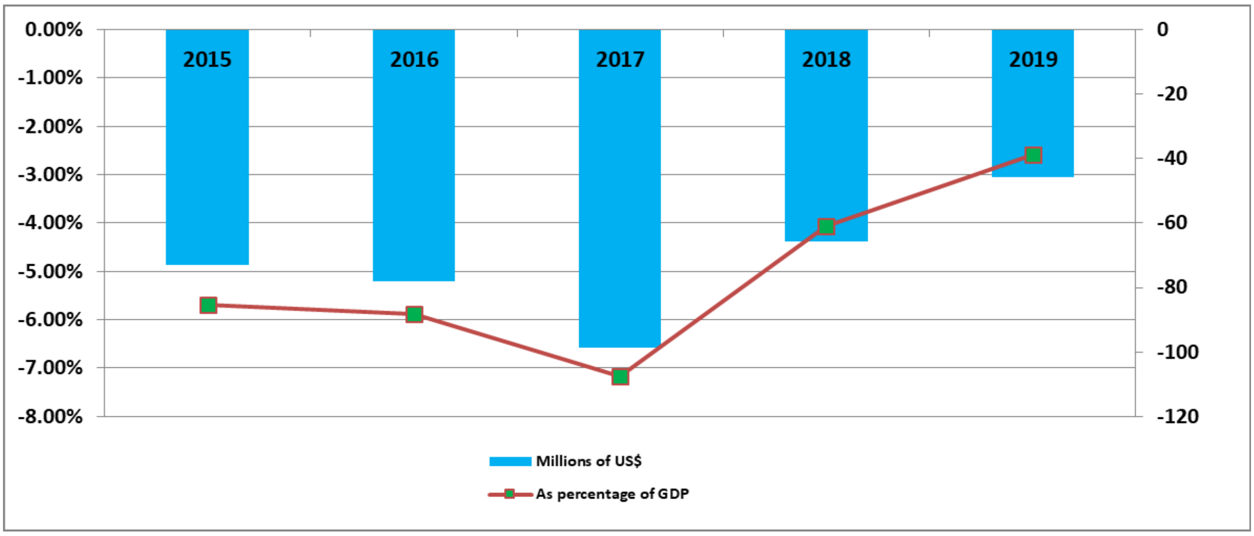
Current Account

The current account balance improved to a deficit of US$45.8 million (2.6 percent of GDP) in 2019 from a deficit of US$69.7 million (4.3 percent of GDP) in 2018, reflecting the improvement in the services account and current transfers. The goods account balance worsened to a deficit of US$381.01 million (21.6 percent of GDP) in 2019 compared to a deficit of US$354.4 million (22.0 percent of GDP) in 2018. The widening of the deficit in the goods account reflects the increase in imports.

Imports (FOB) amounted to US$538.6 million (30.4 percent of GDP), higher than US$519.4 million (32.2 percent of GDP) in the same period in 2018 or by 3.7 percent. Exports (FOB) also increased to US$138.3 million (7.8 percent of GDP) or by 2.2 percent in 2019 from US$135.3 million (8.4 percent of GDP) in 2018.

The surplus in the services account balance increased to US$118.8 million (6.7 percent of GDP), or by 12.0 percent in 2019 from US$106.1 million (6.6 percent of GDP) a year ago. Personal travels went up by 12.06 percent to US$168.20 million during the period under review, reflecting the growth in tourist arrivals during the year. Current transfers, mainly workers' remittances (net), amounted to US$237.0 million (13.4 percent of GDP) compared to a net inflow of US$210.4 million (13.0 percent of GDP) in 2018, representing an increase of 12.62 percent.

Chart8: The current account balance



Source: CBG

Capital and Financial Account

The capital and financial account registered a higher surplus of US$71.4 million in 2019 compared to a surplus of US$53.3 million a year ago, reflecting the improvement in other investments and accumulation of reserve assets. The financial account balance improved to a surplus of US$51.9 million in 2019 from a surplus of US$31.15 million a year ago, mainly on account of the increase in other investments and reserve assets. Other investments and change in reserve assets registered a higher surplus of US$111.5 million and US$78.4 million in the review period compared to surplus of US$20.9 million and US$18.5 million respectively a year ago.

Foreign Exchange Development

The foreign exchange market remained stable in 2019 underpinned by adequate foreign currency liquidity, and a stable exchange rate. The supply conditions were supported by large foreign inflows from official development assistance, private remittances, and tourism.

The volume of transactions in the foreign exchange market measured by aggregate purchases and sales of foreign currency in the year to end-December 2019 increased to US$2.20 billion from US$1.96 in the previous year. The purchase of foreign currency, indicating supply, increased from US$975.7 million in 2018 to US$1.1 billion in 2019, indicating an increase of 12.7 percent. Private remittances that have been a leading source of foreign currency inflows in recent years improved significantly from US$277.9 million in 2018 to US$329.8 million.

The exchange rate of the dalasi remained relatively stable during the year, supported by improved supply conditions, a solid macroeconomic environment, and market confidence. From January to December 2019, the dalasi depreciated against the British pound sterling by 3.1 percent, USD by 3.7 percent, CFA by 3.7 percent, and Euro by 0.2 percent.

3.2 GHANA

3.2.1 THE WORLD ECONOMY

In 2019, the global economy was broadly characterized by heightened policy uncertainty stemming from geopolitical factors including the Brexit negotiations and trade tensions between the US and China. These factors weighed on business confidence, investment, and the manufacturing sector leading to the synchronised slowdown in global activity. However, there are indications that the synchronised growth slowdown is giving way to recovery, mainly in the emerging market and developing economies. The latest IMF growth projections showed that global growth would moderate from 3.6 per cent in 2018 to 2.9 per cent in 2019, amid difficult headwinds.

3.2.2 GHANA'S MACROECONOMIC PERFORMANCE

Domestic economic activity pointed to strong growth during 2019, in line with the pace of growth over the past three years. The disinflation process continued with headline inflation trending down in 2019, and within the medium-term inflation target band of 8±2 per cent. This was supported by the relatively tight monetary policy stance maintained throughout the year. Underlying inflationary pressures remained dampened as all the Bank's measures of core inflation eased, alongside anchored inflation expectations by consumers, businesses, and the financial sector.

The local currency came under some pressures as global financial developments, in particular the strengthening of the US dollar and increased domestic demand (mostly by corporates and energy-related sources) exerted some pressures especially in the first half of the year. The pressures eased significantly by close of 2019, supported by improved foreign exchange inflows.

The government fiscal position improved in the review year as the fiscal consolidation took effect. Budgetary operations for 2019 resulted in a deficit of 4.8 per cent of GDP, slightly higher than the revised target of 4.7 per cent. The deficit was financed from both domestic and foreign sources.

For the third consecutive year, the trade account recorded a surplus in 2019 driven by increased export earnings. The trade surplus, together with improvements in net current transfers, especially remittances, resulted in further narrowing of the current account deficit. The improvement in the current account was underpinned by significant inflows into the financial account, driven largely by foreign direct investments and portfolio investments. Consequently, the overall balance of payments recorded a surplus over the review period, compared with a deficit in 2018. The country's Gross International Reserves went up by an additional US$1.4 billion to US$8.4 billion at the end of 2019, equivalent to 4.0 months of import cover, from US$7.0 billion (equivalent to 3.6 months of import cover) at the end of December 2018.

3.2.3 REAL SECTOR DEVELOPMENTS

Ghana's real GDP growth was 6.5 per cent in 2019, compared with 6.3 per cent in 2018. Non-oil GDP grew at 5.8 per cent in 2019, against 6.5 per cent in 2018. GDP per capita increased to GH¢11,541 in 2019, from GH¢10,150 in 2018. In dollar terms, however, per capita income remained almost unchanged to US$2,212 in 2019 from US$2,214 in 2018

The Services sector recorded the highest growth rate of 7.6 per cent, followed by Industry with 6.4 per cent and Agriculture, 4.6 per cent. Significantly, Services remained the largest sector of the economy. Its share of GDP increased to 47.2 per cent in 2019 from 46.3 per cent in 2018. The Industry sector's share of GDP increased to 34.2 per cent in 2019 from 34.0 per cent in 2018. Finally, the Agriculture sector's share of GDP fell to 18.5 per cent in 2019 from 19.7 per cent in 2018.

3.2.4 PRICE DEVELOPMENTS

The Ghana Statistical Service rebased the Consumer Price Index in August 2019, to reflect weights from the Ghana Living Standards Survey of 2017 and a revised base year of 2018. Following this, a new measure of headline inflation was estimated at 7.8 per cent for August 2019, moving it below the Bank of Ghana's medium-term inflation target of 8±2 per cent. Inflation ended 2019 at 7.9 per cent. Food inflation was 7.2 per cent while non-food inflation was 8.5 per cent. The various measures of underlying inflation and inflation expectations remained well-contained.

3.2.5 EXCHANGE RATE DEVELOPMENTS

The foreign exchange market experienced some level of volatility during 2019 on the back of internal and external factors. The Cedi came under pressure during the first quarter of 2019, reflecting FX supply constraints and seasonal demand pressures. The interplay of these factors resulted in a year-to-date sharp depreciation during the first quarter of 2019. The Cedi's fortunes improved somewhat in the second half of 2019, supported by the inflows from the Eurobond issuance and the successful completion of the IMF-ECF programme. Cumulatively, the Ghana Cedi depreciated by 12.9 per cent against the US Dollar, compared with 8.4 per cent depreciation in 2018.

3.2.6 OVERALL BUDGET PERFORMANCE

The Government's budgetary operations for 2019 recorded a deficit of 4.8 per cent of GDP, slightly above the target of 4.7 per cent of GDP. The deficit was financed from both domestic and foreign sources. Total revenue and grants amounted to GH¢53.0 billion (15.2% of GDP), marginally below the revised target of GH¢54.6 billion (15.6% of GDP). The major components were tax revenue of GH¢42.4 billion (80.0% of total receipts), Non-tax revenue of GH¢7.6 billion (14.3% of total receipts) and Grants of GH¢1.0 billion (1.9% of total receipts). Total expenditures, including arrears clearance was GH¢67.7 billion (19.4% of GDP), below the target of GH¢70.2 billion (20.1% of GDP). Recurrent expenditure was 90.9 per cent of total payments, while capital expenditure constituted the remaining 9.1 per cent.

3.2.7 PUBLIC DEBT

The stock of public debt rose to 62.4 per cent of GDP (GH¢218.2 billion) at the end of 2019, compared with 57.6 per cent of GDP (GH¢173.1 billion) in 2018. Of the total debt stock, external debt amounted to GH¢112.7 billion (32.2% of GDP), representing a 30.8 per cent annual growth from the end-December 2018 position. Domestic debt stood at GH¢105.5 billion (30.2% of GDP) at end-December 2019, compared to GH¢86.8 billion (28.9% of GDP) at end-December 2018. The rise in the debt stock for the review period resulted from increases of GH¢5.3 billion, GH¢11.1 billion and GH¢2.2 billion in the short-, medium- and long-term securities, respectively.

The development in the short-term securities was largely on account of increases in 91- and 364-day Treasury bills by GH¢1,576.8 million and GH¢6,344.9 million, respectively, but was however moderated by a decline in the 1-Year Treasury note by GH¢2,405.5 million and the 182-day Treasury bill by GH¢207.1 million.

The performance in the medium-term component resulted from increases in the 2-Year Fixed Treasury note, 3-Year Fixed Treasury note and the 3-Year USD domestic bond of GH¢476.3 million, GH¢1,999.3 million and GH¢988.6 million respectively. The 5-Year GOG bond, 6-Year GOG bond, 7-Year GOG bond and 10-Year GOG Bond also experienced increases of GH¢3,647.3 million, GH¢1,780.7 million, GH¢1,723.4 million and GH¢803.9 million respectively. There was however a decrease of GH¢303.8 million in the 3-year SSNIT stock.

The growth observed in the long-term stocks and bonds were mainly due to increases of GH¢1,018.9 million and GH¢1,117.0 million in the 15-Year GOG bond and long-term Government stocks respectively. The new 20-year GOG Bond issuance yielded GH¢162.1 million which contributed to the increase in the long-term bonds and stocks. TOR bonds recorded a decrease of GH¢114.4 million on account of amortization.

3.2.8 MONETARY AND FINANCIAL DEVELOPMENTS

Development in broad money supply (M2+) showed sustained growth on year-on-year basis. Annual growth in M2+ was 21.6 per cent year-on-year in 2019 compared to 15.4 per cent growth in 2018. This was mainly on account of significant accumulation of Net Foreign Assets (NFA) by the Bank of Ghana, driven largely by the Eurobond issuance. NFA grew by 46.7 per cent in 2019, from 32.1 per cent the previous year. Net Domestic Assets (NDA) grew much slower, on account of significant slowdown in growth of net claims on Government. NDA growth fell to 16.0 per cent in 2019, from 37.0 per cent in 2018. The stock of M2+ stood at GH¢92,910.2 million at the end of December 2019, compared with GH¢76,380.4 million and GH¢66,172.0 million realised at the end of December 2018 and 2017, respectively.

In terms of components, the expansion in M2+ was reflected in increased growth in currency outside banks, demand deposits, and foreign currency deposits by 20.1per cent, 28.1per cent, and 42.7 per cent, respectively, in December 2019 against 11.5per cent, 18.6 per cent, and 14.3 per cent respectively in December 2018. Reserve money was GH¢28.72 billion at end-December 2019, a growth of 33.6 per cent from the end-December 2018 position. This compared with 0.2 per cent growth experienced in 2018.

3.2.9 BANKS' OUTSTANDING CREDIT

The nominal annual growth rate in banks' outstanding credit registered a pick-up from 12.9 per cent in 2018 to a growth of 22.3 per cent in 2019. In real terms, credit from the banks expanded by 13.4 per cent in 2019, compared to 3.2 per cent in 2018.Total outstanding credit stood at GH¢52,276.82 million at end-December 2019, compared with GH¢42,724.36 million at end-December 2018.

Outstanding credit to the private sector increased in both nominal and real terms during the review period. In nominal terms, credit to the private sector recorded an annual growth of 18.3 per cent in December 2019 compared to a 10.6 per cent growth in December 2018. In real terms, credit to the private sector grew by 9.7 per cent at end-December 2019. The total stock of outstanding credit to the private sector at the end of December 2019 was GH¢44,485.3 million, compared to GH¢37,593.2 million, same period of 2018.

3.2.10 INTEREST RATE DEVELOPMENTS

Interest rate developments in 2019 showed mixed trends on a year-on-year basis. The Monetary Policy Rate (MPR) was reduced by 100 basis points to 16.00 per cent during the review year. Rates on Bank of Ghana (BOG) bills, deposit rates and the average lending rates of the Deposit Money Banks (DMBs) decreased. On the other hand, on the treasury market, interest rates continued to trend upwards, reflecting increased Government borrowing to meet expenditures as a result of revenue shortfalls experienced throughout the year.

The interest rate equivalent on the 14-day BOG bill, which is linked to the MPR, decreased by 100 basis points (bps) year-on-year to 16.00 per cent from 17.00 per cent recorded in December 2018. Interest rate equivalent on the 56-day BOG bill, which was re-introduced in January 2018, also registered a decline of 97 bps 16.97 per cent in December 2018 to 16.00 per cent in December 2019.

The 91-day and 182-day T-bills' rates increased by 13 bps each on year-on-year terms to settle at 14.69 per cent and 15.15 per cent, respectively; over the same period in 2018, the 91-day and 182-day T-bills' had recorded year-on-year increases of 123 bps and 124 bps, respectively.

The rate on the 2-year fixed note increased by 145 bps on year-on-year basis to settle at 20.95 per cent in December 2019. Compared with the corresponding period in 2018, the rate on the 2-year fixed note had also increased by 200 basis points from 17.50 per cent in December 2017. Rates on the 3-year and 5-year Government of Ghana (GOG) bonds increased by 20 bps and 300 bps, respectively, in year-on-year terms to end December 2019 at 19.70 per cent and 19.50 per cent.

The interbank weighted average interest rate decreased by 92 bps, year-on-year, from 16.12 per cent recorded in December 2018 to 15.20 per cent in December 2019. This may be compared with the 322-basis points year-on-year in the interbank weighted average interest rate had experienced in December 2018.

The average 3-month time deposit rate remained unchanged year-on-year; however, for the corresponding period in 2018, the 3-month time deposit rate registered a decrease of 150 bps. The savings rate, on year-on-year basis, remained unchanged at 7.55 per cent in December 2019. The average lending rate declined by 37 bps on a year-on-year basis, from 23.96 per cent recorded in December 2018 to 23.59 per cent in December 2019. Similarly, for the same period in 2018, average lending rates decreased by 226 basis points.

3.2.11 STOCK MARKET DEVELOPMENTS

The Ghana Stock Exchange Composite Index (GSE-CI) contracted by 12.3 per cent, in year-on-year terms, at the end of December 2019. This compared to a decline of 0.3 per cent witnessed in 2018. The relatively poor performance of the index was mainly on account of poor performances of stocks in the Finance (-

13.91%), Distribution (-7.27%), Agriculture (-43.81%) and Food & Brewery (-36.36%). The contraction in the GSE-CI resulted in a year-on-year contraction in market capitalization by 7.1 percent to GH¢56,791.25 million in December 2019. This compared with a growth of 3.97 per cent in the same period in 2018.

3.2.12 EXTERNAL SECTOR

The overall balance of payments recorded a surplus of US$1.34 billion (2.0% of GDP) in 2019, compared with a deficit of US$671.5 million in 2018. The improvement was due improvement in the current account and increased net inflows in the capital and financial accounts.

Merchandise Trade Balance

The trade balance recorded a larger surplus of US$2.3 billion (3.4% of GDP) in 2019, compared with US$1.8 billion (2.8% of GDP) in the same period of 2018. This was as a result of a continued growth in exports receipts, especially gold and cocoa (beans and products). Exports grew by 4.6 per cent whereas imports grew by 2.1 per cent.

The total value of merchandise exports for 2019 was estimated at US$15.7 billion. Gold exports during the review period amounted to US$6.2 billion compared to US$5.4 billion recorded in 2018. Over the period, the average realized price increased by 8.3 per cent from US$1,280.61 per fine ounce to settle at US$1,387.33 per fine ounce. The volume of gold exported increased by 5.8 per cent to 4,490,399 fine ounces.

The value of crude oil exported was estimated at US$4.49 billion in 2019 compared to US$4.57 billion recorded in 2018, down by 1.76 per cent on account of a drop in prices. During the period, the average realized price of oil decreased by 10.5 per cent to US$64.14 per barrel, compared to US$71.64 per barrel recorded in 2018. The volume of oil exported in 2019, however, increased by 9.74 per cent to 70,054,551 barrels, compared to 63,838,138 barrels during the same period in 2018. The increase was as a result of increased exports from the Jubilee and Sankofa fields, which more than compensated for the shortfall in exports from the TEN fields.

The value of exports of cocoa beans and products increased by 5.0 per cent to US$2.29 billion in 2019. Cocoa beans exports earned US$1.45 billion, an increase of 3.2 per cent compared to the value in 2018. The increase in earnings was largely supported by prices. The average realized price increased by 8.8 per cent to US$2,366.94 per tonne, while export volume fell by 5.2 per cent to 613,184 tonnes. Cocoa products earned US$0.84 billion, an increase of 8.2 per cent compared to earnings recorded in 2018. This was on account of both price and volume effects.

The value of timber products exported fell by 23.7 per cent to US$0.17 billion in 2019. Compared with the previous year, both volume and price fell. The average realized price of timber decreased to US$562.47 per cubic metre in 2019, from US$671.04 per cubic metre in 2018. Also, the volume of timber exported decreased to 300,455 cubic metres in 2019, from 330,042 cubic metres in 2018. During the year there was a ban on rosewood exports.

The value of "Other exports", which is made up of non-traditional exports, electricity and other minerals (aluminium alloys, bauxite, diamond and manganese), was estimated at US$2.49 billion. This was lower than the outturn in 2018 by US$0.05 billion.

The total value of merchandise imports for the year was estimated at US$13.4 billion, up marginally by 2.1 per cent compared to the outturn in 2018. The increase was due to a growth in non-oil imports.

Current Account

The current account deficit narrowed to US$1.86 billion (2.8% of GDP) in 2019, compared to a deficit of US$2.0 billion (3.1% of GDP) in 2018. The narrowing of the current account deficit was attributed to a larger trade surplus, alongside increased inflows in the transfers account, especially from remittances.

The services, income and transfers account recorded a deficit of US$4.1 billion in 2019, a deterioration of US$0.27 billion from the preceding year. In particular, the services and income accounts recorded net outflows (payments) of US$7.5 billion compared to US$6.4 billion in 2018. On the other hand, net inflows into the transfers account improved to US$3.4 billion from US$2.6 billion in 2018 on the back of US$3.4 billion net inflows from remittances.

Capital and Financial Account

The capital and financial account recorded a net inflow of US$3.1 billion in 2019, representing a significant increase from the US$1.5 billion net inflow in 2018. The capital account recorded a surplus of US$257.08 million in 2019, a decrease of 0.3 percent from the 2018 position. While, the financial account recorded a net inflow of US$2.8 billion in 2019 compared to US$1.2 billion recorded in 2018, and driven in large part by foreign direct investments, portfolio investments and a significant improvement in the "other investment" account.

Gross International Reserves

The country's gross international reserves stood at US$8.4 billion at the end of December 2019 from a stock position of US$7.0 billion at the end of December 2018. This was equivalent to 4.0 months of import cover recorded compared to 3.6 months of imports cover as at December 2018.

3.3 LIBERIA

3.3.1 REAL SECTOR

Real Gross Domestic Product (RGDP) growth of the Liberian economy, which was earlier projected at 0.4 per cent in 2019, contracted to 2.5 per cent on accounts of subdued performances of the secondary and tertiary sectors, in addition to weak activity in the forestry sub-sector of the primary sector. The primary sector (agriculture, forestry, and mining and panning) was estimated to expand by 3.2 per cent in 2019, down from the 5.7 per cent estimated for 2018. Output in the mining and panning sub-sector was estimated to grow by 13.2 per-cent in 2019, compared to 24.2 per-cent in 2018. Agriculture and fisheries sub-sector was estimated to moderate to 2.3 per cent in 2019, from 3.1 per cent in 2018 due to slowdown in cocoa, coffee and palm oil production, while the forestry sub-sector was estimated to contract by 7.6 per cent, from a contraction of 6.3 per cent in 2018, as a result of limited logs and timber production. Growth in the secondary sector was estimated to remain in contraction at 10.1 per cent in 2019, from 5.7 per cent estimated for 2018, on account of decrease in beverages output. Activity in the tertiary sector contracted to 7.6 per cent from a contraction of 2.2 percent in 2018 on account of reductions in services emanating from government, trade and hotel, and construction sectors.

Cocoa output plummeted by 40.0 per cent to an estimated 11,343 metric tons, down from the revised 18,871 metric tons reported in 2018 on account of unfavorable harvest. The output of crude palm oil (CPO) rose to an estimated 22,140 metric tons, from the revised 18,104 metric tons produced a year ago. The increase in production of CPO was due to growths in trees, and smallholder farms' production. The production of round log was estimated to expand to 315,138 cubic meters, from a revised 244,578 cubic meters on account of favorable global price of the commodity. Sawn timber output was projected to decline to 208,672 pieces in 2019, from a revised 262,753 pieces produced in 2018 largely due to decrease in the demand of the commodity.

Production in the manufacturing sector, except for cement production, declined during 2019. Cement output in 2019 increased by 3.4 per cent to 343,219 metric tons, up from a revised 332,094 metric tons produced in 2018 on account of reduction in the price of the commodity. Beverages production (both alcoholic and non-alcoholic) declined by 20.7 per cent to 16.8 million liters in 2019, from a revised 21.3 million liters produced in 2018. The decrease in production was largely due to a slump in the production of non-alcoholic beverages. Total paint production (both oil & water paints) was 212,943 gallons, up by 5.2 percent from the revised 202,405 gallons produced in 2018.

The volume of iron ore produced in 2019 was 4.4 million metric tons, down from the revised 4.6 million metric tons produced in 2018, due to inventory build-up. Gold production also declined during the year to 162,936 ounces, down from the revised 234,354 ounces produced in the preceding year. Similarly, diamond output plummeted by a 26.0 per cent to 55,936 carats, down from 75,554 carats produced in the previous year. The declines in the production of gold and diamond were on the backdrop of slowdown in mining activity.

Price Developments

Average headline inflation for 2019 rose to 26.9 per cent, up from 23.4 per cent in 2018, while end-of-year inflation was 20.3 percent. The increase in average inflation was generally explained by the pass-through effect of the depreciation of the Liberian dollar. However, the end-of-year inflation declined by 8.2 percentage points largely due to weak demand.

All major commodity groups in the CPI basket contributed to the downward trend of end-of-year inflation rate during 2019 compared to 2018, except for education. Food & non-alcoholic beverages reduced to 23.0 per cent (from 30.5 percent). Inflation rates on alcoholic beverages, tobacco and narcotics declined to 21.4 per cent (from 29.1 per cent); clothing and footwear to 10.3 percent (from 20.2 percent); housing, water, electricity, gas & other fuel to 17.9 percent (from 22.7 percent); furnishings, household equipment & routine maintenance of the house to 24.6 percent (from 36.4 percent); health to 5.5 percent (from 21.6 percent); transport to 26.3 percent (from 35.1 percent); communication to 17.7 per cent (from 28.6

percent); restaurants and hotels to 26.6 percent (from 37.3 percent); and miscellaneous goods and services to 19.2 percent (from 26.2 percent). Recreation and culture increased to 14.5 percent (from 20.1 percent) and education to 10.5 per cent (from 0.0 percent). Core inflation, which is measured by the Bank as the overall consumer price index (CPI) less food and transport, reduced to 17.9 percent from 26.2 percent in 2018. The downward trend in inflation, especially in the last quarter of 2019, was underpinned by weak demand.

Food and Non-food Inflation.

Average food inflation for 2019 was 29.6 percent, up from 20.0 percent in 2018. The rise in average food inflation was mainly due to low harvest of domestic food production. However, food inflation declined at end 2019 compared with the corresponding period in 2018. Non-food inflation increased to 25.5 percent in 2019, from 24.6 percent in 2018 on account of the depreciation of the Liberian dollar. On average, non-food category contributed more to headline inflation than food category, largely due to its weight in the CPI basket (non-food accounts for 65.9 percentage points, while food contributed 34.1 percentage points). Food inflation in 2019 contributed 10.1 percentage points, while non-food category provided 16.8 percentage points to the 26.9 percent rate of inflation.

Analysis of the administered and market prices for 2019 showed that average inflation for 2019 was driven mainly by market prices. The rise in market prices was largely due to exchange rate depreciation and unfavorable harvest conditions. In 2019, market prices contributed 24.2 percentage points to the 26.9 percent of the average rate of inflation, while administered prices accounted for the remaining 2.7 percentage points.

Consumer and Business Sentiments

Consumers' perception about the health of the economy in 2019 was less optimistic and showed signs of slowdown in economic activity. Compared to the base period (2018), overall consumer confidence declined by 4.1 index points, largely driven by sharp declines in macro and welfare confidence. The perceived declines in macro and welfare confidence were due to rapid increase in prices and worsening financial situation of consumers. Business confidence also diminished by 4.7 index points, compared to the base year 2018.The dampened business confidence during the year was due to less-than-expected realization of sales and profits, diminishing prospects for growth, sales, and profits, as well as rising prices and cost of energy. Overall assessment of the economy by businesses revealed a decline in economic activity and moderate prospect for growth.

3.3.2 MONETARY DEVELOPMENTS

The stock of domestic currency in circulation at end-December 2019 stood at L$21,120.8 million, reflecting a growth of 9.4 percent, from L$19,301.1 million recorded at end-December 2018. This expansion was primarily triggered by 13.2 percent growth in currency outside banks, despite the 49.2 percent decline in currency in banks. Of the total currency in circulation, currency outside banks accounted for 97.2 percent, up from 94.0 percent recorded at end-December 2018. The rise in currency in circulation was occasioned by macroeconomic uncertainty that induced rapid drawdown on deposits.

At end-December 2019, the stock of narrow money supply (M1) amounted to L$77,006.7 million, reflecting an increase of 14.0 percent, from L$67,554.6 million reported at end-December 2018 largely due to growth in currency outside banks and demand deposits by 13.2 percent and 14.3 percent, respectively. Similarly, at end-December 2019, broad money supply (M2) rose by 19.8 percent to L$121,006.3 million, from L$100,974.4 million recorded at end-December 2018, primarily on account of 22.3 percent rise in net domestic assets (NDA) and a 1.9 percent rise in net foreign assets (NFA).

At end-December 2019, reserve money grew by 9.6 percent to L$40,583.9 million, mainly driven by growth in currency outside of the banking system and other deposits at the Central Bank. The US dollar contribution to broad money at end-December 2019 accounted for 68.0.0 percent (L$82,284.3 million), from 67.9 percent (L$68,554.4 million) recorded at end-December 2018, while Liberian dollar contribution constituted 32.0 percent. This affirmed the high degree of dollarization of the Liberian economy.

3.3.3 COMMERCIAL BANKS CREDITS TO THE ECONOMY

Total stock of commercial bank credits to the various sectors of the economy at end-December 2019 stood at L$83,410.3 million, indicating a 13.3 percent expansion compared to the amount reported at end-December 2018. The key contributing sectors to credit growth were trade (7.9 percentage points), services (4.3 percentage points), construction (2.9 percentage points), public corporations (2.6 percentage points) and oil & gas (1.1 percentage points). The expansion in sectoral credits was primarily occasioned by marginal expansion in business activity, mainly in the private sector, on the back of gradual improvement in the energy sector. However, the magnitude of the increase was due to the depreciation of the domestic currency. Credit to the private sector as a percent of GDP decreased to 14.0 percent, 1.1 percentage points down from the figure reported in 2018. This showed an adverse contribution of the financial sector to economic activity. The private sector's share of total credits at end-December 2019 accounted for 95.5 percent of total credit stock.

3.3.4 FINANCIAL MARKETS DEVELOPMENTS

From January 2019 to December 2019, a total of L$1.7 billion was raised through the issuance of government securities to institutional investors with a complementary redemption in the tune of L$837.0 million at a weighted average yield of 4.4 percent. Of the total amount, the government issued a 1-year indexed treasury bills in the tune of L$560.7 million to the National Social Security Corporation (NASSCORP) and L$300.0 million to a commercial bank on behalf of the Rubber Planters Association of Liberia (RPAL), respectively. The remaining L$837.0 million was raised through the 91-days T-bill. On the bond market, US$5.0 million T-bond was issued in 2019 three-year tenor, from L$6.0 billion issued in 2018 which is to mature in two years. The issuance of Government debt securities has been solely to institutional investors. The interbank market reported a total of 398 transactions, including placements, Swap and Repo transactions from January to November 30, 2019. The total transactions valued at LD$22.0 billion and US$239.0 million.

From March 2019 to November 30, 2019, the CBL offered a cumulative SDF in the amount of L$49.0 billion at an interest rate of 4.0 percent. The total interest paid amounted to L$16.0 million. On November 18, 2019, the SDF rate (representing the MPR) was increased from 4.0 percent to an effective annual return of 30.0 percent, while the SCF was increased from 10.0 percent to 35.0 percent per annum, thus creating an asymmetric interest rate corridor. Also, the SDF periodic overnight rate was increased from 0.0001 percent to 0.07 percent.

On February 15, 2019, the Bank issued 1-year marketable securities in the amount of L$5.0 billion to the market. The bill was indexed to the exchange rate at an interest rate of 7.0 percent per annum. To this end, considering the sharp depreciation of the Liberian dollar against the US dollar, and the pass-through effect on inflation, the CBL, on November 18, 2019, implemented a new monetary policy rate set at 30.0 percent, close to the projected annual inflation rate in November of the year. The key objective of the MPR was to mop up excess liquidity in the economy and strengthen the value of the Liberian dollar. In pursuit of the new Monetary Policy Framework, the CBL began the issuance of L$7.0 billion bills at shorter tenors of (2 weeks, 1 month, 3 months, 6 months and 12 months) at an effective annual return of 30.0 percent. The issuance of the indexed bills was stopped; however, the previously issued indexed bills an interest rate of 7.0 percent remained in effect up to maturity and discounted through early redemption.

CBL's Foreign Exchange Auction

The total sum of US dollar auctioned covering January to November 2019 fell by 58.7 percent to US$22.6 million, compared with US$54.7 million recorded in 2018. The CBL's intervention in the foreign exchange market through the auction continued to be constrained by limited foreign exchange inflows in the economy, with the main source of foreign exchange inflows for the Bank being the remittance split scheme (RSS). From January –December 2019, the Bank purchased US$64.6 million through the RSS, portion of which was used for intervention in the foreign exchange market for the same period.

Financial Sector Developments

The financial sector covers both bank and non-bank financial institutions. During the period under review, the sector was relatively stable, safe and sound as evidenced by improvements in several indicators. The banking sector remained the same in terms of size, comprising of 9 commercial banks with 93 branches in 11 of the 15 counties. It represents the largest subsector of the financial sector, accounting for over 80.0 percent of total assets of the financial system.

The banking sector recorded growths in key balance sheet indicators, including aggregate loans, deposits, assets and capital. The sector also recorded profits during the period under review. However, the prevailing macroeconomic situation (i.e. spiraling inflation rate, double-digit depreciation of the local currency, and low GDP growth rate) posed major constraints to the sector, such as the liquidity constraints explained by low volume of Liberian dollars in the banking system to cope with the cash withdrawal demands of customers during the fourth quarter of 2019. Like previous years, high NPLs persisted as the most significant risk to the health of the banking system.

The non-bank financial sector was relatively stable during the year, supported by reforms and other policy measures. The insurance sector ranked second in the banking sector in terms of size with insurance penetration (measured by premium to GDP) below 2.0 percent, like several countries in Sub-Sahara Africa. During the year under review, the CBL continued with its mandate of ensuring adequate capitalization within the insurance industry, and implementation of policies and interventions aimed at strengthening the other non-bank financial institutions. The other non-bank financial institutions comprised a diverse groups of formal and informal financial services providers, which include: one (1) development finance company (Liberian Enterprise Development Finance Company (LEDFC), one (1) deposit-taking microfinance institution (Diaconal Microfinance Institution), Seventeen (17) non-deposit taking microfinance institutions, twelve (12) Rural Community Finance Institutions (RCFIs), thirteen (13) money remittance entities (of which 11 are Category A licensed forex bureau), one hundred sixty-six (166) registered foreign exchange bureau, one hundred thirty-four (134) credit unions, and one thousand two hundred and seventy (1,270) Village Savings and Loan Associations (VSLA).

The CBL continued with improvement of its credit infrastructures to minimize risk of credit default and promote access to credit, especially by micro, small and medium enterprises as well as low-income segment of the population. The project team for the Credit Reference System Enhancement Project, during the year, continued its engagements with stakeholders on the implementation of Phases II and III of the projects. At the same time, the Collateral Registry System continued its services, allowing businesses and individuals to access secured credit. The system's web-database platform maintains information on all security interests and provides notifications to third parties for informed credit decision. The number of users of the registry remained the same as the previous year.

3.3.5 EXTERNAL SECTOR DEVELOPMENTS

During the year under review, developments in the external sector were challenging. The net balance of current and capital accounts together stood at US$670.8 million, reducing from US$788.4 million. Compared with the preceding year, the net borrowing of current and capital accounts improved on account of improvement in the current account balance arising mainly from a sharp fall in import payments from transactions with the rest of the world. This reduction in import payments was mainly attributed to decrease in services payments (net). Secondary income declined owning to declines in grants to the government for budget support and remittance inflows. The capital account, on the other hand, recorded a balance of US$220.9 million, reflecting a decrease from US$312.8 million on account of reduction in investment grants from development partners.

Net borrowing on the financial account improved during the review year as a result of declines in the net of all categories of financial accounts, notably in other investment and direct investment categories. The performance of the overall balance (OB) of Liberia's balance of payments remained positive in 2019 as it was in 2018, but the positive trend declined in 2019 compared with 2018. The declining trend during the past two years reflected a persistent slowdown in the country's foreign liquid assets due partly to CBL's intervention in the foreign exchange market.

Financial Account (FA)

Preliminary statistics on the financial account of Liberia's balance of payments for 2019 revealed a net borrowing of US$224.0 million (7.4 percent of GDP), which was 26.1 percent lower than the US$303.1 million (9.3 percent of GDP) recorded in 2018. The slowdown in net borrowing of the financial account resulted mainly from declines in other investment and direct investment categories.

Direct Investment

Direct investment (DI) inflows during the review year dropped to US$86.7 million (2.9 percent of GDP), reflecting a continued slowdown over the last two years. Compared with the inflows of US$129.1 million (4.0 percent of GDP) in 2018, the slowdown in DI during the year emanated from limited commitment of equity and investment fund shares by investors as well as decline in debt securities in the form of loans. Reinvestment of earnings and loans disbursed to direct investment enterprises were the main sources of direct investment flows to the country. The other investment category of financial account was highly hit during the year under review. At end of the year, both net incurrence of liabilities (NIL) and net acquisition of financial assets (NAFA) reduced, but the fall in NIL outweighed the decline in NAFA resulting to a lower net flows of US$106.7 million (3.5 percent of GDP). Compared with US$110.2 million (34 percent of GDP) reported in the preceding year (2018), other investment net declined by 3.2 percent due to significant declines in currency and deposits of commercial banks as well as slowdown in IMF loan disbursement to the government.

Reserve Assets

Liberia's transaction in reserve assets (RA) during the year under review decreased by US$30.6 million (1.0 percent of GDP) compared to US$63.8 million (2.0 percent of GDP) decline reported in 2018. The decrease in reserve assets was attributed to falls in foreign currency and deposits of the financial institutions.

Capital and Current Accounts

Official transfers remained the key driver of changes in the capital account. During the year under review, preliminary statistics on capital account balance was reported at US$220.9 million (7.3 percent of GDP). Compared with the previous year, the balance on capital account declined by 29.4 percent, from US$312.9 million (9.6 percent of GDP). The decline was mainly explained by decrease in investment grants from development partners. Preliminary statistics on current account balance showed a deficit of US$670.8 million (22.2 percent of GDP). The deficit narrowed down by 14.9 percent, from US$788.4 million (24.2 percent of GDP) on account of declines in payments merchandise goods imports and services imports and decline in net primary income (payments); despite declines in export receipts and grants from development partners for budget support and inflows of personal remittances.

Goods Account (net)

Liberia's merchandise trade balance deficit improved during the year under review. At end-December 2019, merchandise trade deficit declined to US$390.9million (12.9 percent of GDP), from US$492.7 million (15.1 percent of GDP) at end-December 2018. The improvement reported in trade deficit was underpinned largely by a 10.3 percent fall in payments for imports; in back drop of decrease in export earnings. Merchandise export earnings fell during the year under review by 1.0 percent to US$542.9 million (16.8 percent of GDP), largely occasioned by decreases in export receipts from iron ore and rubber. Receipts from both commodities, which accounted for 58.5 percent of export earnings decreased by 27.6 percent to US$221.9 million due to increased export volumes. Payments for imports took a nosedive during the year by 10.3 percent to US$933.8million (30.9 percent of GDP), from 31.9 percent of GDP in the previous year. The decline in payments was due to decreases in payments for all commodity groups, including food and live animals (containing oil produced from animals and vegetables), machinery and transport equipment, mineral, fuel and lubricants and manufactured goods classified by materials.

Services Account (net)

Preliminary statistics on services showed that both payments and receipts for services declined. However, the decline in receipts for services outweighed payments. But net service payments declined induced by 12.1 percent decrease in payments for goods and other services provided to public enterprises. Earnings from exports of services dropped by 14.8 percent on the back of decrease in services rendered to ships and aircraft at various ports of Liberia. On the overall, net service payments contracted to US$298.9 million (9.9 percent of GDP), from US$339.7 million (10.4 percent of GDP) in the preceding year owing to decrease in payments for goods and other services provided to public enterprises.

Primary and Secondary Incomes (net)

During the year under review, preliminary statistics showed that the balance of primary income recorded a deficit. The deficit of the primary income lowered by 11.9 percent to US$96.4 million (3.2 percent of GDP), from US$109.3 million (3.3 percent of GDP) recorded in the preceding year, reflecting, in part, an improvement in inflows of primary income. The improvement in the balance of primary income was due to an increase in investment income attributed to a rise in reinvested earnings.

During the year under review, statistics showed that secondary income balance reported a surplus, but the surplus declined by 24.8 percent to US$115.3 million (3.8 percent of GDP), from US$153.4 million (4.7 percent of GDP) in 2018 due to slowdown in aid flows to government and remittance inflows to individuals.

Personal Remittances

Net personal inward remittances in 2019 slowed by US$12.4 million (0.4 percent of GDP) to US$119.5 million for the 12-month period (January-December 2019), from US$131.9 million recorded for the same period in 2018. The contraction was explained by 26.0 percent reduction in inward remittances, despite the 33.1 percent decline in personal outward remittances. Outward remittances amounted to US$203.9 million, while inward remittances amounted to US$323.4 million.

3.3.6 INTERNATIONAL RESERVES

Liberia's gross international reserves (GIR) stood at US$252.4 million at end-December 2019. The reserves position declined by 6.9 percent, from the stock of US$268.7 million at end-December 2018. The decline in official reserves was on account of slowdown in foreign currency deposits in reserve assets. The fall in GIR coupled with a huge reduction in payments for imports resulted to a 2.2 months of import cover, 0.8 month lower than the ECOWAS regional threshold of 3.0 months of import cover and remained the same as 0.8-month lower end-December 2018. On the other hand, the net foreign reserves position (excluding net SDR) marginally declined by 0.5 percent at end-December 2019, from US$108.4 million reported at end-December 2019, largely occasioned by reduction in CBL's foreign currency included in official reserve assets.

3.3.7 EXCHANGE RATE DEVELOPMENTS

During the year under review, the Liberian dollar sharply depreciated against the US dollar, driven largely by limited supply of foreign exchange compared to the high demand for foreign currency (the United States dollar) in the economy. The annual average exchange rate depreciated by 29.5 percent in 2019 to L$186.64/US$1.00, from L$144.10/US$1.00 in 2018. Similarly, the end-of-period exchange rate (EOP) at end-December 2019 recorded a depreciation of 19.3 percent to L$187.93/US$1.00 compared with L$157.56/US$1.00 in 2018.

The depreciation of the Liberian dollar was primarily triggered by the high trade deficit. The level of depreciation recorded during the year was induced by demand for foreign currency (USD) to facilitate import payments in the face of limited supply of foreign exchange in the economy as a result of low export earnings and limited inflows of grants and other international support. However, the foreign exchange pressure is expected to ease on account of anticipated international support, including the Extended Credit Facility (ECF) Program with the IMF for Balance of Payments Support. The underperformance of the real sector during the year, which should support the balance of payments of the country, was mainly attributed to infrastructure challenges, especially the poor state of rural roads and limited supply of affordable energy which constrained export earnings to support the domestic currency. The Liberian dollar (on average) depreciation heightened in June 2019 at 35.6 percent year-on-year and moderated to 29.4 percent at the close of the year. However, at end-December

2019, the pace of depreciation of the Liberian dollar further moderated to 19.3percent, year-on-year, largely due to weak demand.

3.3.8 FISCAL SECTOR DEVELOPMENTS

Preliminary statistics on Government fiscal operations covering the period January to September 2019 showed that both total revenue and expenditure fell, with the latter outweighing the former. Government fiscal operations during the period resulted in a surplus of US$42.7 million (1.4 percent of GDP), mainly due to austerity measures and improved revenue administration. The total revenue and grants collected during the period amounted to US$316.9 million (10.0 percent of GDP) compared to a total expenditure of US$274.2 (8.7 percent of GDP) in 2018.

Government Revenue

Of the total revenue (including grants) generated during the nine-month period, tax revenue accounted for 81.9 percent (8.2 percent of GDP), while non-tax revenue accounted for 1.8 percent. Compared with the same period of 2018, total revenue (including grants) declined by 10.2 percent mainly due to 8.6 percent decline in tax revenue, with relatively no grants for the period. The 8.6 percent fall in tax revenue was occasioned by declines in all major tax lines, including international trade taxes (13.0 percent), taxes on income and profits (6.5 percent), and taxes on goods and services (13.7 percent), except for property taxes which recorded a marginal increase of 0.4 percent compared to the same period last year.

Government Expenditure

At end-September 2019, total government expenditure, including interest payments on loans and other charges amounted to US246.4 million (8.7 percent of GDP). Compared with the total expenditure reported for the same period of 2018, government expenditure declined by 16.9 percent, mainly driven by decline in current expenditure hinged on government's payroll harmonization exercise as well as substantial decline in payments on loans and interest and other charges, as a result of fiscal adjustments by the government. Recurrent expenditure accounted for about 89.8 percent of total government expenditure, while the remaining 10.2 percent was used for capital spending (4.6 percent) and payments on loans, interest, and other charges (5.6 percent).

Public Debt

At end-October 2019, both external and domestic debt stocks increased, but the surge in domestic debt exceeded the rise in external debt. The total public debt stock increased by 20.0 percent to US$1,248.3 million compared to the stock reported at end-December 2018. The size of total public debt rose to 39.6 percent of GDP at end-October 2019, from 31.9 percent at end-December 2018. Domestic debt, which accounts for about 33.7 percent of the total debt stock, rose by 58.9 percent. The rise in domestic debt stemmed mainly from liabilities to financial institutions and other sources. On the other hand, external debt recorded a relatively lower increase in stock by 6.8 percent, as the bilateral component of the external debt stock declined by 8.0 percent on account of increase in debt servicing.

3.4 NIGERIA

3.4.1 Overview

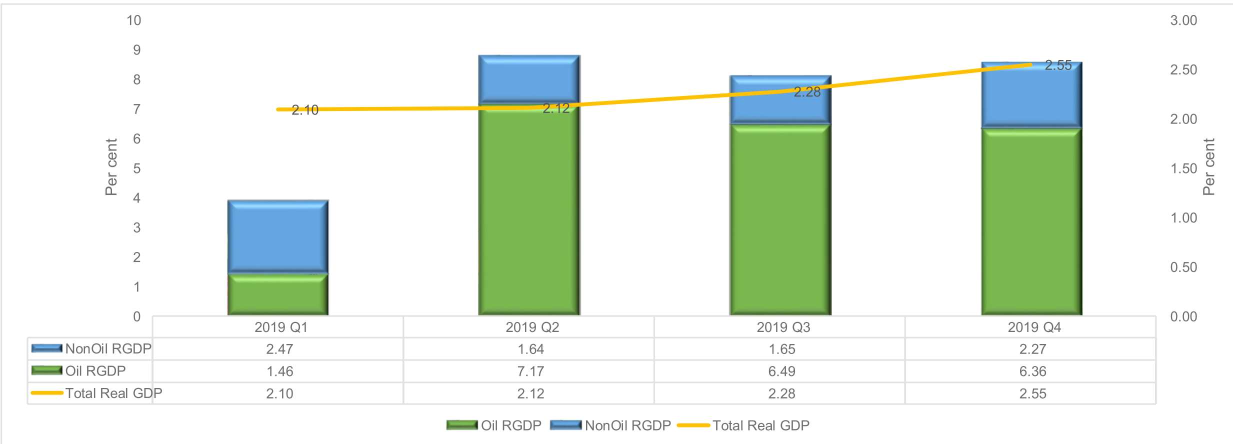
In 2019, Nigeria witnessed a gradual recovery of growth due to the continued implementation of the Economic Recovery and Growth Plan (ERGP). There was improved investor confidence and positive economic sentiments on the back of the successful conclusion of the 2019 general election, improved government finances due to increased oil production and oil prices, stability in the foreign exchange market, improved credit and development finance interventions in the real sector. The ERGP, which is the medium-term plan for 2017 to 2020, focuses on achieving macroeconomic stability, increased investment in social infrastructure, enhancing competitiveness, improved governance and non-oil revenue mobilization and savings through expenditure rationalisation. Furthermore, it was designed to expand partnership between the public and private sectors to mobilize development capital necessary for growth.

3.4.2 SECTORIAL DEVELOPMENTS

Domestic Output

Data by the National Bureau Statistics (NBS) showed that the Nigerian economy sustained its growth trajectory in 2019 with an overall growth of 2.7 per cent (year-on-year) compared with the growth of 1.91 per cent in 2018. Although the economy remained fragile, the growth recorded during the year was largely due to sustained high crude oil production and export, continued implementation of the Economic Recovery and Growth Plan (ERGP), and improved supply of foreign exchange by the Bank. Growth in 2019 was largely driven by oil sector activities and supported by improvements in the non-oil sector, particularly the services and agricultural sub-sectors. In addition, the growth trajectory was reinforced by improved credit delivery owing to the home-grown monetary policy measures of the Bank, particularly the Bank's loan-to-deposit (LDR) policy, which continued to gain traction. In addition, sustained development finance initiatives, particularly the various interventions in the real sector as well as stability in the foreign exchange market helped to bolster growth.

Figure 1: Nigeria Trend in 2019 Quarterly GDP



Source: National Bureau of Statistics, Nigeria

Domestic Prices

Inflation outcomes were mixed in 2019. Data from the National Bureau of Statistics (NBS) showed that inflation recorded a declining trend in the first quarter of 2019 from 11.37 per cent in January 2019 to 11.25 per cent in March 2019. It, however, rose to 11.40 per cent in May 2019 before declining in August 2019. Due to the combined effects of increases in the prices of food & non-alcoholic beverages; and housing, water, electricity, gas & other fuels, inflation rate commenced an upward trajectory in September 2019. The inflation rate in Nigeria rose for the 4th consecutive month to 11.98 per cent in December, higher than 11.85 per cent recorded in November 2019, 11.61 per cent in October and 11.24 in September, as the effect of border closure continued to constrict supply. Analysis of the inflation data indicates that, a combination of monetary and structural impediments necessitated the inflationary pressure in 2019. In particular, the rise in food inflation suggests that the border closure announced in August may have played a part in higher price pressures. The structural factors that affected domestic prices include inadequate transport infrastructure, food shortage due mainly to insecurity in agricultural producing areas of the country and increasing fiscal deficit. Others included the higher cost of imported food arising from border closure, increased liquidity due to concurrent implementation of 2018 and 2019 budgets, injections from monthly Federation Account Allocation Committee (FAAC) disbursement, as well as the new national minimum wage and VAT increases.

3.4.3 MONETARY SECTOR

Monetary policy stance in 2019 was largely tight on the back of the Central Bank of Nigeria's overall objective of balancing its support to output recovery and sustained capital inflows while maintaining stable price development. The Monetary Policy Rate (MPR) was reduced from 14.0 to 13.5 per cent with the asymmetric corridor retained at +2.0/-5.0 percent in March 2019. This policy stance was maintained throughout the review period. Similarly, the Cash Reserve Ratio (CRR) and Liquidity Ratio (LR) were also held constant throughout the review period at 22.5 and 30.0 per cent, respectively. This was complemented by the use of home-grown heterodox policies of the Central Bank of Nigeria, including the Differentiated Cash Reserve Requirement (DCRR), Loan-to-Deposit Ratio (LDR), Global Standing Instruction (GSI), restriction of patronage by local corporate and individual investors of CBN OMO bills and the Bank's interventions in the real sector to achieve macroeconomic stability in 2019.

Broad money supply (M3) grew by 6.22 per cent in 2019 compared with the 14.98 per cent growth recorded in 2018, mainly underpinned by net foreign assets (NFA). Net foreign assets (NFA) contracted by 50.97per cent in 2019 compared to the growth of 7.84 per cent recorded in 2018; attributable mainly to the declined external position of the Central Bank. In contrast, net domestic assets (NDA) grew by 38.62 percent at end-December 2019, compared to 19.46 percent recorded in the corresponding period of 2018. Reserve money expanded by 29.0 per cent in 2019 compared to the growth of 10.0 percent in 2018.

3.4.4 DEPOSIT AND LENDING RATES

Interest rates in the domestic economy generally moderated during the review period. The movement in interest rates was attributable to liquidity conditions which was influenced by the combined effects of the CBN quasi-fiscal operations, OMO auctions, servicing of maturing CBN bills, foreign exchange interventions and statutory allocations to federal, state and local governments. The interbank rate (IBR) decreased from 22.68 percent in end-2018 to 3.82 per cent in end-2019 reflecting high liquidity conditions in the banking system. The prime lending rates also declined to 14.99 percent in end-2019 from 16.17 per cent in end-2018. In addition, the 91-day Treasury-bills rate trended downwards from 10.91 percent in 2018 to 4.47 percent in 2019. The savings rate declined slightly to 3.89 per cent in end-2019 from 4.07 per cent in end-2018. The maximum lending rate, however, increased slightly to 30.72 per cent in 2019 from 30.52 per cent recorded in end-2018.

3.4.5 EXTERNAL SECTOR

The performance of the external sector weakened in 2019 following increases in the importation of oil and non-oil goods, and substantial decline in capital flows into the country. The balance of payments (BOP) recorded a deficit of US$4.48 billion (1.0 percent of GDP) in 2019 from a surplus of US$3.28 billion (0.73 percent of GDP) in 2018, due to deficits recorded in both the current and the financial accounts. The current account recorded a deficit of US$17.01 billion (3.8 percent of GDP) compared with a surplus of US$3.87 billion (0.87 percent of GDP) in 2018. The weak performance of the current account was attributable mainly to the deficit recorded in the trade balance on account of the rise in oil and non-oil imports.

The Capital and Financial Account recorded a net incurrence of liabilities of US$18.08 billion in 2019 compared to the net acquisition of assets of US$13.10 billion in 2018. Portfolio investment (net) declined to a deficit of US$9.12 in 2019, from a surplus of US$2.28 billion in 2018. Other investments flows decreased to US$5.29 billion, from US$5.33 in 2018. The decrease in portfolio flows and other investments reflected weaker foreign investor sentiments on the economy and the consequent pressure in the foreign exchange market. However, direct investment (net) increased to US$3.29 billion, from US$1.99 billion in 2018.

Gross external reserves declined by 10.57 percent to US$38.09 billion at end-December 2019, from US$42.59 billion at end-December 2018. The drop in the gross external reserves was attributable mainly to the decline in foreign exchange inflows from oil receipts, foreign portfolio investors as well as increased foreign exchange intervention by the central bank to stabilize the naira.

3.4.6 EXCHANGE RATE DEVELOPMENTS

The CBN continued its implementation of a flexible exchange rate system in order to improve liquidity and stabilize the foreign exchange market. In particular, the sustained market-driven transactions at the Investors and Exporters (I&E) window facilitated price discovery, curtailed speculative demand, improved liquidity and brought relative stability to the foreign exchange market.

The exchange rate premium between the BDC and the inter-bank segments of the foreign exchange market widened slightly by 1.85 percent. The exchange rate at the inter-bank market segment was stable, at 307.0/US$ during both 2018 and 2019. It, however, depreciated marginally at the Bureau-de-Change (BDC) and I&E windows by 0.27 per cent from 361.0/US$ to 362.0/US$, and by 0.14 percent from 364.0/US$ to 364.51/US$, respectively.

3.4.7 ECONOMIC OUTLOOK FOR 2020

The economic outlook for 2020 is clearly not as promising compared with previous periods, due to the expectation of sub-optimal performance of both the oil and non-oil sectors. The economy is expected to contract in 2020 on account of limited fiscal spending to reflate the economy due to lower export earnings and the effect of measures taken to curtail the spread of the coronavirus (COVID-19) Pandemic. As a result of the impact of COVID-19 on the domestic economy, the Central Bank of Nigeria (CBN) GDP growth projection was revised downward to between -0.25 and -4.42 per cent for 2020 from its initial forecast of 2.20 per cent. Headwinds to economic growth projections include declining crude oil prices, contraction in global demand, supply chain disruptions, and weakened aggregate demand. The Bank's estimates suggest that the year-on-year headline inflation will remain in the lower double-digit region in 2020. Inflation is expected to accelerate to 12.56 percent in June 2020 from 11.98 percent in December 2019 due to a gradual increase in food prices. However, as the Bank continues to manage liquidity conditions in the domestic economy, inflationary developments will also continue to be monitored to ensure that the upside risks of the prevailing shocks to inflation and the downside risks to growth are considerably minimized.

3.5 SIERRA LEONE

3.5.1 OVERVIEW

In 2019 global growth remained largely subdued. This stemmed from persistent headwinds emanating from geopolitical factors, including the Brexit negotiations and trade tensions between the US and China. There were emerging signs of global recovery, though fragile, amid geopolitical tensions and rising threats of protectionism. The recent outbreak of the Coronavirus in China also posed new risks to the global growth outlook, although its impact is yet to be assessed.

Despite uncertainties in the global arena, the domestic economy improved following a pickup in activities for most of the growth sectors. Real GDP grew by 5.1 percent, up by 1.6 percentage points against the growth rate of 3.5 percent in 2018. This was reinforced by government policies geared towards diversifying the economy towards a more broad-based growth prospect.

Inflationary pressures slowed but remained in double digits. Annual headline inflation moderated to 13.89 percent in end- 2019 from 14.25 percent in end-2018. The moderation in the overall inflation was attributed to deceleration of food inflation coupled with tight monetary policy stance by BSL

Public finances continue to improve in 2019 reflecting the impact of Government's sustained fiscal consolidation drive. Government budgetary operations based on preliminary data in 2019 registered an improvement of the overall deficit (inclusive of grants) of Le936.65bn (2.47percent of GDP), which was 19.96 percent lower than the budgeted target of Le1, 170.21bn (3.09percent of GDP) and 37.20 percent below the previous 2018 deficit of Le1, 491.51bn (4.60percent of GDP). The implementation of the 2019 budget was however challenged by the need to pay some of the inherited domestic arrears to ensure continued service delivery in strategic sectors.

Sierra Leone's external sector remained relatively buoyant underpinned by improvement in the financial account (excluding reserve assets), capital account, trade balance and secondary income. The current account balance also improved driven by contraction in the trade deficit as exports receipts increased more than the growth in the import bill and reinforced by improvement in secondary income account. The exchange rate initially experienced some volatility which was smoothen out by intermittent interventions through the BSL's foreign exchange auction, supported by enforcement of BSL's policy on the prohibition of quoting prices and making payments in foreign currency. There was modest accumulation in gross foreign exchange reserves equivalent to 3.0 months of import cover.

The economic outlook was estimated to be moderately strong. The return to a normal place of agricultural activity, alongside a gradual and targeted scaling up of public construction and improvement in the business environment are expected to support growth prospects. However, given the outbreak of the coronavirus disease with its attendant disruption to economic activity, growth prospects may be reversed considerably.

3.5.2 REAL SECTOR DEVELOPMENTS

Output

The domestic economy was estimated to grow at 5.1 percent in 2019 from 3.5 percent in 2018, with most of the sectors in the economy supporting the growth trajectory. Specifically, improvements in agricultural activities, trade and tourism in the services sectors contributed to the growth. Furthermore, government policies in 2019 and going forward, were geared towards diversifying the economy towards a more broad-based growth prospect.

On sectoral performance, agriculture, trade & tourism in the services sectors expanded by 12.47 percent and 7.55 percent in 2019 from 3.90 percent and 1.90 percent in 2018 respectively. The industrial sector contracted by 24.01 percent from a contraction of 2.50 percent in 2018. Growth in the agricultural sector was on account of improvement in the growth of crops, livestock, forestry and fishery. In terms of contribution to GDP, agriculture, industry and services sector contributed 58.77 percent, 6.87 percent and 38.95 percent respectively.

In view of government diversification program, agriculture is one of the key sectors targeted to achieve food self-sufficiency. As a result, government allocated Le294.1 billion to promote the production of crops especially rice and cash crops. Similarly, government provided Le36.9 billion for the purchase of 150 tractors to enhance the production process. Development partners such as the World Bank, IFAD, JICA and

IDB also committed the sum of Le124.50 billion for the implementation of various projects in the agriculture sector.

In the manufacturing sector, production continued to be weak in 2019, on account of high cost of inputs, stiff competition from imported commodities and other constraints. Performance in the construction sector, proxied by cement and paint production slowed, while activities in the mining sector reduced, reflecting declines in output of rutile, ilmenite and gold, whereas diamond output increased during the year. The sum of Le104.9 billion was allocated from the recurrent budget to the Ministry of Energy as subsidies for Karpower Energy and other Independent Power Providers as well as fuel for EGTC. An amount of Le99.6 billion was also allocated to the energy sector to support rural electrification project.

Prices

Inflationary pressures slowed as annual headline inflation moderated to 13.89 percent in end- 2019 from 14.25 percent in end-2018. The moderation in the overall inflation was attributed to deceleration of food inflation. Food inflation declined reaching a single digit of 5.38 percent end 2019 from 12.77 percent end-2018. Non-food inflation however, increased to 25.89 percent end-2019 from 16.46 percent end-2018. The components from the CPI basket contributing to the overall inflation at end 2019 were food & non-alcoholic beverages, housing & utilities, health and transportation.

3.5.3 FISCAL DEVELOPMENTS

Fiscal policy in 2019 was geared towards “Fiscal Consolidation for Human Capital Development”. As a result, measures were implemented towards government expenditure rationalization and enhancing revenue collection to finance key projects such as: human capital development and other social programs. Equally, National Revenue Authority (NRA) implemented measures to boost revenue collection in 2019, which included, the introduction of automated tax processes and procedures through the adoption of an Integrated Tax Administration System (ITAS) for domestic taxes and the web-based ASYCUDA World for Customs and Electronic Cash Registers for GST. To strengthen tax compliance, the NRA developed an up-to-date and reliable taxpayer database by cleaning and broadening the coverage of the Tax Identification Numbers (TIN). To enhance revenue mobilization, the Finance Bill was amended in 2019 to broaden the scope and coverage of the Treasury Single Account (TSA), as well as eliminating tax waivers and strengthening tax compliance and legislation.

Government Budgetary Operations

Government budgetary operations based on preliminary data in 2019 registered an improvement of the overall deficit (inclusive of grants) of Le936.65bn (2.47 percent of GDP), which was 19.96 percent lower than the budgeted target of Le1, 170.21bn (3.09 percent of GDP) and 37.20 percent below the previous 2018 deficit of Le1, 491.51bn (4.60 percent of GDP). Excluding grants, overall deficit was Le2, 193.56bn (5.79 percent of GDP) and was lower than the budgeted deficit of Le2, 338.73bn (7.22 percent of GDP) and the previous year's deficit of Le2, 450.18bn (6.46 percent of GDP).

Government Revenue

Government revenue and grants amounted to Le6,688.16bn (17.6 of GDP), representing 28.37 percent increase compared to 2018 revenue collected of Le5,210.03bn and in excess of the programmed target of Le6,658.97bn by 0.44 percent. The expansion in government revenue was on account of the increased domestic revenue mobilization coupled with an increase in the disbursement of foreign grants in the review period.

Tax revenue, which accounted for nearly 63 percent of total revenue expanded by 20.28 percent to Le4, 235.42bn (11.17 percent of GDP) compared with Le3,521.17bn (10.87 percent of GDP) in 2018 and a budgeted amount of Le4,157.99bn (10.97 percent of GDP). Tax revenue comprised of receipts from Income tax, Customs and Excise and Goods and Services Tax (GST). Customs and Excise receipts expanded by 40.84 percent to Le1, 332.80bn (3.52 percent of GDP). The increase was attributable to 78.74 percent growth in other excise duties on petroleum, totaling Le567.47bn; import taxes rose by 21.22 percent to Le729.98bn and freight levy from marine administration increased by 32.54 percent to Le35.35bn. Income Tax collection increased by 11.72 percent to Le1, 869.61bn (4.93percent of GDP) driven by growth in personal income tax. Personal income tax expanded by 20.77 percent to Le1, 535.32bn. However, company tax contracted by 14.77 percent to Le324.35bn and other taxes dropped by 59.07 percent to Le9.93bn. Goods and Services Tax expanded by 14.60 percent to Le1, 033.01bn (2.72percent of GDP). Non-tax revenue expanded by 43.25 percent to Le1, 089.55bn (2.87percent of GDP) mainly due to expansion in non-tax revenue attributed to the growth in mines department and other departments. External grants disbursed in 2019 increased by 48.36 percent to Le1, 256.91bn (3.32percent of GDP). This comprised of programme grants amounting to Le751.43bn and development grants totaling Le334.59bn.

Government Expenditure

Total government expenditure increased by 13.78 percent to Le7, 624.82bn (20.11percent of GDP) in 2019 and was lower than the ceiling of Le7, 829.18bn (20.65 percent of GDP). The increase in government spending was largely driven by an expansion in recurrent expenditure. Recurrent expenditure, which was almost 75 percent of total government expenditure, increased by 24. 95 percent to Le5, 740.56bn (15.14percent of GDP) but was lower than the ceiling of Le5, 794.26bn (15.28 percent of GDP) by 0.93 percent. Development Expenditure contracted by 10.58 percent to Le1, 884.26bn (4.97percent of GDP) and was 7.40 percent lower than the ceiling of Le2, 034.93bn (5.37percent of GDP).

The overall deficit (including grants) of Le936.65bn was financed from both domestic, foreign and others sources (arrears). Domestic deficit financing amounted to Le922.14bn, of which; bank financing amounted to Le758.94bn while non-bank borrowing totaled Le163.20bn. External deficit financing amounted to Le295.07bn, including financing project loans of Le630.44bn and amortization payment of Le335.37bn. Other sources of deficit financing amounted to Le280.56bn.

3.5.4 MONETARY DEVELOPMENTS

Conduct of monetary policy

Monetary policy management in 2019 was focused on achieving end-year inflation target of 14.0 per cent, maintaining a stable exchange rate and safeguarding the financial system stability to support growth and economic development. In this regard, the BSL regularly assessed inflationary outlook and monetary conditions in the banking system, and took appropriate actions which culminated in the dampening of inflationary pressures. Accordingly, headline inflation moderated to 13.9 per cent relative to the target of 14.0 per cent for the year 2019.

Monetary policy management was however challenged during the year. This was in part due to the continuous depreciation of the exchange rate, reflecting the structural imbalance between demand for and supply of foreign exchange. Liquidity conditions in the money market were tight, evidenced by the persistent undersubscription in the primary market for government securities and increased commercial banks' access to the BSL Lending Facility window. Furthermore, monetary transmission was limited, with transmission only active in the interbank market. Transmission in the retail market remained weak, due in part to structural issues, including high non-performing loan ratio and operating costs of commercial banks.

Accordingly, the Bank maintained a tight monetary stance throughout the year, with Monetary Policy Rate (MPR) maintained at 16.5 per cent to curb inflationary pressures, stabilizes the exchange rate and anchor inflation expectations. The Bank participated actively in the secondary market to manage liquidity in the banking sector. The Bank also intervened in the foreign exchange market to smoothen excessive exchange rate volatility.

Monetary Aggregates

Broad Money (M2) supply grew by 14.31 per cent in 2019, about 0.14 percentage point lower when compared with 14.45 per cent growth recorded in 2018. The growth in Broad Money was reflected in both the Net Domestic Assets (NDA) and Net Foreign Assets (NFA) of the banking system.

NDA of the banking system increased by 15.64 per cent in 2019, which was lower than the 26.91 per cent growth in 2018. The expansion in NDA was partly due to the increase in net claims on the central government by the banking sector, which grew by 19.86 per cent, largely on account of increased borrowing from the commercial banks. Also, credit to the private sector by commercial banks expanded by 23.52 per cent in 2019, compared to the 31.49 per cent growth in 2018.

NFA of the banking system increased by 10.52 per cent in 2019, compared to a contraction of 10.55 per cent recorded in 2018. NFA of the banking system increased due a 193.19 per cent growth in NFA of the BSL, reflecting increased foreign exchange inflows in respect of government budgetary support, timber export, marine resources, mineral license fees royalties and lease, and increased holdings of Special Drawing Right (SDR).

From the liability side, M2 growth reflected expansion in both the Narrow Money (M1) and Quasi Money (QM). Narrow Money increased by 17.49 per cent in 2019, compared to 12.00 per cent in 2018, due to an increase in currency outside banks by 17.77 per cent and demand deposits by 17. 21 per cent. Quasi Money grew by 11.63 per cent in 2019, compared to an increase of 16.59 per cent in 2018, due to the increase in both foreign currency deposits by 7.77 per cent and time and saving deposits by 15.57 per cent.

The Reserve Money (RM) expanded by 12.41 per cent in 2019, relative to the growth rate of 6.52 per cent in 2018. The growth in Reserve Money reflected a significant growth in Net Foreign Assets (NFA), while Net Domestic Asset (NDA) recorded marginal growth during the year. NFA of the BSL expanded by more than two-fold in 2019, compared to the decline of 68.79 per cent recorded in 2018. The growth in NDA of the BSL moderated to 1.87 per cent in 2019, compared with the 23.97 per cent increase in 2018, due to the decrease in BSL holdings of government securities and the repayment of the IMF/WB/ADB Bridge Loans by the Government.

From the liability side, the growth in Reserve Money reflected a 16.34 per cent increase in currency issued, while banks' reserves contracted by 5.47 per cent, relative to the 13.98 per cent contraction recorded in 2018.

The monetary policy rate (MPR) of the BSL was maintained at 16.50 per cent throughout 2019. Accordingly, the policy corridor rates remained unchanged, with the Standing Lending Facility (SLF) maintained at 20.50 per cent, and the Standing Deposit Facility (SDF) maintained at 13.50 per cent. The inter-bank rate increased from 16.88 per cent in December 2018 to 18.61 per cent in December 2019, reflecting the tight liquidity conditions in the inter-bank market. However, the inter-bank rate remained within the policy corridor.

The yields on government treasury bills trended upward during 2019. The yields on 91-days, 182-days and 364-days treasury bills increased from 7.30 per cent, 8.14 per cent and 23.23per cent in December 2018 to 8.83 per cent, 13.21 per cent and 25.05 per cent in December 2019 respectively. The demand for government securities continued to be skewed towards the 364-days tenure during the period under review.

The average lending and deposit rates of commercial banks remained unchanged at 21.35 per cent and 2.38 per cent respectively during the review period. The margin between bank lending rate and deposit rate remained large, partly reflecting the high level of non-performing loans and low level of bank intermediation.

3.5.5 EXTERNAL SECTOR DEVELOPMENTS

Notwithstanding a subdued global growth in 2019, Sierra Leone's external sector remained relatively buoyant underpinned by improvement in the financial account (excluding reserve assets), capital account, the trade balance and secondary income. The current account balance also improved due to contraction in the trade deficit as exports increased more the increase in imports. This was further reinforced by the improvement in the secondary income. The exchange rate for the first nine months of 2019 experienced some volatility which was smoothen out by intermittent interventions through the BSL's foreign exchange auction. However, the Leone was relatively stable during the last quarter of 2019, underpinned by BSL's policy on the prohibition of quoting prices and making payments in foreign currency. There was a modest accumulation in gross foreign exchange reserves during the year under review equivalent to 3 months of import cover.

Balance of Payments

In 2019, estimates showed that the overall balance of payment moved from a deficit position of US$23.7mn (0.60 percent of GDP) in 2018 to a surplus position of US$21.2mn (0.50 percent of GDP) in 2019. The improvement in the financial account (excluding reserve assets), capital account, the trade balance and secondary income accounted for the improvement in the overall balance of payment.

The deficit in the current account narrowed to US$569.2mn (13.6 percent of GDP) in 2019, compared to US$762.6mn (18.7 percent of GDP) in 2018, largely due to improvement in both the trade balance and secondary income (both official and private transfers).

Though imports remained higher than exports, receipts from exports increased more than increase in the imports bill in 2019, with the resultant narrowing of the trade deficit to US$559.4mn (13.4 percent of GDP) in 2019 from US$570.8mn (14.0 percent of GDP) in 2018. The value of merchandise exports increased by 11.4 percent to US$711.8mn in 2019, from US$639.2mn in 2018. This development was largely due to the scale up of receipts from mineral, agriculture and other exports. The value of imports increased by 5.1 percent to US$1,271.3mn in 2019 from US$1,210.0mn in 2018, owing largely to higher import bills for chemicals and manufactured goods.

The services account recorded a reduction in net outflows of US$240.3mn in 2019, relative to US$285.4mn in 2018, following reductions in cost of transportation, insurance and other business services. The primary Income account deficit expanded marginally to US$78.0 in 2019 from US$71.2mn in 2018, reflecting higher interest payment on public debt. The secondary income account improved to US$308.4mn in 2019 from US$164.8mn in 2018, driven by increase in both official and private transfers. Net inflow in the capital account rose to US$97.3mn in 2019 from US$66.3mn in 2018, largely attributed to increase in project grants. The financial account also improved to US$493.2mn in 2019 from US$307.1mn in 2018 due to increased direct and other investment inflows.

3.5.6 EXCHANGE RATE DEVELOPMENTS

The exchange rate of the Leone relative to the US dollar depreciated in all foreign exchange markets in 2019. Despite the BSL's intervention in the market through wholesale foreign exchange auction to smooth out volatility and complement the supply of foreign exchange to support essential imports, the Leone depreciated when compared to 2018. This development was driven by weak performance of exports and increased demand for imports of essential commodities Consequently, the parallel market rate averaged Le9,418.83/US$1, depreciating by 15.05 percent in 2019 from an average of Le8,186.67/US$1 in 2018. The commercial banks rate averaged Le9,136.55/US$1, depreciating by 13.64 percent in 2019 from Le8,039.91/US$1 in 2018. The official market rate averaged Le9,010.35/US$1, depreciating by 13.60 percent from Le7,931.87/US$1 in 2018. The bureaux market rate averaged Le8956.06/US$1, depreciating by 13.34 percent from Le7901.67/US$1 in 2018. Finally, the auction rate averaged Le8,910.89/US$1, depreciating by 10.44 percent in 2019.

The premium between the Official and Parallel exchange rates widened by 4.53 percent to Le408.48US$1 in 2019 from Le254.80/US$1 in 2018.

3.5.7 GROSS FOREIGN RESERVES

The stock of gross foreign exchange reserves of the Bank of Sierra Leone declined by 6.04 percent to US$533.15mn in 2019 from US$502.78mn in 2018. The increase in reserves was due to the accumulation of excess inflows of US$241.41mn which outweighed total outflows of US$212.31mn, with a net inflow of US$29.10mn. Consequently, the stock of reserves was enough to cover 3.3 months of imports.

Inflows

Major inflows comprised receipts from exports (US$88.48mn), of which;, royalty payments from Sierra Rutile (US$29.85mn), timber mining (US$25.51mn), fishing royalty (US$8.47mn), bauxite (US$6.08mn), Koidu Holdings (US$6.71mn), other mining receipts (US$6.64mn). Other inflows included, other government receipts (US$15.03mn), transactions with commercial banks of (US$18.38mn), receipts from Timber export of US$9.25mn, government terminal charges on containers (US$5.10mn), disbursements from international financing institutions including; IMF (US$21.59mn), AfDB (US$20.97mn), World Bank (US$39.6mn), European Union (US$23.22mn) and IDB (US$4.16mn).

Outflow

Total foreign exchange outflows increased by 3.97 percent to US$212.310mn in 2019 from US$204.2mn in 2018. Significant outflows comprised embassy and mission payments (US$26.1mn), government travel and other government expenditures totaled US$40.01mn, various infrastructure projects (US$11.87mn), interbank market operations (US$59.02mn) and subscription to international organizations (US$3.22mn). Other outflows consisted of debt service payments (US$65.61mn) of which; IMF (US$16.84mn), OPEC/OFID (US$5.72mn), World Bank (US$4.47mn), EC/EIB (US$2.90mn) and AfDB (US$2.22mn)

3.5.8 EXTERNAL DEBT MANAGEMENT

Sierra Leone's total stock of external debt as at end 2019 stood at US$1665.62mn, increasing by 5.8 percent from US$1,574.31mn at end 2018. Debts owed to multilateral creditors continued to dominate the debt portfolio, comprising 76.1 percent of the total, followed by and bilateral creditors (12.8 percent) and commercial creditors (11.1 percent). Outstanding debts to Other Multilateral Creditors, IMF and the World Bank were the main drivers of the high multilateral debt, constituting 24.9 percent (US$414.3mn), 21.8 percent (US$363.7mn) and 20.9 percent (US$347.96mn) respectively.

4.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN WEST AFRICA

4.1 INTRODUCTION

The average real GDP growth in West Africa increased from 2.7 per cent in 2017 to an estimated 3.3 percent in 2018 and projected 3.6 per cent in 2019 and 2020 respectively and lagging below the continental averages of 4.0 per cent in 2019 and 4.1 per cent in 2020. These projections were, however, based on strong expectations that the economies of the sub-region would undertake structural and policy reforms, such as Nigeria's Economic Recovery and Growth Plan (2017–20), Senegal's energy sector reform (2016–21), Benin's Government Action Plan, and Burkina Faso's National Economic and Social Development Plan (2016–20), which covers energy, agricultural development, and road and telecommunications infrastructure.

The post-recession growth in Nigeria, which was projected at 2.3 per cent in 2019 and 2.4 percent in 2020, was expected to benefit from a recovery in oil production as well as other sectoral drivers of growth —services, agriculture, and industry (mining, quarrying, and manufacturing). Successful general elections in 2019 and the ability to address some challenges, including clashes between herders and farmers. Côte d'Ivoire's economy is projected to grow by 7.0 per cent in 2019, and Ghana's by 7.3 per cent, buoyed by the expected recovery in commodity prices (especially cocoa and gold) and the sustained expansion of other key sectors.

Inflation, fueled in part by expansionary fiscal policy and supply-side constraints, remains a challenge to investment and sustainable economic growth in West Africa. Inflation rose sharply, from an average of 9.4 percent in 2014–16, to a peak of 13 per cent in 2017, before declining to an estimated 9.5 per cent in 2018. It is projected to rise to 9.7 per cent in 2019 and drop to 9.1per cent in 2020.

4.2 CFA COUNTRIES

Average real GDP growth in CFA countries remained 6% in 2017 and 2018 and fell slightly to 5.8% in 2019. The countries which recorded increase in GDP growth rate in 2019 over and above 2018 included Benin, (6.0% to 6.3%), Niger(5.2% to 5.3%) and Togo(4.7% to 5.0%). Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali and Senegal all recorded growth rates lower than 2018 rates in 2019. Generally, the growth performance in CFA countries remained stronger in 2018 than in 2019.

In terms of inflationary pressure, only in Niger did inflation rate drop from 4.2 % in 2018 to 2.7% in 2019. The inflation rate remained the same at 1.7% in Mali between the two years. The rest of the CFA countries recorded increased inflation rates between 2018 and 2019 (Benin 1.6% to 1.9%, Burkina Faso 1.4% to 1.8%, Cote d'Ivoire 0.5% to 2.0%, Guinea Bissau 2.0% to 2.2%, Senegal 1.4% to 1.7% and Togo 0.4% to 1.2%). However, no CFA country recorded negative inflation rates from 2018 to 2019.

4.3 NON-CFA COUNTRIES

Average real GDP growth in the non-CFA countries improved from 4.3% in 2018 to 5.1% in 2019. Almost all the non-CFA countries recorded increase in real GDP growth between 2018 and 2109. Only The Gambia maintained the growth rate at 5.4% for both years. In Ghana the real GDP growth increased from 6.2% in 2018 to 7.3% in 2019. Sierra Leone grew from 3.5% to 5.6%, Liberia from 3.2% to 4.7%, Nigeria from 1.9% to 2.3% , Cabo Verde from 3.9% to 4.1% and Guinea from 5.9% to 6.0%. The positive outlook of the zone during the period in question was attributed, among other things, to recovery in oil production as well as other sectoral drivers of growth —services, agriculture, mining, quarrying, and manufacturing.

The average inflation rate for these countries improved from 9.2% in 2018 to 8.3% in 2019. The inflation rate specifically improved in The Gambia (6.2% to 5.1%), Ghana (9.8% to 8.1%), Liberia (11.7% to 10.5%), and Sierra Leone (13.9% to 11.2%). On the other hand, inflation rate increased in Cabo Verde (1.0% to 1.5%), Guinea (9.7% to 9.8%) and Nigeria (11.9% to 12.2%).

4.4 OUTLOOK FOR 2020

The outlook of the economy of West Africa for 2020 is positive. The economies of Côte d'Ivoire, Senegal, Burkina Faso, Ghana, Benin, and Guinea ranked in the top 10 GDP growth rates in

Africa in 2018/2019 and this is expected to continue in 2020. West Africa's regional performance needs to be analysed in the context of Nigeria, which accounts for nearly 70% of West Africa's regional GDP alone and is currently pulling down West Africa's average.

While Nigeria's economy is still recovering from significant declines in oil revenues, its performance has been strengthened by the growing importance of the service sector. Countries that are not resource-rich and are being supported by higher agricultural production, consumer demand and public investment are the fastest growing in the sub-region. Despite the sharp decline in cocoa prices, Côte d'Ivoire remains among the fastest growing economies. Ghana is the third fastest growing African economy, following Libya and Ethiopia. Despite this positive growth outlook, there are many risks and considerable uncertainties related to global trade tensions, the normalisation of interest rates in advanced economies, and global commodity prices. African economies, therefore, need to address the structural challenges created by persistent fiscal deficits and debt vulnerability.

Table 4.1

Real GDP Growth in West Africa(Annual percent change)											
CFA	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
Benin	2.1	3.0	4.8	7.2	6.4	2.1	4.0	5.4	6.0	6.3	6.8
Burkina Faso	8.4	6.6	6.5	5.8	4.3	3.9	5.9	6.7	7.0	6.0	5.9
Cote d'Ivoire	2.0	-4.2	10.1	9.3	8.8	8.8	8.3	7.8	7.4	7.0	6.9
Guinea Bissau	4.6	8.1	-1.7	3.3	1.0	6.1	6.3	5.9	5.3	5.1	5.0
Mali	5.4	3.2	-0.8	2.3	7.0	6.0	5.8	5.3	5.0	4.7	4.8
Niger	8.4	2.2	11.8	5.3	7.5	4.3	4.9	4.9	5.2	5.3	5.7
Senegal	4.2	1.8	4.4	3.5	4.3	6.4	6.2	7.2	7.0	6.7	6.9
Togo	6.1	6.4	6.5	6.1	5.9	5.7	5.1	4.4	4.7	5.0	5.3
Non-CFA											
Cabo Verde	1.5	4.0	1.1	0.8	0.6	1.0	3.6	4.0	3.9	4.1	4.8
The Gambia	6.5	-4.3	5.9	4.8	0.9	4.3	2.2	3.5	5.4	5.4	5.2
Ghana	7.9	14.0	9.3	7.3	4.0	3.8	3.7	8.5	6.2	7.3	5.4
Guinea	4.2	5.6	5.9	3.9	3.7	3.8	10.5	9.9	5.9	6.0	6.1
Liberia	6.1	7.4	8.2	8.7	0.7	0.0	-1.6	2.5	3.2	4.7	4.8
Nigeria	10.6	4.9	4.3	5.4	6.3	2.7	-1.6	0.8	1.9	2.3	2.4
Sierra Leone	5.3	6.3	15.2	20.7	4.6	-20.5	6.3	5.8	3.5	5.6	5.8

	INFLATION (%)			
CFA	**2017**	**2018(Estimated)**	**2019(Projected)**	**2020(Projected)**
Benin	0.1	1.6	1.9	2.3
Burkina Faso	0.4	1.4	1.8	2.0
Cote d'Ivoire	1.0	0.5	2.0	2.0
Guinea Bissau	1.4	2.0	2.2	2.3
Mali	1.8	1.7	1.7	1.8
Niger	2.4	4.2	2.7	2.6
Senegal	1.3	1.4	1.7	1.5
Togo	-0.8	0.4	1.2	2.0
Non-CFA				
Cabo Verde	0.8	1.0	1.5	2.0
The Gambia	8.0	6.2	5.1	4.8
Ghana	12.4	9.8	8.1	8.0
Guinea	8.8	9.7	9.8	9.7
Liberia	12.4	11.7	10.5	9.5
Nigeria	16.5	11.9	12.2	11.4
Sierra Leone	18.2	13.9	11.2	8.7
West Africa	13.0	9.5	9.7	9.1

Source: African Development Bank Statistics

* **2020 Projected**

5.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN AFRICA

5.1 INTRODUCTION

Real GDP in Africa improved from 3.6% and 3.5% in 2017 and 2018 respectively to 3.4% in 2019 and is expected to further rise to 4.1 percent in 2020. The improvement in 2019 was due to the expansion of the services sector, which has been largely dominated by the informal sub-sector, low productivity, and an inability to create quality jobs. However to avoid the informality trap and chronic unemployment, there is need for African countries engage in vigorous industrialization to add value to its abundant agricultural, mineral, and other natural resources. The current growth rate remains insufficient to address the structural challenges of persistent current and fiscal deficits and debt vulnerability in Africa. In this regard, the decision and collective willingness by African political leaders to embrace economic integration is a welcome development. The argument is that a borderless Africa is not just a political ideal but it promises to lay the foundation for a competitive continental market to accelerate growth and allow Africa to be more competitive in global trade and value chains.

Moreover, it would allow industries to develop across borders and create economies of scale for investors as they look at wider integrated markets. It would foster inter-firm competition, raise intrafirm productivity, and support growth of small and medium enterprises and large African conglomerates. Furthermore, it would help eliminate monopoly positions while enhancing cross-border spillovers between coastal and landlocked countries. Regional integration has the potential improve regional security, since the expansion of international trade often correlates with a reduced incidence of conflict. It is expected that all African countries would fare better with more integration than without it. African countries must also take industrialization seriously as industry-led growth throws up better macroeconomic stabilization and employment outcomes. This suggests that industrialization is a robust path to rapid job creation and economic growth.

5.2 MACROECONOMIC OUTCOMES IN 2019

Although below historical rates, Africa's economic growth stabilized at 3.4 percent in 2019 and is expected to pick up to 3.9 percent in 2020 and 4.1 percent in 2021. The slower than expected growth is partly attributed d to the moderate expansion of the economies of Algeria, Egypt, Morocco, Nigeria, and South Africa, seen as the continent's biggest five nations with joint growth at an average rate of 3.1 percent, compared with the average of 4.0 percent for the rest of the continent.

This was contrary to projections that Africa's economic growth will strengthen in 2019, higher than the rate achieved in 2018 and up 0.4 percentage points from the 2.1 percent in 2017. In the medium term, growth was projected to accelerate to 4 percent in 2019 and 4.1 percent in 2020. Though lower than China's and India's growth, Africa's growth was projected to be higher than that of other emerging and developing countries. According to ADB African Economic Outlook 2020, growth's fundamentals improved, with a gradual shift from private consumption toward investment and exports. For the first time in a decade, investment accounted for more than half the continent's growth, with private consumption accounting for less than one third.

5.3 GDP GROWTH

There were variations in growth across the different regions on the African continent. Oil-importing countries in Africa experienced higher average growth of 4.3 percent in 2019 than oil-exporting countries with 3.8 percent growth. This is attributable to the high cost of production of oil in the continent. With growth rate of 5.9 percent, East Africa led growth recovery in 2019 followed by North Africa with 4.4 percent growth rate. East Africa also remains the fastest growing region recording an average growth of 5.8 percent between 2010 and 2019. West Africa recorded the highest growth rate between 2010 and 2014 but thereafter, recorded lower growth rates due to dwindling commodity prices and the Ebola crises. Nigeria, Africa's largest economy and largest oil exporter fell into a recession in 2017 due to fall in oil and commodity prices. The gradual recovery from 2017 to 2018 strengthened by the oil price rebound gradually restored regional growth in 2019.

Growth in Central Africa was promising up to 2014 but thereafter fell below the African average until 2018 when it gradual recovery started, supported by commodity price recovery and higher agricultural output. Central Africa grew at 3.2 percent in 2019, up from 2.7 percent in 2018, while Southern Africa's growth slowed considerably over the same period, from 1.2 percent to 0.7 percent, dragged down by the devastating cyclones Idai and Kenneth.

5.4 INVESTMENTS AND EXPORTS

In 2019, and for the first time in a decade, investment expenditure accounted for more than half of GDP growth dynamics than consumption. Growth drivers gradually shifted away from private consumption toward investments and net exports. Net exports contributed strongly to growth, especially among commodity exporters, as oil prices recovered. The divergence between gross savings and total investment has been widening for Africa since 2011 and particularly following the end of the commodity price super-cycle in 2014. The widening gap in the continent's average growth rate and thus the growing current account deficits have been driven by non-resource-intensive countries.

Africa's global trade volumes slowed from annual growth of 5.7 percent in 2017 to 1.1 percent in 2019, with the slowdown especially acute for metals and food, two of Africa's major export commodities. Extreme weather conditions which suppressed output, violence following elections, socio-political pressures to increase public spending; which could undermine fiscal consolidation plans and risks associated with terrorism, conflict, insurgency, and social unrest weighed down economic activity in some countries.

5.5 INFLATIONARY PRESSURE

In 2019, Africa experienced overall macroeconomic stability in the midst of persistently high inflation. The average inflation rate for the continent inched down by 2 percentage points, from 11.2 percent in 2018 to 9.2 percent in 2019, with notable variations across countries and economies. In reaction to this, central banks adjusted interest rates as domestic demand management strategy. Countries with downward inflationary pressures reduced interest rates to encourage investment and spur growth. Fiscal balances improved in 2017 and 2018t with the weighted average deficit-to-GDP ratio in Africa declining from 5.9 percent in 2017 to 4.8 percent in 2019. This was mostly due to stabilization in commodity prices and revenues from tax and nontax sources for large natural resource exporters. The revenue-to-GDP ratio rose by 0.3 percentage point on average for the 54 African economies, but by more than 1 percentage point among oil exporters, such as Angola, whose ratio rose 2.2 percentage points.

5.6 OUTLOOK FOR 2020

Africa's economic growth is expected to improve to 4.1 percent in 2020. The outlook for 2020 highlights that about two thirds of the continent's countries have not achieved inclusive growth. Hence only about a third of the countries achieved inclusive growth, reducing both poverty and inequality. Based on the premise that Africa still lags behind other developing regions in education and skills development, the special theme for the year 2020 is 'delivering education and skills for Africa's workforce of the future'. Planned policy actions to this effect include measures to improve both the quantity and the quality of education and align education policy with labour market needs. The widening gap between the world of learning and the world of work in Africa must, therefore, be bridged. This will require, among other actions, the expansion of access to schools in remote areas, increasing the incentives to invest in education, developing a demand-driven education system that caters for the needs of the employers, investing in nutrition to help poorer children and building STEM and ICT capacity. The Outlook appeals for universalism in education spending to address inequality in education. High priorities must, therefore, be placed for the poor and disadvantaged and for basic education, where social returns are highest. The Outlook suggests that public expenditure on education and infrastructure are highly complementary, and investing in both has the potential of yielding a much greater payoff the investing in exclusively in just one.

Table 5.1 Real GDP Growth in Africa, 2010-2020

Indicator and Country Group	2010-2014	2015	2016	2017	2018	2019	2020*
Central Africa	5.0	3.3	0.2	1.1	2.2	3.6	3.5
East Africa	5.9	6.5	5.1	5.9	5.7	5.9	6.1
North Africa	3.7	3.7	3.2	4.9	4.3	4.4	4.3
Including Sudan	3.6	3.7	3.2	4.8	4.3	4.4	4.3
Southern Africa	3.8	1.6	0.7	1.6	1.2	2.2	2.8
West Africa	6.2	3.2	0.5	2.7	3.3	3.6	3.6
Africa	4.7	3.5	2.1	3.6	3.5	4.0	4.1
Excluding Libya	4.4	3.6	2.2	3.0	3.5	3.9	4.1
Sub-Saharan Africa	5.2	3.4	1.5	2.9	3.1	3.7	3.9
Excluding South Africa	5.9	3.9	1.8	3.3	3.6	4.2	4.3
Oil-Exporting Countries	4.7	3.3	1.5	3.2	3.4	3.8	3.7
Oil-importing Countries	4.6	3.7	3.1	4.2	3.8	4.3	4.5

* 2020 Projected

Source: African Development Bank Statistics

FINANCIAL STATEMENT & ACCOUNTS

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
Lagos, Nigeria

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Governors of West African Institute for Financial and Economic Management ("the Institute") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Institute as at 31 December 2019, its financial performance, changes in equity and cash flows for the year ended, in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

In preparing the financial statements, the Board of Governors are responsible for:

Properly selecting and applying accounting policies

Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information

Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Institute's financial position and financial performance, and

Making an assessment of the Institute's ability to continue as a going concern

The Board of Governors are responsible for:

Designing, implementing and maintaining an effective and sound system ofi nternal controls throughout the Institute

Maintaining adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute

Maintaining statutory accounting records in compliance with IFRS

Taking steps that are reasonably available to them to safeguard the assets of the Institute; and

Preventing and detecting fraud and other irregularities

Going Concern

The Board of Governors have made an assessment of the Institute's ability to continue as a going concern and have no reason to believe the Institute will not remain as a going concern in the year ahead.

The financial statements of the Institute for the year ended 31 December 2019 were approved by the Board of Governors on 10 September 2020.

On behalf of the Board of Governors of the Institute

______________________	______________________
Godwin Emefiele	Baba Y. Musa 23-09-2020
Chairman of the Board of Governors	Director General

______________ September 2020

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

Report on the Audit of the Financial Statements

We have audited the financial statements of West African Institute for Financial and Economic Management ("the Institute") which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audit of West African Institute for Financial and Economic Management. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of West African Institute for Financial and Economic Management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The Board of Governors are responsible for the other information. The other information comprises the Statement of Board of Governors' Responsibilities in Relation to the Preparation of the Financial Statements, Other Financial Disclosures, the Statement of Value Added and the Five-year Financial Summary. The other information does not include the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Responsibilities of the Board of Governors for the financial statements

The Board of Governors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding ofi nternal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of the Board of Governors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria
9th Oct 2020

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 US$	2018 US$
Income			
Subscriptions	4	5,065,786	4,925,930
Training income	5	161,998	65,712
Other operating income	6	374,698	1,088,046
Total operating income		5,602,482	6,079,688
Expenses			
Personnel expenses	7	2,265,982	2,429,414
Training expenses	8	1,287,169	2,400,255
Depreciation	10	225,584	137,618
Amortisation	11	1,128	2,732
Operating expenses	9	952,376	1,183,601
Total expenses		4,732,239	6,153,620
Surplus/ (loss) for the year		870,243	(73,932)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income/ (loss) for the year		870,243	(73,932)

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 US$	31 December 2018 US$
Assets			
Non-current assets			
Property and equipment	10	425,759	268,090
Intangible assets	11	2,798	1,428
		428,557	269,518
Current assets			
Inventories	12	14,437	18,519
Trade and other receivables	13	40,470	61,806
Cash held for Staff Provident Fund (SPF)	14	1,679,541	1,468,087
Cash and bank balances	15	1,834,812	1,185,483
		3,569,260	2,733,895
Total assets		3,997,817	3,003,413
Equity and liabilities			
Equity			
Accumulated fund	19	2,270,857	1,400,614
Non current liabilities			
Staff provident fund	17	1,679,552	1,468,098
Other liabilities	18	11,233	41,406
		1,690,785	1,509,504
Current liabilities			
Trade and other payables	16	36,175	93,295
Total liabilities		1,726,960	1,602,799
Total equity and liabilities		3,997,817	3,003,413

These financial statements were approved by the Board of Governors on 10TH SEPTEMBER, 2020 and signed on its behalf by:

Godwin Emiefele
Chairman of the Board of Governors

Baba Y Musa 23-09-2020
Director General

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Accumulated funds US$
As at 1 January 2019	1,400,614
Surplus for the year	870,243
At 31 December 2019	2,270,857
As at 1 January 2018	1,474,546
Loss for the year	(73,932)
At 31 December 2018	1,400,614

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 US$	2018 US$
Operating activities			
Surplus/ (loss) for the year		870,243	(73,932)
Adjustments for non-cash items:			
Depreciation of property and equipment	10	225,584	137,618
Amortisation of intangible assets	11	1,128	2,732
Net foreign exchange loss	9	3,340	26,460
Working capital adjustments:			
Decrease/ (increase) in inventories		4,082	(2,113)
(Increase)/ decrease in trade and other receivables		(190,119)	567,329
Decrease in trade and other payables		(57,120)	(254,827)
Increase/ (decrease) in other liabilities		181,281	(79,004)
Net cash flows from operating activities		1,038,419	324,263
Investing activities			
Purchase of property and equipment	10	(383,252)	(88,827)
Purchase of intangible assets	11	(2,498)	(1,114)
Net cash flows used in investing activities		(385,750)	(89,941)
Net increase in cash and cash equivalents		652,669	234,322
Net foreign exchange difference on cash and cash equivalents		(3,340)	(26,460)
Cash and cash equivalents at 1 January		1,185,483	977,621
Cash and cash equivalents at 31 December		1,834,812	1,185,483

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

The West African Institute for Financial and Economic Management (WAIFEM) was established in 1996 by the Central Banks of Nigeria, The Gambia, Sierra Leone, Ghana and Liberia. The Institute commenced operations in January 1997.

1.1 Principal activities

The principal activities of the Institute continue to be strengthening capacity building for macro-economic management in the West African sub-region by offering short-term customized courses to professional staff of Central banks, Ministries of finance and economic planning and other agencies involved in the formulation and implementation of macro-economic policies in the West African sub-region.

1.2 Approval of financial statements

The financial statements were approved by the Board of Governors and authorised for issue at its meeting held on 10 September 2020.

1.3 Statement of compliance with International Financial Reporting Standards

The financial statements of the Institute has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

1.5 Functional and presentation currency

Items included in the financial statements of the Institue are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). These financial statements are presented in US Dollars (=$=), which is the entity's functional currency.

2 Significant accounting policies

The following are the significant accounting policies applied by the Institute in preparing its financial statements:

a) Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the income can be reliably measured. Income is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized.

Subscription

This relates to contributions from member Central Banks of the Institute in accordance with the agreed distribution policy of 35%, 25% for the Central Banks of Nigeria and Ghana respectively and 13.33% for each of Liberia, The Gambia and Sierra Leone against the approved budget for the year. Contributions are made directly to the Institute's bank account housed with the Central Bank of Nigeria. The income is recognized on an accrual basis.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

a) Income recognition - continued

Grants

These represent grants received from donor organizations towards specific training programs.
Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Institute receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

The spending of these grants is usually monitored by the donors.

Other income

This represents income from consultancy, course executions and business development programs. These are recognized on an accrual basis.

b) Expenses

This comprised of personnel expenses, training expenses and other operating expenses. These are recognized on an accrual basis, as services are received.

c) Property and equipment

Recognition and measurement

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and ifi t is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Institute and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost ofi tems of property and equipment, to their residual values over the estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The depreciation rates for the current period of significant items of property and equipment are as follows:

	Years
Motor vehicle	3 - Up till 31 August 2019
Motor vehicle	5 - From 1 September 2019
Office furniture	4
Office equipment	4
Household furniture	4
Household equipment	5

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

c) Property and equipment - continued

Derecognition

An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

d) Intangible assets

Computer Software

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives ofi ntangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The Institute’s intangibles assets are Computer software. These represent the cost of procuring computers software. Computer software is amortized on a straight line rate of 50%. Cost associated with maintaining the software programs are recognized as an expense when incurred.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase cost and other cost incurred in bringing the stocks to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities
All financial assets and liabilities- which include derivative financial instruments- have to be recognized in the statement of financial position and measured in accordance with their assigned category.

- Initial recognition and measurement

Financial assets are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial Instruments.

- Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

- Classification and related measurement

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

i) Financial assets
Subsequent to initial recognition, all financial assets within the Institute are measured at

Amortized cost
Fair value through comprehensive income (FVOCI); or
Fair value through profit or loss (FVTPL)

Debt instruments at amortised cost or at FVTOCI
The Institute assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Institute's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Institute determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Institute's business model does not depend on management's intentions for an individual instrument. Therefore the business model assessment is performed at a higher level of aggregration rather than on an instrument- by- instrument basis.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

Debt instruments at amortised cost or at FVTOCI - continued

The Institute has more than one business model for managing its financial instruments which reflects how the Institute manages its financial assets in order to generate cash flows. The Institutes's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Institute considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Institutes does not reasonably expect to occur, such as so-called 'worst case' or' stress case' scenarios. The Institute takes into account all relevant evidence available such as:

-how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

-how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Institute determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Institute reassess its business models at each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Institute has not identified a change in its business models.

When a debt instrument measure at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that ae subsequently measured at amortIsed cost or at FVTOCI are subject to impairment.

As at 31 December 2019, the Institute did not hold any debt instrument measured at fair value through other comprehensive income (FVOCI).

Debt instruments Fair value through profit or loss

Financial assets at FVTPL are:

Assets with contractual cashflows that are SPPI; or/and assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised on profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

Impairment

The Institute recognises loss allowances for expected credit losses (ECLs) on the following financial instruments at amortised cost:

Debt investment securities;
Other receivables;

ECLs are required to be measured though a loss allowance at an amount equal to:

-12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage1); or full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

-A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal significantly or insignificantly to the 12-month ECL.

-ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Institute under the contract and the cash flows that the Institute expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

-The Institute measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measure on an individual basis or a collective basis.

Significant increase in credit risk

The Institute monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Institute will measure the loss allowance based on lifetime rather than 12 month ECL. The Institute's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Institute monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Institute compares the risks of a default occurring on the financial statements at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Institute considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Institute's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of defauit at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighing of these different scenarios that forms that basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

As a back-stop, when an asset becomes 30 days past due, the Institute considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the convenant is or is not met (e.g. a change to the increase in the interest rate that arises when the covenants are breached).

When a financial asset is modified, the Institute assesses whether this modification results in derecognition. In accordance with the Institute's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Institute considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is to be performed to compare the present values to the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occassion where the new loan is considered to be originated credit impaired. This applies only in the case when the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Institute monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Institute determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

-the remaining lifetime PD estimate based on data at initial recognition and the original contractual terms; with
- the remaining lifetime of PD at the reporting date based on the modified terms.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

i) Financial assets and liabilities - continued

Modification and derecognition of financial assets - continued

The Institute derecognizes a financial asset only when contractual rights to the asset's cashflows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute neither recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than its entirety (e.g. when the Institute retains an option to repurchase part of a transferred asset), the Institute allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain/loss allocated to it that had been recognized in OCI is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

Write-off

Debt securities and other receivables are written off when the Institute has no reasonable expectations of the financial asset (either in its entirety or portion ofi t). This is the case when the Institute determines that the borrower does not have assets or sources ofi ncome that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Institute may apply enforcement activities to the financial assets written off. Recoveries resulting from the Institute's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- for debt instruments measured at FVTOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Institute's own equity instruments and is a non-derivative contract for which the Institute is or may be obliged to deliver a variable number ofi ts own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Institute's own equity instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL

A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio ofi dentified financial instruments that the Institute manages together and has a recent actual pattern of short term profit taking or it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; in accordance with the Institute's documented risk management or investment strategy, and information about the accompanying is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at their fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line in the profit or loss account.

The Institute does not have any financial liabilities at fair value through profit or loss at the reporting date.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method (EIR).

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity - continued

Derecognition of financial liabilities

The Institute derecognizes financial liabilities when, and only when, the Institute's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

When the Institute exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Institute accounts for substantial modification of terms of an existing liability or part ofi t as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Institute are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Institute's own equity instruments is recognized and deducted directly in equity. No gain/loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Institute's own equity instruments.

g) Employee benefits

Staff provident fund (SPF)

The Institute operates a defined contribution pension scheme. The scheme is managed in-house.

The SPF is a contributory fund where all employees of the Institute make a contribution of 10% of their basic salary and the Institute contributes 20% of the employee's basic salary. Management administers this Fund in accordance with the approved Regulations of the Staff Provident Fund. Employees can make withdrawals of up to 60% of their total contributions from the fund as long as certain conditions are met. This withdrawal can be made after the employee has worked for the Institute for more than 3 years.

Employees are entitled to the full balance of their total contribution, less any withdrawals, upon termination or resignation or retirement from employment with the Institute. There is no requirement for interest to be paid on these contributions except the money is invested. The fund is currently held in a US dollar domicillary account with the Central Bank of Nigeria where it generates little or no interest.

h) Foreign currency translations

Transactions denominated in currencies other than the United States Dollar are translated at the rate of exchange ruling at the reporting date.

Monetary assets and liabilities in foreign currencies are converted to USD at the rate of exchange ruling at the reporting date.

Gains and losses arising there from are included in the income and expenditure account.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting polcies - Continued

i) Taxation
According to Article vii (1) of The Headquarters agreement between WAIFEM and the Government of the Federal Republic of Nigeria, West African Institute for Financial and Economic Management (WAIFEM) is exempted from taxes and duties of any kind whether State, Provincial, Local and any other authority and whether such taxes and duties are now in existence or are to be imposed or issued in the future.

j) Current versus non-current classification
The Institute presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Institute classifies all other liabilities as non-current.

3 Significant accounting judgments, estimates and assumptions
The preparation of the Institute's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

Useful lives and carrying value of property and equipment, and intangibles

The estimation of the useful lives of assets is based on management's judgment. The useful lives are determined based on the expected period over which the asset will be used and benefits received by the Institute from the use of the asset. Residual values are determined by obtaining observable market prices for the asset with the same age that the asset would be at the end ofi ts useful life. Any material adjustment to the estimated useful lives ofi tems of property and equipment will have an impact on the carrying value of these items (See note 11).

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Significant accounting judgments, estimates and assumptions - continued

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgments concerning the cause, timing and amount ofi mpairment. In the identification ofi mpairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Institute applies the impairment assessment to its separate cash generating units. This requires management to make significant judgments and estimates concerning the existence ofi mpairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realizable values. Management's judgment is also required when assessing whether a previously recognized impairment loss should be reversed. There was no indicator of impairment of property and equipment throughout the year.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 22.

3.1 New and amended standards and interpretations

There are several amendments and interpretations that apply for the first time in 2019, but do not have an impact on the financial statements of the Institute. These include the following:

(a) IFRS 16 – Leases
(b) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
(c) Amendments to IFRS 9: Prepayment Features with Negative Compensation
(d) Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
(e) Amendments to IAS 28: Long-term interests in associates and joint ventures
(f) Annual Improvements 2015-2017 Cycle (issued in December 2017)
    IFRS 11 Joint arrangements
    IAS 12 Income taxes
    IAS 23 Borrowing costs
    IFRS 3 Business combinations

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(a) The Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

increasing the prominence of stewardship in the objective of financial reporting
reinstating prudence as a component of neutrality
defining a reporting entity, which may be a legal entity, or a portion of an entity
revising the definitions of an asset and a liability
removing the probability threshold for recognition and adding guidance on derecognition
adding guidance on different measurement basis, and
stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

(b) Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one ofi ts work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

The assessment of whether a forecast transaction (or component thereof) is highly probable
Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
The assessment of the economic relationship between the hedged item and the hedging instrument

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. The fourth relief provides that, for a benchmark component ofi nterest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship. Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3.2 Standards issued but not yet effective

(b) Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform - continued

To the extent that a hedging instrument is altered so that its cash flows are based on a risk free rates (RFR), but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value.

The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

This amendment will not have significant impact on the Institute's financial statements when they become effective.

(c) The amendments to IAS 39

The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

For a hedge of a benchmark portion (rather than a risk component under IFRS 9) ofi nterest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

This amendment will not have significant impact on the Institute's financial statements when they become effective.

Other amendments to standards, which currently do not apply to the Institute are listed below:

-IFRS 17 Insurance Contracts
-Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
-Amendments to IFRS 3: Definition of a Business
-Amendments to IAS 1 and IAS 8: Definition of Material
-Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

4 Subscriptions	2019 US$	2018 US$
Central Bank of Nigeria	1,773,034	1,724,085
Bank of Ghana	1,266,450	1,231,487
Bank of Sierra Leone	675,434	656,786
Central Bank of The Gambia	675,434	656,786
Central Bank of Liberia	675,434	656,786
Total revenue	5,065,786	4,925,930

5 Training income		2019 US$	2018 US$
Sundry income & E-learning		135,385	47,695
Net consultancy fees	(Note 5.1)	18,893	10,277
Course fees		7,720	7,740
		161,998	65,712

5.1 Net consultancy fees		
Consultancy fees	559,090	270,970
Demand Driven Courses expenses	(540,197)	(260,693)
	18,893	10,277

6 Other operating income			
Grant	(Note 6.1)	359,127	1,078,465
Interest		15,571	9,581
		374,698	1,088,046

6.1 Grants		
World Bank	263,864	197,575
International Monetary Fund Institute (IMF)	40,470	82,598
ACBF Grant for property and equipment	30,173	30,173
African Capacity Building Foundation (ACBF)	24,620	768,119
	359,127	1,078,465

i World Bank Grant relates to grant received for various courses organized by the Institute under the World Bank Debt Management Facilities

ii International Monetary Fund Institute relates to grant received for various courses organized.

iii ACBF grant was received for the purchase of certain items of property and equipment. Recognition of the grant asset has been spread over the useful life of the asset.

iv African Capacity Building Foundation (ACBF) relates to grants received for training programmes and research activities (under AFDB and World Bank Funding).

v The institute acted in compliance with the requirements of the grant agreements between it and the African Capacity Building Foundation (ACBF) and the World bank. It also complied with the terms contained in the Memorandum of Understanding (MOU) signed with the International Monetary Fund (IMF).

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

7 Personnel expenses	2019 US$	2018 US$
Salaries and wages	1,447,743	1,467,555
Provident fund contribution	386,000	395,454
Leave allowance, home leave and ex-gratia allowance	249,119	332,516
13 month Salary	124,276	123,207
Utility allowance	51,432	64,776
Overtime allowance	7,412	5,640
Resettlement, recruitment costs and shipment of personal effects	-	40,266
	2,265,982	2,429,414

7.1 Staff Renumeration			2019 Number	2018 Number
			49	50
Salary range				
$1,001	-	$10,000	8	8
$10,001	-	$20,000	22	22
$20,001	-	$30,000	-	-
$30,001	-	$40,000	4	4
$40,001	-	$50,000	3	3
Above $50,000			12	13
			49	50

8 Training expenses	2019 US$	2018 US$
Programme fees	1,147,184	1,445,851
Training materials, Cost of administration & transportation	98,708	426,416
E-learning Expenses & Staff Retreat	36,777	242,967
Research unit activities	4,500	285,021
	1,287,169	2,400,255

9 Operating expenses	2019 US$	2018 US$
Board expenses	273,418	286,145
Official mission and travels	254,531	376,801
Printing, stationery and computer consumables	70,096	88,142
Upkeep of grounds and buildings	46,875	19,344
Social programmes	45,308	37,033
Staff training	40,393	6,655
Postages and telecommunications	33,128	52,180
Audit fees	31,000	30,500
Motor vehicle running expenses	25,480	21,615
Medical expenses	25,080	33,813
Souvenir teaching aids	24,621	40,341
Electricity, lighting and rates	15,839	26,185
General insurance	15,073	44,100
Internet subscription/ website	13,294	27,680
Hospitality and security	8,823	17,779
Repairs and maintenance	8,342	25,098
Entertainment	5,263	4,234
Journals, periodicals and newspapers	4,164	4,095
Cleaning materials and staff uniforms	3,599	3,996
Management expenses	2,578	7,375
Bank charges	2,131	4,030
Net foreign exchange loss	3,340	26,460
	952,376	1,183,601

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

10 Property and equipment

	Motor Vehicles US $	Office Furniture US $	Office Equipment US $	Household Furniture US $	Household Equipment US $	Total US $
Cost						
At 1 January 2018	589,367	154,133	685,234	107,994	157,618	1,694,346
Additions	-	28	58,440	14,449	15,910	88,827
At 31 December 2018	589,367	154,161	743,674	122,443	173,528	1,783,173
Additions	300,009	-	22,779	19,408	41,056	383,252
At 31 December 2019	889,376	154,161	766,453	141,851	214,584	2,166,425
Accumulated depreciation:						
At 1 January 2018	438,589	151,965	550,003	99,034	137,874	1,377,465
Depreciation charge for the year	62,406	911	58,057	6,147	10,097	137,618
At 31 December 2018	500,995	152,876	608,060	105,181	147,971	1,515,083
Depreciation charge for the year	149,857	645	58,842	5,351	10,889	225,584
At 31 December 2019	650,851	153,521	666,902	110,532	158,860	1,740,666
Net book value:						
At 31 December 2019	238,525	640	99,551	31,319	55,724	425,759
At 31 December 2018	88,372	1,285	135,614	17,262	25,557	268,090

i) There were no restrictions on title and no asset pledge as security for liabilities during the year.

ii) At the end of the reporting period, management has assessed all items of property and equipment for any indication of impairment and based on judgment there is no such indication.

11 Intangible assets

	Computer Software ₦'000
Cost	
At 1 January 2018	76,712
Additions	1,114
At 31 December 2018	77,826
Additions	2,498
At 31 December 2019	80,324
Accumulated amortisation:	
At 1 January 2018	73,666
Amortisation	2,732
At 31 December 2018	76,398
Amortisation	1,128
At 31 December 2019	77,526
Net book value:	
At 31 December 2019	2,798
At 31 December 2018	1,428

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Inventories	2019 US$	2018 US$
Stationery	6,738	5,973
Computer consumables	6,319	7,956
Household items	939	3,874
Cleaning materials	441	716
	14,437	18,519

12.1 Inventories are carried at the lower of cost and net realisable value. There were no write-downs ofi nventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year.

13 Trade and other receivables	2019 US$	2018 US$
Sundry debtors (note 13.1)	40,470	61,806
	40,470	61,806

13.1 Sundry debtors		
Receivable from International Monetary Fund (IMF)	40,470	41,191
Receivable from World Bank	-	8,270
Receivable from Federal Ministry of National Planning & Budgeting, Abuja	-	12,345
	40,470	61,806

14 Cash held for Staff Provident Fund (SPF)	2019 US$	2018 US$
Cash held for Staff Provident Fund (SPF)	1,679,541	1,468,087

14.1 60% of the Staff Provident Fund are payable to staff on demand if certain conditions are met. The full balance is payable to staff upon termination or resignation or retirement from employment with the Institute.

15 Cash and cash equivalents	2019 US$	2018 US$
Cash in banks	1,753,956	1,088,007
Endowment fund at bank	79,265	79,265
Cash on hand	1,591	18,211
	1,834,812	1,185,483

Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Endowment fund is credited with surpluses from the Institute's overall operations.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

16 Trade and other payables	2019 US$	2018 US$
Accruals (note 16.1)	36,175	93,295
	36,175	93,295

16.1 Accruals in respect of various expenses (e.g. audit fees, printing, medical bills), which have been incurred during the year but remained unpaid as at year end. The Institute normally settles such expenses within one to three months from the day of receipt of service to which they relate.

17 Staff Provident Fund (SPF)		2019 US$	2018 US$
Balance at 1 January		1,468,098	1,516,929
Contributions by Staff (10% of total salary)	Note 17.1	128,672	131,837
Contributions by the Institute (20% of total salary)	Note 17.1	257,328	263,617
Adjustment for interest:			
Interest on account		-	529
		1,854,098	1,912,912
Payment to withdrawn staff	Note 17.2	(174,546)	(444,814)
Balance at 31 December		1,679,552	1,468,098

The SPF is a contributory fund where all employees and employer of the Institute make a contribution of 10% and 20% respectively of the employee's basic salary.

There is no requirement for interest to be paid on these contributions except the money is invested. The fund is currently held in a US dollar domiciliary account with The Central Bank of Nigeria where it generates little or no interest. Management in consultation with Board made several attempts to invest in risk - free portfolios which are very limited.

17.1 Staff Provident provisions	2019 US$	2018 US$
Contributions by Staff (10% of total salary)	128,671	131,837
Contributions by the Institute (20% of total salary)	257,329	263,616
Interest on investment	-	529
	386,000	395,982

17.2 Staff Provident payment	2016 US$	2015 US$
Unremitted SPF paid in the year	-	245,893
Payment to withdrawn staff (withdrawals by staff for the year)	(174,546)	(444,814)
	(174,546)	(198,921)

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

18 Other liabilities

	2019 US$	2018 US$
ACBF Grant for property and equipment (note 6.1)		
As at 1 January	41,406	71,579
Recognised in the year	(30,173)	(30,173)
	11,233	41,406

The ACBF grant was received for the purchase of certain items of property and equipment. The grant is being amortized over the useful economic life of the asset.

19 Accumulated fund	2019 US$	2018 US$
As at 1 January	1,400,614	1,474,546
Surplus/ (loss) for the year	870,243	(73,932)
	2,270,857	1,400,614

20 Related party disclosures

All related parties transactions are from Business Development and Consultancy Unit and fees are charged on cost recovery basis.

Directors Renumeration

	2019 US$	2018 US$
Salaries	621,572	705,069

The number of Directors excluding the Board of Governors, whose emoluments fall within the following ranges were:

			2019	2018
$50,000	-	$120,000	4	5
$120,001	-	$200,000	1	1

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies

The nature and carrying values of financial instruments that the Institute deploys in carrying out its activities are included in notes 13 to 17. The Institute's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance operations and to provide guarantees that support its operations. The Institute has trade and other receivables, and cash and bank balance that arise directly from its operations. The major risks that the Institute is exposed to as a result of deploying financial instruments include market risk, credit risk, liquidity risk and Operational risk. The Institute oversees the management of these risks. The Management advises on financial risks and the appropriate financial risk strategy within its policy framework to ensure that risks are kept at a minimum level. The Management provides assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed to reduce the impact on its operations. The Management reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The Institute is not exposed to any significant market risks resulting from its financial instruments.

(b) Interest rate risk

The Institute does not have any long term debt obligations. The Institute's trade and other payables are for working capital and as such the Institute has little or no exposure to interest rate risk as at the year end.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute's exposure to the risk of changes in foreign exchange rates relates primarily to the Institute's operating activities (when revenue or expense is denominated in a different currency from the Institute's presentation currency).

The table below summarises the Institute's exposure to foreign currency exchange rate risk at 31 December 2019 and 31 December 2018. Included in the table are the Institute's financial instruments at carrying amounts, categorised by currency.

	NAIRA US$	EURO US$
As at 31 December 2019		
Net foreign currency exposures		
Cash and bank balances	105,106	77,320
As at 31 December 2018		
Net foreign currency exposures		
Cash and bank balances	105,786	-

Foreign currency sensitivity

The Foreign exchange sensitivity analysis of the Institue is presented below.

For each foreign currency net exposure it is reasonable to assume a 5% appreciation/depreciation against the functional currency. If all other variables are held constant, the tables below present the impacts on profit or loss before tax if these currency movements had occurred.

The following table details the sensitivity to a 5% increase and decrease in US Dollar against the Naira and Euro. Management believe that a 5% movement in either direction is reasonably possible at the reporting date. The sensitivity analysis below include outstanding Naira and Euro denominated assets and liabilities. A positive number indicates an increase in profit where US Dollar strengthens by 5% against the Naira and Euro. For a 5% weakening of US Dollar against the Naira and Euro, there would be an equal and opposite impact on profit, and the balance below would be negative.

Foreign exchange sensitivity analysis (31 December 2019)	NAIRA US$	EURO US$
US Dollar strengthens by 5%		
Profit/ (loss)	5,255	3,866
US Dollar weakens by 5%	(5,255)	(3,866)
Profit/ (loss)		
Foreign exchange sensitivity analysis (31 December 2018)		
US Dollar strengthens by 5%		
Profit/ (loss)	5,289	-
US Dollar weakens by 5%	(5,289)	-
Profit/ (loss)		

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(d) Price risk

The Institute does not carry any financial instrument that exposes it to significant price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Institute if members or donors fail to meet their contractual obligations, and arises principally from the Institute's receivables from members and donor agencies. The Institute's principal exposure to credit risk is influenced mainly by the individual characteristics of each member and/or donor agency. Management is responsible for analysing each existing and new members based on experience and relevant available information on an ongoing basis. This is to ensure that the subscriptions and/or grants in form of subscription/contribution are made good by the respective members and donors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Institute evaluates the concentration of risk with respect to cash and bank balances and trade and other receivable as low. This is because its customers are located in several jurisdictions and operate in largely independent markets and also, it uses the services of several banks.

i) Credit Collateral

The Institute generally does not hold collateral over its financial assets and no such collaterals were held as at 31 December 2019 (2018: Nil).

ii) Credit exposure

The credit risk analysis below is presented in line with how the Institute manages the risk. The Institute manages its credit risk exposure based on the carrying value of the financial instruments.

iii) Industry analysis

	Financial services US$	Government US$	Consumer US$	Others US$	Total US$
As at 31 December 2019					
Trade and other receivables	-	-	-	40,470	40,470
Cash and cash equivalents	1,833,221	-	-	-	1,833,221
Total credit risk exposure	1,833,221	-	-	40,470	1,873,691
As at 31 December 2018					
Trade and other receivables	12,345	-	-	49,461	61,806
Cash and cash equivalents	1,167,272	-	-	-	1,167,272
Total credit risk exposure	1,179,617	-	-	49,461	1,229,078

The table below provides information regarding the credit risk exposure of the Institute by classifying assets according to the Institute's credit ratings of counterparties:

iv) Neither past–due nor impaired

	Investment grade US$	Non-investment grade: satisfactory US$	Non-investment grade: unsatisfactory US$	Neither past-due nor impaired US$	Total US$
As at 31 December 2019					
Trade and other receivables	-	-	-	40,470	40,470
Cash and cash equivalents	1,833,221	-	-	-	1,833,221
Total	1,833,221	-	-	40,470	1,873,691
As at 31 December 2018					
Trade and other receivables	-	-	-	61,806	61,806
Cash and cash equivalents	1,167,272	-	-		1,167,272
Total	1,167,272	-	-	61,806	1,229,078

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(e) Credit risk - continued

v) Age analysis of financial assets past due but not impaired

	< 30 days US$	31 to 60 days US$	> 60 days US$	Total past due but not impaired US$
As at 31 December 2019				
Trade and other receivables	40,470	-	-	40,470
Total	40,470	-	-	40,470
As at 31 December 2018				
Trade and other receivables	61,806	-	-	61,806
Total	61,806	-	-	61,806

(f) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Institute's approach to managing liquidity is to ensure, as far as practicable, that it will always have sufficent liquidity to meet its liabilities as at when due, without incurring unacceptable losses or risking damage to the Institute's reputation.

However, the Institute ensures that it has sufficient cash on demand to meet current and expected operational needs.

i) Maturity profiles

The table that follows summarises the maturity profile of the financial assets and financial liabilities of the Institute based on remaining undiscounted contractual obligations, including interest payable and receivable.

Maturity analysis (contractual undiscounted cash flow basis)

	Carrying amount US$	Up 3months US$	3-6 months US$	Total US$
As at 31 December 2019				
Financial assets				
Trade and other receivables	40,470	40,470	-	40,470
Cash and cash equivalents	1,833,221	1,833,221	-	1,833,221
Total assets	1,873,691	1,833,221	-	1,873,691
Financial liabilities				
Trade and other payables	36,175	36,175	-	36,175
Total liabilities	36,175	36,175	-	36,175
Total liquidity gap	1,837,516	1,797,046	-	1,837,516

	Carrying amount US$	Up 3months US$	3-6 months US$	Total US$
As at 31 December 2018				
Financial assets				
Trade and other receivables	61,806	61,806	-	61,806
Cash and cash equivalents	1,167,272	1,167,272	-	1,167,272
Total assets	1,229,078	1,167,272	-	1,229,078
Financial liabilities				
Trade and other payables	93,295	93,295	-	93,295
Total liabilities	93,295	93,295	-	93,295
Total liquidity gap	1,135,783	1,073,977	-	1,135,783

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(g) Capital management

Capital is the equity attributable to the equity holders of an entity. The primary objective of the Institute's capital management is to ensure that it maintains strong accumulated funds in order to support its operations and to sustain future developments. The Institute is not subject to any internally or externally imposed capital requirements.

(h) Operational risk

Operational risk is the risk ofl oss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems.

Managing operational risk is seen as part of the day-to-day operations and management, which includes explicit consideration of both opportunities and the risks of all business activities. Operational risk management includes Institute-wide policies that describe the standard required of both staff and specific internal control systems designed for implementation in the Institute. Compliance with corporate policies and departmental internal control systems are managed by departmental management and an active internal audit function.

22 Fair value of financial assets and liabilities

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Institute can use in order to estimate the fair value;

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no assets or liabilities measured at fair value at reporting date (2018: Nil).

22.1 Financial instruments not measured at fair value

Table below shows the carrying value of financial assets not measured at fair value.

	Level 1	Level 2	Level 3
As at 31 December 2019			
Financial assets	-	-	1,834,812
Cash and bank balances	-	-	1,679,541
Cash held for Staff Provident Fund (SPF)	-	-	40,470
Trade and other receivables	-	-	3,554,823
Financial liabilities			
Trade and other payables	-	-	36,175
Staff provident fund	-	-	1,679,552
	-	-	1,715,727
As at 31 December 2018			
Financial assets	-	-	1,185,483
Cash and bank balances	-	-	1,468,087
Cash held for Staff Provident Fund (SPF)	-	-	61,806
Trade and other receivables	-	-	2,715,376
Financial liabilities			
Trade and other payables	-	-	93,295
Staff provident fund	-	-	1,468,098
	-	-	1,561,393

The Institute considers the carrying value of all financial assets and liabilities to approximate their fair values.

There were no transfers between the different levels in 2019 and 2018.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

23 Contingent liabilities

There were no pending litigations as at 31 December 2019 (2018: Nil) against the Institute.

24 Capital Commitments

There was no capital expenditure contracted but not provided for in these financial statements as at 31 December 2019 (2018: Nil).

25 Events after the reporting period

The current Coronavirus disease (COVID-19) outbreak is causing significant disruption to the society and this has impacted the Institute, its employees and its customers.

The Institute has performed an assessment of whether the current uncertainty may impact any of the amounts presented at 31 December 2019 and Management has concluded that the amounts recognised in the financial statement do not required further adjustment.

As the depth and length of this crisis is still unknown, the Institute will continue to monitor the situation as new information becomes available and adjustments thereof will be reflected in the appropriate reporting period.

There are no other events after reporting date which could have a material effect on the financial position of the Institute as at 31 December 2019 and income and expenditure and other comprehensive income on that date which have not been adequately adjusted for or disclosed.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

OTHER FINANCIAL DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2019

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
RECONCILATION OF THE ACBF GRANT DISBURSEMENTS DURING THE FINANCIAL YEAR

In compliance with the ACBF Grant Agreement, the under-mentioned reconciliation statement has been disclosed to show the movement of funds in the Special Account. The Institute received $224,620 from ACBF as grant in respect of application number 22.

	2019	2018
Reconciliation ACBF Grants	US$	US$
Balance as at 1 January	-	158,000
Grant received from ACBF during the year	24,620	870,751
Amount utilized from grant during the year	(24,620)	(768,119)
Amount retired in 2017 but received in 2018	-	(260,632)
Balance on Grant (Note 6.1)	-	-

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 US$	%	2018 US$	%
Gross earnings	5,602,482	167	6,079,688	244
Less:				
Bought in material and services	(2,239,545)	(67)	(3,583,856)	(144)
Value added	3,362,937	100	2,495,832	100
Applied as follows:				
To employees:				
- personnel expenses	2,265,982	68	2,429,414	97
Retained for the Institute's future:				
- depreciation	225,584	7	137,618	6
- amortisation	1,128	-	2,732	-
- Surplus/ (deficit) for the year	870,243	26	(73,932)	(3)
Value added	3,362,937	100	2,495,832	100

Value added represents the additional wealth which the Institute has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees and that retained for the future creation of more wealth.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
FIVE-YEAR FINANCIAL SUMMARY

Statement of Financial Position					
At 31 December	2019	2018	2017	2016	2015
	US$	US$	US$	US$	US$
Assets					
Non-current assets					
Property and equipment	425,759	268,090	316,882	251,031	282,689
Intangible assets	2,798	1,428	3,045	8,857	1,860
	428,557	269,518	319,927	259,888	284,549
Current assets					
Inventories	14,437	18,519	16,406	12,328	24,069
Trade and other receivables	40,470	61,806	580,297	78,297	19,797
Cash and bank balances	1,834,812	1,185,483	977,621	965,593	443,033
Cash held for Staff Provident Fund (SPF)	1,679,541	1,468,087	1,516,925	1,393,336	1,329,272
	3,569,260	2,733,895	3,091,249	2,449,554	1,816,171
Total assets	3,997,817	3,003,413	3,411,176	2,709,442	2,100,720
Equity and liabilities					
Equity					
Accumulated fund	2,270,857	1,400,614	1,474,547	1,115,578	517,036
Total equity	2,270,857	1,400,614	1,474,547	1,115,578	517,036
Non-current liabilities					
Staff provident fund	1,679,552	1,468,098	1,516,929	1,393,336	1,329,275
Other liabilities	11,233	41,406	71,579	101,752	106,797
	1,690,785	1,509,504	1,588,508	1,495,088	1,436,072
Current liabilities					
Trade and other payables	36,175	93,295	348,121	98,776	147,612
	36,175	93,295	348,121	98,776	147,612
Total liabilities	1,726,960	1,602,799	1,936,629	1,593,864	1,583,684
Total equity and liabilities	3,997,817	3,003,413	3,411,176	2,709,442	2,100,720

Statement of Profit or Loss	2019	2018	2017	2016	2015
	US$	US$	US$	US$	US$
Total operating income	5,602,482	6,053,228	5,976,248	5,157,735	4,403,008
Expenditure					
Personnel expenses	(2,265,982)	(2,429,414)	(2,118,159)	(2,117,534)	(1,888,422)
Training expenses	(1,287,169)	(2,400,255)	(2,375,798)	(1,331,592)	(1,392,997)
Depreciation	(225,584)	(137,618)	(113,682)	(127,995)	(129,401)
Amortisation	(1,128)	(2,732)	(6,885)	(5,215)	(7,004)
Operating expenses	(952,376)	(1,157,141)	(1,002,755)	(976,857)	(868,220)
Total expenses	(4,732,240)	(6,127,160)	(5,617,279)	(4,559,193)	(4,286,044)
Surplus/ (deficit) for the year	870,243	(73,932)	358,969	598,542	116,964

PARTICIPATION IN WAIFEM CAPACITY BUILDING ACTIVITIES (1997 - 2017)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of programmes execute	6	9	11	12	22	24	29	29	36	37	51	31
Number of participants	168	241	328	327	518	633	754	1052	847	961	1583	819

Distribution by Country

	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
The Gambia	14	8.3	34	14.1	36	11.0	45	13.8	53	10.2	140	22.1	123	16.3	54	5.1	190	22.4	64	6.7	140	8.8	126	15.4
Ghana	48	28.6	53	22.0	96	29.3	85	26.0	80	15.4	150	23.7	158	21.0	95	9.0	140	16.5	172	17.9	181	11.4	109	13.3
Liberia	7	4.2	8	3.3	4	1.2	16	4.9	16	3.1	1	0.2	1	0.1	7	0.7	22	2.6	73	7.6	149	9.4	78	9.5
Nigeria	87	51.8	130	53.9	178	54.3	156	47.7	183	35.3	234	37.0	298	39.5	639	60.7	355	41.9	568	59.1	917	57.9	371	45.3
Sierra Leone	12	7.1	16	6.6	14	4.3	17	5.2	183	35.3	104	16.4	161	21.4	138	13.1	135	15.9	80	8.3	168	10.6	99	12.1
Others	0	0	0	0.0	0	0.0	8	2.4	3	0.6	4	0.6	13	1.7	119	11.3	5	0.6	4	0.4	28	1.8	36	4.4
Total	**168**		**241**		**328**		**327**		**518**		**633**		**754**		**1052**		**847**		**961**		**1583**		**819**	

Distribution by User Institution

	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Central Banks	117	69.6	144	59.8	162	49.39	165	50	206	39.8	242	38.2	282	37.4	369	35.1	297	35.1	285	29.7	777	49.1	308	37.6
Ministries of Finance	17	10.1	32	13.3	43	13.1	39	11.9	99	19.1	115	18.2	175	23.2	143	13.6	161	19.0	247	25.7	278	17.6	198	24.2
Others (Public & Private Sector)	34	20.2	65	27	123	37.50	123	37.6	213	41.1	276	43.6	297	39.4	540	51.3	389	45.9	429	44.6	528	33.4	313	38.2
Total	**168**		**241**		**328**		**327**		**518**		**633**		**754**		**1052**		**847**		**961**		**1583**		**819**	

PARTICIPATION IN WAIFEM CAPACITY BUILDING ACTIVITIES (1997 - 2017)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Number of programmes execute	31	31	34	39	38	32	44	38	54	638
Number of participants	801	857	982	1250	965	849	1064	900	1370	17269

Distribution by Country

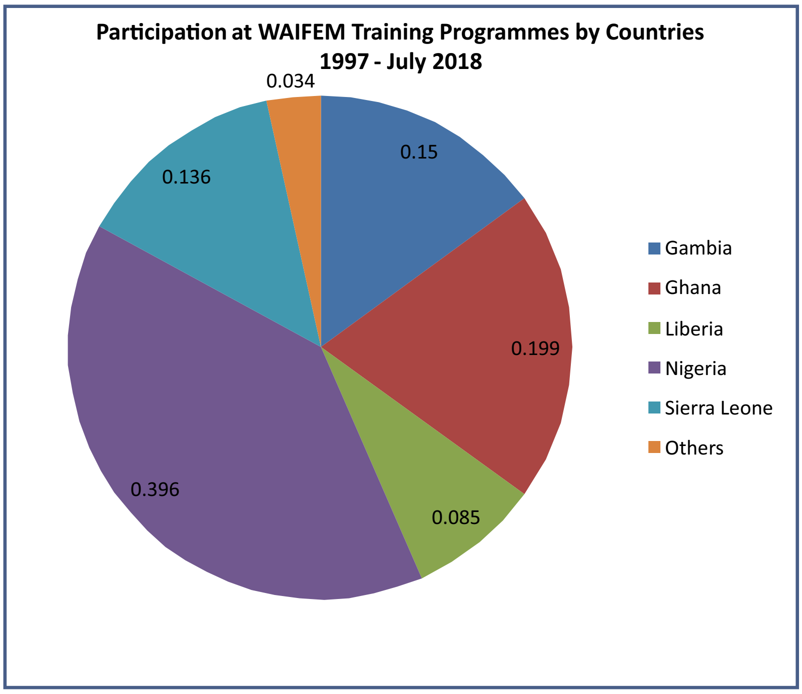
	2009		2010		2011		2012		2013		2014		2015		2016		2017		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
The Gambia	162	20.2	193	22.5	213	21.7	119	9.5	138	14.3	177	20.8	138	13.0	181	20.1	231	16.9	2571	14.9
Ghana	127	15.9	161	18.8	175	17.8	242	19.4	230	23.8	179	21.1	303	28.5	238	26.4	342	25.0	3364	19.5
Liberia	106	13.2	61	7.1	106	10.8	154	12.3	124	12.9	92	10.8	98	9.2	85	9.5	172	12.5	1380	8.0
Nigeria	235	29.3	292	34.1	308	31.4	533	42.6	313	32.4	300	35.3	280	26.3	216	24.0	366	26.7	6959	40.3
Sierra Leone	171	21.3	125	14.6	120	12.2	129	10.3	124	12.9	100	11.9	170	16.0	146	16.2	166	12.1	2378	13.8
Others	0	0.0	25	2.9	60	6.1	73	5.9	36	3.7	1	0.1	75	7.0	34	3.8	93	6.8	617	3.5
Total	**801**		**857**		**982**		**1250**		**965**		**849**		**1064**		**900**		**1370**		**17269**	

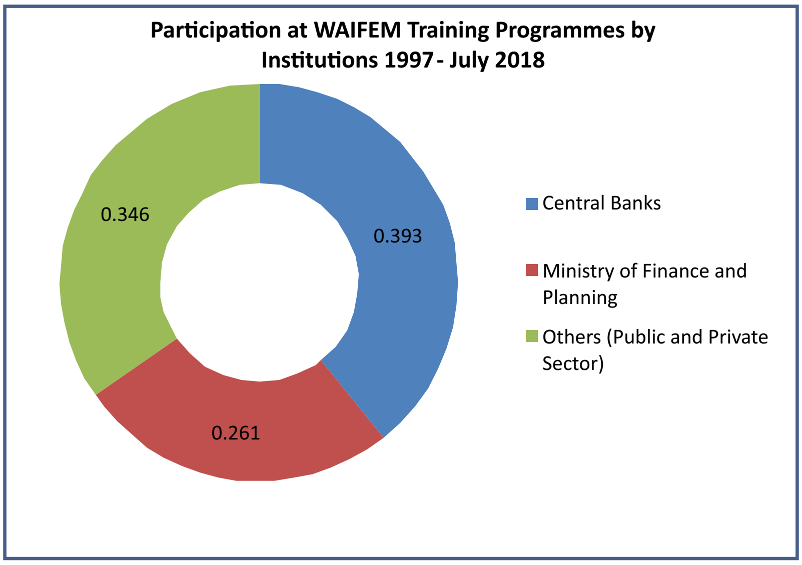
Distribution by User Institution

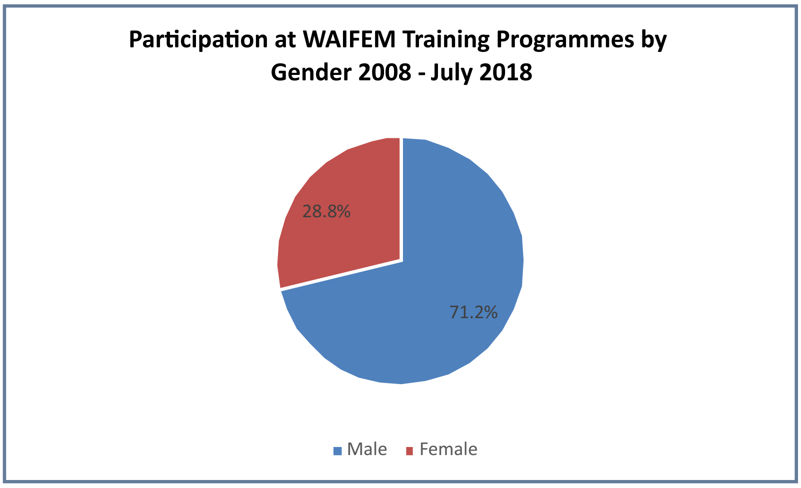
	2009		2010		2011		2012		2013		2014		2015		2016		2017		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Central Banks	312	39.0	261	30.5	367	37.4	604	48.3	380	39.4	217	25.6	411	38.6	353	39.2	591	43.1	6850	39.7
Ministries of Finance	208	26.0	381	44.5	379	38.6	321	25.7	304	31.5	337	39.7	370	34.8	191	21.2	415	30.3	4453	25.8
Others (Public & Private Sector)	281	35.1	215	25.1	236	24.0	325	26.0	281	29.1	295	34.7	283	26.6	356	39.6	364	26.6	5966	34.5
Total	**801**		**857**		**982**		**1250**		**965**		**849**		**1064**		**900**		**1370**		**17269**	

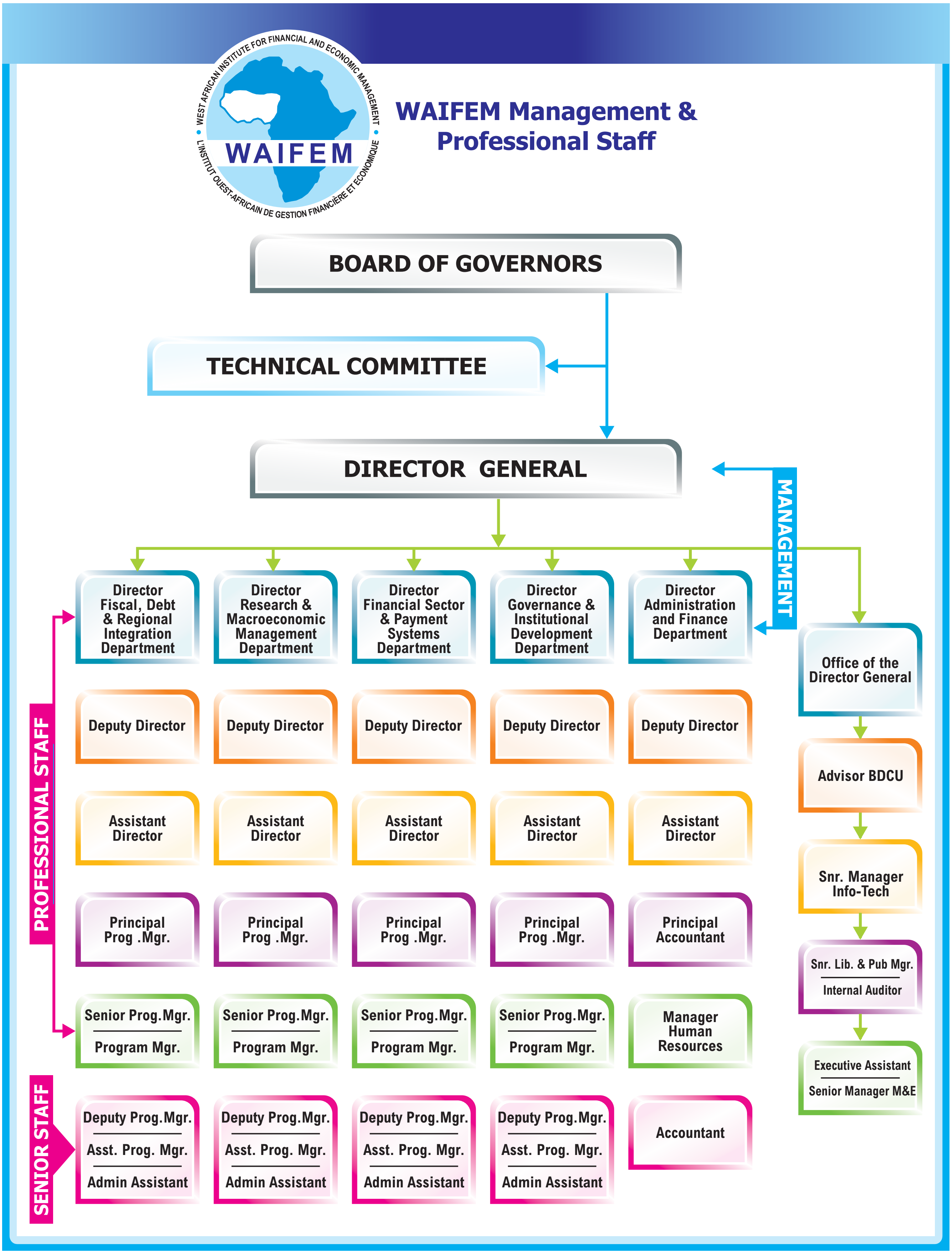
PARTICIPATION IN WAIFEM CAPACITY BUILDING ACTIVITIES (1997-2013)										
	1997 to 2010		2011		2012		2013		2014	
Number of programmes executed	359		34		39		38		32	
Number of participants	9,889		982		1,250		965		849	
Distribution by Country										
	1997 to 2010		2011		2012		2013		2014	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
The Gambia	1,374	13.9	213	21.7	119	9.5	138	14.3	177	20.8
Ghana	1,655	16.7	175	17.8	242	19.4	230	23.8	179	21.1
Liberia	549	5.6	106	10.8	154	12.3	124	12.9	92	10.8
Nigeria	4,643	46.9	308	31.4	533	42.6	313	32.4	300	35.3
Sierra Leone	1,423	14.4	120	12.2	129	10.3	124	12.9	100	11.9
Others	245	2.5	60	6.1	73	5.9	36	3.7	1	0.1
Total	**9,889**		**982**		**1,250**		**965**		**849**	
Distribution by User Institution										
	1997 to 2010		2011		2012		2013		2014	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Central Banks	3,927	39.7	367	37.4	604	48.3	380	39.4	217	26.2
Ministries of Finance	2,136	21.6	379	38.6	321	25.7	304	31.5	337	35.2
Others (Public and Private Sector)	3,826	38.7	236	24.0	325	26	281	29.1	295	38.6
Total	**9,889**		**982**		**1,250**		**965**		**849**	
Distribution by Gender										
	2008 to 2010		2011		2012		2013		2014	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Male	1898	N/A	705	71.8	892	71.4	673	69.7	578	68.2
Female	579	N/A	277	28.2	358	28.6	292	30.3	271	31.8
Total	**2477**		**982**		**1,250**		**965**		**849**	

PARTICIPATION IN WAIFEM CAPACITY BUILDING ACTIVITIES (1997-2013)												
	2015		2016		2017		2018		2019		Total	
No of Progs Executed	44		38		53		57		60		754	
Number of participants	1,064		900		1,364		1,317		1505		20,085	
Distribution by Country												
	2015		2016		2017		2018		2019		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
The Gambia	138	13	181	20.7	231	16.9	217	16.5	202	13.4	2,990	14.9
Ghana	303	28.5	238	26.0	342	25.1	321	24.4	437	29.0	4,122	20.5
Liberia	98	9.2	85	9.5	172	12.6	226	17.2	164	10.9	1,770	8.8
Nigeria	280	26.3	216	24.3	366	26.8	350	26.6	458	30.4	7,767	38.7
Sierra Leone	170	16.0	146	16.3	166	12.2	179	13.6	201	13.4	2,758	13.7
Others	75	7.0	34	3.2	87	6.4	24	1.8	43	2.9	678	3.4
Total	**1,064**		**900**		**1,364**		**1,317**		**1,505**		**20,085**	
Distribution by User Institution												
	2015		2016		2017		2018		2019		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Central Banks	411	38.6	353	37.7	591	43.3	444	33.7	652	43.3	7,946	39.6
Ministries of Finance	370	34.8	191	24.3	374	27.4	451	34.2	476	31.6	5,339	26.6
Others (Public & Private Sector)	283	26.6	356	38.0	399	29.3	422	32.0	377	25.1	6,800	33.8
Total	**1,064**		**900**		**1,364**		**1,317**		**1,505**		**20,085**	
Distribution by Gender												
	2015		2016		2017		2018		2019		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Male	771	72.5	599	66.6	950	69.6	887	67.5	928	61.7	8881	70.1
Female	293	27.5	301	33.4	414	30.4	430	32.5	576	38.3	3791	29.9
Total	**1,064**		**900**		**1,364**		**1,317**		**1,505**		**12,672**	


Participation at WAIFEM Training Programmes by Countries
1997 - July 2018
0.034
0.15
0.136
0.199
0.396
0.085
Gambia
Ghana
Liberia
Nigeria
Sierra Leone
Others


Participation at WAIFEM Training Programmes by Institutions 1997 - July 2018
0.346
0.393
0.261
Central Banks
Ministry of Finance and Planning
Others (Public and Private Sector)


Participation at WAIFEM Training Programmes by Gender 2008 - July 2018
28.8%
71.2%
Male
Female


WAIFEM Management & Professional Staff
BOARD OF GOVERNORS
TECHNICAL COMMITTEE
DIRECTOR GENERAL
MANAGEMENT
PROFESSIONAL STAFF
SENIOR STAFF
Director Fiscal, Debt & Regional Integration Department
Director Research & Macroeconomic Management Department
Director Financial Sector & Payment Systems Department
Director Governance & Institutional Development Department
Director Administration and Finance Department
Office of the Director General
Deputy Director
Deputy Director
Deputy Director
Deputy Director
Deputy Director
Advisor BDCU
Assistant Director
Assistant Director
Assistant Director
Assistant Director
Assistant Director
Snr. Manager Info-Tech
Principal Prog .Mgr.
Principal Prog .Mgr.
Principal Prog .Mgr.
Principal Prog .Mgr.
Principal Accountant
Snr. Lib. & Pub Mgr.
Internal Auditor
Senior Prog.Mgr.
Program Mgr.
Senior Prog.Mgr.
Program Mgr.
Senior Prog.Mgr.
Program Mgr.
Senior Prog.Mgr.
Program Mgr.
Manager Human Resources
Executive Assistant
Senior Manager M&E
Deputy Prog.Mgr.
Asst. Prog. Mgr.
Admin Assistant
Deputy Prog.Mgr.
Asst. Prog. Mgr.
Admin Assistant
Deputy Prog.Mgr.
Asst. Prog. Mgr.
Admin Assistant
Deputy Prog.Mgr.
Asst. Prog. Mgr.
Admin Assistant
Accountant

APPENDIX 2

PRINCIPAL OFFICERS OF THE INSTITUTE

1	DR. BABA Y. MUSA	Director General
2	MR. EURACKLYN V. WILLIAMS	Director, Admin. & Finance
3	MR. PAUL MENDY	Director, Financial Sector Mgt.
4	MR. ALVIN JOHNSON	Director, Research Department
5	MR. EMMANUEL OWUSU-AFRIYIE	Director, Macro. Department
6	DR. PATRICIA A. ADAMU	Snr. Prog. Mgr. Financial Sector Mgt.Dept.
7	PROF. DOUGLASON OMOTOR	Advisor, Bus. Dev./Consultancy Unit
8	DR. OKON J. UMOH	Snr. Prog. Mgr. Macro.
9	MR. OGBONNAYA AGU	Prog. Mgr. Financial Sector
10	MR. GABRIEL Y. ASANTE	Prog. Mgr. Macro. Mgt.
11	MR. MOMODOU LAMIN JARJUE	Prog. Mgr. Debt Department
12	MR. LINUS GIMOH	Principal Accountant
13	MR. SAMUEL J. SEPHA	Library & Publications Manager
14	MR. VICTOR F. EMMANUEL	Internal Auditor
15	MRS. JOSEPHINE A. ROBERT	Executive Assistant
16	MR. EMMANUEL EKPO	Snr. Mgr., Monitoring & Evaluation
17	MS. REBECCA O. IKPEME	Systems Administrator
18	MR. ABUBAKAR N. ADAMU	Research Officer

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