WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

2021
ANNUAL REPORT

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

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DR. BABA YUSUF MUSA
DIRECTOR GENERAL (WAIFEM)
& SECRETARY, BOARD OF GOVERNORS

Message from the Chairman of the Board of Trustees

I am delighted to present the 2021 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 soaring global inflation mainly caused by supply-chain disruptions resulting from the Russia-Ukraine war and the Covid-19 pandemic. Particularly, the Russia-Ukraine war has led to severe energy crisis in Europe, increased cost of living and slump in economic activity. The conflict has increased food prices on the world market causing severe hardship for low-income households worldwide, especially in low-income countries. These may negatively affect future funding from our development partners.

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, 2021 as well as overviews of the economic performance of WAIFEM member countries, the West African sub-region and Africa.

As a Centre of Excellence, WAIFEM has catered for the capacity building needs of its member countries and beyond. This has been 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 2021, despite the menace of the Russia-Ukraine war and the lingering effects of the Covid-19 pandemic.

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 continues to scout and use the best facilitators in and outside the sub-region on the basis of qualification and experience.

In 2021, the institute executed fifty (50) training and capacity building activities, which benefited a total of two thousand one hundred and twenty (2,120) participants from the West African sub-region and beyond.

I wish to express my gratitude to WAIFEM member central banks, financial and technical partners for continuing to support the institute. In spite of the acute economic challenges faced by member countries, the Board has not reneged in providing the resources needed by the institute to discharge 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 25 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, 2021.

Overview Of 2021 Activities By The Director General

The year 2021 was a recovery period for the West African Institute of Financial and Economic Management (WAIFEM) given the relaxation of COVID-19 restrictions in the last quarter of 2020. Following the ravaging effects of COVID-19 which culminated in travel restrictions, social distancing requirements and restrictions on social gatherings, the Institute resorted to the virtual and blended formats of learning in the year 2021. This enabled the WAIFEM to successfully implement all the planned programmes during the year. It is envisaged that in the coming year and with the easing of restrictions, the Institute will resume the face-to-face format alongside the blended learning format of training.

During the year 2021, WAIFEM conducted fifty (50) training and capacity building activities, which benefited a total of two thousand one hundred and twenty (2,120) executive/senior/middle level officials from member central banks, core economic ministries, offices of accountant generals, debt management offices and other public sector agencies. Of the fifty programmes, thirty-four (34) were conducted virtually, fourteen (14) were executed face-to-face while two (2) were conducted using the hybrid delivery mode..

The Fiscal Policy, Debt Management and Regional Integration Department conducted ten (10) training programmes which benefitted four hundred and twenty-three (423) officials. The Financial Sector and Payment Systems Department organized eleven (11) programmes which benefited four hundred and twenty-three (423) officials. Research and Macroeconomic Management Department conducted ten (10) programmes which benefitted four hundred and forty-three (443) officials while the Governance and Institutional Development Department organized six (6) programmes which benefited one hundred and eighty-three (183) officials. The Business Development and Consultancy Unit (BD&CU) conducted thirteen (13) training programmes which benefitted six hundred and fourty-eight (648) officials.

In terms of country representation, Nigeria accounted for 39.8 percent of the total number of participants due to a sizeable number of demand driven programmes offered by the Business Development and Consultancy Unit while Ghana followed with 19.2 percent. Those were followed by Liberia (13.6 percent), Sierra Leone (10.5 percent), The Gambia (7.9 percent), Guinea (0.2 percent) and others (8.8 percent).

Considering institutional representation, the Central Banks recorded 46 percent of participants in the Institute's training programmes, followed by other public sector agencies and organizations (27.1 percent), Ministries of Finance and Economic Planning (24.9 percent) and other private sector agencies (2.0 percent). Moreover, in terms of gender, 1,388 (65.60 percent) participants were males while 731 (34.4 percent) participants were females.

The institute maintained its international relations with strategic partners through meetings with the IMF, The World Bank, African Development Bank, United Nations Department of Economic and Social Affairs (UNDESA), Oversees Development Institute (ODI) among others.

We are appreciative of the financial support, dedication, commitment and good leadership of the Board of Governors of WAIFEM, which enabled the Institute to record some significant achievements despite the difficulties and constraints imposed on Member Countries' Central Banks by the COVID-19 pandemic. We also appreciate the support of our donors and technical partners. With continuous support of the Board of Governors and our global partners, the Institute will continue to discharge its responsibilities in Capacity Building, Research, Business Development and Consultancy within the sub-region and beyond.

Finally, I express profound appreciation to all staff of WAIFEM for their dedication to duty, our facilitators for their time and efforts in supporting WAIFEM to achieve its mandate and our participants for the positive feedbacks we receive from them about our capacity building programmes.

Dr. Baba Yusuf Musa

Director General

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

December 2021.

Principal Officers of the Institute

Dr. Baba Y. Musa
Director General

Mr. Euracklyn Williams
Director, Administration and Finance Department

Dr. Paul Mendy
Director, Financial Sector and Payment Systems Department

Mr. Aliyu Yakubu
Director, Fiscal Policy, Debt Management and Regional Integration Dept.

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

Dr. Alvin Johnson
Director, Governance and Institutional Development Dept.

Dr. Patricia A. Adamu
Assistant Director, Financial Sector and Payment Systems Department.

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

Dr Okon J. Umoh
Principal Programme Manager Research and Macroeconomic Management Department

Mr. Ogbonnaya AGU
Senior Programme Manager Governance & Institutional Development Department

Mr. Gabriel Y. Asante
Senior Programme Manager 1, Fiscal Policy, Debt Management and Regional Integration Dept.

Momodou Lamin Jarjue
Senior Programme Manager 2, Fiscal Policy, Debt Management and Regional Integration Dept.

Mr. Linus Gimoh
Principal Accountant

Mr. Samuel Jeremy Sepha
Head, Library and Publications Unit

OPERATIONS OF WAIFEM

1.0 OPERATIONS OF WAIFEM

1.1 OVERVIEW OF PROGRAMME OF ACTIVITIES

During the year 2021 the Institute conducted fifty (50) training and capacity building activities, which benefited a total of two thousand one hundred and twenty (2,120) executive/senior/middle level officials from member central banks, core economic ministries, offices of accountant generals, debt management offices and other public sector agencies.

Of the fifty programmes, thirty-four (34) were conducted virtually, fourteen (14) were executed face-to-face while two (2) were conducted using the blended-virtual method.

Fiscal Policy, Debt Management and Regional Integration Department conducted ten (10) programmes which benefitted four hundred and twenty-three (423) officials. The Financial Sector and Payment Systems Department organised eleven (11) programme which benefited four hundred and twenty-three (423) officials. Research and Macroeconomic Management Department conducted ten (10) programmes which benefitted four hundred and forty-three (443) officials while the Governance and Institutional Development Department organised six (6) programmes which benefited one hundred and eighty-three (183) officials. The Business Development and Consultancy Unit (BD&CU) conducted thirteen (13) training programmes which benefitted six hundred and forty-eight (648) officials.

The number of courses capacity building programmes executed significantly increased from thirteen (13) in 2020 to fifty (50) in 2021. In terms of country representation, Nigeria accounted for 39.8 percent of the total number of participants due to a sizeable number of demands driven programmes offered by the Business Development and Consultancy Unit while Ghana followed with 19.2 percent. These were followed by Liberia (13.6 percent), Sierra Leone (10.5 percent), The Gambia (7.9 percent), Guinea (0.2 percent) and others (8.8 percent).

Considering institutional representation, the Central Banks recorded 46 percent of participants in the Institute's training programmes, followed by other public sector agencies and organisations (27.1 percent), Ministries of Finance and Economic Planning (24.9 percent) and other private sector agencies (2.0 percent). Moreover, in terms of gender 1,388 (65.60 percent) participants were male while 731 (34.4 percent) participants were female.

1.2 FISCAL POLICY, DEBT MANAGEMENT AND REGIONAL INTEGRATION DEPARTMENT

1.2.0 INTRODUCTION

During the year 2021, Fiscal Policy, Debt Management and Regional Integration Department executed a total of ten (10) Capacity building programmes which benefitted four hundred and twenty-three officials from WAIFEM member countries. In terms of country breakdown, 128 of the participants, representing 30.3 percent came from Nigeria; followed by Liberia (98 participants) representing 23.2 percent; Sierra Leone (72 participants) representing 17.0 percent; The Gambia (68 participants) representing 16.1 percent and Ghana (57 participants) representing 13.5 percent.

In terms of gender distribution, 300 males representing 70.9 percent and 123 females representing 29.1 percent attended the programmes.

Moreover, 59.3 percent of the participants were from the ministry of finance followed by the central banks (23.4 percent) and others (17.3 percent).

Out of the ten programme activities seven (7) were conducted virtually, two (2) were blended while one (1) was done face to face.

The details of the programmes executed by the Fiscal Policy, Debt Management and Regional Integration department in 2021 are as follows:

1.2.1 REGIONAL ONLINE COURSE ON STRENGTHENING DOMESTIC RESOURCE MOBILIZATION FOR SUSTAINABLE DEVELOPMENT MARCH 8 - 26, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a three (3) week Regional Course on Strengthening Domestic Resource Mobilization for Sustainable Development. The training was conducted virtually on the zoom platform from March 8 - 26, 2021 for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

Opening Ceremony

The opening ceremony was attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Directors of WAIFEM, and some of the resource persons. In his address, the Director General congratulated the participants for their selections into the programme. He mentioned that the meeting was being held through virtual platform due to the novel pandemic which has now crafted a new path of running training programmes. He was of hopeful that the new arrangement will not deprive participants from the various benefits associated with direct or face-to-face trainings and was optimistic that the intended objectives of the course would be achieved.

On the training, the Director General mentioned that the need to strengthen domestic resource mobilization in the sub-region cannot be more appropriate than now; the novel covid-19 pandemic has brought about a paradigm shift to the global economies. He added that not only will the impact of the pandemic adversely impact domestic resource mobilisation (DRM) efforts, but it will also likely lead to a reduction in overseas development assistance as donor countries face their own cash crunch amid economic turmoil. In the light of the crisis, it is imperative that African policymakers respond with heightened urgency to the issues raised by the impact of the covid-19 pandemic on African economies and take a closer look at the proposals for strengthening domestic resource mobilization. He opined that African countries must rethink their economic and fiscal policies to ensure that the recovery after the pandemic is faster, with a more significant impact on the lives of their citizens. Regarding tax policy and tax administration measures, the Director General stated that it is now more than ever and critical that tax practitioners on the continent collaborate and pursue tax measures to shore up revenue that will foster economic development and bridge the gap that will arise due to a reduction in aid. In his conclusion, the Director General outlined some of the importance of domestic resource mobilization to the countries in the West African sub-region to include: Reduce or avoid unsustainable debt levels; scale-up economic growth through strengthening domestic resource mobilization and; reduce interest payments of member countries which arises primarily from the borrowings from the international markets.

The training covered key areas such as: Overview of tax policy design principles: implications for tax administration / institutional arrangements; types of taxes in west Africa (direct, indirect); domestic resource mobilization as an instrument of sustainable and inclusive development; microstructure in managing governments debt: raising financial resources, the instruments, conditions & procedures; general challenges of tax administration: (tax administration capacity, informal economies, tax incentives / quality of tax systems, transfer pricing); modern tax administrations: principal functions, common barriers, formulation of medium-term revenue strategy (MTRS); tax policy and administration: theory and practice (TPAT); domestic resource mobilization at the national and sub-national levels: the role of governments; domestic resources mobilization - financial markets (capital, money markets); domestic resource mobilization (domestic savings, sovereign wealth funds, remittances, diaspora bonds); taxation of natural resources; reforming the tax systems for domestic resource mobilization; capacity imperatives for domestic resource mobilization (knowledge base, institutional capabilities); domestic resource mobilization from the informal sector; tax revenue potentials and revenue forecasting; taxation of natural resources of multinational corporations; governance and domestic resource mobilization (policy, legal and regulatory issues); reforms in revenue institutions: (to position them to be able to perform better); environmental sustainability and domestic resource; taxing the digital economy: digitalization of revenue institutions; addressing the issues of tax exemptions and other tax expenditures; dealing with illicit financial flows; and policy options for policy makers: (tax reforms that lead to economic growth, administrative capacity/sequencing of tax reforms, public-private partnership/build operate, and transfer).

The course was facilitated by seven (7) highly seasoned and experienced professionals from Nigeria, Ghana, The Gambia, and Sierra Leone. They included: Mr. Seth Terkper (former Minister of Finance of Ghana); Dr. Abdallah Ali-Nakyea (an accomplished expert in tax policy and administration); Mrs. Haja Kallah-Kamara (former Commissioner General of the National Revenue Authority, NRA of Sierra Leone); Mr. Yahya Manneh (Director, Technical Services, The Gambia Revenue Authority); Dr. (Mrs.) Uduak Inam, a senior academic at the Department of Economics, University of Uyo; Mr. Saubana O. Ogunpola, FCIB (former Director, Central Bank of Nigeria, CBN Learning Centre); and, Mr. Monday Osiade (Head, Market Development at the Nigerian Debt Management Office, DMO).

The training was attended by thirty-seven (37) participants consisting of fourteen (14) females and twenty-three (23) males from all member countries namely: The Gambia (7), Ghana (5), Liberia (3), Nigeria (8) and Sierra Leone (14).

The following key lessons, observations, and recommendations were made in the communiqué presented by the participants at the end of the seminar.

· Domestic Resource Mobilization (DRM) is a more reliable and predictable source of financing than external financial flows and is critical for the realization of UN-SDG 2030 and Africa Agenda 2063.

- The Informal Sector is an important source of domestic revenues if properly harnessed, hence the need for policy matters to devise innovating mechanisms for taxing the sector.
- For African governments to mobilize domestic revenue, there must a strong political will and capacity on the part of the governments and leadership to create a stable environment and put in place appropriate policy and Institutional reforms.
- Domestic Resource Mobilization enables citizens to hold the government accountable so that domestic revenues are not misappropriated or mismanaged, leading to efficient use of resources.
- Government's focus on resource mobilization must entail building administrative capacity that effectively limits tax incentives and exemptions and adoption of voluntary compliance mechanisms.
- Governments should develop, strategies to improve domestic resource mobilization as a matter of priority.
- Since the traditional method of resource mobilization still exists in African societies citizens should be educated on their tax obligations on a continuous basis.
- The importance of relying on domestically generated funds cannot be overstated, as it reduces the heavy debt burden of public debt.
- The need for countries in the sub-region to maintain a Sovereign Wealth Fund (SWF) as a safety net (or buffer) for the economy in the event of external and domestic shocks and other unforeseen eventualities.
- The importance of environmental sustainability is crucial towards safeguarding the regions natural resources for future generations and fostering inter-generational equity.
- The critical role of technology in domestic resource mobilization.
- The programme covered more topics than the previous year.
- Internet connectivity was a challenge for most participants during the training. However, the participants found the training programme very relevant and the course was well organized.
- Participants emphasized the timeliness of this training, given the need for countries to increase domestic resource mobilization in response to the challenges posed by the COVID-19 pandemic.
- Given the difference in the economic and socio-political landscape of our member countries, development practices should not adopt a one-size-fits-all approach to policy formulation and implementation. Countries should be able to pursue policies that are beneficial to them to ensure sustainability and effectiveness.
- The training objectives were achieved, as participants now understand and better appreciate WAIFEM's approach to domestic resource mobilization and look forward to applying the knowledge acquired in the productive and efficient ways in their respective tax administrations revenue authorities
- Participants recommend that tax administration must work to tackle tax evasion, especially in the extractive industry, through early detection, i.e. smarter audit effective investigation and prosecution.
- Revenue administrators must be equipped with the requisite knowledge, skills, and resources to collect revenues in difficult-to-tax sectors, such as the petroleum and mining industries.
- Governments should rely on the expertise of tax and policymaker with experience Base Erosion and Profit Shifting (BEPS) issues to adequately addressed the operational complexities of multinational companies.
- Participants also recommend that the effective taxation of natural resources is critically important for developing countries, hence, governments need to pay attention to building technical and administrative capacity in this regard.

To WAIFEM

- Although the course was relevant and impactful, WAIFEM would need to increase the time allocated for maximum benefit.
- Involvement of political office holders and other policymakers to educate them on the vital role governance plays in domestic revenue mobilization, is also an imperative to secure stakeholder buy-in of policy reforms.
- WAIFEM should require nominating countries to send at least two (2) Senior Officials with practical expertise and experience in the subject area to facilitate knowledge sharing.
- Participants should be given a day off to properly work on their Group Presentations to ensure quality work.
- Participants should develop a plan of action to share the knowledge gained with colleagues in place of work.

The participants expressed thanked the Director-General and the entire management staff of WAIFEM for the successful organization of the three (3) weeks online training course They were also appreciative to the facilitators for sharing their knowledge, expertise, and best practices on a variety of DRM related issues. Finally, participants congratulated themselves for their participation and contributions, which showed participants the similarities and differences in resource mobilization in the WAIFEM member countries.

1.2.2 ONLINE REGIONAL ONLINE COURSE ON DEVELOPING DEBT MARKETS: DOMESTIC DEBT AND INTERNATIONAL CAPITAL MARKETS, APRIL 26 – 30, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Online Course on Developing Debt Markets: Domestic Debt and International Capital Markets. Due to the Covid-19 pandemic restrictions, the training was conducted virtually from April 26 to 30, 2021 for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa, and was also attended by some of the Directors of WAIFEM. In his welcome and keynote address, the Director General mentioned that a well-functioning debt capital markets are the backbone of any modern economy. As a result, there is a strong imperative for our member countries to prioritise the development of debt capital markets, particularly in the context of post-covid-19 pandemic economic recovery efforts.

He posited that debt markets serve as platforms for mobilising resource for the much-needed infrastructure development, building a solid and stable financial sector, attracting foreign capital inflows, and gaining access to international capital markets to mobilise capital. Furthermore, the development and maintenance of an efficient domestic securities market is a critical objective of effective debt management. According to the Director General, countries must do everything possible to promote a vibrant debt capital market, which could assist their economies in using public debt as a catalyst for long-term economic growth and development.

The Director General stressed that the contents for the course were to assist member countries in building capacity across the whole gamut of debt capital market development: the enabling environment, the building blocks (legal, regulatory, institutional, and accompanying), and the critical success factors. He expressed his outmost appreciation to the participants and was hopeful that the knowledge and skills from the training will help them to contribute effectively to the formulation and implementation of policies that will develop and improve the debt markets and lead to long-term economic growth in their respective countries and the sub-region. He concluded by expressing his profound appreciation to the facilitators for devoting time from their busy schedules to lead and facilitate the training. It was his expectation that WAIFEM will continue to benefit from the wealth of expertise and experience in future programmes.

The main objective of the course was to provide comprehensive training on development of domestic securities market and borrowing from international capital markets. More so, the course was intended to address the issues in the transformation of financial markets and the role of central banks, and ministries of finance and debt management offices in developing domestic securities markets. Specifically, the course focused on exposing participants to cutting edge ideas and sound practices related to policy, legal, regulatory, institutional and market infrastructure requirements for building the debt markets, as well as the technical aspects of market analytics and market dynamics.

The training covered key areas such as:

· Overview of domestic bond and capital markets in developing countries:

o Needs/prerequisites for the development of well-functioning markets

o Types of securities issuance, e.g., public versus private placements, foreign and International bonds

· Alternative Security markets,

o Legal & regulatory framework for alternative security markets,

o The Nigerian Sukuk: Issuance and experience,

· Step by step guidance on domestic and international issuance,

o Stages in bond market development,

o Strategies of deepening the bond markets,

o Covid-19 pandemic impact on securities issuance,

· Types of securities issuance, e.g., public versus private placements, foreign and international bonds,

· Objectives of public debt management and development of domestic financial markets,

o Developing domestic market for government securities,

· Legal and regulatory frameworks for domestic security markets,

- Bond pricing, book building, coupons, yields and spread,
- International market access (bond and debt market):
  - o Introduction to the markets and securities traded;
  - o Characteristics of the Eurobond market;
  - o World Bank, IMF, and other multilateral development banks;
  - o Lending policies, legal constraints, etc.,
  - o Term structure of external debt;
  - o Investor relations,
- Developing a well-functioning bond market,
  - o Challenges in developing a functional bond market, and ways to overcome them;
  - o Key drivers of country and sovereign risks in mature and emerging markets.
- Financial Instruments:
  - o Depository and nominee system,
  - o Trading, clearing and settlement processes,
  - o Securities lending,
  - o Margin trading,
  - o Securitization,
  - o Special Purpose Vehicles (SPV),
- Financial Market trends:
  - o Institutional investor and ownership engagement,
  - o Capital controls on inflows,
  - o Bank business model and separation issue,
  - o Outlook for securitization market,
  - o Current trends in capital markets and use of regulatory capital,
- Developing of Government Debt/Securities Market,
  - o Primary market development and regulation;
  - o Secondary market development, - Repurchase ("Repo") transactions,
- Bond Markets in emerging and developed markets;
  - o Government bond market development in WAIFEM countries;
  - o Fostering domestic financial markets: policies and policy coordination.

The course was facilitated by seven (7) highly seasoned and experienced professionals drawn from Nigeria, Ghana, and The Gambia. They included:

(i) Dr. Baba Yusuf Musa (Director General, WAIFEM);

(ii) Mr. Karamo Jawara, (Director, Banking Department, Central Bank of The Gambia);

(iii) Mr. Oladele Oladipo Afolabi (Director, Portfolio Management Department, DMO, Nigeria);

(iv) Mr. Abass Abdulkadir (Head, Securities and Investment Services, Securities and Exchange Commission, SEC, Nigeria);

(v) Mr. Tajudeen Akanni Olayinka (Consultant/Dealer, Valmon Securities Limited, Member of the Nigerian Stock Exchange, NSE);

(vi) Mr. Mohammed Bara Adamu (Team Leader, Securities Issuance Unit, Portfolio Management Dept., DMO, Nigeria);

(vii) Mr. Abdul-Fatawu Z. Hakeem (Senior Economics Officer, Treasury and Debt Management Division, Ministry of Finance, Ghana).

The training was attended by thirty-eight (38) participants consisting of eleven (11) females and twenty-seven (27) males who were drawn from all the member countries namely: The Gambia (7), Ghana (7), Liberia (8), Nigeria (10) and Sierra Leone (6).

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

(a) Domestic debt markets in West Africa are in their infancy. Nigeria and Ghana have made huge strides in the last two decades, while countries like The Gambia, Sierra Leone, and Liberia's domestic debt markets could be classified as underdeveloped with limited instruments available and a narrow investor base.

(b) The Legal and regulatory framework of The Gambia, Sierra Leone, and Liberia need strengthening if their respective domestic debt markets are to be transformed.

© The private sector, especially the financial sector, plays a critical role in the process of developing domestic markets, with banks serving as the intermediaries between the deficit units (borrowers) and surplus units (lenders or investors).

(d) Alternative instruments such as Sukuk have seen tremendous growth especially in Nigeria. Significantly, both religious and non- religious investors subscribe to the instrument.

(e) The Nigerian debt market has a degree of sophistication that most other West African countries will learn from.

Observations

(a) Internet connectivity was a challenge for most participants during the training. However, the participants found the training programme very relevant, and the course well organised.

(b) Participants emphasized the importance of the training, given the need for countries such as The Gambia, Sierra Leone and Liberia's urgent need to develop their respective debt markets.

(c) Given the diversity of economic and socio-political landscape of our member countries, development practices should not adopt a one-size-fits-all approach to policy formulation and implementation. Countries should be able to pursue policies that are beneficial to them to ensure sustainability and effectiveness.

(d) The training objectives were met, as participants now understand and better appreciate WAIFEM's approach and perspective on how to develop domestic debt markets in terms of the key building blocks and critical success factors.

Recommendations

To Member Countries:

(a) The Nigerian and Ghanaian domestic debt markets should serve as a model for other West African Countries. Other countries should examine the policies and regulation put in place in these two countries in a bid to replicate their success. Their experiences and lessons learnt over the years will help other countries develop their respective debt markets more effectively. Perhaps they will use their model to develop a regional debt market for WAIFEM countries, which will hopefully enable them to gain access to international markets and increase capital flows.

To WAIFEM

(b) The participants were of the view that although the training was relevant and impactful, WAIFEM should increase the time allocated for each presentation for effective deliberations. Also, participants will benefit more if WAIFEM insisted on participants not logging in from workplaces, as this is too distracting.

(c) The need to involve political office holders and other policymakers to educate them on the vital role governance plays in domestic debt market development will also be essential to accelerate this agenda.

(d) WAIFEM should require nominating countries to send at least two (2) Senior Officials with practical expertise and experience in the subject area to facilitate knowledge sharing.

(e) Participants should be given a day off to properly work on their Group Presentations to ensure quality work.

To Participants

(f) Participants should develop a plan of action to share the knowledge gained with colleagues in place of work.

The participants expressed their sincere and profound gratitude and appreciation to the Director-General and the entire management staff of WAIFEM for the successful organization of such an important, resourceful, and online training course. More so, they thanked the facilitators for sharing their knowledge, expertise and best practices on domestic debt markets and the steps to be taken to develop and deepen them.

1.2.3 WORLD BANK/WAIFEM TRAINING ON SUBNATIONAL DEBT MANAGEMENT PERFORMANCE ASSESSMENT (SN-DeMPA) METHODOLOGY. ABUJA, NIGERIA. JUNE 21-24, 2021

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the World Bank Group (WB), organized a four (4) Subnational Debt Management Performance Assessment (DeMPA) Methodology from June 21st - 24th, 2021 in Abuja, Nigeria. Due to the COVID-19 pandemic restrictions, the training was conducted both virtually and physically. The World Bank delivered their presentations virtually from Washington DC in the afternoon, whilst WAIFEM conducted the morning session face-to-face.

The training commenced with an opening ceremony under the Chairmanship of the Governor of the Central Bank of Nigeria, Mr. Godwin Emefiele, (CON) who was ably represented by Dr. Mahmud Hassan, Director, Monetary Policy Department, Central Bank of Nigeria, and Chairman, Technical Committee of the Board of Governors of WAIFEM. Other dignitaries included the Director General of WAIFEM, Dr. Baba Y. Musa; Director, Fiscal Policy, Debt Management and Regional Integration, Mr. Yakubu Aliyu; Mr. Gabriel Y. Asante, and Mr. Momodou L. Jarju, both Senior Programme Managers of WAIFEM.

In his keynote address, Mr. Godwin Emefiele, (CON) stated that throughout the last two decades, developing nations have made concerted efforts to strengthen their debt management capacities, with the assistance of development partners and other stakeholders. As a result, debt management practices have significantly improved in most developing countries. However, despite these improvements, subnational debt management continues to face significant institutional, operational, and capacity challenges. The Governor stressed that subnational debt management performance assessment (DeMPA) methodology is a diagnostic tool for assessing practices and institutions of government debt management. He added that by utilizing a comprehensive set of indicators covering the whole range of government debt management tasks, the DeMPA provides strategies for reforming and developing debt management capabilities, processes, and institutions. Thus, DeMPA aids governments in monitoring their progress toward internationally recognized best practices. He indicated that DeMPA tool assist in identifying the strengths and weaknesses of sub-national debt management practices, particularly in terms of institutions, legislation, and coordination in relation to other macro-fiscal policies. Without a doubt, this training could not have come at a more opportune time.

He thanked the World Bank, the IMF, and WAIFEM for working diligently in Nigeria to strengthen federal and subnational debt management capacities in line with global best practices.

On his part, the Director General of WAIFEM, Dr. Baba Y. Musa expressed his gratitude to the World Bank Group for partnering with WAIFEM to conduct the training programme. Specifically, he thanked Lilia Razlog and Ying Li, for leading the training virtually from Washington, DC. On the training, the Director General indicated that the scope of public debt management in today's environment is significantly broader. While debt management remains a component of fiscal policy, it has developed into a distinct field of public policy. He added that its objective has expanded beyond resource mobilisation to include developing strategies for external and domestic financing and achieving optimal cost and risk targets; establishing the institutional and legal frameworks for debt negotiation; debt data recording; and robust coordination mechanisms with fiscal and monetary authorities.

The Director General averred that since 2007, the World Bank included debt management performance assessment (DeMPA) in its repertoire of debt management toolkit. Accordingly, the DeMPA methodology provides a framework for assessing debt management performance at national and sub-national levels of government. It is based on the public expenditure and financial accountability (PEFA) framework for public financial management, and on sound practices in government debt management. More so, the DeMPA toolkit could be used to foster dialogue, guide the design of debt management reform programmes, enhance donor collaboration, and track performance over time.

He discoursed that regular training initiatives, as spearheaded by WAIFEM and the World Bank Group are vital as policymakers, both at the national and subnational levels, grapple with the task of addressing emerging developmental challenges. He reported that at the national level, all WAIFEM member countries have received DeMPA missions, and in the case of Nigeria, which has a federal system of government, about eight (8) states and Federal Capital Territory (FCT) have received DeMPA missions so far.

The objective of the training was to build capacity of the participants in the 36 States of Nigeria and the Federal Capital Territory (FCT) to strengthen capacity in those states and FCT to enable officials manage government debt in an effective and sustainable manner in the medium to long term. It was intended to offer participants with in-depth knowledge in the DeMPA methodology, including its rationale, scope, coverage, and application. The delivery modalities included presentations, quizzes, discussions, and review of case studies.

The training covered the following topics:

- An Introduction to subnational DeMPA methodology,
- Core components of DeMPA methodology,
- Governance and strategy development – conceptual framework,
- Governance and strategy development – DeMPA assessment,
- Debt management, DSA and MTDS,
- Coordination with fiscal and budgetary policy,
- Borrowing and related financing activities,
- Cash flow forecasting and cash balance management,
- Debt recording and operational risk management and,
- DeMPA assessment process.

The training was facilitated by a team of three (3) highly seasoned and experienced professionals from World Bank, and the WAIFEM faculty. They included:

- Ms. Lilia Razlog (Senior Debt Specialist, World Bank);
- Ms. Ying Li (World Bank Consultant) and;
- Dr. Baba Y. Musa, (Director General, WAIFEM).

The training was attended by seventy-nine (79) executives and senior officials, consisting of thirteen (13) females and sixty-six (66) males, drawn from Debt Management Offices of the subnational Government Ministries of Finance of all the 36 State plus the Federal Capital Territory (FCT).

The following key lessons, observations, and recommendations were made in the communiqué presented by the participants at the end of the seminar.

Key Lessons

- That SN DeMPA tool provide excellent guide for sound debt management.
- That synergy between the World Bank and regional capacity building institutions in Africa and especially in Nigeria has been highly effective and should be maintained.

Observations

- That governments are often faced with challenges of capacity building (especially at subnational levels) which inhibit sharing of vital debt related information.
- That in many States, there still exist capacity building gaps for front, middle and back-office functions.
- That major stakeholders at subnational level (Executive Council members) who are involved in government debt management require capacity building on the rudimentary basics of debt management.
- That there is lack of standard debt recording tool mechanism such as Commonwealth Secretariat Debt Recording and Management System (CSDRMS) in almost all the States Debt Management Offices that are involved in debt management and in the very few States where the CSDRMS is installed, lack of capacity building does not allow for the system's use. The result is that there are little records about external debts in all the State of the Federation and FCT, hence all the States still depend on DMO, Abuja for their biannual and year-end external debt records and balances.
- That the World Bank/WAIFEM conduct subnational DeMPA on States only

Recommendations

- The World Bank/ WAFEM should consider organizing special capacity building forum for all the State Commissioners of Finance and Commissioners in charge of Budget where their critical roles in sub-national DeMPA will be exhaustively discussed e.g. achieving the implementation of Debt Performance Indicators (DPIs), inter-relationship with the State DMO, staffing of the state DMO, provision of adequate resources for a continuous in-house train the trainer of staff to ensure that knowledge gained from previous trainings is not lost through retirement and transfer of staff within the State.
- The World Bank/WAIFEM should consider more TA and capacity building programmes for debt managers of State DMOs, considering the increasing roles debt managers are expected to play as a result of increasing decentralization. In this regard, and in the medium term, we call the World Bank and WAIFEM to organize similar training every year to develop a pool of experts to ensure sustainability of capacity.
- The World Bank/WAIFEM, in the medium term, should conduct subnational DeMPA periodically for all the States instead of the present practice whereby the exercise is conducted only on request. This is the only way the implementation of the DPIs will be guaranteed as State shall always attempt to maintain previous status attained or take actions to improve in future assessments.
- Debt managers should encourage decision makers to initiate reforms especially in the area of legal framework for debt management policies and procedures to incorporate the key elements of DPIs.
- That there is a need to sustain synergy between the World Bank and regional capacity building institutions such as WAIFEM, as that will guarantee sustenance of capacity at the regional level and ensure effective debt management.

Appreciation

The participants also specifically thank the facilitators for sharing their knowledge, expertise, and best practices on the growing importance of debt issues in the management of State economies. The training was well organized, the logistics were perfect and the delivery excellent. Furthermore, the participants unanimously agreed that the objectives of the training were achieved, as they now understand and better appreciate “The SN DeMPA Tool” and look forward to using the knowledge acquired in the effective and efficient discharge of their functions.

The participants from the 36 States and FCT in Nigeria expressed their sincere appreciation to the World Bank and West African Institute for Financial and Economic Management (WAIFEM) for organizing and funding this important training event wherein the international best practices to achieve State DPIs were presented, explained, and illustrated for States to adapt.

They reiterated the need to develop more State experts in SN DeMPA Tool to ensure sound and sustainable debt management practices are adhered.

1.2.4 ONLINE REGIONAL COURSE ON FISCAL RULES AND CREDIT RISKS ASSESSMENTS - JULY 12 - 16, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a one-week Regional Course on Fiscal Rules and Credit Risks Assessments. The training was conducted virtually on the zoom platform from July 12 - 16, 2021 for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region. The training was attended by twenty-nine (29) participants consisting of nine (9) females and twenty (20) males drawn from member countries namely, The Gambia, Ghana, Nigeria, and Sierra Leone.

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Yusuf Musa. Other dignitaries included Directors, and other officials of WAIFEM, and the course resource persons. In his welcome/keynote address, the Director General congratulated the participants for their selections into the programme. He mentioned that although the training was being conducted online due to the Covid-19 pandemic, he was confident that both participants and facilitators will make optimal use of the technological platform to foster productive discussion of the course's subject matter.

Commenting on the training, the Director General stated that the recent global macroeconomic trends particularly the outbreak of Covid-19 pandemic, suggest a deterioration in fiscal performance of both developing and advanced economies. He posited that whilst many countries have taken steps to reverse the deterioration, in some cases through fiscal consolidation and the adoption of medium-term expenditure framework (MTEF), these countries continue to face significant challenges in managing sustainable fiscal policy over the medium to long run, given macroeconomic uncertainties, structural rigidities and rising debt vulnerabilities. The rise in fiscal deficits and threats of debt distress have highlighted the critical role of fiscal rules as a permanent constraint on fiscal policy and a measure of overall fiscal performance.

The Director General asserted that fiscal rules are generally parameters set by governments to rein in their fiscal excesses. They are intended to help in preventing the temptation to borrow more, leaving the future generations to bear the consequences. Fiscal rules are important to offsetting the biases inherent in fiscal policy as conducted in everyday politics, and to avoiding pro-cyclical patterns of public expenditure in most commodity-dependent economies such as ours. He revealed that one of the main fiscal risks in this regard is in identifying and managing contingent liabilities. If contingent liabilities are realised, governments may be forced to borrow significant amounts to meet their obligations, which may result in costly fiscal adjustment, an unsustainable debt position, and a deterioration of future borrowing options.

He added that governments can obtain numerous benefits from issuing guarantees, including firstly, providing public enterprises access to lower-cost financing; secondly, by encouraging private investment in infrastructure through public private partnerships (PPPs) by offering minimum revenue stream; thirdly, by minimising government exposure to risk by transferring commercial risk to the private sector; and finally by promoting co-financing, risk sharing and cost reduction.

The Director General opined that developing framework for fiscal policy rules and credit risk assessment would help countries in achieving a sustainable fiscal balance while reducing the risk of debt distress. He emphasized that fiscal policy rules and credit risk assessment set the course for government's responsible fiscal policy, which avoid excessive deficits and engender sustainable public debt. They have a significant impact on a country's overall fiscal health with broader macroeconomic implications. Though they vary considerably per country in terms of target variable, institutional coverage, and mode of implementation, their usefulness and advantages have settled the academic debate over the broader question of policy rules versus discretion.

In his conclusion, the Director General revealed that from the database of the International Monetary Fund (IMF), eighty-one (81) countries and supranational organisations have developed frameworks for fiscal policy rules, including the enactment of fiscal responsibility legislation. The dataset covers four types of rules: budget balance rules, debt rules, expenditure rules, and revenue rules, applying to the central or general government or the public sector. Remarkably, just one of our member countries, Nigeria made the list. However, with regards to contingent liabilities, Sierra Leone, Ghana, and Nigeria have established an institutional framework for contingent liabilities. It is critical for our member countries to have a formal framework for fiscal policy rules and managing contingent liabilities that enables governments to ensure long-term fiscal and debt sustainability and make informed decisions regarding their contingent liabilities.

The course was envisioned to provide comprehensive training on the key concepts and tools required for the design and implementation of fiscal policy rules in developing economies, as well as to improve participants' ability to identify, assess, and manage credit risks associated with contingent liabilities arising from public-private partnerships (PPPs), the debt of state-owned enterprises (SOEs), and other sources. It was also intended to equipped participants with new perspectives in fiscal policy reforms and the role of fiscal governance in achieving fiscal and debt sustainability.

The course was structured to cover the concepts and analytics for fiscal rules and credit risks assessments within the macroeconomic context as well as the legal and institutional frameworks for implementation and case studies of sound practices, as well as shared experiences amongst member countries. Accordingly, the training covered key areas such as: Fiscal policy and fiscal policy rules: concepts, tools of analysis, and measurement; fiscal policy in a macroeconomic context; fiscal debt sustainability nexus; fiscal risks and fiscal vulnerability; fiscal rules and structured balance; credit risk assessment of sovereigns, sub-sovereign and corporate entities; credit risk analysis: concepts, tools of analysis, indicators, measurement and management; sovereign credit risk: credit ratings; the role of debt structure; design and implementation of fiscal rules/ fiscal responsibility laws: evolution, types, characteristics; roles, design, monitoring aspects and effectiveness; the Nigerian fiscal responsibility law commission; the lessons, challenges and sound practice; contingent liabilities risk analysis and management (PPPs, SOEs, the corporates) and; legal and institutional framework for credit risk assessment and management.

The course was facilitated by three (3) highly seasoned and experienced professionals. They included: Dr. Samuel Rapu, former Director of Research Department at the Central Bank of Nigeria (CBN); Dr. Alhassan Mansaray, Director of Risk Management at Sierra Leone's Ministry of Finance; and Dr. Alex Elikwu, Director/Head, Directorate of Policy and Standards at the Fiscal Responsibility Commission, Nigeria.

The training was attended by twenty-nine (29) participants consisting of nine (9) females and twenty (20) males from the member countries namely, The Gambia, Ghana, Nigeria, and Sierra Leone.

Communiqué

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

Key Lessons

- The Covid-19 pandemic has drastically affected the borrowing needs and habits of countries, especially in the sub-region due to its greater reliance on external debts financing.
- Fiscal sustainability is the ability of a government to sustain its current spending, tax, and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures.
- The key outcome of unsustainable fiscal policy is the high rate of debt accumulation leading to unstable debt dynamics with serious consequences.
- Sustainability indicators should help detect unsustainable policies with a sufficient lead so that policymakers have adequate time to act and to mitigate the costs of ensuring fiscal correction.
- The sustainable level of the fiscal variable, either primary deficit or tax ratio, means that the debt ratio converges towards a finite value.
- A country's public debt is considered sustainable if the government can meet all its current and future payment obligations without exceptional financial assistance or going into default.
- The IMF has developed a formal framework for conducting public and external debt sustainability analyses (DSAs) as tool to better detect, prevent, and resolve potential crises.
- The role of contingent/hidden liabilities is a major exogenous variable in the determination of the changes in the debt-to-GDP ratio.
- Data on contingent/hidden liabilities are extremely poor and for that reason are likely to be underestimated in the analysis, as most countries identify their contingent liabilities only ex-post.
- Credit risk is the risk of loss resulting from the borrower (issuer of debt) failing to make full and timely payment of interest and/or principal.
- Expected Loss = Default probability * Loss severity given default.
- Credit migration risk or downgrade risk is the risk that a bond issuer's creditworthiness deteriorates, or migrates lower, leading to investors to believe the risk of default is higher and thus causing the yield spreads on the issuer's bonds to widen and the price of its bonds to fall.
- Market liquidity risk is the risk that the price at which investors can transact - buying or selling - may differ from the price indicated in the market.
- Credit score models (CSMs) are designed to analytically aggregate many dimensions of credit worthiness into a single credit score that represents a borrower likelihood of default.

- An increasing number of countries have adopted fiscal rules to eliminate or to contain budget deficits and to reduce the public debt.
- Fiscal rule is a statutory or constitutional restriction on fiscal policy that sets a specific limit on a fiscal indicator such as the budgetary balance, debt, or spending.
- Four groups of numerical rules are; the rules of the budget deficit (balance budget rules); the rules of public spending (expenditure rules); the rules of public revenues (tax rules) and; the rules of public debt set explicit limits or targets for public debt as a percentage of GDP.
- For fiscal rules to be effective, the design and monitoring aspects must have regulatory and political support, it must explicitly indicate credible punishment for non-compliance, and it must be sufficiently ambitious to address the underlying problem.
- The Fiscal Responsibility Act (FRA), 2007 was established in Nigeria to govern the conduct of fiscal policy and to prevent governments from abusing their powers to spend and tax.
- Political factors are especially salient in determining the means of enforcing constraints and the actions taken (or not taken) when breaches occur.
- Formula for VaR = Volatility * Standard Score for the Confidence level * Exposure (position size).

Observations

- The programme was very insightful, Facilitators made the knowledge impartation very easy.
- Internet connectivity was a challenge for some participants during the training. However, the participants found the training programme very relevant, and the course was well organized.
- Participants agreed that the additional cost associated with default risk could be replaced with default clauses to reduce the cost of fund for the sub region which is always on the rise.
- It was noted that the success of fiscal rule anywhere depends on the willpower and commitment of the government.
- The training objectives were achieved, as participants now understand and better appreciate that the infallibility of risk assessment by the global risk measurement giants is a wakeup call for caution by member countries to avoid over reliance on foreign-generated parameters for economic adjustments.

Recommendations

To Member Countries:

- There is need for a sub-regional alliance to establish a credit risk assessment institution that could come out with a more realistic 'shadow rating' to challenge the conventional credit risk assessments for the sub region.
- Considering the importance of fiscal rule regime in macroeconomic stability, member countries are urged to give its institutionalization in their countries the urgent and serious attention it deserves.

To WAIFEM:

- The course was relevant and impactful, however, WAIFEM would need to increase the time allocated for maximum benefit.
- Participants should be given a day off to properly work on their Group Presentations to ensure quality work.

To Participants

- Participants should develop a plan of action to share the knowledge gained with colleagues in place of work.
- There is need to share contacts among the participants to build up an effective networking system for organizational and country-wide benefits.

Appreciation and Conclusion

The participants expressed their appreciations to the Director-General and the entire management staff of WAIFEM for the successful organization of the training. They were also appreciative to the facilitators for sharing their knowledge, expertise, and best practices on a variety of fiscal rules and credit risk related issues. Finally, they congratulated each other for their participation and contributions, which enriched the course and improved participants' understanding of fiscal rules and credit risk.

1.2.5 ONLINE REGIONAL E-LEARNING CERTIFICATE COURSE IN FRENCH LANGUAGE - SEPTEMBER 20 - OCTOBER 31, 2021

The West African Institute for Financial and Economic Management (WAIFEM), organized E-Learning Certificate Course in the French Language from September 20 – October 31, 2021. The first phase was a two (2) week intensive online session from September 20 to October 1, 2021. The second phase, consisted of a four-week online course (October 4 - October 31, 2021), was delivered via WAIFEM's e-Learning Portal. However, the third phase of the training, which is a two (2) week immersion (attachment) programme in a Francophone country in West Africa to allow participants to practice French language skills is yet to be implemented.

The Director General of WAIFEM, Dr. Baba Y. Musa, warmly welcomed participants in the welcoming remarks. He further mentioned that the course would have been conducted in the traditional face-to-face format. However, due to the ongoing restrictions associated with the Covid-19 pandemic, the course would be delivered via virtual and other e-learning technology platforms.

The Director General reiterated the importance of a second language since it raises the value of human interaction, enhances communication and bargaining abilities, fosters trust and confidence amongst individuals and nations. He assured the participants that competent facilitators have been assembled to make them speak excellent and fluent French. He expressed the Institutes' appreciation to the sponsoring institutions for sponsoring participants to attend the course. In his conclusion, the Director General, provided a brief history of the Institute, accenting that WAIFEM, over the years, has established collaborative arrangements with world-class training organizations and capacity building institutions to ensure sound practices in the delivery of its programmes.

The course was structured effectively and professionally to meet the needs of adult learners. It was designed to assist public and private sector officials in Anglophone West Africa and beyond to overcome the language barrier faced in commerce, banking, industry, tourism, journalism, and other cross-border activities that are key to deepening the regional integration process.

Themes covered during the course include the following:

Ø Professional French – Business French

Ø French at workplace

Ø Useful French grammar

Ø Dialogue

The course was facilitated by experts from Channelle Francaise, Madam Selin Chinelo Nwoye, Mrs. Chinyere Okpara and Mrs. Esther Akakpo.

Thirty-seven (37) participants, mainly from the Anglophone West African countries of The Gambia, Ghana, Sierra Leone, Liberia, Nigeria, and regional institutions West African Monetary Agency (WAMA) and West African Monetary Institute (WAMI), attended the course.

OBSERVATIONS AND RECOMMENDATIONS:

OBSERVATIONS:

o The facilitators' lecture deliveries were excellent as they demonstrated in-depth mastery of the themes;

· The course was exciting and interactive; facilitators were able to engage participants at the end of each lecture, to test the level of assimilation;

· Furthermore, verbal/vocal tasks were given to test participants' pronunciations which is essential for the French Language;

· The virtual course was not too effective for participants due to distractions in the office environment;

· It was also observed that internet connectivity and access to some course materials was a challenge for some participants;

· The level of participation dropped in the second week due to virtual fatigue; and;

· The facilitation, coordination, and administration of the course by WAIFEM staff were very satisfactory and provided an exciting learning atmosphere during the virtual classes.

RECOMMENDATION:

· Virtual class should be extended to three (3) weeks to allow for more in-depth topics and discussions during classes;

· WAIFEM to reconsider the resumption of face-to-face classes, considering the fact that several potential participants have been vaccinated;

· WAIFEM to keep the e-learning lessons online (Platform) for at least 6 months;

· WAIFEM should encourage institutions to provide stipends for their nominees for tea and lunch during the zoom phases;

· To encourage face to face classes, participants can be divided into smaller groups to comply with COVID-19 protocol rules; and

· For reasonable fluency, reading and writing in French language WAIFEM, should extend the attachment phase from one week to three weeks.

The participants expressed deep and heartfelt appreciation to the Director General and the entire management staff of WAIFEM for the successful organisation and sponsorship of the course. They thanked the facilitators for their excellent delivery and engagement during the sessions, which helped them in upgrading their knowledge in the French Language.

1.2.6 ONLINE REGIONAL COURSE ON FISCAL RISKS MANAGEMENT AND FISCAL SUSTAINABILITY - OCTOBER 4 - 8, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a one-week Online Regional Course on Fiscal Risks Management and Fiscal Sustainability. The training was conducted from October 4 - 8, 2021 for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region. Forty (40) participants consisting of thirteen (13) females and twenty-seven (27) males were drawn from member countries namely, The Gambia (8), Ghana (7), Liberia (1), Nigeria (11) and Sierra Leone (13).

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Yusuf Musa. Other dignitaries who graced the occasion included officials from WAIFEM, and the course facilitators. In his brief keynote address, the Director General welcomed the participants and congratulated them and their respective organizations for accepting to participate in the training. He expressed his optimism over the Covid-19 pandemic and stated that as vaccination coverage increases across the sub-region, face-to-face teachings of capacity building programs will resume in earnest possible time. However, he assured participants that the course's desire objective will still be accomplished despite the adjustment in the transmission method. He used the occasion to give a brief account of WAIFEM and stated that the Institute recently restructured its institutional structure to better serve member countries by addressing emerging capacity-building challenges in the region, particularly on governance, institution building, regional integration, reserve management, and emerging global finance trends such as Fintech and cybersecurity.

On the course, the Director General pointed out that the rise in fiscal deficits and threats of debt distress have made the role of fiscal risks management and fiscal sustainability a constant challenge on fiscal policy and on the overall measure of fiscal performance. He asserted that managing a government budget effectively and efficiently is a very critical task for countries' fiscal authorities. He outlined some of the central points that underpinned fiscal risks to include:

- Fiscal rules, these are set parameters that will help prevent fiscal excesses, such as guiding government borrowing which have implication on debt. It is imperative to utilize these fiscal rules to offset biases (such as politics etc.) inherent in fiscal policy, and to avoid pro-cyclical patterns of public expenditure in commodity-dependent economies.
- Prudent management of government budget is central to a country's fiscal authorities. However, if not efficiently or effectively managed, combined with several discrepancies or unprecedented deviation from outcomes will lead to contingent liabilities, which may force government to increase borrowing to meet these obligations.
- Guarantees and on-lending has been identified as one of the major sources of fiscal risk across members' countries governments. Therefore, establishing a proactive, comprehensive credit risk management framework which include risk analysis and assessment will help to identify and mitigate risk.
- Hence, government can benefit from guaranteeing borrowers such as public-private partnerships (PPP's), state-owned enterprises (SOEs), among others, by formulating, monitoring, and managing risks effectively. Equally, governments must not pay leap service to potential market failures and externalities.

In his concluding remarks, the Director-General urged participants to give their best effort towards achieving the course's objective, whilst creating a strong professional network amongst themselves by building relationships with counterpart participants, to foster regional integration in West Africa.

The course was designed to highlight key institutions/frameworks that help governments better assess and manage risks to the government budget. It was envisaged to provide an overview of typical risks, their scale and relative importance, approaches for analysing them, possible mitigating measures, and institutional arrangements for dealing with them. It was also to discuss the standards for the disclosure of fiscal risks as prescribed in the IMF's Fiscal Transparency Code and IMF's fiscal transparency evaluations. It sought to expose participants to the standards for disclosure of fiscal risks and importance of long-term fiscal sustainability.

Furthermore, the course was intended to look at fiscal sustainability as a requirement for macroeconomic stability and sustainable and inclusive long-term growth. It provided a thorough overview of how to assess fiscal sustainability from a policy and tools perspective. It envisioned the long-term fiscal pressures as well as fiscal risks and the early warning indicators used by the IMF and covers debt management strategies.

The course covered 15 key topics: Fiscal risks management: concepts and analytics; fiscal risks classification and mapping; implications of fiscal risks for fiscal policy making; approaches to fiscal risks analysis/tools for fiscal risks management; fiscal stress test; fiscal risks mitigation; fiscal risks reporting; fiscal risks and fiscal sustainability; fiscal risks management - sound practices; fiscal risks analysis and debt management; fiscal risks assessment of natural disasters and pandemics (Covid-19) risks; assessing and managing fiscal risks from contingent liabilities; standard disclosure of fiscal risk; fiscal risk and contingent liabilities; and institutional arrangements required for effective fiscal risk monitoring and management.

The program was facilitated by a team of well-experienced and outstanding consultants and practitioners sourced from within the sub-regions. They include: Dr. Samuel Chukwueyem Rapu (former Director Central Bank of Nigeria); Dr. Alhassan Manssaray (Director Fiscal Risks and State-Owned Enterprises Oversight Division Ministry of finance, Sierra Leone); Mr. Ibrahim M. Natagwandu (Consultant Ecowas Commission); Mr. Bai Madi Ceesay (Director, Directorate of National Budget, Ministry of Finance and Economic Affairs, Gambia); Mr. Abdul-Fataw Z. Hakeem (Senior Economics Officer, Ministry of Finance, Ghana); and Dr. Mawuli Gaddah (Head, Fiscal Risk Unit, Ministry of Finance, Ghana).

The training was attended by forty (40) participants consisting of thirteen (13) females and twenty-seven (27) males were drawn from member countries namely, The Gambia (8), Ghana (7), Liberia (1), Nigeria (11) and Sierra Leone (13).

Communiqué

The following key lessons, observations, and recommendations were made in the communiqué presented by the participants at the end of the training.

Key Lessons

- "Fiscal policy" is defined as the government's measures to guide and control spending and taxation. The traditional view is that fiscal policy performs three main functions: allocation, distribution, and stabilization.
- Fiscal risk refers to the possibility of any adverse occurrence that may lead to significant deviations of budget out-turns (such as revenues, expenditure, taxes, and debt service, amongst others), from budget forecasts. (Nat., 2021).
- "Fiscal sustainability", generally, is the ability of a government to sustain its current spending, tax, and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures.
- The size, timing, and nature of fiscal risks have important and fundamental implications for fiscal policymaking.
- A country's public debt is considered sustainable if the government can meet all its current and future payment obligations without exceptional financial assistance or going into defaults.
- Poorly structured debt portfolios, in terms of maturity, currency, or interest rate composition and large contingent liabilities, have been important factors in inducing or propagating economic crises in many countries throughout history.
- Fiscal risks arise from the possibility of deviations from expectations of fiscal outcomes formulated in budgets.

Observations

- The program covered a wide range of topics relating to fiscal risks which is good because it helped participant understand the distinctions between fiscal risks and contingent liability.
- Internet connectivity was a challenge for most participants during some part of the training. However, the participants found the training program very relevant, and the course was well organized.
- Most participants' active involvement in the course could not be determined. The attendance of participants after lunch break significantly decreased.
- Given the difference in the economic and socio-political landscape of our member countries, development practices should not adopt a one-size-fits-all approach to fiscal risk management and fiscal sustainability. Countries should be able to identify, assess and manage risks to ensure sustainability.
- The magnitude of the impact of the Covid-19 pandemic is significantly large and unexpected by virtually all fiscal authorities, leading to unplanned recourse to borrowing even despite the available savings by some countries, therefore, it is imperative to make good use of the lessons from Covid-19 experience and build bigger fiscal buffers that can stabilize the economy in future.
- The training objectives were achieved, as participants now understand fiscal sustainability. They suggested the need for WAIFEM to develop a framework for fiscal risks management and fiscal sustainability.
- They averred to applying the knowledge and

skills acquired in the productive and efficient ways in their respective debt and risk administrations.

Recommendations

To Member Countries:

- The deterioration in fiscal performance in developing and advanced economies owing to the outbreak of Covid0-19 pandemic suggest the need for governments across member countries to achieve sustainable fiscal balance and minimized risk of debt distress through the implementation of fiscal risk management and fiscal sustainability frameworks.
- Countries with better fiscal risk management can help make the public finances robust.
- Governments to develop mitigation and monitoring tools that is consistent with a country's macroeconomic framework and development policies.
- Governments should strengthen institutions, capacity-building, and management of internal operations.
- Member countries should be able to better identify, analyse and ideally quantify risks to obtain better alternative policy measures that have potential impact on government finances.
- Although fiscal risks are uncertain, understanding them will allow policymakers to increase a government's capacity to adapt and mitigate them.
- Sound public finances are critical to allow fiscal policy to assist in stabilizing economic activity in the short-run, and to promote economic growth over the long-term.
- Policymakers should take fiscal risks into account when formulating fiscal targets.

To WAIFEM

- Although the course was relevant and impactful, it is pertinent that WAIFEM reduces the workload of the work in the virtual environment. It is suggested that the time be shorten for course delivery to gain maximum attention from participants.
- Involvement of political office holders and other policymakers to educate them on the role of government in fiscal risk management and sustainability is also imperative to understand the frameworks used to make assessments.
- WAIFEM should require nominating countries to send at least two (2) officials with practical expertise and experience in the subject area to facilitate knowledge sharing.
- In subsequent training, time should be allotted to take participants through the procedure in accessing the documents on the portal since not all participants are familiar with the internet system of computer.
- Pre-test and post-test should be incorporated into the coursework replacing communiqué, since this an online platform.
- Participants should be given a day off to properly work on their group presentations to ensure quality work.
- Lecture materials should be sent directly to participants email addresses considering that some participants, though minimum, had challenges in accessing, locating, or downloading presentations and course materials from WAIFEM's website and e-learning portal.
- Facilitators must ensure that participants are following the flow of the lectures/presentations. This could be achieved by asking participants opinions at different intervals on presenters' pace, questions about the presentations, challenges with viewing slides, etc.

To Participants

- Participants should develop a plan of action to share the knowledge gained with colleagues in place of work.

Appreciation and Conclusion

The participants expressed their sincere appreciation to the Director General and the entire management staff of WAIFEM for the successful organisation of such an important, resourceful, and practical online training. More so, they thanked the facilitators for sharing their vast knowledge, expertise, and best practices from different country cases relating to fiscal risks issues. They congratulated each other for their participation, contributions, and sharing their practical experiences regarding the similarities and differences in fiscal risks management and fiscal sustainability frameworks across WAIFEM member countries.

1.2.7 COMSEC/WAIFEM ONLINE REGIONAL TRAINING ON INTRODUCTION TO COMMONWEALTH MERIDIAN - OCTOBER 25 - 29, 2021

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with The Commonwealth Secretariat (COMSEC) organised COMSEC/WAIFEM Online Regional Training on the Introduction to Commonwealth Meridian from October 25 – 29, 2021, for staff of Central Banks, Ministries of Finance, and Debt Management Offices in the West African sub-region. The training was conducted virtually due to the restrictions related to the Covid-19 pandemic. The training was attended by fifty-seven (57) participants consisting of twenty-one (21) females and thirty-six (36) males drawn from WAIFEM member countries: The Gambia (22), Ghana (6), Liberia (2), Nigeria (16), and Sierra Leone (11).

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Yusuf Musa. Also present included some Directors of WAIFEM, and the COMSEC team which was led by Mrs. Pamella McLaren, Adviser and Head of The COMSEC Debt Management, Economic, Youth & Sustainable Development Directorate.

In her welcome remarks, Mrs. Pamella McLaren stated that the training on the Meridian was well overdue and commended the continuous WAIFEM-COMSEC collaboration, which was very helpful for both institutions as well as the WAIFEM member states. Mrs. McLaren gave a thorough introduction of Meridian which she said was launched in 2018 by the Commonwealth Secretariat to replace the Commonwealth Secretariate – Debt Recording and Monitoring System (CS-DRMS).

In his keynote address, the Director General of WAIFEM, Dr. Baba Yusuf Musa, welcomed the participants and expressed his gratitude to their various institutions for allowing them to attend the training. He stated that such a gesture demonstrated WAIFEM's member countries' commitment to establishing and executing sound economic and financial policies through the necessary capacity building of public officials responsible for policy formulation and implementation. He also expressed his appreciation to Mrs. Pamella McLaren and her team for their consistent support and cooperation with WAIFEM. The Director General also welcomed and thanked the facilitators, who were from the WAIFEM's faculty and have been facilitating for WAIFEM over the past years.

The Director-General mentioned that the course was developed in response to the increasing public debt portfolios in most developing countries that has been worsened by the twin shocks of Covid-19 pandemic and commodity price shocks. He reiterated that the need for the countries to strengthen their debt management systems. He stressed the need for debt database and accurate statistics in enhancing accountability of public debt management operations. He mentioned that the Meridian is a flagship application developed and maintained by the Commonwealth Secretariat as part of its debt management programme. It is an integrated tool for recording, monitoring, analysing, and reporting public debt which is constantly evolving to match the requirements of a modern debt management office and the ways in which debt management landscape is changing.

Furthermore, he stated the fact that the developers of debt recording, and management systems have upgraded and updated the platform to ensure compliance with the needs of users. He acknowledged the efforts of COMSEC in the development of Commonwealth Meridian which is intended to upgrade and enhance the possibility of addressing emerging debt management challenges. In his conclusion, the Director General urged the participants to take the training seriously, interact with their colleagues to further the course of regional integration, and optimal engagement with the resource persons.

Objectives of the Training

The core objective of the training was to familiarize participants with the features and functionality of the Commonwealth Meridian. Additionally, the training sought to provide opportunity for the participants to share experiences and discuss the implementation of the new platform in their various countries.

Main Themes

The course covered key topics such as: System overview and navigation through Commonwealth Meridian; Commonwealth meridian debt securities management; Issues & challenges in debt data recordings – CS-DRMS; Loans overview and recording - meridian; Interpreting standard loan agreements; Workflow management - meridian; Reporting in Commonwealth meridian; Commonwealth meridian - Introduction to the evaluation and analysis module; Commonwealth Meridian – filter management and policy and planning; Process to implement Commonwealth meridian; and Projects status and way forward, key differences with CS-DRMS.

The programme was facilitated by the COMSEC team of well-experienced and outstanding consultants and practitioners sourced from within the sub-regions. They included:

- Mac Banda - Adviser and Team Leader (IT Systems), Economic, Youth & Sustainable Development Directorate;
- Abolanle Soares - Business Analyst - Economic, Youth & Sustainable Development Directorate;
- Vikas Pandey - Economic, Youth & Sustainable Development Directorate;
- Joanne Allin - Economic, Youth & Sustainable Development Directorate;
- Ms. (Hajiya) Hannatu Bint Musa, Former Director, at the Debt Management Office (DMO), Nigeria; and
- Mr. Ralph Jacob Amartey Ayiku, Principal

Economics Officer (Head, Accounting and Settlements Unit), Ministry of Finance, Ghana.

Communiqué

The following key lessons, observations, and recommendations were made in the communique presented by the participants at the end of the training.

Key Lessons

- Commonwealth meridian is the new debt recording and management system. It is very versatile, with lots of functional abilities. Some countries are already making use of meridian; The Gambia has fully migrated since 2019, whilst other countries like Nigeria, are in the process of adopting it.
- The Commonwealth meridian has the benefit of flexibility in adding and maintaining different categories of financial products, in particular, future financing products.
- The Commonwealth Meridian is organized around central repository or data from which key stakeholders can access information.
- The Commonwealth Meridian is driven by alert and notification, integration with mail exchange system.
- The accounting officers' accountability and transparency can be achieved through data driven workflows.
- Meridian can easily be used to export accurate debt data to support the debt management analytical tools like Medium Term Debt Strategy (MTDS), Debt Sustainability Analysis (DSA)/Debt Sustainability Framework (DSF).

Observations

- The workshop was very crucial, relevant, and timely given the fact that the CS-DRMS version 2.3 would be phased out soon. Therefore, 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).
- The facilitators were knowledgeable exhibited expertise on the subject matter, and very eager to help those who encountered challenges during the training. The training sessions were very informative and educative.
- Time keeping was an issue as some participants logged in late during the sessions.
- Internet connectivity was a challenge for most participants during the training. However, the participants found the training very relevant, and the course was well organised.
- The training objectives were achieved, as participants now understand the main features and how to navigate through Commonwealth meridian.
- The training offered opportunity for a hands-on physical training on meridian system, in a conducive environment, for better understanding and hands-on practical sessions.

Recommendations

The participants proffered the following recommendations:

- A readily available user guide for meridian would be very helpful, and there were limited time allocations for some of the presentations.
- Since the meridian tool is new and very useful for recording of debt data, there should be adequate time allocation to presentations.
- There should be additional trainings on the meridian to build the capacity of debt managers and users.
- WAIFEM should partner with COMSEC to organize online courses on the Meridian on a Self-Pace Approach to train debt managers, officials, and Users especially those on busy schedules that will find it difficult to participate on regular trainings.
- There is the need for opportunity for a hands-on physical training on meridian system, in a conducive environment, for better understanding and hands-on practical sessions. A two-phase face-to-face training is recommended: National and regional.
- It will be important to extend this training to the ICT and audit staff of the debt management offices as they hold important position in the implementation of the new platform.
- Break periods should be adhered to in future training. Provisions should be made for at least two (5 minutes) breaks in a three-hour lecture.
- The country presentation slides/materials should be uploaded to the WAIFEM portal or sent directly to participants.
- WAIFEM should make provision for better internet connectivity in the respective countries of participants.

- WAIFEM should partner with COMSEC to organize courses on the meridian on a self-pace approach to train debt managers, officials, and users especially those on busy schedules that will find it difficult to participate on regular trainings.
- Lecture materials should be sent directly to participants' email addresses as some participants had challenges in accessing, locating, or downloading presentations and course materials from WAIFEM's website and e-learning portal.
- Participants should develop a plan of action to share the knowledge gained with colleagues in place of work.

Appreciation and Conclusion

The participants expressed their appreciation to the Director-General, the entire management staff of WAIFEM, and the Head and team of COMSEC for successfully organising such important, resourceful, and practical training.

They extended their gratitude to the facilitators for sharing their knowledge, expertise, and best practices from different country cases relating to debt management issues. They affirmed their readiness to share the acquired knowledge and the training materials with colleagues at the various workplaces.

1.2.8 WORLD BANK / WAIFEM LIBERIA DeMPA VIRTUAL MISSION - November 8 - 19, 2021

Introduction

The World Bank (WB) in collaboration with West African Institute for Financial and Economic Management (WAIFEM) conducted Liberia National Debt Management Performance Assessment (DeMPA) virtually at the request of the Government of the Republic of Liberia, from November 8 to 19, 2021.

The mission members were:

i. Signe Zeikate (World Bank and Team Lead);

ii. Per-olof Jonsson (World Bank consultant);

iii. Elizabeth Currie (World Bank consultant);

iv. Jessie Nabulambo Kilenbe (World Bank); and

v. Momodou Lamin Jarjue (WAIFEM).

Liberia DeMPA Mission Objectives:

i. Assess DEM performance in Liberia

ii. Monitor progress over the last 5 years (last DeMPA in 2016)

iii. Record progress made in implementing the reform plan (2019)

iv. Identify strength and areas for further improvements

v. Set new baseline for reforms

DeMPA Methodology: 15 DPIs – 33 Dimensions

The mission team assessed 15 DPIs and 33 Dimensions as follows:

Governance and Strategy

- Legal Framework
- Managerial Structure
- DM Strategy
- Debt Reporting
- Audit

Macro Policies Coordination

- Fiscal Policy
- Monetary Policy

Borrowing

- Domestic Borrowing
- External Borrowing
- Guarantees/ On-lending / Derivatives

Cash Management

- Cash Flow Forecasting and Cash Balance Management

Recording, Payments and Operational Management

Participation

World Bank / WAIFEM DeMPA Mission Team had virtual meetings with the followings;

I. Honorable Minister of Finance and Development Planning (MFDP);

II. Assistant Minister for External Resources;

III. Debt Management Unit (DMU);

IV. Deputy Minister for Economic Affairs;

V. Director of Budget;

VI. Director of Fiscal Affairs;

VII. Head of Internal Audit;

VIII. Legal unit;

IX. Human Resource Department;

X. Central Bank officials from Financial Markets Department, Research Department and Banking Department;

XI. External Auditor;

XII. ICT Unit, and

XIII. Commercial Banks.

- The mission findings will be summarized in the DEMPA report
- Highlight strengths and areas for improvement in debt management

No recommendations

No conditionality

Report disclosed by country authorities

- Report to be peer reviewed before submitted for country's comments no later than in 8 weeks.

1.2.9 WAIFEM LIBERIA NATIONAL DEBT SUSTAINABILITY ANALYSIS (DSA) - NOVEMBER 22 - 26, 2021

A team of three consultants and WAIFEM staff were on a mission in Liberia under the invitation of the Ministry of Finance and Development Planning (MFDP), Liberia, over the period of November 22 – 26, 2021. The training was conducted virtually (Blended) at the Passion Hotel, Gbarngah County, Liberia. The team was received by Mr. Frederick Krah, Director, MFDP. At the brief opening ceremony, the Director General of WAIFEM, Dr. Baba Yusuf Musa, who joined the ceremony virtually, thanks the people of Liberia, the Government of Liberia, and the Ministry of Finance and Development Planning (MFDP) for entrusting WAIFEM with the training. He stressed on the importance of the mission and urged the participants to be more committed to the deliberations. A total of twenty-five (25); 3 females, and 22 males from the Ministry of Finance and Development Planning (MFDP), Central Bank of Liberia (CBL), and Liberia Revenue Authority (LRA) were in attendance. The consultants were Mr. Santie C. Conte, Deputy Director, Ministry of Finance, Sierra Leone; Ms. Doris A. Dzidzordu, Ministry of Finance, Ghana, and Ms. Esinam Afua Dagadu, Ministry of Finance, Ghana.

The main purpose of the exercise was to build capacity and enhance country DSA teams' knowledge to conduct annul debt sustainability analysis. The exercises were structured to familiarize the DSA team with the complete process of conducting a DSA using the IMF and World Bank's DSF-LIC template for debt sustainability analysis. It was designed to cover key concepts and a broad range of DSA-related topics.

Themes covered during the course include the following:

- Introduction to the LIC-DSF, its operational application, and the implication of the DSF;
- Inputs: Definitions and coverage of the public sector and public debt, as well as 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, consistency between public investment and growth;
- Debt carrying capacity (composite indicator) and thresholds;
- Risk Signals: External, total public debt, and market financing pressures;
- Standardized stress tests, contingent liability stress test, other tailored stress tests (natural disaster, commodity price, market financing);
- Use of Judgments: Short and marginal breaches, domestic debt and market financing vulnerabilities, external private debt, availability of liquid financing assets, long-term considerations, and other considerations;
- Final risks ratings, granularity: moderate risk category (space to absorb), assessing sustainability;
- DSA report writing.

The course was facilitated by well-trained experts from the region, namely; Mr. Santigie Charles Conteh, Ministry of Finance, Sierra Leone, Ms. Doris Adzo Dzidzornu, Ministry of Finance, Ghana and Ms. Esinam Afua Dagadu Ministry of Finance, Ghana.

The DSA exercise was attended by Twenty-five (25) participants, mainly from the Debt Management Unit (DMU), Ministry of Finance and Development Planning (MFDP), Central of Liberia (CBL), Macro Department, Ministry of Finance and Development (MFDP), and other stake holders, of which 22 are Males and 3 are Females.

OBSERVATIONS

Based on the exercise, Liberia External DSA showed that the country is at moderate risk of debt.

Also, based on exercise – Liberia's Public and Public Guaranteed Debt, showed that the country is at high risks of debt distress.

The DSA team expressed deep and heartfelt appreciation to the Director General and the entire management staff of WAIFEM for the successful organisation of the exercise and the entire sponsorship of the conduct of exercise. They thanked the facilitators for their excellent delivery, which helped them build their capacity in LIC DSF.

1.2.10 REGIONAL TRAINING ON DEBT SUSTAINABILITY FRAMEWORK FOR LOW-INCOME COUNTRIES (LIC-DSF) VIRTUAL (BLENDED) - NOVEMBER 29 – DECEMBER 3, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional training on Debt Sustainability for Low-Income Countries (LIC-DSF) virtual (blended) from November 29 to December 3, 2021.

The Director General of WAIFEM, Dr. Baba Y. Musa, warmly welcomed all participants to the five-day blended virtual Regional Training on Debt Sustainability Framework for Low-Income Countries (LIC-DSF). He expressed WAIFEM's gratitude for the positive response from various regional Institutions to WAIFEM's call for nominations for the course. According to the Director General, this affirms the deep appreciation for WAIFEM's capacity building programmes and the pursuit of sound policies that will result in rapid growth and better living standards in our sub-region. He regretted that the outbreak of the Covid-19 pandemic and associated travel restrictions and social distancing requirements had impeded the implementation of WAIFEM's capacity building programmes in the face-to-face format prompting considerable adjustments in favor of the virtual format.

The Director-General further stated that the course would be presented using the blended approach; a format that merges the virtual and face-to-face elements. It was the first time WAIFEM experimented the learning approach, which, as was anticipated, resulted in optimal technology utilization and a more positive learning experience for the participants. The intent was that by grouping participants in one location, office distractions would be minimized and fair access to the internet ensured while increasing facilitator-participant engagement.

Furthermore, the Director-General gave a brief background of WAIFEM for the benefit of participants who were making their maiden contact with Institution.

On the motivation for the course, Dr. Musa informed participants that the pandemic has increased public finance requirements as governments spend more to offset the pandemic's socio-economic repercussions. According to the Director General, the development had increased, considerably, the gross financing requirement of governments, which according to the African Development Bank (AfDB), had jumped from $125 to $154 billion in 2020. Moreover, the average debt-to-GDP ratio was predicted to rise dramatically, from 60 per cent in 2019 to above 70 per cent in 2020. Given Africa's massive development challenges and related fiscal pressures, debt-to-GDP ratios are anticipated to continue rising in 2021 and beyond.

The Director General added that the emerging risks and vulnerabilities associated with worsening the outlook for debt sustainability in WAIFEM member countries. Several countries face a high risk of debt distress, while some are in debt distress already. He outlined some of the additional emerging risk factors as:

Ø Rapidly increasing interest costs as a share of revenue,

Ø Rollover risks associated with shorter debt maturities,

Ø A narrowing of interest rate-growth differential,

Ø Expanding contingent liabilities, and

Ø Debt collateralization with limited transparency.

He concluded that conducting a debt sustainability analysis (DSA) would assist countries to determine how the current level of debt and future borrowing will affect the keenness to meet debt service commitments in the present and future. It could contribute to a more accurate diagnostic of debt vulnerability and risks and provide helpful feedback for policymakers, creditors, and development partners. The framework was intended to guide LICs' borrowing decisions consistent with their existing and projected repayment ability. Under the debt sustainability framework (DSF), debt sustainability analyses (DSAs) must be conducted regularly.

The main purpose of the course was to increase capacity and enhance participants' knowledge to conduct debt sustainability analysis in member countries. The training was structured to familiarize participants with the complete process of conducting a DSA using the IMF and World Bank's DSF-LIC template for debt sustainability analysis. It was designed to cover key concepts and a broad range of DSA-related topics.

Themes covered during the course include the following:

- v Introduction to the LIC-DSF, its operational application, and the implication of the DSF;
- v Inputs: Definitions and coverage of the public sector and public debt, as well as macroeconomic projections;
- v Inputs: Financing assumptions;
- v Macroeconomic linkages and debt dynamics;
- v Realism Tools: Drivers of debt dynamics, realism of planned fiscal adjustment, fiscal adjustment and growth, consistency between public investment and growth;
- v Debt carrying capacity (composite indicator) and thresholds;
- v Risk Signals: External, total public debt, and market financing pressures;
- v Standardized stress tests, contingent liability stress test, other tailored stress tests (natural disaster, commodity price, market financing);
- v Use of Judgments: Short and marginal breaches, domestic debt and market financing vulnerabilities, external private debt, availability of liquid financing assets, long-term considerations, and other considerations;
- v Final risks ratings, granularity: moderate risk category (space to absorb), assessing sustainability;
- v Explanation on LIC and MAC Frameworks; and
- v DSA report writing.

The course was facilitated by well-trained experts from the region, namely; Mr. Santigie Charles Conteh (Sierra Leone), Ms. Doris Adzo Dzidzornu (Ghana) and Ms. Esinam Afua Dagadu (Ghana). The Director General of WAIFEM, Dr Baba Yusuf Musa also supported massively in the delivery of the course.

The course was attended by Forty-seven (47) participants, mainly from the WAIFEM member countries of which 34 are Males and 13 are Females. The number of participants from member countries: The Gambia (15), Ghana (10), Liberia (11), and Sierra Leone (11).

OBSERVATIONS AND RECOMMENDATIONS:

- The SSA debt risk status for PRGT eligible, low-income developing countries 2014 – 2020 indicates that in 2014, there were only 2 countries in debt distress, but the number increased to 5 in 2020. Also, the number of countries in high risk of debt distress jumped from 4 in 2014 to 12 in 2020.
- Based on IMF – Regional Economic outlook for SSA as of October 2021 indicates that a dramatic increase in debt levels from 50.4% of GDP (Pre-Pandemic) to 56.6% of GDP in 2021.
- There is still a huge gap in the WAIFEM member countries capacity to conduct DSA.

OBSERVATIONS:

- v The facilitators' presentation delivery was excellent as they demonstrated in-depth mastery of the themes;
- v The facilitator-participant engagement. The presence of the facilitators during lectures and the approach deployed by them helped engage participants' attention in the class especially the test at the end of each lecture;
- v Furthermore, the hands-on exercise also helped enhanced participants' knowledge and deepened their understanding of the LIC-DSF tool;
- v The virtual (blended) approach course was more effective for participants compared to the solely virtual course. The grouping of participants at designated location away from the office space supported participants to fully concentrate on the lectures though there were few interruptions for some who were still around the office space;
- v It was also observed that internet connectivity and accessing some course materials was a challenge for some participants;
- v The summarized but very informative presentation reduced boredom and enhanced participation and attentiveness during lectures; and
- v The facilitators, the coordination and administration of the course by WAIFEM staff were very satisfactory. This provided a more exciting atmosphere during the Virtual (blended) training.

RECOMMENDATION:

- With the emerging risks and worsening vulnerabilities in the outlook for debt sustainability in our member countries and given the importance of the LIC-DSF tool and the MAC-SRDSF, we suggest that WAIFEM should organize this course at least every quarter to speed up capacity building of debt managers in member countries more especially on the MAC-SRDSF. This would help member countries to employ efficient and effective debt management strategy to mitigate some of the risk associated with higher debt burdens going forward;

- Given the importance of the virtual (blended) course, it would be more effective if WAIFEM can assign one staff to each country to coordinate with each country in the organization of the course. This would improve the seriousness of participants in member countries and reduce the challenges with delays in lunch and unattended sessions of the course;
- On the internet connectivity, we suggest WAIFEM coordinate with member countries to provide a strong internet support for the training;
- On the venue for the training, we suggest the training should be organized outside the city to reduce distractions from the office; and
- We suggest that the facilitators should have intensive engagement with the participants during the hands-on exercise on the LIC-DSA template to support trainees who are introduced to the tool the first time.

The participants expressed deep and heartfelt appreciation to the Director General and the entire management staff of WAIFEM for the successful organisation of the Course. They thanked the facilitators for their excellent delivery and interactions during the sessions, which helped them build their capacity in LIC DSF.

1.3 FINANCIAL SECTOR AND PAYMENT SYSTEMS DEPARTMENT

1.3.0 INTRODUCTION

During the year 2021, the Financial Sector and Payment Systems Department organized a total of eleven (11) regional capacity building programmes all of which were executed online. These programmes benefitted three hundred and forty (340) participants from Central Banks, Ministries of Finance and Economic Planning as well as other public and private sector agencies from WAIFEM member countries.

A country-wise distribution of the participants indicate that 80 participants were from Liberia (23.5 percent) followed by 73 from Nigeria (21.5 percent); 63 from Ghana (18.5 percent); 47 from Sierra Leone (13.8 percent); 40 from The Gambia (11.8 percent) while others and Guinea accounted for 33 (9.7 percent) and 4 (1.2 percent) respectively.

A breakdown of participation according to institutions shows that central banks accounted for 239 participants representing 70.3 percent; other public sector agencies accounted for 88 participants (25.9 percent) and the private sector accounted for 13 participants (3.8 percent). In terms of participation by gender, 209 participants were male, representing 61.5 percent while 131 were female representing 38.5 percent of the participants.

The details of the courses conducted by the Financial Sector and Payment Systems Department are as follows:

1.3.1 REGIONAL COURSE ON CYBER SECURITY, DIGITAL/CRYPTO CURRENCIES (ON-LINE), - FEBRUARY 15 – 17, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Cyber Security, Digital/Crypto Currencies (On-Line) in Lagos, Nigeria, from February 15 – 17, 2021.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed the participants and facilitators to the online programme. He underscored the challenges and concerns arising from the COVID-19 pandemic and the increasing adoption of cloud and digitally-centred operations. More importantly, he pointed out the growing appeal to criminals of the cyber space as a result of the increasing reliance of financial service providers on the internet to deliver financial services and rapid transition to remote working through much reliance on internet connectivity by most institutions and businesses worldwide. He also outlined the potential costs of cybercrimes to organisations, including the reputational risk associated with cyber security breach and likely loss of public trust, loss of integrity and availability of data and denied access to the computer network and systems.

Accordingly, Dr. Musa clearly stressed the importance of the course and reiterated the fact it was both relevant and timely, as it provides the right platform to participants for exploring cyber security issues confronting the financial services industry and discussing strategies that can be implemented to prevent cyber-attacks. He enjoined, the participants to make their participation in the course rewarding by taking every available opportunity to tap the knowledge and experience of the excellent faculty placed at their disposal.

The overall aim of this course is to expose participants to the threats posed by cyber-crimes to organizations and measures to mitigate these threats. Specifically, the objectives are as follows:

- Discuss cybersecurity concepts, themes, etc., and explain the typical objectives cybersecurity programs seek to achieve.
- Identify typical goals and success criteria of cybersecurity policy frameworks/Strategy, and the accountability and responsibility of national/corporate leadership therein.

- Evaluate different approaches for securing complex computer networks, and discuss the risks and threat prevention measures, in the different layers of services in the financial service industry.
- Define cybersecurity assurance and monitoring measures, and discuss the approaches to promote compliance, using performance metrics.
- Equip participants with knowledge of the key concepts and procedures required for the detection and prevention of such crimes.

The broad themes covered included the following:

- Overview of cyber-security concepts and drivers in the financial services industry;
- Risk exposure and the rapidly developing scope and nature of the threats to cyber-security;
- The role of the regulator in relation to existing vulnerabilities: - tools for identifying cyber-security hygiene;
- Legal initiatives relating to cyber-security and cybercrimes;
- Best practice cyber-security frameworks and optimization of disaster recovery strategies to ensure business continuity;
- Establishing effective mechanisms for sharing intelligence for cybercrimes prevention and learning lessons on cyber incidents across the financial services industry;
- Cyber-security issues in digital transformation;

o Crypto Currencies

o Electronic banking services

o Mobile financial services

o Cheque truncation services

o Online stock trading services through the central security clearing system

- Data protection within the financial industry; and
- Future outlook: cyber-security and the financial services industry

The course was attended by thirty (30) middle/senior level officials from member central banks, other government officials from The Gambia, Ghana, Liberia, Nigeria, Sierra Leone, as well as Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Zimbabwe.

The course was facilitated by experienced resource persons from Deliotte and Touché, Nigeria.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

· 92 per IFEM to be very effective.

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

Observations:

Ø Cybercrime is and will continue to be a major global challenge;

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

Ø There is inadequate sensitization of Senior Management on the issues of cybercrime;

Ø Legislation and other regulations in most of the countries in the sub region failed to deal with cyber-crimes and their perpetrators, thus, creating some level of legislative heterogeneity within the region. Also, only few countries among the member states have been able to establish a layered approach for sharing real-time financial institutions and general public cyber-attacks and threat information through cyber threat sharing centres. In short, there is no existing regional body that coordinates and monitors the cyber landscape within the West African sub-region;

Ø Cyber security is no longer a technical problem for the IT professionals alone, but a matter of great concern to the entire organization;

Ø Not all the member central banks have fully adopted an information and cyber security framework and fully implemented them;

Ø The upsurge of Fintech in the region creates opportunity for unbanked to access financial services. However, it increases the cyber-risk to the region's financial information infrastructure;

Ø Top management in some countries/organizations are not adequately sensitized on cyber-security and not active in the fight against cybercrime; and

Ø Some financial institutions and governments around the sub region are facing increasingly innovative, more advanced threats from those outside their internal networks and systems, either through rogue individuals or team sponsored by nation states. While some of these external threats could easily capture the attention of cyber security experts, other threats posed essentially by insiders could have more devastating consequences on organizations than expected.

Recommendations:

Ø Policymakers and other stakeholders should be sensitized on threats of cyber-attacks and crimes and its implications to the financial service industry;

Ø 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;

Ø 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;

Ø All member central banks should adopt and implement an information and cyber security framework as a matter of urgency;

Ø WAIFEM should continue to build capacity on cyber-security and strategies for combating cyber-crime in the Financial Service Industry in the sub-region;

Ø Adoption of Fintech across the region requires a proactive regulation and effective collaboration by Central Banks in our region;

Ø Computer Incident Response Team (CIRTs) should be set up in all member states, to ensure that all financial institutions are collaborating and working as one in mitigating cyber risks and also enabling information sharing;

Ø The Board and executive management of organizations should be more aware of their accountability in case of a cyber-attack and recognize the need for skilled professionals and to allocate more funds to cyber-security systems to identify and act against potential cyber threats;

Ø The West African sub-region should implement robust and thorough access control measures to sensitive classified data across our financial and regulatory bodies, as these threats could emanate from both inside and outside of a company's network;

Ø Banks and other financial services institutions in the sub-region should sensitize their senior management on issues of cybercrimes, include experts in ICT in their Boards of Directors and explore the possible implementation of IT software (COBIT-5) framework to align IT and business objectives; and

Ø All member central banks may consider developing a synchronized regulatory guideline in conjunction with stakeholders to address the growing threats and opportunities arising from the cryptocurrency market; Members may also consider creating a digitalized currency to counter the current growing influence of cryptocurrency in the region.

1.3.2 REGIONAL COURSE ON FINANCIAL TECHNOLOGY (FINTECH), ARTIFICIAL INTELLIGENCE, DISRUPTIVE TECHNOLOGIES, (ON-LINE)- APRIL 13 - 15, 20

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Financial Technology (Fintech), Artificial Intelligence, Disruptive Technologies via Zoom, on-line from April 13 - 15, 2021.

The opening ceremony was presided over by the Director General of WAIFEM, Dr. Baba Y. Musa. Also present were the Directors of WAIFEM and the facilitators from Deloitte and Touché, Nigeria.

In his Keynote address, Dr. Baba Y. Musa welcomed the participants and facilitators to the online programme. He highlighted the role of Financial Technology (FinTech) and Artificial Intelligence (AI) in an organisation. He further threw more light on the potential benefits of Fintech in the economy. Dr. Musa also touched on the potential risks that came along with the emergence of Fintech and the relationship between Artificial Intelligence and FinTech.

In conclusion, the Director General encouraged participants to make use of the opportunity to tap the knowledge and experience of the very able facilitators provided to facilitate the course.

The overall objective of the course was to introduce participants to the concepts of AI and FinTech and their application in the financial industry. Specifically, the objectives were as follows:

- Enhance participants understanding of the concepts of FinTech, AI;
- Determine the current application of technology in our financial systems;
- Explore the various methods of adoption of FinTech and AI, as well as cost implications;
- Equip participants with knowledge of the key concepts and procedures required for melding technology and finance for the benefit of consumers.
- Sensitize participants on the need to share the knowledge gained with key personnel of their institutions, with a view to encouraging the harnessing of technology in the financial industry as appropriate.

The broad themes covered included the following:

o Overview of FinTech and its applications;

- o Introduction to AI and machine learning (ML);
- o Types of products and services delivered through FinTech, including: Crypto currency, Block chain technology, Electronic payment services, Mobile financial services, Cheque processing services;
- o Products and services delivered through AI and ML, including: Big data analytics;
- o Technological challenges in Africa inhibiting adoption of disruptive technologies;
- o The role of the regulator in relation to FinTech, AI and ML;
- o FinTech and AI in relation to the future of the financial industry; and
- o Challenges of supervision of disruptive technologies (FinTech, AI) in the financial industry.

The course was attended by 37 (thirty-seven) middle/senior level officials from member central banks, other government officials, as well as deposit money banks from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

The course was facilitated by experienced resource persons from Deliotte and Touché, Nigeria.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- Over 91 percent of the participants affirmed that the objectives of the course were achieved;
- About 96 percent of the participants concurred that the course has enhanced their understanding of the concepts of Fintech, artificial intelligence and disruptive technologies;
- 78.3 percent of the participants averred that the course has equipped them with the knowledge and procedures required for melding technology and finance for the benefit of consumers;
- More than 82 percent of the participants strongly agreed that the skills acquired from the course would improve their job performance;
- 78.3 percent of the participants affirmed that the blend of plenary sessions and group exercises was effective;
- About 96 percent of the participants strongly agreed that the course met their expectations; and
- 91 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective.

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

Observations:

- Most countries in West Africa do not have regulations in place to control Fintech operations.
- Crypto currencies cannot be regulated outside the interface from which they are initiated and received.
- There is little or no regulation on disruptive technologies from an ethical and risk point of view.
- Most African countries are reluctant to invest in modern technologies but rather wait to consume what has been already created in the western world.
- There is a substantial amount of fear of technology taking over jobs in the next few decades.
- Concerns have been raised about data breaches and data security with respect to Big Data and cloud storage.
- We are not doing much in Africa in storing and unlocking intelligence and deriving insight from Big Data. Data is available; however, it is not being captured and utilised as it should.

Recommendations:

- Policy makers should be sensitized to set up strategic policy frameworks for the acquisition and use of disruptive technology for social and economic growth.
- Government bodies should be briefed on the need to bridge the gap of providing the requisite infrastructure and training resources to diffuse the knowledge of Information Technology and not leave that task to the private sector alone, as the primary motive of the private sector is to make profit.
- Trainings such as these, organized by WAIFEM should be encouraged further to enlighten and broaden the scope of knowledge.
- Further knowledge dissipation on cyber security and the adoption of the ISO 270001 frameworks should be encouraged to allay fears on the breach of data and data security regarding big data and cloud storage.
- Traditional banks in our sub-region should be entreated to look beyond the traditional ways of providing services, and begin to adapt to more modern approaches like the use of AI to enhance customer service provision and relations, and the use of AI to study customer transaction

patterns in order to better predict and serve products that will be relevant to certain categories of customers. This will yield better results for the banks as they reach a more targeted audience with advertisements.

- Banks and Fintech companies should be encouraged to leverage on each other's strengths to provide the best of services in the financial sector.

1.3.3 REGIONAL COURSE ON INSURANCE SUPERVISION (ON-LINE) - MAY 3 - 7, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Insurance Supervision virtually on zoom platform from May 3 – 7, 2021.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed the participants and resource persons to the virtual opening ceremony of the regional course on Insurance Supervision. Dr. Musa informed the participants that it is the first time the Institute is organizing the course, following the launch of the mandate of the Institute's new strategic Plan of (2021- 2025) which broadened its mandate to encompass all capacity building emerging concerns in the sub region. The Director General expressed his profound gratitude to the experienced team of experts who facilitated the training.

On the need for Insurance Supervision, the Director General declared that the ultimate objective of Insurance Supervision and Regulation according to the International Association of Insurance Supervisors (IASP) is adequate regulation and supervision to enhance policyholder protection. He maintained that apart from protecting policyholders and prompt settlement of their claims in the event of setbacks, adequate regulation and supervision of insurance firms would help developing economies work towards an escape from poverty.

Finally, he enjoined the participants to make their participation in the course rewarding by taking every available opportunity to tap the knowledge and experience of the excellent faculty placed at their disposal.

The course was aimed at providing participants with the basic knowledge in Insurance Supervision in order to enable them to effectively and efficiently perform their regulatory duties as Insurance Supervisors.

The broad themes covered included the following:

- Overview of Insurance – role and extent of penetration.
- Licensing process – a case study of one of the members States.
- Liquidity and solvency requirements – issues and challenges.
- Re-insurance – issues and challenges.
- Types of insurance – general and life insurance policies.
- Other insurance products and services.
- On-site examination including Risk Based Approach.
- Off-site Examination and Analysis of insurance firms.
- Takaful Insurance and Risk Management.
- Origins and implementation of the ECOWAS brown card – issues and challenges.
- Characteristics of comprehensive and Third Party Insurance Schemes.

The course was attended by fifty-three (53) middle/senior level officials from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The course was facilitated by a pool of knowledgeable and experienced individuals who are experts in their various fields in the insurance regulatory bodies across the sub-region.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- About 96 percent of the participants affirmed that the objectives of the course were achieved;
- 89.4 percent of the participants claimed that the course has broadened their understanding of the nature and requirements of insurance supervision;
- More than 76 percent of the participants concurred the course has equipped them with the skills to conduct on-site and off-site surveillance of insurance firms;
- Over 89 percent of the participants strongly agreed that the knowledge and skills acquired from the course would improve their job performance;
- 87 percent of the participants affirmed that the blend of plenary sessions and panel discussion was effective;
- Overall, 89 percent of the participants asserted that the course met their expectations; and
- More than 93 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective.

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

Observations:

i. Lack of awareness and trust about insurance in West Africa has led to informal risk-coping mechanisms which is preferred to formal insurance and as a result, insurance penetration is low in West Africa.

ii. Poverty level in most African countries makes it difficult for people to take on insurance policies. Globally, Africa has the lowest total penetration rate of 2.7%.

iii. The development of new products can ensure local insurers retain emerging risks, retain capital locally as opposed to ceding risk abroad.

iv. Insurance products are sold and not bought, hence the need for product to be marketed.

v. There is need for more local players so that certain special businesses can be widespread locally as opposed to foreign placement as a result of low capacity of insurers.

vi. There is a high level of financial exclusion. Insurance penetration does not leapfrog general financial inclusion. New products can be used as a tool for financial inclusion to include the populace that has been excluded by virtue of their work, status, business and religion.

vii. Regulators are not keeping pace with innovation. Where this is the case, they risk excluding or constraining innovative models that are essential for market development.

viii. The sub-region is being overwhelmed with series of challenges that have to do with capacity building due to financial constraints, lack of information sharing between regulators and different minimum capital requirements.

ix. Compulsory insurances schemes need to be implemented by private and government parastatals.

x. There is insufficient coordination between insurance regulators and government authorities to help put in place appropriate laws to promote insurance.

xi. Participants would have preferred the course to be a physical one as there were occasions of network disruptions among participants and facilitators, which would have been avoided.

Recommendations:

i. There is need to leverage on mobile networks to offer insurance cover to large groups of people.

ii. Regulators should liaise with government agencies and policy makers for compulsory insurance to be enforced in appropriate areas in order to increase insurance penetration in West Africa and sub-Saharan Africa.

iii. There is need to develop and implement strategies aimed at building awareness, trust and appreciation for the value offered by insurance. This is critical to build a basis for the next stage of development.

iv. Development of laws, regulations and policies aimed at increasing insurance penetration should be implemented.

v. Regulations guiding insurance must be made firm to put some trust into the insurance system.

vi. Carriers should evolve their current products and value propositions to more hyper-personalized policy types.

vii. Life insurance must be made compulsory by governments for all workers; be it government or private institutions.

viii. Insurance language should be simplified in the local language for people to understand policies sold to them and their terms and conditions.

1.3.4 REGIONAL COURSE ON FINANCIAL MARKETS INFRASTRUCTURE AND PAYMENT SYSTEMS - MAY 24 – 28, 2021.

The Regional Course on Financial Markets Infrastructure and Payment Systems was organized by the West African Institute for Financial and Economic Management (WAIFEM) virtually on zoom platform from May 24 – 28, 2021. The course was noted to be important given the critical role Payment Systems play in implementing monetary policy and facilitating clearance and settlement of transactions. Since one of the critical responsibilities of all Central Banks is stability of the financial system, it is crucial that all regulators and other stakeholders of the industry continuously upgrade their skills and tools to adequately guide the inviolability and integrity of the payment systems to avoid or mitigate the associated risks, which if not managed through effective oversight, could lead to disruption of financial system in the economy.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa who was represented by Mr. Euraclyn Williams, Director, Administration and Finance, welcomed the participants and facilitators to the online programme. He underscored the importance of the course by stating that it would give participants an appreciable understanding of payment systems in general, including policies and risks issues and mitigating measures, as well as Real Time Gross Settlement (RTGS). He averred that the course will also provide a platform for a review of the harmonization programme of payment systems of the member countries in the West African Monetary Zone (WAMZ).

The Director General affirmed that the payment system was an essential component of a financial system which is vital to the development of the interbank money markets and securities markets. He elaborated on the roles payment systems play in economic growth and development, to include settlement of transactions among individuals, businesses, banks and governments.

Finally, Dr. Musa pointed out that most of the transactions pass through automated clearing houses, the use of smart cards and real time gross settlement (RTGS); and maintained that the thrust of the payment system policy is to provide liquid money markets, facilitate the conduct of monetary policy, and promote open and competitive financial markets.

The course was aimed at providing participants with the basic knowledge on financial markets infrastructure and payment systems as a means of enabling them to perform their regulatory and oversight duties effectively and efficiently in the payment systems ecosystem.

The following broad themes were covered:

- Correspondent Banking – Operations, Mechanisms and Challenges.
- Payment System and Issues of AML/CFT in West Africa.
- Credit Risk, Liquidity Risk, General Business Risk, and Operational Risk in the payments Systems.
- Capital Market Operations and Central Securities Depository (CSDs).
- Foreign Exchange operations, payments, and Settlements of International Transactions.
- Exchange Traded Instruments (Money and Capital markets), Clearing and Settlement.
- Payment, Clearing and Settlement System: The Roles and Objectives of the different Stakeholders.
- Mobile Money Platforms/Models and interoperability.
- Technology Infrastructure Requirements and Trends in Retail Payment including E-money, E-commence; etc.
- Understanding the Real Time Gross Settlement (RTGS), Automated Cheque Processing (ACP), Automated Clearing House (Ach).
- Payment system as an effective tool for financial inclusion.
- Prudential supervision and oversight of payment systems.

Thirty-six (36) participants from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone attended the programme.

The course was facilitated by knowledgeable and qualified individuals who are experts in their various fields in Financial Markets Infrastructure and Payment Systems across the sub-region.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- About 97 percent of the participants affirmed that the course has increased their understanding of payment systems in general;
- All the participants concurred that the topics covered at the course were appropriate;
- More than 93 percent of the participants strongly agreed that the course has enhanced their understanding of the link between payment systems and financial inclusion;
- 66 percent of the participants claimed that the course has increased their awareness of prudential supervision and oversight of payment systems;
- Almost 82 percent of the participants concurred that the course has enhanced their knowledge of CSDs and ETFs in capital markets;
- Over 90 percent of the participants affirmed that the course has increased their understanding of Real Time Gross Settlement (RTGS);
- About 97 percent of the participants strongly agreed that the course met their expectations; and
- 94 percent of the participants averred that the quality of facilitation assisted them in understanding the concepts.

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 displayed were well structured, adequate, very useful and highly refreshing, which enhanced participants' technical skills on financial markets infrastructure and Payment Systems.

ii. That Participants recognized payments system as a powerful tool for effective financial inclusion which further equipped them with sound financial market infrastructure in the sub region. This would be of immense help in effective and efficient execution of their respective duties in their various offices.

iii. The facilitators and 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 facilitators and 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.

vi. That the duration of the course was inadequate.

vii. Participants would have preferred the course to be a physical one as there were occasions of network disruptions among participants and facilitators, which would have been avoided.

Recommendations:

i. The course should continue to be offered, to keep officials of the sub-region abreast with evolving techniques and skills in payment systems.

ii. The course should be extended to other non-economists and non-financial employees in the central banks.

iii. Consideration of an in-person training should be done to avoid disruptions or multi-tasking whilst the training is being offered.

1.3.5 REGIONAL COURSE ON COMBATING MONEY LAUNDERING AND OTHER FINANCIAL CRIMES, ONLINE - JUNE 21 - 25, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Online Course on Combating Money Laundering and other Financial Crimes from June 21 – 25, 2021.

In his keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, who was represented by the Director, Administration and Finance Department, Mr. Euraclyn Williams, welcomed participants to the virtual opening ceremony of the regional course. Dr. Musa also extended his appreciation to the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) for its technical support towards the course and unfettered collaboration with WAIFEM in the fight against money laundering in the sub-region. The Director General used the opportunity to give a brief history of the Institute and the numerous capacity building programmes delivered by the Institute in implementing its mandate to strengthen capacity for sound debt, financial sector, and macroeconomic management in the countries of its member central banks and beyond.

Dr. Musa highlighted a whole range of issues on money laundering, terrorism financing, financial crimes, and their threats to the integrity of the financial system. He also noted the new challenges created with the advent of Fintech and cryptocurrencies which have great impact on the global financial system, characterized by huge mobility of funds and rapid development of new technologies.

He concluded by calling for coordinated efforts by the central banks and relevant stakeholders like the Financial Intelligence Unit (FIU) within our sub-region, to improve the effectiveness of anti-money laundering/combating the financing of terrorism (AML/CFT), supervision and information-sharing with global banks through recognized platforms, to ensure banks compliance with AML/CFT standards, and reiterated WAIFEM's desire to build capacity of regulators and law enforcement officials to combat the menace in the sub-region.

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

Ø To enable participants understand the concept and techniques of money laundering;

Ø To provide insight in understanding the various typologies of AML/CFT

Ø To enable participants appreciate International frameworks that govern the area of AML/CFT Framework (Global Responses, FATF Recommendations).

Ø To provide insights in techniques in Cybercrime and its related activities and the impact on economies.

Ø To expose participants to AML/CFT regulations in Cryptocurrency and Fintech Space.

The following broad themes were covered:

· Overview of Money Laundering, Economic and Financial Crimes (Definitions, Stages, Types, etc.);

· Effects of Money Laundering on the Financial System;

· International/Regional Initiatives: The Revised FATF Standards - Implications for Robust AML/CFT GIABA Regime in West Africa;

· Customer Due Diligence: The Link to Robust AML/CFT Framework (Assessment Body Perspective);

· ML/TF Threats and Challenges Posed by FinTech and Crypto Currency;

· Financial Crimes and the Production of Fraudulent Documents (Identity Theft, Credit Cards, Visa and Passports, Counterfeit Crimes, etc.);

- Designing Anti-Money Laundering Compliance Systems for Enforcement in Financial Institutions;
- Customer Due Diligence: The Link to Robust AML/CFT Framework (Supervisor's Perspective); and
- Risk Based Approach in Implementing AML/CFT Compliance.

The course was attended by thirty-seven (37) senior/middle level officials from the central banks, financial intelligence units, security and law enforcement agencies, specialized units for combating financial crimes and other security and related agencies from Ghana, Liberia, Nigeria and Sierra Leone.

The faculty comprised experts from GIABA, WAIFEM, NFIU, CBN, BoG and seasoned professional financial and security experts from the sub-region.

An analysis of participants' evaluation of the course in respect of its content, usefulness to work, presentation, time allotment and the general organization of the course indicated the following:

- 82 percent of the participants concurred that the course has broadened their knowledge of techniques for combating money laundering and other financial crimes;
- Over 89 percent of the participants affirmed that the course provided a good platform to share experiences on regional initiatives in prevention and combating money laundering and other financial crimes;
- All the participants unanimously agreed that the topics covered in the course were appropriate;
- 82 percent of the participants confirmed that the quality of facilitation assisted them in understanding the concepts;
- The documents or lecture materials distributed were acclaimed to be useful by about 86 percent of the participants;
- Overall, more than 89 percent of the participants agreed that the course met their expectation;
- The administration of the course by WAIFEM was rated as very effective by over 96 percent of the participants; and
- Over 94 percent of the participants acclaimed that the collaboration between GIABA and WAIFEM in delivery the course was very effective.

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

Observations

i. The intensity of the course programme revealed the need for the participants to be invited for in-person training. The impact of the programme would have significantly been achieved through a face to face learning, as participants were not zealous about the online course.

ii. The course has highlighted the role of supervisors to not only look out for issues regarding Anti-Money Laundering, but the need to constantly look out for traces of terrorism financing and adequately deal with the issues surrounding both menaces.

iii. The course further highlighted the emergence of Fintech and Cryptocurrency and its surrounding issues.

iv. The time allotted for the presentations was not enough to adequately deal with the subject matter.

Recommendations

i. Participants are encouraged to be zealous in their participation in the online programmes.

ii. The lectures should be embedded with some case studies to give the participants hands on exercises on the subject matter being discussed. The case studies must relate to the settings within the African region. This would enable participants to fully understand the context of the subject matter and how it relates to the setting we find ourselves in as Africans.

iii. Financial technology has come to stay and it is therefore imperative that supervisory bodies and accountable institutions look into the effective regulation of these emerging technologies. Not only should we be concerned about how positively these technologies impact businesses, but we also need to explore the possibilities of criminals taking advantage of the vulnerabilities identified in these systems and adequately cater for such vulnerabilities.

iv. The multi-faceted nature of ML/TF typologies requires deep cooperation among member state institutions. Such cooperation will promote relevant information sharing, timely information delivery to enable law enforcement agencies address issues regarding ML/TF.

v. There is the need for supervisory agencies and law enforcement agencies to adequately review existing legislation to reflect or deal with public officials involved with money laundering. It has been established that high ranking public officials when involved with money laundering are covered with immunity even when a case of money laundering is established. These regulations within the African sub region must be revised to adequately deal with such provisions.

vi. Enough time should be allocated to each session for proper assimilation of the subject matter.

1.3.6 REGIONAL ONLINE COURSE ON RESERVES AND FOREIGN EXCHANGE MANAGEMENT - JULY 26 – 30, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional online course on Reserves and Foreign Exchange Management, from July 26 – 30, 2021.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed the participants and facilitators to the online programme. He underscored the challenges and concerns arising from the COVID-19 pandemic for which reason the course had to be delivered in virtual format. In setting the tone, he highlighted the fact that Foreign Reserves or Foreign Exchange (forex) Reserves can be broadly classified into two inter-linked areas, namely, the theory of reserves and the management of reserves. The Director General emphasised that, the theory of reserves encompasses institutional and legal arrangements for holding reserve assets, conceptual and definitional aspects, objectives for holding reserve assets, exchange rate regimes, and conceptualization of the appropriate level of foreign reserves. Accordingly, he indicated that a theoretical framework for reserves is essential to provide the rationale for holding forex reserves.

On the issue of Reserve management, the Director General stressed that effective management of foreign exchange reserves is one of the major macroeconomic objectives and forms an integral part of central banks' policy toolkit, hence the need for a carefully thought-through portfolio management process. More importantly, he re-echoed that key considerations as safety first, liquidity, and return on reserves should be the guiding principal objectives of reserve management. He encouraged participants to interactive and share country experiences to enrich knowledge of other participants in the subject matter.

The objective of the course was to acquaint participants with critical skills required to effectively play their roles in foreign reserves management. Specifically, the course was to enable the participants:

- improve their understanding and skills in analyzing market information;
- enhance their skills in review of portfolios; and
- use analytical tools and techniques in making decisions on which specific instruments to use, when and with whom.

The following broad themes were covered:

- Understanding foreign exchange reserves – accumulation, composition and management;
- Understanding foreign markets and instruments;
- Risks and risk management in foreign exchange reserve management;
- Trends in external reserve management;
- IT systems support for reserve Management;
- Approaches to external reserve management;
- Understanding the balance of payments (BOPs)and its links with reserve management; and
- Reserve pooling – issues and challenges in regional integration.

Thirty-six (36) middle/senior level officials from member central banks and other government officials from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone attended the programme.

The course was facilitated by experienced resource persons with solid central banking knowledge as follows: Mr. Umar A. Mairiga, Mr. Hassan Yunusa Sarkin-Pada, Mr. Babangida Alhaji Sabo, Mr. Bashir I. Ahmad, Mr. Gary Smith, and Mr. Morlie Bangura.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- The participants unanimously affirmed that the course has increased their understanding of reserves and foreign exchange management in the macroeconomic context;
- Over 96 percent of the participants agreed that the course has improved their understanding of derivatives and how to value fixed income instruments;
- About 81 percent of the participants strongly agreed that the course has improved their skills in strategic asset allocation, currency mix and benchmark design in reserves management;
- Almost 97 percent of the participants concurred that the course has increased their understanding of foreign exchange markets and products;
- 87 percent of the participants claimed that the course has increased their understanding of liquidity analysis and reserves trenching;
- More than 83 percent of the participants averred that the course has exposed them to the need to have in place clear and robust investment policies and guidelines in central banks;
- 94 percent of the participants affirmed that the quality of facilitation assisted them in understanding the concepts; and
- 90 percent of the participants strongly agreed that the course met their expectations.

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

Observations:

i. That most member countries currently lay more emphasis on liquidity management than long-term investment of reserves, given the varying levels of reserves;

ii. That most of the member countries have been relying heavily on the external rating agencies for assessing reserve positions, which in most cases undermine the true reserves condition;

iii. That more attention has been devoted to theoretical issues during the course than the practices in the member countries;

iv. That some member countries have investment guidelines but without comprehensive investment policies;

v. That the training in specialised treasury management among some central bank is inadequate;

vi. That the course is important to the success of every country;

vii. That development in financial markets remain shallow and trading of derivatives are absent in some countries;

viii. That as the training was conducted virtually, most of the presenters and participants encountered some internet breakup;

ix. That sources of generating inflow to boost reserves are few and therefore vulnerable to external shocks.

x. That deficit finance in most of the member countries are becoming persistent and this may require adjustment measure to our BOPs if care is not taken; and

xi. That online participation attracts distraction from our work places.

Recommendations:

i. There is need to adopt investment strategies that will guarantee safety and where necessary enhance returns;

ii. That attachment amongst member countries be encouraged in order to transfer practical knowledge from more experienced banks to other less experienced ones;

iii. Central Banks should exercise caution in adopting the views of the rating agencies in consideration of recent experiences;

iv. More time should be devoted to on-the-job (practical) issues in the training contents;

v. In our investment management activities, we should not lose focus of the three cardinal objectives of reserve management viz: safety, liquidity and returns;

vi. Member countries should have investment policies as a supplement to investment guidelines authorizing the investing of reserves within risk parameters;

vii. Accurate and timely reporting of data is critical in the reserve management process;

viii. Governmental interference in the reserve management process and the affairs of central bank officials must be eschewed;

ix. Counties should endeavour to enrol their staff in the specialized training RAM world Bank Programme;

x. Continuous training and refresher courses in reserve management for central bank officials should be encouraged;

xi. The financial markets in most of the member countries should be deepened to accommodate derivatives instruments such as forward contracts, future contracts and swaps;

xii. The sources of inflows should be expanded to ameliorate the vulnerability of our economies to external shocks;

xiii. Countries should device various strategies to make deficit finance a temporary issue to ease the pressure on external reserves; and

xiv. There is need to intensify efforts on the regional integration process which could assist in pulling resources in terms of reserves and make the region stronger.

1.3.7 REGIONAL ONLINE COURSE ON NON-INTEREST BANKING - AUGUST 30 – SEPTEMBER 3, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a one-week online regional course on Non-Interest Banking from August 30 – September 3, 2021.

The opening ceremony was presided by the Director General of WAIFEM, Dr. Baba Yusuf Musa. In his keynote address, Dr. Baba Musa welcomed all participants and facilitators to the online course. He noted that non-interest banking is not a religious product/service restricted to Muslims alone, but a series of financial products developed to meet the requirements of specific groups of investors, and a financial model based on profit and loss sharing system. It is bound by Sharia (Islamic Law) and prohibits the taking or payment of interest, and also rests on Islamic doctrine of “universal permissibility” in business dealings, which states that "everything is permissible unless it is clearly prohibited". The Director General summarized the basic features of non-interest finance as follows:

ü Principle of justice is an essential requirement for all kinds of Islamic financing; the financier and the beneficiary share the actual profit/loss if the contract is equity-based.

ü The financing of Islamic products is restricted to useful goods and services and refrain from financing harmful activities.

ü The ethical and moral consideration of Islamic products cannot be detached from the standards laid down by Islamic Sharia.

Dr. Musa, while concluding his address, entreated the participants to take maximum advantage of the opportunity of interacting with the experts assembled to facilitate the course in order to enhance their knowledge and skills in non-interest banking.

The objective of the course was to provide a broad understanding on fundamentals of non-interest banking to participants. In particular, it was intended to shed light on the Sharia requirements and the avoidance of "RIBA" (Interest) in modern day business finance.

The broad themes covered included the following:

ü Fundamentals of Non-Interest Banking and Key differences between Islamic and Conventional Bank;

ü Development and Challenges in Islamic Banking and Finance;

ü Concept and Overview of Islamic Finance: The Prohibition of RIBA, Principles of Islamic Finance, and Principles of Islamic Trade;

ü Legal and Institutional Framework: Islamic Legal System, Regulatory Regime for Islamic Banks, and Sharia Boards;

ü Financial Reporting and Accounting for Islamic Transactions;

ü Sharia Governance Framework;

ü Non-Interest Finance in a Secular Environment: The Opportunities and Challenges;

ü Islamic Micro Finance: Introduction, Models: The Way Forward;

ü Non-Interest Banking Products: Mudaraba, Musharakah, Murabaha, Ijara, Sukuk; Mutual Fund, etc.;

ü Risk Management for Non-Interest Banking; and

ü Islamic Insurance: Instruments; Products, Pricing and Profit Sharing.

The course was attended by twenty-four (24) senior officers and middle level executives from the Central Banks, Deposit Money Banks, West African Monetary Institute and Economic and Financial Crimes Commission. Country-wise analysis indicated that there were nine (9) Ghanaians, four (4) Liberians, three (3) Nigerians, six (6) Sierra Leoneans, and two (2) Guineans.

A team of experts drawn from the sub-region and the academia facilitated the one-week course.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- About 86 percent of the participants affirmed that the course has enhanced their understanding of the concept of Islamic finance;
- 67 percent of the participants strongly agreed that the course has increased their knowledge of the legal and institutional framework in Islamic finance;
- More than 90 percent of the participants concurred the course has increased their knowledge of the products in Islamic finance;
- 86 percent of the participants strongly agreed that the course has increased their understanding of the benefits and challenges in Islamic finance;
- 91 percent of the participants affirmed that the course has enhanced their understanding of the differences between conventional and Islamic banking products;
- 86 percent of the participants opined that the quality of facilitation assisted them in understanding the concepts; and
- 91 percent of the participants asserted that overall, the course met their expectations.

Communiqué

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

Observations:

i. There is lack of qualified and knowledgeable experts in non-interest banking in our sub-region;

ii. Non-interest banking derives its substance from Sharia law which is based on the principles of trust, honesty, sacrifice, commitment, integrity; etc.;

iii. Non-interest banking is complementary to conventional banking and has potential to promote financial inclusion and growth in the real sector of the economy;

iv. Non-interest banking is essentially a business concept rather than religious proposition;

v. In non-interest banking, while the concept of profit and loss sharing is based on the underlying asset and the sharing of risk is fundamental, the framework for determining profit is however discretional.

vi. The lack of liquidity management instruments is a great impediment to profitability of non-interest financial institutions (NIFIs) in the sub-region.

vii. There is absence of clear enabling laws and regulatory framework in many West African countries.

viii. Non-interest interbank market is yet to be operational at the various jurisdictions in West Africa.

ix. Some countries in the sub-region have introduced non interest banking window without proper regulations.

x. Lack of consensus in regional expert opinion and assistance on

Non-interest banking and finance matters, can impede the development and operations of NIFIs.

Recommendations:

i. Appropriate legal and regulatory framework should be formulated by the respective authorities to ensure the establishment of non-interest banks in the sub-region.

ii. Efforts should be exerted towards the introduction of non-interest banking in the sub-region through adequate sensitization of people to encourage its acceptability.

iii. There is need for awareness creation to emphasize that Islamic banking is not synonymous with Islam, but a form of business.

iv. There is need for a clear methodology on the determination of profit and loss in Islamic banking.

v. Sharia board should include Islamic scholars based on their technical expertise rather than popularity.

vi. Development of capacity of stakeholders in non-interest banking operations and services to build local expertise and awareness in non-interest finance.

vii. Development of market and investment research capabilities to attract non-interest finance investments in the African continent.

viii. Community facilitation and support infrastructure to promote transactions, and develop advisory support for institutions wishing to gain access to Islamic finance transactions.

1.3.8 IMF/WAIFEM/MEFMI ONLINE COURSE ON FINANCIAL SOUNDNESS INDICATORS - OCTOBER 4 - 7, 2021

The online course on Financial Soundness Indicators was organized jointly by the West African Institute for Financial and Economic Management (WAIFEM), International Monetary Fund (IMF) Statistics Department, and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), from October 4 – 7, 2021

In his opening remarks, the Executive Director, MEFMI, highlighted the critical role of financial soundness indicators (FSIs) in informing macroprudential analysis and safeguarding financial stability. He observed that the risks of financial instability were further heightened by the COVID-19 pandemic, which could result to new financial crises. Nonetheless, the new FSI Guide issued in April 2019 has widened coverage of FSIs to include previously ignored sectors, such as the insurance, non-financial sectors, households etc. The anticipated outcome is a comprehensive set of statistical data, which will enhance macroprudential and other policy analysis. He ended his remarks by thanking the course organizers, and calling for a possible rollout of the same course in the near future, as the current one was oversubscribed.

As part of his opening remarks, the Division Chief, Financial Institutions Division, Statistics Department, IMF, Mr. Artak Harutyunyan applauded the collaboration between the IMF, WAIFEM and MEFMI in organizing the course. He reiterated IMF's willingness to continue such collaboration in the future, given the demand for such support by member states. This support includes possible technical assistance by the IMF on the implementation of the new FSIs. In concluding, Mr. Harutyunyan appealed to countries to adopt the new template in November, 2021, and to respond to the IMF's letter indicating the option they wish to follow during the transition to the new FSIs.

In his keynote address, the Director General, WAIFEM, Dr. Baba Y. Musa welcomed the facilitators and participants to the virtual course. He noted that the ability to monitor financial soundness is based on some macro-prudential indicators that can be used as a basis for analyzing the current health and stability of the financial system. Dr. Musa maintained that the open and globalized financial economy, characterized by a high degree of interconnectedness among financial institutions has heightened the vulnerability of the financial system. This situation has necessitated improved compilation, aggregation, analysis and interpretation of financial data to adequately inform policy, enhance financial sector surveillance and ensure soundness of the financial system. Finally, he stated that the new Guide issued by the IMF in 2019 has also broadened coverage of the framework to include insurance companies, pension funds, and money market funds, among others.

The course was aimed at acquainting participants with the fundamentals of compiling, analyzing and interpreting FSIs, and their use in the financial sector supervision and macroprudential policy formulation.

The following broad themes were covered:

- Ø Preparation of the sectoral financial statements and compilation of FSIs for deposit takers;
- Ø Basel framework for capital adequacy and Basel III leverage and liquidity FSIs;
- Ø Basel regulatory capital;
- Ø Core and additional FSIs for deposit-takers; and
- Ø Compilation of core and additional FSIs for deposit-takers.

The course was attended by forty-five (45) officials from the central banks of fifteen (15) countries in East, South and West Africa. County-wise participation indicated that four (4) participants were from Botswana, four (4) from The Gambia, four (4) from Ghana, three (3) from Kenya, three (3) from Kingdom of Eswatini, one (1) from Lesotho, four (4) from Liberia, one (1) from Malawi, four (4) from Mozambique, two (2) each from Rwanda, Sierra Leone, and Tanzania respectively, four (4) from Uganda, three (3) from Zambia, and four (4) from Zimbabwe. Gender-wise participation revealed that twenty-one (21) or 46.7 percent were female, while twenty-four (24) or 53.3 percent were male.

The course was facilitated by a team of experts from the Financial Institutions Division, Statistics Department, IMF namely; Mr. Brian Kwok Chung Yee and Mr. Michael Andrews.

The participants were of the opinion that the course duration was inadequate, and suggested that the course should be organized in the future with a longer duration to enable them gain more understanding of the compilation, analysis and interpretation of FSIs for an informed macroprudential policy formulation. Finally, they expressed their gratitude to WAIFEM, IMF and MEFMI for their collaboration in organizing the course.

1.3.9 REGIONAL ONLINE COURSE ON INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - OCTOBER 11 - 15, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional online course on International Financial Reporting Standards (IFRS) in Lagos, Nigeria from October 11 - 15, 2021.

In his keynote address, Dr. Baba Y. Musa, Director General of WAIFEM, welcomed participants to the opening ceremony on behalf of management and staff of the Institute and expressed his sincere gratitude to the officials of Ernst and Young for their willingness to share their expertise/wealth of knowledge with the participants.

The Director General stated that globalisation has increased cross-border transactions as well as the free flow of international capital, and noted that such cross-border activities were complicated by different countries maintaining their own sets of national accounting standards which added cost, complexity and ultimately risk to both companies preparing financial statements and investors and other users of the financial statements to make economic decisions. He averred that the IFRS standards was aimed at addressing the challenges by providing a high quality, internationally recognized set of accounting standards that bring transparency, accountability and efficiency to financial markets around the world.

Finally, Dr. Musa noted that a key aspect of the West African Monetary Zone (WAMZ) project is the harmonization of standards, processes and procedures of the operational modalities of the member countries to enable the smooth establishment of the second monetary zone; and the adoption of the IFRS by WAMZ member countries would ensure a seamless harmonization of accounting practices among countries of the Zone.

The general objective of the course was to better acquaint participants with the provisions of the International Financial Reporting Standards, equip them with the necessary knowledge and skills to advise and guide the process of migration to IFRS, and its practical application in the preparation of financial statements. Specifically, the course provided the participants with:

- An appreciation of the need for global standard in the reporting of financial positions and performances;
- An appreciation of IFRS - its merits and advantages over the current reporting system that are non IFRS compliant;
- The knowledge of the method of interpretation of financial statements prepared under IFRS regime; and
- An understanding of the use of IFRS for policy making and key management decisions.

The following broad themes were covered during the course:

- v introduction to IFRS and financial reporting – the conceptual framework;

- v IFRS 9: introduction to financial instruments – classification and measurement;
- v IFRS 9: ECL impairment; interest rate benchmark reform: amendment to IFRS 9, IAS 39 and IFRS 7;
- v IAS 38: intangible assets (accounting for cryptocurrency);
- v accounting for non-financial assets and liabilities; accounting for financial instruments (an introduction);
- v IFRS 15: revenue from contracts with customers; and
- v General IFRS update (conceptual framework, amendment to IFRS 3, IAS 1, IAS 8 and IAS 16).

The course was attended by twenty-nine (29) senior/executive level officials from the central banks, core ministries, commercial banks, sub-regional institutions, economic and financial crimes commission, and audit services, from The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone.

A team of Accounting and Financial Experts from Ernst and Young, Nigeria facilitated the course.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- Over 77 percent of the participants concurred that the objectives of the course were met.
- About 86 percent of the participants strongly agreed that the course has upgraded their knowledge on the principles of the IFRS and equipped them with the necessary information and skills to guide the process of migrating to IFRS.
- 89.3 percent of the participants affirmed that the skills acquired from the course would improve their job performance.
- Over 76 percent of the participants opined that the course has updated their knowledge on the amendments to IFRS generally.
- 89.3 percent of the participants concurred that the substantive impact of the resource persons as a team was very good.
- 78.6 percent of the participants concurred that the course has up scaled their knowledge of the preferred method of interpreting financial statements under IFRS systems.
- 82 percent of the participants affirmed that the course met their expectations.
- Over 82 percent of the participants strongly agreed that the course has enhanced their knowledge on the classification and measurement of financial instruments

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

Observations:

I. That the course was successful in enhancing the knowledge of participants in International Financial Reporting Standards (IFRS), its framework, concepts and technical application.

ii. That it is difficult to introduce, apply and maintain or enforce IFRS in different countries, each of which has a range of social, political, economic and business factors to consider.

iii. That different legal systems may prevent the application of certain accounting practices and restrict the options available.

iv. That there are different purposes of financial reporting between countries. In some countries, the principal purpose of financial reporting is to serve as a basis for establishing tax liabilities. Equally, whether a particular entity applies a harmonized set of financial reporting standards may be of little practical relevance if it is essentially owner-managed.

v. That countries may be unwilling to accept another country's standards.

vi. That it is costly to develop a fully detailed set of accounting standards.

Recommendations:

i. That considering the success of the course and in view of increased advocacy for adoption of IFRS, WAIFEM is urged to organize more of such course for Accountants and other related professionals in the sub-region to equip them for the implementation process.

ii. That the various national laws and regulations should be reviewed to ensure that possible conflicts between the implementation of IFRS and the national laws and regulations are resolved.

iii. That regulators in the WAMZ should be more sensitized about international financial reporting standards in order to facilitate their adoption into their legal arrangements.

iv. That national standards setters in WAMZ be more involved in the development and promotion processes of a set of global accounting standards of high quality which are understandable and enforceable even by the small entities and owner-managed ones.

v. That WAMZ countries should pursue their efforts towards the convergence of national and international accounting standards.

vi. That there should be bilateral and multilateral cooperation between countries with high level of adoption of IFRS and those with lower level and some institutions to reduce the cost of adopting IFRS.

vii. That countries should introduce IFRS in their training programmes.

1.3.10 REGIONAL ONLINE COURSE ON BANKING SUPERVISION AND RESOLUTION (LEVEL II) - NOVEMBER 8 - 19, 2021.

A Regional online Course on Banking Supervision and Resolution Level II was organized by the West African Institute for Financial and Economic Management (WAIFEM), from 8th to 19th November, 2021.

The opening ceremony was presided over by the Director General of WAIFEM, Dr. Baba Y. Musa. In his Keynote address, Dr. Musa underscored the need for effective banking supervision and resolution, and reiterated the need for regulators to uphold prudent and ethical behaviour in order to strengthen the internal discipline of the financial system and ensure its stability. He also stressed the need for risk-based supervision geared towards reducing the risk of systemic failure and financial instability.

The course was designed to enhance the knowledge and skills of bank supervisors to appreciate the need for financial stability and strengthen their ability to mitigate the risk of systemic failure through various reform measures. The course was further aimed at providing understanding of bank resolution process to ensure effective implementation when the need arises.

The following broad themes were covered:

- v Risk-Based Supervisory Approach: Cost, Benefits and Implementation

Challenges;

- v Basel II and Basel III: Issues and challenges;
- v Non-bank financial institutions: The regulatory challenges;
- v Banking and electronic/IT based examination;
- v Cross-border supervision;
- v Macro-prudential versus micro-prudential supervision: Costs and benefits;
- v A review of prudential indicators of the health and stability of the financial system;
- v Bank behaviour and vulnerability: Banking indicators;
- v Risk-based supervisory approach: costs; benefits; and implementation challenges;
- v Contingency planning: Framework for managing systemic banking crisis;
- v Credit and credit risk examination procedure;
- v Internal Control Measures;
- v Banking crisis and supervisory responses; and
- v Fundamentals of Bank Operations.

The course was attended by thirteen (13) senior and middle level staff of the central banks of The Gambia, Ghana, Liberia, and Sierra Leone.

The course was facilitated by experienced resource persons and practitioners drawn from both the public and private sectors in the sub-region.

In a written evaluation administered at the end of the course:

- All the participants were of the view that the course has increased their awareness of contingency planning framework for managing systemic banking crisis;
- 91 percent of the participants affirmed that the course has increased their understanding of risk-based supervisory approach;
- 82 percent of the participants confirmed that the course has broadened their knowledge of Basel II and III;
- An overwhelming majority of the participants asserted that the course has increased their knowledge of the tools for assessing financial sector vulnerability;
- 91 percent of the participants concurred that the course has broadened their understanding of the relationship between banking supervision and financial stability;
- All the participants agreed that the topics covered were relevant for the course;
- 64 percent of the participants were of the opinion that the quality of facilitation assisted them in understanding the concepts;
- The course materials were found to be very appropriate by 91 percent of the participants;
- Overall, 91 percent of the participants affirmed that the course met their expectations; and
- In the wrap-up session, the participants were of the opinion that the time allotment for the delivery of the some of the sessions was inadequate.

In compliance with the directive of the Board and Management of WAIFEM, two sets of Quizzes were administered to the participants. The overall performance was excellent.

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

Observations

i. The topics were relevant and timely, particularly, risk-based supervisory approach, Basel II and III, safety nets and internal control measures, IT-based examination and the challenges of non-bank financial institutions;

ii. The course increased participants' general understanding of financial stability issues, systemic risks and measures to early detect and mitigate its impact on the financial system;

iii. Some of the topics were not adequately covered due to time constrains and technological challenges;

iv. The online nature of the course curtailed the full participation and understanding of some participants as they had to attend to other official duties and/or endure poor internet connectivity.

Recommendations

i. Encourage participation from other WAIFEM member countries for wider scope of knowledge and experience sharing;

ii. A refresher course should be organized for this cohort to make up for the limitations imposed by the online nature of the module;

iii. Organizations should ensure that their nominees are given absolute freedom to fully participate in the online courses;

iv. More time should be allocated for exchange of country experiences; and

v. Sufficient time should be allocated to facilitators to fully cover their topics for better understanding and impact.

1.3.11 HIGH LEVEL ONLINE SEMINAR ON BASEL II AND BASEL III: THEORY AND PRACTICE, FOR COLLEGE OF SUPERVISORS - NOVEMBER 29 – DECEMBER 2, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) organized a High Level Online Seminar on Basel II and Basel III: Theory and Practice from November 29 – December 2, 2021.

In his opening remark, Mr. Hilton Jarret, Chairman, CSWAMZ, asserted that a work plan has been put in place by the WAMZ committee to ensure that all members of the zone migrate to Basel II and III in the near future. He highlighted some of the merits of Basel II to include: enabling supervision and regulation to take a forward looking view on risk, to ensure it remains up to date with sound practices in the industry; having a better assessment, quantification and greater awareness of risks thereby lessening the likelihood of making bad decisions; promoting effective corporate governance to enhance financial stability, providing a unique opportunity for banks to integrate risk and business strategies especially at the institutional level, reducing probability of bank failures as a result of the improvement of banks' loss absorption possibilities, and giving insight to the issue of stress tests in order to have improved stance to detect systemic risks.

In his welcoming remarks, the Director General of WAMI, Dr. Olorunsola Olowofeso, who was represented by Mr. Souleymane Tall, Director, Financial Integration Department, WAMI, welcomed the participants and facilitators to the online seminar, and thanked the Director General of WAIFEM for all the efforts undertaken by the Institute to strengthen the capacities in the WAMZ, in particular the capacities of the supervisors of the Zone. He reiterated the importance of the seminar and the need for supervisors to be up to date and forward looking. In conclusion, he affirmed that WAMI is committed to supporting sound financial system and would continue to collaborate with all stakeholders to create the appropriate regulatory environment.

In his keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, expressed his appreciation to the College of Supervisors of the West African Monetary Zone (CSWAMZ) for giving the Institute the opportunity to organize the laudable Seminar. He said that WAIFEM was elated to be part of the quest for a vibrant financial industry in the Zone. Dr. Musa recalled that the economic and financial crisis in 2007/2008 was so severe due to the fact that the banking sectors of many countries had built up excessive risks through on and off balance sheet leverage, which eroded the level and quality of the capital base. In addition, many banks held insufficient liquidity buffers and were unable to absorb the resulting systemic trading and credit losses. He maintained that Basel II helps to promote the adequate capitalization of banks; encourage improvements in risk management and hence, strengthen the stability of the financial system, while Basel III strengthens bank capital requirements and places emphasis on quality capital; introduces new regulatory requirements on bank liquidity and bank leverage; and also reduces the moral hazard from systemically important financial institutions.

The objective of the Seminar was to enhance the supervisory skills of WAMZ member states, and encourage improvements in risk management and thereby strengthen the stability of the financial system.

The broad themes covered included: Basel II and Basel III fundamentals and theory; Pillar 2 and ICAAP - large and small banks; Pillar 3 – disclosures and large exposures; corporate governance and proportionality; and member states' level of implementation and challenges.

The seminar was attended by eighty-three (83) middle/senior/executive level officials from the central banks of The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone that make up the College of Supervisors of the West African Monetary Zone (CSWAMZ), with WAIFEM and Commission Bancaire as observer institutions.

The seminar was facilitated by a team of experienced practitioners from the Regulatory Sector, Office of the Superintendent of Financial Institutions (OSFI) based in Canada, while the remaining member central banks were given the opportunity to share their experiences on the level of implementation and challenges of the Basel Accord.

i. The Central Bank of The Gambia is still on Basel I, but has engaged AFRITAC-WEST 2 and officials from the Central Bank of Nigeria to assist the Bank to migrate to Basel II.

ii. The Bank of Ghana has implemented Pillar I and has commenced the implementation of Pillar II.

iii. AFRITAC-WEST 2 has helped the Central Bank of Guinea in implementing Pillar I of Basel II.

iv. The Central Bank of Liberia has commenced implementation of Basel II and is making move towards implementing pillar.

v. The Central Bank of Nigeria has implemented both Basel I and II, and has commenced the implementation of Basel III.

vi. It was observed that the outbreak of COVID-19 pandemic impeded the full implementation of Basel II and III in most of the countries, due to inability to get technical assistance in the area.

vii. Building of capacity and having the resources was considered to be very crucial in all the countries in order to fully migrate to Basel II and III.

1.4 RESEARCH AND MACROECONOMIC MANAGEMENT DEPARTMENT

1.4.0 INTRODUCTION

The Research and Macroeconomic Management Department organized a total of ten (10 programmes) during the year 2021. The programmes all of which were done online benefitted four hundred and forty-three (443) participants from Central Banks, Ministries of Finance and other public and private sector agencies in WAIFEM member countries and beyond. A country-wise distribution of participation reveal that 96 participants representing 21.7 percent of the participants were from Nigeria; 85 participants (19.2 percent) were from Ghana while 46 participants (10.4 percent) came from Sierra Leone. Others were The Gambia, 33 participants (7.4 percent); Liberia 32 participants (7.2 percent) and other countries 151 participants (34.1 percent).

A breakdown of participation according to institutions shows that Central Banks accounted for two hundred and fifty-three (253) participants (57.1 percent); Ministries of Finance accounted for eighty-six (86) participants (19.4 percent); Legislative agencies and Mass media accounted for two (2) participants (0.5 percent) while other public sector agencies accounted for one hundred and two(102) participants (23.0 percent). In terms of gender distribution, there were 295 males (66.6 percent) and 148 females (33.4 percent).

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

1.4.1 IMF/WAIFEM REGIONAL COURSE ON MACROECONOMIC DIAGNOSTICS

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) organised a two week Regional Online Course on Macroeconomic Diagnostics (remotely delivered from the IMF Headquarters) from February 1 – 12, 2021.

During the opening session the Director General of WAIFEM, Dr. Baba Y. Musa, on behalf of the management and staff of WAIFEM, welcomed all the facilitators and participants to the first virtual course hosted by the Research and Macroeconomic Management Department. He warmly appreciated the IMF for its continuous collaboration with WAIFEM in providing capacity building for the West African region and beyond. He then extended his appreciation to all IMF facilitators, notably Mr. Andrew Warner, Ms. Charline Ramspacher and Mr. Bertrand Candelon. The Director General briefly touched on the economic effects of the COVID-19 pandemic in West Africa and beyond. He acknowledged that the pandemic has afforded WAIFEM the opportunity to deliver its training courses online in 2021. He further noted that the pandemic has profound implications for macroeconomic stability and sustainable growth and development in low and middle income countries such as WAIFEM member countries. According to the Director General, it is imperative to diagnose the macroeconomic situation of a country in a detailed and effective manner to inform policy decisions. He noted that such a periodic macroeconomic analysis requires the use of practical tools. Thus, he concluded the opening remarks by stating that the Online Macroeconomic Diagnostics (MDS) course would offer the requisite tools for the analyses of the output gap, identification of the expenditure composition of growth, sources of inflation, cyclical adjustment and structural-fiscal imbalances, external position and public debt sustainability, financial sector soundness and risk indicators, exchange rate misalignment and the current pandemic-related fiscal and monetary policies as well as diagnosis of the economy's outlook.

The course was designed to strengthen participants' ability to assess their countries' macroeconomic situation, emphasizing practical tools for use in day-to-day macroeconomic analysis. Specifically, the course aimed at equipping participants with analytical techniques of diagnosing macroeconomic problems of their countries, formulating policies (both fiscal and monetary) to tackle them and assessing the effectiveness of such policies.

The main topics discussed during the online course included the following: Macroeconomic Framework; GDP and Productivity-Tools; African Growth and Reform 1960-2018; Analyzing Aggregate Demand; Analyzing Inflation; Analyzing Monetary Policy; Assessing Macro-Financial Linkages; Assessing the External Position; Assessing Fiscal Policy and Fiscal Sustainability.

The course was facilitated by experts from the International Monetary Fund (IMF), namely Mr. Andrew Warner, Ms. Charline Ramspacher and Mr. Bertrand Candelon.

The course ddelivery involved online lectures, workshops, jeopardy game, group assignment and presentation. The participants were enthusiastic about the jeopardy game since it tested the knowledge that they had gained from the topics that were covered. On the other hand, the group assignment and presentation on policy proposals for spending/financing COVID relief programmes tested participants' applicability of knowledge gained from the course to solving the current COVID-19 related economic crisis in their respective countries. The usual tour organized by WAIFEM at the end of each course did not come off since the course was organized online due to the travel restriction imposed by the COVID-19 pandemic

The workshop was attended by tthirty-eight (38) participants from Ghana, Nigeria, The Gambia, Liberia and Sierra Leone. Thirteen (13) of the participants were female, while Twenty-five (25) were male. The institutions represented at the workshop were Central Bank of Nigeria, Bank of Ghana, Central Bank of The Gambia, Central Bank of Sierra Leone, National Development Planning Commission of Ghana, Parliament of Ghana, Ministry of Planning and Economic Development of Sierra Leone, Ministry of Finance and Development Planning of Liberia and Liberia Institute of Statistics and Geo-Information Services.

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- Aalmost all of the participants (88 per cent) agreed that the general objective of the course was achieved;
- 89 per cent of the participants maintained that the course equipped them with adequate understanding of basic tools of Macroeconomic Diagnostics;
- 85 per cent of the participants agreed that the course provided adequate capacity in Macroeconomic Diagnostics;
- 97 per cent of the participants maintained that the substantive impact of the resource persons as a team was very good;
- 89 per cent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance;
- 77 per cent of the participants indicated that the blend of plenary sessions and group exercises was effective;
- All the participants rated training materials and documentation to be of very high quality;
- 91 per cent of the participants rated the presentations as good
- 93 per cent of the participants rated the content of the course as good.
- 91 per cent of the participants indicated that the course was useful to their work.
- 70 per cent of the participants indicated that the time alloted to the course was enough.
- 74 per cent of the participants were in agreement that their overall expectations about the course were met;
- Finally, 89 per cent of the participants indicated that the administration and coordination of the course by WAIFEM was efficient and effective.

The communiqué' issued by the participants and presented by the Class Governor, Dr. Richard Osei Bofah (National Development Planning Commission, Ghana) highlighted some observations and made appropriate recommendations. Specifically, the observations (strengths and challenges) that were made are as stated below:

Strengths:

v **The** Course was well structured and organized.

v Facilitators were expert with in-depth knowledge in theory and practice.

v Participants showed great interest during the course. They exhibited a participatory than an observatory attitude.

v Participants prioritized the various workshops and demonstrated their knowledge gain through the Jeopardy Game exercises.

v The Course was very interactive than the usual “chew and pour” system.

v The Course materials were adequately available and supplied.

Challenges:

v Time allocation was not enough for some sections and workshops

v Some participants had challenges with internet connectivity, though respective institutions of participants were encouraged to provide these facilities. This hindered the full participation of some.

v The duration of the course was in conflict with traffic and curfew situations experienced by some participants.

v There were some interruptions of unfriendly interventions, particularly noisy backgrounds at some sections of the course. At some points, some participants were randomly and unintentionally unmuted with disruptive noise.

Based on their observations, the following recommendations were made by the participants:

v WAIFEM should continue to maintain the use of experts in their future programmes.

v Organizers are encouraged to re-consider duration period for similar programmes. Thus, the time should be extended for interactive sessions with facilitators.

v Still related to time and more specifically, adequate interaction should be given to the workshop, particularly for those with deep theory, econometrics and computational challenges.

v Participants applaud the high tolerance level of facilitators and should be maintained in future programmes.

v The Jeopardy Game is highly recommended as it gives opportunities for participants to demonstrate their skills acquired

v The grouping of participants is encouraged for future programmes as this fueled the spirit of team work, leadership and tolerance among participants.

v Participants recommend that WAIFEM use time survey questionnaire for future programmes to get the views of potential participants regarding specific time preferences across morning, afternoon and evening to inform their final decision on time. This will help WAIFEM to accommodate differences in country experience, for instance regarding issues of curfews, traffic, etc.

v Participants recommend that WAIFEM use time survey questionnaire for future programmes to get the views of potential participants regarding specific time preferences across morning, afternoon and evening to inform their final decision on time. This will help WAIFEM to accommodate differences in country experience, for instance regarding issues of curfews, traffic, etc.

Dr. Richard Osei Bofah concluded the communique´ by stating that the skills acquired will enable them to contribute meaningfully to sound policies that would strengthen and reposition the economies of the participants to be more resilient and transformative.

1.4.2 WAIFEM, AFW2 AND MEFMI BUILD CAPACITY ON QUARTERLY NATIONAL ACCOUNTS (QNA)

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with AFRITAC West 2 (AFW2) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) organised a five (5) day Regional Online Course on Quarterly National Accounts (QNA), from February 22 – 26, 2021.

The opening ceremony of the course began with the introduction of hosts and co-hosts by Dr. Okon Joseph Umoh, Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM. It was then followed by the introduction of the virtual chairpersons; Dr. Baba Y. Musa (the Director General of WAIFEM), Mr. Oral Williams (Centre Director of AFW2) and Mr. Stanislas Nkhata (Acting Director General of MEFMI). Each of the chairpersons was invited to make some opening remarks. In his opening remarks, Dr. Baba Y. Musa expressed his appreciation for WAIFEM's continued close collaboration with the AFRITAC WEST 2 and MEFMI towards strengthening the capacity of the staff of member countries in macroeconomic and financial management. He also stressed the importance of Quarterly National Account (QNA) compilation and urged participants to freely interact with the facilitators to derive the maximum benefits from their interactions.

Similarly, Mr. Oral Williams in his opening remarks stressed on the importance of QNA statistics in the area of policy formulation. Specifically, according to him, QNA statistics compilation would serve as a guide for monetary and fiscal stimuli in this era of

COVID-19 pandemic. He also urged WAIFEM and MEFMI to keep collaborating with AFW2 in order to deepen capacity building in the region. On the other hand, Mr. Stanislas Nkhata expressed his appreciation to the technical and organizing members of the three institutions (WAIFEM, MEFMI and AFW2) for making the QNA course a success. Mr. Nkhata also advocated for a continued tripartite collaboration (that is, among WAIFEM, MEFMI and AFW2) to strengthen capacity building in Africa.

After the opening remarks by the directors of the three organizing institutions (AFW2, MEFMI and WAIFEM). Prof. Samuel Kobina Annim (Director of the Ghana Statistical Service) also made few remarks. Prof. Annim in his remarks highlighted the importance of the QNA course in the context of fostering five (5) levels of co-operation. The first level of co-operation that he touched on was the collaboration among the three organizing institutions (AFW2, WAIFEM and MEFMI). He stated that the QNA course would deepen collaboration among the three institutions for future programmes. The second level of collaboration was the collaboration among the participating institutions, namely Central Banks, Ministries of Finance and Economic Planning, and Statistical Service Departments etc. The third level of collaboration that he emphasized was the collaboration among the eighteen (18) participating countries (Angola, Botswana, Cabo Verde, Eswatini, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe). He stated that the QNA course would foster synergy among the participants of these countries. The fourth level of collaboration was the collaboration needed within the countries' institutions, especially the Central Banks and the Statistical Offices; collaboration must go beyond news letter statistics to cover QNA statistics. The fifth level of collaboration that the QNA course would foster, according to Prof. Annim, was the collaboration within National Statistical Offices, particularly between Price Statistics and National Accounts Departments. Prof. Annim concluded his remarks by urging AFW2, WAIFEM and MEFMI to help build capacity in two key areas; (1) how to generate statistical estimates of the impact of COVID-19 on GDP and (2) how to generate sector-specific QNA statistics.

Following Prof. Annim's remarks, Mr. Oral Williams officially declared the programme open. Elirjeta Pepaj, a facilitator from AFW2, thoroughly presented the objectives of the course as well as the adoption of the programme.

The QNA course was designed to introduce participants to basic compilation of Quarterly National Accounts, specifically quarterly GDP estimates. The course covered indicator selection, benchmarking techniques as well as price and volume decomposition. At the end of the course, participants were expected to identify the steps to prepare quarterly GDP, to choose a suitable quarterly indicator, to benchmark quarterly indicator to annual aggregate, and to assess the reliability of quarterly GDP estimates.

The main topics discussed during the online QNA course included the following: QNA Concepts and Strategic Issues; Data Sources and Indicator Selection for QNA; Benchmarking Methods and Tool; Specific Issues (work-in-progress, volume and price measurement, chain linking and seasonal adjustment) and Revisions and Disseminations.

The course was facilitated by two main facilitators, Ms. Elirjeta Pepaj (Statistics Advisor, AFW2/IMF) and Ms. Pamela Audi (Statistician, Kenya). They were assisted by three persons, namely Mr. Francis Mensah (Ghana Statistical Service, National Accounts Division), Mr. Dominic Odoom (Ghana Statistical Service, National Accounts Division) and Mr. Ibrahim Yakubu (National Statistics of Nigeria, National Accounts Division).

The languages of instruction of the course were English and Portuguese. The course delivery involved online lectures, workshops, short quizzes', group assignment and presentation. Participants were divided into five break-out rooms for practical sessions. The usual tour, organized by WAIFEM at the end of each course, did not come off since the course was organized online due to travel restriction caused by the COVID-19 pandemic.

The workshop was attended by sixty-eight (68) participants from eighteen (18) countries. The countries were Angola, Botswana, Cabo Verde, Eswatini, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe.

Gender and institutional Distribution of Participants

Gender Distribution		Central Banks	Ministries, Depta & Agencies	Leg./Mass Media	Other public
Male	**Female**				
45 **66.2%**	23 **33.8%**	17 **25.0%**	9 **13.2%**	0 **0.0%**	42 **61.8%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- Almost all the participants (91.2 per cent) agreed that the topics covered were appropriate.
- 94.1 per cent of the participants agreed that the webinar was useful.
- 79.4 per cent of the participants maintained that the balance between presentation and the general discussion was good.
- 97 per cent of the participants agreed that the knowledge/skills learned during the seminar would be useful in their jobs.
- 90.9 per cent of the participants agreed that the knowledge and skills acquired from this course would be useful in their professional development.
- 94.1 per cent of the participants indicated that they would recommend the seminars to others.

1.4.3 WAIFEM /MEFMI REGIONAL ONLINE COURSE ON INTERNATIONAL TRADE IN GOODS AND SERVICES - April 12 – 16, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) organised a five (5) day Regional Online Course on International Trade in Goods and Services, from April 12 – 16, 2021.

The opening ceremony of the course began with the introduction of dignitaries by Dr. Emmanuel Owusu-Afriyie, Director of Research and Macroeconomic Management Department, WAIFEM. It was then followed by opening remarks by the representatives of the three organizing institutions; Dr. Baba Y. Musa (the Director General of WAIFEM), Dr. Sehliselo Mpofu (Programme Director of Macroeconomic Management of MEFMI), Mr. Malik Bani Hani (Senior Economist of IMF) and Mr. Renato Perez (Senior Economist of IMF). In his opening remarks, Dr. Baba Y. Musa expressed his gratitude to the IMF (particularly, the Statistics Department) and MEFMI for the continuous ``close collaboration`` with WAIFEM in building synergies and strengthening capacities within the African continent. He also emphasized the relevance of the course in this era of ratification of the African Continental Free Trade Area (AfCFTA) Agreement. According to him, the AfCFTA is expected to deepen intra-regional trade, promote industrialization and job creation, and increase the competitiveness of African industries on the global scale. Dr. Baba Y. Musa therefore urged the participants to take advantage of the course to learn new concepts, sources of data and methods of compilation of international trade statistics.

In her opening remarks, Dr. Sehliselo Mpofu (Programme Director of Macroeconomic Management of MEFMI) expressed her heartfelt gratitude to WAIFEM and IMF for the joint organization of the course. She emphasized the need to collaborate to enhance synergy in effective capacity building in areas of common interest. She also stressed the importance of effective collection of data on trade in services, particularly digital trade. Dr. Sehliselo Mpofu then concluded her remarks by urging participants to fully concentrate on the course to derive the maximum benefit from it.

The opening ceremony ended with remarks from Mr. Malik Bani Hani (Senior Economist of IMF) and Mr. Renato Perez (Senior Economist of IMF). They thoroughly presented a description of the course to participants. Mr. Renato Perez encouraged the participants to share their countries' experiences since that would help them to identify challenges regarding their international trade data compilation and map out measures to curb those challenges.

The International Trade in Goods and Services course was primarily designed to aid participants compile data on international trade in goods and services according to the international conceptual framework and identify potential new data sources for the compilation of data on international trade in goods and services, and to apply compilation techniques and best dissemination practices related to international trade in goods and services.

Specifically, it was designed to introduce participants to how transactions between residents and non-residents of a country are recorded in the Goods and Services Account of the Balance of Payments (BoP). The course was equally targeted at equipping participants with the knowledge to minimize discrepancies in global trade in Goods and Services account balances, which has been a problem in international trade statistics compilation. Thus, the course was designed to minimize this problem.

The main topics discussed during the online course on International Trade in Goods and Services were: Overview of the Goods and Services Account, Treatment of Goods in Balance of Payments (BoP) and Compilation Issues, Manufacturing Services on Physical Inputs Owned by Others and Merchanting, Construction Services, Transport Services, Travel, Insurance and Pension Services, Financial Services, Charges for the Use of Intellectual Property, Government Services, Other Business Services, Digital Trade, Compilation Challenges and Lessons Learnt and Future Plans for Improving Trade Statistics. In addition, presentations were made by the representatives of the participants on their respective countries' experiences on the following topics: History of International Trade Statistics Compilation; Current Sources of Data on International Trade in Goods and Services; Methodology for Compiling Data on International Trade in Goods and Services; Challenges of Compiling International Trade Data and the Way Forward; Informal Cross Border Trade Study in Nigeria and Adjustment of Customs Data.

The course was facilitated by two facilitators from the IMF; Mr. Malik Bani Hani (Senior Economist of IMF) and Mr. Renato Perez (Senior Economist of IMF). The language of instruction of the course was in English. The course's mode of delivery involved online lectures, workshops, pre- and post-methodological tests, individual assignment and presentations. Participants were divided into break-out rooms for the practical sessions.

The workshop was attended by fifty-five (55) participants from seventeen (17) countries. The countries were Angola, Botswana, Eswatini, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe. The total number of participants from WAIFEM member countries was twenty-two (22); two (2) from The Gambia, seven (7) from Ghana, one (1) from Liberia, nine (9) from Nigeria and three (3) from Sierra Leone.

Gender and Institutional Distribution of Participants

Gender Distribution		Central Banks	Ministries, Department & Agencies	Leg./Mass Media	Other public
Male	Female				
36 **65.5%**	**19** **34.5%**	40 **72.7%**	12 **21.8%**	0 **0.0%**	3 **5.5%**

Course evaluation was conducted using the Likert Scale. On a scale of 1 to 5 (with 1=strongly disagree and 5= strongly agree), participants were asked to rank the extent to which they were satisfied with the training, its delivery mode and administration, as well as the virtual environment within which the training was organized. The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- The average value of ranking for the statement "The knowledge/skills learned during the training will be useful for my job and my professional development" was 4.8. This suggests that the participants strongly agreed that the training would be useful for their jobs and professional development.
- The average value of ranking for the statement "The content of this training will help me to produce better quality, and/or better understand, macroeconomic statistics" was 4.8. This indicates that the participants strongly agreed that the content of the training would help them produce better quality, and/or better understanding of macroeconomic statistics.
- The average value of ranking for the statement "Overall, I was satisfied with the training" was 4.5. This suggests that on the average, the participants were very satisfied with the training.
- The average value of ranking for the statement "The exercises covered during the workshop sessions were useful" was 4.5. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- Similarly, on the statement "The mix of presentation methods (e.g. balance of lectures and workshops, interactive discussions) was an effective way to learn the subject" had an average score of 4.5. This indicates that the participants strongly agreed that the mix of presentation methods was indeed an effective way to learn the subject.
- The average value of ranking for the statement "Overall, I was satisfied with the administrative/logistical arrangements for the training" was 4.5. This indicates that the participants were very satisfied with the administrative/logistical arrangements for the training.
- On the statement, "The training website (Moodle or Box) was helpful for your preparations for and

during the training" had an average score of 4.4. This indicates that the participants agreed that the training website (Moodle or Box) was helpful for their presentations.

- On the statement, "I was satisfied with the translated course materials" had an average score of 4.6. This suggests that the participants were very satisfied with the translated course materials.
- Lastly, the average score of the statement "Overall, given the virtual environment, the training was effectively conducted and delivered" was 4.5. This suggests that the participants strongly agreed that the training was effectively conducted and delivered within the virtual environment.

Furthermore, on the course evaluation questionnaire, the participants recommended the following:

- Increment in the duration of the training, because the five days were not enough to cover all the contents of the course.
- Increase the number of facilitators of the course since two facilitators were not enough for the course.
- More practical exercises, simplify the course with a proper introductory approach for new compilers and bring out the bigger picture of its impact, especially in the Analytical BoP.
- Materials for the course should be provided a week before the course starts.
- Promotion of courses on International Trade in Goods and Services in Portuguese.
- Increasing the frequency of the training is necessary currently.
- Microsoft Teams may be a good platform for this course.

In his closing remarks, Dr. Emmanuel Owusu-Afriyie thanked the Director General of WAIFEM, Dr. Baba Y. Musa, and Programme Director of Macroeconomic Management of MEFMI, Dr. Sehliselo Mpofu, for their time and efforts in ensuring smooth running of the course. Dr. Emmanuel Owusu-Afriyie admitted that the number of days alloted to the course was scarce. However, he urged participants to take advantage of the network opportunity that the course provides in order to ensure effective compilation of international trade statistics in their respective countries. Dr. Sehliselo Mpofu also gave her closing remarks by expressing her gratitude to the Statistics Department of the IMF, the management of WAIFEM and the two facilitators of the course.

Following Dr. Mpofu's closing remarks, the two facilitators, Mr. Malik Bani Hani and Mr. Renato Perez, encouraged the participants to continue reviewing the course materials and share the knowledge gained with their colleagues at the workplace. In addition, they urged the participants to apply what they have learned to reclassify many of the accounts in their Balance of Payments. They advised the participants to contact them whenever they encounter challenges in recording certain transactions in their countries' Goods and Services Account.

Lastly, Dr. Baba Y. Musa delivered his closing remarks by urging the participants to work together in order to ensure efficient compilation of data on international trade in goods and services. He thanked all and sundry for making the training successful. The closing ceremony ended with a vote of thanks delivered by Ms. Oratile Mmualefe of the Bank of Botswana.

The course was very beneficial to the participants, especially in this current period of increasing discrepancies in the Services Account of the Balance of Payment (BoP). The course aimed at equipping participants with the knowledge to minimize such discrepancies. The course evaluation indicates that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested to WAIFEM to organize courses on International Trade in Goods and Services more frequently than it currently does.

1.4.4 WAIFEM COLLABORATES WITH IMF AND MEFMI TO BUILD CAPACITY ON GOVERNMENT FINANCE STATISTICS/PUBLIC SECTOR DEBT STATISTICS - June 14-25, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) organised a ten (10) day Regional Online Course on Government Finance Statistics/Public Sector Debt Statistics, for the period, June 14-25, 2021.

The opening ceremony of the course was graced with opening remarks by the representatives of the three organizing institutions; Dr. Baba Y. Musa (the Director General of WAIFEM), Mr. Senei Molapo (On behalf of Dr. Sehliselo Mpofu, Programme Director of Macroeconomic Management of MEFMI), Dr. Andrew Kittili (Deputy Divisional Chief, Government Finance Statistics Division, Statistics Department of the IMF), Mr. Noriaki Kinoshita (Senior Economist of the IMF), Mr. Naoto Osawa (Senior Economist of the IMF) and Mr. Roderick O'Mahony (Senior Economist of the IMF).

Dr. Andrew Kittili began the opening remarks by acknowledging the persistence and dedication of the Director General of WAIFEM, Dr. Baba Y. Musa, to capacity building in Africa. He stated that the course on Government Finance Statistics/Public Sector Debt Statistics was a peculiar one, since it was the first to be jointly organized by the three institutions (IMF, WAIFEM and MEFMI). He was optimistic that the participants would take advantage of the collaboration to exchange views and learn from one another. Mr. Andrew Kittili ended his remarks by stating that there are many areas of collaboration between the IMF and WAIFEM, which are yet to be implemented.

After the remarks by Dr. Andrew Kittili, Mr. Noriaki Kinoshita (Senior Economist of the IMF) briefly outlined their role as facilitators of the course. Specifically, according to him, their role was to help participants gain knowledge and skills for effective policy formulation and implementation. He also stated emphatically that the course was necessitated by the negative economic effects of the Covid-19 pandemic. He urged participants to take advantage of the ten (10) day course to interact with the facilitators to learn more about Government Finance Statistics/Public Sector Debt Statistics. Mr. Kinoshita concluded his remarks by expressing his gratitude to the Director Generals of WAIFEM and MEFMI for the opportunity given to them to share their knowledge and experience with participants regarding Government Finance Statistics/Public Sector Debt Statistics compilation.

Mr. Roderick O'Mahony also made his brief remarks by emphasizing that the course delivery would follow the peer-learning approach. He encouraged participants to freely ask questions regarding the topic. He ended his remarks by wishing the participants a successful participation in the course.

The last, but not the least of the representatives of the IMF to deliver his opening remarks was Mr. Naoto Osawa. He briefly touched on his many years of experience in Government Finance Statistics compilation and urged the participants to tap into his profound knowledge and skills. He encouraged the participants to freely interact with one another and ask questions.

Representative of the Director General of MEFMI, Mr. Stanislas Nkhata, expressed his delight about the tripartite collaboration among IMF, WAIFEM and MEFMI to execute the course effectively. He also stressed on the importance of statistics as well as the need to apply internationally accepted standards in the compilation of Government Finance Statistics/Public Sector Debt Statistics. He ended his remarks by urging participants to strive to derive the maximum benefit from the workshop.

The Director General of WAIFEM, Dr. Baba Y. Musa, ended the series of opening remarks by appreciating the contribution of Dr. Andrew Kittili (Deputy Divisional Chief, Government Finance Statistics Division, Statistics Department, IMF) to capacity building in Africa. He welcomed the participants and facilitators of the course. He also expressed his gratitude to the Statistics Department of the IMF for the continuous collaboration it has had with WAIFEM over the years to strengthen capacity building in the region. Dr. Musa also stressed the importance of the course by stating that it provides guidance on improving source data so as to optimize the use of these datasets in financial analysis, whilst exposing the practitioners to explore the collaboration among national data compilers and good practices with regards to Government Finance Statistics dissemination (including IMF Special Data Dissemination Standards). He recognized the need for Government Finance Statistics compilers to update their capacity periodically. Dr. Musa ended his remarks by tasking the participants to create a network of relationship to learn from one another and to deepen the course of integration in Africa. He then called on Dr. Andrew Kittili to declare the course opened.

The course on Government Finance Statistics/Public Sector Debt Statistics was primarily designed to aid participants compile data effectively on government finance and public sector debt according to the Government Finance Statistics Management (GFSM) framework. The GFSM framework was designed to educate participants on how to capture and present all stocks and flows and provide an integrated view. Its value lies in “comprehensiveness” and “integration”. The course was also aimed at harmonizing the approach of data collection on government finance and public debt among the participating countries based on internationally accepted standards for effective policy formulation.

The main topics discussed during the online regional course on Government Finance Statistics/ Public Sector Debt Statistics were: Government finance statistics for policy making, GFS Analytical Framework (GFSM2014, Chapter 4), Institutional Units and Sectors (GFSM2014, Chapter 2), Revenue (GFSM2014, Chapter 5), Expense (GFSM2014, Chapter 6), Balance Sheet (GFSM2014, Chapter 7), Transactions in Nonfinancial Assets (GFSM2014, Chapter 8), Transactions in Financial Assets and Liabilities (GFSM2014, Chapter 9), Public sector debt statistics and debt sustainability analysis (part 1), Identification of Debt Instruments and Institutional Sectors (PSDSG, Chapter 3), Selected Issues in Public Sector Debt (PSDSG, Chapter 4) (part 1), Public sector debt statistics and debt sustainability analysis (part 2), Selected Issues in Public Sector Debt (PSDSG, Chapter 4) (part 2),Consolidation of Public Sector Debt Statistics (PSDSG, Chapter 8),GFS and PSDS for policy making (part 1), Review of the integrated GFSM framework, Reporting of GFS and PSDS to international databases, GFS and PSDS for policy making (part 2) and Improving GFS and PSDS for policy making: considerations.

In addition, presentations were made by each representative of the participating countries regarding their experience in fiscal and debt data compilation. The purpose of that exercise was to identify gaps, strengths and weaknesses in their compilation techniques, so that the facilitators could prescribe alternative and appropriate techniques to enhance efficiency of their data compilation.

The course was facilitated by three (3) facilitators from the IMF; Mr. Noriaki Kinoshita (Senior Economist of the IMF), Mr. Naoto Osawa (Senior Economist of the IMF) and Mr. Roderick O'Mahony (Senior Economist of the IMF). The language of instruction of the course was in English. The course's mode of delivery involved online lectures, interactions and discussions, pre- and post-methodological tests, as well as group presentations.

The course was attended by eighty-nine (89) participants from sixteen (16) countries. The countries were Angola, Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Mozambique, Namibia, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe. The total number of participants from WAIFEM member countries was thirty (30); four (4) from The Gambia, twelve (12) from Ghana, three (3) from Liberia, nine (9) from Nigeria and two (2) from Sierra Leone.

Gender and Institutional Distribution of Participants

Gender Distribution		**Institutional Distribution**			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
54	35	30	34	0	25
60.67%	**39.33%**	**33.71%**	**38.2%**	**0.00%**	**28.09%**

Course evaluation was conducted using the Likert Scale. On a scale of 1 to 5 (with 1=strongly disagree and 5= strongly agree), participants were asked to rank the extent to which they were satisfied with the training, its delivery mode and administration, as well as the virtual environment within which the training was organized. The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- The average value of ranking for the statement "The knowledge/skills learned during the training will be useful for my job and my professional development" was 4.5. This suggests that the participants strongly agreed that the training would be useful for their jobs and professional development.
- The average value of ranking for the statement "The content of this training will help me to produce better quality, and/or better understand, macroeconomic statistics" was 4.6. This indicates that the participants strongly agreed that the content of the training would help them produce better quality, and/or better understanding of macroeconomic statistics.
- The average value of ranking for the statement "Overall, I was satisfied with the training" was 4.0. This suggests that on the average, the participants were very satisfied with the training.
- The average value of ranking for the statement "The exercises covered during the workshop sessions were useful" was 4.2. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- Similarly, on the statement "The mix of presentation methods (e.g. balance of lectures and workshops, interactive discussions) was an effective way to learn the subject" had an average score of 4.2. This indicates that the participants strongly agreed that the mix of presentation methods was indeed an effective way to learn the subject.
- The average value of ranking for the statement "Overall, I was satisfied with the administrative/logistical arrangements for the training" was 4.3. This indicates that the participants were very satisfied with the administrative/logistical arrangements for the training.
- On the statement, "The training website (Moodle or Box) was helpful for your preparations for and

during the training" had an average score of 4.1. This indicates that the participants agreed that the training website (Moodle or Box) was helpful for their presentations.

- On the statement, "I was satisfied with the translated course materials" had an average score of 4.2. This suggests that the participants were very satisfied with the translated course materials.
- Lastly, the average score of the statement "Overall, given the virtual environment, the training was effectively conducted and delivered" was 4.2. This suggests that the participants agreed that the training was effectively conducted and delivered within the virtual environment.

Furthermore, on the course evaluation questionnaire, the participants recommended the following:

- Workshops or practical exercises should be added.
- More participants from the different countries of Africa should be added
- The facilitators should bring a country's balance sheet to practically do the entries with participants.
- Course materials should be sent to participants before the start of the course.

The closing ceremony had the following dignitaries in attendance: the Director General of WAIFEM, Dr. Baba Y. Musa; the Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie; Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Other Directors and Managers of the Programme Departments of WAIFEM; Mr. Senei Molapo (Programme Manager, Macroeconomic Management of MEFMI); Mr. Tiviniton Makue (Programme Manager, Debt Department, MEFMI); Mr. Noriaki Kinoshita (Senior Economist of the IMF), Mr. Naoto Osawa (Senior Economist of the IMF) and Mr. Roderick O'Mahony (Senior Economist of the IMF).

In his closing remarks, Mr. Noriaki Kinoshita (Senior Economist of the IMF) to give closing remarks on behalf of Dr. Andrew Kittili (Deputy Divisional Chief, Government Finance Statistics Division of the Statistics Department, IMF). He expressed his gratitude to WAIFEM and MEFMI for collaborating with the IMF in building capacity in Africa. He also extended his gratitude to the organizing team of WAIFEM and MEFMI. The closing remarks of Dr. Kittili ended with expression of optimism that the collaboration among the IMF, WAIFEM and MEFMI would be sustained. Mr. Naoto Osawa also delivered his closing remarks by advising the participants not to relent on taking steps to improve the compilation of fiscal and debt data. Mr. Roderick O'Mahony in his closing remarks urged participants to build trust in the statistics by taking ownership of the compilation process.

Mr. Senei Molapo (Programme Manager of Macroeconomic Management of MEFMI) read the closing remarks on behalf of Dr. Sehliselo Mpofu (Programme Director of Macroeconomic Management of MEFMI). In her remarks, she highlighted the importance of compiling reliable fiscal and debt data for effective policy formulation.

Dr. Baba Y. Musa (Director General of WAIFEM) rounded up the series of closing remarks by expressing his appreciation to the Statistics Department of the IMF for allowing their experts to facilitate the course. Also, he expressed his gratitude to the three facilitators of the course (Mr. Noriaki Kinoshita, Mr. Naoto Osawa and Mr. Roderick O'Mahony) for their excellent facilitation. Dr. Musa expressed his optimism about the possibility of organizing in-person training in the near future. He thanked the participants for their dedication and urged them to practice what they have assimilated at their workplaces.

Dr. Baba Y. Musa to formally declared the course closed.

The course was very beneficial to the participants, especially in this current period of challenges regarding reliable fiscal and debt data compilation. It equipped participants with the knowledge to classify and enter transactions in the Balance Sheet of Government. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested to the facilitators to add workshops or practical sessions to enrich the course.

1.4.5 REGIONAL VIRTUAL COURSE ON MACROECONOMIC MODELING AND FORECASTING FOR POLICY ANALYSIS FOR SENIOR ECONOMISTS AND OTHER PROFESSIONALS (DSGE MODEL) - JULY 12-30, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) solely organised a fifteen (15) day Regional Virtual Course on Macroeconomic Modeling and Forecasting for Policy Analysis for Senior Economists and Other Professionals (DSGE Model), from July 12-30, 2021.

The opening ceremony of the course began with the introduction of dignitaries by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and

Macroeconomic Management Department, WAIFEM. The dignitaries in attendance were Dr. Baba Y. Musa (the Director General of WAIFEM and the Chairperson of the Opening Ceremony), Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department, WAIFEM), Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM), Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM), Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM), Prof. Afees A. Salisu (Director, Centre for Econometric & Allied Research, University of Ibadan), Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mr. Ogbonnaya Agu (Senior Programme Manager, Governance and Institutional Development Department, WAIFEM)

Dr. Okon Joseph Umoh (who was the Moderator) invited the Director General of WAIFEM, Dr. Baba Y. Musa, to give the opening remarks. The Director General warmly welcomed the participants to the course and expressed his gratitude to Prof. Afees A. Salisu and Prof. OlaOluwa Simon Yaya (facilitators of the course) for their technical support. He then laid emphasis on the importance of DSGE Model estimation to an economy. Specifically, according to him, DSGE Model estimation aids policy makers (both at the micro and macro levels) in analysis and decision making. He stated that, in the implementation of Monetary and Fiscal Policies, estimation of DSGE models help to understand the transmission mechanisms of the policies. In addition, the Director General implored policy makers to apply econometric tools to make decisions, when sufficient data are available. He acknowledged the limitations of data and econometric tools. Hence, he advised the participants to supplement their econometric analysis with expert opinion to inform policy. In concluding his opening remarks, the Director General of WAIFEM (Dr. Baba Y. Musa) urged participants to freely interact with facilitators to understand the course and with one another to deepen the course of regional integration. After his opening remarks, he officially declared the course open.

Dr. Okon Joseph Umoh (the Moderator) then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his remarks and announcement. In his brief remarks, he entreated the participants to be fully committed to the course. He thanked the Director General of WAIFEM, Dr. Baba Y. Musa and the directors of WAIFEM for gracing the Opening Ceremony with their presence. After the remarks, virtual group photographs were taken.

The course on Macroeconomic Modeling and Forecasting for Policy Analysis for Senior Economists and Other Professionals (DSGE Model) was designed to introduce participants to a variety of data modeling and forecasting techniques using STATA 16 statistical package. The course helped participants to understand how monetary and productivity shocks affect output gap and inflation. Overall, the course enlightened participants on how productivity and monetary shocks influence the behaviour of economic agents and performance of the economy. The participants were also introduced to within-sample and out-of-sample forecasting techniques.

The main topics discussed during the VIRTUAL regional course on Macroeconomic Modeling and Forecasting for Policy Analysis for Senior Economists and Other Professionals (DSGE Model) were:

Introduction to Dynamic Stochastic General Equilibrium (DSGE) Models, Learning the Syntax for DSGE analyses in STATA, Identification Issues in DSGE Modeling, Introduction to Nonlinear DSGE Models, Data Preparation for DSGE Estimation in STATA, Specifying the Nonlinear DSGE Model, Dealing with Identification Problems in DSGE, Results and Interpretation of Nonlinear DSGE, Post-estimation and Interpretation, Introduction to Linear/Linearized DSGE Model, Specifying the Linear DSGE Model, Identification Problems in Linear DSGE Model, Results and Interpretation of Linear DSGEs, Post Estimation Analyses and Interpretation, Introduction to New Keynesian Model, Specifying New Keynesian DSGE, Identification Problems in Linear DSGE Model, Results and Interpretation of New Linear DSGEs Model, Introduction of New Classical and Real Business Cycle (RBC) Models, Specifying the New Classical DSGE Model, Linearizing the Nonlinear RBC Model, Results and Interpretation of Linear RBC DSGEs, Post-estimation and Sensitivity analysis, DSGE model with Financial frictions, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Nonlinear New Keynesian model, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Introduction to Nonlinear New Classical model, Specifying the Nonlinear New Classical model, Identification problems in Nonlinear New Classical DSGE model, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Stochastic growth model, Parameter estimation and interpretation and Post-estimation and Sensitivity analysis.

In addition, participants were tasked to apply the knowledge gained to write and present papers regarding "Analysis of Monetary Policy and Productivity Shocks" in their respective countries. Representatives from the Five (5) WAIFEM Member Countries successfully presented their respective draft papers. The purpose of that exercise was to ensure participants were able to independently apply the estimation techniques to analyze their respective national data. The Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie suggested a special edition of the WAFER Journal (WAFER) could be published based on the standard of the final articles submitted.

The course was facilitated by two (2) Professors from the University of Ibadan (Nigeria); Prof. Afees A. Salisu (Director, Centre for Econometric & Allied Research) and Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science). The language of instruction of the course was in English. The course's mode of delivery involved VIRTUAL lectures, interactions and discussions, workshops, as well as group presentations.

The course was attended by twenty-two (22) participants from the five (5) WAIFEM Member countries. Specifically, two (2) participants were from The Gambia, six (6) from Ghana, four (4) from Liberia, six (6) from Nigeria and four (4) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 1 below.

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		**Institutional Distribution**			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
21	1	17	0	0	5
95.45%	**4.55%**	**77.27%**	**0.00%**	**0.00%**	**22.73%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- A significant proportion of the participants (87.5 per cent) agreed that the general objective of the course was achieved.
- 75 per cent of the participants agreed that the course provided them with an understanding of pertinent issues relating to Advanced Modelling and Forecasting (Dynamic Stochastics General Equilibrium Model).
- 75 per cent of the participants agreed that the course provided capacity for formulation and implementation of good Forecasting for Policy Analysis to yield maximum benefit for their organizations.
- 75 per cent of the participants maintained that the substantive impact of the resource persons as a team was achieved.
- 75 per cent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance.
- 75 per cent of the participants indicated that the blend of plenary and group exercises was effectively executed.
- 87.50 of the participants rated training materials and documentation to be of very high quality.
- 96.96 per cent of the participants rated the presentations as substantially acceptable.
- 95.27 per cent of the participants rated the contents of the course meeting both practically and academically accepted standard.
- 95.52 per cent of the participants indicated that the course was useful to their work.
- 87.44 per cent of the participants indicated that the time allotted to the course was enough.
- 87.50 per cent of the participants stated that their overall expectations about the course were met;
- Finally, 87.50 per cent of the participants indicated that the administration and coordination of the course by WAIFEM was efficient and effective.

In attendance at the closing ceremony were the following dignitaries: the Director General of WAIFEM, Dr. Baba Y. Musa; the Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie; Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM); Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM); Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM); Prof. Afees A. Salisu (Director, Centre for Econometric & Allied Research, University of

Ibadan); Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mr. James Aniekan (Deputy Programme Manager, Business Development Unit, WAIFEM)

The Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Mr. John Owusu-Afriyie (who was the Moderator) warmly welcomed all the dignitaries to the Closing Ceremony. He then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome-remarks. The Host Director applauded the facilitators for their excellent delivery despite being an VIRTUAL course. He also thanked the facilitators for encouraging the participants to draft empirical papers on DSGE Model, which would be published in the institute's journal as a special issue.

After the welcome remarks, the Moderator called on Mr. Nii Sowah Ahulu from the Bank of Ghana (the Class Governor) to present the communique' on behalf of the participants (refer to the appendix of this report for the communique').

Following the presentation of the communique', the Director General of WAIFEM, Dr. Baba Y. Musa, presented his closing remarks. In his remarks, he congratulated the participants and facilitators for their dedication and commitment. He specially applauded the participants for their 100% attendance throughout the course. He also expressed his excitement about the fact that WAIFEM had currently gotten DSGE facilitators from the sub-region instead of the European DSGE facilitators as had been the case in the past. The Director General was hopeful that the COVID-19 pandemic would disappear soon to permit in-person training programmes. He tasked the facilitators of the course to visit the fiscal and monetary authorities of the five (5) WAIFEM Member countries to build country specific DSGE Models. In terms of publication of the draft papers on monetary policy and productivity shocks emanating from the course (in the institute's journal-WAFER), the Director General assured Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management Department, WAIFEM) of his full support. In concluding, the Director General applauded the only female participant of the course, Ms. Olufunmilayo Tajudeen (from the Central Bank of Nigeria), for her boldness and commitment to the course.

The vote of thanks was presented by Ms. Olufunmilayo Tajudeen (from the Central Bank of Nigeria) and the course was officially declared closed by Dr. Baba Y. Musa (the Director General of WAIFEM).

The course was greatly beneficial to the participants in terms of forecasting inflation and monetary policy rate. The course exposed participants to the practical challenges and broader knowledge on how to estimate a Dynamic Stochastic General Equilibrium (DSGE) Model of an economy. It also exposed participants to how to forecast inflation and monetary policy rate under the Classical, New Classical, Keynesian and New Keynesian assumptions.

The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that more of DSGE workshops should be organized in the future.

1.4.6 REGIONAL VIRTUAL COURSE ON EXCHANGE RATE REGIMES AND POLICIES, - AUGUST 2-6, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organised a five (5) day Regional Virtual Course on Exchange Rate Regimes and Policies, for the period, August 2-6, 2021.

The Virtual course commenced with an opening ceremony moderated by Dr. Okon Joseph Umoh (Principal Programme Manager, Macroeconomic Management Department, WAIFEM) who welcomed the participants to the course and introduced the Director General, Dr. Baba Y. Musa and the facilitators represented by Dr. Festus Ebo-Turkson. He also acknowledged the presence of the following WAIFEM staff members: Dr. Emmanuel Owusu-Afriyie (the Host Director, Research and Macroeconomic Management Department), Mr Euracklyn. Williams (Director of Administration of Finance), Dr. Alvin Johnson (Director of Governance and Institutional Development Department), Dr. Paul Mendy (Director of Financial Sector and Payment Systems Department), Mr. Ali Yakubu (Director of Fiscal Policy, Debt Management and Regional Integration Department), Professor Douglas Omotor (Advisor, Business Development and Consultancy Unit), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department), Dr. Mrs. Patricia Adamu (Assistant Director of Financial Sector and Payment Systems Department), Mr. Victor Emmanuel (Internal Auditor) and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department).

The Director General of WAIFEM, Dr. Baba Y. Musa, delivered the keynote address and on behalf of Management of WAIFEM, welcomed all participants to the Virtual programme. He expressed his appreciation for the commitment of the facilitators to provide short- and long-term technical support to participants.

He emphasised the significance of the course on exchange rate regimes in the light of the current global pandemic that has introduced uncertainties into the commodities market and the monetary policy of several countries. The essence of sharing insights into exchange rate policy is further buttressed by the ongoing effort by the sub-region to achieve regional integration in trade, which can be facilitated with appropriate exchange rate regimes. He further summarised the key concepts that participants would encounter in the course of the programme including presenting some summaries of exchange rate regimes and the policy trilemma.

In his final remarks, the Director General entreated participants to freely interact with the facilitators to derive maximum benefit over the duration of the course and to take the opportunity to deepen their professional networking relationship with fellow participants to further the course of integration within the sub-region. The Director General then declared the course open.

The course on Exchange Rate Regimes and Policies was designed to introduce participants to the different regimes and exchange rate arrangements that countries and regional bodies may choose. It addressed the factors relevant for the choices and the consequences of these choices.

The main topics discussed during the Virtual regional course on Exchange Rate Regimes and Policies were: Introduction To Key Definitions and Concepts Used in Exchange Rate Analysis and How Changes in the Real Exchange Rate May Affect External Adjustment and Growth; Explanation of Key Theories that Attempt to Explain Exchange Rate Determination and Identification of the Key Factors that Can Affect the Real Exchange Rate; The Choice of Optimal Exchange Rate Regime: Further Discussions on OCA; Macroeconomic Policy Trade-Offs Related to Different Exchange Rate Regimes and the Main Exchange Rate Policy Challenges in Developing and Emerging Market Economies; The Foreign Exchange Market, Financial Globalization and Capital Flows: Implications for Exchange Rate Management; Monetary Policy in Managed Exchange Rate Regimes: Constraints and Challenges; Exchange Rate Dynamics and Monetary Integration in the ECOWAS Countries; Economic Integration and Exchange Rate regimes: Lessons from Other Regions; Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Nigeria and Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Ghana.

The course was facilitated by five (5) resource persons namely Dr. Festus Ebo Turkson (Senior Lecturer, Department of Economics, University of Ghana); Prof. Festus O. Egwaikhide (Head of Economics Department, University of Ibadan, Nigeria); Mr. Anthony Akuamoah-Boateng (Financial Markets Department, Bank of Ghana), who represented Mr. Steven Opata (Bank of Ghana); Dr. Robert Dauda Korsu (Executive Director, Economic, Social and Financial Research Institute-ESFRI, Freetown, Sierra Leone) and Dr. Ganiyu Kayode Sanni (Deputy Director/Head, External Sector Division of Research Department, Central Bank of Nigeria, Abuja).

The language of instruction of the course was in English. The course's mode of delivery involved Virtual lectures, interactions and discussions.

The course was attended by twenty-five (25) participants from four (4) WAIFEM Member countries. Specifically, four (4) participants were from The Gambia, nine (9) from Ghana, seven (7) from Nigeria and five (5) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 1 below.

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		Institutional Distribution			
Male	**Female**	**Central Banks**	**Ministries, Department & Agencies**	**Leg./Mass Media**	**Other public**
21	4	20	5	0	0
84.00%	**16.00%**	**80.00%**	**20.00%**	**0.00%**	**0.00%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course in terms of content, presentation, its usefulness to their work, time allotment, general satisfaction and effectiveness revealed the following:

- Almost all of the participants (88.2 per cent) agreed that the general objective of the course was achieved;
- 94.1 per cent of the participants agreed that the course had equipped them with an understanding of pertinent information relating to exchange

rate regimes and policies.

- Similarly, 94.1 per cent of the participants agreed that the course gave them adequate understanding of exchange rate regimes.
- 93.8 per cent of the participants agreed that the substantive impact of the resource persons as a team was accomplished.
- Similarly, 93.8 per cent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance.
- 93.8 per cent of the participants indicated that the blend of plenary and group exercises was effectively implemented.
- 98.7 per cent of the participants rated the presentations as effectively addressing the objectives of the course.
- 98.8 per cent of the participants rated the contents of the course as meeting standard practical and academic expectations.
- Similarly, 98.8 per cent of the participants indicated that the course was useful to their work;
- 86.3 per cent of the participants indicated that the time allotted to the course was enough;
- 58.8 per cent of the participants stated that their overall expectations about the course were met;
- Finally, 94.1 per cent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective;

In attendance at the closing ceremony were the following dignitaries: the Director General of WAIFEM, Dr. Baba Y. Musa; the Host Director, Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie; Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM); Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Mrs. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Dr. Ganiyu Kayode Sanni (Deputy Director/Head, External Sector Division of Research Department, Central Bank of Nigeria, Abuja); Dr. Robert Dauda Korsu (Executive Director, Economic, Social and Financial Research Institute-ESFRI, Freetown, Sierra Leone); Mr. Anthony Akuamoah-Boateng (Financial Markets Department, Bank of Ghana); Mr. Gabriel Asante (Senior Programme Manager, Fiscal Policy, Debt Management and Regional Integration Department); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM); and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

The Principal Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Dr. Okon Joseph Umoh, who was the Moderator, warmly welcomed all the dignitaries to the Closing Ceremony and then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome remarks. In his welcome remarks, the Host Director candidly admitted that the duration of the course was very short but concurred that participants were able to grasp a lot of concepts regarding exchange rate regimes and policies. He further stated that the failure of the monetary authorities to address macroeconomic imbalances have some level of disutility in that it adversely affects societal welfare. The Host Director thanked the Director General of WAIFEM, Dr. Baba Y. Musa, as well as other directors of WAIFEM for their support, which made the course successful. He entreated the participants to apply the knowledge gained from the course to reinforce their existing knowledge. The Host Director ended his remarks by commending the participants for their excellent dedication and commitment, which made the programme a success in a virtual environment.

After the welcome remarks by the Host Director, the Moderator then called on the Class Governor, Mrs. Salamatu Dotse (Bank of Ghana), to present the communique' on behalf of the participants (refer to the appendix of this report for the full version of the communique').

Following the presentation of the communique', the Director General of WAIFEM, Dr. Baba Y. Musa, presented his closing remarks. In his remarks, he congratulated the participants and facilitators for their dedication and commitment. Dr. Musa briefly highlighted on the ECOWAS Regional Integration Programme by stating that the programme needs to be examined from the policy perspective rather than the political perspective. He entreated practitioners to play more role in the integration process rather than leaving it solely in the hands of politicians. Furthermore, the Director General made the following statement that, “if we are not realistic with the economic aspects of the regional integration programme and allow politics to override the programme, we might end up having serious issues later along the line.” In addition, the Director General identified the inability of the media in the sub-region to disseminate and analyze economic issues. According to him, regarding economic issues, the media tend to adopt sensational journalistic approach rather than factual/investigative journalistic approach. This always leads to misreporting. Thus, he stated that there is the need for WAIFEM to organize courses for Journalists in the sub-region to strengthen financial and economic reporting.

Dr. Musa assured the participants that all the issues raised in the communique' would be addressed appropriately. He also revealed the new proposal of WAIFEM to embark on blended learning approach (in-person and Virtual) to the participants. In concluding his remarks, the Director General specially applauded the participants for their 100 per cent attendance throughout the course. He also thanked all five (5) facilitators of the course for their excellent delivery and declared the course close. The vote of thanks was presented by Mr. Charles Chiemeke (from the Central Bank of Nigeria).

The course was useful to the participants in terms of exchange rate determination and misalignment. The course exposed participants to exchange rate concepts and terminologies. It also exposed participants to the various exchange rate regimes and policies in WAIFEM member countries.

The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that practical sessions be added to the course in terms of computation of the nominal and real effective exchange rate

1.4.7 REGIONAL ONLINE COURSE ON CROSS-BORDER POSITION STATISTICS - SEPTEMBER 20-24, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) organised a five (5) day Regional Online Course on Cross-Border Position Statistics, for the period September 20-24, 2021.

The Opening Ceremony of the course began with the introduction of dignitaries by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM. It was then followed by opening remarks by the representatives of the three organizing institutions; Dr. Baba Y. Musa (the Director General of WAIFEM), Ms. Vivian Namugambe - Programme Manager, MEFMI (representing Dr. Sehliselo Mpofu, Programme Director of Macroeconomic Management of MEFMI), Mr. Malik Bani Hani (Senior Economist, IMF) and Mr. Eduardo Rodriguez Tenes (Expert, IMF).

In the opening remarks read on behalf of Dr. Sehliselo Mpofu, Ms. Vivian Namugambe expressed sincere gratitude to the collaborating institutions (IMF Statistics Department and WAIFEM). She stated that MEFMI recognizes the critical need to enhance patnership with similar institutions in order to harness synergies and effectively deliver capacity building interventions in areas of common interest. She then expressed appreciation to the Director General of WAIFEM, Dr. Baba Yusuf Musa, for the continued collaboration between MEFMI and WAIFEM. Ms. Vivian Namugambe appreciated the consistent support of the team of IMF Faciliators; Mr. Malik Bani Hani and Mr. Eduardo Rodriguez Tenes. In addition, she urged participants to position themselves to fully benefit from the invaluable technical expertise of the IMF facilitators. She stressed on the importance of the course and concluded her remarks by wishing the participants fruitful participation and deliberations.

The second remark in the series of opening remarks was given by Mr. Malik Bani Hani (Senior Economist, IMF). He began his remarks by thanking Dr. Baba Yusuf Musa (Director General of WAIFEM) and Ms. Vivian Namugambe (representing Dr. Sehliselo Mpofu, Programme Director of Macroeconomic Management of MEFMI) for initiating the cooperation between WAIFEM and MEFMI. He urged the participants to freely interact and ask questions. In the conclusion of his remarks, Mr. Malik entreated the participants to fully prepare for the course by thoroughly reading the designated course materials. He then invited his colleague, Mr. Eduardo Rodriguez Tenes (Expert, IMF) to make brief remarks. Mr. Eduardo expressed his pleasure to be part of the course and was optimistic that the course would be beneficial to the participants.

The last in the series of opening remarks was given by Dr. Baba Yusuf Musa, Director General of WAIFEM. He formally welcomed the participants to the virtual course and whole-heartedly appreciated the efforts of the team of IMF facilitators, who was always available to provide capacity building to officials in Anglophone African countries and beyond. He emphasized on the aim and significance of the course. Specifically, Dr. Baba Musa stated that businesses within the sub-region can access data on cross-border flows to explore access to market as well as interact with global customers, scout for new suppliers and communicate with their overseas affiliates. He further stated that the flow of data between or among countries has the potential to add value to an economy and thus, contribute to economic growth through trade and cross-border transactions among both customers and businesses. According to Dr. Musa, available economic statistics should rely on sound methodology and nomenclature, if and only if they are to benefit businesses. He ended his remarks by entreating participants to foster cooperation among themselves in order to derive the maximum benefit from the course. After the remarks, Dr. Baba Y. Musa declared the course officially opened. This was then followed by virtual photography.

The course on Cross-Border Position Statistics was primarily designed to provide training on the methodology for compiling and disseminating Cross-Border Position statistics, including the Integrated International Investment Position (IIP); External Debt Statistics (EDS); the Coordinated Portfolio Investment Position Statistics (CPIPS); and the Coordinated Direct Investment Survey (CDIS). The course was based on the Balance of Payments and International Investment Position Manual, sixth edition (BPM6), the 2013 External Debt Statistics: Guide for Compilers and Users, the 2010 CPIS Guide, as well as the 2015 CDIS Guide.

The main topics discussed during the online regional course on Cross-Border Position Statistics were: Introduction to Cross-Border Position Statistics – International Investment Position (IIP); Direct Investment Statistics: Concepts and Definitions; Direct Investment Statistics: Special Cases and the CDIS; Portfolio Investment Statistics: Concepts, Definitions, Data compilation and CPIS; Other Investment: Definition, Recording and Compilation; Reserves Assets: Concepts, Definitions and Compilation; Data Template on International Reserves and Foreign Currency Liquidity; Other Changes in Financial Assets and Liabilities Accounts; and Consistency between Financial Account and Positions, and Countries Future Plans.

In addition, presentations were made by each representative of the participating countries regarding their respective experience in the compilation of the IIP, CDIS, CPIS and DTIRFCL. The purpose of the country presentations was to identify gaps, strengths and weaknesses in their compilation techniques, so that the facilitators could prescribe alternative and appropriate techniques to enhance efficiency of their data compilation.

The course was facilitated by two (2) facilitators from the IMF; Mr. Malik Bani Hani (Senior Economist of the IMF) and Mr. Eduardo Rodriguez Tenes (Expert, IMF). The language of instruction of the course was English. The course's mode of delivery involved series of lectures, break-out sessions, workshops, pre- and post-methodological tests, as well as group presentations.

The course was attended by fifty (50) participants from fourteen (14) countries. The countries were Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, Uganda, Zambia and Zimbabwe. The total number of participants from WAIFEM member countries was twenty-seven (27); three (3) from The Gambia, four (4) from Ghana, three (3) from Liberia, ten (10) from Nigeria and seven (7) from Sierra Leone. For gender and institutional distribution of participants, refer to Table 1 (Next page).

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		**Institutional Distribution**			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
15	35	36	1	0	13
30.0%	**70.0%**	**72.0%**	**2.0%**	**0.0%**	**26.0%**

Course evaluation was conducted using the Likert Scale analytical technique. On a scale of 1 to 5 (with 1=strongly disagree and 5= strongly agree), participants were asked to rank the extent to which they were satisfied with the training, its delivery mode and administration, as well as the virtual environment within which the training was organized. The analysis of the completed evaluation questionnaire at the end of the course revealed the following:

- · The average value of ranking for the statement "The knowledge/skills learned during the training will be useful for my job and my professional development" was 4.6. This suggests that the participants strongly agreed that the training would be useful for their jobs and professional development.
- · The average value of ranking for the statement "The content of this training will help me to produce better quality, and/or better understand, macroeconomic statistics" was 4.6. This indicates that the participants strongly agreed that the content of the training would help them produce better quality, and/or better understanding of macroeconomic statistics.
- · The average value of ranking for the statement

"Overall, I was satisfied with the training" was 4.5. This suggests that on the average, the participants were very satisfied with the training.

- · The average value of ranking for the statement "The exercises covered during the workshop sessions were useful" was 4.4.
- This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- · Similarly, on the statement "The mix of presentation methods (e.g. balance of lectures and workshops, interactive discussions) was an effective way to learn the subject" had an average score of 4.4. This indicates that the participants strongly agreed that the mix of presentation methods was indeed an effective way to learn the subject.
- · The average value of ranking for the statement "Overall, I was satisfied with the administrative/logistical arrangements for the training" was 4.2. This indicates that the participants were very satisfied with the administrative/logistical arrangements for the training.
- · The statement, "The training website (Moodle or Box) was helpful for your preparations for and during the training" had an average score of 4.3. This indicates that the participants agreed that the training website (Moodle or Box) was helpful for their presentations.
- · The statement, "I was satisfied with the translated course materials" had an average score of 4.4. This suggests that the participants were very satisfied with the translated course materials.
- · Lastly, the average score of the statement "Overall, given the virtual environment, the training was effectively conducted and delivered" was 4.2. This suggests that the participants agreed that the training was effectively conducted and delivered within the virtual environment.

Furthermore, on the course evaluation questionnaire, the participants recommended the following:

- Improvement in the duration of the course
- The use of workshop at the end of each day's lectures to concretize understanding of different concepts learnt in each lecture
- Offer follow-ups and refreshers from time to time. Provide post additional training content and discussion opportunities.
- Definitions of concepts should be accompanied by practical examples.
- Going back to normal classes will improve on the training so as to avoid distraction especially when at the workplace.

In attendance at the closing ceremony were the following dignitaries: Mr. Euracklyn Williams (Director of Administration and Finance, WAIFEM); Dr. Emmanuel Owusu-Afriyie (The Director of Research and Macroeconomic Management Department, representing the Director General of WAIFEM); Dr. Alvin Johnson (Director of Governance and Institutional Development Department of WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Ms. Vivian Namugambe - Programme Manager, MEFMI (representing Dr. Sehliselo Mpofu, the Programme Director of Macroeconomic Management of MEFMI); Mr. Malik Bani Hani (Senior Economist of the IMF); Mr. Eduardo Rodriguez Tenes (Expert, IMF) and Mrs. Laila Boufraine (IMF).

In the closing remarks read by Ms. Vivian Namugambe on behalf of Dr. Sehliselo Mpofu, she expressed her gratitude to the IMF facilitators for helping build capacity in Africa. She also expressed her appreciation to the Director General and Management of WAIFEM for their readiness to collaborate with MEFMI on various activities throughout the year. Furthermore, she applauded the participants for their activeness on the virtual platform throughout the duration of the course. Although she admitted that the duration of the course was very short, she entreated the participants to have a post-workshop interaction to deepen their understanding of Cross-Border Position Statistics. She also advised participants to share the knowledge derived from the course with their colleagues, who did not participate in the workshop. Dr. Mpofu ended her remarks by assuring participants that their doors are always open to address their training challenges.

Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management Department, WAIFEM) was then invited to give the closing remarks on behalf of Dr. Baba Y. Musa (Director General of WAIFEM). In his closing remarks, Dr. Owusu-Afriyie highlighted on the importance of reliable Cross-Border Statistics and thus, entreated the participants to apply the knowledge gained to enrich their respective external sector statistics. He also expressed his appreciation to the superiors of the participants for releasing them to participate in the workshop. In conclusion of his remarks, he applauded the team of IMF facilitators and declared the workshop closed.

The course was grossly beneficial to the participants, especially in the period of challenges regarding reliable Cross-Border Statistics data compilation. The course exposed participants to the practical challenges and broader knowledge on how to compile Cross-Border data. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested to the team of IMF facilitators to add more practical sessions in future to enrich the course.

1.4. 8 REGIONAL ONLINE COURSE ON BALANCE OF PAYMENTS STATISTICS - October 18-22, 2021

The West African Institute for Financial and Economic Management (WAIFEM) solely organised a five (5) day Regional Online Course on Balance of Payments Statistics, for the period, October 18-22, 2021.

The opening ceremony of the course began with the introduction of dignitaries by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM. The dignitaries in attendance were Dr. Baba Y. Musa (the Director General of WAIFEM and the Chairperson of the Opening Ceremony), Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department, WAIFEM), Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM), Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM), Dr. Mrs. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Larmin Jarjue (Senior Programme Manager, Fiscal Policy, Debt Management and Regional Integration Department), Mrs. Josephine Robert (Executive Assistant to the Director General of WAIFEM), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department), Mr. Dixon W. Dwanyen (Facilitator, Central Bank of Liberia), Ms. Cynthia Kotei (Facilitator, Bank of Ghana), Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM), Mr. Gabriel Asante (Senior Programme Manager, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM) and Mr. Victor Emmanuel (Internal Auditor, WAIFEM).

Dr. Okon Joseph Umoh (the Moderator of the Opening Ceremony) warmly invited the Director General of WAIFEM, Dr. Baba Y. Musa, to give the opening remarks. In his remarks, the Director General warmly welcomed the participants to the course and expressed his gratitude to the facilitators for their technical support. He then laid emphasis on the objectives and relevance of the course. The Director General expressed his optimism that after the completion of the course, participants would be able to compile BoP and International Investment Position (IIP) Statistics from new data sources. He further explained that these statistics are key to policy makers as well as analysts in both the public and private sectors. However, he acknowledged that timely accessibility of data remains a challenge. In conclusion, Dr. Baba Y. Musa encouraged the participants to freely interact and deepen their professional network relationship in order to derive the maximum benefits from the course. He then declared the course open.

Dr. Okon Joseph Umoh (the Moderator) then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his remarks and announcement. In his brief remarks, he entreated the participants to be fully committed to the course. He thanked the Director General of WAIFEM, Dr. Baba Y. Musa and the directors of WAIFEM for gracing the Opening Ceremony with their presence. After the remarks, group photography was taken.

The course on Balance of Payments Statistics was designed to assess how the conceptual framework described in the BPM6 has been effectively assimilated and translated into practice by WAIFEM Member Countries. After the successful completion of the course, participants were expected to:

1) Improve on the compilation and dissemination of their Balance of Payments (BoP) and International Investment Position (IIP) statistics using the techniques provided in the Guide.
2) Identify new data sources to be used to improve the compilation of Balance of Payments and IIP statistics.
3) Apply statistical techniques for dealing with complex methodological and compilation issues and;
4) Deepen their knowledge of the analytical use of Balance of Payments and IIP statistics.

The main topics discussed during the Online Regional Course on Balance of Payments Statistics were:

- Conceptual framework of the Balance of Payments (BoP); Ghana's Survey techniques and methodology for compiling balance of payments;
- Inter-linkages between the Balance of Payments (BoP) and other sectoral accounts; Ghana's sources of data to compile and construct BOP statements and Challenges in Compiling BOP.
- Balance of Payments (BoP) entries under the 6th edition of the IMF Balance of Payments Manual: Balance of Payments (BoP) construction, analysis and forecasting in Ghana.
- Conceptual framework of the Balance of Payments (BoP); Nigeria's Survey techniques and methodology for compiling balance of payments;
- Inter-linkages between the Balance of Payments

(BoP) and other sectoral accounts; Nigeria's sources of data to compile and construct BOP statements and Challenges in Compiling BOP.

- Balance of Payments (BoP) entries under the 6th edition of the IMF Balance of Payments Manual: Balance of Payments (BoP) construction, analysis and forecasting in Nigeria.
- Conceptual framework of the Balance of Payments (BoP); Sierra Leone's Survey techniques and methodology for compiling Balance of Payments;
- Inter-linkages between the Balance of Payments (BoP) and other sectoral accounts; Sierra Leone's sources of data to compile and construct BOP statements and Challenges in Compiling BOP.
- Balance of Payments (BoP) entries under the 6th edition of the IMF Balance of Payments Manual: Balance of Payments (BoP) construction, analysis and forecasting in Sierra Leone
- Conceptual framework of the Balance of Payments (BoP); Liberia's Survey techniques and methodology for compiling Balance of Payments;
- Inter-linkages between the Balance of Payments (BoP) and other sectoral accounts; Liberia's sources of data to compile and construct BOP statements and Challenges in Compiling BOP.
- Balance of Payments (BoP) entries under the 6th edition of the IMF Balance of Payments Manual: Balance of Payments (BoP) construction, analysis and forecasting in Liberia.
- Inter-linkages between the Balance of Payments (BoP) and other sectoral accounts; The Gambia's sources of data to compile and construct BOP statements and Challenges in Compiling BOP.
- Balance of Payments (BoP) entries under the 6th edition of the IMF Balance of Payments Manual: Balance of Payments (BoP) construction, analysis and forecasting in The Gambia.

The course was facilitated by five (5) facilitators from the five (5) WAIFEM Member Central Banks. They were Mr. Alieu Ceesay (Central Bank of The Gambia), Mr. Dixon W. Dwanyen (Central Bank of Liberia), Dr. G.K. Sanni (Central Bank of Nigeria), Mr. Rashid Idriss Koroma (Bank of Sierra Leone) and Ms. Cynthia Kotei (Bank of Ghana). The language of instruction of the course was in English. The course's mode of delivery involved online lectures, interactions and discussions, workshops, as well as group presentations.

The course was attended by twenty-four (24) participants from the five (5) WAIFEM Member countries. Specifically, two (2) participants were from The Gambia, six (6) from Ghana, two (2) from Liberia, twelve (12) from Nigeria and two (2) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 1 below.

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		**Institutional Distribution**			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
19	5	13	11	0	0
79.2%	**20.8%**	**54.2%**	**45.8%**	**0.0%**	**0.0%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- ·Almost all the participants (90 per cent) agreed that the course objective of exposing participants to BPM6 and its uses was achieved;
- All the participants agreed that the course provided them with a comprehensive set of analytical tools to undertake policy impact assessment and scenario analysis;
- 90 per cent of the participants agreed that the substantive impact of the resource persons was very good;
- 90 per cent of the participants agreed that the knowledge and tools acquired from this course would improve their job performance;
- 90 per cent of the participants maintained that the blend of plenary sessions and hands-on exercises had been very effective;
- 90 per cent of the participants agreed that the quality of training materials and documentation was very good;
- 97.79 per cent of the participants rated the presentations as very good;
- 97.60 per cent of the participants rated the contents of the course as good;
- 97.22 per cent of the participants indicated that the course was very useful to their work;

- 97.85 per cent of the participants indicated that the time allotted to the course was enough;
- 90 per cent of the participants indicated that their overall expectations about the course were met and
- Finally, 80 per cent indicated that the overall administration and coordination of the course by WAIFEM was effective.

In attendance at the closing ceremony were the following dignitaries: the Director General of WAIFEM, Dr. Baba Y. Musa; the Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie; Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manaager, Research and Macroeconomic Management Department, WAIFEM); Mr. James Aniekan (Assistant Programme Manager, Business Development and Consultancy Unit, WAIFEM), Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

The Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Mr. John Owusu-Afriyie (who was the Moderator) warmly welcomed all the dignitaries to the Closing Ceremony. He then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome-remarks. The Host Director applauded the facilitators for their excellent delivery despite being an online course.

After the brief remarks by the Host Director, the Moderator called on Ms. Maame Ammah Frimpomaah Appiah from the Bank of Ghana (the Class Governor) to present the communique' on behalf of the participants (refer to the appendix of this report for the communique').

Following the presentation of the communique', the Director General of WAIFEM, Dr. Baba Y. Musa, presented his closing remarks. In his remarks, he congratulated the participants and facilitators for their dedication and commitment. He specially applauded the participants for their 100 per cent attendance throughout the course. He also expressed his satisfaction with the level of implementation of the BPM 6 by WAIFEM member countries and urged participants to provide regular bulletin on BoP Statistics. He concluded his remarks by urging the participants to keep the stock of knowledge that they have acquired from the course.

The vote of thanks was verbally presented by Mr. Musa Kabir (from the Securities and Exchange Commission, Nigeria) after which the course was officially declared close by Dr. Baba Y. Musa (the Director General of WAIFEM).

The course was grossly beneficial to the participants. The course exposed participants to the practical challenges and broader knowledge on how to compile BoP statistics, consistent with the BMP 6. It also exposed participants to the inter-linkages between the Balance of Payments (BoP) and other sectoral accounts. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that as most economies have opened and vaccination is ongoing, these courses could be held in person.

1.4.9 REGIONAL ONLINE COURSE ON MONETARY POLICY FRAMEWORKS AND ANALYTICAL TOOLS FOR MONETARY POLICY - NOVEMBER 15-19, 2021.

The West African Institute for Financial and Economic Management (WAIFEM) solely organised a five (5) day Regional Online Course on Monetary Policy Frameworks and Analytical Tools for Monetary Policy, for the period November 15-19, 2021.

The opening ceremony of the course began with the introduction of dignitaries by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM. The dignitaries in attendance were Dr. Baba Y. Musa (the Director General of WAIFEM and the Chairperson of the Opening Ceremony), Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department, WAIFEM), Dr. Alvin Johnson (Director of Governance and Institutional Development Department), Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM), Dr. Mrs. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department), Mrs. Josephine Robert (Executive Assistant to the Director General of WAIFEM), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department), Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM), Dr. Zakari Mumuni (Facilitator, Bank of Ghana) and Mr. Victor Emmanuel (Internal Auditor, WAIFEM).

Dr. Okon Joseph Umoh (the Moderator of the Opening Ceremony) warmly invited the Director General of WAIFEM, Dr. Baba Y. Musa, to give the opening remarks. In his remarks, the Director General warmly welcomed the participants to the course and expressed his gratitude to the facilitators for their technical support. He then laid emphasis on the objectives and relevance of the course. Specifically, according to Dr. Musa, central banks have the mandate of increasing employment and achieving price stability at the same time. This he referred to as "Dual Mandate" of central banks. Furthermore, Dr. Musa briefly elaborated on the role of the Monetary Policy Committee (MPC) and evolution of monetary policy over time. He concluded his opening remarks by urging the participants to take the course serious and thereafter declared the course open.

Dr. Okon Joseph Umoh (the Moderator) then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his remarks and announcement. In his brief remarks, he entreated the participants to be fully committed to the course. He thanked the Director General of WAIFEM, Dr. Baba Y. Musa and all directors of WAIFEM for gracing the Opening Ceremony with their presence. After the remarks, virtual group photography was taken.

The course aimed at introducing participants to monetary policy frameworks and an overview of different analytical tools used by central bankers in the process of monetary policy decision making. At the end of the course, participants were expected to have in-depth understanding of the key aspects of monetary policy frameworks and major issues related to them. For that purpose, the course primarily focused on reviewing the fundamental theoretical background as well as the strategic and operational matters of monetary policy. In addition, the course provided an overview of different analytical tools employed by central banks in the process of monetary policy decision making. Specifically, the course highlighted on analytical approaches to monitor and assess developments in the money market, money and credit, capital markets and the monetary transmission process.

The main topics discussed during the Online Regional Course on Monetary Policy Frameworks and Analytical Tools for Monetary Policy were:

- Review of theoretical basics of monetary policy (including transmission mechanism);
- Key building blocks of monetary policy frameworks (strategic vs operational framework);
- Consistency and conflict of interests;
- Key elements of strategic frameworks (monetary policy objectives, intermediate targets, nominal anchors);
- Key elements of operational frameworks (operational targets and monetary policy instruments);
- Money market analysis, monetary analysis, capital markets analysis and monetary transmission analysis;
- Evolution of Monetary Policy Implementation and Outcomes in Ghana;
- Applied Inflation Targeting in Ghana;
- Analytical Tools and Instruments for Monetary Policy Implementation in Ghana;
- Evolution of Monetary Policy Implementation and Outcomes in Nigeria;
- Current Monetary Policy Framework of Nigeria;
- Analytical tools and Instruments for Monetary Policy Implementation in Nigeria;
- Evolution of Monetary Policy Implementation and Outcomes in Sierra Leone;
- Current Monetary Policy Framework of Sierra Leone;
- Analytical tools and Instruments for Monetary Policy Implementation in Sierra Leone;
- Evolution of Monetary Policy Implementation and Outcomes in Liberia;
- Current Monetary Policy Framework of Liberia;
- Analytical tools and Instruments for Monetary Policy Implementation in Liberia;
- Evolution of Monetary Policy Implementation and Outcomes in The Gambia;
- Current Monetary Policy Framework of The Gambia;
- Analytical tools and Instruments for Monetary Policy Implementation in the Gambia.

The course was facilitated by five (5) facilitators from the five (5) WAIFEM Member Central Banks. They were Mrs. Isatou Mendy, who represented Mr. Ebrima Wadda (Director of Economic Research, Central Bank of The Gambia); Dr. Zakari Mumuni, who represented Dr. Philip Abradu-Otoo (Director of Research, Bank of Ghana); Mr. Jefferson Kambo (Central Bank of Liberia); Dr. Hassan Mahmoud (Central Bank of Nigeria) and Mr. Morlai Bangura (Bank of Sierra Leone). The language of instruction of the course was in English. The course's mode of delivery involved online lectures, interactions and discussions as well as question-and-answer sessions.

The course was attended by thirty-eight (38) participants from the five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, eleven (11) from Ghana, five (5) from Liberia, thirteen (13) from Nigeria and six (6) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 1 below.

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		Institutional Distribution			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
31	7	28	3	0	7
81.6%	**18.4%**	**73.7%**	**7.9%**	**0.0%**	**18.4%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- All the participants (100 per cent) agreed that the course objective of exposing participants to BPM6 and its uses was achieved;
- All the participants (100 per cent) agreed that the course had equipped them with an understanding of monetary policy frameworks and an overview of different analytical tools used by central bankers in the process of monetary policy decision making;
- All the participants (100 per cent) agreed that the course provided adequate capacity in the overview of different analytical tools used by central banks in the process of monetary policy decision making;
- All the participants agreed that the substantive impact of the resource persons as a team was very good;
- All the participants (100 per cent) agreed that the knowledge and skills acquired from this course would improve their job performance;
- 60 per cent of the participants agreed that the blend of plenary sessions and group exercises was effective;
- 90.91 per cent of the participants agreed that the quality of training materials and documentation was very good.
- 93.22 per cent of the participants rated the presentations as very good;
- 95.73 per cent of the participants rated the contents of the course as good;
- 93.22 per cent of the participants indicated that the course was very useful to their work;
- 97.82 per cent of the participants indicated that the time allotted to the course was enough;
- All the participants indicated that their overall expectations about the course were met, and
- Finally, 91.67 per cent agreed that the overall administration and coordination of the course by WAIFEM was effective.

In attendance at the closing ceremony were the following dignitaries: Mr. Euracklyn Williams (Director of Finance and Administration Department) representing the Director General of WAIFEM; Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management Department); Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manaager, Research and Macroeconomic Management Department, WAIFEM); and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

The Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Mr. John Owusu-Afriyie (who was the Moderator) warmly welcomed all the dignitaries to the Closing Ceremony. He then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome-remarks. The Host Director applauded the facilitators for their excellent delivery despite being an online course.

After the brief remarks by the Host Director, the Moderator called on Mr. Anthony Onah (the Class Governor) to present the communique' on behalf of the participants (refer to the appendix of this report for the communique').

Following the presentation of the communique', the representative of the Director General of WAIFEM, Mr. Euracklyn Williams, presented his closing remarks. In his remarks, he congratulated the participants and facilitators for their dedication and commitment. He specially applauded the participants for their 100 per cent attendance throughout the course. He concluded his remarks by urging the participants to keep the stock of knowledge that they have acquired from the course.

The vote of thanks was verbally presented by Ms. Nasaratu Sessay (Deputy Class Governor), after which the course was officially declared close by Mr. Euracklyn Williams (Director of Administration and Finance, WAIFEM).

The course was grossly beneficial to the participants. The course exposed participants to the Monetary Policy Frameworks of WAIFEM Member Central Banks and how they have evolved over time. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that as most economies have opened and vaccination is ongoing, these courses could be held in person,

1.4.10 IMF-WAIFEM REGIONAL ONLINE COURSE ON MACRO-ECONOMETRIC FORECASTING AND ANALYSIS. - 29TH NOV.-10TH DEC., 2021

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) organised a two week Regional Online Course on Macroeconometric Forecasting and Analysis (remotely delivered from the IMF Headquarters) from 29th November to 10th December, 2021.

The opening ceremony of the course began with the introduction of hosts and co-hosts by Dr. Okon Joseph Umoh, Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM. The ceremony was virtually chaired by the Director General of WAIFEM, Dr. Baba Y. Musa.

After the introduction of hosts and co-hosts, Mr. Diego Rodriguez Guzman (IMF Facilitator) was then called upon to give his opening remarks. He expressed gratitude to the Director General of WAIFEM, Dr. Baba Yusuf Musa, for the successful institutional collaboration between the ICDMM Department of the IMF and WAIFEM. He expressed his excitement to be part of the team of facilitators for the course.

Dr. Umoh then called on Mr. Andres Gonzalez (IMF Facilitator) to give his remarks. Mr. Gonzalez expressed his excitement to be part of the team of facilitators for the course. He assured the participants that they would benefit enormously from the course.

Last but not the least among the team of IMF facilitators to give his opening remarks was Mr. Sam Ouliaris. He expressed his excitement to be part of the course and entreated the participants to ask questions in order to benefit fully from the course. Mr. Ouliaris stated emphatically that the course is a practical course and that participants must do the hands-on exercises in order to understand the course fully.

The Director General of WAIFEM, Dr. Baba Y. Musa, concluded the series of opening remarks by appreciating the efforts of the team of IMF Facilitators. He stated emphatically that the IMF's knowledge diffusion effort is helping financial institutions in the West African region to be effective, transparent and accountable. He briefly explained the importance of the course. He stated that the Macroeconometric Forecasting and Analysis (MFA) course offers insight into real indicators of growth and recession. Specifically, according to the Director General, Macroeconomic variables such as inflation, growth and consumption are predicted by building statistical and econometric models, which are used to predict responses to economic policy. He thanked the team of IMF facilitators for making time for the course. He therefore entreated participants to pay attention to the course and declared the course open.

After the remarks by the Director General of WAIFEM, Dr. Okon Joseph Umoh therefore called on the host director, Dr. Emmanuel Owusu-Afriyie to give announcements. The opening ceremony then ended with virtual photography.

The MFA course, presented by the IMF's Institute for Capacity Development, was aimed at giving the participants rigorous foundation in the estimation of macro-econometric models and their application for nowcasting, forecasting, and policy analysis in central banks, ministries, and public research institutions. The course examined univariate and multivariate econometric time series models, state-space models, and nowcasting techniques as Factor, BRIDGE, and MIDAS models. Each topic included a lecture that discussed the underlying theory and a workshop with applications using EViews. Participants worked in groups on hands-on estimation and forecasting exercises.

The main topics discussed during the online course included the following: The Ordinary Least Squares Model; Evaluating Models: t-test, F-test, R-Squared, Stability test; Stationary Processes; ARIMA representation and detecting stationarity; Box-Jenkins Methodology: From Identification to Forecasting; Non-stationarity and Unit Root Tests; Introduction to VARs of stationary processes; Formulating, Estimation, Hypothesis Testing; Forecasting with VARs; Impulse

Response Functions; Structural VARs, Impulse Response Function and Variance Decomposition; Forecast Uncertainty, Forecast Evaluation and Forecast Combination; Nowcasting and Policy Formulation; BRIDGE methods and MIDAS/U-MIDAS approaches; Participants' preparation for presentation on policy analysis and forecasting for

WAIFEM member countries and Group's Presentation.

The course was facilitated by experts from the IMF's Institute for Capacity Development, namely Mr. Diego Rodriguez Guzman, Mr. Andres Gonzalez and Mr. Sam Ouliaris.

The course delivery involved online lectures, workshops, group assignment, individual quizzes and group presentations. The group assignment and presentations focused on policy analysis and forecasting for WAIFEM member countries.

The workshop was attended by thirty-four (34) participants from the five WAIFEM Member Countries as follows: Ghana (7), Nigeria (16), The Gambia (2), Liberia (6) and Sierra Leone (3). In terms of Gender and Institutional distribution of participants, please refer to Table 1 below:

Table 1: Gender and Institutional Distribution of Participants

Gender Distribution		**Institutional Distribution**			
Male	***Female***	***Central Banks***	***Ministries, Department & Agencies***	***Leg./Mass Media***	***Other public***
28	6	26	3	0	5
82.4%	**17.6%**	**76.5%**	**8.8%**	**0.0%**	**14.7%**

The analysis of the completed evaluation questionnaire by the participants at the end of the course revealed the following:

- Post-course feedback: Average value score (end-of-course survey) of 4.6 on a scale of 1 to 5.
- Learning gain: Increase in test score (percentage points) by 17.9
- Absolute learning: Share of participants scoring at least 60% on post-course test is 34.78%.
- Pre-test average score is 28.9%
- Post-test average score is 46.8%

The closing ceremony was moderated by Mr. John Owusu-Afriyie (Programme Manager of Research and Macroeconomic Managment Department of WAIFEM). The ceremony began with the introduction of dignitaries by the moderator. The dignitaries present were Dr. Baba Yusuf Musa (Director General of WAIFEM), Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM), Dr. Paul Mendy (Director of Financial Sector and Payment Systems Department, WAIFEM), Dr. Patricia Adamu (Assistant Director of Financial Sector and Payment Systems Department, WAIFEM), Mr. Aliyu Yakubu (Director of Debt Management, Fiscal and Regional Integration Department, WAIFEM), Mr. Momodou Larmin Jarjue (Senior Programme Manager of Fiscal Policy, Debt Management, and Regional Integration Department, WAIFEM) and Mr. Gabriel Y. Asante (Senior Programme Manager of Debt Management, Fiscal policy and Regional Integration Department, WAIFEM).

After the introduction of the dignitaries, Dr. Emmanuel Owusu-Afriyie (The host Director) was then called to give his welcoming remarks. In his remarks, he thanked the team of IMF Facilitators for taking the challenge to tutor the course. He then welcomed the participants to the closing session and wished them good luck.

The IMF team of facilitators (Mr. Diego, Mr. Gonzalez and Mr. Ouliaris) were then called upon to give their closing remarks. They thanked the Director General of WAIFEM for the opportunity given to them and urged participants to create a network in order to keep interacting with one another in order to deepen their understanding of the course.

The Director General of WAIFEM was then called upon to give his closing remarks. In his remarks, he urged the participants to apply the knowledge gained to solve practical problems at their respective workplaces. He urged the participants to freely interact with one another to deepen their understanding of the course. Dr. Musa expressed his gratitude to the IMF and the team of IMF Facilitators for their support and continuous collaboration. He then declared the course close. The ceremony ended with virtual group photography.

The course was grossly beneficial to the participants. The course exposed participants to estimation of macro-econometric models and their application for nowcasting, forecasting, and policy analysis in central banks, ministries, and public research institutions. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. The evaluation also suggested that the test score of the participants improved after the course, indicating knowledge gain.

1.5 GOVERNANCE AND INSTITUTIONAL DEVELOPMENT DEPARTMENT

1.5.0 INTRODUCTION

The Governance and Institutional Development Department organized a total of six (6) online capacity building programmes during the year 2021. These programmes benefitted one hundred and eighty-three (183) participants from Central Banks, Ministries of Finance and Economic Planning, as well as other public and private sector agencies in WAIFEM member countries.

A breakdown of the participation according to institutions show that Central Banks accounted for 89 participants (48.6 percent); Ministries of Finance accounted for 12 participants (6.6 percent), other public sector agencies accounted for 53 participants (29.0 participants) while other private sector agencies accounted for 29 participants (15.8 percent). Moreover 69 participants (37.7 percent) of the participants were from Liberia; 47 participants (25.7 percent) of the participants were from Sierra Leone; 27 participants (14.8 percent) were from Nigeria, 21 participants (11.5 percent) were from Ghana while 17 participants (9.3 percent) were from The Gambia. However, two (2) participants accounting for 1.1 percent constituted participation from other countries. In terms of gender, 89 participants (48.6 percent) were male while 94 participants (51.4 percent) were female.

The details of the courses conducted by the Governance and Institutional Development Department are as follows:

1.5.1 VIRTUAL REGIONAL COURSE ON REMOTE WORKING AND SUPERVISION: VIRTUAL TEAM BUILDING AND MANAGEMENT - APRIL 12-16, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized a virtual course on Remote Working and Supervision: Virtual Team Building and Management from April 12 – 16 2021.

Remote work is changing the business landscape; from how we approach work-life balance to the ways we communicate and measure productivity. Working remotely has gained momentum in recent years as employees now use technology to work anywhere and anytime, a situation that has become more pronounced in the face of COVID-19 outbreak. Given the prevalence and importance of remote working today, it is only a matter of time before the virtual workplace becomes the new global business management standard. While there are enormous benefits that come with adapting to the 'new normal' of today's virtual workplace, there are also challenges of building and managing effective virtual teams.

Building and managing remote teams effectively have become essential management skills that all managers and supervisors require if they are to keep up with the changing and more competitive work environment. Having access to the best talents available worldwide is not sufficient in today's work environment but such talents must have technical knowhow in terms of delivering output from any location.

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa, and present were Directors and other staff of WAIFEM and hosts of seasoned resource persons. In his keynote address, the Director General of WAIFEM welcomed participants to the course and emphasized that working remotely is fast becoming the norm in the workplace. Remote working, he continued, became more pronounced in 2020 with the advent of COVID-19 pandemic, as employees and their managers worked most times out of office and separated from each other. This, the Director General said required huge reliance on technology and infrastructure in order to facilitate work from anywhere and anytime. He said Managers and supervisors could take great efforts to improve the engagement and productivity of remote employees, even when there is little time to prepare. The Director General indicated that institutions must ensure that employees operate with the right systems and tools and cultivate the right environment to enhance productivity, as well as avoid exposure to cyber risks.

He further highlighted some of the issues in remote working and virtual team building that institutions in Africa continue to grapple with which include: lack of face-to face supervision, lack of access to information, social isolation, and inadequate infrastructure to support remote working: power and internet connectivity, among others.

The Director General explained that WAIFEM, since its establishment in 1996, had contributed to building sustainable capacity of various public sector employees in the sub-region and mentioned that this programme on Remote Working and Supervision was designed to develop the capacity of participants to successfully lead and manage teams in virtual working environment. Dr. Musa said that the course is expected to provide insights into ways some of the challenges associated with remote and virtual working could be overcome and provide tools and tips to ensure high levels of productivity and effectiveness. He concluded by encouraging participants to take due advantage of the opportunity and replicate or apply the knowledge gained.

The main objective of the course was to provide participants with basic understanding of working remotely and virtually and the kinds of supervision required by managers and supervisors to achieve these. The training specifically targeted the following:

- expose participants to the technologies (tools) of remote and virtual working.

- harness the necessary skills and expertise required to prepare managers and employees for virtual working.
- introduce techniques for the overall management and supervision necessary to achieve an effective virtual and remote work in an organization/institution.

The main themes covered in this course included:

- Why choose Remote Work for an Organization.
- Benefits of Working Remotely.
- Misconceptions in Remote Working.
- Components and Structure of Virtual Team Management.
- Creating Virtual Team Communication Plan.
- Essential Layers of Virtual Communication and Collaboration.
- Essential Skills of Remote Manager.
- Principles of Supervisions and Management in Virtual Teams.
- Managing Performance and Development in Virtual Workplace.
- Building and Maintaining Trust in Virtual Teams, etc.

The Course was delivered through lectures, syndicate/break-out sessions, experience sharing, case studies and hands-on exercises. The course was attended by twenty-one (21) participants from Central Banks, Ministries of Finance and Development Planning, The Presidency, Parliament and Internal Audit Agency from The Gambia, Liberia, Nigeria and Sierra Leone. The course was facilitated by a team of experienced experts drawn from Value Bridge Consults and WAIFEM faculty.

After five days of intensive presentations and discussions on the status, implementations and management of remote working, the following observations and recommendations were made by the participants:

Observations

That the advent of relying on remote and virtual communications was still at the brick-and-mortar stage for most of the institutions as reported. Only a few number of the participants indicated that they work outside their offices.

- Ø That even with those that exhibited some characteristics of progress above level 5 (50+ staff working from home), there were no clearly stipulated remote and virtual working policies.
- Ø That the present technologies utilized in communications and monitoring in the participating countries were not as advanced as those presented by the facilitators.
- Ø There was consensus amongst participants that most authorities still prefer travels for meetings both within and outside their institutions than engaging with real time communication tools.
- Ø That there are poor budgetary allocations for ICT infrastructural development and advancement in most institutions.

Recommendations

In view of the aforementioned observations, the participants proffered the following recommendation:

- Ø That the participants, having gained knowledge on remote and virtual working, would now be at the fore to promote and advise their institutions on the implementation of this alternative means of work.
- Ø That there should be more training for ICT staff in government institutions to acquire and apply the emerging modern tools for remote and virtual communications.
- Ø That budgetary allocations for ICT infrastructure should be adequate to address the infrastructure issues associated with remote and working.
- Ø That WAIFEM should organize performance management training for virtual workers in the future.

The participants thanked the West African Institute for Financial and Economic Management for the training opportunity to learn about remote working and supervision. They affirmed that the training, no doubt, increased their skills and provided useful techniques for virtual working. They also expressed their sincere gratitude to the various institutions for providing them the opportunity to participate in the course. To the facilitators, they expressed their heartfelt thanks and appreciation for accepting to share their wealth of knowledge and experience.

1.5.2 VIRTUAL REGIONAL COURSE ON POLICY INITIATIVES AND STRATEGIC TALENT MANAGEMENT TO TRANSFORM HUMAN RESOURCES IN ORGANIZATIONS, APRIL 26-30, 2021

The West African Institute for Financial and Economic Management (WAIFEM) organized an on-line course on Policy Initiatives and Strategic Talent Management to Transform Human Resources in Organizations from April 26 - 30 2021.

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa, and present were Directors and other staff of WAIFEM and hosts of seasoned resource persons.

In his keynote address, the Director General welcomed participants to the course and expressed his heartfelt appreciation to the esteemed facilitators for accepting WAIFEM's invitation to facilitate at the training. He also expressed the

Institute's deepest gratitude to the various institutions for nominating participants to attend the course. He indicated that the large number of participants nominated for the course is a clear sign that institutions are concerned about developing the capacity of human resource officials in acquiring the principles, methods, and technologies that are used to improve the productivity of their organizations. He emphasized that it is imperative to strategically position organizations to face evolving challenges in the ever-changing business landscape.

The Director General further highlighted that Organizational Strategy, Talent Management and HR Transformation are key to attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve their performance. As cardinal HR functions, talent management and HR transformation remain challenging, especially as it relates to the creation of a motivated workforce that can be retained over a longer period of time. How this process is achieved, he added, may differ from institutions to institutions.

Dr. Musa stressed that talent management naturally incorporates many HR responsibilities, but it is not enough to expect that simply because institutions have HR Departments, they can manage talent effectively. A Talent Management strategy has to be in place in order for an institution to gain optimal results. He concluded by encouraging participants to make their participation in the course rewarding by taking every available opportunity to tap the knowledge and experience of the faculty placed at their disposal.

The main objective of the course was to enhance the competence and confidence of Human Resource Managers and officials who are policy oriented to drive the growth of their organizations through HR policy initiatives and management of strategic talents.

The training specifically aimed at enhancing participant's competencies in the following areas:

- New techniques in initiating HR policies and development of strategic talent management models;
- Formulate new approaches that will make a measurable improvement to existing HR functions; and
- Techniques in identifying and retaining strategic talents for organizational success as well as succession planning.

The main themes covered in the course included:

- Leadership and Technical Competence Development;
- Linking Competency to Organizational Objectives and Values;
- Developing Reforms in HR Policies;
- Knowledge Management and Developing a Learning Organization;
- Employee Empowerment and Engagement; and
- Innovative Talent Identification Methods, among others.

The course was attended by thirty-four (34) participants drawn from the Central Banks, Economic and Financial Crime Commission (EFCC), ECOWAS Commission, Revenue Authorities, Internal Audit Agencies and General Auditing Commission, from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

The course was facilitated by a team of experienced human resource experts drawn from Professional Development, DeftAdriot Consulting, Aseda Consult, Bank of Ghana and WAIFEM Faculty.

The analysis of the evaluation questionnaire filled out by the participants at the end of the course, revealed the following:

- Majority of the participants strongly agreed that the course has enhanced their understanding of the Human Resource Policy Initiatives and Strategic Talent Management.
- Most of the participants concurred that the course has increased their Knowledge on the role of Strategic Talent Management for achieving organisational success.
- Almost 70% of the participants claimed that the course has improved their knowledge on the characteristics of organisational structure that drives growth.
- 75% of the participants strongly agreed that the course will assist them to improve on workforce planning within their organization.
- The participants unanimously agreed that the topics covered at the course were appropriate.
- 75% of the participants considered the group presentation session as effective in showcasing their understanding of the topics discussed
- About 83% of the participants asserted that the quality of facilitation assisted them in understanding the different concepts in Strategic Human Resource Management (SHRM).
- More than 83% of the participants considered the lecture materials and other documents that were distributed very useful.
- All the participants agreed that overall, the administration of the course was effective.
- Overall, the participants agreed that the course has met their expectations.

After five days of presentations and discussions, the participants made the following observations and recommendations:

- That most participants found it difficult to immediately express practical experiences to facilitators during the discussions.
- That there was a challenge with the internet both from WAIFEM faculty and participants. Some speakers sounded very low because of network connectivity.
- That bosses (past and present) attended the training, thereby creating a very tight environment to express or explain the real issues.
- The time for Breakout Sessions was inadequate.
- That some participants joined the Meeting but did not actually partake in any activity of the training.

Recommendations

In view of the aforementioned observations, the participants proffered the following recommendations:

That the entire training materials, including PowerPoint presentations, be developed into a single booklet and distributed as a package to participants on the first day of the training. This will enable participants do further research before the commencement of lectures to enhance participation.

- That the presentations be recorded and distributed to participants as a way to keep them reminded of the discussions.
- That WAIFEM explore alternative solutions that would lead to the provision of stable internet facility by nominating institutions to participants.
- That facilitators be provided better internet facilities and speak louder and slowly considering the different accents.
- More time should be allocated for Breakout Sessions to enable participants properly synchronize the views and opinions of group members.
- That separate rooms be created on the platform where individuals can post comments/experiences that are critical for discussion.
- That cameras are switched on so as to know when a participant is present or not.
- The participants thanked the West African Institute for Financial and Economic Management for the opportunity to participate in the Course. They also expressed their appreciation to the facilitators for sharing their experiences and knowledge with them.

1.5.3 VIRTUAL REGIONAL COURSE ON EFFECTIVE COMMUNICATION AND PLANNING SKILLS FOR ADMINISTRATIVE PROFESSIONALS AND EXECUTIVE ASSISTANTS , JUNE 28-JULY 2,2021

The West African Institute for Financial and Economic Management (WAIFEM) organised a virtual course on Effective Communication and Planning Skills for Administrative Professionals and Executive Assistants from June 28-July 2, 2021.

The course was declared open by the Director General of WAIFEM, Dr. Baba Y. Musa. In his keynote address, Dr. Musa welcomed all participants to the virtual opening ceremony of the course and urged them to adhere to the COVID-19 protocols and other health tips from the World Health Organization and other international and national health experts and authorities.

The Director General added that the support administrative professionals or executive assistants provide is vital to an organisation's ability to achieve its goals and objectives. He indicated that most senior managers expect administrative professionals and executive assistants to have leadership and management skills in the proper discharge of their duties. These skills would help them to set administrative priorities, improve their ability to communicate clearly and negotiate with colleagues, and be innovative in their roles.

Dr. Musa further noted that administrative professionals and executive assistants require skills to manage all contacts; create, store and retrieve documents; and perform a host of other administrative duties. He said that to do this successfully, they need to have strategic insights and be agile in their work while at the same time being tactical, process-oriented, and driven towards continuous improvement. Dr. Musa further stated that unlike the role of secretaries in the past (typing, answering telephone calls, taking notes, etc.), much more is expected of executive assistants and administrative professionals nowadays. According to him, today's top-level administrative professionals and executive assistants must possess critical knowledge and skills necessary for efficient office administration, management, and inter-personal relations vis-à-vis the high and pressing demands of their offices.

The objective of the course was to provide administrative professionals and executive assistants with the critical knowledge and skills necessary for effective and enhanced job performance. Specifically, the course enabled the participants to:

§ Learn and understand the emerging roles, duties and responsibilities of the administrative professionals and executive assistants;

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

§ Develop and upgrade interpersonal skills for office management, among others.

The broad themes covered included the following:

- Roles and importance of an Administrative

Professional/Executive Assistant;

- Effective business communication and report writing skills;
- Minutes writing;
- Time management and planning essentials;
- Team building, coaching and mentoring;
- Decision-making and problem solving;
- Office software, technologies, records & data management; and
- Basic accounting skills and cash management, among others.

Forty-four (44) administrative professionals and executive assistants from central banks, Internal Audit Agencies, Auditor General offices, Regulatory Agencies and Revenue Authorities from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone attended the course. The course was delivered by a team of experienced facilitators from both the public and private sectors in the sub-region. The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

- Majority of the participants strongly agreed that the course enhanced their understanding of the roles and importance of an administrative professional/executive assistant in an organization.
- Over 83% of the participants concurred that the course broadened their Knowledge in decision-making and planning skills.
- Almost 72% of the participants strongly claimed that the course improved their knowledge in communication and inter-personal office skills for work effectiveness.
- Most participants agreed that the course equipped them with knowledge of some office software and technologies that will enhance their job performance.
- Nearly 92% of the participants strongly agreed that the topics covered at the course were appropriate.
- Majority of the participants considered the group presentation session very effective in showcasing their understanding of the topics discussed.
- About 75% of the participants asserted that the quality of facilitation assisted them in understanding the different concepts in effective communication and planning skills.
- More than 91% of the participants considered the documents (lecture materials, etc.) that were distributed to be rich and very useful.
- More than 70% of the participants agreed that overall, the administration of the course was effective.
- Overall, the participants agreed that the course has met their expectations.

The following observations and recommendations were recorded by the participants.

Observations

i. The course content was well articulated, elaborate and tailored towards contemporary communication and planning practices;

ii. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform;

iii. Some participants (mostly first-time users of zoom) experienced technical difficulties in navigating the zoom platform during the presentations;

iv. The roles and scope of Administrative Professionals and Executive Assistants in today's modern organizations have become more challenging than ever; and

v. The training sessions were very interactive with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions, among others.

Recommendations

i. Given the contemporary nature of the topics delivered, more participants should be given the opportunity to attend the course;

ii. A follow up course should be organised with emphasis on business communication etiquette, public speaking, career development, etc., to enable participants gain deeper understanding;

iii. WAIFEM should consider conducting research into the success stories of Administrative Professional/Executive Assistants in the sub-region in terms of how technology is harnessed to their advantage and a framework developed and adopted by other member countries who may be lagging in performance in this area.

iv. There is a need to extend the duration of the course as most of the topics were not discussed in depth and some were not discussed due to inadequate time.

v. Logistics support and guidance should be provided to institutions nominating participants for on-line courses as some of the participants were left on their own to purchase internet bundles.

vi. Institutions should endeavour to provide basic training on the use of the zoom platform as this is the new normal used in conducting business, meetings, discussions, etc.

The participants expressed their profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organisation of the Course. They also appreciated their various institutions and organizations for providing them the opportunity to participate at the course.

1.5.4 VIRTUAL REGIONAL COURSE ON LEADERSHIP AND MANAGEMENT SKILLS FOR SUPERVISORS AND NEW MANAGERS - AUGUST 30-SEPTEMBER 3, 2021

The Regional Course on Leadership and Management Skills for Supervisors and New Managers was organized by the West African Institute for Financial and Economic Management (WAIFEM), from August 30-September 3, 2021.

The course was declared open by the Director General of WAIFEM, Dr. Baba Y. Musa. In his keynote address, Dr. Musa welcomed all participants to the virtual opening ceremony of the course and urged them to adhere to the COVID-19 protocols and other health tips from the World Health Organization and other international and national health experts and authorities.

The Director General identified inspiring vision, good managerial skills, technical and conceptual skills, interpersonal skills, communication skills, and decision-making skills, among others as imperatives in leadership roles. Dr. Musa indicated that most senior managers are expected to possess leadership and managerial skills to succeed in their roles. These skills would help them to lead through the most pressing issues of today while meeting organizational goals and objectives.

The objective of the course was to enable supervisors and new managers learn and apply advanced management and leadership skills in their workplaces. Specifically, the course enabled the participants to:

§ Learn the different leadership styles;

§ Achieve productivity gains through leadership strategies that will engage and motivate team members;

§ Learn the critical role of digitalisation in leadership; and

§ provide participants with understanding of the different generations in the workplace and management of youthful employees today, among others.

The broad themes covered included but not limited to the following:

- Essentials of Leadership;
- Critical Thinking and Listening Skills: Addressing Generational Gap;
- Delegation, Talent Management & Succession Planning;
- Digital Transformation Leadership;
- Managing Ethics, Conflict Resolution, Negotiation & Procedures;
- Organisational Alignment and Change Management;
- Leading Through Effective Communication;
- Diversity and Gender Issues in leadership Development; and
- Performance Measurement towards better leadership results, among others.

A total of Thirty-five (35) participants from central banks, regulatory agencies, revenue authorities, and other public sector organizations in Ghana, Liberia, Nigeria and Sierra Leone attended the course. The course was facilitated by a team of experienced facilitators from both the public and private sectors in the sub-region.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, showed the following:

- Majority of the participants strongly agreed that the course enhanced their understanding of issues in leadership and management to respond to the needs of various teams in their work place.
- Over 73% of the participants concurred that the course increased their knowledge on the role of leadership and management for achieving organizational goals.
- Almost 74% of the participants strongly claimed that the course improved their knowledge on the styles/characteristics of leadership that drives growth in an organization.
- Most participants agreed that the course equipped them with knowledge that will assist in understanding the different generations and management of youthful employees in an organization.
- Nearly 53% of the participants strongly agreed that the topics covered at the course were appropriate.
- Majority of the participants considered the group presentation session very effective in showcasing their understanding of the topics discussed.
- Almost 75% of the participants asserted that the quality of facilitation assisted them in understanding the different concepts in leadership and management.
- More than 60% of the participants strongly considered the documents (lecture materials, etc.) that were distributed to be rich and very useful.
- 78.3% of the participants strongly agreed that overall the administration of the course was effective.

- Overall, the participants agreed that the course met their expectations.

The following observations and recommendations were made by the participants.

Observations:

i. The training sessions were very interactive with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions;

ii. The course content was well articulated, elaborate and tailored towards contemporary leadership and management practices;

iii. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform;

iv. Some participants experienced technical dificulties in navigating the zoom platform during the presentations and group work.

Recommendations

Ø There were some technical issues with playing videos during some presentations. We recommend that facilitators should share the presentation with the organizers ahead of time so that tools and equipment are test-run for backup options.

Ø Some participants were divided in their attention. Some just signed in and never participated. Hence, we recommend for a face-to-face training.

Ø Pre-training Materials be sent to all participants before the commencement of training for better participation.

Ø The organizers should have a test meeting with trainees a day before the training starts to ensure that everyone understand how to get on and use the platform.

Ø The duration of the training should be expanded to two weeks to cover the topics extensively.

Ø Given that the participants are mostly busy with work in the morning hours, the training sections should be scheduled for evening hours.

At the end of the Programme participants expressed their profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organization of this important programme. They also extended their heartfelt appreciation to the respective institutions and organizations who afforded them the opportunity to enroll into this much needed course.

1.5.5 VIRTUAL REGIONAL ON-LINE COURSE ON RETIREMENT PLANNING AND MANAGING NEW BEGINNING - OCTOBER 25-29,2021

The Regional Course on Retirement Planning and Managing New Beginning was organized virtually by the West African Institute for Financial and Economic Management (WAIFEM), from October 25 – 29, 2021.

Dr. Baba Y. Musa, Director General of WAIFEM, welcomed the participants on behalf of the Management and staff of WAIFEM to the virtual opening ceremony of the Regional Course on Retirement Planning and Managing New Beginning, which held from October 25-29, 2021. He urged the participants to comply with the COVID-19 protocols (mask-up and social distance at all times in pubic). He also encouraged all to take advantage of the vaccination exercise that is being rolled out in all the WAMZ member countries by getting vaccinated so as to collectively beat the virus and eventually get our lives together again, like pre-COVID period. He further stressed that “vaccines save lives”.

The Director General stated that one of the greatest challenges employees faced throughout their working life is life after retirement. Dr. Musa maintained that retirement from active service is unavoidable, and all employees must eventually reach this stage, whether prepared or not. Therefore, early preparation would help employees face the emotional, psychological, and financial challenges associated with retirement.

The Director General noted that in spite of the known fact that retirement will come ultimately, many people go into retirement without any personal plans or pre-retirement counselling. Additionally, the Director General lamented that some employers do little or nothing to enlighten their employees on the need for retirement planning, and as a result, many employees go into retirement unprepared and struggle with life after retirement. He urged employees to plan adequately towards retirement well ahead of time to avoid the pitfalls that come with poor retirement planning. This involves identifying life goals following retirement from active service, developing a personalized wealth strategy and outlining the steps required in accomplishing such goals.

The Director General further noted that the rapidly changing economic situation and cultural values, have necessitated workers and retirees to increasingly take on unprecedented degree of responsibilities for their retirement, especially due to rising living cost (health, family responsibilities including that of extended family members). Additionally, in most developing countries, benefits from public and private pension schemes are not enough and most pension funds are generally characterised by corruption, embezzlement, mismanagement and diversion of funds. Therefore, “there is no better time to begin planning for retirement than right now”! he stressed.

He concluded that he had no doubt the participants would, at the end of the course, be exposed to the issues of retirement planning and acquire critical knowledge and skills needed for making post retirement decisions. Finally, he encouraged all participants to take advantage of the opportunity and tap into the knowledge and experience of the facilitators.

The objective of the course was to equip participants with the knowledge and skills to make informed retirement planning decisions. These included investments and post-retirement entrepreneurship, pension funds, insurance planning, etc. It introduced participants to post-retirement propensity for risk taking, including longevity risk, inflation risk, investment risk, etc. The course also exposed participants to sound retirement decision making, protection and diversification of their wealth to achieve their financial well-being as well as creation of fulfilling retirement life styles.

The broad themes covered included the following:

- Realities & Challenges of Retirement;
- Retirement Roadblocks & Mistakes;
- Effects of Retirement on the Different Classes of Workers;
- Financial Planning & Wealth Management; and
- Business Strategy & Retirement Options, among others.

A total of 24 officials (12 males and 12 females) from the central banks, core policy ministries, regulatory agencies, revenue authorities, and other public sector organizations from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone attended the course. The course was delivered by a team of experienced facilitators from both the public and private sectors in the sub-region, UK, and USA.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course showed that:

Ø 92 percent of the participants agreed that the course has adequately prepared them in making retirement planning decisions, including investments and post-retirement entrepreneurship, pension, insurance, etc;

Ø Over 92 percent of the participants were of the opinion that the course exposed them to post-retirement propensity for risks taking and how to mitigate them;

Ø 95.4 percent of the participants agreed that the course increased their knowledge in decision making in wealth creation,protection and distribution;

Ø Majority of the participants (92.4 percent) strongly agreed that the course has assisted them understand on how to live a renewed and fulfilled life stlye after retirement;

Ø 90.8 percent of the participants strongly agreed that the topics covered during the course were appropriate for retirement planning;

Ø 85 percent of the participants strongly agreed that the group presentation session was effective in showcasing participants understanding of the topics discussed;

Ø More than 92 percent of the participants strongly agreed that the quality of the facilitation assisted them in understanding different concepts in retirement planning;

Ø About 97 percent of the participants strongly agreed that the documents(lecture materials,videos,case studies etc) that were distributed were useful and appropriate;

Ø Overall, majority of the participants,up to 90.8 percent strongly agreed that the administration of the course was effective; and

Ø 92.4 percent of the participants strongly agreed that the course met their expectations.

The following observations and recommendations were made by the participants

Observations

i. The sessions were very interactive with both facilitators and participants sharing practical knowledge and experiences which enhanced the discussions;

ii. Most of the presenters shared real life examples of their own situations which brought more insight into the discussions.

iii. Some of the presenters presented videos of western culture, how these individuals made it through and the impact it had on their lives, society and the world at large.

iv. WAIFEM initiative in rolling out the regional course on retirement planning is commendable, especially at a time when the world is experiencing a global pandemic (COVID-19) and lots of uncertainties in the workplace.

v. Most WAIFEM member countries do not have private pension managers to give wide range pension options to employees.

vi. Most employees do not start early planning for retirement.

vii. The economic environment of most countries in the sub-region discourages entrepreneurship and other economic activities due to inconsistencies in government policies, security concerns, etc.

viii. Some participants found it difficult to follow through some of the presentation due to inadequate time.

ix. The course content was well articulated, elaborate and tailored towards real life situations; and

x. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform.

Recommendations

i. Organizations (public and private) should introduce robust retirement planning programmes to enable employees better prepare, embrace, and get ready for their retirement when due.

ii. Relevant laws and policies should be enacted for the establishment of private pension managers in countries where they are non-existent.

iii. There is need for employees to start planning for retirement early to avoid the pitfalls of late planning.

iv. Governments in the sub-region should, as a matter of urgency, create the enabling environment to encourage entrepreneurship.

v. Given the nature of the topics delivered, WAIFEM should consider organizing another round of the course to allow for more participants (not only those due for retirement) to attend;

vi. Because the training is a virtual one, participants urge WAIFEM to request nominating institutions to allow their participants maximum time and space to fully partake in the training. Some participants had to multi-task while attending the course which distracted them.

vii. Presenters should consider practical and real life examples of Africans who retired successfully, thus bringing the message home.

viii. Organizations/Institutions should endeavour to provide basic training on the use of the zoom platform as this is the new normal used in conducting business, meetings, dicussions, etc.

ix. The participants suggested that the following topics should be included in the course content in future:

§ Nutrition and dietary (for the benefit of the age of retirement);

§ How to avoid boredon at retirement, and

§ More expertise on Finance and Business area, among others.

The participants expressed their profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organization of the Course. They also extended their heartfelt appreciation to the respective institutions and organizations for the opportunity to participate in the Course.

1.5.6 VIRTUAL REGIONAL ON-LINE COURSE ON ECONOMIC AND FINANCIAL REPORT WRITING FOR PUBLIC RELATIONS OFFICERS AND JOURNALISTS, NOVEMBER 22-26, 2021

The Regional On-Line Course on Economic and Financial Report Writing for Public Relations Officers and Journalists was organized by the West African Institute for Financial and Economic Management (WAIFEM), from November 22 – 26, 2021. The Director General of WAIFEM, Dr. Baba Y. Musa, welcomed the participants on behalf of the Management and staff of WAIFEM to the virtual opening ceremony of the Regional Course. He urged the participants to comply with the COVID-19 protocols (mask-up and social distance at all times in pubic). He also encouraged all to take advantage of the vaccination exercise being rolled out in the sub-region by getting vaccinated so that collectively, we would overcome the virus and eventually get our lives together again, like the pre-COVID period.

The Director General stated that organizations and national authorities often institute fundamental and far-reaching economic and financial policy measures, aimed at improving the performance or efficiency of specific sectors of the economy. He added that a good grasp of these policy measures is key to understanding important issues such as poverty, healthcare, education, budgeting, inflation, etc.

"Thus, citizens need to have fundamental understanding of economic and financial issues to fully digest government actions and inactions. The duty of effectively communicating this important information is a crucial responsibility of media practitioners who should ensure that accountability is upheld and at the same time, the information gap between government and citizens is bridged" he advised.

Communication, he said, is central in the life of the individual, organisations and the community and therefore steps should be taken to ensure that it is effective and well received. The Director General furthered by stressing that economic and financial reporting must be written in a sharp and concise manner that will not only captivate the audience, but also ensure that the message is driven home.

He emphasized that the primary task of media practitioners as "watch dogs" is to bridge the information gap between technicians and their audience; thus, Journalists and Media Practitioners must ensure that the right information is conveyed to their audience by understanding the issues and getting the facts right. He stated further that journalists and media practitioners should know their target audience and strip away technical jargon and focus on interpreting numbers that matter the most. He concluded that reporters conveying economics and financial information need proper training in executing this noble responsibility; hence, the rationale for the course.

The objective of the workshop was to upgrade the knowledge and skills of Journalists and Media Practitioners in economic and financial policy formulation, analysis, performance, monitoring and reporting. The workshop also sought to increase the "economic quotient" of attendees towards promoting a greater public awareness of domestic and international economic and financial issues that will engender greater popular participation in organizational and national economic and financial agenda.

The broad themes covered include the following:

§ Introduction to Economic and Financial Report Writing;

§ Financial Markets Analysis;

§ Introduction to Macroeconomic Analysis and Balance of Payments;

§ Exchange Rate and Inflation Analysis;

§ Fiscal and Monetary Policy Coordination;

§ Numbers and Statistics: How to use them in Reporting;

§ Anti-Money Laundering and Financial Crimes;

§ Regional Economic Integration; and

§ Hands-on Analysis: Reporting on Budget Speeches, Annual Reports, etc.

A total of 24 Journalists and Public Relations Officers from Central Banks, Core Policy Ministries and Revenue Authorities from The Gambia, Liberia, Nigeria and Sierra Leone attended the course. The course was delivered by a team of experienced facilitators from both the public and private sectors in the sub-region.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course showed that:

Ø 100 percent of the participants agreed that the objective of the course was achieved;

Ø All the participants concured that the course upgraded their knowledge and skills on how to effectively write and communicate economic and financial reports;

Ø Overwhelmingly, 100 percent of the participants also agreed that the course provided an overall framework for writing economic and financial reports;

Ø All the participants agreed that the topics covered were appropriate;

Ø 95 percent of the participants agreed that the group presentation session was effective in showcasing participants understanding of the topics discussed;

Ø 70 percent of the participants agreed that the quality of the facilitation assisted them in understanding different concepts in economic and financial report writing;

Ø 100 percent of the participants agreed that the documents (lecture materials, videos, case studies, etc.) distributed were useful and appropriate;

Ø Overall, all the participants agreed that the administration of the course was effective; and

Ø 100 percent of the participants agreed that the course met their expectations;

The following observations and recommendations were made by the participants.

i. The sessions were very interactive as facilitators provided the opportunity for participants to share their practical experiences as media practitioners;

ii. The time allocated for some of the topics were inadequate;

iii. The general lack of access to (factual) information from authorities in the sub-region inhibits the discharge of the duties of journalists and media practitioners. Also, Journalists lack training in specialize areas (e.g. Transfer Pricing, Taxation, etc.);

iv. The media landscape in the WAIFEM member countries were at different stages (some well-developed, while others are not);

v. The case studies and hands-on exercises did not cover all member countries of WAIFEM;

vi. There is weak co-ordination between the fiscal and monetary authorities in most countries in our sub-region;

vii. The course content was well articulated and elaborate with practical examples as to how it applies in country situations; and

viii. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform.

Recommendations

i. That Journalists should endeavour to consciously rebrand journalism through credible and well researched news reporting;

ii. That WAIFEM should consider increasing the time allocated to each session to allow for proper delivery and understanding of the presentations;

iii. That country authorities (Central Banks, Revenue Authorities and Core Policy Ministries and Agencies) should honour the Freedom of Information (FoI) Acts by promoting the sharing of information (not classified) through websites and upon request; Also, WAIFEM should consider organizing specialize trainings in Transfer Pricing and Tax Reporting among others, for Journalists;

iv. For institutional strengthening in countries with less-developed media landscape, WAIFEM should consider the development of an exchange programme for Journalists and Public Relations

Officers within member countries. This could include training programmes on cross-border investigation to tackle money laundering and illicit financing, as well as promote trade opportunities that can be widely published to inform policies and programmes;

v. That in future courses of such nature, the case studies should cover the realities and trends of the economies of all the WAIFEM member countries to enable journalists or media practitioners better understand local dynamics. As such, WAIFEM should consider organizing another round of the course to allow for hands on exercise for each of the themes discussed;

vi. That Country Authorities in the sub-region should pursue robust fiscal and monetary policy coordination to ensure policy coherence for the general good of the countries;

vii. That report writing for Economic and Financial Journalists and Communication Officers should be taught at different levels (e.g. Foundation, Intermediate, and Advanced Levels);

viii. That because the training is a virtual one, participants urge WAIFEM to request nominating institutions to allow their participants maximum time and space to fully partake in the training. Some participants had to multi-task while attending the course which distracted them.

ix. That organizations/institutions should endeavour to provide basic training on the use of the zoom platform as this is the new normal used in conducting business, meetings, discussions, etc.

x. That governments begin to think of long-term infrastructure investments in energy and technology for strong internet access and constant energy supply in the sub-region;

xi. Participants suggested the following themes be added in the content of the course in the future:

§ Economic policy evaluation;

§ Analysing Audit Reports;

 § Case studies from country's monetary and fiscal policy;

 § Financial Management Loans;

 § How to report under taxes, e.g Tax evasion, tax fraud activities, Tax scams, tax crimes, etc.;

 § How to report cash income;

 § The illegalities and legalities involved when reporting cash income.

The participants expressed profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organization of this all-important programme. They also extended heart-felt appreciation to the respective institutions and organizations that afforded them the opportunity to participate at the course.

1.6 BUSINESS DEVELOPMENT AND CONSULTANCY UNIT

1.6.0 INTRODUCTION

During the year 2021 the Business Development and Consultancy Unit organized a total of thirteen (13) demand driven programmes which benefitted five hundred and eighty-eight officials from Central Banks, Ministries of Finance and Economic Planning and other public and private sector agencies and organizations. A country-wise distribution of participants reveal that Nigeria three hundred and seventy (370) participants representing 62.9 percent of participation were from Nigeria; one hundred and sixty participants (27.2 percent) were from Ghana while fifty-eight (58) participants were from Sierra Leone.

A breakdown of participation according to institutions shows that other public sector agencies and organizations accounted for 234 participants (39.8 percent) followed by Central Banks which accounted for two hundred and ten (210) participants (35.7 percent) and Ministry of Finance and Economic Planning which contributed 83 participants (14.1 percent). In terms of gender distribution, three hundred and eighty-nine (389) males (66.2 percent) and one hundred and ninety-nine (199) females (33.8) participated in the programmes of the unit.

The details of the courses and training programmes conducted by the Business Development and Consultancy Unit in 2021 are as follows:

1.6.1 COURSE ON MONITORING AND EVALUATION AND GRANT MANAGEMENT, ABUJA, NIGERIA MARCH 8 - 10, 2021

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Public Service Institute of Nigeria (PSIN) organized an institutional strengthening course for its staff (GL 15 - 17) on Monitoring and Evaluation and Grant Management, March 8 - 10, 2021 at the Public Service Institute of Nigeria (PSIN).

The brief opening session was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa. In a brief address, he welcomed the participants to the course and urged them to feel at home in Abuja and enjoy every minute of their stay during the institutional training programme. In his remark, Dr. Baba Musa, noted that, the most important use of monitoring and evaluation model in an organization is to judge set objectives against output and to determine their impact. He also added that monitoring and evaluation serves the purpose of providing tools and instruments to communicate with management and the wider public throughout the implementation of project. The Director General of WAIFEM, in his conclusion, enjoined the participants to seize the opportunity to acquire the needed knowledge that will be of immense benefit to them and their organization; and thereafter, formally declared open the institutional strengthening course on Monitoring and Evaluation and grant management for the staff of the Public Service of Nigeria (PSIN).

The course introduces participants to the fundamental concepts of grant management, monitoring and evaluation techniques, financial and record-keeping systems. Course Learning Objectives: The objective of this course is to enhance the participants' skills and understanding to successfully manage development grants.

The themes covered during the course include the following:

Introduction to Monitoring and Evaluation; Conducting a "Readiness Assessment"; Results Management Framework; Economic and Financial Governance Institutional Support Project; Identifying Funding Needs: Needs Assessment and Strategic Prioritization; Identifying Donors Funding Opportunities: Type of Donors & Donors' Priorities & Requirement; Logical Framework in Proposal Structuring, Objectives and Expected Outcomes; Project Needs Analysis, Project Ideas, Developing Action Plan and Gantt Chart; Writing Tips and Reading ability check (Effective Editing); key Responsibilities & Routines for Successful Grant Management.

The course was facilitated by Anibaba & Co., Ogbemi and Professor Madu Twenty (20) participants drawn from various departments from the Public Service Institute of Nigeria (PSIN) attended the course. At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

- The totality of the participants affirmed that the objectives of the course were achieved.
- All participants agreed that the course has updated knowledge and skills on ethics, protocol and interpersonal relationship in an organization.

OBSERVATION

Following the two (2) day intensive and interactive discussions the following observations were made by the participants:

OBSERVATIONS:

- The facilitators' performance and lecture delivery were excellent, as well as the practical examples which generated exciting debates;
- The planning and arrangement of the logistics for participants was very satisfactory.
- Facilities/equipment were adequately provided for the programme;
- The accommodation provided for the participants as well as the lecture environment were also satisfactory;

RECOMMENDATIONS

In the light of the observations, participants made the following recommendations:

- The course should be recommended for all newly recruited staff in organizations.
- Course duration should be extended to at least five days.
- That more courses of this kind be organized for clerical administrative professionals.

The participants expressed appreciation to the Public Service Institute of Nigeria (PSIN) and the West African Institute for Economic Management (WAIFEM) for the collaboration and the exposure to important issues in Monitoring and Evaluation and Grant management. They were also full of thanks to the expert facilitators for the expertise with which the course was executed and the excellent facilities provided.

1.6.2 COURSE ON DONOR FUNDING AND GRANT MANAGEMENT, ABUJA, NIGERIA, MARCH 11 - 13, 2021

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Public Service Institute of Nigeria (PSIN) organized an institutional strengthening course for its staff (GL 8 - 14) on Donor Funding and Grant Management, March 11 - 13, 2021 at the Public Service Institute of Nigeria (PSIN).

The brief opening session was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa. In a brief address, he welcomed the participants to the course and urged them to feel at home in Abuja and enjoy every minute of their stay during the institutional training programme. In his remark, the Dr. Baba Musa, noted that, the most important use of monitoring and evaluation model in an organization is to judge set objectives against output and to determine their impact. He also added that monitoring and evaluation serves the purpose of providing tools and instruments to communicate with management and the wider public throughout the implementation of project. The Director General of WAIFEM, in his conclusion, enjoined the participants to seize the opportunity to acquire the needed knowledge that will be of immense benefit to them and their organization; and thereafter, formally declared open the institutional strengthening course on Donor Funding and Grant Management for the staff of the Public Service of Nigeria (PSIN).

At the end of the institutional training course, participants will be able to among others:

a) Identify and understand the critical terms and conditions of grant for donor-funded projects;

b) Ensure compliance with donor terms and conditions;

c) Providing supporting documents, correct procurement of goods and services and meeting financial reporting requirements;

d) Managing multiple-funded programmes;

e) Prepare a donor financial report to match with a project narrative report;

f) Describe the phases in the grant management cycle and routines needed for successful grant management;

g) Identify the requirements for closing off a donor grant; Manage the relationship with donors, head office and implementing partners with greater confidence.

The themes covered during the course include the following:

- Identifying Funding Needs: Needs Assessment and Strategic Prioritization;
- Identifying Donors Funding Opportunities: Type of Donors & Donors' Priorities & Requirement, Planning, Strategies and Methodolo(y)ies for Developing Grant Proposal;
- Logical Framework in Proposal Structuring, Objectives and Expected Outcomes;
- Project Needs Analysis, Project Ideas, Developing Action Plan and Gantt Chart;
- Cost Estimation, Analysis and Realistic Budget Construction
- Writing Tips and Reading ability checks (Effective Editing);
- key Responsibilities & Routines for Successful Grant Management;
- Requirement for Closing-off a Donor Grant & Managing and Managing relationship with donor/head office and Report Writing.

The course was facilitated by Anibaba & Co., Ogbemi and Professor Madu Fifty-nine (64) participants consisting of 40 males and 24 females drawn from various departments from the Public Service Institute of Nigeria (PSIN) attended the course.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

- The totality of the participants affirmed that the objectives of the course were achieved.
- All participants agreed that the course has updated knowledge and skills on ethics, protocol and interpersonal relationship in an organization.

OBSERVATION

Following the two (2) day intensive and interactive discussions the following observations were made by the participants:

Ø The facilitators' performance and lecture delivery were excellent, as well as the practical examples which generated exciting debates;

Ø The planning and arrangement of the logistics for participants was very satisfactory.

Ø Facilities/equipment were adequately provided for the programme;

Ø The accommodation provided for the participants as well as the lecture environment were also satisfactory;

RECOMMENDATIONS

In the light of the following observations, participants made the following recommendations:

- The course should be recommended for all newly recruited staff in organizations.
- Course duration should be extended to at least five days.
- That more courses of this kind be organized for clerical administrative professionals.

The participants expressed appreciation to the Public Service Institute of Nigeria (PSIN) and the West African Institute for Economic Management (WAIFEM) for the collaboration and the exposure to important issues in Donor Funding and Grant management. They were also full of thanks to the expert facilitators for the expertise with which the course was executed and the excellent facilities provided during the training.

1.6.3 COURSE ON ETHICS, OFFICE PRACTICE AND MANAGEMENT ABUJA, NIGERIA MARCH 15 - 17, 2022

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Public Service Institute of Nigeria (PSIN) organized an institutional strengthening course for its staff (GL 7 - 10) on Ethics, Office Practice and Management, March 8 - 10, 2021 at the Public Service Institute of Nigeria (PSIN), Abuja.

The brief opening session was anchored by Professor Douglason G. Omotor, the Advisor, Business Development and Consultancy Unit (BD&CU) WAIFEM on behalf of the Director General of WAIFEM, Dr. Baba Y. Musa.

In a brief address, Professor Douglason, welcomed the participants to the course and enjoined them to feel at home in Abuja and enjoy every minute of their stay at the PSIN.

The course was aimed at exposing participants to acceptable conduct and behaviors in an organization, while creating awareness that help employees prevent errors in judgment that cast negative light on their organization. Participants were also to learn the written and unwritten rules of official protocol and business etiquette, as well as international cultural norms and sound practice

The themes covered during the course include the following:

Overview of Business/ Office Ethics; Myths about Business Ethics; Unethical Behaviors in Organization; Benefits of an Ethical Workplace; The Ideal Ethical Workplace; Decision Confidence Assessment; Common Excuses and What to do about them; Dealing with Unethical People; Guidelines for achieving an Ethical Workplace; Decision Making Tools: Steps involved; Decision Analysis; Ethics Policy; official protocol and business etiquette.

The course was facilitated by well experienced and knowledgeable resource persons drawn from Nigeria. This include Mr. Edafe Ikoko, Mr. Benson Urweru,

Twenty (23) comprising 16 males and 7 females participants from the Public Service Institute of Nigeria (PSIN) attended the course.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

- The totality of the participants affirmed that the objectives of the course were achieved.
- All participants agreed that the course has updated knowledge and skills on ethics, protocol and interpersonal relationship in an organization.

OBSERVATION

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

Ø The facilitators' performance and lecture delivery were excellent, as well as the practical examples which generated exciting debates;

Ø The planning and arrangement of the logistics for participants was very satisfactory.

Ø Facilities/equipment were adequately provided for the programme;

Ø The accommodation provided for the participants as well as the lecture environment were also satisfactory;

RECOMMENDATIONS

- In the light of the following observations, participants made the following recommendations:
- The course should be recommended for all newly recruited staff in organizations.
- Course duration should be extended to five days.
- That WAIFEM should consider inviting participants from its member countries to participate in subsequent courses it plans on ethics, as well as consider an advanced part of this course in the nearest period.
- That more courses of this kind be organized for clerical and administrative professionals.

The participants expressed appreciation to the Public Service Institute of Nigeria (PSIN) and the West African Institute for Economic Management (WAIFEM) for the collaboration and the exposure to important issues in Ethics, Office Practice and Management. They expressed deep gratitude to the expert facilitators for the expertise with which the course was executed and the excellent facilities provided during the training.

1.6.4 COURSE ON CONDUCTING TRAINING NEEDS ASSESSMENT (TNA) AND SKILLS AUDITING, ABUJA, NIGERIA, MARCH 18 - 20, 2021

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Public Service Institute of Nigeria (PSIN) organized an institutional strengthening course for its staff (PSIN-SFTAS SECRETARIAT & MULTIMEDIA) on Conducting Training Needs Assessment (TSA), March 15 - 17, 2021 at the Public Service Institute of Nigeria (PSIN).

The brief opening session was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa. In a brief address, he welcomed the participants to the course and urged them to feel at home in Abuja and enjoy every minute of their stay during the institutional training programme. In his remark, Dr. Baba Musa, noted that, even though, COVID-19 vaccines are now available and some people have received the vaccines, there is need to still adhere to the government directives on the COVID-19 safety protocols.

On the importance of the programme, Dr. Baba Musa described skills audit as a process of measuring and recording the skills of individuals or groups of employees in an organization. He noted that terms 'skills audit' and 'training needs assessment' are often used interchangeably. He however, made a distinction between on Training Needs Assessment (TNA) and Skills Audit. He said that training needs assessment aims to identify what training and development are needed in an organization, while skills audit looks to identify skills which exist within the workforce currently unnoticed and unutilized. He added that skills audit is often undertaken at periods of change when requirement for current skills is in decline and new skills required for the future.

Concluding, The Director General enjoined the participants to seize the opportunity to acquire the needed knowledge that will be of immense benefit to them and their organization; and declared open the institutional strengthening course on Training Needs Assessment and Skills Audit for the staff of the Public Service of Nigeria (PSIN).

The main objectives of the course were:

- To gain a clear understanding of employees' skills and abilities;
- Take advantage of previously unidentified skills in the workforce;
- Redeploy employees to roles where they are better placed to use their full range of skills;
- Assign the right people to the right projects; and
- Identify any skill gaps or areas of strength and weakness within the organization.

The themes covered during the course include the following:

Introduction to Monitoring and Evaluation; Conducting a “Readiness Assessment”; Results Management Framework; Economic and Financial Governance Institutional Support Project; Identifying Funding Needs: Needs Assessment and Strategic Prioritization; Identifying Donors Funding Opportunities: Type of Donors & Donors' Priorities & Requirement; Logical Framework in Proposal Structuring, Objectives and Expected Outcomes; Project Needs Analysis, Project Ideas, Developing Action Plan and Gantt Chart; Writing Tips and Reading ability check (Effective Editing); key Responsibilities & Routines for Successful Grant Management.

The course was facilitated by Anibaba & Co., Ogbemi and Professor Madu

Twelve staff (12) comprising 6 males and 6 females, from PSIN-SFTAS secretariat & multimedia of the Public Service Institute of Nigeria (PSIN) attended the course.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

- The totality of the participants affirmed that the objectives of the training were achieved.
- All participants agreed that the course has updated knowledge and skills on ethics, protocol and interpersonal relationship in an organization.

OBSERVATIONS

Following the two (2) day intensive and interactive discussions the following observations were made by the participants

Ø The facilitators' performance and lecture delivery were excellent, as well as the practical examples which generated exciting debates;

Ø The planning and arrangement of the logistics for participants was very satisfactory.

Ø Facilities/equipment were adequately provided for the programme;

Ø The accommodation provided for the participants as well as the lecture environment were also satisfactory;

RECOMMENDATIONS

In the light of the observations, participants made the following recommendations:

- The course should be recommended for all newly recruited staff in organizations.
- Course duration should be extended to at least five days.
- That more courses of this kind be organized for clerical administrative professionals.

The participants expressed appreciation to the Public Service Institute of Nigeria (PSIN) and the West African Institute for Economic Management (WAIFEM) for the collaboration and the exposure to important issues in Training Needs Assessment and Skills Audit. They were also full of thanks to the expert facilitators for the expertise with which the course was executed and the excellent facilities provided.

1.6.5 PILOT WORKSHOP ON PUBLIC FINANCIAL MANAGEMENT AND OPEN GOVERNMENT PRINCIPLES DRAFTS CURRICULUM - ABUJA, NIGERIA, MAY 17 – 20, 2021

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Public Service Institute of Nigeria (PSIN) organized a Pilot workshop on Public Financial Management and Open Government Principles draft curriculum, May 17 - 20, 2021 at the Public Service Institute of Nigeria (PSIN), Abuja.

The brief opening session was anchored by the Director General of WAIFEM, Dr. Baba Y. Musa. In a brief address, Dr. Baba Y. Musa, welcomed the participants to the workshop and enjoined them to feel at home in Abuja and enjoy every minute of their stay during the workshop. Also present at the pilot workshop where Professor Douglason G. Omotor, Dr. Abdul-Ganiyu Obatoyibo, Mrs. A.O Thomas, Prof. Akpan H. Ekpo, Dr. Paul Adepelumi, and Dr. Hassan Mohammad.

The objectives of the pilot workshop on PFM and OGP were to test the teaching methods, content, materials, and effectiveness and use the pilot study's feedback to enhance quality control and effectiveness of the curriculum-based face-face training at achieving the delivery of the DLIs and making changes before the actual training.

Tasks implemented at the pilot workshop includes:

i. The teaching methods

ii. contents, and

iii. materials effectiveness with the relevant state focal officers through valid and reliable participant's assessment.

The workshop was facilitated by well experienced and knowledgeable resource persons drawn from Public Service Institute of Nigeria (PSIN) and WAIFEM. Seventy-four (74) key officials from focal MDAs relevant from DLI1 to DLI6 at the state level, comprising 64 males and 10 females attended the pilot workshop.

At the end of the pilot workshop, participants gave their evaluation of the workshop as revealed by the following outcomes:

- 93.13 percent of participants agreed that the training would improve their professional skills and knowledge.
- Also, 91.88 percent agreed that the training would help improve their operational performance.
- In addition, 90.31 concurred that the training curricula are relevant to career needs.
- 85.31 percent affirmed that the training materials are detailed and comprehensive.
- Furthermore, 83.75 percent agreed that the hands-on (NGF toolkits) enhanced knowledge and practical application of theories and concepts.
- As regards professional duties, 87.50 percent of participants are of the opinion that the course will better equip them to properly carry out professional duties.
- Equally, 86.88 percent of participants acceded that what has been learnt from the course will be applied in their daily job.
- Consequently, 87.81 percent acknowledged that the training would contribute significantly to improving the productivity of their department.
- and 87.50 percent of the participants revealed that the program would enable them to play a critical role in policy planning and analysis in their department.

OBSERVATIONS

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

Ø Particip ants from the states observed that the training is coming too late. The training should have come first before the Independent Verification Agent (IVA) assessment at the States for the eligibility criteria.

Ø The planning and arrangement of the logistics for participants was very satisfactory.

Ø The facilitators demonstrated that they could implement the instructions, i.e., to match up the items with the knowledge or skills (content standards) in the PFM and OGP as required by the States. In addition, the participants determined that the alignment of the courses and topics met all of the pre-determined pilot thresholds for states eligibility criteria and knowledge gap, thus allowing the workshop to continue.

Ø There was i) adequate alignment for the PFM and OGP needs of the state's item ratings (depth) and ii) the topics were well delivered, iii) content is excellent, and iv) the materials are effective.

Ø It was observed that teaching methodology was technically sound, based on the alignment on an internationally accepted method.

Ø The participants had concerns that the time assigned to each topic was not adequate and that each topic should be extended from 45 minutes to 60 minutes.

Ø From the participants' lectures and comments, many states are lagging in Open Government Principles (OGP), transparency, and accountability to the citizens. They need to publish more information on the State website.

- Ø It was also observed that the Cash Management Strategy is in place in many states but not being implemented.
- Ø The project's selection for the project is good as appropriate officers responsible for States Public Financial Management were invited to attend the workshop.
- Ø Participants observed that some of the PowerPoint presented were too lengthy, and some of the modules were repetitive.
- Ø The venue for the workshop and other logistical issues, including the protocols, were put in place to prevent COVID-19 spread.

RECOMMENDATIONS

In the light of the observations, participants made the following recommendations:

1) There is strong support at the PSIN Secretarial level;
2) There is a need to increase the time frame for hands-on;
3) There is a need to increase the number of case studies in the teaching of exercises that require report writing;
4) Structure of training on the curriculum content should be in a ratio of 30:50:20 to resource person's presentation, hands-on and group feedback and discussion;
5) Promotion of employee ownership of the Curriculum and popularity through the participation of middle staff of e-Procurement, Auditor-General, Establishment and Human Resources Departments and Agencies;
6) Provision of enough overhead projectors during breakout sessions;
7) As a rule of thumb, the training should include 10-15 minutes of rest for tea/coffee breaks after each hour of training, and each presentation should not go beyond an hour;
8) Identify champions in every geopolitical zones/state to assist in conducting refresher courses after the rollout at the regional training to bolster the effectiveness and sustainability of the SFTAS Program;
9) It was agreed that the revised Curriculum is looked at as an opportunity to transform the system to make it more responsive, emphasizing coordination and supportive supervision.
10) The PSIN-SFTAS project coordinator and PSIN-SFTAS technical advisor were assigned responsibility for implementing the decisions.

The workshop closed with addresses by Dr. Abdul-Ganiyu Obatoyibo, Mrs. A.O Thomas, Prof. Akpan H. Ekpo, Dr. Paul Adepelumi, and Dr. Hassan Mohammad. The delegates and PSIN adjunct faculty expressed their appreciation at the workshop's organization and success and promised to maintain the momentum going forward.

1.6.6 COURSE ON MACROECONOMETRIC MODELING FOR EXPENDITURE FORECASTING, LAGOS, NIGERIA - JUNE 21 – 25, 20

The West African Institute for Financial and Economic Management (WAIFEM), organized a course on Macroeconometric Modeling for Expenditure Forecasting for the staff of the Federal Ministry of Finance, Budget and National Planning, June 21 - 25, 2021 at the Central Bank of Nigeria Learning Centre, Lagos.

The brief opening session was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by Director, Admin and Finance, Mr. Euraclyn Williams. In a brief address, he welcomed the participants to the training programme and urged them to feel at home in Lagos and enjoy every minute of their stay. In his remarks, Dr. Baba Musa informed the participants, that the training was the first in-person training programme that WAIFEM has undertaken here in Lagos since the outbreak of the COVID-19 global pandemic in 2020.

Dr. Baba Musa, noted that, even though, COVID-19 vaccines are now available and some people have received the vaccines, there is need to still adhere to the government directives on the COVID-19 safety protocols.

The Director General of WAIFEM, specifically expressed the Institute's appreciation to the Federal Ministry of Finance, Budget and National Planning for giving WAIFEM the opportunity to organize the training and for providing the funding.

Dr. Baba Musa, however, reassured the participants that WAIFEM remains a centre of excellence in capacity building, even in the face of the challenges engendered by the COVID-19 global pandemic. He added that, Since the beginning of the year 2021, and at a time when experts and participants were unable to travel due to travel restrictions, WAIFEM has been able to successfully organize 13 training and capacity building programmes via symposia, webinars, and other online activities which allow professionals to access a pool of knowledge from the comfort and safety of their homes or offices. These trainings according the Director General, have benefitted over seven hundred and ninety-four (794) executive/senior/middle level officials from public and private sector agencies. He also noted, that since inception, the Institute has successfully executed over seven hundred and eighty-two (782) courses and workshops/seminars which have benefitted over twenty-one thousand, three hundred and four (21,304), officials from Central Banks, Ministries, Departments and Agencies (MDAs), and the private sector in the sub-region and beyond.

On the importance of the programme, Dr. Baba Musa, said that the success of the revenue forecasting model created the need for the development of a Macroeconometric Model for Expenditure Forecasting for the Federal Ministry of Finance. He quickly added that the model will be useful to users and staff responsible for the development and planning of the annual national budget.

Concluding, The Director General enjoined the participants to seize the opportunity to acquire pertinent skills, ask questions to enrich their knowledge, and thereafter, declared the training programme open.

In her brief remark, the Director, Economic Research and Policy Management (ERPM) Department of FMFBNP, Mrs. Grace M. Ogbonna, noted that the Federal Ministry of Finance, Budget and National Planning has put in great resources and selected the participants in the belief that the outcome of the team will metamorphosed the ministry to a great height in the principal objective of forecasting of relevant macroeconomic variables. She thanked WAIFEM for providing the needed capacities (both material and human) and charged the participants to conduct themselves in such a way as to ensure that the objective for organizing the training was maximally achieved.

This principal objective was to enable participants acquire skills for forecasting of relevant macroeconomic expenditure variables, etc.

The themes covered during the course include the following:

Fundamentals of forecasting I; Fundamentals of forecasting II; Introduction to forecasting expenditure components I; Introduction to forecasting expenditure components II; Approaches to forecasting expenditure components; Non-structural approaches I; Non-structural approaches II;

Structural approaches I; Structural approaches II; Structural approaches III,

Structural approaches IV; Building small a model for forecasting expenditure components for Nigeria I; Building small a model for forecasting expenditure components for Nigeria II.

The course was facilitated by a modeling expert Prof. Afees Salisu of the Department of Economics, University of Ibadan, Nigeria. He was also assisted by Mr. Idris Adediran of the same Department and University.

Twenty-one (21) staff, this comprising 13 males and 8 females, drawn from various 3 Divisions of ERPM Department, FMFBNP, of the Federal Ministry of Finance, Budget and National Planning attended the training programme.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

- 69 percent of the participants affirmed that the objectives of the training were achieved.
- 85 percent participants agreed that the course upgraded their knowledge on expenditure forecasting.
- 77 percent of participants also concurred the training enhanced knowledge on macroeconometric modeling for expenditure forecasting and analysis.
- On the substantive impact of the resource persons as a team, participants agreed 100 percent this to be very good.
- 92 percent of the participants are of the opinion that knowledge and skills acquired from the training, would improve job performance.
- On the plenary sessions and group exercises, it is agreed by 92 percent by the participants, this to be effective.
- 85 percent agreed the quality of training materials and documentation to be very good.
- On the overall, 77 percent of the participants affirmed the training met their expectations.
- Overwhelming totality of participants agreed the overall administration and coordination of the training by WAIFEM was very effective. This is indicated 100 percent.

OBSERVATION

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

i. The course was found to bear directly on the office schedules of the participants.

ii. The course title and sub-themes were observed to have been designed to effectively, confront contemporary global (and peculiar) economic challenges.

iii. The volume of work to be done (as listed by the facilitator) far outstretched the imagination of the participants given the approved duration of the course.

iv. Some of the sub-themes of the course can constitute an independent course of study with their respective primary or main themes course.

v. The duration of the course in terms of length of time was found to be inadequate, for a total learning engagement

vi. The intellectual retention demands of the course clearly pointed toward increased frequency and regularity of the training experience.

vii. The timing of the programme, the learning environment, the resource persons (facilitators), the quality of coordination and participation, were all top-notch.

RECOMMENDATIONS

In the light of the following observations, participants made the following recommendations:

i. More time (say, two (2) weeks in the minimum, should be allocated to this type of course, for purpose of comprehensive coverage.

ii. Alternatively, and for the purpose of specialization and deepening of understanding, separate courses could be designed and organized for the separate sub-themes of this programme.

iii. Regularity (frequency) of this class of training should be improved to a quarterly activity, at least to boost optimal retention of knowledge and skills gained.

iv. Post training: the participants should be regularly exposed to real-life, real-time challenges that bear directly on their learning experiences and should be adequately equipped and enabled to effectively confront such challenges.

v. For those officers who may have had the opportunity of this training, and who harbor critical institutional memory, staff mobility and transition should be regulated to prevent loss of gained momentum and excellence.

The participants were full of gratitude particularly to the Hon. Minister, FMFBNP, the Permanent Secretary, Finance (PSF) and the Director (ERPM) for the learning opportunity. They were also full of thanks to the expert facilitators for the expertise with which the course was executed and the excellent facilities provided training. They expressed deep appreciation to WAIFEM faculty for the excellent and professional manner with which the training was conducted and concluded.

1.6.7 COURSE ON FINANCIAL SOUNDNESS INDICATORS (FSI), ABUJA, NIGERIA, SEPTEMBER 13 - 17, 2021

The West African Institute for Financial and Economic Management (WAIFEM) was engaged by the Central Bank of Nigeria (CBN), to facilitate course on Financial Soundness Indicators (FSI) for staff of the Central Bank of Nigeria, Abuja, September 13 - 17, 2021 at the Central Bank of Nigeria Training Institute (ITI) Abuja, Nigeria.

The opening ceremony was chaired by Dr. Baba Yusuf Musa, Director General, WAIFEM. Also present at the opening session were Professor Douglason G. Omotor, representative of the facilitators Dr. Paul Mendy, and other staff of the CBN. In his address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed participants to the Training Institute. He expressed appreciation to the Central Bank of Nigeria, Abuja for having confidence in WAIFEM to facilitate the course and their continuous patronage of the Institute in their capacity building programmes.

The objective of the course was to enable participants to:

- Compile FSIs in accordance with the methodology of FSI Guide, using source data obtainable from sectoral financial statements and supervisory report forms.
- Calculate FSIs using different consolidation bases and interpret the different results obtained.
- Analyze and interpret FSIs compiled for the financial sector and their use in financial sector supervision and macroprudential policy.

The themes covered during the course include the following:

Ø Overview of the course

Ø Coverage and sectorization of the public sector

Ø Public Sector Debt: Definitions and accounting principles

Ø Guided Exercise on the accrual of interest

Ø Identification of debt instruments and institutional sectors of the counterparties

Ø Balance sheet analysis

Ø Contingencies and debt reorganization

Ø Selected issues relating to debt

Ø Presentation of public sector statistics

Ø Selected issues in compilation and dissemination of public sector debt statistics

Ø Consolidation of public sector debt statistics

Ø Guided exercise on consolidation of public sector debt statistics

The course was facilitated WAIFEM.

A total of twenty-five (25) participants drawn from various departments from the Central Bank of Nigeria

(CBN), Abuja attended the course. These comprised 17 males and 8 females.

The participants expressed thanks and appreciation to the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude also to Dr. Baba Yusuf Musa, Director General of WAIFEM and the entire staff of WAIFEM for the unique manner in which the course was structured and executed.

1.6.8 COURSE ON PUBLIC SECTOR DEBT STATISTICS, ABUJA, NIGERIA, OCTOBER 4 – 8, 2021

The West African Institute for Financial and Economic Management (WAIFEM) was engaged by the Central Bank of Nigeria (CBN), to facilitate course on Public Sector Debt Statistics for staff of the Central Bank of Nigeria, Abuja, October 4 - 8, 2021 at the Central Bank of Nigeria Training Institute (ITI) Abuja, Nigeria.

The opening ceremony was chaired by Dr. Baba Yusuf Musa, Director General, WAIFEM. Also present at the opening session were Professor Douglason G. Omotor, representative of the facilitators Dr. Paul Mendy, and other staff of the CBN. In his address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed participants to the Training Institue. He expressed appreciation to the Central Bank of Nigeria, Abuja for having confidence in WAIFEM to facilitate the course and their continuous patronage of the Institute in their capacity building programmes.

The course was designed to provide a comprehensive conceptual framework for a consistent measurement of gross and net debt of the Public Sector and all of its components.

It was also aimed at providing standards (based on sound practice) for compiling and analyzing debt data capable of highlighting an economy's potential vulnerabilities to solvency and liquidity problems arising from both its domestic and external debt position.

The themes covered during the course include the following:

- Ø Key Elements of Sound PDM Legal Framework
- Ø Key Elements of Sound PDM Legal Framework: Legal Framework for Borrowing in Anglophone West African Countries
- Ø Loan Circle and Key Elements in Loan Evaluation
- Ø Methods of Loan Valuation and Accounting
- Ø Examining Public Spending: Estimates Review
- Ø Institutional Arrangements and Governance Structure for Effective PDM
- Ø Transparency and Accountability: Governance, Audit, Reporting and Accountability
- Ø Budgetary Treatment of a Hypothetical Direct Loan
- Ø Budgeting, Parameters Estimates and Modelling Assumptions
- Ø Cost-Benefit Analysis
- Ø Break-Even Analysis
- Ø Concepts of Present and Future Value
- Ø Mobilisation of External Resources and Loan Selection Criteria
- Ø Methods of Valuing Government Loans and Guarantees
- Ø Market Value Credit, Subsidy and Cost Estimates
- Ø Market Risks, Uncertainty and Approaches to Manage Fiscal Risks
- Ø Utilisation of Loan Proceeds I & II
- Ø General Principles of Contingent Liabilities and Tracking Contingent Liabilities in PPP
- Ø Negotiation of Loans I & II
- Ø Concept and Application of Debt Management Strategy, and
- Ø Concept and Application of Debt Sustainability Analysis

The course was facilitated by WAIFEM.

A total of twenty-five (25) participants drawn from various departments from the Central Bank of Nigeria (CBN), Abuja attended the course. These comprised 16 males and 9 females.

The participants expressed thanks and appreciation to the Management of the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude also to Dr. Baba Yusuf Musa, Director General of WAIFEM and the entire staff of WAIFEM for the unique manner in which the course was structured and executed.

1.6.9 COURSE ON PUBLIC DEBT SUSTAINABILITY ANALYSIS FRAMEWORK FOR MARKET ACCESS COUNTRIES (MAC-DSA) - LAGOS, NIGERIA, NOVEMBER 15 – 19, 2021

The Course on Public Debt Sustainability Analysis Framework for Market Access Countries was organized by the West African Institute for Financial and Economic Management (WAIFEM) in conjunction with Debt Management Office, from November 15 – 19, 2021, in Lagos.

The Director-General (DG) of WAIFEM, Dr. Baba Y. Musa, welcomed the participants on behalf of the Management and staff of WAIFEM to the opening session of the Course on Market Access Debt

Sustainability Analysis (MAC-DSA) Template, which held at CBN Learning Centre Satellite Town, Lagos November 15 - 19, 2021.

He noted that since the outbreak of COVID-19 global pandemic in 2020, the course was the second face-to-face training programme that WAIFEM has undertaken in Lagos. He therefore expressed his appreciation to the Debt Management Office, Abuja for giving WAIFEM the opportunity to organize the training at this auspicious time and also to the facilitators who have accepted to share their wealth of knowledge with the participants.

The DG however urged the participants to comply with the COVID-19 protocols and encouraged all to take advantage of the vaccination exercise that is being rolled out in all of our member countries by getting vaccinated so as to protect ourselves against the virus, get our lives together again and eventually return to our usual mode of operations.

He concluded by congratulating the participants for being nominated to participate in the training and wish all a rewarding learning experience.

The Objectives of the course were for the participants to:

Learn what the IMF MAC-DSA is, how it works and its limitation.

Be introduced to the use of the MAC-DSA Tool and feel confident with its conclusions and analysis.

Appreciate that the MAC-DSA Course is a workshop about debt sustainability, which is relevant for Low Income Countries, Middle Income Countries, and Advanced Economies.

Cover the MAC-DSA tool, custom designed for Middle Income, Emerging markets, and Advance economies.

Learn and understand basic underlying macro concepts associated with DSA.

The broad themes of the course include but are not limited to the following:

- Concept definition of the MAC- DSA and target economies
- Assessment of debt sustainability using the MAC-DSA
- Benchmarks in the MAC- DSA
- Preparation of the MAC- DSA
- Concepts of safe debt and maximum debt limits
- Risk profiling and evaluation
- The Concept of Boom and Bust
- Conducting Shock Scenarios using the MAC- DSA Template
- Summarising and Interpreting Risks using Heat Map and Fan Charts
- Hands-on Exercise on the use of MAC -DSA Template for Mexico

A total of 30 officials from the Federal Ministry of Finance, Budget and National Planning (FMFBNP), Central Bank of Nigeria (CBN), Debt Management Office (DMO), Budget Office of the Federation (BOF), and Office of the Accountant-General of the Federation (OAGF) participated in the training. This comprised 21 males and 9 females.

The course was delivered by a team of experienced facilitators from WAIFEM faculty.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

Ø 95.8 percent of the participants highly agreed that the objective of the course has been achieved;

Ø Over 87 percent of the participants concured that the course has upgraded their knowledge of Debt Sustainability Analysis Framework for Market Access;

Ø Overwhelmingly, 91.7 percent of the participants had agreed that the course has enhanced their understanding of key technical issues in Debt Sustainability Analysis;

Ø Majority of the participants,up to 95.8 percent strongly agreed that the sustantive impact of the resourse persons as a team was very good;

Ø 91.7 percent of the participants strongly agreed that the knowledge and skills acquired from the training would improve their job performance;

Ø Almost 92 percent of the participants strongly agreed that the blend of the plenary sessions and group exercises have been effective;

Ø More than 95 percent of the participants strongly agreed that the quality of training materials and documentation was very good;

Ø Not less than 83 percent of the participants strongly agreed that the course has met their expectations;

Ø Overall, majority of the participants,up to 91.6 percent strongly agreed that the administration of the course was effective;

Ø Majority of the participants alluded that:

  - Construction and intepretation of the Fan Chart and Heat Map are of the greatest practical value to them;
  - Also the practicals on the MAC-DSA Template were of immense importance to them,and

- Needed more training on the following areas:
  - i. Assessing sustainability in the MAC-DSA
  - ii. Boom & Burst
  - iii. Percentile
  - iv. The concept of safe debt and maximum debt limit
  - v. Data requirement for MAC-DSA
  - vi. Features of MAC-DSA,and
  - vii. Use of different scenerios,among others.

OBSERVATIONS AND RECOMMENDATIONS

After five days of intensive lectures, workshop and presentations on the MAC- DSA, the following observations and recommendations were made by the participants:

OBSERVATIONS:

i. Nigeria adopted the MAC-DSA template for conducting its Debt Sustainability Analysis having been classified as Low Middle Income Country by the IMF in 2017 and because of it significant access to International Capital Markets on a sustainable basis;

ii. The MAC-DSA Framework and Template which was revised in 2013 has a Risk-Based approach to Debt Sustainability Analysis, which requires deeper analysis and more in-depth reporting on debt sustainability assessments based on triggers of debt burden indicators and access to Fund resources;

iii. One-week period was insufficient for the training programme. However, due to the experienced facilitators that handled the subject, the course was compressed and participants were able to understand the basic concepts of the MAC-DSA Framework and learnt how to use the various tool, as well as interpret the DSA results;

iv. The present process on conducting annual DSA Workshops, where an ad-hoc committee from relevant Ministries Departments and Agencies are constituted should be further encouraged;

v. The knowledge of Government Finance Statistics (specifically Public Sector Debt Statistics) is essential to all Public Debt Management Practitioners especially for the effective conduct of DSA;

vi. The course content was largely adequate, timely and relevant to the work processes of the participants. The non-complex and practical delivery, using simple slides, were highly commendable;

vii. The sessions were largely engaging, participatory and interactive, as participants learnt new concepts and acquired relevant skills in preparation for transition from LIC-DSA to MAC DSA;

viii. Drawing on their accummulated years of professional experience in public debt analysis, the presenters disseminated practical knowledge on the subject matter, using relevant case studies;

ix. The hands-on session was particularly useful, as participants had the opportunity to put into practice the knowledge acquired in the first three days of the course, as well as sought clarification on grey areas;

x. Given the broader-based data requirements of the the new template, participants identified data inadequacy and weak collaboration among government agencies, as a challenge towards full transition to the MAC DSA. For instance, there is need to further decompose debt by residency, assemble additional data to obtain the consolidated public sector debt (including the CBN balance sheet), and the contingent liabilities of government; and,

xi. Generally, the training is commendable, in the light of the mandate of the DMO and WAIFEM, and the overall sustainability of fiscal policy in Nigeria.

RECOMMENDATIONS

i. There is need for a follow-up hands-on training for DSA practitioners to consolidate on the knowledge gained during the training; such training should be continuous until the needed competencies and skills are adequately built and domesticated;

ii. There is need for all Relevant DMO staff and External stakeholders to be trained on Government Finance Statistics (specifically Public Sector Debt Statistics) Course of the International Monetary Fund to enhance their understanding of the modern public sector debt statistics reporting requirements;

iii. It is important to strengthen data collection and transparency, particularly at the subnational level, to enhance the quality of the DSA results and reporting;

iv. As part of the data requirements for MAC-DSA and other modern reporting needs, the DMO must necessarily decompose its Public Debt into residency and non-residency classification;

v. In order to stregthen colaboration and to fast-track data exchanges among Ministries, Departements and Agencies which are stakeholders in DSA, there is need to constitute a

National Debt Sustainability Analysis Team, with membership across relevant MDAs who should meet on regular basis; and

vi. Data compilation should be more circumspect, detailing key fiscal developments, including the tracking and identification of potential fiscal pressures (e.g. spending pressures).

The participants expressed their profound gratitude to the Director-General of WAIFEM, the Director, Debt Management and Regional Integration Department and the entire Management and staff of WAIFEM for successfully conducting the all-important training on MAC- DSA and their hospitality. They also extended their heartfelt appreciation to the Management of the DMO for choosing WAIFEM to organize the training and for providing the resources. In addition, they also thanked their respective institutions and organizations (FMFBNP, CBN, OAGF, BOF and DMO) for giving them the opportunity to participate in the much-needed course.

1.6.10 COURSE ON REPORT WRITING AND MINUTES TAKING - NOVEMBER 29- DECEMBER 17, 2021

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Centre for Capacity Development of the Bank of Ghana organized a course on “Techniques of Report Writing and Minutes Taking for the staff of Bank of Ghana, 29 November, 2021 - 17 December, 2021. The programme was hosted in batches of three (3) with average of 60 delegates per batch held at the Oak Plaza Hotel, East Airport, Accra, Ghana.

The opening ceremony was chaired by Dr. Samuel Tenge, the Deputy Head of the Centre for Capacity Development of the Bank of Ghana, on behalf of the Management of Bank of Ghana. In his remarks, Dr. Tenge welcomed the participants to the course, and stressed on the importance of Report Writing. He noted that Management of the Bank of Ghana has a serious attachment to the training and encouraged all participants to take maximum advantage of it to enrich their knowledge. He assured participants that members of staff who took part in the earlier training programme benefited immensely and the Bank of Ghana was satisfied.

In his speech, the Director General of WAIFEM, Dr. Baba Y. Musa, represented by the Advisor, Business Development and Consultancy Unit of WAIFEM, Professor Douglason G. Omotor welcomed participants to the training and expressed immense gratitude to the President of Ghana His Excellency, Nana Akufo-Addo, the Government and the people of the Republic of Ghana for the opportunity to organize the course in the hospitable city of Accra, Ghana. The Director General, Dr. Baba Musa also expressed deep appreciation to the Executive Governor, Bank of Ghana, Hon. Ernest Kwamina Yedu Addison; and the management and staff of the Bank of Ghana for providing WAIFEM the opportunity to facilitate the programme. Dr. Baba Musa, also noted that year 2021 has been a challenging one; this he maintained that the COVID-19 global pandemic has had far-reaching consequences on our already complicated realities which affected all aspects of life. And despite the new normal, according to the Director General, where face-to-face training activities drastically reduced globally, at WAIFEM building capacity has been on going. and since the beginning of the year 2021, when experts and participants were unable to travel due to the restrictions, WAIFEM successfully organized over 30 programmes via symposia, webinars, and other online activities which allowed over nine hundred and twenty (920) participants access a pool of knowledge from the comfort and safety of their homes or offices. Dr. Baba Musa, noted further that, the training on Report Writing and Minutes Taking for the Bank of Ghana, is the thirteenth (13th) in-person or face-to-face training programme organized by the Institute since the outbreak of the COVID-19 global pandemic in the year 2020. He however, entreated that people should endeavor to get vaccinated and continue to adhere to the government directives on the COVID-19 safety protocols.

According to Dr. Baba Musa, Good Report Writing and Minutes taking skills are crucial for the apex Bank staff as a vital deliverable of their job functions. In the course of discharging its duties effectively, the Bank of Ghana focuses on producing high quality reports which are germane to sound decision making within the organization. And to maintain the Bank's reputation, it is imperative for information to be expressed in a clear, unambiguous and objective manner.

In conclusion, Dr. Baba Musa urged the participants to seize the opportunity to ask pertinent questions that will be of immense benefit to them and the Bank of Ghana. He urged the participants to continue to maintain the covid-19 safety protocols and declared the course open.

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. Furthermore, 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 specific objectives of the course are to enhance participants' competence to:

- use correct grammatical structures in the English language in a clear and concise manner that is related to specific purpose, audience and readership;
- prepare different types of report formats and when, why and how they should be used;
- produce clear, hierarchical and logical structures which project the messages they wish to communicate;
- organize information in logical forms for both oral and written presentations;
- write correctly and present better administrative and other forms of reports;
- write and issue agendas and convening notices;
- obtain clarification and identify the decisions of the meeting; and
- take notes during a meeting and convert them into effective minutes.

Some of the themes covered in the course included 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;
- Style in writing, editing and report proof-reading techniques;
- Types and different layouts of reports: How to write, create, format, finalize, evaluate a good report and build documents;
- Ethics: Report Writing Best Practice;
- Memo/Letter Writing;
- Meeting agendas - Producing agendas and convening notices;
- Minute writing: Format, Best practice, Timescales;
- Minute taking practice: Review of notes, Converting notes into final minutes;
- Small group exercise, facilitated group review and discussion; and
- Action planning exercise with co-coaching, facilitated group review.

The course was facilitated by well experienced and knowledgeable resource persons – Professor Oko Okoro, Dr. Peace Chinwedu Israel, and Kwesi Hassan.

BATCH 1

A total of fifty-one (51) delegates drawn from various departments and regional offices of the Bank of Ghana; comprising 23 males and 28 females actually reported for the batch 1 training programme.

BATCH 2

A total of fifty-six (56) delegates attended the batch 2 training on Report Writing and Minutes Taking course. This comprised 29 males and 27 females.

BATCH 3

Fifty-five (55) delegates drawn from various departments and regional offices of the Bank of Ghana, reported for training. This comprised 18 males and 37 females for the batch 3 programme.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

i. All participants indicated 100 percent the objectives of the course to have been achieved.

ii. Overwhelming totality of the participants are of opinion that the course upgraded knowledge for effective report writing with necessary information and skills in internal audit report writing. Also indicated 100 percent.

iii. Participants also affirmed 100 percent that the substantive impact of the resource persons as a team was very good.

iv. 100 percent averred that knowledge and skills acquired from the course would improve job performance.

v. 60 percent agreed that the blend of plenary sessions and group exercises were effective.

vi. All participants, 100 percent, confirmed that the quality of training materials and documentation was very good.

vii. Totality of the participant agreed that topics covered during the course were relevant and appropriate for the training.

viii. 80 percent agreed that their expectations about the course were met.

ix. 90 percent agreed that the overall administration and coordination of the course by WAIFEM was effective.

x. In the additional comments, majority of the participants agreed that the contents at 98 percent, usefulness of the topics to work at 100 percent, presentations 96 percent with exception of time allotted at 40 percent respectively, were very good.

At the end of the training programme, participants made the following observations:

1. Participants were generally pleased with the organization of the training programme.
2. In their view, the highest point of the training programme was the quality of the facilitators who displayed mastery over the various topics. This ensured that, the participants imbibed what would have been a set of complex techniques, grammar rules easily.
3. The patience and skill employed by the facilitators to aid the participants to assimilate the new techniques which were introduced was admirable indeed.
4. Participants were particularly astounded but equally challenged when the facilitators led them through the many common errors in the English language such as inappropriate use of words, wrong pronunciation of words and inappropriate use of punctuations.
5. The facilitators made available to participants, useful course materials to guide them from the beginning to the end of the training programme.
6. Overall, they believed the objectives of the programme were achieved to a greater extent and are hopeful that participants will commit themselves to the process to unlearn the wrong language and techniques whilst making extra effort to apply the new but accurate ones which they were introduced to during the training programme.
7. Many participants agreed that, if the training programme had a longer duration, it would have resulted in a more exhaustive handling of the topics. Indeed, it was obvious that the time allocated to some of the topics was insufficient to enable facilitators deal exhaustively with some of the topics as they would want to.

RECOMMENDATIONS

In view of the following observations, participants made the following recommendations:

In future, the Organizers may consider extending the duration of the training programme to five (5) days per batch instead of the 3 days to enable the facilitators sufficient time to deal with the various topics exhaustively.

That the Bank consider extending this training programme to Senior Management to ensure that they also appreciate the principles and techniques which may influence subordinates in their report writing and minutes taking.

- The course be extended to 2 weeks for deeper understanding of all the topic areas.
- Time allocation should be conspicuously stipulated.

The participants expressed profound gratitude to the Management of Bank of Ghana for giving approval and making funds available for the training. They also conveyed deep appreciation to the leadership and staff of WAIFEM and the Centre for Capacity Development of the Bank of Ghana for collaborating to organize progrqamme.

Participants also thanked the facilitators for their commitment and zeal during the duration of the training.

They also appreciated their colleagues for participating actively and contributing meaningfully in all the three (3) batches of the training programme.

They affirmed to the Bank, WAIFEM and the facilitators that the programme has been hugely beneficial to them and would wholeheartedly embrace the lessons learnt, and apply same to their professional practice to the benefit of the Bank of Ghana.

The training was brought to an end by the Advisor, BDCU, Professor Douglason G. Omotor. He commended the dedication and zeal of participants to the training in the three (3) batches throughout the sessions, and encouraged them to pass knowledge gained from the course to their colleagues in their various sections. He encouraged participants to always come up with ideas and inputs on how the Institute can serve them better.

1.6.11 SUB-NATIONAL CAPACITY BUILDING PROJECT ON DEBT SUSTAINABILITY ANALYSIS (DSA), NORTHEAST AND NORThWEST ZONAL WORKSHOP, NOVEMBER 2021

With the support of the African Development Bank (AfDB), the Federal Republic of Nigeria was allocated grant funds (the "Grant") under the African Development Bank (AfDB) 's Middle Income Country Technical Assistant Fund (MIC-TAF) in 2017. The grant is administered by the African Development Bank ("the Bank") and executed by the Debt Management Office – Nigeria (DMO). In the above context, the DMO sought assistance to engage a reputable organization to provide the following consulting services to develop skills of sub-national officials in the Northern and Southern Zones of Nigeria, FCT inclusive. Other activities are:

a. Equip State and Federal Capital Territory (FCT) officials with the skills and knowledge to undertake annual DSA at the sub-national level;
b. Build the capacity of Ministries, Departments, and Agencies (MDAs) at the sub-national level to assist the State Debt Management Departments (DMDs) in the execution of their mandate, including their coordination efforts with the

DMO; and,

c. Ensure high-level officials, including policymakers working on debt management and the related regulatory and institutional arrangements at the state level, are aware of critical challenges and opportunities in public debt management and ongoing efforts led by the DMO.

Consequently, the West African Institute for Financial and Economic Management (WAIFEM) was engaged by the DMO to provide the consulting services. The Project entails working closely with the DMO to build the capacity at three zonal levels and twelve (12) States of Nigeria for prudent and competent debt management at the sub-national level.

The first North Zonal workshop was held 15-19 November 2021 at the Global Village Hotels and Suites, Abuja-Keffi Road, Mararaba, Nasarawa State. Sixty-Eight (68) delegates attended the workshop from 7 States of the NorthWest geopolitical zone, comprising Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto, and Zamfara, and 6 States of the NorthWest geopolitical zone encompassing Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe.

Public Debt Management is one of the major pillars and the cornerstone for sound macroeconomic management and financial governance, which underpins the Government's efforts to promote accountability and transparency. The legal framework for public debt management in Nigeria is stipulated in the Constitution and various legislations. The 1999 Constitution grants the National Assembly (NASS) the exclusive powers to make laws that regulate domestic and external borrowing in the country, as stated in items 7 and 50 of the Exclusive Legislative List under the Second Schedule. Based on this constitutional authority, the NASS enacted the DMO (Establishment, etc.) Act, 2003 (DMO Act), and the Fiscal Responsibility Act, 2007 (FRA). The DMO Act is the legal instrument that created the DMO and specified its mandate and responsibilities. The NASS also has the statutory mandate to approve, through appropriation, all domestic borrowings by the Federal Government and, by Resolution, all external borrowing by all tiers of Government.

The functions of the DMO as stipulated in the DMO Act are to among others:

(a) prepare and implement a plan for the efficient management of Nigeria's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development; and participate in negotiations aimed at realizing those objectives;

(b) set guidelines for managing Federal Government financial risks and currency exposure concerning all loans;

© on an agency basis, external service debts taken by State Governments and any of their agencies: where the Federal Government guarantees such obligations; and

(d) perform such other functions that are required for the effective implementation of its functions under this Act in the Office's opinion.

The workshop's general objective was to develop the capacity to assist the subnational governments of Nigeria in designing and implementing future external/domestic debt issuance and management policies to ensure long-term debt sustainability. The training was expected to develop the capacity of zonal delegates, which will constitute the pillar for the Subnational Governments to undertake Debt Sustainability Analysis (DSA). The workshop aimed at providing a comprehensive overview of debt sustainability analysis (DSA) and a medium-term debt management strategy framework adopted by the IMF and the World Bank.

Specifically, the course: (i) introduced the main principles of debt sustainability; (ii) populated the WAIFEM-DMO Sub-National DSA Template using states data; and (iii) illustrated debt sustainability analysis under uncertainty.

The following themes, which included hands-on exercises, were covered:

o Structure of the Nigerian Economy and Debt Portfolio Composition of Nigeria

o Fiscal Federalism and Subnational Fiscal Performance in Nigeria

o Concepts of Fiscal Contingent Liabilities, Debt Sustainability Analysis, Debt Service Indicators, etc

o Introduction to DSA for Sub-Nationals and features of Sub-National DSA Framework

o Inputs: Definitions and Coverage of Public Debt, Macroeconomic Projections

o Inputs: Financing Assumptions

o Macroeconomic Linkages and Debt dynamics

o Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth

o Standardized Stress Tests and Sensitivity Analysis

o Contingent Liability Stress Test

o Debt Carrying Capacity (Composite Indicator) and Thresholds

o Risk Signals: External, Total Public Debt, and Market Financing Pressures

o Use of Judgement: Short and Marginal Breaches, Domestic Debt and Market Financing Vulnerabilities, External Private Debt, Availability of Liquid Financial Assets, Long-Term Considerations, and Other Considerations

- o Final Risk Ratings
- o Granularity: Moderate Risk Category (space to absorb shock), Assessing Sustainability.

Other Hands-On Exercises covered:

- Sustainability Tool: General Structure and Inputs –Exploration of the Template
- Constructing the Baseline (Breakout Groups)
- Building/Constructing the Baseline (Breakout Groups)
- Discussion of Baseline Results (Plenary
- Developing Alternative Scenarios (Breakout Groups)
- Group Presentations and Discussions

The first day of each training began with introductory sessions. Following a formal opening, the first two sessions presented an overview of the workshop and introduced the critical issues for designing a sub-national DSA. The second session introduced the key issues for external and domestic debt sustainability, fiscal, and issues. New assumptions on proposed Sub-National DSA, including macro assumptions and their implications for the state economy, state practices, and the constraints these impose on the state finances and poverty reduction.

The following three days were devoted to conducting the initial technical and analytical tasks (hands-on) necessary to define a Sub-national debt sustainability analysis: reviewing recent aid and debt data and trends; conducting a portfolio review, analyzing disbursement trends, and preparing new disbursement profiles by donor/creditor/sector/aid or debt type; review of donor and state practices and procedures and their implications for disbursements; designing new financing scenarios; appraisal of macro projections and designing of alternative scenarios, and analysis of the macro impacts on fiscal sustainability. These tasks were conducted in two to four technical groups.

The last was devoted to the plenary as participants were grouped for breakout sessions and made plenary presentations using actual data. The presentations by the various states were satisfactory as delegates were able to display mastery and grapse of the subject.

Expertise and Faculty provided by WAIFEM

During the training, resource persons and facilitators present were Dr. Baba Y.Musa, Dr. Gbenga Oyewole, Dr. Mohammed Aliu Momoh, Douglason G. Omotor (WAIFEM), Dr. Isiaku Mohammed (DMO), and Mrs. Ndidiamaka S. Ezeh (DMO), and Aniekan James (WAIFEM).

Training Evaluation

Rating of knowledge before and after the training	**Average knowledge rating** (1:Not Familiar, 3: Medium, 5: Advanced)
The content was well-organized and easy to follow	4.6
The program achieved its stated objectives	4.8
Instructors were clear and effective in the delivery of course content	4.7
Instructors were approachable and responded to questions well	4.7
Participation and interaction were encouraged	4.4
Training materials were clear and adequately covered the program content	4.5
Case studies were good and improved my understanding of the subject	4.5
The time allotted for the training was sufficient	3.7
The facilities were adequate and comfortable	4.4
I will recommend this program to others	4.8
Average	**4.51**

1.6.12 SUB-NATIONAL CAPACITY BUILDING PROJECT ON DEBT SUSTAINABILITY ANALYSIS (DSA), SOUTHWEST AND SOUTH SOUTH FCT ZONAL WORKSHOP, - 22-26 NOVEMBER 2021

With the support of the African Development Bank (AfDB), the Federal Republic of Nigeria was allocated grant funds (the "Grant") under the African Development Bank (AfDB) 's Middle Income Country Technical Assistant Fund (MIC-TAF) in 2017. The grant is administered by the African Development Bank ("the Bank") and executed by the Debt Management Office – Nigeria (DMO). In the above context, the DMO sought assistance to engage a reputable organization to provide the following consulting services to develop skills of sub-national officials in the Northern and Southern Zones of Nigeria, FCT inclusive. Other activities are:

a. Equip State and Federal Capital Territory (FCT) officials with the skills and knowledge to undertake annual DSA at the sub-national level;

b. Build the capacity of Ministries, Departments, and Agencies (MDAs) at the sub-national level to assist the State Debt Management Departments (DMDs) in the execution of their mandate, including their coordination efforts with the DMO; and,

c. Ensure high-level officials, including policymakers working on debt management and the related regulatory and institutional arrangements at the state level, are aware of critical challenges and opportunities in public debt management and ongoing efforts led by the DMO.

Consequently, the West African Institute for Financial and Economic Management (WAIFEM) was engaged by the DMO to provide the consulting services. The Project entails working closely with the DMO to build the capacity at three zonal levels and twelve (12) States of Nigeria for prudent and competent debt management at the sub-national level.

The South Zonal workshop was held 22-26 November 2021 at the White House Hotel, Lagos, Lagos State. Fifty-nine (59) delegates attended the workshop from 6 States of the SouthWest geopolitical zone, comprising Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo, and 6 States of the SouthSouth geopolitical zone encompassing Akwa Ibom, Bayelsa, Cross River, Delta, Edo, and Rivers.

Public Debt Management is one of the major pillars and the cornerstone for sound macroeconomic management and financial governance, which underpins the Government's efforts to promote accountability and transparency. The legal framework for public debt management in Nigeria is stipulated in the Constitution and various legislations. The 1999 Constitution grants the National Assembly (NASS) the exclusive powers to make laws that regulate domestic and external borrowing in the country, as stated in items 7 and 50 of the Exclusive Legislative List under the Second Schedule. Based on this constitutional authority, the NASS enacted the DMO (Establishment, etc.) Act, 2003 (DMO Act), and the Fiscal Responsibility Act, 2007 (FRA). The DMO Act is the legal instrument that created the DMO and specified its mandate and responsibilities. The NASS also has the statutory mandate to approve, through appropriation, all domestic borrowings by the Federal Government and, by Resolution, all external borrowing by all tiers of Government.

The functions of the DMO as stipulated in the DMO Act are to among others:

(a) prepare and implement a plan for the efficient management of Nigeria's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development; and participate in negotiations aimed at realizing those objectives;

(b) set guidelines for managing Federal Government financial risks and currency exposure concerning all loans;

(c) on an agency basis, external service debts taken by State Governments and any of their agencies: where the Federal Government guarantees such obligations; and

(d) perform such other functions that are required for the effective implementation of its functions under this Act in the Office's opinion.

The workshop's general objective was to develop the capacity to assist the subnational governments of Nigeria in designing and implementing future external/domestic debt issuance and management policies to ensure long-term debt sustainability. The training was expected to develop the capacity of zonal delegates, which will constitute the pillar for the Subnational Governments to undertake Debt Sustainability Analysis (DSA). The workshop aimed at providing a comprehensive overview of debt sustainability analysis (DSA) and a medium-term debt management strategy framework adopted by the IMF and the World Bank.

Specifically, the course: (i) introduced the main principles of debt sustainability; (ii) populated the WAIFEM-DMO Sub-National DSA Template using states data; and (iii) illustrated debt sustainability analysis under uncertainty.

The following themes were covered:

o Structure of the Nigerian Economy and Debt Portfolio Composition of Nigeria

o Fiscal Federalism and Subnational Fiscal Performance in Nigeria

- o Concepts of Fiscal Contingent Liabilities, Debt Sustainability Analysis, Debt Service Indicators, etc
- o Introduction to DSA for Sub-Nationals and features of Sub-National DSA Framework
- o Inputs: Definitions and Coverage of Public Debt, Macroeconomic Projections
- o Inputs: Financing Assumptions
- o Macroeconomic Linkages and Debt dynamics
- o Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth
- o Standardized Stress Tests and Sensitivity Analysis
- o Contingent Liability Stress Test
- o Debt Carrying Capacity (Composite Indicator) and Thresholds
- o Risk Signals: External, Total Public Debt, and Market Financing Pressures
- o Use of Judgement: Short and Marginal Breaches, Domestic Debt and Market Financing Vulnerabilities, External Private Debt, Availability of Liquid Financial Assets, Long-Term Considerations, and Other Considerations
- o Final Risk Ratings
- o Granularity: Moderate Risk Category (space to absorb shock), Assessing Sustainability.

The first day of each training began with introductory sessions. Following a formal opening, the first two sessions presented an overview of the workshop and introduced the critical issues for designing a sub-national DSA. The second session introduced the key issues for external and domestic debt sustainability, fiscal, and issues. New assumptions on proposed Sub-National DSA, including macro assumptions and their implications for the state economy, state practices, and the constraints these impose on the state finances and poverty reduction.

The following two days were devoted to conducting the initial technical and analytical tasks necessary to define a Sub-national debt sustainability analysis: reviewed recent aid and debt data and trends; conducting a portfolio review, analyzing disbursement trends, and preparing new disbursement profiles by donor/creditor/sector/aid or debt type; review of donor and state practices and procedures and their implications for disbursements; designing new financing scenarios; appraisal of macro projections and designing of alternative scenarios, and analysis of the macro impacts on fiscal sustainability. These tasks were conducted in two to four technical groups.

The last was devoted to the plenary as participants were grouped for breakout sessions and made plenary presentations using actual data. The presentations by the various states were satisfactory as participants displayed mastery of the subject. However, Bayelsa, Cross River and Rivers States still require further capacity building for adequate appreciation of the template.

Expertise and Faculty provided by WAIFEM

Training Evaluation

Rating of knowledge before and after the training knowledge rating	**Average** (1:Not Familiar, 3: Medium, 5: Advanced)
The content was well-organized and easy to follow	4.6
The program achieved its stated objectives	4.7
Instructors were clear and effective in the delivery of course content	4.6
Instructors were approachable and responded to questions well	4.6
Participation and interaction were encouraged	4.6
Training materials were clear and adequately covered the program content	4.5
Case studies were good and improved my understanding of the subject	4.7
The time allotted for the training was sufficient	3.8
The facilities were adequate and comfortable	4.7
I will recommend this program to others	4.8
Average	**4.56**

1.6.13 SUB-NATIONAL CAPACITY BUILDING PROJECT ON DEBT SUSTAINABILITY ANALYSIS (DSA), NORTH CENTRAL, SOUTHEAST AND FCT ZONAL WORKSHOP, 10 DECEMBER 2021

With the support of the African Development Bank (AfDB), the Federal Republic of Nigeria was allocated grant funds (the "Grant") under the African Development Bank (AfDB) 's Middle Income Country Technical Assistant Fund (MIC-TAF) in 2017. The grant is administered by the African Development Bank ("the Bank") and executed by the Debt Management Office – Nigeria (DMO). In the above context, the DMO sought assistance to engage a reputable organization to provide the following consulting services to develop skills of sub-national officials in the Northern and Southern Zones of Nigeria, FCT inclusive. Other activities are:

a. Equip State and Federal Capital Territory (FCT) officials with the skills and knowledge to undertake annual DSA at the sub-national level;

b. Build the capacity of Ministries, Departments, and Agencies (MDAs) at the sub-national level to assist the State Debt Management Departments (DMDs) in the execution of their mandate, including their coordination efforts with the DMO; and,

c. Ensure high-level officials, including policymakers working on debt management and the related regulatory and institutional arrangements at the state level, are aware of critical challenges and opportunities in public debt management and ongoing efforts led by the DMO.

Consequently, the West African Institute for Financial and Economic Management (WAIFEM) was engaged by the DMO to provide the consulting services. The Project entails working closely with the DMO to build the capacity at three zonal levels and twelve (12) States of Nigeria for prudent and competent debt management at the sub-national level.

The second North Zonal workshop was held from 6 to 10 December 2021 at the Global Village Hotel, Abuja-Keffi Express Way, Mararaba, Nasarawa State. Sixty (60) delegates attended the workshop from 6 States of the NorthCentral geopolitical zone, comprising Benue, Kogi, Kwara, Nasarawa, Niger, and Plateau, and 5 States of the SouthEast geopolitical zone encompassing Imo, Anambra, Abia, Enugu, and Ebonyi; and FCT.

Public Debt Management is one of the major pillars and the cornerstone for sound macroeconomic management and financial governance, which underpins the Government's efforts to promote accountability and transparency. The legal framework for public debt management in Nigeria is stipulated in the Constitution and various legislations. The 1999 Constitution grants the National Assembly (NASS) the exclusive powers to make laws that regulate domestic and external borrowing in the country, as stated in items 7 and 50 of the Exclusive Legislative List under the Second Schedule. Based on this constitutional authority, the NASS enacted the DMO (Establishment, etc.) Act, 2003 (DMO Act), and the Fiscal Responsibility Act, 2007 (FRA). The DMO Act is the legal instrument that created the DMO and specified its mandate and responsibilities. The NASS also has the statutory mandate to approve, through appropriation, all domestic borrowings by the Federal Government and, by Resolution, all external borrowing by all tiers of Government.

The functions of the DMO as stipulated in the DMO Act are to among others:

(a) prepare and implement a plan for the efficient management of Nigeria's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development; and participate in negotiations aimed at realizing those objectives;

(b) set guidelines for managing Federal Government financial risks and currency exposure concerning all loans;

© on an agency basis, external service debts taken by State Governments and any of their agencies: where the Federal Government guarantees such obligations; and

(d) perform such other functions that are required for the effective implementation of its functions under this Act in the Office's opinion.

The workshop's general objective was to develop the capacity to assist the subnational governments of Nigeria in designing and implementing future external/domestic debt issuance and management policies to ensure long-term debt sustainability. The training was expected to develop the capacity of zonal delegates, which will constitute the pillar for the Subnational Governments to undertake Debt Sustainability Analysis (DSA). The workshop aimed at providing a comprehensive overview of debt sustainability analysis (DSA) and a medium-term debt management strategy framework adopted by the IMF and the World Bank.

Specifically, the course: (i) introduced the main principles of debt sustainability; (ii) populated the WAIFEM-DMO Sub-National DSA Template using states data; and (iii) illustrated debt sustainability analysis under uncertainty.

The following themes were covered:

o Structure of the Nigerian Economy and Debt Portfolio Composition of Nigeria

o Fiscal Federalism and Subnational Fiscal

Performance in Nigeria

- o Concepts of Fiscal Contingent Liabilities, Debt Sustainability Analysis, Debt Service Indicators, etc
- o Introduction to DSA for Sub-Nationals and features of Sub-National DSA Framework
- o Inputs: Definitions and Coverage of Public Debt, Macroeconomic Projections
- o Inputs: Financing Assumptions
- o Macroeconomic Linkages and Debt dynamics
- o Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth
- o Standardized Stress Tests and Sensitivity Analysis
- o Contingent Liability Stress Test
- o Debt Carrying Capacity (Composite Indicator) and Thresholds
- o Risk Signals: External, Total Public Debt, and Market Financing Pressures
- o Use of Judgement: Short and Marginal Breaches, Domestic Debt and Market Financing Vulnerabilities, External Private Debt, Availability of Liquid Financial Assets, Long-Term Considerations, and Other Considerations
- o Final Risk Ratings
- o Granularity: Moderate Risk Category (space to absorb shock), Assessing Sustainability.

The first day of each training began with introductory sessions. Following a formal opening, the first two sessions presented an overview of the workshop and introduced the critical issues for designing a sub-national DSA. The second session introduced the key external and domestic debt sustainability issues, fiscal, and issues. New assumptions on proposed Sub-National DSA, including macro assumptions and their implications for the state economy, state practices, and the constraints these impose on the state finances and poverty reduction.

The following two days were devoted to conducting the initial technical and analytical tasks necessary to define a Sub-national debt sustainability analysis: reviewed recent aid and debt data and trends; conducting a portfolio review, analyzing disbursement trends, and preparing new disbursement profiles by donor/creditor/sector/aid or debt type; review of donor and state practices and procedures and their implications for disbursements; designing new financing scenarios; appraisal of macro projections and preparing of alternative scenarios, and analysis of the macro impacts on fiscal sustainability. These tasks were conducted in two to four technical groups.

The last was devoted to the plenary as participants were grouped for breakout sessions and made plenary presentations using actual data. Presentations by the participants show a sufficient mastery of the subject matter.

Expertise and Faculty provided by WAIFEM.

Training Evaluation

Rating of knowledge before and after the training	**Average knowledge rating** (1:Not Familiar, 3: Medium, 5: Advanced)
The content was well-organized and easy to follow	4.8
The program achieved its stated objectives	4.7
Instructors were clear and effective in the delivery of course content	4.6
Instructors were approachable and responded to questions well	4.8
Participation and interaction were encouraged	4.6
Training materials were clear and adequately covered the program content	4.6
Case studies were good and improved my understanding of the subject	4.7
The time allotted for the training was sufficient	3.9
The facilities were adequate and comfortable	4.2
I will recommend this program to others	4.6
Average	**4.55**

ADMINISTRATION AND FINANCE DEPARTMENT

2.0 ADMINISTRATION AND FINANCE DEPARTMENT

2.1 ADMINISTRATION

2.1.1 (a) Effects of the second wave of the COVID-19 pandemic on the Institute's Operations

At the onset of the second wave of the Covid-19 pandemic and in compliance with directives of the Federal Government of Nigeria, the following changes took place within the Institute effective January 12, 2021:

- Ø Members of staff in the category of Manager and upwards began reporting for duty on Mondays, Wednesdays, and Fridays, while working from home on Tuesdays and Thursdays.
- Ø Other categories of staff worked from home from Mondays to Fridays.

(b) COVID-19 Vaccination Exercise

As part of efforts to curb the spread of Covid-19 especially as the Institute commenced its training activities for the year 2021, all members of staff received the first and second doses of the Covid-19 vaccine during the year 2021.

(c) Resumption of Normal Work Schedule by Staff

Following the decrease in Covid-19 cases in Nigeria as per data published by the Nigerian Centre for Disease Control and as the Institute commenced execution of its 2021 training activities, all members of staff resumed normal work schedule on May 4, 2021.

(d) Accreditation by the Chartered Institute of Bankers of Nigeria (CIBN)

The Governing Council of the Chartered Institute of Bankers of Nigeria (CIBN) approved the re-accreditation of WAIFEM in-line with the requirements of the competency framework, effective June 17, 2021. This accreditation, which is valid for a period of 3 years covers training in the areas of our core competency namely:

- Ø Banking Supervision
- Ø Debt and Financial Sector Management
- Ø Macroeconomic Management

(e) Withdrawal of Offer of Employment

Sequel to the non-assumption of duty of Mr. Diakae A. Lewis as Senior Manager, Information Technology, his offer of employment was withdrawn on January 29, 2021. The Central Bank of Liberia was immediately informed of the development and advised on the commencement of the recruitment process for a replacement.

(f) Retirement and Resignation from the Institute

Five members of staff ended their services at the Institute in the second half of the year, as follows:

- Mr. Theodore Ekechukwu retired from service as Senior Driver on June 3, 2021, after successfully serving the Institute for twelve years and four months.
- Dr. Paul Joseph Mendy, Director, Financial Sector and Payment Systems Department secondment to the Institute ended his service on December 31, 2021 after serving for a period of 4 years, 8 months and eleven days.
- Mr. Momodou Lamin Jarjue, Senior Programme Manager II, Fiscal Policy, Debt Management and Regional Integration secondment to the Institute ended his service on December 31, 2021 after serving for a period of 4 years, 9 months and 7 days.
- Mr. Victor Favour Emmanuel, Internal Auditor tendered his resignation effective December 31, 2021 after serving for a period of 11 years, 2 months and 13 days.
- Ms. Affiong Wanjiru Ekpo, Human Resource Officer tendered her resignation effective December 31, 2021, after serving for a period of 7 years, 9 months and 28 days.

2.1.2 STAFF TRAINING AND DEVELOPMENT

In line with the Institute's continuous commitment towards enhancing the capacity of its staff, and maintenance of competence and skilful human resources, 46 members of staff benefited from the following training programmes:

- Ø National Conference and Annual General Meeting of the Nigerian Library Association, May 23 to 28, 2021.
- Ø Planning for Retirement Course organized by Tom Associates, April 26 to May 21, 2021.
- Ø Advanced Excel Training organized by Leadway Training and Technology Institute, June 28 to July 2, 2021.
- Ø Intermediate Microsoft Excel Training, July 11 – 17, 2021, August 30 – September 3, 2021, September 6 – 10, 2021, and September 13 –

2021.

- Ø Microsoft Office Suite Training, October 11- 15, 2022.
- Ø Enhancing Professionalism and Productivity course for Transport Officers and Drivers, December 20 – 24, 2021 and December 27 – 31, 2021.

2.1.3 INTERNATIONAL RELATIONS

2.1.3.1 Seminar on COVID-19 and Debt Dynamics, March 13, 2021 (Virtual)

The Sussex University in Brighton, United Kingdom (UK) invited WAIFEM to take part in the above seminar, which attracted a global audience. During the seminar, WAIFEM made a presentation on the impact of COVID-19 pandemic on the debt dynamics from the perspective of the ECOWAS region and other developing countries.

2.1.3.2 African Development Bank Seminar on Strengthening Institutional Capacity in Africa, March 15, 2021 (Virtual)

The Director General made a presentation at the above seminar organised by the African Development Bank. The presentation was well received and WAIFEM was commended for its role in capacity building, particularly in the African continent and beyond.

2.1.3.3 IMF/World Bank Spring Meetings (Virtual), April 5 – 10, 2021

WAIFEM had successful meetings with the IMF Statistics Department and the Institute for Capacity Development and agreed on joint programmes to be executed virtually in 2021 and first half of 2022. WAIFEM also held discussions with the World Bank in respect of the implementation of programmes outlined under the DMF III Grant No. TF0B586 proposed for the Institute.

2.1.3.4 Leadership Programme for Women Supervisors and Regulators

WAIFEM collaborated with the Toronto Centre based in Canada in the organisation of the second phase of the virtual training on Leadership. The objective of the course was to support current and aspiring women supervisory leaders to become more effective in their roles, as well as feel more empowered and better understand that the experience, skills, and perspective they offer are valuable to the success and effectiveness of their supervisory and regulatory agencies.

The course was a 12-week programme which run from April – July 2021 and targeted at women leaders in supervisory and regulatory authorities for countries in Sub-Saharan Africa.

Five (5) female participants from WAIFEM member countries attended the programme in addition to participants from another region in Africa.

2.1.3.5 World Bank Debt Management Facility (DMF) Stakeholders Forum May 24 – 26, 2021.

As the COVID-19 pandemic exacerbated existing debt vulnerabilities by causing a surge in public debt, the World Bank organised the 12th DMF forum titled “Debt Management during the Global Crisis”. The Institute participated at the Forum which fostered high level-discussions on global trends, the impact of the pandemic on debt sustainability, debt management practices during a crisis, and debt transparency. Specifically, the forum established that the pandemic has exacerbated existing debt vulnerabilities by causing a surge in public debt. It has also created new challenges for debt managers: greater uncertainty about the financial outlook, higher financing needs, changes in investor behaviour, and limited capacity to raise funds at a reasonable cost. Some countries face debt distress. Crisis management has been and remains critical. At the same time, issues surrounding debt transparency have come to the fore.

2.1.3.6 Commonwealth Small States Youth Climate Policy Boot Camp, (Virtual), May 28, 2021

The Commonwealth Secretariat in collaboration with the University of Cambridge, UK on May 28, 2021, organised a Virtual Policy Boot Camp for young people on using a policy system approach to help find solutions to specific challenges faced by Small Island Developing States (SIDS) of the Commonwealth. The Policy Boot Camp was a kind of mentorship programme for youths all over the world under the Commonwealth. One hundred and fifty youths attended the Boot Camp and twenty experts, including WAIFEM were selected from various parts of the world to guide and mentor the participants.

The Boot Camp discussed among other issues, the strengthening of Institutional capacity of governments in Small Island Developing States (SIDS) of the Commonwealth to attract sustainable finance for youth (age15-35) initiatives and to contribute to resilient economies. Both the experts and the participating youths explored these issues extensively.

2.1.3.7 Participation at the AFRITAC West 2 (AFW2) 8thSteering Committee (SC) Meeting (Virtual): June 2, 2021.

WAIFEM participated at the 8th annual Steering Committee (SC) meeting of the AFRITAC West 2 (AFW2) that was held virtually on June 2, 2021 under the chairmanship of Mr. Michael Ayesu, Director of External Resource Mobilization, of the Ministry of Finance, Ghana.

The steering committee meeting emphasised partnership between AFW2, membership countries, developing partners and other stakeholders. Ms. Eva Jenkner of the IMF was introduced as the new Centre's director to replace Mr. Oral H. Williams, whose tenure was about to end.

2.1.3.8 WAIFEM's presentation on Sovereign Debt Scoping Forum meeting of the Financial Markets Law Committee (FMLC) United Kingdom.

On June 15, 2021, WAIFEM made a presentation on Sub-Saharan Africa's Debt Dynamics: Emerging Trend at the Scoping Forum of the Financial Market Law Committee UK. The presentation was at the invitation of the African Legal Support Facility of the African Development Bank and the Financial Market Law Committee.

The FMLC Scoping Forums function as focus groups on legal issues affecting specific sectors of the financial markets. The forums are also spaces for discussion of broader issues of legal uncertainty. Members discuss and clarify issues that might cause substantive legal uncertainty in their industry sector and then submit them to the FMLC for further analysis

2.1.3.9 Preliminary meeting with Gates foundation.

On June 20, 2021, the Institute had a first round meeting with the Gates Foundation and discussed the possibility of supporting human development in West Africa. There was positive indication, however, the next round of meeting was fixed for August 16, 2021.

2.1.3.10 The World Bank Grant Agreement

On June 12, 2021, the World Bank approved the Debt Management Facility (DMF) III Grant No. TF0B586 to WAIFEM totaling five hundred and thirty-eight thousand one hundred and twelve United States Dollars (USD 538,112). The Director General counter-signed the Letter of Agreement on behalf of WAIFEM on June 14, 2021.

The DMF III was conceived as a capacity building facility to help strengthen debt management capacity and debt transparency pillars. Activities covered under the DMF III are Application of the Debt Management Performance Assessment (DeMPA) tool, Design of Debt Management Reform Plans, Development of Debt Management Strategies (DMS), advisory services on the relevant legal and governance arrangements that promote efficiency, operational resilience across debt management functions, and debt transparency, Debt Sustainability Analyses, Capacity Building in Risk Management, Debt-related contingent liabilities and fiscal risks, and debt monitoring, and reporting among others.

2.1.3.11 Participation at the African Development Bank (AfDB) Group, Seminar on Policies for Enhancing Resilience and Transparency in Public and Private Finance Management in Post COVID-19, September 7 & 8, 2021

WAIFEM participated and made presentation at the above Seminar. The Seminar was organised by the African Development Bank Group, through its African Development Institute, as part of Global Community of Practice (GCoP) in which the Bank respond to the impacts of COVID-19 pandemic on Africa's fiscal health. The seminar was also organised as part of the African Development Bank's commitments to its shareholders, as documented in its Bank Group's 7th General Capital Increase (GCI-VII) 2019, expressing the need for enhanced capacity development to improve public financial management in the Regional Member Countries.

2.1.3.12 Annual Meetings of the IMF/World Bank, (Virtual), October – 11 -15, 2021

During the IMF/World Bank Annual meetings held in Virtual format WAIFEM had bilateral meetings with two departments of the IMF and the World Bank to strengthen the technical cooperation among the respective institutions and to solicit additional joint capacity building programmes for WAIFEM and the ECOWAS region in general.

i). IMF Institute for Capacity Development (ICD)

WAIFEM had meeting with the Institute for Capacity Development (ICD) of the IMF on October 13, 2021. The two Institutions agreed to collaborate in organising the course on Macroeconomic Diagnostic in year 2022.

ii) Statistics Department

The meeting with the Statistics Department was held on October 12, 2021. The statistics department and WAIFEM reached agreement to run the following courses in 2022.

I. Price Statistics (PRS);

ii. International Transactions in Remittances (ITRS); and

iii. Balance of Payments Statistics.

Additionally, WAIFEM discussed the possibility of collaborating with the IMF to run a course on Legal Aspect of Central Banking. In this regard, some preliminary discussion has commenced, and we are yet to firm up the details.

2.1.3.13 Stakeholder Consultation Meeting on the Establishment of Public Finance Management Academy (PFMA) for Africa, December 10, 2021

On December 10, 2021, WAIFEM participated at the above meeting. The meeting was organised, following the African Development Bank's Board of

Directors approval to two major strategies and an action plan that set the frameworks and implementation actions for the Bank Group on public finance and debt sustainability management in Africa. The objective of the strategies was to broaden and deepen collaboration with partners, including the International Monetary Fund (IMF), World Bank, and important regional and bilateral agencies such as WAIFEM and national institutions to provide coordinated support to regional member countries for more proactive, efficient, and prudent management of private and public finances to achieve sustainable macro-economic policy management, tailored to each country's unique needs.

2.1.4 ONLINE CHALLENGES.

2.1.4.1 Zoom Fatigue

The Zoom platform, along with other video services, has been the lifeline the Institute used for delivery of training activities over the last one year. However, we have observed that the initial thrill of seeing on-line training (seeing distant colleagues on videos etc.) has given way to fatigue, anxiety, and distraction as well as many participants struggling to stay engaged. As we all know when participants meet, in the classroom, they have opportunities to adjust how and where they sit so that they can be more comfortable, relative to the speaker and other participants, as well as to screens and whiteboards. That control goes away in an on-line training when one is tethered to his/her screen at a specific distance and is compounded by the lack of control over his/her physical surroundings, which are often shared with family, or in offices.

This level of disconnection is worrying for programme effectiveness but is especially more concerning for the success of training activities.

The dominant complains during wrap up of many programmes are pain in the neck, shoulders, arms, and the back. The internet fatigue has led to short absenteeism among some participants.

2.1.4.2 Working tools (computer)/ available software synchronization

Most official laptops have security policy/Not allowed to save to USB Drives. In addition, many organizations do not allow modems to be used to connect to a computer, as this could be used by an external user to gain access to the network. As a result, most course participants ended up using their personal computers some of which have issues.

2.1.4.3 Internet connectivity challenges.

Many participants are not well equipped with a high internet connection that is required for online learning. Due to this, they face problems in going live for virtual learning and other platforms that require internet connection. They face technical issues such as slow internet connection, poor audio, or video during an online class; Internet doesn't work in certain areas, difficulty in accessing uploaded materials etc. All these issues affect live sessions.

2.1.4.4 Workplace learning gets pushed down the list of priorities.

The most common challenge in training in the office is lack of full concentration. Participants are often disrupted by being called upon to attend to “urgent work”. Once interrupted, they find it difficult to catch up with issues that they missed.

2.1.5 OUTLOOK FOR 2022

The Institute has advanced on the zoom platform and developed human resource capacity for the seamless delivery of training programmes virtually. Furthermore, WAIFEM will continue to foster close collaboration with development partners through the joint organisation of training programmes with the IMF, World Bank and MEFMI among others to promote cost effectiveness in service delivery.

We are already discussing with the ACBF, the ADB, Crown Agents, World Bank, and the IMF, to seek funding and partnership to provide rapid reaction capacity building that will allow for a more agile support as soon as gaps are identified

WAIFEM will continue to roll out the planned training programmes through virtual and blended platforms and resume face-to-face training at national and regional levels in not distant future, subject to approval by the Board of Governors.

WAIFEM COUNTRIES ECONOMIC REPORTS

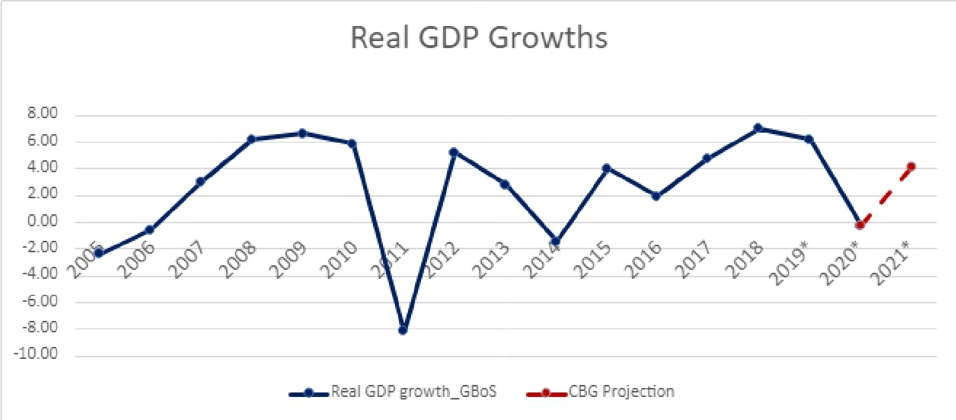
3.0 WAIFEM COUNTRIES ECONOMIC REPORTS

3.1 THE GAMBIA

3.1.0 Overview of The Gambian Economy

According to The Gambia Bureau of Statistics (GBoS), the Gambian economy was estimated to have contracted by 0.2 percent in 2020, lower than the 6.2 percent growth registered in 2019. The contraction in real GDP growth in 2020 could be attributed to the impact of the COVID-19 pandemic whose episodes the world is still witnessing

***Chart 1*: Real Gross Domestic Product (RGDP) growth**



Source: GBOS, MoFEA, and CBG

The COVID-19 pandemic hit economies harder in 2020 relative to 2021 due largely to the stringent measures adopted to curb the spread of the virus. However, this was counteracted by fiscal and monetary policy measures that mitigated the impact on the Gambian economy. Consequently, the IMF estimated growth to rebound to 4.9 percent in 2021 and 6.0 in 2022, predicated on anticipated vaccine rollout and a return to normal economic activity (tourism).

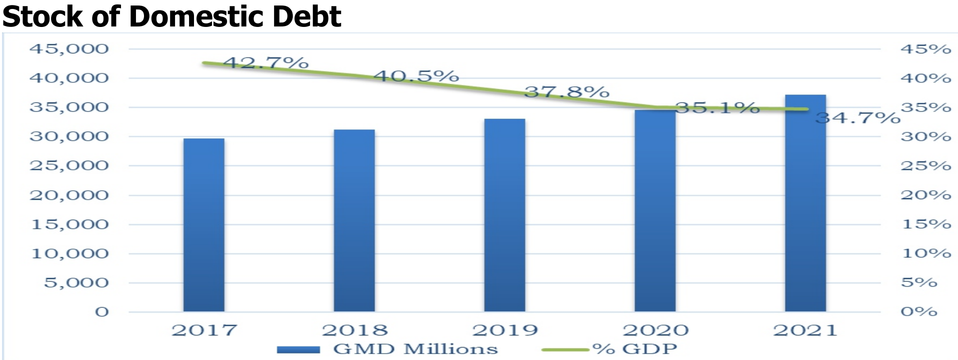
GDP per capita has remained very low, averaging below $780 from years 2013 –2019. The GDP per capita was estimated at $810.1 in 2020, and $830.0 in 2021. Historically, its growth rate has proven low and volatile. It grew by 1.7 percent in 2020 and was estimated to grow by 5.4 percent in 2021, assuming continuous improvement in the pandemic situation.

DOMESTIC DEBT STATISTICS IN 2021 REVEALED:

3.1.1 Domestic Debt Stock & its distribution

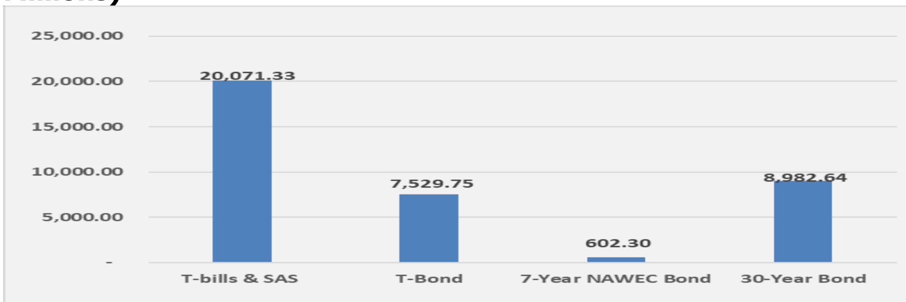
The domestic debt stock as at end December 2021 shows an increase of D2.64 billion from 2020 to D37.19 billion due mainly to increase in bond issuance. The widened fiscal deficit resulted in a more pronounced domestic borrowing through bonds to finance government operations during the year as well as reprofiling the debt structure. Total bonds issued in 2021 amounted to D4.3 billion against a maturity of D631 million compared to D3.11 billion against a maturity of D2.21 billion in 2020.

Stock of Domestic Debt



In line with the debt management strategy of gradually substituting short-term securities for longer-term maturities, the issuance of short-term securities contracted by 2.11 percent or D433.15 million from 2020 in favour of T-bonds. As a result, the share of short-term debt dropped from 59.3 percent of domestic debt in 2020 to 54.0 percent in 2021.

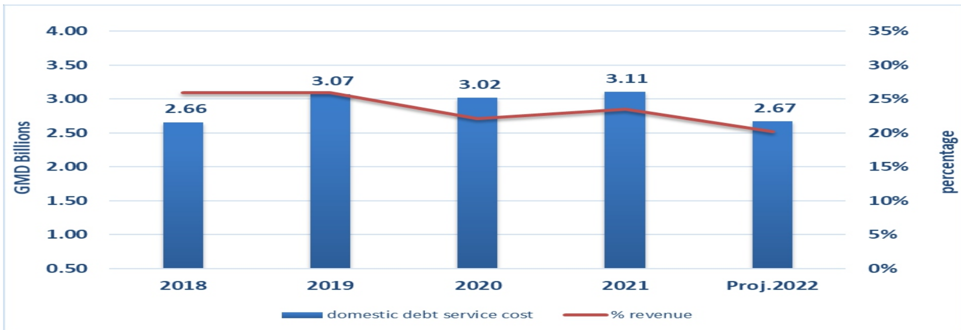
Domestic Debt stock by instrument as at end December 2021 (in GMD Millions)



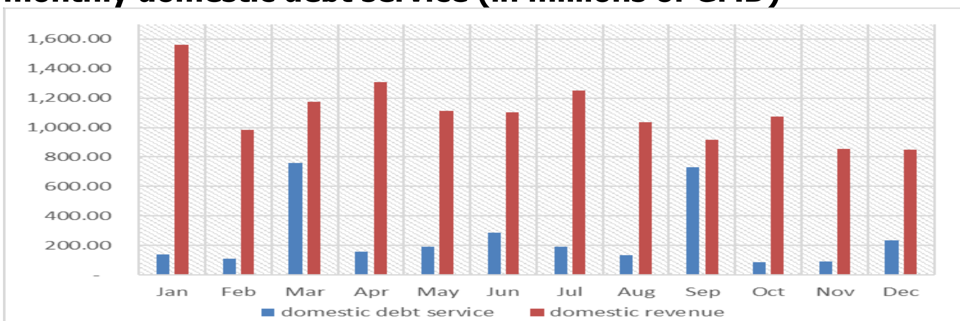
3.1.1.1 Domestic debt service payments

Domestic debt service for 2021 amounted to D3.11 billion (23.51 percent of domestic revenue) compared to D3.02 billion (22.07 percent of domestic revenue) in 2020. This represents an increase of D89.57 million. However, 2022 debt service is projected to drop to D2.67 billion (with assumption of no new bond issuance in the first half).

Domestic Debt Service cost



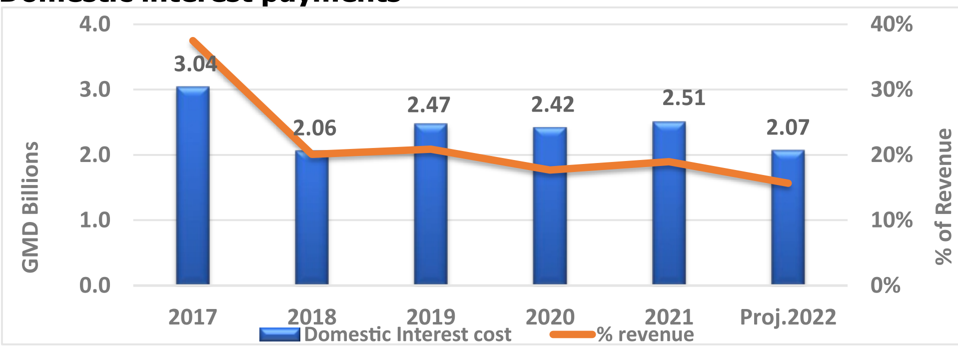
monthly domestic debt service (in millions of GMD)



3.1.1.2 Domestic interest payments

Domestic interest expense in 2021 was D2.51 billion or 18.97 percent of domestic revenue relative to D2.42 billion (17.69 percent of revenue) in 2020. Interest payment for 2022 is projected at D2.07 billion lowers than the D2.51 billion paid in 2021.

Domestic interest payments

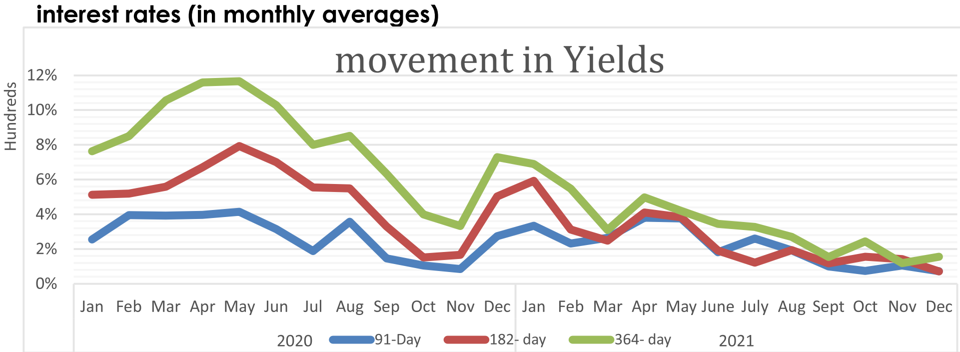


3.1.1.3 Government domestic borrowing

Domestic Gross borrowing (DGB) in 2021 slightly dropped to D26.42 billion from D27.93 billion in 2020 due to lower maturities. All net borrowings in 2021 were made through bonds (3 and 5 years).

From January 2021, the yields on all short-dated government securities continue a downward trend. The yield on the 91-day T-bills declined from 3.35 percent in January 2021 to 0.72 percent in December 2021. Similarly, the 182 and 364-day yields dropped by 5.22 and 5.34 percentage points respectively over the same period. Generally, the decline in the T-bills rates is because of an increase in liquid cash within the banking system resulting from the Bank's loose monetary policy stance. This led to an increase in demand for short-term government securities which was not matched by supply.

interest rates (in monthly averages)



Summary of Monetary Developments

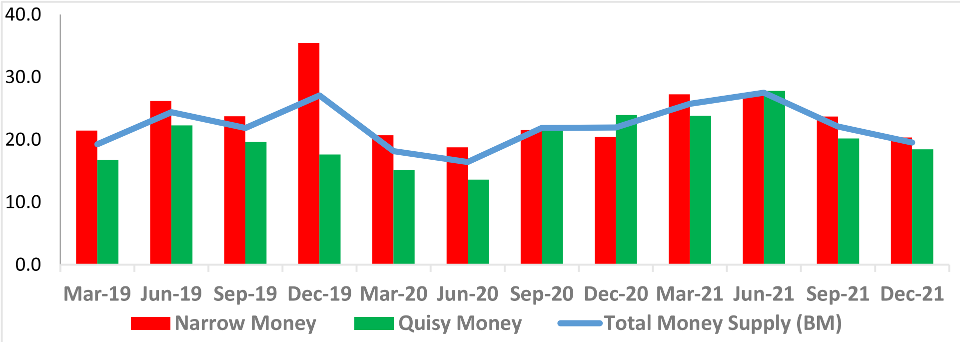
Key Monetary Aggregates									
Variable	Level (Millions)		Annual % changes					Quarterly % Changes	
	Q4,2020	Q4,2021	20-Dec	21-Mar	21-Jun	21-Sep	21-Dec	21-Sep	21-Dec
NFA (Banking Sector)	24329.54	28952.97	45.0	57.6	48.9	22.5	19.0	1.5	10.9
NDA (Banking Sector)	27958.35	33540.86	7.2	7.2	13.8	21.7	20.0	4.1	4.4
BROAD MONEY	52287.89	62493.83	22.0	25.7	27.5	22.1	19.5	2.9	7.3
Narrow Money	29140.61	35072.83	20.4	27.2	27.3	23.7	20.4	1.9	9.2
Quasi-money	23147.28	27421.00	23.9	23.8	27.8	20.2	18.5	4.1	4.9
Claims on Gov`t, net	25416.90	31609.68	6.5	8.8	11.0	17.0	24.4	3.2	11.0
Claims on Public Entities	67.81	280.54	-25.4	-28.2	-4.2	183.8	313.7	73.5	66.0
Claims on Private Sector	7792.11	9408.42	0.8	8.4	5.7	8.9	20.7	2.5	12.6
Reserve Money	18594.82	21124.26	33.9	32.4	31.1	24.0	13.6	6.1	-1.3

Source: CBG staff estimates

3.1.2 Annual Money Supply Growth

Money supply grew marginally to 19.5 percent at end-December 2021 compared to 22.0 percent in the corresponding period a year earlier. The moderate growth in broad money was driven largely by a significant decrease in the net foreign assets (NFA) of the banking system. Quarter-on-quarter, money supply grew significantly by 7.3 percent in the last quarter of 2021 compared to the 2.9 percent growth in the previous quarter.

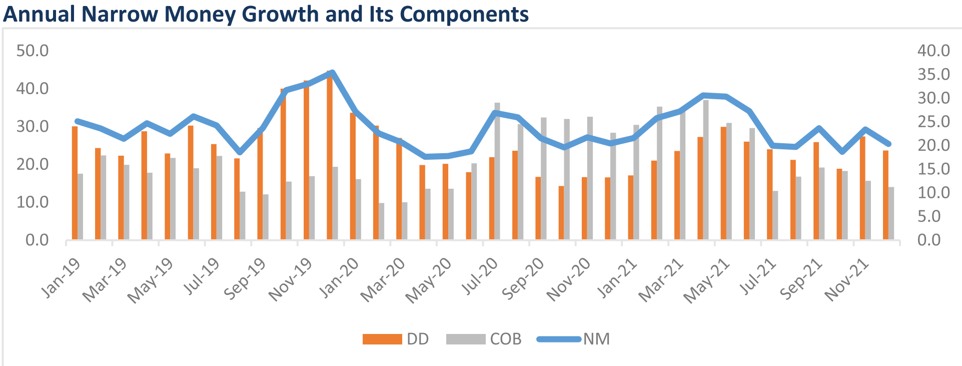
Annual money supply growth rate



Source: CBG staff estimates

Of the components of money supply, narrow money (M1) grew by 20.4 percent at end-December 2021, unchanged from the growth recorded in the corresponding period in 2020. The demand deposit expanded by 23.7 percent in the review period compared to 16.6 percent in a year earlier while currency outside banks grew by 14.1 percent lower than the 28.4 percent growth in the corresponding period a year ago.

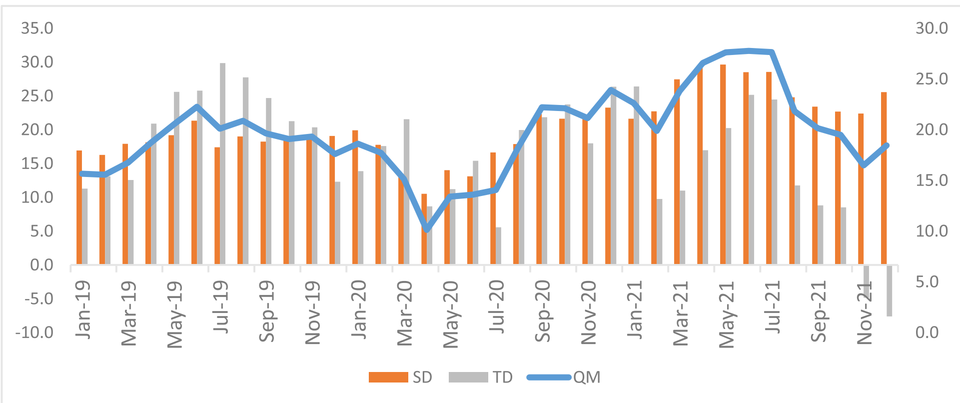
Annual Narrow Money Growth and Its Components



Source: CBG staff estimates

Growth in Quasi money moderated to 18.5 percent as of end-December 2021 relative to 23.9 percent the same period a year ago. Of the components of quasi money, savings deposits grew by 25.6 percent higher than the 23.3 percent growth a year ago while growth in time deposits contracted markedly by 7.6 percent in December 2021 from a growth of 26.4 percent in the same period last year.

Chart 3: Annual Quasi Money Growth and Its Components



Source: CBG staff estimates

3.1.3 Factors Affecting Money Supply

3.1.3.1 Net Foreign Assets (NFA) and Net Domestic Assets (NDA)

The Net Foreign Assets (NFA) of the banking system rose to D29.0 billion or by 19.0 percent as at end-December 2021 from D24.3 billion, in the same period a year ago. The growth in the NFA of the banking system could be explained by the marked increase in the NFA of the central bank.

At end-December 2021, Net Foreign Assets (NFA) of the Central Bank grew by 24.1 percent to stand at D17.1 billion compared to D13.8 billion in the corresponding period. The expansion in net foreign asset position of the Bank was induced by the increase in foreign assets. Foreign assets of the Bank increased to D29.1 billion or by 52.1 percent in December 2021 from D19.1 billion a year earlier.

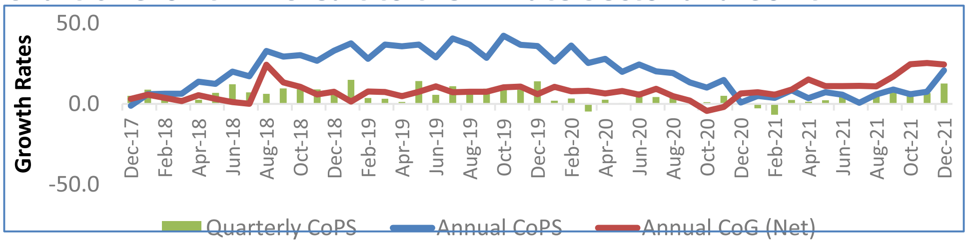
Similarly, the NFA of deposit money banks grew by 12.3 percent to D11.8 billion, significantly lower, than the 26.9 percent growth recorded in December 2020. This could be attributed to a significant increase in the foreign liabilities of banks which more than off-set the marginal increase in its foreign assets. Foreign assts grew by 18.6 percent on account of increase in deposits with foreign banks while foreign liabilities expanded by 68.7 percent due largely to borrowings from foreign banks.

3.1.3.2 Net Domestic Assets (NDA)

In the year to end-December 2021, the NDA of the banking system at D33.5 billion rose by 20.0 percent attributed largely to increase in government borrowings from the banking system. Net claims on government increased significantly by 24.4 percent in the review period relative to a marginal growth of 6.5 percent a year ago and accounting for 76.5 percent of total domestic credit.

Growth in private sector credit picked up significantly to 20.7 percent at end-December 2021, relative to 0.8 percent at end-December 2020. This signifies a return to normalcy and confidence in private sector lending as banks were reluctant during the height of COVID-19 pandemic Quarter-on-quarter, growth accelerated 12.6 percent in the December quarter from 2.5 percent in the September quarter.

Chart 6: Growth in Credit to the Private Sector and Gov't



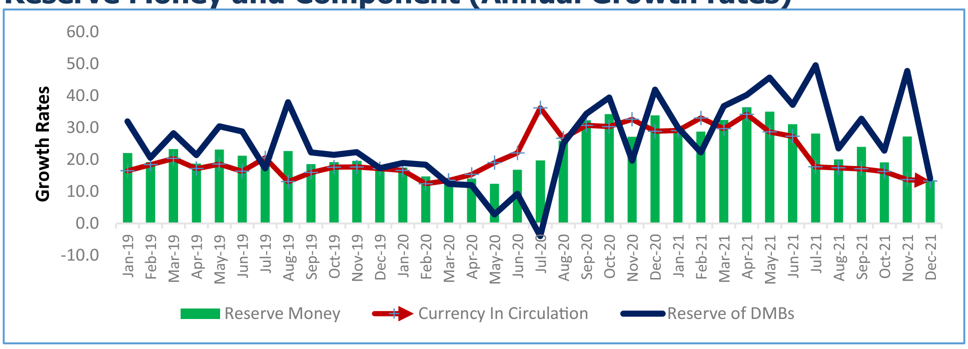
Source: CBG staff estimates

Year-on-year, the flow of credit to some of the key economic sectors during the review period indicated that agriculture, transportation, and tourism contracted by 91.3 percent, 49.8 percent, and 24.0 percent respectively. However, credit to building and construction, financial institutions, energy, and the distributive trade sector surged by 50.6 percent, 38.7 percent, 66.8 percent, and 12.9 percent respectively.

3.1.3.3 Growth in Monetary Base

Reserve money growth, the Central Bank's operating target, significantly slowed to 13.6 percent at end-December 2021, from 33.9 percent recorded in the corresponding period a year earlier. Quarter-on-quarter, reserve money contracted by 1.3 percent in December 2021 compared to 6.1 percent growth registered in September 2021.

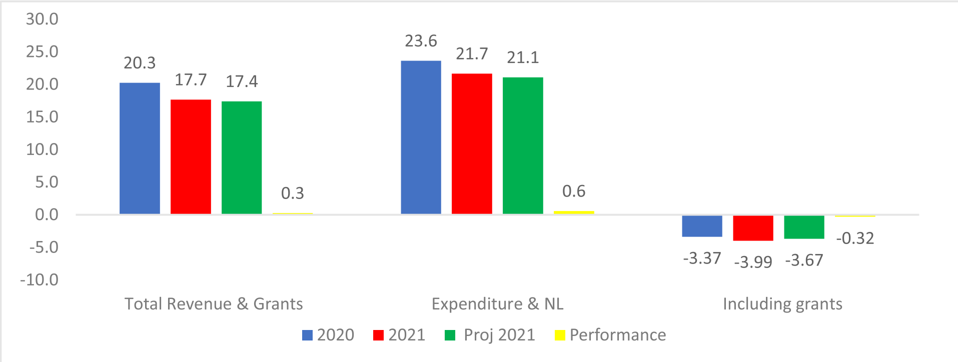
Reserve Money and Component (Annual Growth rates)



Source: CBG staff estimates

Both components of reserve money registered slow growth during the period under review. Growth in currency in circulation slowed to 13.3 percent, from 28.9 percent recorded a year ago. Similarly, growth in reserves of deposit money banks decelerated to 14.1 percent from 41.9 percent growth recorded a year ago. Quarter on quarter, reserves of deposit money banks contracted by 14.1 percent, while currency in circulation grew by 10.1 percent in the review quarter of 2021.

Overview of Fiscal Data



3.1.3.4 Fiscal operations in 2021

Provisional data on Government fiscal operations for 2021 showed an overall budget deficit (including grants) of D4.0 billion (3.8 percent of GDP) compared to D3.4 billion (3.6 percent of GDP) in the corresponding period of 2020. This represents an 18.4 percent increment attributed to a 12.7 percent contraction in revenue and grants that neutralized the decline in government spending. The projected amount is D0.3 billion less than the outturn for the year.

The overall budget deficit (excluding grants) was D0.3 billion more than the amount projected for the year. The deficit (excluding grants) narrowed to D6.4 billion (6.0 percent of GDP) in 2021 from a deficit of D11.3 billion (12.0 percent of GDP) in the corresponding period of the previous year. The improvement is explained by an 8.3 percent decline in expenditure and net lending.

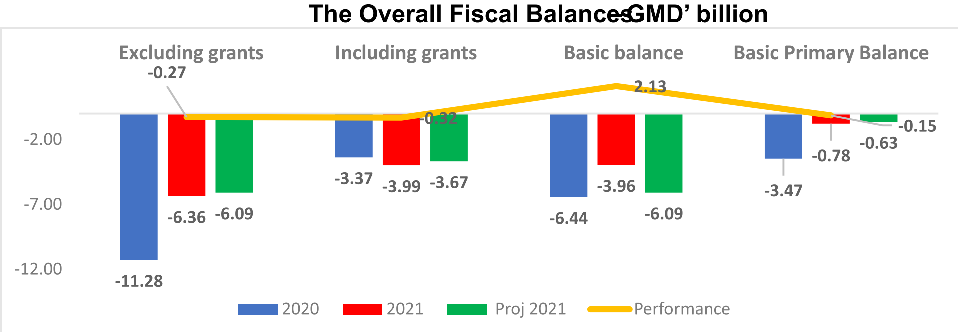
The Overall Budget Balance

	GMD' million		% of GDP		Y-o-Y %		
Overall balance	2020	2021	2020	2021		Proj 2021	Performance
Excluding grants	-11277.1	-6362.2	-12.0	-6.0	-43.6	-6087.4	-274.8
Including grants	-3369.6	-3989.2	-3.6	-3.8	18.4	-3673.4	-315.7
Basic balance	-6439.6	-3959.0	-6.8	-3.7	-38.5	-6087.4	2128.4
Primary Balance	-3472.7	-779.3	-3.7	-0.7	-77.6	-632.2	-147.1
CBG Financing	-881.8	1083.3	-0.9	1.0	-222.8		

Source: MOFEA & ERD CALCULATION

The deficit in the basic and primary balances narrowed during the review period. The deficit in the basic balance narrowed from D6.4 billion (6.8 percent of GDP) in 2020, to D4.0 billion (3.7 percent of GDP) in 2021. This was attributed to a 50.3 percent decline in externally financed capital expenditure. Furthermore, the deficit in the primary balance also improved to D0.8 billion (0.7 percent of GDP) in 2021 from D3.5 billion (3.7 percent of GDP) in 2020. The improvement of the primary balance was explained by the increase in domestic revenue.

The Overall Fiscal BalancesGMD' billion



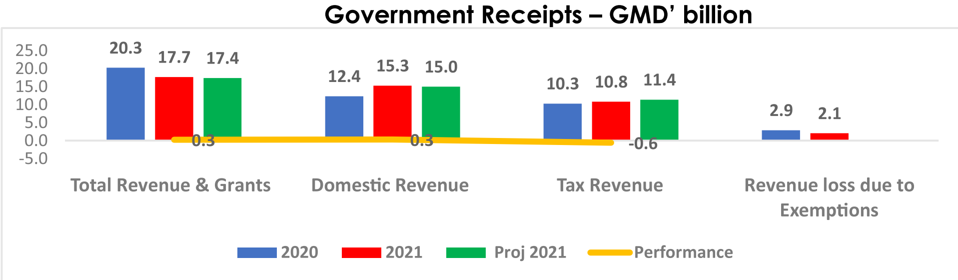
Source: MOFEA & ERD CALCULATION

Central Bank's financing of the government's fiscal deficit has increased during the period under review, partly attributed to the increase in CBG holding of government T bill. Net borrowing from the Bank increased to a net borrowing of D1.1 billion (equivalent to 1.0 percent of GDP) in 2021 compared to a net repayment of D0.9 billion (equivalent to 0.9 percent of GDP) in the same period last year.

3.1.3.5 Revenue and Grants

Total revenue and grants mobilized in 2021 totaled D17.7 billion (16.6 percent of GDP), lower than D20.3 billion (21.5 percent of GDP) registered in the corresponding period a year ago, representing a decline of 12.7 percent. Revenue and grants was more than the projected amount by D0.3 billion. The decline in revenue and grants was largely due to a decline in grants in the review period. The spike in revenue and grants in 2020 was partially explained by Covid -19 related funds received during the period. In 2019 revenue and grants amounted to D16.7 billion.

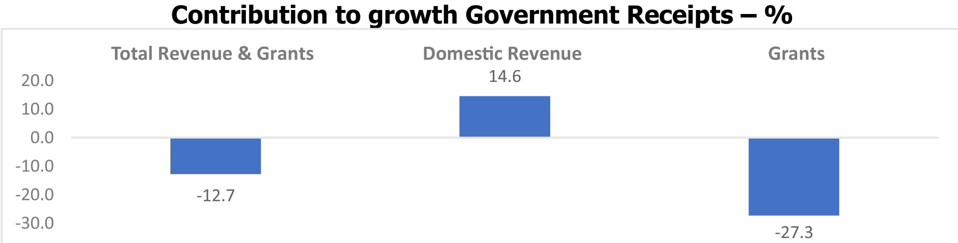
Government Receipts – GMD' billion



Source: MOFEA & ERD CALCULATION

Similarly, domestic revenue stood at D15.3 billion (14.4 percent of GDP) in 2021 relative to D12.4 billion (13.1 percent of GDP) in 2020 and it is above the projected amount by D0.3 billion. The increase in domestic revenue was attributed to a 120.2 percent increment in non-tax revenue. Domestic revenue accounts for 86.6 percent of revenue and grants.

Contribution to growth Government Receipts – %

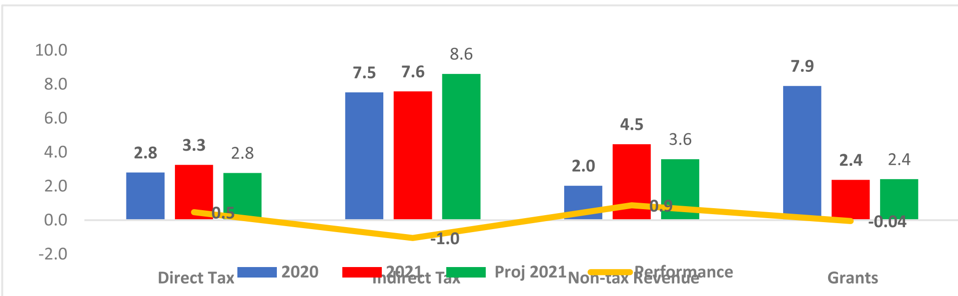


Source: MOFEA & ERD CALCULATION

Tax revenue increased to D10.8 billion (10.2 percent of GDP) in 2021, compared to D10.3 billion (11.0 percent of GDP) in the corresponding period of 2020, or by 4.9 percent. This was lower than the D11.4 billion projected for the twelve months of 2021 by D0.6 billion. Revenue from indirect taxes slightly increased to D7.6 billion or by 0.8 percent. Of the components, indirect taxes, domestic tax on goods and services declined by 3.0 percent while international trade tax rose by 2.6 percent. Furthermore, direct tax revenue grew to D3.3 billion or by 16.1 percent. Of the components of direct tax, personal and corporate taxes grew by 16.0 percent and 12.2 percent to D1.1 billion and D1.9 billion respectively. Direct tax accounts for 21.3 percent of domestic revenue but contributes 3.6 percent to the growth of domestic revenue.

Similarly, non-tax revenue increased to D4.5 billion, or by 120.2 percent during the period under review, and accounted for 25.3 percent and 29.2 percent of revenue and grant and domestic revenue respectively.

Components of Government Receipts – GMD' billion



Source: MOFEA & ERD CALCULATION

	GMD' million		% of GDP		Y-o-Y % Δ	Proj 2021	Performance
RECEIPTS	2020	2021	2020	2021			
Total Revenue & Grants	20,266.2	17,683.1	21.5	16.6	-12.7	17,418.7	264.4
Domestic Revenue	12,358.7	15,310.1	13.1	14.4	23.9	15,004.7	305.4
Tax Revenue	10,325.6	10,832.9	11.0	10.2	4.9	11,405.9	-573.0
Direct Tax	2,803.4	3,254.0	3.0	3.1	16.1	2,785.8	468.2
Personal	942.8	1,093.3	1.0	1.0	16.0	1,026.1	67.2
Corporate	1,713.4	1,922.1	1.8	1.8	12.2	1,611.8	310.3
Indirect Tax	7,522.3	7,578.9	8.0	7.1	0.8	8,620.1	-1,041.2
Domestic Tax on gds & svs	2,453.5	2,378.8	2.6	2.2	-3.0	2,726.8	-348.0
Tax on Int'l. Trade	5,068.8	5,200.1	5.4	4.9	2.6	5,893.3	-693.2
Duty	2,588.1	2,802.9	2.7	2.6	8.3	2,960.6	-157.6
Sales tax on imports	2,480.7	2,397.1	2.6	2.3	-3.4	2,932.7	-535.5
Non-tax Revenue	2,033.0	4,477.1	2.2	4.2	120.2	3,598.8	878.4
Grants	7,907.5	2,373.1	8.4	2.2	-70.0	2,414.0	-40.9
Program	5,284.0	1,407.2	5.6	1.3	-73.4	0.0	1,407.2
Projects	2,623.5	965.8	2.8	0.9	-63.2	0.0	965.8
Revenue loss due to Exemptions	2,920.2	2,062.1	3.1	1.9	-29.4		

2021 from D7.9 billion (8.4 percent of GDP) a year ago. The decrease in grants is mainly caused by a fall in the program grants by 73.4 percent to D1.4 billion (1.3 percent of GDP) relative to D5.3 billion (5.6 percent of GDP) in the same period last year. Revenue loss due to exemptions declined by 29.4 percent to D2.1 billion (1.9 percent of GDP) in the twelve months of 2021 compared to D2.9 billion (3.1 percent of GDP) registered in the same period last year.

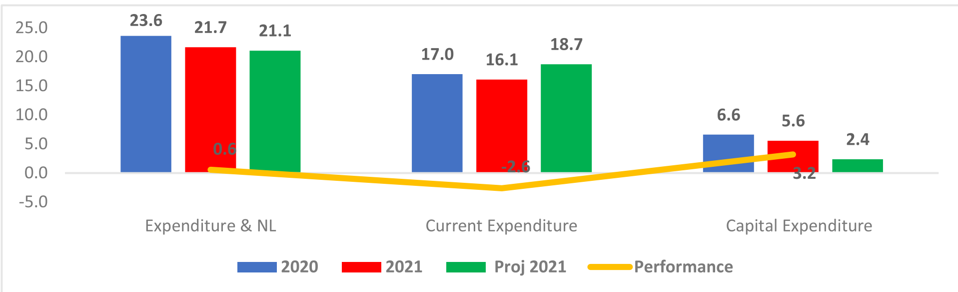
Revenue and Grants

Source: MOFEA & ERD CALCULATION

3.1.3.6 Expenditure and Net Lending

Expenditure and net lending declined to D21.6 billion (20.4 percent of GDP) or by 8.3 percent in 2021. This was due to a decline in both recurrent expenditure and capital expenditure by 5.5 percent and 15.6 percent respectively in the review period. Expenditure and net lending accounted for 141.6 percent of domestic revenue.

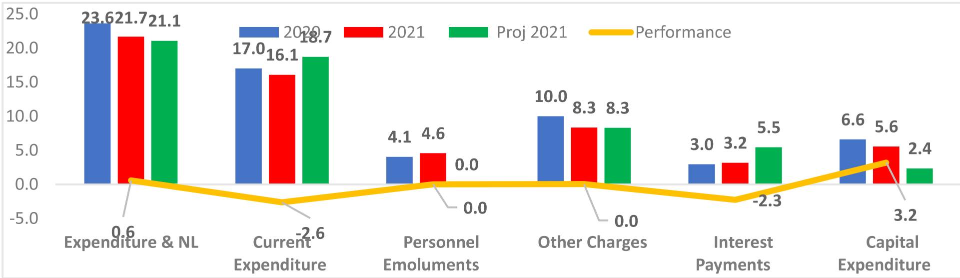
Expenditures and net lending in billions



Source: MOFEA & ERD CALCULATION

Recurrent expenditure decreased to D16.1 billion (15.2 percent of sGDP) in 2021 from D17.0 billion (18.1 percent of GDP) in 2020, induced by a decrease in other charges (goods & services and subsidies & transfers) by 16.7 percent. Interest payments, however, increased by 7.2 percent due to an increase in external interest payments by 29.4 percent, and a 2.1 percent increment in domestic interest payments. Interest payments accounted for 14.7 percent of total expenditure and 20.8 percent of domestic revenue.

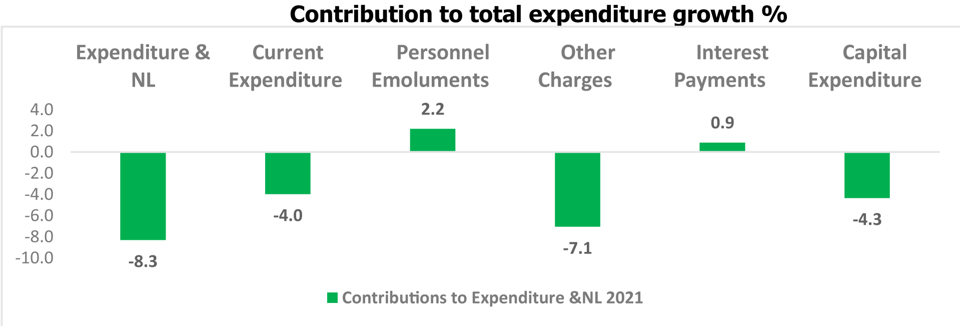
Components of Expenditures in billions



Source: MOFEA & ERD CALCULATION

Similarly, personnel emoluments rose by 12.8 percent to D4.6 billion in 2021 and accounted for 21.1 percent of total expenditure and 29.9 percent of domestic revenue. During the review period, recurrent expenditure accounted for 73.4 of expenditure and net lending.

Contribution to total expenditure growth %



Source: MOFEA & ERD CALCULATION

Capital expenditure declined to D5.6 billion (5.3 percent of GDP) or by 15.6 percent in 2021, from D6.6 billion (7.0 percent of GDP) in 2020. Capital expenditure accounted for 25.7 percent of expenditure and net lending. Of the components of Capital expenditure, GLF capital grew by 79.6 percent in the twelve months of 2021 while externally financed activities contracted by 50.3 percent during the review period.

Total Expenditure and Net Lending (in millions of GMD)

PAYMENTS	GMD' million		% of GDP		Y-o-Y % Δ		
	2020	2021	2020	2021		Proj 2021	Performance
Expenditure & NL	**23635.7**	**21672.3**	**25.1**	**20.4**	**-8.3**	**21092.1**	**580.2**
Current Expenditure	**17035.7**	**16098.3**	**18.1**	**15.2**	**-5.5**	**18733.0**	**-2634.8**
Personnel Emoluments	**4055.3**	**4573.2**	**4.3**	**4.3**	**12.8**	**4977.6**	**-404.4**
Other Charges	**10013.5**	**8345.3**	**10.6**	**7.9**	**-16.7**	**8300.2**	**45.1**
Interest Payments	**2966.9**	**3179.8**	**3.1**	**3.0**	**7.2**	**5455.3**	**-2275.5**
External	**548.0**	**709.3**	**0.6**	**0.7**	**29.4**	**3043.1**	**-2333.8**
Domestic	**2418.9**	**2470.5**	**2.6**	**2.3**	**2.1**	**2412.1**	**58.3**
Capital Expenditure	**6600.0**	**5574.0**	**7.0**	**5.2**	**-15.5**	**2359.1**	**3214.9**
Externally Financed	**4837.5**	**2403.2**	**5.1**	**2.3**	**-50.3**		
Loans	**2214.0**	**1437.4**	**2.3**	**1.4**	**-35.1**		
Grants	**2623.5**	**965.8**	**2.8**	**0.9**	**-63.2**		
GLF Capital	**1762.5**	**3170.8**	**1.9**	**3.0**	**79.9**		
Net Lending	**0.0**	**0.0**	**0.0**	**0.0**			

Source: MOFEA & ERD CALCULATION

Budget Balance

Table 4: Financing Sources (in millions of GMD)

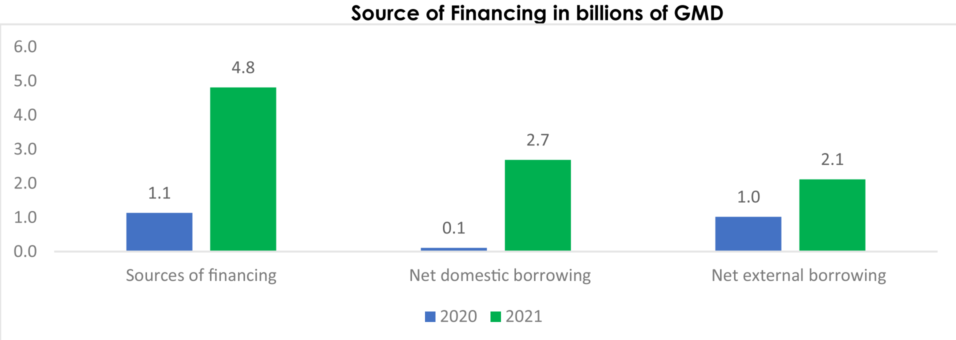
Budget Balance (In D'millions)	2020	2021	Y-o-Y % Δ	% Share of Total Financing 2020	% Share of Total Financing 2021	% contribution to Total Financing 2021
Sources of financing	1136.8	4814.4	323.5	100.0	100.0	323.5
Net domestic borrowing	112.3	2691.1	2297.2	9.9	55.9	226.8
Central Bank	-881.8	1083.3	-222.8	-77.6	22.5	172.9
Deposit Money Banks	2476.8	4350.5	75.7	217.9	90.4	164.8
Non-bank	-511.2	-497.7	-2.6	-45.0	-10.3	1.2
Net external borrowing	1024.6	2123.4	107.2	90.1	44.1	96.7
Borrowing	2214.0	2848.0	28.6	194.8	59.2	55.8
Project	2214.0	1437.4	-35.1	194.8	29.9	-68.3
Program	0.0	1410.6	#DIV/0!	0.0	29.3	#DIV/0!
Amortization	-1189.4	-724.6	-39.1	-104.6	-15.1	40.9

Source: MOFEA & ERD CALCULATION

The financing of government operations rose by 323.5percent to D4.8 billion in 2021 from D1.1 billion in the same period last year. A large proportion of the financing was sourced domestically (55.9 percent) while 44.1 percent was externally generated.

The government's net domestic borrowing increased to D2.7 billion for 2021 compared to D0.1 billion in the corresponding period last year. This is explained by a 222.8 percent increase in Central Bank net claims on the government.

Source of Financing in billions of GMD



Source: MOFEA & ERD CALCULATION

Central bank's financing of government operation showed a net borrowing of D1.1 billion in 2021 relative to a net repayment of D0.9 billion in the same period last year. Deposit Money Banks financing grew by 75.7 percent. However, Non-bank financing of government operations contracted by 2.7 percent.

3..1.4 OVERVIEW OF THE BANKING INDUSTRY

The number of banks in the industry remains the same as the previous quarter, consisting of twelve (12) banks, one (1) of which is an Islamic Bank. The industry is dominated by three (3) Large banks accounting for 52.3%; one (1) Medium bank accounting for 12.8%; and eight (8) Small accounting for the remaining 34.9% of the industry's D73.06 billion Total Assets respectively.

During the quarter under review, the industry recorded a Net Income of D452.73 million; and a Year-To-Date (YTD) Net Income of D1.27 billion. Thus, indicating an increase of 23.2% or D238.34 million compared to prior year end December 2020 YTD Net Income of D1.03 billion.

Total Assets, during the reviewed period, increased considerably by 24.2% or D14.24 billion to stand at D73.06 billion compared to the corresponding period of the prior year figure of D58.82 billion. Similarly, Capital and Reserves also increased, by 6.1% or D433.84 million to stand at D7.52 billion compared to D7.08 billion as at end December 2020.

This report highlights the overall performance of the banking industry for the quarter ended December

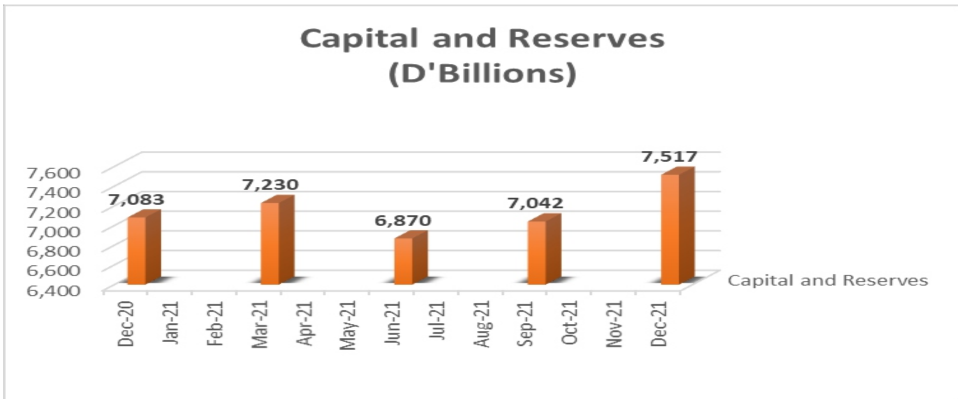
2021, compared to the previous quarters of September 2021, June 2021, March 2021, and the corresponding period a year ago (December 2020).

3.1.4.1 FINANCIAL POSITION

CAPITAL AND RESERVES

The capital and reserves of the industry stood at D7.52 billion, increasing slightly by 4.2% or D475.67 million compared to end September 2021 figure of D7.04 billion. This is due to growth in all components of Reserves (statutory, undivided profits and other reserves) from D2.17 billion in September 2021 to stand at D2.64 billion as at end December 2021.

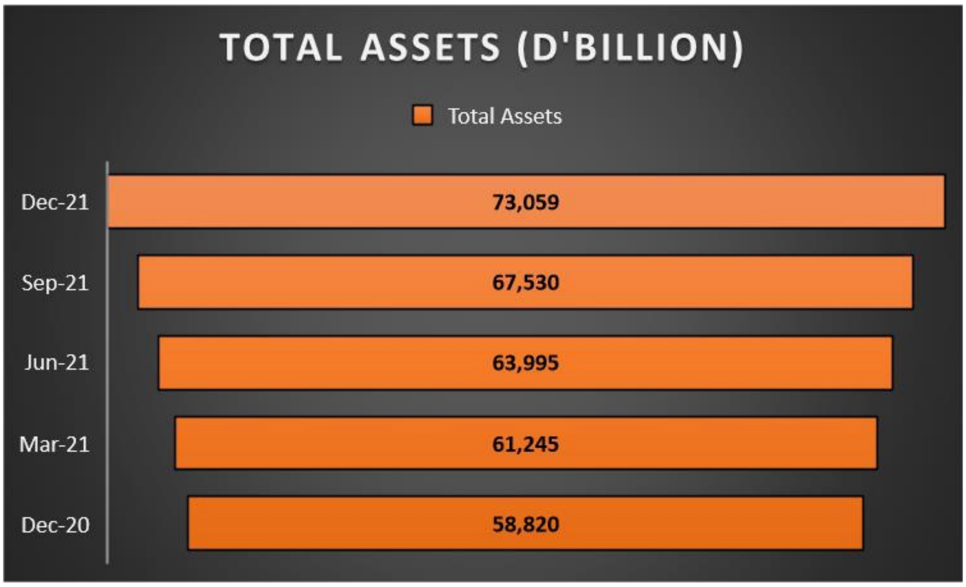
The graph below illustrates the capital and reserves of the banking industry as at end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively: -



ASSETS

The banking industry's total assets of D73.06 billion, as at end December 2021, marked a slight growth of 8.2% or D5.53 billion when compared with the previous quarter end September 2021 figure of D67.53 billion. The growth was attributed to an increase in Balances due from other banks by ▫7.1% or D1.45 billion; Government sector investment by ▫6.6% or D1.54 billion; Government sector loans and advances by ▫66.0% or D111.56 million; Private sector loans and advances by ▫14.3% or D1.14 billion; and Fixed assets (gross) by ▫ 5.0% or D246.00 million respectively.

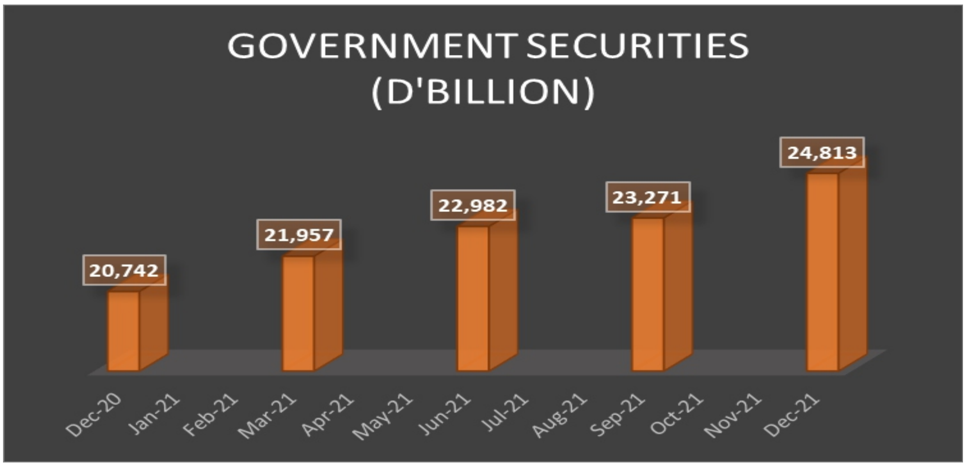
Overall, industry total assets have been on an increasing trend in the past five (5) quarters of end December 2020; March 2021; June 2021; September 2021; and December 2021. This is illustrated in the graph below from bottom-up approach ▫: -



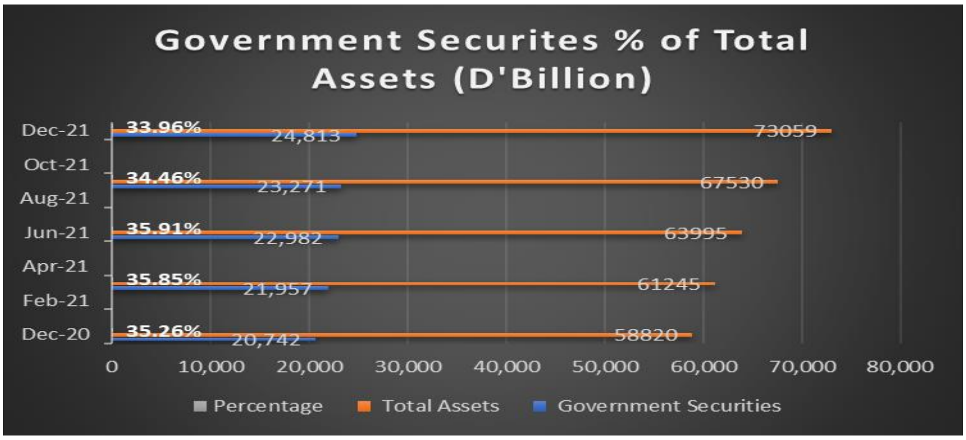
INVESTMENT SECURITIES

Investment Account Securities comprising government sector investments (i.e., treasury bills, local area council securities, parastatal debt securities and other government securities etc.); and private sector investments (debt instruments and shares) has increased by 6.6% or D1.41 billion at D25.23 billion as at end December 2021 compared to D23.82 billion as at end September 2021.

Government securities have been on an increasing trend in the past five (5) quarters of end December 2020; March 2021; June 2021; September 2021; and December 2021. This is illustrated in the graph below.



Extensively, the graph below illustrates government securities as a percentage of total assets; figures of government securities; and figures of total assets at the end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively from a bottom-up approach: -



Treasury Bills investments which form the bulk of government sector investments at 67.9% illustrates a marginal increasing trend also. Furthermore, Treasury Bills investments make 23.1% of the industry's total assets.

LOANS AND ADVANCES

Industry gross loans and advances stood at D9.36 billion as at end December 2021, representing 12.8% of the industry's total assets. In comparison, to the previous four (4) quarters, gross loans and advances continues to grow gradually and swiftly by 15.4% or D1.25 billion when compared to the previous quarter. This is presented in the graph below for the quarter ended December 2020; March 2021; June 2021; September 2021; and December 2021 respectively.

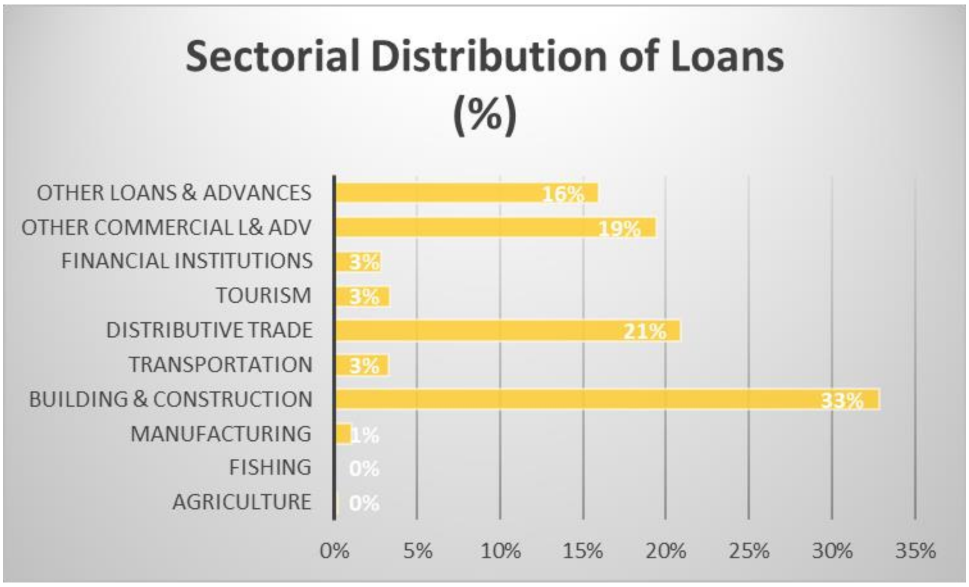
CREDIT DISTRIBUTION

Loans to the Building and construction sector continues to attract the bulk of total loan disbursements at D3.07 billion constituting 33% of the industry's total loans portfolio. It also accounts for the largest and significant share of 51% of total Non-Performing Loans (NPL) at D169.72 million as at end December 2021.

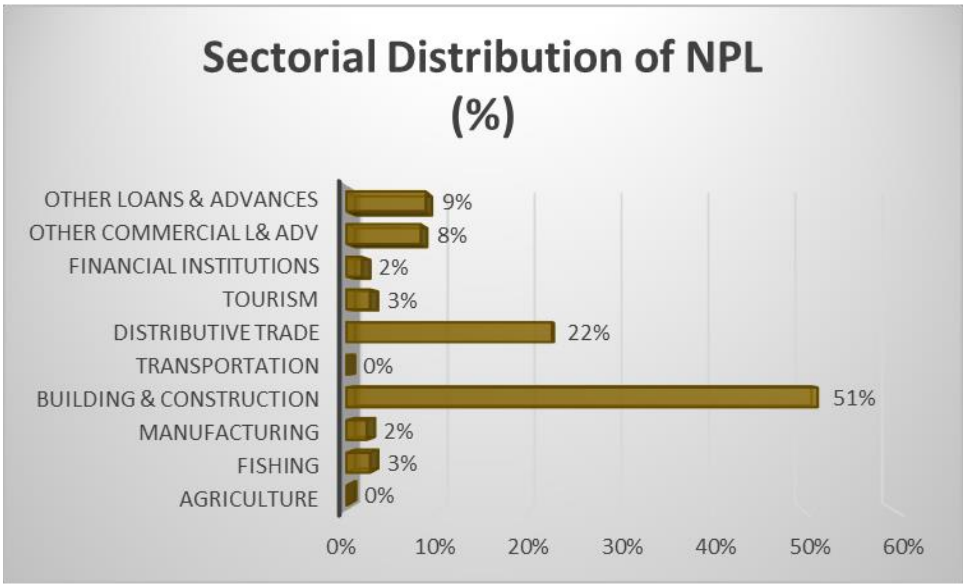
Seconded by Distributive Trade which stood at D1.96 billion accounting for 21% of total lending in end December 2021. Followed by Other Commercial Loans at D1.82 billion or 19%, and Other loans and advances D1.50 billion or 15%. The rest remain very low such as Tourism, Agriculture, Financial institutions, Transportation, Manufacturing, and Fishing. These sectors need to be in line with other sectors in creating more jobs to spur economic growth for the country.

A detail illustration of the banking industry's sectorial distribution of loan and NPL over the past four (4) quarters and the quarter under review is attached under Appendix 1.

The graph below illustrates detail distribution of credit amongst the major economic activities in the banking industry for the quarter under review (end December 2021).



Extensively, the graph below illustrates detail sectorial distribution of NPLs amongst the major economic activities for the quarter under review (end December 2021).



LIABILITIES

DEPOSITS

Total Deposits at D51.01 billion and representing 69.8% of industry total liabilities as at end December 2021. Thus, the largest/main source of funding for banks. The loan to deposit ratio increased slightly at 18.4% compared to 16.9% in the previous quarter (end September 2021); and at 17.5% in the corresponding period of the prior year (end December 2020) respectively. It should be noted that, there are some banks with very low financial intermediation, hence affecting the ratio.

Demand deposits continues to form the major chunk of total deposits by 46.2%, followed closely by Savings deposit at 43.4%, and Time deposit at 9.0% respectively at as at end December 2021. The has also been the trend for the past four (4) quarters as per presented in the graph below for the quarters ended December 2020; March 2021; June 2021; September 2021; and December 2021 respectively.

FINANCIAL PERFORMANCE

3.1.4.2 INCOME

The banking industry's quarter end net income of D452.73 million, as at end December 2021, marked a significant increase of 88.8% or D212.90 million compared to end September 2021 figure of D239.83 million. Similarly, the YTD net Income at D1.27 billion also indicates an increase of 23.2% or D238.34 million compared to prior year end December 2020 YTD figure of D1.03 billion.

Nonetheless, quarter end Interest income from securities (Treasury bills and Other Government Securities) decreased slightly by or -1.2% or (D4.11 million). Despite an increase of 6.6% or D1.54 billion. This can be attributed to the declining rate of treasury bills over recent periods.

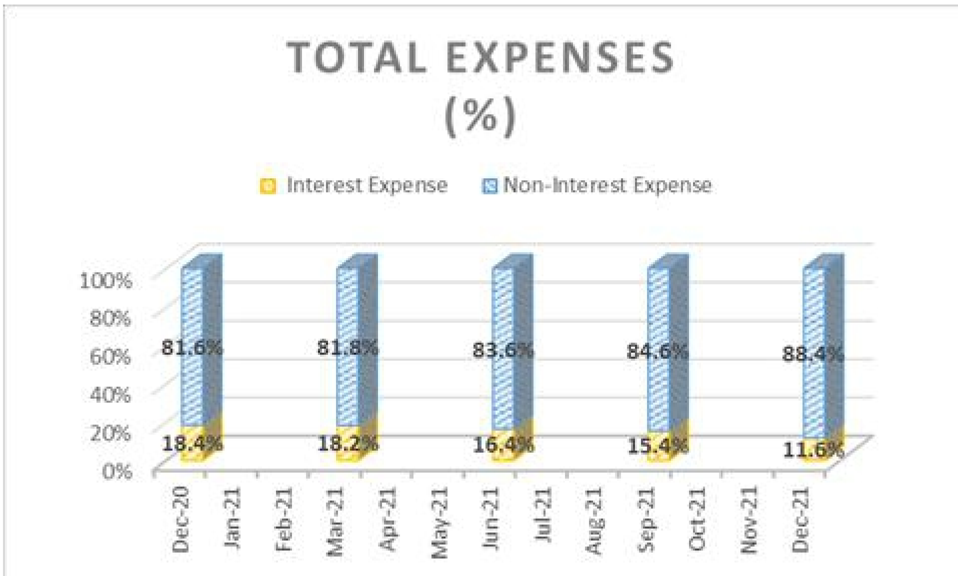
The graph below presents the YTD net income of the banking industry whist highlighting the portion of quarter end net income as at end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively.

3.1.4.3 EXPENSES

The banking industry's total expenses stood at D942.37 million as at end December 2021. Non-Interest expense at D832.72 million forms the major chuck at 88.4% for the quarter under review. On the other hand, Interest expense at D109.65 million forms 11.6% of total expenses.

The breakdown of non-interest expense as at quarter end figures indicates that Other General expenses forms the significant chunk at 44.6%, tightly followed by Other Expenses at 44.5%, and Salaries & Other staff benefits at 39.8% respectively.

The graph below highlights the banking industry's total expenses in relation to Interest expense; and Non-Interest expense over the periods of end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively.



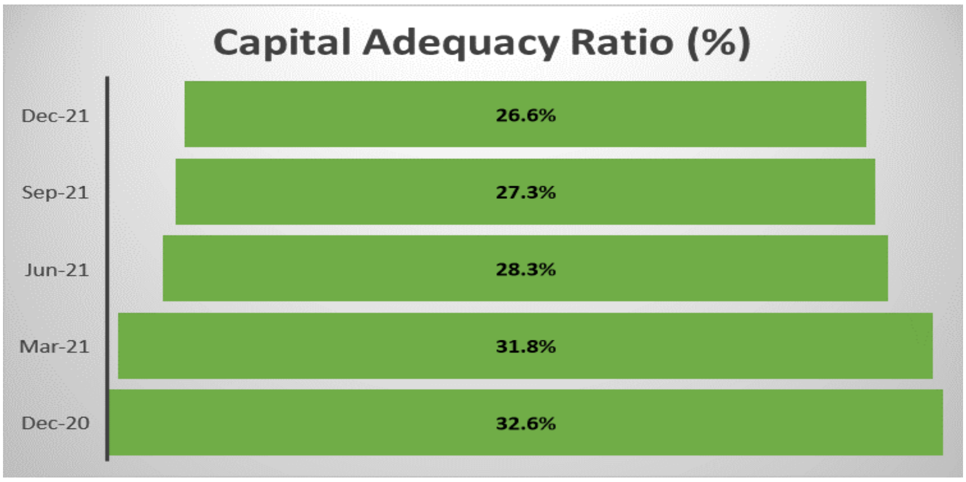
FINANCIAL SOUNDNESS INDICATORS

3.1.4.4 CAPITAL ADEQUACY

The industry risk weighted Capital Adequacy Ratio (CAR) as at end December 2021, stood at 26.6% thus reflecting -0.7 and 6.0 percentage points decrease compared to end September 2021 and end December 2020 respectively.

Nonetheless, all banks fall within the minimum regulatory capital adequacy ratio of 10%. However, one of the bank's is slightly over the minimum by 5.4% at 15.4%.

The graph below presents the banking industry's CAR over the periods of end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively¤:



3.1.4.5 ASSET QUALITY

The industry NPL ratio stood at 5.2% as at end December 2021, indicating a decrease of -0.4% and 1.2 percentage points when compared to compared with 5.6% and 6.4% in end September 2021 and December 2020 respectively.

The industry has maintained its single digit best practice for NPL ratio over the periods as per illustrated in the chart below for the quarters ended December 2020; March 2021; June 2021; September 2021; and December 2021 respectively ¤:

Despite the industry's single digit NPL ratio coupled with the decrease in the ratio as at end December 2021, two (2) banks recorded high NPLs in double digit at 26.7% and 20.6% respectively, with the remaining ten (10) banks reporting single digits as at year end 2021.

3.1.4.6 EARNINGS

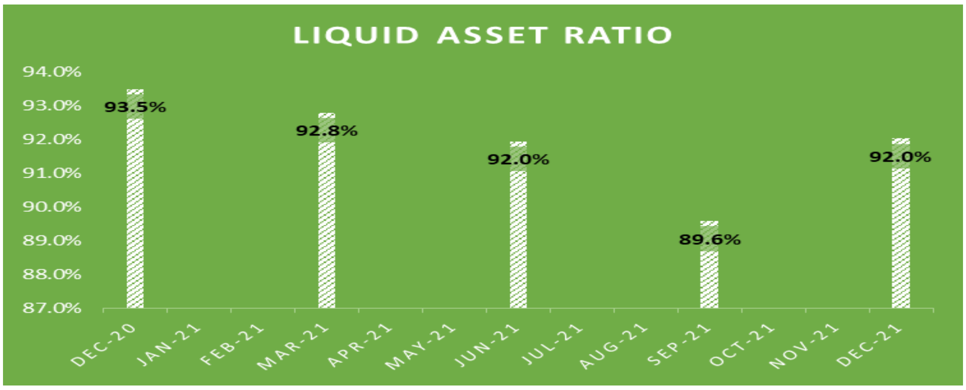
The banking industry's earnings performance continues to improve over the period. Return on Assets (ROA) and Return on Equity (ROE) both increased to stand at 1.9% and 17.5% as at end December 2021 compared with end September 2021 figures of 1.7% and 15.4% respectively.

The graph below highlights the banking industry's earnings ratios of ROA and ROE over the periods of end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively:

3..1.4.7 LIQUIDITY

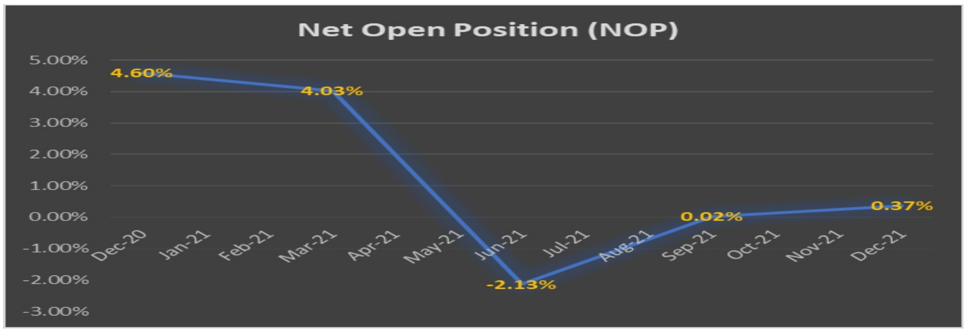
As at end December 2021, the liquidity ratio for the industry was at 92.0% which is well above the 30% statutory benchmark for individual banks. The ratio has been above 90% in the periods covered except for a slight reduction at 89.6% in end September 2021.

The graph below highlights the banking industry's Liquid asset ratio as at end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively:



3.1.4.8 SENSITIVITY

The exposure of capital and reserves of banks from foreign exchange activities is minimal as the net open position as at year end 2021 was at 0.37%, slightly up from a long position of 0.02% in the previous quarter. The ratio recorded its peak for the period at 4.60% in the corresponding period of the prior year end. This is Illustrated in the chart for the periods end December 2020; March 2021; June 2021; September 2021; and December 2021 respectively:



All the banks in the industry were within the regulatory thresholds of +/-25% and +/- 15% for the overall and single currency net open position limits during the quarter under review.

3.1.5 EXCHANGE RATE DEVELOPMENTS

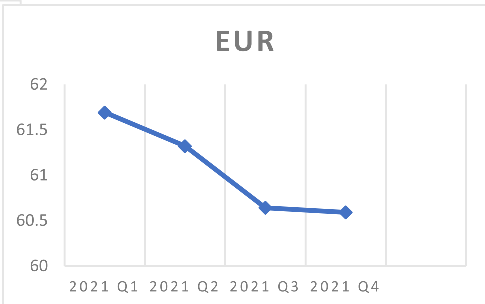
The quarterly exchange rates based on transactions in the interbank FX market indicates that the local currency has strengthened marginally against the Euro and Pound sterling by 0.09% each but weakened against the US Dollar and CFA franc by 2.03% by 0.16% respectively.

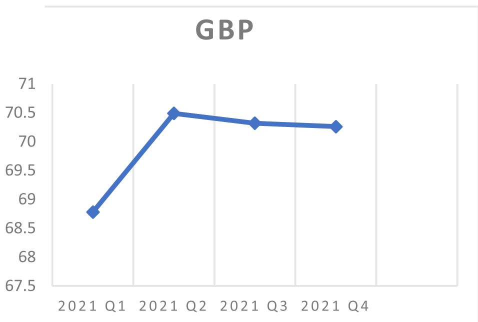
The depreciation of the Dalasi during the period under review against the US Dollar and CFA franc has been largely influenced by excess demand to finance imports with slight contractions on the supply side. The international strength of the US Dollar equally impacted on pressure for the Dalasi.

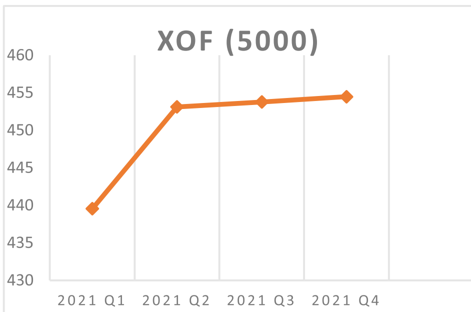
An improved supply condition driven by increased private remittances and with improvements in tourist numbers will usher in a period of resilience for the Dalasi.

Below is a tabular and graphical presentation of the exchange rate movements from fourth quarter of 2020 to fourth quarter of 2021.

Period	USD	EUR	GBP	XOF (5000)
2021 Q4	**52.28**	**60.59**	**70.26**	**454.48**
2021 Q3	51.24	60.64	70.32	453.79
2021 Q2	51.09	61.32	70.49	453.13
2021 Q1	51.40	61.69	68.78	439.56
2020 Q4	51.79	60.62	67.04	433.97







From the above chart, it is evident that the Dalasi was largely resilient in the first and second quarter of 2021 against the greenback, recording a quarter-on-quarter appreciation of 0.6% before depreciating in the third and fourth quarter by 0.29% and 2.03% respectively. During the same period, the Dalasi has been largely resilient against the Euro, having depreciated in the first by 1.77%, it rebounded significantly in the subsequent three quarters. The Dalasi recorded a quarter-on-quarter appreciation against the Euro by 0.6%, 1.11% and 0.08% respectively in quarter 2, 3, and 4 respectively.

Against the Pound Sterling, the Dalasi depreciated in quarter one and two by 2.6% and 2.5% respectively. It rebounded moderately in quarter three and four by 0.24% and 0.09% respectively.

3.1.6 Annual Price Developments

3..1.6.1 Headline Inflation

As illustrated in Chart 1 below, headline inflation (annual percentage change) increased to 7.6 percent in December 2021 from 7.1 percent recorded in November 2021 and 5.7 percent in the corresponding period a year ago. The acceleration in headline annual inflation was mainly attributed to the increase in most prices in the food basket, specifically bread & cereals and sugar, jam, honey & sweets in the review period.

3..1.6.2 Annual Contributions to Consumer Price Index

The analysis of the sub-components of the CPI basket indicates increasing prices of both food and non-food components as depicted in chart 2 below. The figure shows that in December 2021, food and non-food prices both contributed to the yearly growth in headline inflation, however, the primary contributor is the consumer prices of food. Within the non-food category, the rise in prices was driven by an upsurge in the prices of electricity, gas, and other fuels during the review period.

3.1.6.3 Food Inflation

Food inflation (annual percentage change) increased by 1.02 percentage points to 10.18 percent in December 2021 from 9.16 percent in September 2021 and 7.04 percent from the same period last year. The yearly increase in food inflation is attributed to the increase in the consumer prices of multiple components of the food basket notably Oil and fats, Sugar, Jam, Honey & Sweets, and bread & cereals and they are the main contributors to the yearly food inflation. The acceleration in food inflation from September 2021 to December can be credited to the growth in the prices of half of the food components. Moreover, the mitigating effect of the harvest of domestic produce has faded and the effect of rising global food prices is being realized. Global prices of milk, cheese & eggs, vegetables, root crops & tubers, bread & cereals, and sugar, jam, honey & sweets increased. Since the mitigating effect of rainfed crops has faded, the impact of the persistent rise in global food prices continues to drive domestic food inflation.

Food Price Development (Annual Percentage Change)

Y- O- Y INFLATION	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Food	7.70	7.78	5.77	6.55	7.04	10.38	11.21	9.16	10.18
Bread & Cereals	8.30	12.05	9.43	8.16	7.02	8.06	8.04	7.39	8.22
Meat	6.95	9.41	3.06	1.50	5.17	6.45	18.56	20.18	16.09
Fish	10.53	14.59	15.12	18.66	25.72	24.01	18.09	12.34	4.73
Milk, Cheese and Eggs	6.83	3.89	-0.11	0.97	0.95	5.50	8.57	6.27	5.73
Oils and fats	6.90	17.85	18.08	10.76	10.83	32.84	31.65	37.73	36.21
Fruits & nuts	9.53	5.90	10.45	8.14	6.63	12.94	5.22	4.62	4.14
Vegetables, root crops & tubers	9.09	-1.49	-4.70	4.00	2.17	-0.07	1.24	-6.43	2.49
Sugar, jam, honey & sweets	3.94	-0.78	0.71	-0.86	-1.42	6.99	3.00	4.77	10.76
Other food products n.e.c	6.68	3.49	-0.19	0.97	-0.79	0.02	8.05	4.26	11.91

Source: GBOS

3.1.6.4 Non-Food Inflation

Non-food inflation (annual percentage change) which had slowed down in the previous quarter, increased to 4.88 percent in December 2021 relative to 4.75 percent in September 2021. Furthermore, non-food inflation increased year-on-year due to an increase in the prices of most of the components of non-food baskets. The non-food components that saw a moderation in prices are transport, education, recreation & culture, furnishings & household equipment, and miscellaneous goods & services. The increase in quarterly non-food inflation from September 2021 to December 2021 was mainly due to alcoholic beverages, tobacco & narcotics, housing, water, electricity, gas & other fuels, and health.

Non-Food Price Development (Annual Percentage Change)

Y- O- Y NON- FOOD INFLATION	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
NON FOOD PRODUCTS AND SERVICES	7.73	7.56	4.20	3.69	4.40	4.41	4.85	4.75	4.88
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.50	-4.46	1.66	2.88	2.85	10.60	10.19	8.44	26.46
CLOTHING & FOOTWEAR	6.88	4.26	5.29	4.39	3.75	5.87	3.93	3.07	3.90
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	5.98	5.57	3.75	2.78	1.91	3.97	4.33	5.12	7.25
FURNISHINGS, HOUSEHOLD EQUIPMENT, ETC	4.11	4.96	5.80	4.70	7.33	4.54	1.95	2.16	-0.91
HEALTH	1.46	0.30	0.12	0.05	0.07	1.25	0.99	0.90	33.25
TRANSPORT	1.15	2.97	0.31	2.56	5.11	5.03	11.29	10.72	6.22
COMMUNICATIONS	60.99	55.74	-2.39	-3.00	-4.64	-0.76	-1.15	-0.10	1.31
RECREATION AND CULTURE	3.09	-2.08	-3.97	-2.94	-1.87	2.01	2.97	3.82	3.43
Education	1.03	1.03	0.72	0.13	85.35	85.35	85.35	85.35	25.33
HOTELS, CAFES AND RESTAURANTS	8.18	5.88	4.59	10.22	10.29	7.46	6.36	-2.84	9.70
MISCELLANEOUS GOODS AND SERVICES	7.86	24.20	22.32	19.76	27.94	10.54	10.45	10.00	7.48

Source: GBOS

3.1.6.5 Annual Core inflations

Core inflations are the underlying inflations that represent the economy's business cycle. It is inflation that excludes volatile food and fuel items from headline inflation. Core1 inflation that excludes volatile energy products from the headline inflation increased to 9.52 percent at the end of December 2021 from 9.18 percent at end-September 2021, and 3.77 percent in the corresponding period a year ago. Core 2 inflation that excludes volatile energy and food products from the headline inflation items moderated to 8.51 percent at end-December 2021 from 8.99 percent at end-September 2021 but up from 4.18 percent a year ago.

Annual Core inflation

Y- o- Y Inflation	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Headline Inflation	7.68	7.59	5.14	5.18	5.67	7.37	8.05	7.01	7.60
Core 1 Inflation	8.93	8.66	2.66	2.72	3.77	7.75	11.53	9.18	9.52
Core 2 Inflation	8.80	8.76	2.84	2.88	4.18	6.33	10.54	8.99	8.51

Source: CBG Staff Calculations

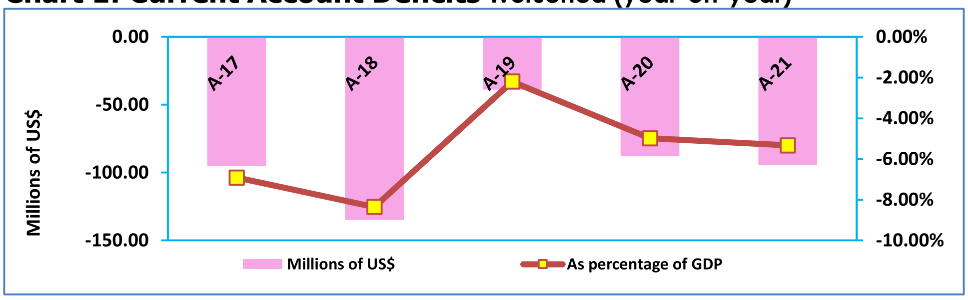
Market inflation accelerated from 4.5 percent at the end of December 2020 to 6.3 percent at the end of December 2021. However, quarterly market inflation fell from 6.40 percent at end- June 2021 to 5.37 percent at end- September 2021, and then took an upward trajectory to 6.37 percent at end-December 2021. In contrast, non-market inflation toned down from 1.66 percent at end-December 2020 to 1.22 percent at end-December 2021.

Chart (3) reveals that market prices are more volatile than administered prices, as pricing decisions are made relatively frequently, consistent with the level of demand and supply. The rate of depreciation of the exchange rate is also a key determinant of market inflation given that The Gambia is a net importer.

3.1.7 Preliminary BOP Developments: 2021 compared 2020

Preliminary balance of payments estimates shows that the current account balance deteriorated to a deficit of US$94.08 million (4.6 percent of GDP) in 2021 from a deficit of US$86.55 million (4.56 percent of GDP) in the corresponding period of 2020, due to the decreased in income, service and current transfers.

Chart 1: Current Account Deficits Worsened (year-on-year)



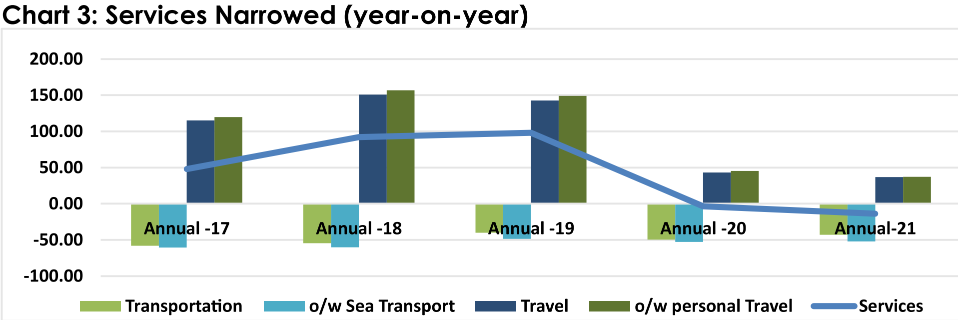
The goods account balance improved to an estimated deficit of US$449.46 million (21.98 percent of GDP) at end-2021, compared to a deficit of US$511.76illion (26.96percent of GDP) in the corresponding period in 2020. The moderate improvement of the deficit in the goods account mainly reflects a drop in importation.

Total imports (FOB) amounted to US$467.56 million (22.86 percent of GDP), compared to US$581.82 million in the same period in 2020 (30.65 percent of GDP). The major imported items during the fourth quarter were mainly oils and other products (38.48 percent and 24.42 percent of the total imports). Exports (FOB) slightly decreased to US$18.10 million in 2021 from US$70.06 million in 2020. Major products exported during the review period were cereals and Oil seeds & fruits (33.84 and 25.76 percent of total export respectively).

Merchandise Trade Widened (year-on-year)

The services account balance worsens to a deficit of US$13.91 million in 2021 from a deficit of US$3.54 million a year ago, on the back of a decrease in travels due to the outbreak of the omicron variant toward the end of the year.

Chart 3: Services Narrowed (year-on-year)



Current transfers (net), over the review period amounted to US$417.27 million compared to a net inflow of US$454.99 million in 2020. Workers' remittances (net), over the review period amounted to US$399.67 million compared to a net inflow of US$400.10 million in 2020, representing a decrease of 0.11 percent.

The capital and financial account registered a deficit of US$88.19 million in end- 2021 compared to a deficit of US$0.16 million a year ago, reflecting a decline in investment.

The financial account balance worsened to US$110.36 million in the review period from a deficit of US$95.31 million in the corresponding period in 2020, mainly reflecting the decline in direct investment and other investment.

Other investments a component of the financial account, declined to a deficit of US$47.95 million from US$30.40 million in 2020, while changes in reserve assets surge to a surplus of US$189.52 million from a surplus of US$128.15 million.

EXTERNAL SECTOR SUMMARY TABLE

	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
C/ Account	2.24	-24.54	-15.59	-0.95	-38.55	-41.17	-7.56	0.72	-5.10	-3.15	-17.22	-68.61
Goods	-90.32	-104.13	-91.06	-92.51	-155.13	-122.38	-126.44	-107.81	-126.24	-134.42	-139.29	-175.75
Services	40.22	14.64	11.96	31.38	12.99	-10.85	-6.52	0.84	-1.17	-3.79	-2.64	-7.48
Income	-4.57	-3.37	-6.50	-3.15	-8.12	-3.85	-7.16	-7.12	-7.58	-19.36	-11.75	-11.77
C/Transfers	56.91	68.33	70.00	63.33	111.71	95.91	132.56	114.81	129.89	154.42	136.46	126.39

	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
Goods	-90.32	-104.13	-91.06	-92.51	-155.13	-122.38	-126.44	-107.81	-126.24	-134.42	-139.29	-175.75
Exports (FOB)	37.10	43.97	38.82	34.57	54.25	3.69	7.59	4.52	13.56	7.03	6.68	4.39
Imports (FOB)	-127.42	-148.09	-129.88	-127.08	-209.38	-126.08	-134.03	-112.32	-139.80	-141.45	-145.97	-180.14

	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
Services	40.22	14.64	11.96	31.38	12.99	-10.85	-6.52	0.84	-1.17	-3.79	-2.64	-7.48
Transportation	-10.84	-11.62	-10.04	-7.74	-21.10	-12.59	-8.71	-7.08	-8.88	-11.00	-12.87	-19.20
o/w Sea Transport	-13.53	-13.54	-11.92	-9.58	-22.92	-11.98	-9.83	-8.16	-10.53	-12.59	-14.45	-24.98
Travel	51.89	27.99	22.73	40.03	36.29	-0.28	0.53	6.55	8.44	8.64	12.41	15.67
o/w personal Travel	53.46	29.69	24.26	41.67	37.94	-0.28	0.73	6.84	8.84	9.09	12.41	15.67

	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
Capital & Financial Acc	33.06	-3.70	35.28	3.34	16.59	-34.17	20.31	-2.89	-26.86	-35.94	83.98	-109.37
Capital Account	19.28	13.26	19.54	17.30	8.60	32.47	30.91	23.17	3.29	11.88	5.31	1.68
Financial Account	13.78	-16.96	15.74	-13.96	7.99	-66.63	-10.60	-26.07	-30.15	-47.81	78.66	-111.05
o/w Direct Investment	-20.05	-22.08	-15.11	-17.75	-24.40	-65.49	-49.21	-53.96	-60.39	-70.32	-64.54	-56.68
o/w Other Investment	-5.55	2.75	21.05	-20.24	28.17	-38.57	-11.48	-8.52	-6.69	-2.87	29.33	-67.72
o/w Change in Reserve Assets	39.38	2.37	9.80	24.03	4.22	37.43	50.09	36.42	36.93	25.38	113.87	13.35

3.2 GHANA

GHANA – MACROECONOMIC DEVELOPMENTS IN 2021

Global Macroeconomic Developments

Global economic activity picked up strongly in 2021, a reversal from the contraction in 2020 due to the COVID-19 pandemic. Starting from a slower pace in the first quarter due to the resurgence in COVID-19 infections, the pace of growth gained momentum in the second quarter of 2021, supported by the mass COVID-19 vaccination campaigns, easing of COVID-19 restrictions, and continued accommodative monetary policy despite constraints to production arising from shortages of some materials and skilled workers. There was appreciable economic expansion in both advanced and emerging markets & developing economies. Global growth was estimated at 6.1 percent in 2021, compared with a 3.1 percent contraction in 2020.

Global headline inflation rose above targets in many advanced and emerging market economies during the year. The higher inflation was attributed to the sharp rise in energy and food prices. Aside these volatile components, underlying inflation in both advanced and emerging market economies also rose sharply, driven mainly by strong demand. This largely reflected the easing of COVID-19 restrictions, exchange rate depreciation, particularly for EMDEs, and the effects of supply-chain bottlenecks on input costs.

Ghana's Macroeconomic Performance

3.2.1.1 Real Sector Developments

Real GDP growth for 2021 was estimated at 5.4 per cent, compared to 0.5 per cent in 2020. Non-oil GDP grew by 6.9 per cent in 2021, up from 1.0 per cent in 2020. In terms of sectors, Services and Agriculture were the main drivers of the observed growth outturn, while Industry sector contracted. The pick-up in economic activity largely reflected the opening up of the economy after removal of the COVID-19 pandemic restrictions, alongside roll out of the mass COVID-19 vaccination programmes.

Consumer price inflation rose to 12.6 per cent in December 2021, from 10.4 per cent at the end of 2020. The pick-up in headline inflation, especially during the second-half of 2021, reflected mainly in non-food inflation and driven by food supply-chain bottlenecks, upward adjustments in ex-pump prices due to rising crude oil prices, and pass-through effects of exchange rate depreciation. In the year, food inflation eased from 14.1 per cent at the end of 2020 to 12.8 per cent in December 2021. Non-food inflation, however, rose from 7.7 per cent in December 2020 to close the year at 12.5 per cent.

3.2.1.2 Monetary and Financial Developments

The Bank's Monetary Policy Committee (MPC) held six meetings in the year to assess macroeconomic developments and the outlook for growth and inflation, and decide on the Monetary Policy Rate (MPR). The MPC maintained the MPR at 14.5 percent at its January and March meetings. At the May meeting, the MPC lowered the MPR to 13.5 per cent due to muted risks to the inflation outlook. The rate was subsequently maintained in July and September, but at the November meeting, the policy rate was raised by 100 basis points to 14.5 per cent, on account of rising inflationary pressures in the economy.

Annual growth in broad money supply (M2+) decreased to 12.6 per cent in December 2021, from 29.6 per cent in December 2020. M2+ stood at GH¢135,598.03 million at the end of December 2021. The decline in the growth of M2+ was mainly driven by contraction in net foreign assets (NFA) and moderated expansion in the net domestic assets (NDA). NFA contracted by about 45.0 per cent, compared with a 12.1 per cent contraction in December 2020, while NDA grew by 23.1 per cent relative to 42.0 per cent in the previous year.

Deposit Money Banks' (DMBs') total outstanding credit to the economy stood at GH¢53,767.32 million, representing a nominal growth rate of 12.6 per cent in December 2021, compared to 5.8 per cent in December 2020. This was, however, lower than the growth of 23.8 per cent recorded same period in 2019. The outstanding credit to the private sector grew by 11.2 per cent in December 2021 to GH¢48,385.58 million. This compares with a nominal growth rate of 10.6 per cent recorded in December 2020. In real terms, outstanding credit to the private sector contracted by 1.3 per cent in December 2021, compared to a contraction of 0.1 per cent in December 2020.

Cumulatively, the interbank weighted average interest rate decreased by 87 basis points, year-on-year, to 12.68 per cent in the period under review. The average lending rate decreased by 106 basis points on a year-on-year basis to 20.04 per cent in December 2021. The spread between the borrowing and lending rates narrowed by 106 basis points on a year-on-year basis to 8.54 per cent in December 2021, from 9.60 per cent in December 2020.

3.2.1.3 Stock Market Developments

The Ghana Stock Exchange Composite Index (GSE-CI), recorded gains of 43.66 per cent (847.75 points), year-on-year, in 2021 compared to the year-on-year loss of 13.98 per cent (-315.56 points) recorded in 2020. The GSE-CI recorded losses on account of sell-off of shares by investors and exchange rate pressures on the domestic currency. Market capitalization also increased by 18.61 per cent (GH¢10,120.32 million), year-on-year, in 2021, compared with a dip by 4.25 per cent (-GH¢2,416.37 million) on a year-on-year basis in 2020. The increase in market capitalization in the review period was mainly on account of capital gains and the listing of Pesewa One Plc.

3.2.1.4 Government Fiscal Operation and Public Debt

The overall broad cash budget deficit of 9.2 per cent of GDP in 2021, against the revised target of 9.4 per cent of GDP. Total government revenue and grants amounted to 15.3 per cent of GDP, compared to 14.4 per cent in 2020, while total government expenditure and net lending was 23.8 per cent compared to 25.1 per cent over the same period. The overall fiscal deficit (cash, discrepancy, excl. energy sector payments, and financial sector bailout) of GH¢42.7billion (9.2% of GDP) was financed from both foreign and domestic sources.

Total public debt stood at GH¢351.8 billion, representing 76.6 per cent of GDP at end-2021, compared to GH¢291.6 billion which amounted to 74.4 per cent of GDP at end-2020. The stock of domestic debt was GH¢181.8 billion (39.6% of GDP) at end-December 2021, compared to GH¢149.8 billion (38.2% of GDP) at end-December 2020. The rise in domestic debt stock for the review period was on account of increases of GH¢24.7 billion and GH¢1.3 billion in the medium- and long-term securities, respectively, as well as an increase of GH¢5.8 billion in the short-term securities. External debt stock was GH¢170.0 billion (US$28.3 billion, 37.0% of GDP) at end-December 2021 compared with a stock of GH¢141.8 billion (US$24.7 billion, 36.2% of GDP) at end-December 2020.

3.2.1.5 External Sector Developments

The overall Balance of Payments (BOP) registered a surplus of US$510.13 million in 2021, compared to a surplus of US$377.45 million in 2020. The improvement was on account of increased net inflows into the capital and financial account which outweighed the deficit in the current account.

The current account recorded a deficit US$2.50 billion (3.2 per cent of GDP) in 2021 compared to a deficit of US$2.13 billion (3.0 per cent of GDP) in 2020. The widening of the deficit was on account of a narrower trade surplus and higher net investment income outflows which outweighed some gains made in terms of a lower net services outflows.

The trade balance recorded a surplus of US$1.11 billion, compared to a surplus of US$2.04 billion in 2020. This was on the heels of a stronger growth in imports, particularly in petroleum products, as the economy gradually recovers from the slowdown in 2020 due to the coronavirus pandemic. Imports grew by 9.7 per cent whereas exports grew by 1.8 per cent.

The services, income and transfers account recorded a net outflow of US$3.60 billion, an improvement of US$0.57 billion compared to the net outflow of US$4.18 billion recorded in the preceding year.

The capital and financial account recorded a net inflow of US$3.27 billion, compared to a net inflow of US$2.89 billion in 2020. The capital account received a net inflow of US$168.84 million for the year 2021 as against a net inflow of US$250.14 million in 2020. The financial account also recorded a net inflow of US$3.10 billion compared to US$2.64 billion recorded in 2020. The main drivers of the financial account inflows were higher foreign direct investment inflows and lower portfolio investment outflows.

Gross International Reserves (GIR) stood at US$9.70 billion at the end of December 2021, compared to a stock of US$8.63 billion at end-2020. This was sufficient to provide 4.4 months of import cover compared to 4.0 months of import cover as at December 2020. The stock of Net International Reserves (NIR) at end-December 2021 was estimated at US$6.08 billion from a stock position of US$5.57 billion at end-December 2020, indicating a build-up of US$510.13 million.

Currency Market Developments

In the currency market, the Ghana cedi cumulatively depreciated by 4.1 per cent against the US dollar in 2021, compared to 3.9 per cent in 2020. The local currency also depreciated against the British pound by 3.1 per cent in 2021, compared to 7.1 per cent in the previous year. Against the euro, the Ghana cedi appreciated by 3.5 per cent in 2021, compared to a depreciation of 12.1 per cent in 2020. The relative stability of the Ghana cedi was on the back of the strong build-up in international reserves during the year.

Table 1: Selected Economic Indicators

Indicators	2015	2016	2017	2018	2019	2020	2021
(Annual percentage change; unless otherwise indicated)							
National Income							
Agriculture	2.3	2.9	6.2	4.9	4.7	7.3	8.4
Industry	1.1	4.3	15.6	10.5	6.4	-2.5	-0.8
Services	3.0	2.8	3.4	2.8	7.6	0.7	9.4
Real GDP Growth (incl. Oil)	2.2	3.4	8.1	6.2	6.5	0.5	5.4
Real GDP Growth (excl. Oil)	2.1	4.5	4.6	6.1	5.8	1.0	6.9
Nominal GDP (Gh₵ Million)	183,526	219,595	262,798	308,587	356,544	391,941	459,131
Consumer price index (end period, year-on-year)							
Headline	17.7	15.4	11.8	9.4	7.9	10.4	12.6
Food	8.0	9.7	8.0	8.7	7.2	14.1	12.8
Non-food	23.3	18.2	13.6	9.8	8.5	7.7	12.5
Exchange Rates (End of period)							
GH₵/US$	3.8	4.2	4.4	4.8	5.5	5.8	6.0
Depreciation (%)	-15.7	-9.7	-4.9	-8.4	-12.9	-3.9	-4.1
GH₵/Pound Sterling	5.6	5.2	6.0	6.2	7.3	7.9	8.1
Depreciation (%)	-11.5	8.3	-12.9	-3.3	-15.7	-7.1	-3.1
GH₵/Euro	4.2	4.4	5.3	5.5	6.2	7.0	6.8
Depreciation (%)	-6.1	-6.4	-16.2	-3.9	-11.2	-12.1	3.5
Monetary Aggregates Annual Growth Rates (%)							
Reserve Money	24.2	29.6	13.2	4.6	34.4	25.0	20.0
Broad Money Supply (M2)	26.6	24.6	19.8	16.1	16.1	25.0	12.0
Broad Money Supply (M2+)	26.1	22.0	16.7	15.7	21.7	29.6	12.5
Private Sector Credit	24.5	14.4	13.4	10.6	18.0	10.6	11.1
Real Credit to the private sector	5.8	-0.8	0.9	1.1	9.4	-0.1	-1.3
Interest Rates (%)							
Monetary Policy rate	26.0	25.5	20.0	17.0	16.0	14.5	14.5
Interbank rate	25.2	25.3	19.3	16.1	15.2	13.6	12.7
91-day treasury bill rate	23.1	16.8	13.3	14.5	14.7	14.1	12.5
182-day treasury bill rate	24.4	18.5	10.4	15.0	15.1	14.1	13.2
364-day treasury bill rate					17.9	17.0	16.5
1-year treasury note rate	22.7	21.5	15.0	15.5			
2-year fixed treasury note	23.3	22.5	17.5	19.5	21.0	18.5	19.8
Average lending rate	27.5	31.2	29.3	24.0	23.6	21.1	20.0
3-month average deposit rate	13.0	13.0	13.0	11.5	11.5	11.5	11.5
lending-deposit rate spread	14.5	18.2	16.3	12.5	12.1	9.6	8.5
External Sector (Cummulative)							
Exports of Goods (US$' m)	10,321.2	11,138.3	13,834.8	14,942.7	15,667.5	14,471.5	14,736.2
Imports of Goods (US$' m)	13,465.1	12,920.1	-12,647.8	-13,134.1	-13,410.7	-12,428.6	-13,628.7
Trade balance (US$' m)	-3,143.9	-1,781.8	1,187.1	1,808.7	2,256.8	2,043.0	1,107.6
Current Accout Balance (US$' m)	-2,823.6	-2,840.7	-2,003.7	-2,043.9	-1,864.0	-2,134.0	-2,497.3
per cent of GDP	-7.5	-6.7	-4.4	-3.1	-2.8	3.1	3.3
Overall Balance of Payments (US$' m)	-15.9	247.4	1,091.4	-671.5	1,341.0	377.5	510.1
Gross International Reserves	5,884.7	6,161.8	7,554.8	7,024.8	8,418.1	8,624.4	9,695.2
months of imports cover	3.5	3.5	4.3	3.6	3.9	4.0	4.4
Gross International Reserves (excl Oil Funds,Encumbered Assets) (US$' m)	4,403.1	4,862.1	5,491.0	5,317.2	6,607.9	6,961.8	7,906.0
months of imports cover	2.6	2.8	3.1	2.7	3.2	3.3	3.6
Net International Reserves (US$' m)	3,094.0	3,431.0	4,522.5	3,851.0	5,192.0	5,559.5	6,079.5
months of imports cover	1.8	2.0	2.5	2.0	2.4	2.6	2.8
External Debt (US$'m)	15,781.9	16,461.0	17,157.0	17,868.5	20,349.4	24,715.8	28,160.6
Government Budget (% of GDP)							
Domestic Revenue	16.0	14.8	15.2	15.1	14.7	14.1	15.0
Tax Revenue	13.2	11.7	12.3	12.2	12.0	11.6	12.3
Total Revenue and Grant	16.9	15.3	15.8	15.4	15.0	14.4	15.3
Total Expenditure	20.3	23.3	19.8	18.9	19.0	25.1	23.8
Domestic Primary Balance	3.0	0.4	2.6	2.2	1.8	-3.30	1.1
Overall Balance (Including Divestiture)	-5.1	-6.0	-4.7	-3.8	-4.7	-11.70	-9.2
Public Debt	54.6	55.6	54.2	56.1	61.2	74.4	76.6

3.3 LIBERIA

3.3.1 Real Sector Developments

Like many economies, the Liberian economy was adversely affected by the COVID-19 pandemic in 2021. However, amidst the challenges and disruptions that the pandemic continues to have on global economic activity, the Liberian economy rebounded and experienced a V-shaped recovery in 2021. Real GDP grew by an estimated 4.2 percent relative to the negative 3.0 percent recorded in 2020. The growth was mainly supported by improvements across all major sectors of the economy, particularly, the primary (agriculture & fisheries, Forestry, and mining & panning) and secondary sectors (manufacturing).

The primary sector expanded by an estimated 7.0 percent outperforming the 4.8 percent growth reported in 2020, largely on account of significant improvements in both the mining & panning and the agriculture & fisheries sub-sectors. The mining & panning sub-sector performed strongly, expanding by 17.6 percent, and outpacing the previous year performance, largely supported by significant increases in gold and diamond outturns by 78.8 percent and 15.4 percent, respectively. The agriculture & fisheries subsector also expanded by an estimated 4.0 percent.

The secondary sector (manufacturing) grew by 4.7 percent, explained by growths in key commodities. Cement, beverages, and mattresses were the major commodities that underpinned the expansion in the secondary sector. Cement outturn surged by 28.5 percent while beverage and mattress outputs expanded by 21.7 percent and 25.3 percent, respectively. The tertiary (services) sector, however, expanded marginally by less than 1.0 percent from the negative 12.7 percent reported in 2020, signalling the impact of the pandemic on the sector.

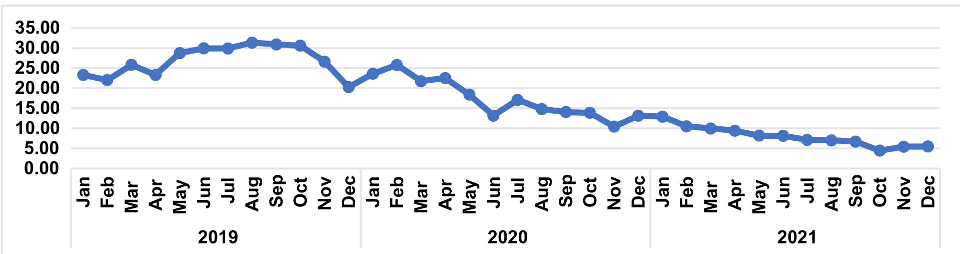
Table 1: Sectoral Origin of Growth (GDP at 2018 Constant Prices), 2019-2022

	2019	2020	2021	2022*
Agriculture & Fisheries	902.00	959.30	997.70	1034.60
Forestry	272.90	285.30	285.20	296.60
Mining & Panning	454.70	463.70	545.30	587.70
Manufacturing	186.10	186.10	194.80	202.60
Services	1,366.30	1,193.30	1,194.90	1,242.70
Real GDP	***3,182.10***	***3,087.70***	***3,217.90***	***3,364.10***

Sources: Ministry of Commerce & Industry (MOCI) Liberia Agricultural Commodities Regulatory Authority (LACRA); Forestry Development Authority (FDA); Mano Palm Oil (Note: + Revised/Actual, * Projection

Average headline inflation declined to 7.9 percent in 2021 from 17.4 percent reported in 2020. Also, the end-of-year inflation lowered by 7.6 percentage points, to 5.5 percent relative to the 13.1 percent recorded in 2020. The reduction in both average and end-of-year inflation was largely due to the tight monetary policy stance of the Central Bank of Liberia (CBL) in addition to the appreciation of the Liberian dollar against the US dollar during the year.

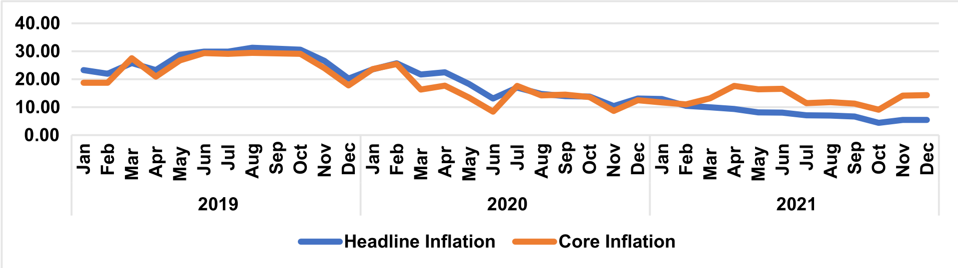
Chart 1: Year-on-year Rates of Inflation, 2019-2021 (December, 2005=100)



Source: Central Bank of Liberia

Core inflation moderated by 2.3 percentage points to 13.2 percent in 2021 from 15.5 percent in 2020. The moderating in core inflation was attributed to the exchange rate pass-through effect from the appreciation of the Liberian dollar in 2021.

Chart 2: Headline and Core Inflation, 2019-2021 (Percent)



Source: Central Bank of Liberia

In terms of outlook, the prospect of growth in 2022 is optimistic with a projection of 4.5 percent as export of the country's key commodities are expected to rise. Additionally, activity in all the major sectors of the economy is projected to increase, evidenced by the increase in Real GDP forecast for 2022. However, any slow recovery in global market prices of Liberia's key export commodities (rubber, gold, and iron ore) alongside any unanticipated surge in the global COVID-19 pandemic will affect the positive outlook. In terms of the price outlook, increase in energy price as a result of the Russia-Ukraine crisis is expected to exert significant pressure on inflation.

Table 2: Key Industrial Outturn (2019-2021)

Commodity	Unit	2019	2020*	2021
Cement	Mt.	343,219	416,444	534,993
Beverages	Liter	16,890,776	14,164,563	17,239,963
Paints	gal.	212,943	213,166	206,223
Candle	kg.	94,416	71,274	48,416
Chlorox	Liter	1,195,428	1,246,431	829,241
Rubbing Alcohol	Liter	308,650	493,786	306,268
Mattresses	Pcs.	100,040	103,353	129,454
Gold	Ounce	162,936	141,342	252,708
Diamond	Carat	55,936	54,599	63,027
Iron Ore	Mt.	4,428,645	4,874,409	5,000,000
Finished Water	Gal.	1,334,370,221	1,433,941,441	1,134,238,463
Electricity	Kw	214,201,040	242,168,960	272,691,82

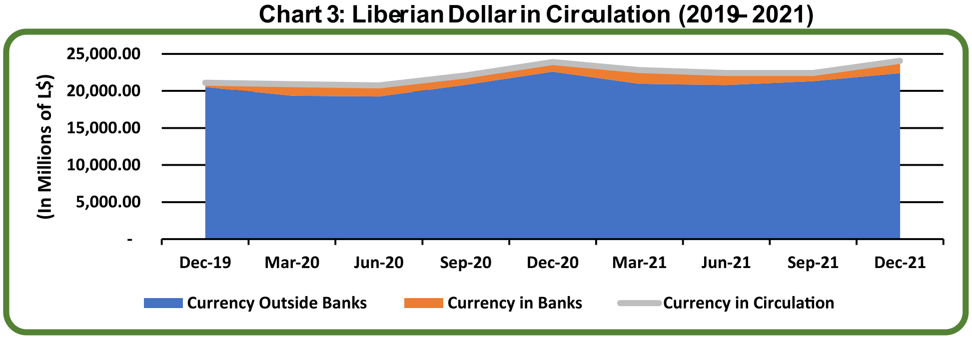
Sources: Ministry of Commerce & Industry (MOCI) Ministry of Mines & Energy; Liberia Water and sewer Corporation. (Note: *Revised Actual)

3.3.2 Monetary Developments

3.3.2.1 Monetary Aggregates

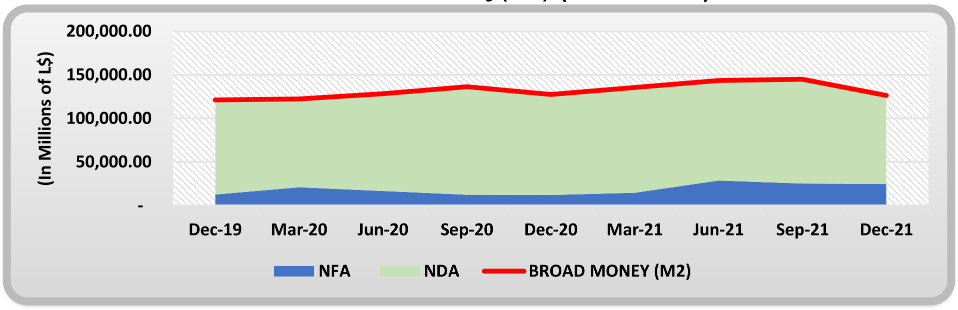
At end-December 2021, the stock of Liberian dollar in circulation marginally expanded by 0.7 percent to L$24.08 billion, from L$23.90 billion. The expansion was mainly occasioned by 27.8 percent increase in currency in banks. Currency outside banks (COB) accounted for 93.0 percent of the stock of currency in circulation (CIC), declining from 94.5 percent in 2020. The high level of COB was partly induced by structural challenges ranging from limited presence of financial institutions in some counties and the high demand for cash to facilitate economic transactions.

Chart 3: Liberian Dollar in Circulation (2019-2021)



other deposits and time & savings deposits, respectively. Similarly, the stock of broad money supply (M2) decreased by 1.5 percent to L$125.41 billion. The decline in M2 was due to a 12.6 percent fall in net domestic assets (NDA) which outweighed the increase in net foreign assets (NFA). Net claims on government and private sector also decreased in 2021, underpinning the fall in NDA. In contrast, reserve money expanded by 4.4 percent to L$44.82 billion. The growth in reserve money was due to a rise in commercial banks' cash reserves. Additionally, it is important to note that the US dollar component of broad money accounted for 68.1 percent amounting to L$85.46 billion, thus, signaling the high level of dollarization in the Liberian economy.

Chart 4: BroadMoney(M2) (2019 - 2021)

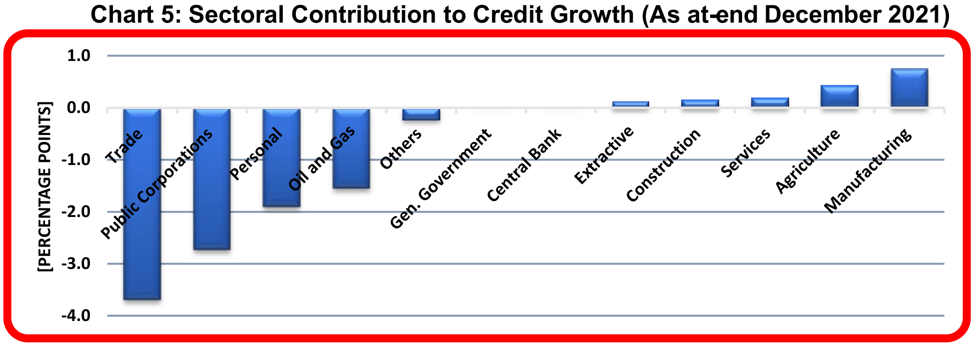


Source: Central Bank of Liberia

3.3.2.2 Commercial Banks' Credits to the Economy

At end-December 2021, commercial banks' lending to various sectors of the Liberian economy contracted by 8.5 percent to L$66.14 billion. The decline in credits was primarily due to reductions in lending to the trade, public corporations, personal, and oil & gas subsectors. The reduction in commercial banks' lending to the economy also reflects the effects of the COVID-19 pandemic on businesses and economy activity in general. The private sector's share of total credits at end-2021 amounted to 98.9 percent of the stock of credit.

Chart 5: Sectoral Contribution to Credit Growth (As at-end December 2021)



Source Central Bank of Liberia

3.3.2.3 Banking Sector Development

The banking sector recorded mixed results in key balance sheet indicators in 2021 relative to the previous year. The slow pace of full recovery of businesses and appreciation of the domestic currency were amongst several factors that influenced the mixed trends in key balance sheet indicators. At end-December 2021, the industry's total assets dropped by about 1.4 percent to L$168.89 billion and total loans & advances reduced by about 8.0 percent to L$66.52 billion. However, total capital increased by 5.06 to L$30.79 percent while deposits rose slightly by 0.01 percent to L$114.38 billion.

The industry's liquidity position was 39.2 percent, beyond the regulatory threshold of 15.0 percent, but was challenged by high non-performing loans (NPLs). Compared to 2020, the liquidity ratio rose by 2.4 percentage points. The volume of NPLs marginally increased by 1.1 percentage points to 22.7 percent in 2021.

Additionally, the industry's net income amounted to L$5.50 billion, increasing by more than hundred percent. Total operating income was L$19.06 billion of which interest and non-interest incomes accounted for 53.8 percent (L$10.25 billion) and 46.2 percent (L$8.80 billion), respectively. Interest expense inched by about 0.4 percent to L$1.73 billion while operating expense reduced significantly by 14.4 percent to L$11.87 billion relative to the previous year.

At end-December 2021, 10 of the 15 counties had at least one branch of the 9 commercial banks operating in Liberia. The number of commercial bank branches increased by 2 to 87 branches relative to the previous year. Furthermore, 12 rural community finance institutions (RCFIs), 188 licensed forex bureaus and 36 licensed money remittance entities remained functional.

3.3.3 Insurance Sector Developments

At end-December 2021, the number of licensed insurance companies operating in Liberia was 14 of which 9 were significantly domestic-owned while 5 were significantly foreign-owned. The assets of significantly domestic-owned insurance companies accounted for 45.5 percent of the sector's total asset, while their capital accounted for 57.2 percent of the industry's total capital.

On average, key balance sheet indicators showed improvements in financial performance. The industry's total capital and assets rose by 19.0 percent and 6.5 percent to L$8.39 billion and L$9.69 billion, respectively. Similarly, net premium and net income rose by 0.5 percent and 449.5 percent to L$4.96 billion and L$2.93 billion, respectively. Expenses, in contrast, significantly decreased by 53.1 percent to L$1.17 billion.

3.3.4 Fiscal Sector Developments

Amidst the challenges from the COVID-19 pandemic, government's fiscal operations recorded a surplus in the overall and primary balances, amounting to US$63.2 million and US$175.8 million, respectively, according to provisional data. The realization of the surpluses was predominantly attributed to enhanced policy coordination and implementation of prudent fiscal measures, supported by robust domestic revenue mobilization. Government's total revenue and expenditure summed up to US$702.6 million and US$639.4 million, rising by 7.0 percent and 15.3 percent, respectively. At end-December 2021, the country's stock of public debt totaled 49.7 percent of GDP, remaining below the regional threshold of 70.0 percent of GDP.

3.3.5 External Sector Developments

Exchange Rate Development

In 2021, both the average and end-of-period exchange rates of the domestic currency appreciated against the US dollar. The average exchange rate appreciated by 13.0 percent to L$171.65/US$1.00 while the end-of-period exchange rate appreciated by 11.6 percent to L$145.36/US$1.00. The appreciation of the domestic currency against its US dollar counterpart was largely due to the tight monetary policy stance of the Bank, supported by the significant net inflows of remittances during the year.

3.3.6 Balance of Payments (BOP)

According to provisional statistics, the BOP recorded a deficit in the overall balance, amounting to US$400.8 million, reflecting a rise in reserve assets that was significantly influenced by the increase in Special Drawing Rights (SDR) liabilities. Also, the current and capital accounts net balance also reported deficit, amounting to US$391.5 million. The net borrowing of the financial account more than doubled, to US$430.1 million, largely on account of increases in direct investment (net) and other investment (net).

3.3.6.1 Current Account

The current account deficit deteriorated by 11.4 percent to US$607.1 million in 2021, largely on account of increases in deficits in merchandise trade and primary income (net) and decline in secondary income (net). However, as a share of GDP, the current account deficit narrowed to 17.4 percent, from the 17.9 percent recorded in 2020 reflecting output growth during the period.

3.3.6.2 Goods Account (net)

The merchandise trade deficit widened by 13.2 percent to US$459.3 million, from US$390.3 million recorded in 2020. The realization of the deficit in the merchandise trade balance was attributed to increase in imports outweighing the rise in exports. However, on an aggregate basis, total merchandise trade (with imports on fob basis) rose by 17.8 percent to US$2,216.2 million in 2021, reflecting increases in both export earnings and import payments. Similarly, on cif basis, total merchandise trade expanded by 18.9 percent to US$2,356.04 million in 2021, due to growths in exports and imports.

3.3.6.3 Merchandise Exports

In 2021, Liberia's merchandise exports totaled US878.5 million, expanding significantly by 44.6 percent. The growth in export was mainly occasioned by significant growths in the export of the country's key commodities (minerals, iron ore, and rubber). Receipts from the export of minerals, particularly, gold soared by 10.4 percent amounting to US$355.4 million and constituted 40.5 percent of total export. Iron ore export grew by 20.0 percent to US$346.9 million, accounting for 39.5 percent of total exports; while rubber exports rose by 33.8 percent to US$109.9 million, constituting 12.5 percent of total exports.

3.3.7 Destination of Export

The country's direction of trade in 2021 remained largely same as 2020. Europe (mainly Switzerland), North America (mainly the USA), and Asia (mainly India) were the major destinations of exports. The major commodity exported to Switzerland was gold while palm oil and rubber were the key export commodities to India and USA, respectively. China was the major destination for iron ore. In terms of share, Europe accounted for 82.4 percent of export earning while North America and Asia accounted for 8.3 percent and 6.0 percent of export earning, respectively.

3.3.7.1 Merchandise Imports

Total imports rose significantly by 34.1 percent to US$1,477.6 million on cif basis. The rise in imports was primarily driven by growths in payments for machinery & transport equipment, food & live animals, and minerals, fuel & lubricants. Payments for machinery & transport equipment totaled US$384.2 million, rising significantly by 54.4 percent, while payments on food & live animals grew by 39.8 percent to US$408.3 million. Payments on minerals, fuel & lubricants rose by 19.1 percent to US$238.3 million. The rise in import payments implies that consumption of goods rose in 2021 relative to 2020.

3.3.7.2 Sources of Imports

According to Liberia's direction of trade statistics, the topmost sources of import were Asia (mainly India & China), Africa (mainly Cote D'Ivoire), and Europe (mainly the Netherlands). Machinery & transport equipment and food & live animals were imported from India and China while petroleum products were imported from Cote d'Ivoire. Additionally, the Netherlands was also a source of food & live animals. Imports from Asia, Africa, and Europe rose by 44.5 percent, 15.1 percent, and 36.5 percent, respectively.

3.4 NIGERIA

3.4.0 Overview

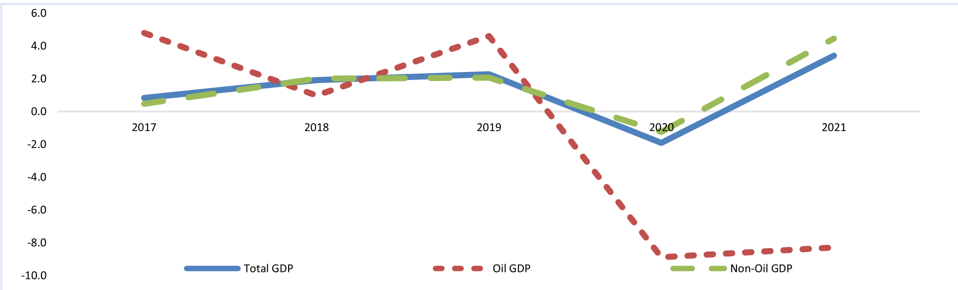
The contraction witnessed in 2020 was reversed in 2021 with a growth of 3.4 per cent. The rebound in economic activities was driven, largely, by the robust, broad based performance of the non-oil sector, especially the Services and Agriculture sectors. The growth was due to the increased economic activities that accompanied the easing of COVID-19 induced restrictions and the return of the economy to normalcy. The recovery was further supported by improved crude oil prices, sustained policy support to the economy as well as other interventions aimed at easing credit conditions for businesses and households. Headline inflation, (Y-on-Y) declined marginally to 15.63 per cent in 2021, compared with 15.75 per cent in 2020 due to the moderating effect of improved supply of goods and services.

3.4.1 Sectoral Developments

3.4.1.1 Domestic Output

The economy rebounded in 2021, thus reversing the COVID-19 induced contraction in 2020. Data from the National Bureau of Statistics (NBS) indicated that the real Gross Domestic Product (GDP), measured at 2010 constant basic prices, stood at N72.4 trillion, a contraction of 1.9 per cent in 2021, against the 3.4 per cent growth recorded in the preceding year. The development was driven, largely, by the robust, broad based performance of the non-oil sector, especially, Services and Agriculture sectors, which contributed 2.94 and 0.58 percentage points to overall growth in real terms, respectively.

Figure1: Real GDP Growth Rate 2017-2021 (Per cent)



Source: National Bureau of Statistics (NBS)

Despite the effect of a third wave of COVID-19 infections, induced by the emergence of the Delta and Omicron variants, proactive measures put in place by the Government such as robust infection tracking system and strong coordination across various levels of Government, as well as continued vaccination efforts, assisted in keeping infection and fatality rates relatively low, thus supporting increased economic activities in 2021.

The rebound of the economy in 2021 was supported by improved crude oil prices, sustained policy support to the economy, especially in agriculture, as well as other interventions aimed at easing credit conditions for businesses and households. Also, the level of growth witnessed in 2021 represented the true growth position, as the distorting base effect experienced in 2020 fizzled out. Nevertheless, higher growth outcome was hampered by the continued poor performance of the oil sector, despite improved oil prices, due to the combined effects of continued supply chain bottlenecks, persisting security challenges, ageing infrastructure and delay in the implementation of market-based reforms in the oil sector.

Table 1: Sectoral Contribution of Real GDP Growth Rate

Sectoral Contribution to Real GDP Growth Rate (2017-2021) (percentage points)					
Activity sector	**2017**	**2018**	**2019**	**2020**	**2021**
Agriculture	0.8	0.5	0.6	0.6	0.6
Crop Production	*0.8*	*0.5*	*0.6*	*0.5*	*0.5*
Industry	0.4	0.3	0.5	-1.3	-0.1
Crude Petroleum	*0.4*	*0.1*	*0.4*	*-0.8*	*-0.7*
Construction	*0.04*	*0.1*	*0.1*	*-0.3*	*0.1*
Service	-0.4	1.1	1.1	-1.2	2.9
Trade	*-0.2*	*-0.1*	*-0.1*	*-1.4*	*1.3*
Information and Communications	*-0.1*	*1.1*	*1.1*	*1.7*	*1.0*
Total (GDP)	**0.8**	**1.9**	**2.3**	**-1.9**	**3.4**

Source: National Bureau of Statistics

The non-oil sector recorded broad-based growth as 41 activity sectors expanded in 2021, compared with 18 activity sectors in 2020. The sector grew by 4.4 per cent, against a contraction of 1.25 per cent in 2020. The Services sector grew the fastest among the three main sectors with a growth of 5.61 per cent, in contrast to a contraction of 2.22 per cent in 2020. The impressive growth among its sub-sectors reflected the pace of increased economic activities that accompanied the relaxation of restrictions and increased access to credit for businesses. Most of the activity sectors reversed the contraction recorded in 2020, while others grew faster during the period. For instance, Transport, Trade and Real Estate activities grew by 16.3, 8.6 and 2.3 per cent, respectively, in contrast to 22.3, 8.5 and 9.2 per cent, in 2020. Similarly, Finance and Insurance; and Human health activities grew the fastest by 10.1 and 4.9 per cent, respectively, compared with 9.4 and 2.2 per cent in 2020, respectively. However, Information and Communications Technology (ICT) grew by 6.6 per cent in 2021, slower than the 13.2 per cent in 2020, due, mainly, to less dependence on ICT for work, businesses, and learning, following easing of COVID-19 restrictions that dominated 2020. Although, accommodation related activities remained in contraction in 2021, the subsector improved markedly as the contraction narrowed to 0.5 per cent, compared with 17.8 per cent contraction recorded in 2020.

Despite the persisting security challenges and its impact on farming activities, the Agriculture sector sustained its growth trajectory in 2021, spurred by continued policy support, lower flood incidences and good harvests. The sector grew, albeit slower, by 2.1 per cent, compared with 2.2 per cent in 2020. Crop production (remained the main driver of growth) and fishery grew by 2.3 and 1.2 per cent, respectively, while Forestry and Livestock subsectors grew by 1.43 and 0.58 per cent, respectively.

Though, most subsectors within the Industry sector recovered from the impact of the COVID-19 induced shock experienced in 2020, the Industry sector remained within the contraction region in 2021, driven by the poor performance of the mining and quarrying subsector, especially crude oil subsector. The performance of the Industry sector, however, improved in 2021, as the contraction narrowed to 0.47 per cent from 5.85 per cent in 2020. Mining and quarrying subsector contracted by a lesser degree to 1.54 per cent from 7.79 per cent in 2020, while electricity, gas, steam and air conditioner; manufacturing; and construction related activities returned to the path of growth in 2021, expanding by 27.57, 3.09 and 3.35 per cent, respectively, in contrast to a contraction of 2.90, 7.68 and 2.75 per cent, in 2020. Similarly, Water, sewage and waste management grew by 18.34 per cent, compared with 3.81 per cent in 2020.

Table 2: Sectoral Growth Rate of Real GDP (2017-2021) (per cent)

Sectoral Growth Rates of Real GDP (2017-2021) (percent)

Activity Sector	2017	2018	2019	2020	2021
Agriculture	**3.5**	**2.1**	**2.4**	**2.2**	**2.1**
Crop Production	*3.6*	*2.3*	*2.5*	*2.2*	*2.3*
Livestock	*1.6*	*0.3*	*0.2*	*1.9*	*0.6*
Forestry	*3.3*	*3.1*	*2.6*	*1.6*	*1.4*
Fishery	*1.3*	*1.6*	*3.3*	*0.3*	*1.2*
Industry	**2.2**	**1.6**	**2.3**	**-5.9**	**-0.5**
Crude Petroleum	*4.8*	*1*	*4.6*	*-8.9*	*-8.3*
Solid Minerals	*0.1*	*10.1*	*-5*	*15.7*	*19.7*
Utilities	*12.6*	*7.3*	*-1.9*	*-0.8*	*24.6*
Manufacturing	*-0.2*	*2.1*	*0.8*	*-2.8*	*3.4*
Construction	*1*	*2.3*	*1.8*	*-7.7*	*3.1*
Services	**-0.9**	**1.8**	**2.2**	**-2.2**	**5.6**
Trade	*-1.1*	*-0.6*	*-0.4*	*-8.5*	*8.6*
Transport and Storage	*3.9*	*13.9*	*10.7*	*-22.3*	*16.3*
Information and Communications	*-1.0*	*9.7*	*9.2*	*13.2*	*6.6*
Accommodation & Food Services	*-1.6*	*1.8*	*2.9*	*-17.8*	*-0.5*
Finance and Insurance	*1.3*	*2*	*2.6*	*9.4*	*10.1*
Real Estate	*-4.3*	*-4.7*	*-2.4*	*-9.2*	*2.3*
Human Health & Social Services	*-0.3*	*-0.3*	*0.3*	*2.2*	*4.9*
Total (GDP)	**0.8**	**1.9**	**2.3**	**-1.9**	**3.4**
Oil GDP	**4.7**	**1**	**4.6**	**-8.9**	**-8.3**
Non-Oil GDP	**0.5**	**2**	**2.1**	**-1.3**	**4.4**

Source: National Bureau of Statistics

The oil sector continued to weigh down on growth outcomes, despite higher crude oil prices in 2021. The sector contracted by 8.30 per cent in 2021, compared with 8.89 per cent in 2020. Despite higher crude oil prices in 2021, the decrease in crude oil output to 1.46 mbd in 2021, (1.66 mbd in 2020) outweighed the price gains of US$71.05pb in 2021, compared with US$42.19pb in 2020. The slump in crude oil production was attributed, largely, to the persistent damage to some key pipelines and terminals, the frequent shut-in, as well as, the various force majeure on major oil terminals, such as the Forcados, Yoho and Ima, Bonga, Akpo, ERHA and Brass, as well as Egina and Pennington terminals in 2021.

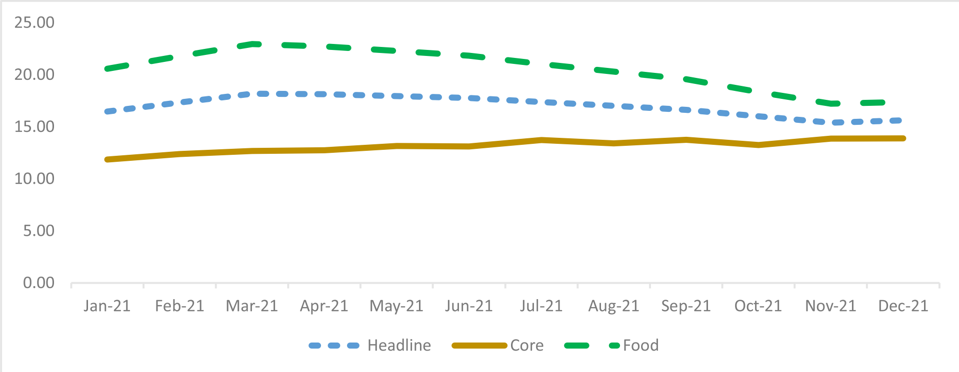
The services sector remained the dominant sector in 2021. In terms of share, at 53.56 per cent, the Services sector accounted for the largest share of total real GDP in 2021, while Agriculture and Industry accounted for 25.88 and 20.56 per cent, respectively.

3.4.1.2 Domestic Prices

Consumer prices remained relatively stable, trending downwards for most parts of the year, due, mainly, to the dampening effect of lower food prices owing to improved supply of food. Headline inflation (Y-on-Y), declined marginally to 15.63 per cent in 2021, compared with 15.75 per cent in 2020. After peaking at 18.17 per cent in March, headline inflation maintained a steady decline, dipping to 15.40 per cent in November, after which the trend reversed slightly, and upticked to 15.63 per cent in December 2021. The observed softer pace of inflation (Y-on-Y) was due to the moderating effect of higher agricultural output growth, improvement in the food supply chain and other goods and services, following the easing of the COVID-19 restrictions. Also, inflationary pressures were restrained by administrative measures such as the decision to suspend increases in price of Premium Motor Spirit (PMS) and electricity tariffs during the year, as well as, the exchange rate unification policies of the CBN, which among other factors, eased the pass-through to domestic prices.

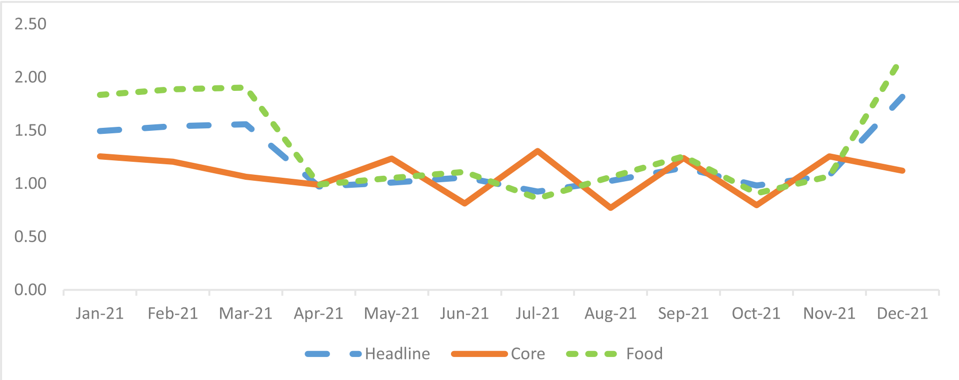
However, on a month-on-month basis, pronounced fluctuations were observed across the year as higher inflation rates were accompanied by slower increases during the period (Figure 3). The fluctuations in month-on-month headline inflation rate followed the pattern of food price increases indicating that month-on-month headline inflation was driven largely by food price developments.

Figure 2: Trends in Inflation, (Year-on-Year), Per Cent



Source: National Bureau of Statistics

Figure 3: Trends in Inflation, (Month-on-Month), Per Cent



Source: National Bureau of Statistics

Food inflation, the major driver of headline inflation, maintained a downward trend for most parts of the year, declining to 17.37 per cent in 2021, compared with 19.56 per cent in 2020. Food inflation peaked at 22.95 per cent in March, then, food prices consistently declined all through the months, with the lowest level of 17.21 per cent in November. However, the trajectory reversed in December, rising to 17.37 per cent. The moderation in food prices for most parts of the year was attributed to improved harvests and supply of food crops, due to lower flood incidences, as well as, the effect of sustained interventions in the agricultural sector by the Federal Government and the CBN. However, further moderation in food prices was hampered by the persistent security challenges in most food producing areas and the continued supply chain bottlenecks, owing to weak infrastructure and high transport/logistics costs.

Nonetheless, cost-push factors such as the effect of supply chain bottlenecks, hike in global price of LPG, persistent security challenges, as well as, demand-pull factors driven by the rebound in aggregate demand amidst slower response by firms, kept core inflation elevated during the year, except in June and September, when slight moderations were witnessed. Consequently, core inflation rose to 13.87 per cent, in 2021 compared with 11.37 per cent in 2020. During the year, it rose from 11.85 per cent in January to 12.67 per cent in March and further to 13.09 per cent in June. Further increases were recorded, 13.74 per cent in September to 13.87 per cent in December 2021. On a month-on-month basis, core inflation maintained a mixed trend, ending at 1.12 per cent in December, higher than 1.26 per cent in January 2021.

3.4.1.3 Monetary Sector

Monetary policy responded to global and domestic macroeconomic challenges, influenced by the COVID-19 pandemic and the emergence of new variants of the virus in 2021. Other influences were persisting supply bottlenecks, global inflationary pressures, oil price volatility and monetary policy normalization by some major central banks. Although domestic economic recovery progressed from the mild contraction recorded in the third quarter of 2020, the challenges of unemployment and inflation persisted, prompting active policy measures. Monetary policy was cautiously lax to enable the Bank anchor expectations and to prevent economic agents from undue speculative activities while striking the balance between supporting economic recovery and achieving price stability. Key policy parameters were unchanged during the review year but the Bank intensified real sector interventions, under which cheap credit was made available to key productive sectors of the economy. These initiatives consequently led to an expansion in monetary aggregates at end-December 2021.

Reserve money grew modestly by 1.4 per cent at end-December 2021 to N13,295.15 billion, significantly lower than the 51.0 per cent recorded at end-December 2020. The development was due, wholly, to the 14.3 per cent rise in currency-in-circulation, which outweighed the 2.3 per cent contraction in liabilities to Other Depository Corporations (ODCs). Major sources of growth in reserves money were claims on Public Nonfinancial Corporations and the private sector, which rose by 154.3 per cent and 72.2 per cent, respectively.

Broad money supply expanded by 12.6 per cent to N43,818.47 billion at end-December 2021, higher than the 10.0 per cent indicative target for fiscal 2021 and the 11.6 per cent growth recorded at end-December 2020. The growth in M_3 was driven by the 16.9 per cent increase in net domestic assets (NDA), offsetting the 1.8 per cent decline in net foreign assets (NFA).

Domestic claims grew by 17.2 per cent, comapred with the 12.7 per cent growth at end-December 2020 on account of the combined impact of 17.8 and 16.0 per cent rise in claims on other sectors and net claims on central government, respectively. The growth in net claims on central government owed, largely, to increased Ways and Means Advances by the monetary authority and holdings of securities by ODCs. Credit to the private sector rose by 27.9 per cent to N23,931.8 billion and constituted 49.3 per cent of the total domestic claims. It was followed by credit to State and Local Governments, and public non-finacial corporations, which grew by 20.6 and 13.2 per cent, respectively. The decline in NFA was driven by the 11.1 per cent surge in liabilities to non-residents, which outweighed the 5.3 per cent increase in claims on non-residents.

The corresponding increase in monetary liabilities was driven by 17.7 per cent, 16.6 and 14.2 per cent rise in currency outside depository corporations (CODCs), quasi-money, and transferable deposits, respectively. Quasi-money constituted 62.7 per cent of total deposit liabilities, following the rise in savings and time deposits of ODCs. Foreign currency deposit increased by 37.4 per cent to N8,387.14 billion during the review period and constituted 32.7 per cent of other deposit liabilities of ODCs. Similarly, deposits in national currency grew by 11.2 per cent to N32,492.0 billion and constituted 79.5 per cent of total deposit liabilities at end-December 2021. Narrow money (M1) recorded a growth of 14.7 per cent to N18,169.30 billion during the review period relative to the growth of 48.7 per cent at end-December 2020.

3.4.1.4 Deposit and Lending Rates

Interest rates generally reflected liquidity condition in the money market, influenced by the combined effect of the Bank's interventions in the real sector, periodic funds allocation to the three tiers of government, foreign exchange market intervention and open market operations. Consequently, money market rates generally trended downwards in 2021, some fluctuations notwithstanding. Similarly, average lending and deposit rates declined in 2021 relative to their levels in 2020. Prime lending rate declined by 0.37 percentage points and the maximum lending rate declined by 0.30 percentage points to 11.48 per cent and 28.06 per cent, respectively. With the average term deposit rate at 4.5 per cent in 2021, the spread between the maximum lending and average term deposit rate narrowed by 0.03 percentage points to 23.56 from the level in 2020.

3.4.1.5 External Sector

The pressure in the external account abated in 2021, as improved performance was witnessed, despite the effect of Delta and Omicron variants of the COVID-19 virus. Consequently, a lower overall balance of payments deficit of US$1.34 billion, representing 0.4 per cent of GDP, was recorded in 2021, compared with US$1.66 billion or 0.4 per cent of GDP in 2020. The current account also recorded a lower deficit of US$1.85 billion or 0.5 per cent of GDP in the review period, compared with US$16.98 billion or 3.9 per cent of GDP in 2020. This was due, largely to significant increase in export earnings, occasioned by the steady rise in crude oil prices at the international market.

Aggregate export increased by 30.4 per cent to US$46.86 billion in 2021, compared with US$35.94 billion in 2020, owing to the significant rise in commodity prices, particularly crude oil, at the international market. In contrast, aggregate imports declined to US$50.11 billion in the review period, from US$52.35 billion in 2020, as a result of persisting effect of disruption in global supply chain caused by the COVID-19 pandemic. The development resulted in a lower trade deficit of US$3.25 billion in 2021, compared with US$16.40 billion in 2020.

The financial account recorded a net incurrence of financial liabilities of US$7.57 billion, equivalent to 2.1 per cent of GDP in 2021, in contrast to a net acquisition of financial assets of US$5.07 billion in 2020 (1.2 per cent of GDP), on account of higher inflow of portfolio investment, driven by attractive returns on fixed income securities and the issuance of the Eurobonds. The stock of external reserves at end-December 2021 was US$40.23 billion and could finance 11.1 months of imports for goods only, or 8.4 months of imports of goods and services. The stock of external debt at end-December 2021 increased by 1.1 per cent to US$38.39 billion, from US$33.35 billion at end-December 2020. The increase in external debt was attributed to additional disbursement from multilateral, bilateral and commercial sources.

3.4.1.6 Exchange Rate Development

The foreign exchange market witnessed series of fluctuations following increased demand as a result of the economic recovery from the COVID-19 pandemic. This necessitated the Central Bank to implement a variety of policy initiatives, programmes, and long-term interventions in the market. The policies included: the participation of only licensed international money transfer operators (IMTOs) in remittances window; the payment of diaspora remittances in foreign currency to beneficiaries; and the introduction of the "Naira 4 Dollar" scheme to incentivise and boost diaspora remittances inflow into the country. The Bank adopted the NAFEX (also known as the investors' and exporters' window (I&E)) rate as the official exchange rate, to further unify rates across the market. The Bank also stopped the sale of foreign currency to Bureau-de-change (BDC) operators and halted the processing and issuance of new BDC licences. The development was attributed to sharp practices by the BDCs in addition to flouting of market regulations, as well as, facilitation of unlawful financial transactions. Consequently, the CBN only sold foreign exchange to banks for all transactions previously under the purview of the BDCs. The annual average exchange rate in the I&E window in 2021, was ₦409.42 per US dollar, a depreciation of 7.1 per cent, relative to ₦382.18 per US dollar, in 2020. The rate at the official window, which averaged ₦402.37 per US dollar in the first quarter of 2021, depreciated to ₦410.97 per US dollar in the second quarter, and further to ₦411.87 per US dollar and ₦412.43 per US dollar in the third and fourth quarters, respectively. The depreciation was attributed to increased demand pressure, following the gradual recovery of domestic economic activities in 2021.

3.4.1.7 Economic Outlook for 2022

The Nigerian macroeconomic environment is expected to continue to improve, with output growth projected to be sustained on its positive trajectory in 2022. The output expansion is anchored on the rising crude prices in the international market which would improve the country's BOP and shore up the fiscal space of the Federal Government. Also, the effective implementation of the Medium-Term National Development Plan (MTNDP) (2021-2025); the positive impact of CBN interventions in growth-enhancing sectors; improvement in business confidence; among others, are expected to boost the performance of the agriculture and industrial sectors with positive spillovers to the services sector. Given these assumptions, the CBN projects output growth of 3.24 per cent in 2022. However, owing to the infrastructure hiccups and other structural rigidities in the economy, inflationary pressure might persist. Specifically, headline inflation could rise to 15.72 per cent in the first quarter of 2022, compared with 15.63 in the fourth quarter of 2021. Also, persistent security challenges, rising energy costs induced by the shortage of premium motor spirit (PMS), and increasing fiscal constraints may threaten the positive outlook and serve as headwinds to output expansion in 2022. Nonetheless, the Bank's effort towards improving efficiency in the supply chain could weaken inflationary pressures during the year.

3.5 SIERRA LEONE

3.5.0 Overview

The global economy somewhat recovered in 2021, supported by accommodative monetary policies, fiscal stimulus packages, and the waning effects of the COVID-19 virus around the world. In line with global developments, Sierra Leone's economic performance improved in 2021 by more than expected, with real GDP growth upgraded to 3.2 percent, relative to 2.9 percent earlier estimated. This improvement largely reflected the higher than expected performance in the agriculture, mining, manufacturing and services such as banking, telecommunications, trade and hotel and tourism. However, the economic recovery is expected to be weaker in 2022, with GDP growth downgraded to 3.6 percent, from the earlier projection of 5.9 percent, largely reflecting the COVID-19 pandemic related uncertainty as well as the effects of the Russia and Ukraine crisis.

In 2021, monetary policy was focused on containing inflationary pressures while supporting economic recovery. In this context, monetary policy was neutral for most part of the year as the Monetary Policy Rate (MPR) was maintained at 14.0 percent up to November 2021. However, in response to the persistent inflationary pressures in the second half of the year, the BSL raised its MPR by 25 basis points in December 2021. To further dampen inflationary pressures and stabilize the exchange rate, the BSL rolled over the Special Credit Facility (SCF) by the full amount (US$50 million) with a lower interest rate of 5 percent.

Statistics Sierra Leone, which compiles the Consumer Price Index for Sierra Leone has rebased the Consumer Price Index (CPI) basket from 2008 to 2021. Based on the rebased CPI, the inflation rate declined to single digit in March 2021 which was maintained through May 2021. Thereafter, inflation rate increased steadily reaching 17.94 percent in December 2021. However, the annual average inflation rate declined from 13.49 percent in 2020 to 11.85 percent in 2021.

External sector developments in 2021 were mixed, as the overall balance of payments improved and foreign exchange reserves increased. However, the exchange rate depreciated reflecting the structural imbalance between demand for and supply of foreign exchange in the market..

Despite the widening of the current account deficit, the economy recorded a balance of payments surplus in 2021 due to improvement in both the capital and financial accounts supported by FDI inflows, Other Investment and Project Grants. Notwithstanding the increase in reserves, the Leone continued to depreciate against major international currencies due to excessive demand pressures.

Looking ahead, with the ease in COVID-19 pandemic, economic recovery is expected to gain momentum going forward. However, recent supply chain disruptions and terms of trade shock emanating from the Russia-Ukraine war may constrain economic recovery in 2022. Also, the rising consumer prices and the tight fiscal environment may contribute to stifle the gradual recovery.

3.5.1 Real Sector Developments

Economic activities picked up by more than expected, as real GDP growth was upgraded to 3.2 percent, relative to 2.9 percent as earlier projected. This improvement largely reflects the higher than expected performance in the agriculture, mining, manufacturing and services sectors, due in part to the fiscal and monetary policy measures adopted by the Authorities to mitigate the impact of COVID-19 on the economy and to support economic recovery. However, economic growth is expected to moderate in 2022, with real GDP growth downgraded to 3.6 percent, from the earlier projection of 5.9 percent. The downgrade mainly reflects the COVID-19 pandemic related uncertainty as well as the effects of the Russia and Ukraine crisis.

The agriculture sector recorded a growth rate of 3.7 percent in 2021 from 1.6 percent in 2020, Industry sector grew by 6.2 percent from a contraction of 7.1 percent in 2020 and Services sector grew by 4.5 percent from a contraction of 5.6 percent in 2020. In terms of sectorial contributions in 2021, agriculture, forestry and fishing contributed the highest to GDP (1.9 percent) followed by services (1.6 percent) and Industry (0.5 percent).

The agriculture sector improved aided by government recovery and diversification programme which focused on promoting and achieving food security that will help address domestic food inflation. The Ministry of Agriculture and Forestry in partnership with the Ministry of Finance and the Bank of Sierra Leone embarked on a major policy shift aimed at promoting private sector participation in the delivery of agricultural inputs by providing Agricultural Credit Facility fund to support the importation. In March 2021, the Bank of Sierra Leone created an Agriculture Credit Facility to the tune of US$10 million to enhance productivity and production in the agriculture sector. Hence, coffee and cocoa production which are proxies for agricultural sector increased significantly in 2021. Coffee production expanded from 668.40 metric tons in 2020 to 245,000 metric tons in 2021. Similarly, cocoa production increased from 34,749.52 metric tons in 2020 to 163,374.50 metric tons in 2021.

Performance in the manufacturing sector was mixed in 2021. The sector recorded improvement in beer & stout, maltina, acetylene and paint. Beer & stout increased by 29.93 percent to 1, 546.93 thousand cartons while maltina production grew by 35.09 percent to 486.57 thousand cartons. Acetylene production also expanded by 12.22 percent to 382.43 thousand cubic feet. On the other hand, oxygen production declined by 15.82 percent to 443.77 thousand cubic feet, confectionary fell by 10.11 percent to 3,261.87 thousand pounds and common soap decreased by 6.65 percent to 555.55 thousand metric tons.

The construction sector, proxied by paint and cement, registered a decline in production. Paint production dropped by 0.21 percent to 698.77 thousand gallons, while cement production scaled down by 9.23 percent to 315.13 thousand metric tons.

Mining sector activities improved in 2021 reflecting improved output performance for all minerals. Total diamond production increased by 37.43 percent to 829.34 thousand carats; of which 175.75 thousand carats represent industrial diamonds while 653.58 thousand carats was recorded for gem diamonds.

Bauxite production grew slightly by 0.12 percent to 1,443.69 thousand metric tons, while rutile production rose by 9.0 percent to 127.05 thousand metric tons. Ilmenite production expanded by 15.13 percent to 52.14 thousand metric tons. Likewise gold production rose by 729.18 percent to 3,763.18 ounces during the review period.

Electricity generation declined marginally by 0.28 percent to 242.23 Gw/hr in 2021, down from 242.92 Gw/hr in 2020. The slight drop in electricity generated was mainly attributed to the reduced level of hydro power, as thermal power plants increased during the review period. Electricity generated from Hydropower fell by 2.77 percent to 229.51 Gw/h, while thermal plant generation increased by 65.04 percent to 11.32 Gw/hr. Meanwhile, electricity generated by Bumbuna hydro plant rose to 94.75 percent in 2021 from 94.18 percent in 2020. Goma hydro plant contributed 3.62 percent in 2021 from 4.82 percent in 2020. Whereas, provincial thermal plants accounted for 60.63 percent in 2021 from 93.37 percent in 2020, Freetown thermal plant contributed 39.37 percent in 2021 from 6.63 percent in 2020 of the total thermal plant generation in the review period.

Tourist arrival in 2021 totaled 40,309, up by 174.4 percent relative to 14,961 in 2020. The upturn in tourist arrivals was in part explained by the ease in COVID-19 restrictive measures as well as the broad range recovery programmes implemented by the government to diversify the economy. In terms of tourist arrival by purpose, 10,225 were on holiday, 13,413 were to visit friends and relatives, 9,539 were on Business, 4,442 on Conference and 2,690 on others purposes. In terms of tourist arrival by place of Residence, 5,788 were from ECOWAS, 3,412 were from NON-ECOWAS, 4,096 were from ASIA, 11,049 AMERICA, 11,428 from EUROPE, 2,778 from MIDDLE EAST and 1,758 from AUSTRALIA & OCEANEAN.

The communication sub-sector continued to expand reflecting investments in ICT infrastructure through the Universal Access Development Fund Agency and the implementation of a business model using the deployed National Fibre Backbone to enhance broadband access nationwide. Growth in the telecommunications sub-sector remained stable during the review period due to increased monitoring and enforcement of regulations by the National Telecommunication Company (NATCOM). The total number of subscribers is estimated at 7.2 million in 2021, an increase of 9.1 percent when compared to 6.6 million in 2020, while mobile voice subscription is estimated at 8.2 million in 2021, up by 10.8 percent from 7.4 million in 2020.

Price Developments

Statistics Sierra Leone, which compiles the Consumer Price Index for Sierra Leone has rebased the Consumer Price Index (CPI) basket from 2008 to 2021. Based on the rebased CPI, inflationary pressures moderated in the first quarter of 2021, as headline inflation declined to single digit of 8.95 percent in March 2021. Thereafter, inflationary pressures picked up, with headline inflation increasing steadily to 10.20 percent in June 2021, and further to 17.94 percent in December 2021. The increase in headline inflation was driven by both food and non-food inflation, mainly caused by supply factors including, the rising global commodity prices, disruption in global supply chain caused by the new variants of COVID-19, higher freight charges and exchange rate depreciation. Inflationary pressures are expected to remain elevated at least in the near-term, driven mainly by the rising global commodity prices (especially energy and food), disruption in global supply chain, exchange rate depreciation and the lag effects of the recent increases in pump prices of fuel.

3.5.2 Fiscal Development

Fiscal policy in 2021 continue to focus on enhancing human capital development and increased job opportunities in the country despite the COVID-19 challenges. The shift in priorities increased government expenditures, resulting in a wider budget deficit.

Government Budgetary Operations

Government budgetary operations in 2021 resulted to an expansion in the overall budget deficit (inclusive of grants) of Le2, 390.71 billion (5.39 percent of GDP), compared to a deficit of Le2, 283.85 billion (5.72 percent of GDP) in 2020. It was also 9.05 percent above the budgeted deficit target of Le1, 869.67 billion (4.21 percent of GDP) for 2021. The increase in fiscal deficit ensued from an expansion in government expenditure and net lending which more than offset the increase in government revenue during the review period.

Government Revenue

Despite the challenges associated with the lingering COVID-19 pandemic, total government revenue and grants collected expanded by 15.16 percent to Le8, 992.75 billion (20.26 percent of GDP) in 2021 from Le7, 809.22 billion (19.55 percent of GDP) in 2020. However, it was 9.56 percent lower than the target of Le9, 942.97 billion (22.40 percent of GDP). The increase in government revenue collected was largely due to improved domestic revenue mobilization strategies.

Domestic revenue rose by 25.18 percent to Le6, 893.05 billion (15.53 percent of GDP) in 2021 from Le5,506.68 billion in 2020, but lower than the budgeted target of Le7, 642.50 billion (17.22 percent of GDP) for 2021. The expansion in both tax revenue and non-tax revenue accounted for the improved domestic revenue collection during the review period.

Government Expenditure and Net Lending

Total government payments and net lending expanded by 12.78 percent to Le11,383.46 billion (25.64 percent of GDP) in 2021 from Le10,093.07 billion in 2020. The expansion in government expenditure and net lending was due to the increase in both recurrent and development expenditure.

Recurrent expenditure increased by 13.78 percent to Le8, 040.62 billion (18.11 percent of GDP) from Le7,066.95 billion in 2020. The increase in recurrent spending ensued mainly from the expansion in the wage bill, total interest payment, as well as expenditures from non-salary non-interest during the review period. Development Expenditure increased by 10.47 percent to Le3, 342.83 billion (7.53 percent of GDP). The expansion in domestic expenditure was driven by the increase in both foreign loans & grants and domestic capital expenditure during the review period.

The overall deficit (including grants) was financed from both domestic, foreign and others sources. Domestic deficit financing amounted to Le2, 686.80 billion (6.55 percent of GDP). External deficit financing amounted to Le487.67 billion (1.10 percent of GDP). Other sources of deficit financing amounted to Le871.95 billion.

3,5,3 Monetary Developments

Conduct of monetary policy

Monetary policy in 2021 was focused on achieving an end year inflation target of 14.8 per cent, to maintain the International Reserves position at about 5.4 months of import cover, stabilize the exchange rate and mitigate the adverse effects of the of COVID-19 pandemic on the economy. However, the monetary policy management was challenged due to the rising global commodity prices (particularly energy and food), disruption in global supply chain, high freight charges and exchange rate depreciation. To dampen the inflationary pressures, the Bank kept its policy rate unchanged at 14.0 percent, and rolled over the Special Credit Facility (SCF) by the full amount (US$50 million) with a lower interest rate of 5 percent.

However, inflationary pressures persisted during the second half of 2021, with headline inflation increasing from 10.20 percent in June 2021 to 17.94 percent in December 2021. To dampen the inflationary pressures, the BSL raised its policy rate by 25 basis points from 14.0 percent to 14.25 percent and also adjust upward the Standing Lending Facility Rate and the Standing Deposit Facility Rate by the same margin. The Bank also created an Agriculture Credit Facility to the tune of US$10 million in March 2021 to enhance productivity and production in the agriculture sector.

Monetary Aggregates

Broad Money (M2) growth moderated to 22.05 percent in 2021, following a 38.18 percent increase in 2020. The slowdown in M2 growth was reflected in both the Net Domestic Assets (NDA) and Net Foreign Assets (NFA) of the banking system. The Reserve Money (RM) grew by 8.68 percent in 2021 relative to the growth rate of 54.82 percent in 2020. The moderated growth in RM was mainly reflected by growth in the NDA of the BSL by 32.12 percent in 2021 relative to the 54.20 percent increase in 2020. NFA of the BSL contracted by 127.17 percent in 2021 compared to the expansion of 58.52 percent in 2020. From the liabilities side, the slowdown in RM growth reflected a 27.19 percent growth in currency issued in 2021 compared to the 30.39 percent growth in 2020. Banks' reserves contracted by 35.99 percent in 2021, from an expansion of 184.92 percent registered in 2020.

3.5.4 External Sector Developments

External sector developments in 2021 were mixed. The overall balance of payments improved and foreign exchange reserves increased, while the exchange rate depreciated reflecting the structural imbalance between demand for and supply of foreign exchange.

Despite the widening of the current account deficit mainly due to deterioration in the Goods Account, the economy recorded a balance of payments surplus in 2021 due to improvement in both the capital and financial accounts supported by FDI inflows, Other Investment and Project Grants.

The Leone depreciated against major international currencies, in the face of excess demand pressures. Meanwhile, the stock of international reserves increased in 2021 relative to 2020, and was enough to cover about 5.4 months of imports of goods and services.

External sector performance is expected to improve in the medium-to-long term premised on the expected recovery in global investment and demand conditions from the devastating impact of COVID-19, resumption of iron ore mining, recovery in global demand for primary exports, as well as increased inflows of foreign direct investment (FDI). However, risks to the outlook may include, uncertainties in the mining sector, disruptions to global trade due to the Russia-Ukraine crisis, lower-than-expected support from development partners.

Balance of Payments

The overall balance of payments recorded a significant surplus estimated at US$149.0 million in 2021 representing 3.6 percent of GDP, higher than US$4.5million or 0.1 percent of GDP. The improvement in the BOP position was largely due to improved performance in both the financial and capital accounts, reflecting increased FDI inflows, other investments and project support grants. However, the current account deteriorated to 14.6 percent of GDP from a deficit of 6.8 percent of GDP in 2020 on account of expansion of the trade deficit and widening of the deficit in the primary services accounts.

The current account deficit widened to US$611.1 million (14.6 percent of GDP) in 2021, from a deficit of US$275.6 million (6.8 percent of GDP) in 2020, largely reflecting a deterioration in the trade balance and a decline in the primary income balance.

The goods account recorded a trade deficit of US$713.7million (17.1 percent of GDP) in 2021, compared to US$573.0million (14.1 percent of GDP) in 2020. The deterioration in the trade deficit was mainly due to increase in the import bill relative to subdued exports receipts.

The capital and financial accounts recorded a net inflow of US$760.1million in 2021 or 18.2 percent of GDP compared to US$292.7 million in 2020 or 7.2 percent of GDP. The capital account recorded a net inflow of US$124.5 million in 2021, relative to the US$94.1 million in 2020, while financial account net inflows increase US$635.6 million in 2021 compared to US$198.6 million in 2020.

3.5.5 Exchange Rate Developments

The exchange rate of the Leone against the major currencies was relatively stable for most of the time in 2021, supported in part by the Central Bank policy measures (the Special Credit Facility and Agriculture Credit Facility). However, high exchange rate pressures resurfaced in October 2021, reflecting reduced foreign exchange inflows in the face of increased demand for importation of essential commodities. The structural imbalance in demand and supply was mainly induced by the COVID-19 pandemic related uncertainties.

The official exchange rate depreciated by 6.14 percent to Le10,439.43/US$1 in 2021 relative to Le9,835.40/US$1 in 2020. The bureau rate depreciated by 6.27 percent to Le10,464.49/US$1 in 2021 from Le9,847.45/US$1 in 2020, commercial banks rate deprecated by 6.01 percent to 10.576.94/US$1 in 2021 from Le9977.25/US$1 in 2020, and the parallel market rate depreciated by 4.09 percent to Le10.834.83/US$1 from Le10,409.43/US$1 in 2020.

On a year-on-year basis, the rate of depreciation of the Leone against the US dollar was 11.2 percent in December 2021, relative to 3.95 percent in 2020, while the rate of depreciation of the Leone against British pound was 9.8 percent in 2021, relative to 6.55 percent in 2020. However, the rate of depreciation of the Leone vis-à-vis the Euro decreased to 3.3 percent in 2021, from 13.4 percent in 2020.

Consequently, the exchange rate of the Leone to the US$ dollar and British pound sterling averaged Le11,224.61/US$1 and Le14,904.01/US$1 in 2021, compared to Le10,094.92/US$1 and Le13,570.64/US$1 in 2020 correspondingly. The Leone to the Euro exchange rate averaged Le12, 680.57/US$1 in 2021, relative to Le12, 276.02/US$1 in 2020.

3.5.6 Gross Foreign Reserves

The stock of gross foreign exchange reserves of the Bank of Sierra Leone stood at US$931.76million at end-December 2021, increasing by US$254.55 million (37.6 percent), relative to the US$677.21 million in 2020. The increase in reserves was mainly driven by inflows in respect of disbursements by development partners and BOP support from the IMF. Total inflows recorded was US$626.01 million in 2021, while outflows amounted to US$362.94 million in 2021, resulting in a net inflow of US$263.06 million and revaluation loss of US$8.51 million.

Inflows

Significant inflows included disbursement from multilateral and bilateral development partners of which; New SDR allocation (US$281.52mn), World Bank loan grant (US$100.65mnmn), IDB (ongoing project (US$ 2.53mn) and IMF (US$94.61mn). Other inflows included, transactions with commercial banks (US$23.30mn), receipts from timber exports (US$34.29mn), other government receipts (US$11.53mn), returns on BSL investment abroad (US$2.42mn), Maritime administration (US$1.41mn), fishing royalty and licenses (US$5.60mn), diamond license fees (US$0.44mn), diamond exporters income tax (US$1.94mn), other mining receipts (US$28.62mn), Koidu Holdings mining company (US$7.32mn), Cluff Gold mining co. (US$0.46mn), African mineral mining company/Shandong (US$7.55mn), bauxite (US$3.89mn), Export receipts from Sierra Rutile (US$16.57mn), privatization receipts (US$0.80mn) and receipt from Petroleum Resource Unit (0.52mn),

Outflow

Major outflows comprised amount utilized in respect of interbank market operations (US$107.29mn), government travel and other government outlays (US$55.34mn), drawdown on BSL Special Credit Facility to the private sector (US$51.55mn), embassy and mission payments (US$30.94mn), Electricity support fuel, Japan, ECOWAS(US$31.65mn), cost of currency printing and other BSL outlays (US$33.14mn), various infrastructure projects (US$9.93mn), and subscription to international organizations (US$3.48mn). Other outflows consisted of debt service payments (US$39.60mn) of which; World Bank (US$8.32mn), AfDB (US$2.84mn), EC/EIB (US$1.58mn), IFAD (US$1.94mn), and others bilateral and multilateral creditors (US$17.42mn).and OPEC/OFID (US$7.50mn).

3.5.7 External Debt Management

Sierra Leone's external debt stock as at end-2021 was estimated to be US$1,580.80 million, increasing by 2.8 percent from US$1,538.38 million as at end 2020. Debt owed to multilateral creditors dominate the debt portfolio, comprising 78.8 percent of the total, followed by bilateral creditors (12.6 percent) and commercial creditors (8.6 percent). Outstanding debts to the IMF and the World Bank were the main drivers of the high multilateral debt constituting 27.0 percent (US$541.44 milloin) and 23.1 percent (US$463.80 million) respectively.

4.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN WEST AFRICA

4.1 INTRODUCTION

The year 2021 was a recovery period for the West African sub-region. It was the period in which the measures embarked on to contain the COVID-19 pandemic were partially relaxed, thus resulting in rebound of economic activity. Preliminary estimates indicate that there was a slight recovery from -1.3 percent (2020) to -0.3 percent (Table 4.1), which could be attributed to rebound of the services sector.

The key drivers of growth in 2021 were improvement in exports, increase in commodity prices, COVID-19 vaccine rollout and a pickup in both private consumption and investment (including services) as lockdown constraints were relaxed across the sub-region. In addition, many countries in the sub-region embarked on specific plans and policy reforms to restructure their respective economies to increase socio-economic development. These are: Nigeria's Economic Sustainability Plan (ESP), Senegal's Energy Sector Reform (2016-2021), Benin's Government Action Plan, Ghana CARES (“OBAATAN PA”) programme among others.

Average inflation rate in the sub-region in 2021 is estimated at 7.2 percent, 1.9 percentage points higher than that of the previous year (Table 4.2). The rise in inflation in 2021 could be attributed mainly to expansionary fiscal policies and supply-side constraints caused by the COVID-19 pandemic.

4.2 CFA COUNTRIES

Average real GDP growth in CFA countries increased significantly from -0.4 percent in 2020 to 1.5 percent in 2021 (Table 4.1). However, the growth experience was heterogeneous amongst the CFA countries. Whilst some countries in the CFA zone recorded negative growth rates (Guinea-Bissau and Mali), others recorded very low but positive growth rates (Benin, Burkina Faso, Cote d'Ivoire, Niger, Senegal and Togo). The economic recovery in the CFA zone was mainly due to measures undertaken to contain the COVID-19 pandemic. Some of the measures included lifting of bans on the movement of persons and goods, mass vaccination exercise against the COVID-19 pandemic, expansionary fiscal and monetary policy etc. Those measures led to a rebound of sectors such as commerce, transport, agriculture, and hotels and restaurants (which were hardly hit by the pandemic). In Cote d'Ivoire, there was a rebound in the export sector (exports of agricultural products, agro-food, industrial products, forestry, mining and petroleum products as well as transport). In Niger, there was a rebound in terrorism activities while the negative effects of the border closure on service and extractive industries were ameliorated leading to positive growth rate, whereas in Togo, foreign direct investment, portfolio investment and migrant remittances were slightly rekindled.

In terms of inflation, the CFA countries experienced acceleration in average inflation, moving from 2 percent in 2020 to 3.9 per cent in 2021 (Table 4.2). The increase in inflation reflected in most of the CFA countries in 2021. Specifically, Burkina Faso experienced a leap in inflation from 2.0 percent to 3.7 percent over the same period, whereas in Cote d'Ivoire the rise in inflation rate was from 1.2 percent (2020) to 4.1 percent in 2021 (Table 4.2). The rise in headline inflation in Burkina Faso and Cote d'Ivoire could be attributed to increase in food inflation. In Mali, inflation rose significantly from 0.5 percent in 2020 to 3.9 percent in 2021 (Table 4.2). On the contrary, inflation in Niger declined from 4.4 percent to 3.8 percent (Table 4.2).

In summary, 3 out of the 4 countries in the CFA zone for which data was available for 2021, experienced hike in inflation in 2021 and their respective inflation rates were still above 3%, which is the West African Economic and Monetary Union (WAEMU) convergence criterion.

4.3 NON-CFA COUNTRIES

Similar to the experience of the CFA countries, there was a rebound in economic activities in the non-CFA countries in 2021 due to relaxation of the Covid-19 containment measures, albeit with some heterogeneities in the growth rates. Average real GDP growth in the non-CFA countries increased significantly from -0.3 per cent in 2020 to 4.9 per cent in 2021 (Table 4.1). Whilst some countries such as Cabo Verde and Ghana, experienced a decline in GDP growth (in the case of Cabo Verde, it was a huge contraction), others such as Guinea, The Gambia, Liberia, Nigeria and Sierra Leone experienced increase in their growth rates (Table 4.1). The huge economic contraction in Cabo Verde (-14.8 percent) significantly weighed down heavily on the average growth rate for the non-CFA countries.

It is worth noting that, among the non-CFA economies, the economy of Guinea experienced the highest recovery in its growth rate, reporting 6.4 percent in 2021 (Table 4.1). In the case of Liberia, there was already a contraction in economic activities in 2020, with a real GDP growth of -3.0 percent, which remained unchanged in 2021 (Table 4.1).

Average inflation rate in non-CFA countries increased significantly between 2020 and 2021. Specifically, average inflation rate in non-CFA countries increased from 9.6 percent in 2020 to 10.5 percent in 2021 (Table 4.2). However, the outcomes in terms of the inflation rates amongst the non-CFA countries were mixed .. The Gambia and Guinea, experienced a hike in their inflation rates, whilst Ghana and Sierra Leone experienced a dip in 2021 (Table 4.2). The hike in inflation in Guinea and The Gambia was largely due to the pandemic-related interruptions in supply chains, expansionary monetary and fiscal policies aimed at mitigating the adverse economic effects of the pandemic.

4.4 OUTLOOK FOR 2022

The outlook for economic activity in the West African sub-region is very optimistic. Real GDP growth is expected to rebound to 4.9 per cent in 2022, from a growth rate of -0.3 per cent in 2021 (Table 4.1). All countries in the West African sub-region are positive of high growth resurgence in 2022. The expected favourable outlook for 2022 is based on the following assumptions: (1) There will be massive vaccination exercise and the Covid-19 pandemic will be contained. (2) Consequently, there will be increased demand for key exports such as cocoa, iron ore, gold, diamond, rubber, crude oil etc. It is envisaged that this will generate employment as well as boost revenue for governments. (3) The various governments in the sub-region will be able to successfully implement their national programmes with increased donor support.

Given the above assumptions, the West African economy is expected to bounce back strongly in 2022. However, the Russia-Ukraine war would pose threat to the realization of the growth projections in 2022. Other risk factors that would also pose threat include the possibility of resurgence of the COVID-19 pandemic in most West African countries due to the low rate of vaccination, global trade tensions (particularly between China and America), normalization of interest rates in advanced economies and volatility in global commodity prices. Whilst a number of these risks are exogenous shocks to the economy of West Africa, governments of countries in the sub-region must make efforts to address the structural challenges caused by over-reliance on primary commodity exports, political instability and insecurity, inequalities, poor electricity supply, weak manufacturing sector, persistent fiscal deficits and debt vulnerability.

Table 4.1: Real GDP Growth in West Africa (%)

CFA	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021***	**2022****	**2023*****
Benin	3.0	4.8	7.2	6.4	1.8	3.3	5.7	6.7	6.9	2.0	3.8	7.0	6.1
Burkina Faso	6.6	6.5	5.8	4.3	3.9	6.0	6.2	6.8	5.7	-2.0	1.9	6.7	5.0
Cote d'Ivoire	-4.2	10.1	9.3	8.8	8.8	7.2	7.4	6.8	6.5	1.8	2.0	7.4	6.0
GuineaBissau	8.1	-1.7	3.3	1.0	6.1	5.3	4.8	3.4	4.5	-2.9	-1.4	3.8	3.7
Mali	3.2	-0.8	2.3	7.1	6.2	5.9	5.0	5.2	5.1	-2.0	-1.2	3.2	2.1
Niger	2.2	11.8	5.3	7.5	4.3	5.7	5.0	7.2	5.9	0.5	3.5	1.4	6.5
Senegal	1.3	4.0	2.4	6.2	6.4	6.4	7.4	6.4	5.3	-0.7	1.3	6.1	4.6
Togo	6.4	6.5	6.1	5.9	5.7	4.9	4.4	4.9	5.3	0.0	1.8	6.0	5.8
Average for CFA Countries	***3.3***	***5.1***	***5.2***	***5.9***	***5.4***	***5.6***	***5.7***	***5.9***	***5.7***	***-0.4***	***1.5***	***5.2***	***5.0***
Non-CFA													
Cabo Verde	4.0	1.1	0.8	0.6	1.0	4.7	3.7	4.5	5.7	-6.8	-14.8	7.1	5.1
The Gambia	-8.1	5.2	2.9	-1.4	4.1	1.9	4.8	7.2	6.1	-1.8	-0.2	5.5	4.8
Ghana	14.0	9.3	7.3	2.9	2.2	3.4	8.1	6.3	6.5	0.9	0.4	5.0	5.3
Guinea	5.6	5.9	3.9	3.7	3.8	10.8	10.3	6.2	5.6	1.4	6.4	4.3	4.9
Liberia	7.7	8.4	8.8	0.7	0.0	-1.6	2.5	1.2	-2.5	-3.0	-3.0	3.3	3.5
Nigeria	5.3	4.3	5.4	6.3	2.7	-1.6	0.8	1.9	2.2	-4.3	-1.8	3.6	3.4
Sierra Leone	6.3	15.2	20.7	4.6	-20.5	6.3	3.8	3.5	5.4	-3.1	-2.0	3.2	4.0
Average for Non-CFA Countries	***5.0***	***7.1***	***7.1***	***2.5***	***-1.0***	***3.4***	***4.9***	***4.4***	***4.1***	***-2.4***	***-2.1***	***4.6***	***4.4***
Average for West Africa	**4.0**	**6.0**	**6.0**	**4.4**	**2.6**	**4.6**	**5.3**	**5.3**	**5.0**	**-1.3**	**-0.3**	**4.9**	**4.7**

Source: IMF, AfDB, GSS, BoG, MoF, World Bank

***2021 Figures are based on estimates whilst **2022 and **2023 are based on projections.**

Table 4.2: Consumer Price Inflation (Annual Averages, %)

CFA	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Benin	0.4	-0.5	0.2	-0.8	1.8	0.8	1.8	0.8	-0.9	2.5	---
Burkina Faso	0.5	-0.3	0.7	0.4	1.5	2.0	0.4	2.0	-3.2	2.0	3.7
Cote d'Ivoire	2.6	0.4	1.3	0.7	0.7	0.4	0.7	0.4	0.8	1.2	4.1
GuineaBissau	5.7	6.9	6.6	6.3	8.0	4.7	-0.2	0.4	0.2	2.0	---
Mali	4.1	3.5	3.2	1.5	2.3	3.0	1.8	1.7	-2.9	0.5	3.9
Niger	8.5	8.1	9.0	15.7	16.5	12.1	0.2	2.8	-2.5	4.4	3.8
Senegal	4.3	1.4	4.0	-1.0	2.9	3.7	1.1	0.5	1.0	2.0	----
Togo	1.8	0.2	2.6	1.3	-1.0	0.9	-0.2	0.9	0.7	1.4	----
Average for CFA Countries	***3.5***	***2.5***	***3.5***	***3.0***	***4.1***	***3.5***	***0.7***	***1.2***	***-0.8***	***2.0***	***3.9***
Non-CFA											
Cabo Verde	1.5	-0.2	0.1	-1.4	0.8	1.3	0.8	1.3	1.1	1.0	----
The Gambia	11.7	15.5	17.1	17.5	12.4	7.8	8.0	6.5	7.1	6.1	7.4
Ghana	11.9	7.1	10.8	8.2	8.9	9.8	12.4	9.8	7.2	10.4	10.0
Guinea	1.2	-1.5	1.5	1.5	1.0	0.4	8.9	9.8	9.5	9.1	12.6
Liberia	2.6	2.4	9.8	25.9	28.5	13.6	12.4	23.5	27.0	11.9	-----
Nigeria	10.3	5.9	2.3	2.5	7.2	8.3	16.5	12.1	11.4	12.9	-----
Sierra Leone	4.5	1.3	1.4	2.3	2.9	5.1	18.2	16.0	14.8	15.7	11.9
Average for Non-CFA Countries	***6.2***	***4.4***	***6.1***	***8.1***	***8.8***	***6.6***	***11.0***	***11.3***	***11.2***	***9.6***	***10.5***
Average for West Africa	**4.7**	**3.3**	**4.6**	**5.2**	**6.2**	**4.8**	**5.2**	**5.6**	**4.4**	**5.3**	**7.2**

Source: IMF, AfDB, GSS, BoG, MoF, World Bank

***2021 Figures are based on estimates**

5.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN AFRICA

5.1 INTRODUCTION

In 2021, the economies of Africa generally witnessed some remarkable recovery from the adverse effects of the COVID–19 pandemic, which claimed millions of lives in the affected countries and families in 2020. The economic resurgence was attributed the rebound to recovery in oil prices and global demand, coupled with the resurgence in household consumption and investment in most countries after restrictions were eased. Countries in the North and East Africa spearheaded the growth effort.

5.2GDP GROWTH

In 2021, real GDP growth in the continent was 6.9 percent compared to a pandemic-induced contraction of 1.6 percent in 2020. This significant recovery from the worst recession in more than half a century was underpinned by a resumption of tourism, rebound in commodity prices, COVID-19 vaccination rollout and the subsequent rollback of pandemic-induced restrictions. Additional drivers of the recovery were private consumption and investment on the demand side and continued expansion in the services sector on the supply side.

The continent's recovery in 2021 was not synchronous across the sub-regions. For instance, the North Africa's economy grew by 11.7 percent in 2021. North Africa's robust recovery was attributed largely to rebound of oil sector activities in Libya, following easing of the decade-long political impasse, which led to the lifting of the oil exports blockade in late 2020.

On the other hand, economic diversification in East Africa cushioned the region against the pandemic shock in 2020, aided by sustained public spending on flagship infrastructural projects. Closer trade ties within the region and strong agricultural performance were key to the region's sustained growth. Real GDP grew at an estimated 4.8 percent in 2021. Rwanda maintained its position as one of the top-performing economies in East Africa with an estimated growth rate of 10.0 percent in 2021. The economy of Seychelles grew by 7.9 percent in 2021, underpinned by recovery of tourism sector activities and comprehensive vaccination rollout. Other top-performing economies included Kenya with a GDP growth of 6.7 percent in 2021, buoyed by public infrastructure investment.

In Central Africa, growth reached an estimated 3.4 per cent in 2021. All countries in the region except Congo rebounded in 2021 on account of increased trade in both oil and non-oil primary commodities. The economy of Democratic Republic of Congo grew by an estimated 5.7 percent in 2021, driven by sustained investments in the mining sector and rising copper and cobalt prices. The agriculture and services sectors in Democratic Republic of Congo also recovered strongly. In Cameroon, real GDP was estimated to have grown by 3.5 percent in 2021, which could be attributed to recovery in exports of oil and non-oil commodities.

Growth in West Africa was driven largely by Nigeria, the region's largest economy. Average growth in the West African region stood at 4.3 percent in 2021 and was projected by the African Development Bank to remain strong at 4.1 percent in 2022. The Nigerian economy grew by an estimated 3.6 percent in 2021.The positive growth of Nigeria's GDP was attributed to high oil prices, recovery in services and manufacturing as well as policy support in agriculture. However, the effect of higher oil prices may be offset by production constraints due to technical challenges and insecurity in oil-producing regions. Ghana and Côte d'Ivoire returned to a higher growth path, expanding by 5.0 and 7.4 percent, respectively, in 2021. The rebound in growth was supported by favourable cocoa prices and recovery in construction and manufacturing.

Southern Africa, the region hardest hit by the pandemic, saw estimated GDP growth of 4.2 percent in 2021, as South Africa's economy posted strong growth of nearly 5 percent, the highest since 2007, reflecting large fiscal stimuli. Growth in the region is projected to decelerate to 2.5 percent in 2022 as the effects of these stimuli peter out, especially in South Africa, which is projected to post 1.9 percent growth. Among the top economies of Southern Africa in 2021 were Botswana (12.5 percent) and Mauritius (4.0 percent). The recovery of growth in the Southern Africa's region was driven largely by rising prices and global demand for metals and non-metals and by vaccination rollouts, which aided growth in tourism.

Across country groupings in Africa, the tourism-dependent economies grew by 4.4 percent in 2021, led by Seychelles and Cabo Verde. The key factor responsible for the recovery of these economies was the easing of restrictions on tourists compared with competing destinations for both traditional and new tourism markets, especially the Middle East. These countries have some of the highest rates of fully vaccinated people on the continent, which reduced fears of transmission and enhanced the safety of international travel.

Non-resource-intensive economies comprise some of the most diversified economies in Africa. Average growth for this grouping was estimated at 5.8 percent in 2021, attributed to a resumption of productive activities as well as sustained fiscal stimuli to support domestic demand. Benin, Cabo Verde, Côte d'Ivoire, Morocco, and Rwanda experienced growth rates of not less than 7 percent.

Growth in oil-exporting countries was estimated at 8.1 percent in 2021, reflecting strong post-pandemic recovery in Algeria and Nigeria and the base effects of Libya's extreme 177.3 percent expansion. Nigeria's growth was led largely by services, partly offsetting the contraction in oil output, while Algeria, Cameroon, Egypt, and Libya all benefited from soaring oil prices and strong domestic oil production.

Other resource-intensive economies, dependent mostly on metals and minerals, grew by an estimated 4.5 percent in 2021, as prices of these commodities approached record levels. The economies of Botswana, Burkina Faso, and Zimbabwe each expanded by more than 6.0 percent, but this strong performance was weighed down by slower growth in Sudan (0.5 percent) and other countries.

5.3 INFLATIONARY PRESSURE

Average consumer price inflation in Africa increased by an estimated 2.2 percentage points to 13.0 percent in 2021, from 10.8 percent in 2020. The increase in inflation was due to a combination of higher local food prices attributed to drought-induced local supply shortages and a rise in global food and energy prices. Other contributors include the accommodative monetary policy to lessen the negative impacts of the COVID-19 pandemic as well as the pass-through effect of exchange rate depreciation on import prices in some countries.

China's renewed COVID-19 lockdowns have led to the closure of key manufacturing and trade hubs, putting further pressure on supply chains.

With the increases in consumer prices, monetary authorities had limited room for more accommodative policy and needed to navigate cautiously as the recovery strengthens.

Monetary policy in most African countries has been supportive of recovery, since most central banks in African countries with declining or relatively stable inflation have maintained or lowered monetary policy rates since January 2020. The Central Bank of Liberia (CBL) had the deepest cut of 10 percentage points, whilst the Central Bank of Egypt had a cut of 4.5 percentage points. Exceptions include Angola and Mozambique, which raised policy rates by 4.5 percentage points and 0.5 percentage point, respectively, between January 2020 and December 2021, owing to strengthening inflationary pressures. Some central banks, such as those in Ghana, Mauritius, Rwanda, and South Africa, also resorted to unconventional policy interventions, including direct liquidity injections into the banking system, moratoriums on loan payments by severely affected firms and households, and buy backs of government securities.

A tighter monetary policy stance were adopted in countries where inflation expectations exceeded medium to long-term inflation targets. However, this could have an unintended negative effect on economic recovery. In general, the convolution of factors buffeting the global economy and their implications for Africa test the potency of traditional policy tools designed to address challenges in normal times. The challenges brought about by the multiplicity of risks call for an unconventional policy response that combines domestic insights and a global forward-looking coalition and approach to reverse the tide.

Upward price pressures arose from accommodative monetary policy, the pass-through from exchange rate depreciation to prices, rising food prices because of low agricultural output, and increased production and distribution costs due to supply-chain disruptions. Downside pressures included cheaper imported oil, increased precautionary savings due to perceived uncertainties, and the credible anchoring of inflation expectations in countries belonging to a currency union.

5.4 FISCAL DEVELOPMENTS

Relative to 2020 (i.e. 8.4 percent), Africa's fiscal deficit decreased to 5.1 percent in 2021, reflecting scaling-down of COVID-19-related interventions and strengthening of domestic revenues. The current account deficit was estimated at 2.4 percent in 2021, whilst average inflation was estimated at 13.0 percent in 2021.

Fiscal deficits narrowed marginally in 2021 in some countries, supported by economic recovery and attendant improvement in revenues. However, the estimated average deficit for the continent remained above pre-pandemic levels at 5.1 percent of GDP in 2021, against 4.3 percent and 7.2 percent of GDP in 2019 and 2020 respectively. From the onset of the pandemic to the end of the period under review, African governments undertook fiscal stimuli, but amidst limited revenues. Many of the stimuli included “above-the-line” measures estimated at 6.2 percent of GDP by September 2021. Additional spending or forgone revenues were estimated at 0.8 percent and 2.4 percent of GDP in the health and non-health sectors, respectively. On the other hand, fiscal measures were highest in tourism-dependent economies on average, with Mauritius allocating more than half of its GDP to COVID-19-related fiscal support. In contrast, oil-exporting countries provided smaller packages, ranging from 0.5 percent of GDP to 12.2 percent. Fiscal deficits were estimated to have declined from 6.7 percent of GDP in 2020 to 4.2 percent in 2021 in oil-exporting countries and from 8.0 percent of GDP to 5.8 percent in other resource-intensive countries. These gains were as a result of recovery in the share of revenue from commodities. Similarly, tourism-dependent countries in the continent benefited from improved revenue, with their average fiscal deficit estimated at 8 percent of GDP in 2021, against 13.8 percent in 2020.

Sovereign debt remained a threat to recovery despite debt relief initiatives. The average debt-to-GDP ratio in Africa was estimated at 71.4 percent in 2020, stemming from weak public finance management systems, security spending, high inflation, weaknesses in revenue mobilization, and increased government spending due to the pandemic. Although the increase in debt is nearly universal, country groupings show notable differences. The overall sharp increase in 2020 (of nearly 10 percentage points) was driven by nonoil resource-intensive economies. This group of countries has contributed the most to the overall increase in debt, reaching more than 85.4 percent of GDP that year. They were followed by oil exporters (66.7 per cent of GDP) and non-resource-intensive countries (65.3 per cent of GDP). Debt levels in non-resource-intensive countries increased significantly, from 57.4 percent in 2019 to around 66.1 percent in 2021. The average debt-to-GDP ratio in other resource-intensive countries is estimated to have declined to 75 percent in 2021. This mainly reflected declines in São Tomé and Príncipe (20 percentage points), Sudan (86 percentage points), Zambia (17 percentage points), and Zimbabwe (35.1 percentage points) due to large increases in nominal GDP relative to nominal dollar-denominated public debt and due to lower debt service obligations in 2021 resulting from the Debt Service Suspension Initiative (DSSI).

5.5 EXTERNAL SECTOR DEVELOPMENTS

The overall current account deficit was estimated to have narrowed to 2.4 percent in 2021 from 3.7 percent in 2020. This reflects the resumption of dividend payments that were put on hold in 2020 and improvements in the trade balance and current transfers. In addition, as countries began to open and as oil and other commodity prices and global demand rose, trade picked up, reducing Africa's trade deficit.

Despite the economic rebound and increase in foreign exchange inflows, currency depreciation continued in almost two-thirds of African countries in 2021, especially in commodity-exporting countries (oil exporters and other non– oil exporters). The currency depreciation indicated the weakness in current account positions and increased global uncertainty. Thus, countries with higher depreciation also experienced higher inflationary pressures, suggesting a strong pass-through effect. Exchange rate depreciation in non-resource intensive economies was much lower, and some even experienced insignificant appreciation, as they slowly recovered from the pandemic-induced economic crisis.

5.6 OUTLOOK FOR 2022

The outlook for growth recovery in Africa is subject to headwinds and significant tailwinds. The projected growth recovery of 4.1 percent in 2022 is uncertain. New waves of the COVID-19 infections could require re-imposition of lockdowns and quarantine that would potentially slow down or retard the recovery process. Africa's fiscal deficit is projected to narrow to 4.0 percent of GDP in 2022, whilst the current account deficit was projected to be 2.0 percent of GDP in 2021 and is projected to stabilize at 4.7 percent in 2022. However, intra-regional differences remain in terms of the projection. For instance, growth in Central Africa is projected to rise to 4.6 percent in 2022, whilst growth in North Africa is projected to decelerate to 4.5 percent in 2022, largely reflecting ebbing of base effects in countries such as Libya (3.5 percent) and Morocco (1.8 percent), albeit with strong growth in Egypt (5.7 percent). On the other hand, growth in non-resource intensive economies in Africa is projected at 4.4 percent in 2022, supported by expanded industrial agricultural production, sustained government spending on infrastructure projects, and continued growth in tourism and interregional trade. Growth in oil-exporting economies in Africa is projected at 4.4 percent in 2022, but it could be higher if these countries increase oil production to take advantage of the global shortfall created by the Russia–Ukraine conflict and related sanctions on Russia. For other resource-intensive economies, the outlook for 2022 points to a slight deceleration in the pace of growth, with average GDP growth projected at 3.3 percent. However, the growth outturn could be higher, if the rise in commodity prices persists.

Average inflation is projected to accelerate to 13.5 percent in 2022, from 13.0 percent in 2021, as Russia's invasion of Ukraine stokes a sharp rise in commodity prices, especially for energy and food. Africa's inflation will, however, continue to evolve, depending on the duration of the Russia-Ukraine conflict, the easing of gridlock in global supply chains and the associated impact on commodity prices, as well as different countries' policy stances to mitigate these impacts. The path of exchange rate dynamics in 2022 and beyond will now depend on development in international financial markets, especially on the back of the Russia-Ukraine conflict.

On the whole, Africa's growth projections are highly uncertain and could be influenced by the following risk and upside factors:

- Evolution of the COVID-19 pandemic (emergence of new, more transmissible variants, and low vaccine access and rollout).
- Sovereign debt vulnerabilities and high debt levels in many African countries, limiting the capacity of countries to boost spending and financing after the COVID-19 recovery.
- Potential spillovers from the tightening of global financial conditions due to elevated inflation risks in advanced economies.
- The Russia–Ukraine conflict and related sanctions on Russia.
- Climate and environmental concerns and other exogenous disruptions, which would cause severe damage to domestic output given the high reliance of African economies on agriculture.
- Domestic and external sociopolitical and security issues, including a continuation of certain political upheavals in Africa.
- Faster vaccination rollout.
- A comprehensive resolution of debt problems.
- Policies to accelerate structural transformation and build economic resilience.
- The 2022 and 2023 general elections
- A surge in COVID-19 infections (vaccine rollout was at 30% by mid-April 2020).
- Limited access to external resources, and natural factors.

Political instability, an oil blockade, social instability (more than 1.3 million need humanitarian aid), and the spread of a new COVID- 19 variant.

Africa's economic growth outlook in 2022 could, however, be energized by the confluence of factors, being; a rollout of mass vaccination on the continent and the parts of the world that have yet to achieve it, allowing further normalization of socioeconomic activity, additional monetary and fiscal support, a comprehensive resolution of the debt problem, greater efforts to accelerate structural transformation and a stronger-than- expected global economic recovery. Furthermore, in order to meet the growth prospects in 2022, African governments can engage in risk mitigation strategies such as election-education events, continuing growth-friendly structural reforms to build resilience to shocks, mobilization of domestic resources to support economic diversification, clear reconstruction strategy in public infrastructure and addressing COVID-19 vaccine hesitance.

Table 5.1: Real GDP Growth in Africa, 2010 -2023

Indicator and Country Group	2010-2014	2015	2016	2017	2018	2019	2020	2021*	2022**	2023**
Central Africa	5	3.3	0.2	1.1	2.2	2.9	–0.5	3.4	4.6	4.3
East Africa	5.9	6.5	5.1	5.9	5.7	5.3	1.5	4.8	4.7	5.5
North Africa	3.7	3.7	3.2	4.9	4.3	4	–1.3	11.7	4.5	4.2
North Africa (including Sudan)		3.6	3.7	3.2	4.8	3.6	–1.5	10.9	4.4	4.3
Southern Africa		3.8	1.6	0.7	1.6	0.3	–6.0	4.2	2.5	2.4
West Africa		6.2	3.2	0.5	2.7	3.6	–0.6	4.3	4.1	4.2
Africa		4.7	3.5	2.1	3.6	3.3	–1.6	6.9	4.1	4.1
Africa (Excluding Lybia)		4.4	3.6	2.2	3	3.2	–1.2	4.2	4.1	4.1
Sub-Saharan Africa		5.2	3.4	1.5	2.9	3	–1.7	4.3	3.8	4
Sub-Saharan Africa (Excluding South Africa)		5.9	3.9	1.8	3.3	3.6	–0.7	4.2	4.2	4.6
Oil-Exporting Countries		4.7	3.3	1.5	3.2	3.2	–1.0	8.1	4.4	4.1
Oil-importing Countries		4.6	3.7	3.1	4.2	3.6	–2.4	5.3	3.7	4.1

2020* Figures Estimated, 2022** and 2023** Figures Projected

Source: African Development Bank Statistics

PARTICIPATION IN WAIFEM CAPACITY BUILDING ACTIVITIES (JANUARY 1997 TO DECEMBER 2021)

	1997 to 2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Number of programmes executed	470	32	44	38	53	57	60	12	50	816
Number of participants	13,086	849	1,064	900	1,364	1,317	1,505	564	2121	22770

Distribution by Country

	1997 to 2013		2014		2015		2016		2017		2018		2019		2020		2021		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
The Gambia	1,844	14.1	177	20.8	138	13	181	20.7	231	16.9	217	16.5	202	13.4	93	16.5	168	7.9	3,251	14.3
Ghana	2,302	17.6	179	21.1	303	28.5	238	26	342	25.1	321	24.4	437	29	44	7.8	408	19.2	4,574	20.1
Liberia	933	7.1	92	10.8	98	9.2	85	9.5	172	12.6	226	17.2	164	10.9	58	10.3	289	13.6	2,117	9.3
Nigeria	5,797	44.3	300	35.3	280	26.3	216	24.3	366	26.8	350	26.6	458	30.4	342	60.6	844	39.8	8,953	39.3
Sierra Leone	1,796	13.7	100	11.9	170	16	146	16.3	166	12.2	179	13.6	201	13.4	27	4.8	222	10.5	3,007	13.2
Others	414	3.2	1	0.1	75	7	34	3.2	87	6.4	24	1.8	43	2.9	0	0	190	9	868	3.8
Total	**13,086**		**849**		**1,064**		**900**		**1,364**		**1,317**		**1,505**		**564**		**2121**		**22,770**	100.0

Distribution by User Institution

	1997 to 2013		2014		2015		2016		2017		2018		2019		2020		2021		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Central Banks	5,278	40.3	217	26.2	411	38.6	353	37.7	591	43.3	444	33.7	652	43.3	203	41.5	976	46	9,125	40.1
Ministries of Finance	3,140	24	337	35.2	370	34.8	191	24.3	374	27.4	451	34.2	476	31.6	165	37.4	527	24.9	6,031	26.5
Others (Public and Private Sector)	4,668	35.7	295	38.6	283	26.6	356	38	399	29.3	422	32	377	25.1	196	21.1	618	29.1	7,614	33.4
Total	**13,086**		**849**		**1,064**		**900**		**1,364**		**1,317**		**1,505**		**564**		**2121**		**22,770**	100.0

Distribution by Gender

	2008 to 2013		2014		2015		2016		2017		2018		2019		2020		2021		Total	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Male	4,168	73.5	578	68.2	771	72.5	599	66.6	950	69.6	887	67.5	928	61.7	351	62.2	1391	65.6	10,623	69.2
Female	1,506	26.5	271	31.8	293	27.5	301	33.4	414	30.4	430	32.6	577	38.3	213	37.8	730	34.4	4,735	30.8
Total	**5,674**		**849**		**1,064**		**900**		**1,364**		**1,317**		**1,505**		**564**		**2121**		**15,358**	100.0

FINANCIAL STATEMENTS & ACCOUNTS

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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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 2021

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 2021 and its financial performance, changes in equity and cash flows for the year then 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 of internal 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 2021 were approved by the Board of Governors on 25 August 2022.

On behalf of the Board of Governors of the Institute

Prof Kelfala Kallon	**Baba Yusuf Musa**
Chairman of the Board of Governors	**Director General**

28 Sept. 2022

EY
Building a better working world

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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 2021, and the statement of income and expenditure 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 give a true and fair view of the financial position of the Institute as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA.

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 information included in the document titled "West African Institute for Financial and Economic Management Annual Report and Financial Statements for the year ended 31 December 2021", which includes the Statement of Board of Governors' Responsibilities in Relation to the Preparation of the Financial Statements, the Value Added Statement 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
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 of internal 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 THE
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
30 September 2022

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021 US$	31 December 2020 US$
Assets			
Non-current assets			
Property and equipment	10	406,768	591,041
Intangible assets	11	1,246	1,126
		408,014	592,167
Current assets			
Inventories	12	13,155	13,001
Cash held for Staff Provident Fund (SPF)	13	1,986,329	1,978,148
Cash and bank balances	14	3,041,051	3,889,572
		5,040,535	5,880,721
Total assets		5,448,549	6,472,888
Equity and liabilities			
Equity			
Accumulated funds	18	3,421,365	4,430,901
Non current liabilities			
Staff provident fund	16	1,986,329	1,978,148
		1,986,329	1,978,148
Current liabilities			
Trade and other payables	15	40,855	63,839
Total liabilities		2,027,184	2,041,987
Total equity and liabilities		5,448,549	6,472,888

These financial statements were approved by the Board of Governors on 25 August 2022 and signed on its behalf by:

Prof Kelfala Kallon
Chairman of the Board of Governors

Baba Yusuf Musa
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 FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021 US$	31 December 2020 US$
Assets			
Non-current assets			
Property and equipment	10	406,768	591,041
Intangible assets	11	1,246	1,126
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Prof Kelfala Kallon
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Baba Yusuf Musa
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 2021

	Accumulated funds US$
As at 1 January 2021	4,430,901
Deficit for the year	(1,009,536)
Other comprehensive income for the year	-
At 31 December 2021	3,421,365
As at 1 January 2020	2,270,857
Surplus for the year	2,160,044
Other comprehensive income for the year	-
At 31 December 2020	4,430,901

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 2021

	Notes	2021 US$	2020 US$
Operating activities			
(Deficit)/Surplus for the year		(1,009,536)	2,160,044
Adjustments for non-cash items:			
Depreciation of property and equipment	10	194,794	151,961
Amortisation of intangible assets	11	1,133	1,672
Net foreign exchange loss	9	9,257	5,692
Working capital adjustments:			
(Increase)/decrease in inventories		(154)	1,436
Increase in trade and other receivables		(8,181)	(258,137)
(Decrease)/increase in trade and other payables		(22,984)	27,664
Increase in other liabilities		8,181	287,363
Net cash flows (used in)/from operating activities		(827,490)	2,377,695
Investing activities			
Purchase of property and equipment	10	(10,521)	(317,243)
Purchase of intangible assets	11	(1,253)	-
Net cash flows used in investing activities		(11,774)	(317,243)
Net (decrease)/increase in cash and cash equivalents		(839,264)	2,060,452
Net foreign exchange difference on cash and cash equivalents	9	(9,257)	(5,692)
Cash and cash equivalents at 1 January	14	3,889,572	1,834,812
Cash and cash equivalents at 31 December	14	3,041,051	3,889,572

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"; "the Institute") 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 offi nance 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 25 august 2022.

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 internal control as the Board of Governors 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 incurred.

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, Non-current assets held for sale and discontinued operations. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The useful lives for significant items of property and equipment are as follows:

	Years
Motor vehicle	5
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 off uture 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 measured 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 are subsequently measured at amortIsed cost or at FVTOCI are subject to impairment.

As at 31 December 2021, the Institute did not hold any debt instrument measured at fair value through other comprehensive income (FVOCI).

Debt instruments at 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 offi nancial 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 measured 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 default 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 the 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 offi nancial 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 offi nancial 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 as 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 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 intangible assets

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 10).

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 off unding, 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 off air 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 21.

3.1 New and amended standards and interpretations
There are several amendments and interpretations that apply for the first time in 2020, but do not have an impact on the financial statements of the Institute. These include the following:

(a) Amendments to IAS 1and IAS 8 Definition of Material
(b) Conceptual Framework for Financial Reporting issued on 29 March 2018
(c) Amendments to IFRS 3: Definition of a Business
(d) Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
(e) Amendments to IFRS 16 Covid-19 Related Rent Concessions

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 ofi ssuance 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) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part ofi ts 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. These amendments will currently have no impact on the financial statements of the Institute.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3.2 Standards issued but not yet effective - continued

(b) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use liabilities
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale ofi tems produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
These amendments will currently have no impact on the financial statements of the Institute, and its effective annual reporting periods beginning on or after 1 January 2022.

(c) IFRS 16 Leases Illustrative Example accompanying - Lease incentives liabilities

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Other amendments to standards, which currently do not apply to the Institute are listed below:

-IFRS 17 Insurance Contracts
-Proposed amendments to IFRS 17
-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 - Reference to the Conceptual Framework
-Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
-Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract
-IAS 41 Agriculture - Taxation in fair value measurements
-Interest Rate Benchmark Reform – phase 2 - Amendments to IFRS9, IAS 39 and IFRS7, IFRS4 and IFRS 16

Annual Improvements 2018-2020 cycle (issued in May 2020)
-IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

4 Subscriptions		2021	2020
		US$	US$
Central Bank of Nigeria		844,923	1,772,172
Bank of Ghana		603,513	1,265,835
Bank of Sierra Leone		321,868	675,105
Central Bank of The Gambia		321,868	675,105
Central Bank of Liberia		321,868	675,105
Total revenue		2,414,040	5,063,323

5 Training income		2021	2020
		US$	US$
Net consultancy fees	(Note 5.1)	216,567	158,664
Sundry income & E-learning		22,232	3,286
Course fees		-	575
		238,799	162,525

5.1 Net consultancy fees			
Consultancy fees		1,213,932	516,440
Demand Driven Courses expenses		(997,365)	(357,776)
		216,567	158,664

6 Other operating income			
Grant	(Note 6.1)	80,682	19,232
Interest		9,554	9,528
		90,236	28,760

6.1 Grants			
World Bank	i	80,682	8,000
African Capacity Building Foundation (ACBF)	ii	-	11,232
		80,682	19,232

i World Bank Grant relates to grant received for various courses organized by the Institute under the World Bank Debt Management Facility.

ii African Capacity Building Foundation (ACBF) relates to grants received for training programmes and research activities (under AFDB and World Bank Funding).

iii The Institue acted in compliance with the requirements of the grant agreements between it and the African Capacity Building Foundation (ACBF) and the World Bank.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

7 Personnel expenses	2021	2020
	US$	US$
Salaries and wages	1,619,882	1,511,234
Provident fund contribution	436,914	406,837
Leave allowance, home leave and ex-gratia allowance	308,296	152,239
13-month salary	139,415	130,597
Utility allowance	33,026	31,236
Overtime allowance	3,429	6,237
Resettlement, recruitment costs and shipment of personal effects	-	31,128
	2,540,962	2,269,508

7.1 Staff Renumeration	2021	2020
	Number	Number
	51	49
Salary range		
$1,001 - $10,000	8	8
$10,001 - $20,000	22	22
$20,001 - $30,000	1	-
$30,001 - $40,000	5	4
$40,001 - $50,000	3	3
Above $50,000	12	12
	51	49

8 Training expenses	2021	2020
	US$	US$
Programme fees	273,183	138,480
Training materials, Cost of administration & transportation	66,674	42,870
E-learning Expenses & Staff Retreat	20,457	-
	360,314	181,350

9 Operating expenses	2021	2020
	US$	US$
Staff training	116,530	3,313
Official mission and travels	101,268	81,564
Social programmes	65,948	16,989
Medical expenses	46,865	15,474
Printing, stationery and computer consumables	45,199	46,684
Motor vehicle running expenses	38,428	23,402
General insurance	38,156	32,826
Audit fees	31,000	31,000
Repairs and maintenance	34,139	8,543
Board expenses	27,294	130,144
Internet subscription/ website	26,308	13,555
Postages and telecommunications	23,445	21,535
Electricity, lighting and rates	17,234	14,666
Souvenir teaching aids	5,736	13,025
Management expenses	1,208	8,187
Upkeep of grounds and buildings	6,211	7,719
Hospitality and security	8,352	5,776
Net foreign exchange loss	9,257	5,692
Entertainment	5,248	3,502
Journals, periodicals and newspapers	3,344	3,278
Cleaning materials and staff uniforms	1,802	2,023
Bank charges	2,436	1,175
	655,408	490,073

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 2020	889,376	154,161	766,453	141,851	214,584	2,166,425
Additions	198,060	10,310	74,843	3,487	30,543	317,243
Write off	(359,632)	(150,804)	(400,180)	(100,150)	(134,712)	(1,145,478)
At 31 December 2020	727,804	13,667	441,116	45,188	110,415	1,338,190
Additions	-	-	10,521	-	-	10,521
At 31 December 2021	727,804	13,667	451,637	45,188	110,415	1,348,711
Accumulated depreciation:						
At 1 January 2020	650,851	153,521	666,902	110,532	158,860	1,740,666
Depreciation charge for the year	64,969	861	50,968	9,071	26,092	151,961
Disposals	(359,632)	(150,804)	(400,180)	(100,150)	(134,712)	(1,145,478)
At 31 December 2020	356,188	3,578	317,690	19,453	50,240	747,149
Depreciation charge for the year	119,349	2,066	39,146	9,313	24,920	194,794
At 31 December 2021	475,537	5,644	356,836	28,766	75,160	941,943
Net book value:						
At 31 December 2021	252,267	8,023	94,801	16,422	35,255	406,768
At 31 December 2020	371,616	10,089	123,426	25,735	60,175	591,041

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 ofi mpairment and based on judgement there is no such indication.

11 Intangible assets	Computer Software ₦'000
Cost	
At 1 January 2020	80,324
Additions	-
At 31 December 2020	80,324
Additions	1,253
At 31 December 2021	81,577
Accumulated amortisation:	
At 1 January 2020	77,526
Amortisation	1,672
At 31 December 2020	79,198
Amortisation	1,133
At 31 December 2021	80,331
Net book value:	
At 31 December 2021	1,246
At 31 December 2020	1,126

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Inventories	2021	2020
	US$	US$
Stationery	3,736	5,815
Computer consumables	8,623	5,938
Household items	463	732
Cleaning materials	333	516
	13,155	13,001

12.1 Inventories are carried at the lower of cost and net realisable value. There were no write-downs of inventory 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 Cash held for Staff Provident Fund (SPF)	2021	2020
	US$	US$
Cash held for Staff Provident Fund (SPF)	1,986,329	1,978,148

13.1 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.

14 Cash and cash equivalents	2021	2020
	US$	US$
Cash in banks	2,917,390	3,795,209
Endowment fund at bank	108,171	87,937
Cash on hand	15,490	6,426
	3,041,051	3,889,572

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

		2021	2020
15	Trade and other payables	US$	US$
	Accruals (note 15.1)	40,855	63,839
		40,855	63,839

15.1 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.

			2021	2020
16	Staff Provident Fund (SPF)		US$	US$
	Balance at 1 January		1,978,148	1,679,552
	Contributions by Staff (10% of total salary)	Note 16.1	145,638	135,613
	Contributions by the Institute (20% of total salary)	Note 16.1	291,265	271,224
			2,415,051	2,086,389
	Payment to withdrawn staff	Note 16.2	(428,722)	(108,241)
	Balance at 31 December		1,986,329	1,978,148

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.

		2021	2020
16.1	Staff Provident provisions	US$	US$
	Contributions by Staff (10% of total salary)	145,638	135,613
	Contributions by the Institute (20% of total salary)	291,265	271,224
		436,903	406,837

		2021	2020
16.2	Staff Provident payment	US$	US$
	Payment to withdrawn staff (withdrawals by staff for the year)	(428,722)	(174,546)
		(428,722)	(174,546)

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

17 Other liabilities

	2021	2020
	US$	US$
ACBF Grant for property and equipment		
As at 1 January	-	11,233
Recognised in the year	-	(11,233)
	-	-

The ACBF grant was received for the purchase of certain items of property and equipment. The grant was amortized over the useful economic life of the asset.

18 Accumulated funds

	2021	2020
	US$	US$
As at 1 January	4,430,901	2,270,857
(Deficit)/Surplus for the year	(1,009,536)	2,160,044
	3,421,365	4,430,901

19 Related party disclosures

All related parties transactions are from Business Development and Consultancy Unit and fees are charged on cost recovery basis.

Directors Renumeration

	2021	2020
	US$	US$
Salaries	745,376	736,517

The number of Directors excluding the Board of Governors, whose emoluments fall within the following ranges were:

			2021	2020
$50,000	-	$120,000	5	5
$120,001	-	$200,000	1	1

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS - Continued

20 Financial Risk Management objectives and policies

The nature and carrying values offi nancial instruments that the Institute deploys in carrying out its activities are included in notes 13 to 16. 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 off uture 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 2021 and 31 December 2020. Included in the table are the Institute's financial instruments at carrying amounts, categorised by currency.

	NAIRA US$	EURO US$
As at 31 December 2021		
Net foreign currency exposures		
Cash and bank balances	53,385	77,706
As at 31 December 2020		
Net foreign currency exposures		
Cash and bank balances	127,359	77,513

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 8% increase and 1% decrease in US Dollar against the Naira and a 1% increase and 4% decrease against the Euro. Management believe that the percentage movement above 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 8% against the Naira and 1% against the Euro. For a 1% and 4% weakening of US Dollar against the Naira and Euro respectively, there would be an opposite impact on profit, and the balance below would be negative.

	NAIRA US$	EURO US$
Foreign exchange sensitivity analysis (31 December 2021)		
US Dollar strengthens by 8% (Naira) & 1% (Euro)		
Profit/ (loss)	4,271	777
US Dollar weakens by 1% (Naira) & 4% (Euro)	(534)	(3,108)
Profit/ (loss)		
Foreign exchange sensitivity analysis (31 December 2020)		
US Dollar strengthens by 13% (Naira) & 5% (Euro)		
Profit/ (loss)	16,557	3,876
US Dollar weakens by 1% (Naira) & 5% (Euro)	(1,274)	(3,876)
Profit/ (loss)		

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

20 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 offi nancial 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 offi nancial assets. The Institute evaluates the concentration of risk with respect to cash and bank balances and trade and other receivables 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 2021 (2020: 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 2021					
Cash and cash equivalents	3,025,561	-	-	-	3,025,561
Total credit risk exposure	3,025,561	-	-	-	3,025,561
As at 31 December 2020					
Cash and cash equivalents	3,883,146	-	-	-	3,883,146
Total credit risk exposure	3,883,146	-	-	-	3,883,146

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 2021					
Cash and cash equivalents	3,025,561	-	-	-	3,025,561
Total	3,025,561	-	-	-	3,025,561
As at 31 December 2020					
Cash and cash equivalents	3,883,146	-	-	-	3,883,146
Total	3,883,146	-	-	-	3,883,146

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

20 Financial Risk Management objectives and policies - continued

(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 to 3months US$	3-6 months US$	Total US$
As at 31 December 2021				
Financial assets				
Cash and cash equivalents	3,025,561	3,025,561	-	3,025,561
Total assets	3,025,561	3,025,561	-	3,025,561
Financial liabilities				
Trade and other payables	40,855	40,855	-	40,855
Total liabilities	40,855	40,855	-	40,855
Total liquidity gap	2,984,706	2,984,706	-	2,984,706

	Carrying amount US$	Up to 3months US$	3-6 months US$	Total US$
As at 31 December 2020				
Financial assets				
Trade and other receivables	-	-	-	-
Cash and cash equivalents	3,883,146	3,883,146	-	3,883,146
Total assets	3,883,146	3,883,146	-	3,883,146
Financial liabilities				
Trade and other payables	63,839	63,839	-	63,839
Total liabilities	63,839	63,839	-	63,839
Total liquidity gap	3,819,307	3,819,307	-	3,819,307

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

20 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.

21 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 (2020: Nil).

21 Financial instruments not measured at fair value

Table below shows the carrying value of financial assets not measured at fair value.

As at 31 December 2021	Level 1	Level 2	Level 3
Financial assets			
Cash and bank balances	-	-	3,041,051
Cash held for Staff Provident Fund (SPF)	-	-	1,986,329
	-	-	5,027,380
Financial liabilities			
Trade and other payables	-	-	40,855
Staff provident fund	-	-	1,986,329
	-	-	2,027,184
As at 31 December 2020			
Financial assets			
Cash and bank balances	-	-	3,889,572
Cash held for Staff Provident Fund (SPF)	-	-	1,978,148
	-	-	3,554,823
Financial liabilities			
Trade and other payables	-	-	63,839
Staff provident fund	-	-	1,978,148
	-	-	2,041,987

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 2021 and 2020.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

22 Contingent liabilities

There were no pending litigations as at 31 December 2021 (2020: Nil) against the Institute.

23 Capital Commitments

There was no capital expenditure contracted but not provided for in these financial statements as at 31 December 2021 (2020: Nil).

24 Events after the 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 2021 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
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 US$	%	2020 US$	%
Gross earnings	2,743,075	159	5,254,608	115
Less:				
Bought in material and services	(1,015,722)	(59)	(671,423)	(15)
Value added	1,727,353	100	4,583,185	100
Applied as follows:				
To employees:				
- personnel expenses	2,540,962	147	2,269,508	50
Retained for the Institute's future:				
- depreciation	194,794	11	151,961	3
- amortisation	1,133	-	1,672	-
- (Deficit)/Surplus for the year	(1,009,536)	(58)	2,160,044	47
Value added	1,727,353	100	4,583,185	100

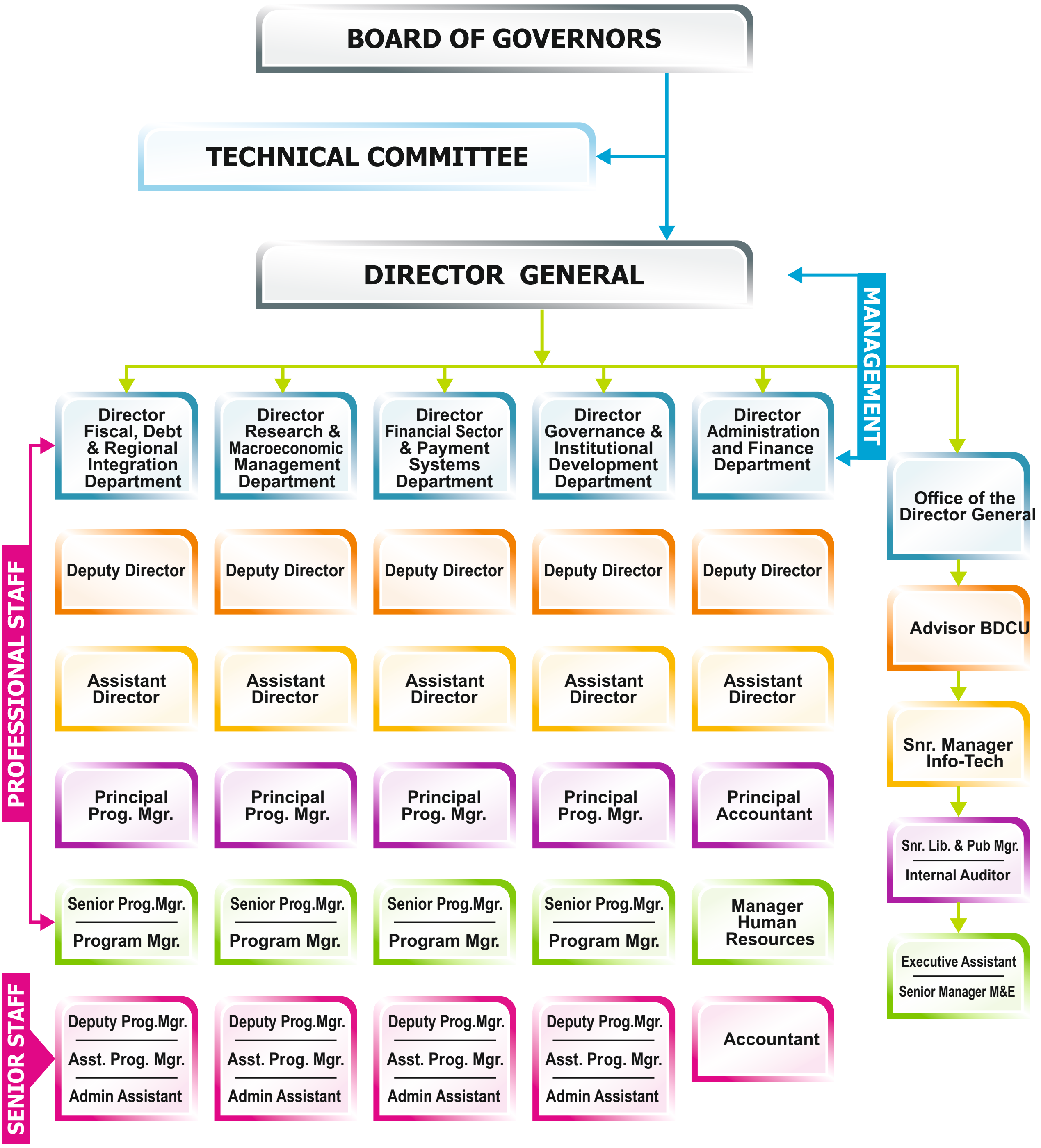
Value added represents the additional wealth which the Institute has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees and that retained for the future creation of more wealth.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
FIVE-YEAR FINANCIAL SUMMARY

Statement of Financial Position At 31 December	2021 US$	2020 US$	2019 US$	2018 US$	2017 US$
Assets					
Non-current assets					
Property and equipment	406,768	591,041	425,759	268,090	316,882
Intangible assets	1,246	1,126	2,798	1,428	3,045
	408,014	592,167	428,557	269,518	319,927
Current assets					
Inventories	13,155	13,001	14,437	18,519	16,406
Trade and other receivables	-	-	40,470	61,806	580,297
Cash and bank balances	3,041,051	3,889,572	1,834,812	1,185,483	977,621
Cash held for Staff Provident Fund (SPF)	1,986,329	1,978,148	1,679,541	1,468,087	1,516,925
	5,040,535	5,880,721	3,569,260	2,733,895	3,091,249
Total assets	5,448,549	6,472,888	3,997,817	3,003,413	3,411,176
Equity and liabilities					
Equity					
Accumulated funds	3,421,365	4,430,901	2,270,857	1,400,614	1,474,547
Total equity	3,421,365	4,430,901	2,270,857	1,400,614	1,474,547
Non-current liabilities					
Staff provident fund	1,986,329	1,978,148	1,679,552	1,468,098	1,516,929
Other liabilities	-	-	11,233	41,406	71,579
	1,986,329	1,978,148	1,690,785	1,509,504	1,588,508
Current liabilities					
Trade and other payables	40,855	63,839	36,175	93,295	348,121
	40,855	63,839	36,175	93,295	348,121
Total liabilities	2,027,184	2,041,987	1,726,960	1,602,799	1,936,629
Total equity and liabilities	5,448,549	6,472,888	3,997,817	3,003,413	3,411,176

Statement of Profit or Loss	2021 US$	2020 US$	2019 US$	2018 US$	2017 US$
Total operating income	2,743,075	5,254,608	5,602,482	6,053,228	5,976,248
Expenditure					
Personnel expenses	(2,540,962)	(2,269,508)	(2,265,982)	(2,429,414)	(2,118,159)
Training expenses	(360,314)	(181,350)	(1,287,169)	(2,400,255)	(2,375,798)
Depreciation	(194,794)	(151,961)	(225,584)	(137,618)	(113,682)
Amortisation	(1,133)	(1,672)	(1,128)	(2,732)	(6,885)
Operating expenses	(655,408)	(490,073)	(952,376)	(1,157,142)	(1,002,755)
Total expenses	(3,752,611)	(3,094,564)	(4,732,239)	(6,127,160)	(5,617,279)
(Deficit)/Surplus for the year	(1,009,536)	2,160,044	870,243	(73,932)	358,968

WAIFEM Management & Professional Staff



PRINCIPAL OFFICERS OF THE INSTITUTE

1. DR. BABA Y. MUSA	Director General
2. MR. EURACKLYN V. WILLIAMS	Director, Admin and Finance
3. MR. PAUL MENDY	Director, Financial Sector and Payment Systems Department
4. MR. ALVIN JOHNSON	Director, Governance & Institutional Development Department
5. MR. EMMANUEL OWUSU-AFRIYIE	Director, Research and Macroeconomic Management Department
6. MR. ALIYU YAKUBU	Director, Fiscal Policy, Debt Management and Regional Integration Department
7. DR. PATRICIA A. ADAMU	Assistant Director, Financial Sector and Payment Systems Department
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