WEST AFRICAN INSTITUTE FOR
FINANCIAL AND ECONOMIC MANAGEMENT (WAIFEM)

# 2022 Annual Report

# 2022 ANNUAL REPORT

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT (WAIFEM)**

# Contents

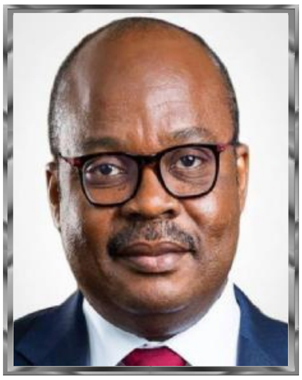
# Board of Governors

**PROF. KELFALA M. KALLON**
GOVERNOR, BANK OF SIERRA LEONE
& CHAIRMAN, BOARD OF GOVERNORS

**MR. J. ALOYSIUS TARLUE**
EXECUTIVE GOVERNOR,
CENTRAL BANK OF LIBERIA

**MR. BUAH SAIDY**
GOVERNOR, CENTRAL BANK
OF THE GAMBIA

**MR. GODWIN I. EMEFIELE, CON**
GOVERNOR, CENTRAL BANK OF NIGERIA



**DR. ERNEST K.Y. ADDISON**
GOVERNOR, BANK OF GHANA

**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 2022 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 lagged effect of the Covid-19 pandemic. Particularly, the Russia-Ukraine war has led to a severe energy crisis in Europe, increased cost of living, and a 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. This may negatively impact future funding from our development partners, although we remain optimistic about the future.

This report contains the training and capacity-building activities and the audited financial statements of the institute for the period January 1 to December 31, 2022, as well as overviews of the economic performance of WAIFEM member countries, the West African sub-region, Africa and the world as a whole.

As a Centre of Excellence in Capacity Building, WAIFEM has met the training 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 2022, regardless of 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, has improved the content and quality as well as the delivery of its programmes. WAIFEM scouts and uses the best facilitators in and outside the sub-region based on qualification and experience.

In 2022, the institute executed fifty-five (55) training and capacity-building activities, which benefited a total of one thousand, six hundred and thirteen (1,613) participants from the West African sub-region and beyond.

As our countries make strenuous efforts to recover from the devastating effects of the COVID-19 pandemic and the associated disruptive effects of the Russia-Ukraine war, I encourage member central banks, and technical partners to continue to support the institute by providing resources needed to discharge its functions effectively.

I also applaud the Director General, Management, and Staff of WAIFEM for the 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 26 years of building capacity in West Africa.

Prof. Kelfala M. Kallon

Governor, Bank of Sierra Leone and

Chairman, Board of Governors of WAIFEM

December, 2022.

# Overview of 2022 Activities by the Director General

The year 2022 was a challenging period for the West African Institute of Financial and Economic Management (WAIFEM) due to the sluggish recovery in the global economy and the widespread increases in the rates of inflation across countries attributed to supply chain constraints. These developments adversely affected the operational costs of the Institute. Notwithstanding the difficult conditions saddling our Member Central Banks, they did not renege on their commitment to ensuring that the activities of the Institute were not stalled. All the member central banks fully honoured their obligation to the Institute for which we are extremely grateful.

During the year 2022, WAIFEM conducted fifty-five (55) training and capacity-building activities, which benefited a total of thousand, six hundred and thirteen (1,613) 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- five (55) programmes, twelve (12) were conducted virtually, thirty-seven (37) were executed face-to-face, and six (6) were conducted using the blended-virtual method.

The Fiscal Policy, Debt Management, and Regional Integration Department conducted eleven (11) programmes that benefitted three hundred and sixty-four (364) officials. Similarly, the Financial Sector and Payment Systems Department organized eleven (11) programmes, which benefited a total of two hundred and eighty-five (285) officials. Research and Macroeconomic Management Department conducted ten (10) programmes which benefitted three hundred and forty-nine (349) officials while the Governance and Institutional Development Department organized seven (7) programmes which benefited one hundred and eighty-three (183) officials. The Business Development and Consultancy Unit (BD&CU) conducted sixteen (16) training programmes which benefitted three hundred and ninety-one (391) officials.

In terms of member countries' share of course participation, The Gambia accounted for 13.9 percent, Ghana 17.3 percent, Liberia 14.0 percent, Sierra Leone 12.4 percent, and Nigeria 35.0 percent, whilst other countries constituted 7.4 percent. Nigeria's largest share of course participation was due to a sizeable number of demand-driven programmes offered in Nigeria by the Business Development and Consultancy Unit.

In terms of institutional representation, the Central Banks recorded 47.7 percent of participants in the Institute's training programmes, followed by the Ministries of Finance and Economic Planning (24.1 percent) and other public and private sector agencies (28.2 percent). Moreover, in terms of gender, 1,031 (63.9 percent) participants were males, while 582 (36.1 percent) participants were females.

Furthermore, it is worth noting that the Institute maintained strategic relations with its international partners such as the IMF, The World Bank, the African Development Bank, the United Nations Department of Economic and Social Affairs (UNDESA), Oversees Development Institute (ODI) among others.

We are therefore 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 Russia-Ukraine war and the lingering effects of the COVID-19 pandemic. The Institute is also grateful to its donors and technical cooperating partners for both financial and technical support. With the 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 gratitude to all staff of WAIFEM for their dedication and commitment to duties, our facilitators for their time and efforts in supporting WAIFEM to achieve its mandate, and our participants for the positive feedback 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 2022.

# Principal Officers of the Institute

**Dr. Baba Y. Musa**
*Director General*

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

**Mr. Amadou S. Koora**
*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.*

**Mr. Ephraim Cheapoo**
*Senior IT Manager.*

**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 2022, the Institute conducted fifty-five (55) training and capacity building activities, benefitting a total of one thousand, six hundred and thirteen (1,613) 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-five programmes (55), twelve (12) were conducted virtually, thirty-seven (37) were executed face-to-face, and six (6) were conducted using the blended-virtual method.

Fiscal Policy, Debt Management, and Regional Integration Department conducted eleven (11) programmes that benefitted three hundred and sixty-four (364) officials. Similarly, the Financial Sector and Payment Systems Department organized eleven (11) programmes, which benefited a total of two hundred and eighty-five (285) officials. Research and Macroeconomic Management Department conducted ten (10) programmes which benefitted three hundred and forty-nine (349) officials while the Governance and Institutional Development Department organized seven (7) programmes which benefited one hundred and eighty-three (183) officials. The Business Development and Consultancy Unit (BD&CU) conducted sixteen (16) training programmes which benefitted three hundred and ninety-one (391) officials.

The number of capacity building programmes significantly increased from fifty (50) in 2021 to fift-five (55) in 2022. In terms of member countries' share of course participation, The Gambia accounted for 13.9 percent, Ghana 17.3 percent, Liberia 14.0 percent, Sierra Leone 12.4 percent, and Nigeria 35.0 percent, whilst other countries constituted 7.4 percent. Nigeria's largest share of course participation was due to a sizeable number of demand-driven programmes offered in Nigeria by the Business Development and Consultancy Unit.

In terms of institutional representation, the Central Banks recorded 47.7 percent of participants in the Institute's training programmes, followed by the Ministries of Finance and Economic Planning (24.1 percent) and other public and private sector agencies (28.2 percent). Last but not least, in terms of gender, 1,031 (63.9 percent) participants were males, while 582 (36.1 percent) participants were females.

## 1.2 FISCAL POLICY, DEBT MANAGEMENT AND REGIONAL INTEGRATION DEPARTMENT

### 1.2.0 INTRODUCTION

During the year 2022, Fiscal Policy, Debt Management, and Regional Integration Department executed a total of eleven (11) Capacity building programmes which benefitted three hundred and sixty-four (364) officials from WAIFEM member countries. The country breakdowns were The Gambia 76 participants (20.9 percent); Ghana 82 participants (22.5 percent); Liberia 86 participants (23.6 percent); Nigeria 63 participants (17.3 percent); and Sierra Leone 57 participants (15.7 percent).

In terms of gender distribution, 243 of the participants were males (66.8 percent), whilst 121 were females (33.2 percent). Moreover, 54.9 percent of the participants were from the Ministry of Finance followed by the central banks (22.0 percent) and others (23.1 percent).

Out of the eleven (11) programme activities two (2) were conducted virtually, three (3) were blended and six (6) were done face to face.

The details of the programmes executed by the Fiscal Policy, Debt Management, and Regional Integration department in 2022 are as follows:

### 1.2.1 REGIONAL COURSE ON STRENGTHENING PUBLIC EXPENDITURE MANAGEMENT (PEM) AND DOMESTIC RESOURCE MOBILIZATION (DRM) FOR ECONOMIC DEVELOPMENT (VIRTUAL), MARCH 21 - APRIL 1, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Online Course on Strengthening Public Expenditure Management (PEM) and Domestic Resource Mobilization (DRM) for Economic Development. The training was conducted virtually on the Zoom platform from March 21 to April 1, 2022, 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 attended by the Director

General of WAIFEM, Dr. Baba Y. Musa, Directors of WAIFEM, and the resource persons. In his keynote address, the Director-General warmly welcomed all the participants for the course and also thanked the facilitators for accepting WAIFEM's invitation to share their wealth of knowledge on the subjects within a short time of notice.

On the course, the Director General expressed concerns about constrained fiscal space, increased fiscal risks, and fiscal vulnerabilities facing member countries as largely due to the adverse effects of the COVID-19 pandemic on the economies. He added that the pandemic impacted negatively on sources of development finance, such as foreign direct and portfolio investments, and official development assistance (ODA), thereby exacerbating WAIFEM member countries' fiscal burdens. According to the Director General, in responding to the adverse effects of the pandemic, many countries witnessed drastic resource reallocations with large expenditures going to the health sectors, and social protection schemes for both individuals and businesses which created huge chances of resource misallocation and misalignment with fiscal policy objectivities.

The Director General mentioned the need for developing countries to improve expenditure management, as well as increase domestic resource mobilization to finance economic recovery efforts and the United Sustainable Development Goals 2030 (UN-SDGs). To mitigate the effects of the pandemic, He stressed the need for governments in the sub-region to consider the following:

- Strengthening fiscal discipline and economic governance at the aggregate level;
- Boosting domestic resource mobilization through innovation and the use of technology platforms to tap domestic revenues;
- Improving the allocative and operational effectiveness and efficiency of public service delivery;
- Identifying and addressing leakages, such as illicit financial flows and transactions;
- Establishing priorities and sound practices for PEM and DRM; and
- Bolstering institutional and technical capacities for measuring revenue potential.

In his concluding remarks, the Director-General implored all participants to take the training seriously, communicate freely with the resource persons, and strengthen their professional network by building relationships with counterpart participants.

The main objective of the course was to provide participants with skills and knowledge to formulate frameworks that would enable the effective use of existing resources and provide governments with a sustainable revenue base to create the fiscal space for national development and service delivery.

The training covered key areas such as: An Overview of Issues, Prospective, and Approaches to Public Expenditure Management and Domestic Resource Mobilization; Impact of COVID-19 Pandemic on Public Expenditure Management/ Domestic Resource Mobilization System of WAIFEM Member Countries; Public Budget Execution and Monitoring; Linking Policy, Planning, and Budgeting; Case Studies and Sound Practices in Public Expenditure Management and Domestic Resource Mobilization; Public Expenditure, Budget Deficits, and the Macroeconomic Framework; Fiscal Risks, Fiscal Rules, and Fiscal Sustainability; Public Expenditure Targeting for Inclusive Development and Poverty Reduction; Issues in Inter-Government Fiscal Relations; Issues in Public Spending and Public Services Delivery; Fiscal Transparency: Legal and Institutional Framework and Sound Practices; Arears Accumulation: Public Expenditure Management for Emergency Responses; The Fiscal Framework for Domestic Resource Mobilization; Tax and Tax Revenue: Policy Formulation and Implementation; Measuring Revenue Potential and Tax Effort: Tax Revenue Forecasting; The Role of Financial Markets in Domestic Resource Mobilization; Emerging Tax issues in Digital Economy; Remittances, Diaspora Bonds, and Public-Private Partnerships; Taxation of Natural Resources and Multinational Corporations; and Reforms and Innovations for Efficient Revenue Mobilization: Legal and Regulatory Pre-requisites.

The course was facilitated by six (6) highly seasoned and experienced professionals from The Gambia, Nigeria, Ghana, 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); Mr. Mathew Sandy (Director, Public Debt Management Division, Ministry of Finance, Sierra Leone); and Mr. Abdullahi Usman Musa (Assistant Director, Research Department, Central Bank of Nigeria).

The course was attended by thirty-three (33) participants consisting of thirteen (13) females and twenty (20) males from member countries namely; The Gambia (15), Ghana (8), Liberia (1), Nigeria (8), and Sierra Leone (1).

***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**

- Public expenditure management must be viewed as an integral part of a broader public financial management framework and overall national development strategy.
- Public expenditure management should be conducted in a manner that avoids abrupt changes in the evolution of macroeconomic and fiscal indicators.
- Governments should develop medium to long-term strategies to harness public expenditure and domestic resources as a matter of priority.
- The management of public funds, assets, and liabilities, including natural resources, in the country should be conducted prudently to ensure fiscal sustainability.
- The process of formulation, execution, and monitoring budget should be well-established in legislation to improve fiscal discipline and achieve fiscal transparency and accountability.
- Proper use of technological approaches, information reporting, web-based client-focused interfaces with the private sector, and value chain analysis and monitoring can be effective in reducing corruption, curbing evasion, and improving domestic revenues.
- For governments in the West African Sub-region to mobilize domestic revenue, there must be a strong political will and the technical capacity on the part of the governments and leadership to put in place the appropriate policy and institutional reforms across the resource mobilization value-chain, to block leakages, and tap the enormous tax potentials.
- Domestic Resource Mobilization enables citizens to hold the government accountable so that domestic revenues are not misappropriated or mismanaged, leading, thereby engendering effective public service delivery, fiscal transparency, and efficiency in resource utilization.
- The government's focus on resource mobilization must entail building administrative capacity that effectively limits tax incentives and exemptions and the adoption of voluntary compliance mechanisms.
- Governments should make continuous education, enlightenment, and sensitization of the citizens regarding their tax obligations an integral part of domestic resource mobilization.
- There is an urgent need for countries in the sub-region to prioritize the establishment of a Sovereign Wealth Fund (SWF) to serve as a safety net (or buffer) for their economies in the event of external and domestic shocks, and other unforeseen eventualities.
- The importance of environmental sustainability is crucial to safeguarding natural resources for future generations and fostering inter-generational equity and inclusive growth.

**Observations**

- 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 post-COVID-19 pandemic economic recovery challenges.
- Internet connectivity was a challenge for some participants during the training. However, the participants found the training programme very relevant to their countries and their work and the course was well organised.
- Given the difference in the economic and socio-political landscapes 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 the tools and techniques for domestic resource mobilization and look forward to applying the knowledge acquired in productive and efficient ways in their respective countries.

**Recommendations:**

***To Member Countries***

- Participants recommend that our member countries should learn from the challenges posed by the COVID-19 shocks and its adverse fallouts and recalibrate fiscal, monetary, and financial policies that will reduce excessive reliance on external flows, while simultaneously building buffers in the form of Sovereign Wealth Funds (SWFs) to their economies from future external and domestic shocks.
- 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 technological platforms to collect revenues in difficult-to-tax sectors, such as the digital sector and the extractive sector, petroleum, mining, and forest industries.

- 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 the training for maximum benefit.
- The involvement of political officeholders 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 re-open their training centers across the region to allow face-to-face training, cultural interaction and exchange, and full concentration by participants during the Course period.
- Participants should be given a day off to properly work on the communique and 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.

**Appreciation and Conclusion**

The participants expressed sincere appreciation to the Director-General and the entire management staff of WAIFEM for successfully organizing such an important, resourceful, and practical online training course. They also thanked the able facilitators for freely sharing their knowledge, expertise, and best practices on a variety of PEM & DRM-related issues. Finally, participants congratulated themselves for their enthusiastic participation and contributions throughout the training.

### 1.2.2 JOINT IMF-WORLD BANK WORKSHOP FOR WAIFEM COUNTRIES ON IMPLEMENTING THE DEBT MANAGEMENT STRATEGY (DMS) AND ANNUAL BRROWING PLAN DEVELOPMENT (ABP).

**BLENDED FORMAT. MAY 9 - 13, 2022.**

The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint IMF-World Bank Workshop for WAIFEM Countries on Implementing the Debt Management Strategy (DMS) and Annual Borrowing Plan (ABP). The training was conducted through a blended format on the Zoom platform from May 9 - 13, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Directors of WAIFEM, and distinguished resource persons from the World Bank and IMF. In his keynote address, the Director-General warmly welcomed all the participants to the course and also thanked the officials from the World Bank and IMF and other experts for the joint coordination with WAIFEM and for accepting to share their wealth of knowledge on the subjects within a short time of notice.

The Director General also took the opportunity to express his gratitude and commendation to the World Bank and IMF for their strong partnership with WAIFEM since its inception. The World Bank and IMF capacity building and knowledge sharing to WAIFEM member countries have grown stronger and more profound. In particular, our sub-region has significantly benefitted from the continuous World Bank and IMF efforts to improve public debt management in developing countries, as seen in the marked improvements in policies, systems, and human capacities.

On the course, the Director General expressed concerns about the need for governments to strengthen their debt management strategies to ensure debt sustainability and minimise the high risk of debt distress mainly due to the twin shocks of covid-19 pandemic and the ongoing Russia-Ukraine conflict. As such, debt managers had to act quickly, following as much as possible the debt management strategy on the one hand but also adjusting the pace and direction of its implementation on the other hand. Despite many of our member countries having made significant progress in building and strengthening public debt management capacity, more work is still needed to ensure that a clear debt management strategy guides government debt management activity.

He added that a medium-term debt management strategy (MTDS) is just a plan that the government intends to implement over the medium-term to achieve a desired composition of the debt portfolio that captures its cost-risk preferences. He therefore emphasized the important role of the annual borrowing plan (ABP), which outlines how the desired strategy will be financed over the next budgetary period to have a more effective public debt management. A well-defined annual ABP is critical to efficiently implementing the debt management strategy (DMS) and translating it on auction/issuance calendars. All these are necessary for achieving public debt management objectives.

The Director General mentioned that it is in this regard that WAIFEM is collaborating with the World Bank and IMF to organise this workshop on Implementing Debt Management Strategy (DMS) and

Annual Borrowing Plan (ABP) on a regional level. The training was meant to improve participants' expertise in developing and implementing the ABP, specifically the domestic debt issuance calendar.

The main objective of the course was to provide participants with skills and knowledge to develop an MTDS and an ABP that explicitly recognises the relative costs and risks of alternative financing options, taking into account other macroeconomic linkages while achieving sustainable debt levels and facilitating domestic debt market development.

The training covered key areas such as the importance, benefits, and requirements to develop an ABP; MTDS refresher; ABP Analytical Tool, including practical exercises; Connection between cash and debt management; Debt Issuance calendar; Role and preparation of the DMS/annual borrowing plan; Relationship between the debt management strategy, the annual borrowing plan, and the securities issuance calendar; Key issues regarding securities issuance via the regional/local government securities market (including via private placement); and Analytical tools - Introduction to the ABP analytical tool.

In addition, there were a series of case studies and guided hands-on exercises designed to familiarise participants with the features and functionality of the ABP Analytical tool. Also, participants worked together as a country team in populating the ABP template meant to help develop their expertise in developing the ABP and presented their results as a team.

The course was facilitated by four (4) highly seasoned and experienced experts from the World Bank and the IMF. They included: Mr. Myrvin Linden Anthony (IMF); Mr. Samer Saab (Public Debt management and Financial Stability Expert); Mr. Alessandro Scipioni (PFM Expert – IMF and the World Bank); and Mr. Juan Carlos Vilanova Pardo (IMF).

The training was attended by fifty-five (55) participants consisting of eighteen (18) females and thirty-seven (37) males drawn from all member countries namely; The Gambia (11), Ghana (10), Liberia (12), Nigeria (10) and Sierra Leone (12).

**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 Annual Borrowing Plan (ABP) is used to implement the Medium-Term Debt Management Strategy (MTDS).
- The Middle Office leads in the preparation of the MTDS while the Front Office leads in the implementation.
- Strengthened our understanding of the MTDS AT.
- Introduction of the forecasting and reporting of the Annual Borrowing Plan.
- The publication of the ABP was emphasized in most of the presentations.

**Observations**

- Participants emphasized that this training should be administered fully as in-person training; instead of this mixed presentation platform. There is a need for participants to be fully guided by the expert; hands-on for this ABP course.
- The training objectives were achieved, as participants had some understanding and appreciation of the ABP template and tool kit.

**Recommendations:**

***To Member Countries***

- Participants recommend that this course be delivered in person for all participants to ensure a full understanding of the ABP template.
- Participants also recommend a second phase of the training for an in-depth understanding of the process, reasoning, and compilation of the template. This should also allow for the domestication of the data and template.

***To WAIFEM***

- Although the course was relevant and impactful, WAIFEM would need to undertake a follow-up in-person training.
- WAIFEM should also ensure that key policymakers and politicians participate in the course.
- WAIFEM should re-open their training centers across the region to allow face-to-face training, cultural interaction and exchange, and full concentration by participants during the Course period.
- Participants should be provided adequate time to work on the communique and their Group Presentations to ensure quality work.

***To Participants***

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

***Appreciation and Conclusion***

The participants expressed their heartfelt thanks and sincere appreciation to the Director-General and the entire management staff of WAIFEM, IMF, and the World Bank for successfully organizing such an important, resourceful, and practical training course. The participants also specifically thanked the able facilitators for freely sharing their knowledge, expertise, and best practices on various MTDS & ABP-related issues.

### 1.2.3 JOINT WORLD BANK/IMF/WAIFEM LIBERIA NATIONAL TECHNICAL ASSISTANCE ON MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS). MONROVIA, LIBERIA. IN-PERSON/BLENDED FORMAT. MAY 23 - JUNE 3, 2022

**Objectives:**

The main objective of the Technical Assistance Mission was to assist the government of Liberia in the formulation of a medium-term debt management strategy and to support the transition from fiscal year to calendar year. In addition, the mission assisted the country in developing the building blocks for the establishment of a local currency bond market.

**Beneficiary country:** Republic of Liberia.

Number of participants and their expertise:

The training was attended by thirty (30) senior and middle-level officials drawn from the Central Bank of Liberia, the Ministry of Finance and Development Planning, and the Liberia Revenue Authority.

**Key tasks under IP responsibility:**

All the pre-mission activities including data validation and coordination between the government of Liberia and the World Bank and IMF were undertaken by WAIFEM (IP). In addition, during the mission, the World Bank and IMF officials facilitated virtually, while WAIFEM official was present, coordinating the teleconferencing facilities and other logistics and hands-on. The post-mission evaluation was also conducted by WAIFEM.

Key documented deliverables and dates, submitted to the World Bank Task Team:

The MTDS report was presented and submitted at the end of the mission.

**Assessment of results/impact:**

The activity guided the debt management decisions and operations of the government of Liberia. The result of the MTDS was linked to the borrowing and macroeconomic policy of the country; In addition, the document provided the benchmark for sustainable levels of debt.

### 1.2.4 JOINT IMF/WORLD BANK/WAIFEM REGIONAL WORKSHOP ON FUNDAMENTALS OF DEBT REPORTING AND MONITORING (FDRM) VIRTUAL. JUNE 6 - 10, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint IMF-World Bank Regional Workshop on Fundamentals of Debt Reporting and Monitoring (FDRM). The training was conducted virtually on the Zoom platform from June 6 - 10, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of Administration and Finance, Mr. Euracklyn Williams, with the top management of WAIFEM, and distinguished resource persons from the World Bank and International Monetary Fund.

In his welcome remarks, Mr. James Knight stated that Debt recording, reporting, and monitoring are fundamental to Public Debt management. Mr. James highlighted that learning the principles underlying why we record, monitor, and report debt and how to organize all entities involved in the process is essential to reporting debt effectively. Similarly, Mr. Lars Jessen noted that the virtual platform is not a perfect environment for this kind of training as opportunities for having bilateral conversations amongst participants to share country experiences are not available. Mr. Lars, however, assured the participant that he and other Facilitators would do their best to provide optimal teaching.

In his opening remarks, the Director General of WAIFEM, Dr. Baba Yusuf Musa, warmly welcomed the participants and congratulated them on being nominated by their various institutions to participate in this course. The Director General also welcomed and applauded the officials from the World Bank, IMF, and other experts for collaborating with WAIFEM to deliver this training.

The Director General also seized the opportunity to express his gratitude and commendation for the long-standing partnership with the World Bank and IMF. The World Bank and IMF capacity building and knowledge sharing to WAIFEM member countries have grown stronger and more profound. In particular, our sub-region has significantly benefitted from the continuous World Bank and IMF efforts to improve public debt management in developing countries, as seen in the marked improvements in policies, systems, and human capacities.

On the course, the Director General expressed concerns faced by numerous developing countries, including WAIFEM member countries, in terms of unprecedented levels of debt, exacerbated by Covid-19 and other macroeconomic dysfunctions. Reduced tax collections and mounting public sector deficits have increased the risk of unreported obligations appearing, complicating these countries' ability to service or restructure their debt. Additionally, in recent years, the public debt management arena has undergone significant transformation and development including a stronger emphasis on medium-term debt management strategy development, increasing awareness of risk management, the growing importance of the management of contingent liabilities, new reporting standards, and the need for improved transparency.

The Director General shared some statistics from the World Bank that around 44% of low-income countries are in danger of facing high debt distress, while 12% are already experiencing it. He buttressed those countries that lack access to international bond markets increasingly rely on off-budget transactions, opaque collateralized debt instruments, and non-market-based domestic issuances - or accumulate unreported arrears. These difficulties associated with low debt transparency impair our government's ability to make prudent borrowing decisions and manage public debt effectively. They expose our countries to risks such as debt distress and delayed debt restructuring - thus jeopardizing their ability to overcome the pandemic and generate a resilient and inclusive recovery.

Thus, the Director General said it is in this regard that WAIFEM is organizing this online regional workshop on fundamentals of debt reporting and monitoring in conjunction with the World Bank and IMF.

The workshop was designed to provide participants with tools and sound practices in debt disclosure that can help our member countries improve the transparency of their debt-management operations. It was also intended to provide a platform for participants to learn from the experiences of peer countries, international organizations, and lenders to better educate and persuade senior government officials about the crucial nature of debt disclosure.

The workshop covered key issues such as: What, and why, am I reporting and monitoring; Working with debt data; The role of the Back Office in Debt Management; the Introduction to aggregating debt data; Understanding debt coverage; Basics of Debt Reporting; and Monitoring government debt. There were also country case studies to enable participants to learn from the experiences of peer countries as well as quizzes that made the course more interactive.

The course was facilitated by five (5) highly seasoned and experienced experts from the World Bank, IMF, and WAIFEM faculty. They included: James Knight - (IMF); Lars Jessen - World Bank; Sanga Sangarabalan - Independent Debt Management Expert; Mr. Yakubu Aliyu - WAIFEM; and Mr. Gabriel Y. Asante - WAIFEM.

The training was attended by fifty-three (53) participants comprising twenty (20) females and thirty-three (33) males drawn from all WAIFEM member countries namely; The Gambia (19), Ghana (10), Liberia (1), Nigeria (10 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 course.

***Key Lessons***

- Good reporting depends on the quality of the records created and monitored by the staff.
- The number and capacity of back-office staff will determine their ability to produce reports on a timely basis.
- Debt Reporting and monitoring operations can have significant implications in Government cash mobilization, budgetary and fiscal planning, design and implementation of debt strategy, and annual borrowing plan.
- While the Back Office is responsible for debt recording, debt monitoring, financial execution, and reporting, other segments of the DMU should constantly interact with each other and share information about ongoing activities and processes.
- Separate staff with responsibility for undertaking transactions from those with responsibility for recording these transactions.
- Depending on the size of the portfolio, each process should have at least two staff members responsible for managing operational risk.
- The Debt Recording System (DRS) used should accommodate both external and domestic debt data.
- Debt management activities should be supported by an accurate and comprehensive information technology system that is properly safeguarded.
- Recording and reporting on debt data are different from accounting.
- Published debt reports must be easy to find, understand, and use. Accompanying data should always be in Excel or CSV formats (not pdf).

**Observations**

- The training was highly educative and well organized.
- The presenters/facilitators were very knowledgeable on the subject matter and course delivery was excellent.

- The participants found the training very relevant.
- The training objectives were achieved, as participants now understand the principle of recording, monitoring, and reporting public debt effectively to ensure debt transparency.
- Timekeeping was an issue on some days. Some participants logged in late.
- Delivery medium posed some challenges due to internet connectivity fluctuations and participants' engagement in office activities during the training period.
- Some participants had issues with accessing the e-learning portal for the training materials
- Most of the participants appreciated the daily quiz sessions.
- The country case presentations at the beginning of the training were useful to participants.
- The facilitators allowed questions from participants right through their presentations.

**Recommendations:**

***To Member Countries***

- There is a need for an opportunity for hands-on physical training on Debt reporting and monitoring, in a conducive environment, for better understanding and interactive practical sessions. This In-person training is recommended at two levels: National and Regional.
- Provision for a dedicated venue with stable internet connectivity in the respective countries of Participants to ensure optimal participation during Virtual training.

**To WAIFEM**

- Lecture materials should be sent directly to participants' email addresses in addition to putting them on the e-learning portal.
- There should be more comprehensive and practical training on data aggregation to develop the capacity of Debt Managers on the use of Microsoft Excel for debt data aggregation and analysis.
- There is need for a more robust and regular training to develop regional experts in this area to bridge the skill gap that exists within the sub-region.

***To Participants***

- We would like to encourage participants to share the knowledge gained with other colleagues in their place of work.

**Appreciation and Conclusion**

The participants expressed their sincere appreciation to the Director-General and the entire management staff of WAIFEM, World Bank, and IMF for successfully organizing this significant training. They also thanked the facilitators for sharing their knowledge and best practices in debt recording, monitoring, and reporting. Finally, they congratulated their fellow participants for their active participation and contributions throughout the course.

### 1.2.5 JOINT IMF/WORLD BANK/WAIFEM REGIONAL WORKSHOP ON LOCAL CURRENCY BOND MARKET (LCBM) DEVELOPMENT. BLENDED FORMAT. JUNE 20 - 24, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint IMF/World Bank/WAIFEM Regional Workshop on Local Currency Bond Market (LCBM) Development. The training was conducted through a blended format on the Zoom platform from June 20 - 24, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Directors of WAIFEM, and distinguished resource persons from the World Bank, IMF, and other debt management experts. In his keynote address, the Director-General cordially welcomed all the participants for the course and also recognized the officials from the World Bank and IMF and other experts for the joint coordination with WAIFEM.

The Director General also took the opportunity to express his appreciation and commendation to the World Bank and IMF for their continued commitment and generous support to WAIFEM's capacity-building efforts. The DMF, in particular, has significantly improved public debt management, as evidenced by our member countries' remarkable strides in policies, systems, and human capacities.

On the course, the Director General alluded to how the global shocks and, most recently, the covid-19 pandemic has highlighted the importance of local currency bond markets. He noted that local currency bond markets are crucial for diversifying government and corporate funding sources, building financial resilience, and protecting sovereign debt portfolios from currency and maturity mismatches. Despite the observed progress in many developing economies, the local currency bond markets remain relatively underdeveloped. The absence of enabling conditions, adequate policies, and market infrastructure have often impeded their robust growth and the ability to provide multiple economic benefits that boost a country's potential for long-term economic growth.

He, therefore, emphasised the important roles of a well-developed local currency bond market such as: increasing a country's ability to withstand global capital flows; reducing its reliance on foreign currency borrowing and lessening exchange rate risks; contributing to the reduction of current account imbalances; lowers the need for large precautionary reserve holdings; and allows bank and corporate balance sheets to adjust more smoothly, thereby enhancing the capacity of macroeconomic policies to respond to external shocks.

To address this critical challenge, the World Bank and IMF have developed a Diagnostic Framework that provides a tool for analysing the degree of development and efficiency of local currency bond markets in emerging and developing economies. The tool also serves as a foundation for formulating a strategy for market development and deepening, including sequencing policy actions and delivering technical assistance as required.

The Director General mentioned that it is in this regard WAIFEM is collaborating with the World Bank and IMF to organise this workshop to introduce the local currency bond market diagnostic framework to WAIFEM member countries. The training was meant to enhance participants' analytical and technical understanding of the basics of local currency bond markets and the ability to design and implement policy reforms necessary for their effective development.

The course was designed to familiarise participants with the analytical framework for assessing the level and challenges of market development, the enabling conditions, the building blocks, stakeholder actions, the ecosystem required to support market development, and policy reforms pre-requisites for the development of local currency bond markets in their respective countries. The workshop was also to enable the participants to learn from peer countries' experiences and sound practices.

The training covered key areas such as Introduction to LCBM development (Importance, benefits, and recent developments) and Overview of the LCBM framework; Money Market; Introducing the tool; Primary Market; Secondary Market; Investor Base; Financial Market Infrastructure; Legal and regulatory framework; Reform sequencing, interlinkages across building blocks; Issuance Framework; Auction Format; Primary Dealers/Market-makers arrangements; and, Coordination between debt, cash management and monetary policies. There were also country case studies and guided hands-on exercises to familiarise participants with the Diagnostic Framework which were presented as a team.

The course was facilitated by five (5) highly seasoned and experienced experts from the World Bank, IMF, and other independent experts. They included: Bryan O'Reilly Gurhy (World Bank); Romina Kazandjian (IMF); Ivan Lima (World Bank); Patrick van der Wamsen and Peter Katz.

The course was attended by fifty-three (53) participants consisting of twenty-one (21) females and thirty-two (32) males drawn from all member countries namely; The Gambia (11), Ghana (10), Liberia (12), Nigeria (10) and Sierra Leone (10).

**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***

- Local currency bond markets remain crucial for diversifying government and corporate funding sources;
- They can help build financial resilience and protect sovereign debt portfolios from currency and maturity mismatches;
- There is a need for a solid legal and policy framework, as well as appropriate institutional arrangements, that support market development and increase absorptive capacity for public debt issuances;
- Strategic interventions are needed to determine and widely communicate the government's financing needs, and its planned market interventions across the yield curve.
- Participants were introduced to the diagnostic framework and tool to analyse the degree of development and efficiency of local currency bond markets in emerging and developing economies;
- This tool also serves as a foundation for formulating a strategy for market development and deepening, including sequencing policy actions and delivering technical assistance as required.
- Participants were encouraged to apply the tool to their local contexts; to think critically about the current stage of their market's development; and to identify the appropriate path towards development of their local currency bond markets.

**Observations**

- Participants expressed a preference for in-person training instead of the blended virtual/physical format.
- However, the training objectives were achieved, as participants were afforded ample opportunity to understand and appreciate the LCBM guidance note and tool.
- The inclusion of office hours at the beginning of each day was a welcome addition. It afforded participants to engage presenters on the subject matter of the previous day, ask questions, and obtain further clarity regarding the material.

**Recommendations:**

**To Member Countries**

- Participants recommend that this course be delivered in person to ensure a full understanding of the LCBM template.
- Participants also recommend further offering of this training, to allow for other colleagues operating within the debt management and securities market development spheres to become familiar with market development, the use of the tool, and the policy recommendations for LCBM development.
- Political and budgetary support is needed to implement the recommended policy and infrastructural advancements recommended for LCBM development.

**To WAIFEM**

- Although the course was relevant and impactful, WAIFEM would need to undertake follow-up in-person training and country-specific support, to address challenges unique to each market in the process of implementing the interventions required for LCBM development.
- WAIFEM should ensure that key policymakers and politicians participate in the course, or a modified version thereof, to include matters relevant to their non-technical perspectives and responsibilities.
- WAIFEM should re-open their training centers across the region to allow face-to-face training, cultural interaction and exchange, and full concentration by participants during the Course period.

**To Participants**

- Participants should develop a plan of action – or, where applicable, adapt existing plans – to execute the knowledge acquired and share the knowledge gained with colleagues in place of work.
- Participants should pace their interventions according to their respective contexts, ensuring that political actors are afforded clear and sufficient information to make the required decisions and interventions to sustainably develop LCBM.

**Appreciation and Conclusion**

The participants expressed their heartfelt appreciation to the Director General and the entire management staff of WAIFEM, World Bank, and IMF for successfully organizing such an important, resourceful, and practical training course. They thanked the facilitators for freely sharing their knowledge, expertise, and best practices on Local Currency Bond Market Development with the sub-region.

### 1.2.6 WAIFEM REGIONAL COURSE ON MEDIUM TERM BUDGETARY FRAMEWORKS (MTBFs) AND MONITORING. CBN-ITI, ABUJA, NIGERIA. AUGUST 15 - 19, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Medium Term Budgetary Frameworks (MTBFs) and Monitoring. The training was conducted at the Central Bank of Nigeria's International Training Institute (CBN-ITI) from August 15 - 19, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM, Mr. Yakubu Aliyu, the Representative of the Hon. Governor, Central Bank of Nigeria (CBN), Dr. Hassan Mahmud, Director of Monetary Policy Department (MPD), CBN who was capably represented by Dr. Yusuph D. Bulus, Deputy Director, MPD, CBN and other WAIFEM officials. In his welcoming remark, Mr. Yakubu Aliyu, on behalf of the Director-General cordially welcomed all the participants for the course and recognized the Distinguished representative of the Honourable Governor of the Central Bank of Nigeria, Honourable Godwin I. Emefiele, CON., and one of the resource persons, Honourable Seth E. Terkper, who was able to join via Zoom.

Mr. Aliyu also took the opportunity to express the Director General's appreciation and commendation to the Honourable Governor for his remarkable leadership in the area of monetary policy in Nigeria, which served to engender macroeconomic stability, despite the global economic turbulence. He went further to thank the distinguished resource persons for their constant support to WAIFEM and for taking their busy schedules to share their extensive and invaluable expertise.

On the course, the Director General mentioned that it is against the backdrop of the immense macroeconomic and fiscal challenges facing our member countries that WAIFEM organized this course on Medium-Term Budgetary Frameworks and Monitoring. He noted that economic shocks arising from the COVID-19 pandemic, ongoing regional conflicts, and the resurgence of domestic health and security issues have complicated fiscal management by disrupting fiscal prioritization, widening budget deficits, and sharply increasing the public debt of our countries. These difficulties do not appear to be going away anytime soon. While there is enormous pressure to increase discretionary and non-discretionary expenditures continuously, revenue growth is not keeping pace with even the anticipated moderate growth rates.

As a result, he emphasized the need to reclaim the fiscal policy space by implementing a more strategic approach to the budgeting process through which government policies are implemented as the beginning of addressing these issues. The medium-term budgetary framework provides a multi-year budgeting system that considers aggregate projections of revenue and expenditures, sectoral priorities, performance indicators, and transparency over the medium-term. Thus, the fiscal policy serves as a disciplining instrument to set an overall resource ceiling for sectoral demands, which ensures effective and efficient public expenditure.

In his keynote address the Distinguished representative of the Director of MPD, CBN, Dr. Hassan Mahmud, who was ably represented by Dr. Yusuph D. Bulus, Deputy Director, MPD, CBN extends commendation on behalf of the Honourable Governor to the Director General of WAIFEM, Dr. Baba Y. Musa and staff of WAIFEM for their unwavering dedication to sustaining the momentum of capacity building in our sub-region, despite the global challenges of the Covid-19 pandemic. Dr. Bulus, started by highlighting the ongoing policy turmoil in the global economy which impacted every policy area, including fiscal policy. He noted that over the past two years, WAIFEM member countries have experienced a significant worsening in their fiscal balance and dramatic growth in their public debt, which have put them at risk of debt distress and, in some cases, even debt distress. This has hampered our growth prospects and weakened our debt-carrying capacity in terms of debt-to-GDP ratio prolonging fiscal disequilibrium over the medium term.

Dr. Bulus further lamented that budget deficits and public debt can have direct and negative consequences on fiscal sustainability, and these are essential factors to consider when assessing macroeconomic policies' credibility. As countries engage in mobilising and allocating resources, the role of the public budget as a policy tool becomes increasingly central to the process. The public budget serves as a financial reflection of the government's policies, and getting it right is essential for effective management of the economy.

The course was designed to equip participants to better understand the importance and features of MTBFs; how MTBFs promote sound fiscal policy based on international experiences; analyse the readiness of countries for MTBFs; and address barriers to implementation; as well as the application of the acquired knowledge and skills to group-based assessment of real case studies.

The training covered key areas such as The importance of medium-term budgetary frameworks in enhancing fiscal discipline and fiscal sustainability; Recent developments in medium-term budgeting; Regional and international practice in medium-term budgeting; Medium-term budgetary frameworks in the context of Fiscal Rules and Fiscal Councils; Medium-term budgetary frameworks, strategic planning, and public investment management; Importance of medium-term budgetary frameworks to ECOWAS convergence programmes; Fiscal oversight of the Parliament, Supreme Audit Institutions, Internal Audit Institutions, and Fiscal Councils. There were also group country presentations to share the issues and challenges confronting member countries in the implementation of MTBF through experience sharing.

The course was facilitated by six (6) highly seasoned and experienced practitioners within our sub-region. They included: Mr. Hon. Seth E. Terkper (Former Finance Minister of Ghana); Dr. Iddrisu Alhassan (Director, Economic Research & Forecasting, Ministry of Finance, Ghana); Mr. Bai Madi Ceesay (Director, State Owned Enterprise, The Gambia); Dr. Jake Dan-Azumi (Director, Nigerian Institute of Legislative and Democratic Studies, Abuja, Nigeria); Mr. Ayodeji Ogunyemi, FCCA (Office of the Auditor-General of Nigeria); and Mr. Gbenga Oyebode Falana (ECOWAS).

The course was attended by thirty-five (35) participants consisting of nine (9) females and twenty-six (26) males drawn from all member countries namely, The Gambia (4), Ghana (3), Liberia (13), Nigeria (10) and Sierra Leone (5).

**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 need to review and enhance our laws to enforce the implementation of the MTBF.
- The need to review standardized chart of accounts to facilitate linking National Budgets to Policies and Plans.
- The need to strengthen the implementation of fiscal responsibility laws to enforce fiscal rules.
- The need to enhance the credibility of national budgetary processes - the need for a Budget Act.
- The establishment of Integrated data systems is critical for a failsafe budgetary process.
- Capacity building of Planners, Economists, Budget Officers, National Assembly Members, Civil Society Groups, and any other person involved in the budget cycle.
- The need to Improve political commitment to sound budget practices.
- Defining key performance indicators in sector strategic plans is critical to ease monitoring.
- Legislation of Budget Monitoring and Evaluation to enforce submission of M&E reports to the Budget Office.
- The need to legislate adherence to ceilings defined in the Budget Framework Paper to avoid overshooting of budgets submitted by Supreme Independent Institutions beyond the limits of the national fiscal space.
- The need to legislate external audits in the budgetary cycle with sanctions for default by the executive.

**Observations**

- The training was highly educative and well organized.
- The sessions were very interactive and country experiences enriched the interactions between member countries.
- The presenters/facilitators were very knowledgeable on the subject matter and course delivery was excellent.
- The participants found the training very relevant.
- The training objectives were achieved, as participants were kept abreast of best practices in the budget cycle and MBTF.
- Core budget officers for countries like Nigeria were not at the training.

**Recommendations:**

**To Member Countries**

- Member countries need to send more representatives for such training programme who are responsible for the budgetary frameworks, including parliamentary staff.
- Parliamentarians, civil society groups, private sector should be encouraged to attend the said since they are critical stakeholders in the budget cycle.

**To WAIFEM**

- WAIFEM should ensure a more organised interaction and sharing of country experiences.
- Need to have Macroeconomic modelling as part of the course content.
- The venue of training was not conducive, particularly the sitting arrangement. There is a need to have spacious sitting arrangements to avoid hindrance during movement.
- Some of the Lecturers had to breeze through their presentation as there was not enough time. The time allotted to lectures should be increased to promote better learning.

**Appreciation and Conclusion**

The participants expressed their appreciation to the Director General and the entire management staff of WAIFEM for organizing the training. They also extended their gratitude to the facilitators for sharing their great wealth of professional knowledge, practical experiences, and global practices in Medium-Term Budgetary Frameworks and Monitoring with them.

Finally, they were appreciative of their respective institutions and encouraged their fellow participants to share the knowledge gained with other colleagues in their various places of work.

### 1.2.7 JOINT WAIFEM/COMSEC REGIONAL TRAINING ON USING COMMONWEALTH MERIDIAN FOR FISCAL DEBT DATA COMPILATION, REPORTING AND MONITORING MONROVIA, LIBERIA. AUGUST 29 - SEPTEMBER 2, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with The Commonwealth Secretariat (COMSEC) organised a joint Regional Training on Using Commonwealth Meridian for Fiscal Debt Data Compilation, Reporting, and Monitoring. The training was conducted at Mamba Point Hotel, Monrovia, Liberia from August 29 – September 2, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Honourable

Executive Governor, Mr. Aloysius J. Tarlue, Governor Central Bank of Liberia (CBL), Adviser and Head of Commonwealth Secretariat's Debt Management Unit, Mrs. Pamella McLaren, WAIFEM officials and distinguished resource persons from COMSEC.

In his welcoming remark, the Director General warmly welcomed all the participants to the course. He extended a warm welcome and appreciation to Mr. Aloysius J. Tarlue, the Honourable Executive Governor of CBL. He commended the Honourable Governor for his remarkable leadership in steadying the regional economic integration agenda in our sub-region, despite the domestic and global economic challenges.

The Director General also welcomed Mrs. Pamella McLaren, Adviser and Head of the Commonwealth Secretariat's Debt Management Unit, and her distinguished COMSEC Faculty, led by Mr. Mac Banda, Adviser and Team Leader (IT Systems), Economic, Youth & Sustainable Development Directorate. He expressed his gratitude and commendation to COMSEC for staying committed to WAIFEM and remaining responsive to the needs of our member countries amidst the changing global financial environment.

On the course, the Director General alluded to the importance of a comprehensive debt database and accurate statistics for effective public debt management operations. He noted that, in addition to enhancing the transparency and accountability of public debt management operations, reliable debt data enables the conduct of DSA, design of MTDS, and putting in place durable risk management frameworks, which are all critical for a comprehensive debt management system. The Commonwealth Meridian is a cutting-edge, state-of-the-art debt management technological platform developed by COMSEC to enhance developing countries' public debt recording, analysis, monitoring, and reporting capabilities. It replaced the widely known CS-DRMS with enhanced functionalities that capture the rapid changes in the debt management landscape while meeting user needs.

In his keynote address, the Honourable Executive Governor of CBL, Mr. Aloysius J. Tarlue, extended his commendation to the Director General of WAIFEM, Dr. Baba Y. Musa, and staff of WAIFEM for their unwavering dedication to sustaining the momentum of capacity building in our sub-region, despite the recent global challenges and their implications for the economies of our member countries. The Honourable Executive Governor noted that as our economies prepare for post-pandemic recovery, a critical key success factor would be how to effectively and efficiently mobilize domestic and external resources to address our developmental challenges. Fundamental to these efforts would be the strengthening of not only our fiscal management but most specifically, aligning our medium-term public debt management strategies, with our national development objectives.

On the Commonwealth Meridian, he highlighted that there has been significant transformation and development in the public debt management landscape. These include considerable shifts in lending patterns, creditor composition, disbursement procedures, and overall debt portfolios. Thus, there is a stronger emphasis on medium-term debt management strategy development, increasing awareness of risk management, the growing importance of managing contingent liabilities, new reporting standards, and the need for improved transparency.

In her remarks, Mrs. Pamella McLaren, Adviser and Head of the Commonwealth Secretariat's Debt Management Unit extended her warm greetings and welcome to the Honourable Executive Governor of CBL, Mr. Aloysius J. Tarlue, the Director General of WAIFEM, Dr. Baba Y. Musa, distinguished participants, and members of the press. She mentioned that COMSEC is happy to be collaborating with WAIFEM on this workshop to train participants or Debt Managers on concepts related to debt data compilation and how to use Commonwealth Meridian to support them in debt data compilation, reporting, and monitoring.

The Commonwealth Meridian was developed to replace CS-DRMS and since its launch in June 2019, 25 Commonwealth member countries inclusive of the present company, The Gambia, Ghana, Nigeria, and non-Commonwealth countries, like Liberia are currently in various stages of implementation of the system in their debt offices.

Mrs. McLaren gave a brief about the Commonwealth Meridian system that it is organized around a central repository of data from which key stakeholders can access information through a web-based state-of-the-art software. This ensures that real-time data is always available even to remote offices; it integrates with External systems (i.e. IFMIS systems) to provide straight-through processing and accurate data to stakeholders. It can also record, manage, and analyze public and publicly guaranteed debt, lending portfolios as well as private sector external debt among other things.

The main objective of the course was to train participants on using Commonwealth Meridian for debt data compilation, reporting, and monitoring. It was also intended to showcase the recommended configuration of the system to better support debt management and prepare users for the transition from CS-DRMS to Meridian.

The training covered key areas such as Debt Data

Compilation – Concepts; Recording and Management of Instruments in Commonwealth Meridian (session on the various Commonwealth Meridian features through recording of a Loan Instrument); Recording and Management of Instruments in Commonwealth Meridian (session on disbursements and recording of debt service transactions and cash flow interpretation); Fiscal Debt Data Compilation Concepts ( Data Collection, Compilation, and Dissemination); Using Commonwealth Meridian for debt data compilation, reporting and monitoring; Definitions of the various stocks, indicators, and cashflows generated in Commonwealth Meridian; Reporting tools in Commonwealth Meridian and use of the dashboard; General discussion on Commonwealth Secretariat Technical Assistance Programme and Commonwealth Meridian Implementation projects and experiences. There were case studies and country group presentations on "issues and challenges confronting member countries in terms of fiscal debt data compilation, reporting and monitoring".

The course was facilitated by seven (7) highly seasoned and experienced experts from the Commonwealth Secretariat, practitioners within our sub-region, and WAIFEM faculty. They included: Mrs. Pamella McLaren (Adviser and Head of the Secretariate's Debt Management Unit, Commonwealth Secretariate (COMSEC)); Mr. Mac Banda (COMSEC); Mr. Amit Mishra (COMSEC); Mr. Jawara Mendy (COMSEC/Directorate of Loan and Debt Management, The Gambia); Mrs. Adama Sowe (COMSEC/Directorate of Loan and Debt Management, The Gambia); Mr. Yakubu Aliyu (WAIFEM); and Mr. Gabriel Y. Asante (WAIFEM).

The course was attended by twenty-eight (28) participants consisting of nine (9) females and nineteen (19) males drawn from all WAIFEM member countries namely, The Gambia (3), Ghana (8), Liberia (11), Nigeria (2) and Sierra Leone (4).

**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**

- A comprehensive debt database and accurate statistics are critical for effective public debt management operations.
- An in-depth understanding of the various concepts in debt data collection, compilation, and dissemination is essential for effective fiscal debt reporting.
- The Commonwealth Meridian, a cutting-edge, state-of-the-art debt management technological platform enhances developing countries' public debt recording, analysis, monitoring, and reporting capabilities and offers an enhanced functionality that captures the rapid changes in the debt management landscape compared to the widely used CS-DRMS.
- The massive features of the Commonwealth Meridian can assist countries in effectively collecting, compiling, and disseminating debt data with a high degree of confidence in the quality of data generated.
- The most benefit can be achieved by a country using the Commonwealth meridian if the platform is accessed by all institutions involved in public debt management operations. This ensures that real-time data is always accessible via remote access.
- The Commonwealth Meridian can be used to record and manage debt instruments to conform to best practices as recommended in the Public Sector Debt Guide for Compilers and Users.
- The presentations made on participating countries' experiences and challenges in debt data collection, reporting, and monitoring not only illustrate the similarities within the participating countries but also provide the facilitators the opportunity to demonstrate and explain how the Commonwealth Meridian can address some of the challenges.

**Observations**

- COMSEC and WAIFEM's conduct of the training in person was compatible with such hands-on and demonstrative training.
- The training was highly educative and exhaustive.
- The sessions were very interactive and country experiences enriched the interactions between member countries.
- The presenters/facilitators were very knowledgeable on debt management and the Commonwealth Meridian, and the course was delivered with tact.
- Participants, including those from countries not using the Commonwealth Meridian, got an in-depth understanding of the value addition the system brings to debt management.
- The training objectives were achieved.
- There was a need for more than one exercise script for practice demonstration in the Commonwealth Meridian.
- The schedule shared did not include tea/coffee breaks, making the end time on the schedule

unrealistic.

- The caterers provided the same meal for a coffee break and lunch for the five days.

**Recommendations:**

**To Member Countries**

- Participants should serve as ambassadors to explain the vastness and value-addition of the commonwealth meridian in their respective countries and utilize the system to improve public debt recording, analysis, monitoring, and reporting.

**To WAIFEM**

- The facilitators should prepare and distribute more exercise scripts to the participants that could be used for additional practice by participants even after the workshop.
- Access to the Commonwealth Meridian that has been granted to the participants during the training should be made available for up to three months to enable participants to improve their understanding of the platform.
- The workshop schedule should have allocated time for breaks, and or communicate such changes accordingly, to maintain participants' attentiveness all through the day.
- Housekeeping logistics needs to be upgraded to ensure the caterers prepare different meals for coffee break and lunch on the training days.

**Appreciation and Conclusion**

The participants expressed their appreciation to the Director-General and the entire management staff of WAIFEM and the Commonwealth Secretariat. They were specifically grateful to the COMSEC for staying committed to WAIFEM and remaining responsive to our training needs. They also extended their thankfulness to the facilitators for sharing their great wealth of professional knowledge, practical experiences, and global practices in debt management using the Commonwealth Meridian tool.

### 1.2.8 JOINT WORLD BANK/IMF/WAIFEM REGIONAL TRAINING ON PUBLIC DEBT SUSTAINABILITY FRAMEWORK FOR LOW-INCOME COUNTRIES (LIC-DSF). ABUJA, NIGERIA. SEPTEMBER 26 - 30, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint World Bank/IMF Regional Training on Public Debt Sustainability Framework for Low-Income Countries (LIC-DSF). The training was conducted at Bolton White Hotel, Abuja, Nigeria from September 26 - 30, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, the Honourable Governor of the Central Bank of Nigeria (CBN), Honourable Godwin I. Emefiele, CON., who was ably represented by Dr. Isa Audu, Deputy Director, Monetary Policy Department, CBN, distinguished resource persons from the World Bank the IMF and other WAIFEM officials.

In his welcoming remark, the Director General warmly welcomed the Representative of the Honourable Governor of the Central Bank of Nigeria, Honourable Godwin I. Emefiele, CON., the distinguished facilitators from the World Bank and the IMF, and distinguished participants to the course. He extended a warm welcome and appreciation to the Honourable Governor, Godwin I. Emefiele, CON. through his representative, Dr. Isa Audu. He applauded the Honourable Governor for his steadfastness to WAIFEM which serves as a great motivation for WAIFEM in delivering smoothly its mandate within the sub-region.

The Director General also extended his cordial greeting to the esteemed officials and experts from the World Bank and the IMF including Vasilis Tsiropoulos (World Bank), Jessie Nabulambo Kilembe (World Bank), Louis Dicks-Mireaux (IMF), and Alvaro Manoel (IMF). He expressed his utmost appreciation and commendation to the World Bank and IMF for their firm commitment and generous support to WAIFEM's capacity-building efforts. He mentioned that this course (DSF) in particular, has significantly improved public debt management, as could be seen by our member countries' remarkable strides in policies, systems, and human capacities.

On the course, the Director General underscored the importance of the LIC-DSF developed jointly by the WB and IMF in 2005 particularly as many low-income countries were experiencing increasing debt levels which posed a threat to debt sustainability. He deeply stressed that a high debt level could result in the burden of debt repayment putting a strain on a country's finances, which at worst leads to default. Thus, the elevated debt in low-income countries and emerging market economies in recent years has raised concerns about countries' capacity to sustain these levels of debt. He noted that emerging fiscal risks and vulnerabilities remained the major risks to the outlook for debt sustainability in our member countries. Moreover, risk factors such as increasing interest costs as a share of revenue; rollover risks associated with shorter debt maturities; narrowing interest rate-growth differential; expanding contingent liabilities; and debt collateralization with limited transparency have placed many developing economies in or at a high risk of debt distress. Hence, there is a need to contain debt vulnerability and the LIC-DSF offers a guide to countries to manage their debt.

In his keynote address the representative of the Honourable Governor of CBN, Dr. Isa Audu commended the World Bank, IMF, and WAIFEM for jointly organizing the course on Public Debt Sustainability for Low-Income Countries (LIC-DSF) at a time when many developing countries are grappling with complex macroeconomic challenges. He also commended the Director General, WAIFEM, and the entire staff for their firm determination to sustain the momentum of capacity building in the sub-region.

The Honourable Governor highlighted that WAIFEM member countries are currently experiencing a significant fiscal imbalance and an escalation in their public debt, which have put them at risk of debt distress and, in some cases, debt distress. He cited that as of August 29, 2022, and according to the most recent data given by the World Bank, out of 69 Poverty Reduction and Growth Trust (PRGT)-eligible countries, eight are in debt distress, 29 are at high risk, 25 are at moderate risk, and 7 are at low risk of debt distress. He further expressed that such fiscal imbalances and high levels of public debt can have direct and adverse effects on debt sustainability. Consequently, while our member countries continue their efforts to mobilize and allocate resources to confront these problems, Debt Sustainability Analysis (DSA) remains critical for guiding governments' decisions about future borrowing.

The representatives of the World Bank and the IMF team also made remarks. Both Vasilis Tsiropoulos (World Bank) and Louis Dicks-Mireaux (IMF) made similar remarks, thanking the Director General of WAIFEM and the staff of the Department of Fiscal Policy, Debt Management and Regional Integration (FPDMRID) for the excellent coordination of the training. They also expressed their appreciation for the opportunity to share their knowledge and encouraged participants to take full advantage of the training to deepen their knowledge and understanding of the LIC-DSF framework.

The main objective of the training was to enhance participants' knowledge of the LIC-DSF in WAIFEM member countries. The course was structured to familiarise participants with the complete process of conducting a DSA using the IMF and World Bank's DSF-LIC template for Debt Sustainability Analysis. It covered various aspects of Public Debt Sustainability Analysis which included case studies and simulated exercises. Thus, the ultimate main objective remains to increase participants' capacity to conduct the DSAs for their countries.

The training covered key areas such as: Introduction to the LIC-DSF, its operational application, and the implication of the DSF; Definitions and coverage of the public sector and public debt, as well as macroeconomic projections; 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 Judgement - 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; and DSA report writing. There were also case studies, quizzes group work, and presentations to deepen participants' understanding of the DSA process. Country experiences were also shared during discussions which stimulated the participation in the course to be more interactive.

The course was facilitated by four (4) highly seasoned experts from the World Bank and the IMF in the persons of, Vasilis Tsiropoulos (World Bank), Jessie Nabulambo Kilembe (World Bank), Louis Dicks-Mireaux (IMF) and Alvaro Manoel (IMF).

The course was attended by twenty-six (26) participants consisting of five (5) females and twenty-one (21) males drawn from all WAIFEM member countries namely, The Gambia (6), Ghana (4), Liberia (6), Nigeria (5) and Sierra Leone (5).

**Communiqué**

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

**Observations**

- The course was timely considering the challenges of debt distress/sustainability issues that are confronting most economies in the African sub-region.
- The facilitators exhibited a high level of professionalism in their delivery and impartation of lectures, prodded exercises, questions, and answers throughout the learning process.
- The quizzes at the end of each presentation enhanced participants' knowledge and deepened their understanding of the DSF.
- The five (5) days designed for the Workshop were inadequate considering the technicality of the DSF and the need to develop expertise;

- However, the facilitators were able to navigate through the disruptions created by the delayed flights to complete the Course outline and ensure that all the participants achieved the objective of the Course.

**Recommendations**

- Going by the technicality of the DSF, the course should be undertaken in no less than two (2) weeks to enable participants to achieve a deeper understanding and knowledge of the template.
- WAIFEM to consider choosing a non-member country as a venue for the training to maximize the engagement and involvement of all participants to avoid office and family distractions.
- WAIFEM to encourage member countries on the importance of the DSF and the need for sustained training outside of the regional programme to build expertise.
- Need for WAIFEM to organize more training for the stakeholders on the LIC-DSF and its relevance to debt sustainability.
- Need for daily assessment of training objectives to ensure that much is taken away through flexibility in the design of Course Content.

**Appreciation and Conclusion**

The participants expressed their deepest gratitude to the Director General and the entire management staff of WAIFEM, the World Bank and the IMF for funding the course. They commended the expert facilitators for the patience and professionalism shown in the delivery of the lectures. They also appreciated the WAIFEM support staff for the hospitality given to ensure their comfort during the entire course.

Finally, they applauded their fellow participants for completing the course and hope they will put the lessons learned to use in their various places of work and maintain collaboration with other colleagues within and across the region.

### 1.2.9 WAIFEM REGIONAL COURSE ON FISCAL DECENTRALIZATION, FISCAL FRAMEWORKS AND SUSTAINABILITY (FDFFS) LAGOS, NIGERIA. OCTOBER 10 – 21, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Fiscal Decentralization, Fiscal Frameworks, and Sustainability. The training was conducted at CBN Learning Centre, Satellite Town, Lagos, Nigeria from October 10 – 21, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of Fiscal Policy, Debt Management, and Regional Integration Department, WAIFEM, Mr. Yakubu Aliyu, WAIFEM officials and distinguished resource persons represented by the former Finance Minister of Ghana, Honourable Seth E. Terkper.

In his welcoming remark, the Director General warmly welcomed all the participants to the course and the distinguished facilitators represented by the Honourable Seth E. Terkper to the most cherished CBN Learning Centre, Satellite Town, Lagos, Nigeria. He also extended a cordial greeting to the other WAIFEM officials who were present at the opening ceremony.

About the course, the Director General briefly explained the concept of fiscal decentralization in his own words that fiscal decentralization refers to "the transfer of taxes and spending authority from the central government to the sub-national governments". He said, theoretically, decentralization is viewed as a mechanism for enhancing the public sector's efficiency, performance, and accountability. However, as global experiences have shown, achieving these objectives is easier said than done. He noted that in Nigeria, the model of fiscal federalism has persisted for over seven decades, whilst for many of our other WAIFEM member countries, the move towards fiscal decentralization reforms started gaining momentum in the 1990s. So far, it has remained a crucial element of our member countries' political and economic governance systems. This decision of fiscal decentralization through allocating expenditure responsibility and revenue assignments to lower levels of government has powerful medium- and long-term effects on macroeconomic outcomes and fiscal and debt sustainability.

The Director General emphasized that in this period of post-pandemic recovery, having to balance fiscal decentralization on the one hand, and on the other hand, maintaining budgetary discipline and macroeconomic stability remain a significant challenge. Thus, well-designed and implemented fiscal frameworks in the form of fiscal rules which entail establishing the framework to constrain fiscal policy discretion and promote fiscal discipline remain critical.

The main objective of the training course was to provide participants with comprehensive training on the critical dimensions of fiscal decentralization and the tools required to design and implement effective fiscal policy frameworks in WAIFEM member countries based on the specific policy and practical experiences of advanced and developing economies.

It also seeks to explore effective strategies for designing optimal fiscal policies that take account of the fiscal decentralization trade-offs (in terms of its strengths and potential risks), geared towards achieving short-, medium-and long-term fiscal sustainability. The course also seeks to examine new perspectives on the theory and practice of fiscal decentralization, fiscal policy reforms, and the role of fiscal governance institutions in achieving fiscal and debt sustainability.

The training covered key areas such as: Rationale and design of fiscal and public financial management (PFM) frameworks; PFM, budgeting, fiscal frameworks and macroeconomic management; Political economy, fiscal frameworks and macroeconomic management; Overview of fiscal decentralization, fiscal frameworks, and fiscal sustainability (Definition, Concepts, and Analytics); Introduction to sub-national governments (SNGs) and fiscal decentralization in federal and unitary government systems; Case studies of fiscal decentralization in federal (state structure to assembly structure) and unitary states in West Africa; Fiscal Sustainability: theories, policies and practice; Effectiveness of fiscal frameworks; Fiscal transparency: Benefits, IMF Code on Fiscal transparency; Analysis of fiscal risks and fiscal sustainability; Monitoring of fiscal policies by independent institutions; Fiscal frameworks and sustainability in West African Countries; Monetary and fiscal policy interaction: Central Bank independence /fiscal dominance and coordination; Fiscal decentralization and debt management; and Fiscal strategies for unlocking factor endowments at sub-national level. There were group work and country presentations to share the nature and various levels of fiscal decentralization among WAIFEM member countries. The course was facilitated by nine (9) highly seasoned and experienced practitioners within our sub-region. They included: Mr. Hon. Seth E. Terkper (Former Minister of Finance, Ghana); Prof. Akpan H. Ekpo (Former DG of WAIFEM, and Professor of Economics and Public Policy, University of Uyo, Nigeria, and Chairman, Foundation of Economic Research and Training (FERT)); Dr. Baba Y. Musa (Director-General, WAIFEM); Mr. Morlai Bangura (Director, Monetary Policy, Bank of Sierra Leone); Professor Jake Dan-Azumi (Professor of Political Science and Development Studies, and Director of Research, Nigerian Institute for Legislative and Democratic Studies, National Assembly, Nigeria; Dr. Eric Oduro Osae (Governance and PFM Expert and Director-General of the Internal Audit Agency, Ghana); Dr. Iddrisu Alhassan (Macro/Development Economist, Chief Economics Officer and Director of the Economic Strategy and Research Division, Ministry of Finance, Ghana); Mr. Olujimi Olaolu Ige (Former Permanent Secretary, Debt Management Office, Lagos State); and Dr. Bartholomew Aja (Deputy Director, Debt Management Office (DMO), Nigeria).

The course was attended by thirteen (13) participants consisting of five (5) females and eight (8) males drawn from WAIFEM member countries namely; The Gambia (4), Ghana (5), Nigeria (2), and Sierra Leone (2).

**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**

- Fiscal Decentralization plays an important role in the achievement of Fiscal Sustainability. It focuses on empowering the local government councils through improving funding and financial management for effective service delivery.
- Revenues from sub-national/local governments should be reflected in the Integrated Financial Management Information System (IFMIS) system to provide the general government with a sense of revenue inflows against expenditures.
- An independent Central Bank makes it credible. The credibility of Central Banks influences rational expectations for decision-making by economic agents.
- In some jurisdictions, the provision of Policy guidelines is primarily the responsibility of the Ministry of Planning.
- Each country should have a tailor-fitted fiscal framework. There is no one-size-fits-all approach. A country's fiscal framework should be able to address its fiscal problems within the specific national institutional and political setting.
- A good Macroeconomic policy should have a strong linkage between Fiscal and Monetary policy. In an ideal economy, these two policies should speak to each other, in other words, they should relate to one another.
- Fiscal Councils are designed to promote sound transparency and accountability in fiscal policy.

**Observations**

- The facilitators/resource persons were very knowledgeable and practically delivered the course content;
- Participants gained in-depth knowledge from the facilitators/resource persons who impacted their rich knowledge and experience on the subject;
- The sessions were interactive, and participants shared their country's experiences on the subject; and

- The group assignments enabled participants to share, understand, and appreciate the various aspects of fiscal decentralization in member countries.

**Recommendations:**

**To WAIFEM**

- The presentation on each lecture topic should be shared with participants before the commencement of each session;
- WAIFEM should increase the slot for nominees for member countries to enable the institutions to nominate more representatives from their various divisions/departments/agencies to benefit from the training;
- WAIFEM should conduct more training on Fiscal Decentralization, Fiscal Framework, and Sustainability to enhance the capacity of Public Servants to better understand Sub-National Governance and Fiscal Operations; and
- For more interactive and impactful results, we recommend that WAIFEM involve sectoral-related ministries or departments of the available courses. We believe that Local Government staff would have gained so much capacity in this course.

**Appreciation and Conclusion**

The participants expressed their profound appreciation to the Director General and the entire management and staff of WAIFEM for successfully organizing this significant training. They extended thanks to the facilitators for sharing their great wealth of professional knowledge, and practical experiences on Fiscal Decentralization, Fiscal Framework, and Sustainability with them. They also appreciated the hospitality of WAIFEM for the accommodation, food, drinks, and stewardship for the past two weeks. Moreover, they thanked their various Ministries and Central Banks in their respective countries for allowing them to benefit from the training.

Finally, the Class Governor congratulated his colleagues for their active participation and their valuable contributions through their respective country experience-sharing. He encouraged all of them to share the knowledge gained with other colleagues in their various work places.

### 1.2.10 WAIFEM REGIONAL COURSE ON ECONOMIC ISSUES IN REGIONAL INTEGRATION: AFRICA CONTINENTAL FREE TRADE. ACCRA, GHANA. OCTOBER 31 - NOVEMBER 4, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Economic Issues in Regional Integration: Africa Continental Free Trade. The training was conducted at Erata Hotel, Accra, Ghana from October 31st – November 4th, 2022, 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 attended by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of Fiscal Policy, Debt Management, and Regional Integration Department, WAIFEM, Mr. Yakubu Aliyu, Honourable Governor, Dr. Ernest K. Y. Addison, Bank of Ghana, who capably represented by Mr. Eric Koranteng, Director, Governor's Office, Bank of Ghana (BoG), distinguished resource persons, and WAIFEM officials.

In his welcoming remark, the Director General on behalf of the Institute, warmly welcomed all participants to the course. He extended the Institute's profound appreciation to the Honourable Governor of the Bank of Ghana, Dr. Ernest K. Y. Addison, for his steadfast support and constant encouragement to WAIFEM. He deeply recognized the Honourable Governor's personal and official commitment to WAIFEM which has continuously strengthened the pursuit and achievement of WAIFEM's vision, mission, and mandate. Similarly, the Director General welcomed and appreciated the pool of esteemed resource persons who have agreed to share their extensive and invaluable knowledge. He also acknowledged the enthusiasm of WAIFEM member countries for their response to the call for nominations request.

Regarding the course, the Director General recognised the long vision of Regional Economic Integration (REI) as a mechanism for fostering economic growth, diversification, and prosperity by African policymakers. Their efforts are demonstrated in several trades and regional economic integration groups, such as ECOWAS formed over the years. Thus, he noted that the Africa Continental Free Trade Area (AfCFTA) is the height of such initiatives and promises to be the largest free trade area in the world. It provides a unique opportunity for countries in the region to integrate competitively into the global economy, increase income levels, and reduce poverty. He further highlighted the benefits of AfCFTA which could include fostering monetary and financial integration leading to the goal of a common currency. In essence, this course will guide policy policymakers in the WAIFEM member countries to explore policy options for maximizing the potential income and welfare gains of trade liberalization to deepen REI in the sub-region and beyond.

In his keynote address the Honourable Governor of Bank of Ghana, ably represented by Mr. Eric Koranteng, Director, Governor's Office, BoG applauded WAIFEM and commended the Director General of WAIFEM, Dr. Baba Y. Musa for the relentless commitment to sustaining the tempo of capacity building and human capital development in the sub-region, despite recent challenges, most notably the COVID-19 pandemic. The Honourable Governor reassured the readiness of BoG as a stakeholder to support WAIFEM to deliver on its mandate.

The Honourable Governor lamented how Africa is exposed to global challenges notably the recent COVID-19 pandemic and Russian-Ukraine conflict. However, he noted that the AfCFTA initiatives remain very crucial for Africa and the world economy in general. Experts have suggested that Africa may be able to speed its economic recovery by focusing on regional economic integration as trade among nations can power economic expansion. The AfCFTA with its continent-wide vantage point provides an opportunity for Africa to competitively integrate into the global economy, reduce poverty, and promote inclusive growth. UNECA, for instance, estimates that by 2040, AfCFTA will enhance intra-African trade from 15% to 25%. The World Bank estimates that implementing AfCFTA would provide the impetus for lifting an additional 30 million Africans from extreme poverty and greatly enhance the income of over 60 million above the poverty line.

On the African Continental Free Trade Area (AfCFTA), 44 African nations signed the agreement in 2018 to establish the AfCFTA, which was launched in 2021. The AfCFTA is expected to be embraced by all the 54 African nations with an estimated combined GDP of $2.5 trillion and a population of more than 1.2 billion, making it the world's largest trading bloc. Currently, Africa contributes less than 3% of global trade in goods and services and intra-African trade accounted for less than 18% of total African trade. This 18% of intra-African trade is far below trading blocs in Europe, North America, and ASEAN countries, which stood at 60%, 40%, and 30% of intra-regional trade, respectively.

Thus, AfCFTA creates opportunities to promote industrial development through diversification and regional value chain development. The agreement is expected to enhance the diversification of industrial products, develop regional value chains, and facilitate regional integration and cross-border payments, allowing the continent to move away from a commodity-based export model to exporting value-added goods and services.

The course was designed to enhance participants' knowledge of the general and specific issues that may pertain to the REI process in the WAIFEM member countries, particularly in the context of AfCFTA implementation. It aimed to broaden participants' understanding of economic, monetary, and financial integration and its impact on trade, investment, and economic growth within the sub-region, the African continent, and the global economy. As a result, the knowledge gained will further equip them to formulate the requisite policy responses to some of the barriers and challenges that have hampered the REI process over the years.

The training covered key areas such as Conceptual, theoretical, and empirical frameworks and perspectives on REI; Global trends in REI; Trade liberalization dynamics in Africa: Overview/Analysis of new trends, opportunities, and policy issues; Trade facilitation in REI: AFCFTA: Progress, challenges, and prospects; Cooperation and trade arrangements: ECOWAS in the context of AFCFTA, Economic Partnerships Agreements (EPAs), African Growth Opportunity Act (AGOA), China/India trade pacts, etc.; Instruments and institutions for strengthening REI: Role of regional member countries; REI: Implications for growth, foreign direct investment (FDI), labour markets, and income distribution; Trade policies and procedures, regulatory barriers and integration of services in ECOWAS; REI and macroeconomic convergence: Progress, challenges, and prospects; Regionalization and globalization: Political economy impact of trade liberalization and REI: Case Studies. There was group work and presentations on pertinent issues on REI faced by the ECOWAS sub-region.

The course was facilitated by four (4) highly seasoned and experienced experts from the sub-region. They included: Professor Jonathan Aremu (Professor of International Economic Relations at the Covenant University (CU), Ota, Nigeria, and a Consultant at Economic Community of West African States (ECOWAS) on Common Investment Market (ECIM), Abuja); Dr. John-Hawkins Asiedu (Technical Adviser, Ministry of Trade and Industry, Ghana); Dr. Fareed Arthur (National Coordinator, Ghana AfCFTA Office, Ministry of Trade and Industry, Ghana); and, Mr. Sule Danjuma Muhammad, FCA, FCNA (Director at the Office of Trade Negotiations, Nigeria).

The course was attended by twenty (20) participants consisting of seven (7) females and thirteen (13) males drawn from WAIFEM member countries namely, The Gambia (3), Ghana (14), and Sierra Leone (3).

**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 need to have mutual recognition agreement for trade in services among member states;
- ECOWAS should as a matter of urgency set in motion a process to enhance the movement to a common customs union;
- Countries should take a second look at the services of liberalization sector as it is worth billions if the necessary support is given because developed countries benefit a lot from it; and
- There is a need to have a high-level consultative

assembly of stakeholders, professionals, and policymakers to discuss the way forward to harmonize policies, laws, and trade regulations within the ECOWAS region.

**Observations**

- The facilitators/resource persons were very knowledgeable and practically delivered the course content;
- Participants gained in-depth knowledge from the facilitators/resource persons who impacted their rich knowledge and experience on the subject;
- The sessions were interactive, and participants shared their country's experiences on the subject; and
- The group work enabled participants to discuss the critical issues on REI confronting the ECOWAS sub-region and the WAIFEM member countries in particular.

**Recommendations:**

**To WAIFEM**

- The presentation on each lecture topic should be shared with participants before the commencement of each session;
- WAIFEM should increase the slot for nominees for member countries to enable the institutions to nominate more representatives from their various divisions/departments/agencies to benefit from the training;
- Need to conduct more training on Regional Integration and AfCFTA to enhance the capacity of Public Servants to better understand the dynamics of integration and the benefits of AfCFTA.

**Appreciation and Conclusion**

The participants deeply expressed their appreciation to the Director General and the entire management staff of WAIFEM for the successful organization of the training. They thanked the distinguished facilitators for sharing their great wealth of professional knowledge and practical experience. They also appreciated WAIFEM for the warm hospitality. Similarly, they remained grateful to their nominating institutions in various countries for the opportunity to benefit from this important training.

### 1.2.11 WAIFEM E-LEARNING DIPLOMA COURSE IN FRENCH LANGUAGE. FACE-TO-FACE: LAGOS, NIGERIA. ONLINE PHASE. IMMERSION. OCTOBER 24 - DECEMBER 7, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional E-Learning Diploma Course in French Language. The training was conducted at CBN Learning Centre, Satellite Town, Lagos, Nigeria from October 24 – November 4, 2022, for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

The face-to-face training was followed by two (2) weeks of online modules of the course, from November 7 - 18, 2022. In addition, the participants attended 8 days compulsory immersion programme in Abidjan, Cote d'Ivoire, from November 28 – December 7, 2022.

The Face-to-Face Aspect

The opening ceremony was attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Directors, and staff of WAIFEM, and distinguished resource persons led by Madame Selin Nwoye of Channelle Francaise.

In his welcoming remark, the Director General sincerely welcomed all the participants for the course and the distinguished facilitators led by Madame Selin Nwoye of Channelle Francaise. He also extended a warm greeting to the Directors and staff of WAIFEM who were present at the opening ceremony. The Director General expressed his delightedness in the passionate response of WAIFEM member countries' institutions to this training. He said that it is an encouraging indication of the importance and attention that authorities in the sub-region place on issues that would deepen the regional integration process, of which the language barrier is very critical. He congratulated all the participants for their quest and opportunity to deepen their French language proficiency and competencies.

On the course, the Director General briefly emphasised the motive of introducing the E-Learning Programmes in the French Language. The course has been introduced by WAIFEM to bridge the widening gap in understanding and speaking of the French Language among English-speaking countries within the West African sub-region. The first French language course was conducted in collaboration with the United Nations Institute for Training and Research (UNITAR) in Lagos in 2016 and attended by participants from the Central Bank of Nigeria and the Bank of Ghana. Upon successful completion of the maiden course, WAIFEM was motivated due to the great enthusiasm of the participants and the relevance of the course for its member countries. Thus, WAIFEM decided to make it a regular menu of its capacity-building programmes under the Fiscal Policy, Debt Management, and Regional Integration Department.

The objective of the course was 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. It is also suitable for those who wish to prepare adequately for the fierce competition due to globalization. The course was structured effectively and professionally to meet the needs of adult and intermediate learners in French.

The training covered key topics required to achieve the necessary language competencies and mastery, which include fluency, writing, reading, and listening skills. The broad topics covered include Professional French - Business French; French at the workplace; Useful French grammar; and Dialogue. The course also provided the participants with the opportunity to practice verbal expressions through class tasks at the individual level to test participants' pronunciations and comprehension skills which is essential for the French Language.

The face-to-face aspect of the programme was attended by eighteen (18) participants from WAIFEM, Central Bank of Nigeria (6), Bank of Ghana (10), and Ministry of Finance Sierra Leone (2). Most of the topics on the course outline were introduced during the face-to-face session to make the online aspect easier for the participants. Basic grammar topics were taught. The participants also had a lot of interactions and presentations in French using authentic documents which are very much relevant to the language needs of the participants. There was ample use of audio-visual learning materials in the form of dialogues, reading, songs, etc. The large TV screen and the sound system in the classroom contributed a great deal to effective course delivery and learning.

The course was facilitated by two (2) experts, ably led by Madame Selin Chinelo Nwoye (Channelle Francaise, Lagos, Nigeria) and assisted by Madame Uche Okekearu.

**Communiqué**

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

**Observations**

- The facilitators' delivery methodology was excellent, and they demonstrated in-depth mastery of the themes.
- The course was exciting and interactive as the facilitators were able to engage participants at the end of each lecture, to test the level of their understanding and assimilation.
- Furthermore, verbal/vocal tasks were given to test participants' pronunciations which is essential for the French Language.
- The face-to-face course was very effective for participants due to the opportunity accorded to the participants and the facilitators for deep and meaningful interactions discussions; and
- The facilitation, coordination, and administration of the course by WAIFEM staff were very satisfactory and provided an exciting learning atmosphere during the face-to-face interactions.

Recommendations:

To WAIFEM

- Subsequent face-to-face Diploma classes should follow immediately after the Certificate course to ensure the continuity of knowledge acquired by participants.
- Most participants had to have their memories refreshed by reviewing materials learned during the Certificate course which significantly reduced the time available to delve deeply into the Diploma course. Therefore, the participants recommend that in such instances, the time allotted for the Diploma be extended to three weeks to allow for more in-depth topics and discussions during classes.
- WAIFEM should run more Diploma courses to reduce the backlog of Certificate holders in French from the institutions that are yet to have either their immersion programme or the Diploma course; and
- For reasonable fluency, in reading and writing in the French language, WAIFEM should extend the immersion (placement) phase from 8 days to two weeks.

**The E-Learning Aspect**

The online course lasted for two weeks. Assignments were uploaded every week for the participants which were completed and sent to the course mentor, for review. The assignments were marked, corrections made, and sent back to each participant. There were discussions using topics that were quite interesting and educative. The course mentor posted discussion topics on the eLearning portal which the participants responded to by making very enriching comments. The discussions aimed to enable participants to enrich their vocabulary and expressions in French. The participants were generally active in the online course.

The two weeks on the WAIFEM eLearning portal were inadequate to complete the lessons designed for the diploma course and for, mentors to adequately follow up in terms of corrections and feedback to the participants. We propose a minimum of 4 weeks on the WAIFEM eLearning portal.

**The Language Immersion Programme**

The attachment programme took place in Abidjan, Cote D'Ivoire. It was an 8-day program from November 28 to December 07, 2022. The activities during the attachment programme were as follows:

**Interactive Sessions with the Course Mentors**

The interactive sessions provided the participants the opportunity to have their oral performance assessed. Participants reviewed some of the topics that were taught on the e-learning platform. Most of the topics for oral assessments were based on the authentic documents treated in the course. A lot of context-based dialogues were simulated. There were individual presentations on topical issues by the participants. The sessions were quite interactive and enriching.

**Interactive Sessions with a Native Speaker**

Participants also had an interactive session with a native speaker as a resource person. During these sessions, the participants were made to express themselves in various ways using topics such as challenges in Africa and ways to overcome them.

**Cultural Visits**

During the cultural visits, the participants were exposed to places where they could interact with natives in French. The places included some tourist sites as:

- LE MUSEE DES CIVILISATION DE COTE D'IVOIRE
- LES MARCHÉS ET SUPERMARCHÉS (The markets and the supermarkets)
- LE GRAND BASSAM
- LES RESTAURANTS
- LE ZOO

The participants were able to interact to a larger extent with people at the market and were able to order their food at the restaurants. They were delighted to move out on their own and were able to communicate in French with the natives.

**Courtesy Visits**

AfDB (African Development Bank)

The participants visited the AfDB (African Development Bank) headquarters in Abidjan. They were delighted to meet Dr Akinwumi Adeshina who took group as well as individual photos with the participants and facilitators.

**Embassy of Ghana in Abidjan**

The participants paid a courtesy visit to the embassy of Ghana in Abidjan and were warmly received by the ambassador and the personnel of the embassy.

**Observations/Recommendations**

- Two staff from the Central Bank of Nigeria and one from the Ministry of Finance Sierra Leone, who attended the face-to-face aspect of the training had not participated in the certificate course.
- Immersion programme is a vital aspect of the French course at every level. It exposes participants to the real environment where the language is spoken to strengthen oral competence which is the most important part of language learning.
- It is proposed that those who did the certificate course using the Zoom/WAIFEM eLearning portal ought to do their immersion programme to qualify them for the diploma level.
- It was observed that some participants who had previously participated in the certificate course are yet to attend the diploma level.
- There is a need for sensitization on the need for continuity of the French programme after the certificate level. The diploma level helps a great deal in consolidating the knowledge acquired at the certificate level.
- Some of them who had a very good start at the certificate level missed the opportunity to consolidate their knowledge of French at the diploma level.
- It is suggested that the duration of the attachment programme be extended to at least two weeks to give the participants enough time to practice the language in a French-speaking environment.
- Five (5) participants from the Central Bank of Nigeria were not able to attend the attachment programme. This affected the successful completion of the course because most of the oral assessments were done during the attachment program.

**Advanced Diploma:** It is recommended that the advanced diploma in the French language be developed to enable participants to acquire more knowledge in French.

**Appreciation and Conclusion**

The participants expressed their gratitude to the Director General, management, and staff of WAIFEM for successfully organising this useful training. Similarly, they expressed profound appreciation to member Central Banks for their continuous support to WAIFEM to enable them to run the training programme. The participants were grateful for the opportunity to upgrade their knowledge of the French Language and were thankful to their institutions for nominating them.

They extended appreciation to the Facilitators (Madame Selin and her colleague, Madame Uche) for sharing their great wealth of professional knowledge in the French language through excellent delivery and engaging sessions during the training.

## 1.3 FINANCIAL SECTOR AND PAYMENT SYSTEMS DEPARTMENT

### 1.3.0 INTRODUCTION

The Financial Sector and Payment Systems Department organized a total of eleven (11) regional capacity-building programmes during the year 2022. Seven (7) were executed in person, while the remaining four (4) were done virtually (online). A total of two hundred and eighty-five (285) officials from Central Banks, Ministries of Finance and Economic Planning as well as other public and private sector agencies from the WAIFEM member countries benefitted from the programmes.

A country-wide distribution of the participants indicated that 77 participants were from Ghana (27.0 percent) followed by 64 from Nigeria (22.5 percent); 51 from The Gambia (17.9 percent); 42 from Liberia (14.7 percent); 39 from Sierra Leone (13.7 percent) while Guinea and others accounted for 4 (1.4 percent) and 8 (2.8 percent) respectively.

A breakdown of participation according to institutions shows that central banks accounted for 216 participants representing 76 percent; other public sector agencies accounted for 66 participants (23 percent) and the private sector accounted for 3 participants (1 percent). In terms of participation by gender, 176 participants were male, representing 61.8 percent while 109 were female representing 38.2 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 BANKING SUPERVISION AND RESOLUTION (LEVEL 1) MARCH 14 - 25, 2022, LAGOS, NIGERIA

The West African Institute for Financial and Economic Management (WAIFEM) organised a virtual regional course on Banking Supervision and Resolution (Level 1), in collaboration with the College of Supervisors of the West African Monetary Zone, from March 14 – 25, 2022.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed the participants and facilitators to the online programme. He reiterated the need for effective supervision of the banking system to prevent excessive risk-taking and forestall bank failures resulting from risk exposures.

The principal objective of this course was to enhance the participants' understanding and provide them with basic knowledge in banking supervision and resolution to enable them to effectively and efficiently perform their duties as bank supervisors.

The broad themes covered included the following:

i. Bank licensing process;

ii. Bank Failure: causes, prevention and resolution;

iii. On-site and off-site examination Processes;

iv. Capital and capital verification;

v. Bank accounting;

vi. Financial statement analysis;

vii. Corporate governance principles;

viii. Framework for prompt corrective action; and

ix. Anti-money laundering, financial crimes, and frauds.

The course was attended by twenty-one (21) participants from the central banks of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. A country-wide breakdown indicated that two (2) participants (9.5%) attended from The Gambia, four (4) (19.0%) from Ghana, six (6) (28.6%) from Liberia, four (4) (19.0%) from Nigeria, and five (5) (23.8%) from Sierra Leone. In terms of gender distribution, 12 or 57.1% of the participants were male, while 9 or 42.9% were female.

The course was facilitated by a pool of knowledgeable and experienced resource persons made up of retired and serving bankers from central banks and practitioners across the sub-region.

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

i. The course content was rated 'excellent' by 78 percent and 'good' by 22 percent of the participants;

ii. About 98 percent of the participants affirmed that the course has deepened their knowledge and understanding of the basics of banking supervision and resolution;

iii. Over 97 percent of the participants concurred that the topics covered in the course were appropriate;

iv. In terms of the course usefulness, more than 93 percent of the participants claimed that the course would assist them in performing their job functions more adequately;

v. 97 percent of the participants asserted that the quality of facilitation assisted them in understanding the concepts;

vi. 96 percent of the participants strongly agreed that the course met their expectations;

vii. More than 97 percent of the participants concurred that the training materials and documentation distributed were very useful;

viii. Over 92 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective;

ix. About 25 percent of the participants thought that the time allotment for the delivery of some of the sessions was inadequate; and

x. In the wrap-up session, the participants requested face-to-face training programmes, as there were incessant network disruptions during the online programme.

In executing the directives of the Board and Management of WAIFEM, two sets of Quizzes were administered to the participants. The overall performance was very good, with all participants registering scores above 60 percent.

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

**Observations:**

i. Except for one, most countries within the sub-region have yet to adopt and implement the Basel II framework fully. A tiered approach to implementation is being adopted, such as addressing pillar 1 of the capital requirement and the Liquidity Coverage Ratio.

ii. Financial Institutions within the sub-region have experienced rapid gains in applying disruptive digital technologies and innovative financial products and services, which have improved banks' processes efficiency, increased consumer confidence, reduced operational costs, and service expansion. These opportunities have also brought about security risks such as IT Cyber Security Risks and data breaches, which are of great concern to regulators.

iii. Participants agreed that bank regulators and supervisors within the sub-region must ensure that banks do not fail regardless of whether they are systemically important banks or not. This is because the failure of any bank within the region has systemic effects on the economy due to the high illiteracy level, fragile economy, low level of financial inclusion, etc., thereby leading to reduced confidence in banking.

iv. Approaches to the supervisory process are standard across the jurisdiction even though some jurisdictions have a separate on-site and off-site arrangement whilst others maintain a joint arrangement.

v. The regulatory authorities and financial institutions' enforcement and recovery of loans from debtors are often stalled due to never-ending court cases and litigations.

vi. Member countries made concerted efforts to fight money laundering and terrorism financing through strengthened cooperation, suitable policies, regional surveillance, and financial information sharing. However, cross-border cash smuggling still poses huge challenges for member countries.

vii. The urgency, frequency, and timing of on-site examination differed significantly across jurisdictions based on institutional policies or country specific laws. For most Central Banks in the sub-region, bank examinations are performed once a year.

viii. Financial transactions within the sub-region are predominantly cash-based, and as such economies are vulnerable to money laundering.

ix. The sessions and presentations were in-depth, engaging, and well-delivered with knowledgeable facilitators and participants' full attention.

x. Some participants experienced a series of network (internet) failures during sessions and were going in and out of the class.

**Recommendations:**

i. Supervisors in the sub-region should cooperate with other relevant supervisors in other jurisdictions. The tools for cooperation can include a memorandum of understanding, supervisory colleagues, and periodic meetings among supervisors.

ii. Supervisors should determine whether the banks adopted and effectively implemented sound corporate governance (CG) policies and practices by ensuring that CG policies are written, well understood, and executed.

iii. In line with Basel II/ Pillar II Principle 4: Supervisors should seek to intervene early to prevent capital from falling below the minimum levels required to support the risk profiles of banks and should require rapid remedial action if capital is not maintained or restored.

iv. Countries within the sub-region should endeavour to have an effective Prompt Corrective Action (PCA) Framework, to enhance the stability of its banking system, which is fundamental for economic growth.

v. v. As a result of the various technological advances in the financial sector, regulators and authorities should develop more capacity in IT, cybersecurity, and artificial intelligence to create and formulate the appropriate frameworks and policies to address IT security risks.

vi. Regulatory and supervisory authorities should consider using supervisory technology (SupTech) to help in the efficient monitoring of risk and compliance with regulatory requirements by financial institutions.

vii. Central Banks in the jurisdiction should form national and regional alliances and strengthen partnerships and collaboration with security agencies, border controls, and inter-governmental agencies to effectively implement the AML/CFT regime and curb the illicit flow of funds within the region.

viii. The importance of well-trained regulators and supervisors can hardly be overemphasized, and WAIFEM plays a critical role in this regard. However, there is a need for various central banks to adopt systematic on-the-job training mechanisms for all staff, especially those in supervisory departments, to keep abreast of technological changes in the global banking and financial system.

### 1.3.2 REGIONAL ONLINE COURSE ON FINTECH, ARTIFICIAL (AI) AND DISRUPTIVE TECHNOLOGIES - APRIL 4-8, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Financial Technology (Fintech), Artificial Intelligence, and Disruptive Technologies via Zoom (online) from April 4 - 8, 2022.

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 Touche, Nigeria.

In his keynote address, Dr. Baba Y. Musa 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 our ecosystem. Dr. Musa also explained 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 afforded by the course and to tap the knowledge and experience of the very able resource person 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:

i. Enhance participants understanding of the concepts of FinTech, AI;

ii. Explain the current applications of technology in our financial systems;

iii. Explore the various methods of adoption of FinTech and AI, as well as cost implications; and

iv. Equip participants with knowledge of the key concepts and procedures required for combining technology and finance for the benefit of consumers.

The broad themes covered include the following:

i. Overview of FinTech and its applications;

ii. Introduction to AI and machine learning (ML);

iii. Types of products and services delivered through FinTech, including Cryptocurrency, Blockchain technology, Electronic payment services, Mobile financial services, Cheque processing services;

iv. Products and services delivered through AI and ML, including Big data analytics;

v. Technological challenges in Africa inhibiting the adoption of disruptive technologies;

vi. The role of the regulator in FinTech, AI, and ML;

vii. FinTech and AI - the future of the financial industry; and

viii. Challenges of supervision of disruptive technologies (FinTech, AI) in the financial industry.

The course was attended by forty-nine (49) middle/senior/executive level officials from member central banks, other government officials, as well as deposit money banks from The Gambia, Ghana, Liberia, and Sierra Leone.

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

i. Over 91 percent of the participants affirmed that the objectives of the course were achieved;

ii. 91.4 percent of the participants concurred that the course has enhanced their understanding of the concepts of Fintech, artificial intelligence, and disruptive technologies;

iii. About 94 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;

iv. More than 74 percent of the participants strongly agreed that the skills acquired from the course would improve their job performance;

v. 80 percent of the participants affirmed that the blend of plenary sessions and group exercises was effective;

vi. 86 percent of the participants strongly agreed that the course met their expectations; and

vii. Over 94 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective;

viii. About 89 percent of the participants concurred that the time allocated for each session was adequate;

ix. 91.4 percent of the participants averred that the course content was relevant;

x. More than 88 percent of the participants agreed that the course was effectively delivered.

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 supervise Fintech operations.
- Cryptocurrencies may be difficult to regulate outside the interface from which they are initiated and received.
- There is little or no regulation on disruptive technologies in member countries.
- Most African countries are reluctant to invest in modern technologies but rather prefer what is already existing in the Western world.
- There is a substantial amount of fear that technology may take over jobs in the next few decades.
- Concerns have been raised about data breaches and data security relating 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.
- There is inadequate capacity to regulate Fintech.
- Although online training is cost-effective in bringing in a larger number of participants, it is not very effective in terms of personal interactions and contributions. It is also prone to connectivity failures and other forms of distractions.

**Recommendations:**

- Policymakers should be sensitized on 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 provide the requisite infrastructure and training resources to diffuse the knowledge of Information Technology.
- Training such as these, organised by WAIFEM should be encouraged further, to enlighten and broaden the scope of knowledge in Fintech, and other emerging disruptive technologies.
- Further awareness of cyber security and the adoption of the ISO 270001 frameworks should be encouraged to allay fears about the breach of data and data security regarding big data and cloud storage.
- Traditional banks in our sub-region should be encouraged to look beyond the traditional ways of providing services and begin to adopt more modern approaches like the use of AI to enhance customer service provision and relations.
- Banks and FinTech companies should be encouraged to leverage each other's strengths to provide the best services in the financial sector.
- In-person training should be resumed.
- There should be continuous collaboration among member states in the harmonization of Fintech and emerging disruptive technologies.

### 1.3.3 REGIONAL COURSE ON COMBATING MONEY LAUNDERING AND OTHER FINANCIAL CRIMES - MAY 16 - 20, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course on Combating Money Laundering and Other Financial Crimes virtually on the Zoom platform from May 16 – 20, 2022.

In his keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, who was represented by the Director, of Governance and Institutional Development, Dr. Alvin Johnson, 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 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 a 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. Dr. Musa reiterated WAIFEM's desire to build the 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.

The broad themes covered included the following:

i. Overview of Money Laundering, Economic and Financial Crimes (Definitions, Stages, Types, etc.);
ii. Effects of Money Laundering on the Financial System;
iii. International/Regional Initiatives: The Revised FATF Standards - Implications for Robust AML/CFT GIABA Regime in West Africa;
iv. Customer Due Diligence: The Link to Robust AML/CFT Framework (Assessment Body Perspective);
v. ML/TF Threats and Challenges Posed by FinTech and Crypto Currency;
vi. Financial Crimes and the Production of Fraudulent Documents (Identity Theft, Credit Cards, Visa and Passports, Counterfeit Crimes, etc.);
vii. Designing Anti-Money Laundering Compliance Systems for Enforcement in Financial Institutions;
viii. Customer Due Diligence: The Link to Robust AML/CFT Framework (Supervisor's Perspective); and
ix. Risk-Based Approach in Implementing AML/CFT Compliance.

The course was attended by twenty-nine (29) 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 The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The course was facilitated by experienced professional financial and security experts from GIABA, WAIFEM, NFIU, CBN, and BOG.

An analysis of participants' evaluation of the course indicated the following:

i. All the participants unanimously agreed that the course has broadened their knowledge of techniques for combating money laundering and other financial crimes;
ii. About 96 percent of the participants concurred that the topics covered in the course were appropriate;
iii. Over 95 percent of the participants confirmed that the quality of facilitation assisted them in understanding the concepts;
iv. 73 percent of the participants affirmed that the time allotted for each presentation was adequate;
v. The documents and lecture materials distributed were acclaimed to be useful by about 86.4 percent of the participants;
vi. Overall, 91 percent of the participants agreed that the course met their expectations;
vii. More than 86 percent of the participants acclaimed that the course was interactive;
viii. The overall administration of the course was rated as very effective by over 86 percent of the participants; and
ix. 91 percent of the participants agreed that the collaboration between GIABA and WAIFEM in the delivery of the course was very effective.

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

**Observations:**

i. The nature of the course, in terms of the volume and the concentration needed to absorb the course contents or materials, requires participants' presence for such training at the center.
ii. Time allotted for the course was limited.
iii. Some presentations were more theoretical than practical.
iv. There were weak connectivity and unstable internet challenges.
v. A lot of distractions from the office for some participants while training was in session.
vi. The course highlighted the role of supervisors to not only look out for issues regarding Anti-Money Laundering, but also traces of terrorism financing, and adequately deal with the issues surrounding both menaces.
vii. The course further highlighted the emergence of Fintech and Crypto-currency and their impact on financial institutions.

Recommendations:

i. Face-to-face interactions would be much better for quality understanding of the course particularly for critical areas like combating ML/TF.

ii. There should be continuous training of staff in relevant institutions that are engaged in combating ML and TF.

iii. Blended learning should be used for future training to limit interruptions from the office.

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

v. There should be a centrally coordinated venue for facilitators to operate from to minimize interruptions and also solve the problem of connectivity.

vi. Course materials should be sent at least a week before the programme commences for a better understanding of the materials.

vii. There is a need for supervisory agencies and law enforcement agencies to adequately review existing legislation to reflect or deal with public officials involved in money laundering.

viii. Given the emergence threat of crypto-currency in the sub-region, WAIFEM, going forward, may consider engaging professionals with practical knowledge in the crypto-currency to build capacity in that area. This is to develop the capacity of Law Enforcement Agencies to combat the menace.

ix. 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.

x. Financial technology has come to stay and it is therefore imperative that supervisory bodies and regulatory 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 address them.

### 1.3.4 REGIONAL COURSE ON INSURANCE SUPERVISION, JULY 18 - 22, 2022, ACCRA, GHANA.

The Regional Course on Insurance Supervision was organized by the West African Institute for Financial and Economic Management (WAIFEM) in Accra, Ghana from July 18 - 22, 2022.

The opening ceremony was presided over by the Hon. Governor, Bank of Ghana, Dr. Ernest K.Y. Addison, who was ably represented by Mr. Eric Koranteng, the Director and Head of the Governor's Department.

In his keynote address, the Governor welcomed all participants to Accra on behalf of the President of the Republic of Ghana, His Excellency, Nana Addo Danquah Akuffo-Addo, and invited them to enjoy the traditional hospitality of the people of Ghana. According to him, there are many approaches to insurance supervision across the globe. In some countries the Supervisory Authority is part of the Ministry of Finance, some are within the purview of the Central Bank, whilst others are independent authorities under the leadership of the Commissioner of Insurance. The Governor maintained that the different structural arrangements should not matter, but the role played by the supervisory authority is what is critical. The Governor noted that digital technology would disrupt the market significantly, and urged supervisors to be watchful so that good cultures are not overtaken by a rapidly changing environment. Finally, Dr. Addison emphasized the need for adequate regulation and supervision to enhance policyholder protection.

In his welcoming remarks, the Director General of WAIFEM, Dr. Baba Y. Musa, expressed his gratitude to the Hon. Governor, Management, and Staff of the Bank of Ghana for the warm welcome accorded WAIFEM since arrival. He also intimated to the participants about WAIFEM's activities and achievements since its inception. Finally, Dr. Musa enjoined participants to tap into the knowledge and experience of the facilitators at their disposal.

The course aimed at broadening participants' understanding of the nature and requirements of insurance supervision as well as equipping them with the skills to conduct on-site examinations and off-site surveillance of Insurance companies.

The following broad themes were covered:

i. The role and extent of Insurance penetration;

ii. The licensing processes for the Insurance business;

iii. Liquidity and solvency requirements for Insurance Firms;

iv. Insurance products and policies;

v. Re-insurance - issues and challenges;

vi. On-site examination, including Risk-Based Approach;

vii. Off-site examination and Analysis of Insurance Firms;

viii. Takaful Insurance and Risk Management;

ix. The ECOWAS Brown Card - issues and challenges;

and

x. Comprehensive and Third-Party Insurance Schemes.

The course was attended by fourteen (14) middle/senior level officials from the Central Bank, Ministry of Finance, National Insurance Commission, and the Economic and Organized Crime Office, from The Gambia, Ghana, Liberia, and Sierra Leone.

The course was facilitated by a pool of knowledgeable and experienced individuals and practitioners from both the public and private sectors across the sub-region.

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

i. In terms of content, 98.7 percent of the participants concurred that it was very good;

ii. About 86 percent of the participants affirmed that the objectives of the course were achieved;

iii. 92.9 percent of the participants claimed that the course has broadened their understanding of the nature and requirements of insurance supervision;

iv. More than 86 percent of the participants concurred that the course has equipped them with the skills to conduct on-site and off-site surveillance of insurance firms;

v. Over 90 percent of the participants strongly agreed that the knowledge and skills acquired from the course would improve their job performance;

vi. 93 percent of the participants affirmed that the blend of plenary sessions and panel discussion was effective;

vii. Overall, 93 percent of the participants asserted that the course met their expectations;

viii. 98 percent of the participants rated the presentations as 'very good;

ix. 93 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective; and

x. In the wrap-up session, the participants were of the view that more time should be allotted to some of the sessions, as well as include hands-on exercises in the area of ratio calculations. They therefore recommended an advanced level of the course, going forward.

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

**Observations:**

i. Low awareness of insurance concepts in most African countries has affected the progress of insurance penetration in the region.

ii. Lack of proper coordination of Insurance Regulation by the Government to implement laws that would promote large-scale insurance business in Africa.

iii. Implementing a Compulsory Insurance Scheme is a necessity for both private and public sectors.

iv. Insurance penetration level is currently very low in Africa representing only 1.7%, whilst penetration globally stood at 6%.

v. Microinsurance in Africa is still at an Infant stage and there is a need to promote these products so that small-scale business owners could use them.

vi. There is inadequate capacity building for Insurance regulators to efficiently monitor Insurance companies, Insurance Brokers and Insurance Agents.

vii. The course content is very relevant to the participants and has added value and more understanding to the concept of Insurance Regulation, as well as, broadened knowledge of roles played by Supervisors in the sub-region.

viii. Licensing processes in member countries across sub-regions such as Nigeria, Ghana, Liberia, and the Gambia were discussed however there is a need for standardization.

ix. The subject of On-site and Off-site examination for Insurance Companies and Brokers were discussed and there is a need for more improvement in the regulatory environments.

**Recommendations:**

i. More participants should be allowed to attend the course;

ii. The advanced level of the course should be considered.

iii. Both the regulators and insurance companies should subscribe to increasing awareness of the benefits of insurance in society to increase insurance penetration in the region.

iv. The Insurance Regulators in Africa should implement compulsory insurance that will promote large-scale Insurance Business in Africa.

v. The regulators in Africa should ensure that the current scope of Micro-Insurance in Africa is increased so that small-scale business owners can be reached by insurance service providers.

vi. The capacity building of the regulators in Africa should be a priority and also be included in the strategic plans of the organization, for proper understanding of regulation and supervision of Insurance Companies, Insurance Brokers, and Insurance Agents.

vii. The regulatory and supervisory frameworks of the regulators of member countries should be upgraded to the current standards of best practice.

### 1.3.5 REGIONAL COURSE ON MICROFINANCE AND FINANCIAL INCLUSION, AUGUST 8 - 12, 2022 ABUJA, NIGERIA.

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Online Course on Microfinance and Financial Inclusion in Abuja, Nigeria from August 8 – 12, 2022.

The opening ceremony was presided over by Dr. Omolara Duke who represented the Hon. Governor, Central Bank of Nigeria, Mr. Godwin Emefiele. Also present were, the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of, the Financial Sector and Payment Systems Department, Mr. Amadou S. Koora, and Mr. Amoa-Awuah, one of the resource persons.

In his welcome remarks, the Director General of WAIFEM warmly welcomed the participants and facilitators to Abuja and encouraged them to have an interactive course. Dr Baba Musa also apprised the participants of WAIFEM's mandate and achievements since its inception on July 22, 1996. He stated that WAIFEM had successfully executed over eight hundred and thirty (830) training and capacity-building programmes, which has benefited more than 23,200 participants from the sub-region and beyond. Finally, Dr. Musa stressed the importance of financial inclusion as a strategic tool to alleviate poverty and meet the goal of inclusive economic growth.

The Hon. Governor, Central Bank of Nigeria, Mr. Godwin I. Emefiele, in his keynote address, commended WAIFEM for executing the invaluable course on microfinance and financial inclusion.

Mr. Emefiele enumerated the broad range of financial services to low-income micro-enterprises and households that conventional financial institutions do not serve. He stated that financial inclusion, poverty reduction, and economic growth are all tenants of microfinance. In particular, the Hon. Governor emphasised the positive impact of financial inclusion on the economic well-being of women, citing examples of countries such as Bangladesh, which through microcredits were able to improve their living standards.

In conclusion, Mr. Emefiele challenged the participants to come out with implementable recommendations that could facilitate the achievement of wider outreach and sustainability of microfinance institutions in the sub-region.

The course was designed to enhance participants' understanding of the features, operations, and contributions of microfinance institutions to the financial intermediation process. Specifically, the course was to:

i. learn innovative strategies in leadership and management of microfinance institutions;

ii. up-scale their skills in microfinance operations;

iii. enhance their skills in developing a critical analysis of the broader issues and environment in which microfinance initiatives are based; and

iv. analyse and adapt current best practices from varied experiences to their local situations.

The following broad themes were covered:

i. Development and Management of Micro Enterprises: Prospects and Challenges;

ii. Strategic Planning for MFIs and measuring Performance and Future Growth;

iii. Improving Operating Efficiency;

iv. An Overview of Financial Inclusion Vehicles;

v. Opportunities and Challenges of Financial Inclusion, Financial Instruments, and Lending Methodologies;

vi. Regulatory Frameworks for Microfinance Operations;

vii. Accounting and Financial Analysis for MFIs;

viii. Governance Issues (Ethics, Staff Development, etc.);

ix. Issues Relating to Consumer Protection;

x. Product Development and Client Analysis

xi. Delinquency Management and Interest Rate Setting;

xii. Management Information System for MFIs; and

xiii. Risk Management in Microfinance Institutions.

The course was attended by eighteen (18) senior and middle-level staff of the central banks, Association of Rural Banks (ARB) Apex Bank, and Ministry of Finance from Ghana, Liberia, Nigeria, and Sierra Leone.

The course was facilitated by seasoned and resourceful personnel from the private and public sectors in the sub-region.

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

i. 58.8 percent of the participants rated their understanding of the various concepts and practices in Microfinance and Financial Inclusion as 'excellent', while 41.2 affirmed that it was 'very good'.

ii. About 69 percent of the participants concurred that the topics covered in the course were excellent, while 31 percent rated it as 'very good'.

iii. 96.5 percent of the participants claimed that the course was very useful and would assist them in performing their job functions.

iv. The majority of the participants asserted that the quality of facilitation assisted them in understanding the concepts.

v. The participants unanimously agreed that the course met their expectations.

vi. In terms of time allotment, more than 87 percent of the participants thought that the time allotment for the delivery of the sessions was adequate.

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

**Observations**

i. Microfinance operators did not participate in the course.

ii. Management Information System (MIS) solutions are expensive and not affordable by most microfinance operators within member states in particular and the region as a whole. Acquisition of the software may wipe out their working capital since their activities were tilted towards poverty alleviation.

iii. The presentations were informative, enlightening, and engaging, as practical experiences were shared among participants across diverse institutions in the sub-region.

iv. The facilitators were very knowledgeable on the subject matter.

**Recommendations**

i. Participation of operators is considered necessary for a proper understanding of the crucial challenges faced by them in the course of their business.

ii. Regulators should develop a unified information technology platform for microfinance institutions to be used on a pay-as-you-go basis.

iii. A follow-up course should be held on microfinance and financial inclusion to assess the level of implementation of knowledge obtained to further strengthen regional integration.

iv. Participants should be grouped into syndicates to discuss the unique, but very useful country experiences.

v. A field trip should be arranged for participants to visit microfinance institution(s) to acquaint themselves with the prospects and challenges of such institution(s).

### 1.3.6 REGIONAL COURSE ON MONETARY POLICY AND MACROPRUDENTIAL ANALYSIS, FREETOWN, SIERRA LEONE -SEPTEMBER 12 – 16, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional course Monetary Policy and Macro-Prudential Analysis in Freetown Sierra Leone from September 12 – 16, 2022.

In his welcoming remarks, Dr. Baba Y. Musa expressed his gratitude to Prof. Kelfala M. Kallon, Honourable Governor, management, and staff of the Bank of Sierra Leone, for their warm reception and logistical support. He also welcomed all participants and urged them to make every effort to complete the course whilst finding some time to explore the wonderful tourist attractions that adorn Freetown and its environs.

The Director General noted that since its inception, WAIFEM had delivered 850 programmes as of September 9th, 2022 benefitting over 23,775 officials from member countries in the sub-region and beyond. In addition, he mentioned that to better equip public officials in member countries in line with changing global dynamics and challenges, WAIFEM has added cutting-edge and specialized training to its menu of courses in recent years. These include governance, regional integration, financial technology, cybersecurity, non-interest banking, climate change, gender and development, and youth unemployment. In conclusion, Dr. Musa noted that the execution of WAIFEM courses at times involved collaborative partnerships with reputable international organizations.

In his keynote address, Prof. Kelfala M. Kallon, Honorable Governor, Bank of Sierra Leone, on behalf of the President, His Excellency, Julius Maada Bio, the Government, and the People of Sierra Leone, commended WAIFEM for bringing the course to Freetown. He noted that the adoption of macroprudential policies all over the world, in recent decades, has fuelled an ongoing debate regarding the effect of the practices and their interaction with monetary policy. He mentioned specifically that, the 2007 - 2008 financial crisis and its long-lasting legacy, have led to the widespread perception that new regulations were needed to ensure a stable financial system as a whole. Thus, most central banks have created new financial stability units to take a holistic approach to financial stability. He asserted that given the challenges associated with the implementation of macro-prudential policies, the course would guide how to determine the appropriate timing for activation or deactivation of macroprudential instruments, the effectiveness of macro-prudential tools in achieving the objectives of macro-prudential policies, and the efficiency of the instruments in terms of a cost-benefit assessment.

The main objective of the course was to upgrade the knowledge and skills of participants to effectively analyze monetary and macro-prudential policies for price and financial stability. Specifically, the course was aimed at enhancing participants' competence in formulating monetary policies and conducting monetary operations in the stages of market development; and analyzing various macro-prudential measures that would limit the risks and costs of systemic crises.

The broad themes covered included the following:

- The framework of Monetary Policy;
- Monetary Policy and financial stability;
- Fiscal policy analysis;
- Detecting financial vulnerability from macro-prudential indicators;
- Macro-prudential analytical tools;
- A review of prudential indicators of the health and stability of the financial systems;
- Micro-prudential versus Macro-prudential approaches to financial regulation and supervision;
- Government Fiscal Operations and Monetary Policy decision-making;
- Systemic risks and the transmission of financial shocks;
- Analytical methods: Stress testing for financial systems;
- Micro and macro-prudential policy, macroeconomic and financial stability; and
- Challenges of monetary policy and macro-prudential regulation.

The course was attended by eighteen (18) participants made up of senior and middle-level officials from central banks, ministries of finance and planning, and the West African Monetary Agency from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leon.

The course was facilitated by experts drawn mainly from central banks across the sub-region.

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

i. More than 88 percent of the participants concurred that the course has upgraded their skills to effectively analyze monetary and macroprudential policies for price and financial stability.

ii. The course content was adjudged as 'very good' by 97 percent of the participants.

iii. The substantive impact of the resource persons as a team was rated as 'very good' by 96 percent of the participants.

iv. About 77 percent of the participants affirmed that the course has enhanced their skills in analyzing various macroprudential measures that would limit the risks and costs of systemic crises.

v. 92 percent of the participants thought that the knowledge and skills acquired from the course would improve their job performance.

vi. Over 93 percent of the participants thought that the time allotted for the presentations was adequate;

vii. More than 88 percent of the participants concurred that the course met their expectations.

viii. At the wrap-up session, participants were of the view that the duration of the course should be extended to two weeks to allow for more practical sessions.

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

**Observations:**

i. Fiscal deficits were unsustainable in most countries of the sub-region, hence central banks were made to finance these deficits through advances to governments, impacting the ability of the central banks to ensure price stability;

ii. Some countries have inadequate early warning systems to detect problems in banks before systemic crises;

iii. The banking system in some countries has huge non-performing loans beyond regulatory thresholds and this adversely on financial stability;

iv. Most countries have strengthened their supervisory frameworks with Risked-Based supervision;

v. The financial markets in some countries across the sub-region are largely underdeveloped, hindering the effective implementation of monetary policy;

vi. Policy coordination between fiscal and monetary authorities is crucial in achieving monetary and financial stability;

vii. Bank lending to the real sector (mainly agriculture and manufacturing) remains low owing to the inherent risks in these sectors;

viii. Central banks in the region tend to have multiple objectives and this impacts their performance in ensuring that they achieve their main objective of price stability;

ix. While some Central Banks utilize micro-prudential approaches to banking supervision, several Central Banks have incorporated macro-prudential policy frameworks;

x. Data integrity and coverage remain a major challenge for the effective implementation of monetary and macro-prudential policies in the sub-region;

xi. The course is pivotal for building financial system stability in our countries and the sub-region;

xii. Countries within the sub-region are at different stages of developing their macroprudential frameworks; and

xiii. The linkages of other relevant stakeholders such as stock exchanges, deposit insurance protection corporations, and insurance and pension commissions are key in macroprudential analysis.

**Recommendations:**

i. There is a need for early warning systems for the detection of crises before their occurrence;

ii. There should be policy coordination between the monetary and fiscal authorities;

iii. Macro-prudential policies should not focus too narrowly on insulating the larger financial institutions, whilst paying insufficient attention to potential vulnerabilities in the rest of the financial system;

iv. Central banks in the sub-region should incorporate macro-prudential indicators and instruments in their conduct of monetary policy;

v. For effective conduct of monetary and macro-prudential policies, countries in the sub-region should improve data coverage and integrity;

vi. There is a need to ensure the operational independence of central banks in the sub-region to enhance the efficacy of monetary and macroprudential policies;

vii. Central Banks should develop and improve their stress testing tools to test the vulnerability of the system;

viii. Central Banks that need capacity development in macroprudential analytical tools should explore the option of study visits to other Central Banks in the sub-region that have already developed these tools; and

ix. Due to the importance of this course, other key stakeholders in the financial system should participate in future training programmes like this.

### 1.3.7 REGIONAL COURSE ON CREDIT RISK ANALYSIS AND PROVISIONING, BANJUL, THE GAMBIA – SEPTEMBER 19-23, 2022

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the International Monetary Fund (IMF) African Regional Technical Assistance Centre in West Africa (AFRITAC West 2), organised a regional course on Credit Risk Analysis and Provisioning in Banjul, The Gambia, from September 19 – 23, 2022.

The opening ceremony was chaired by the Honourable Governor, Central Bank of The Gambia, Mr., Buah Saidy, who was represented by the Second Deputy Governor, Dr. Paul Mendy. Also present were the Director General of WAIFEM, Dr. Baba Y. Musa, represented by Mr. Amadou Koora, Director, Financial Sector Management Department, Mr. Vitus C. Ukwuoma, Regional Advisor, Financial Sector Supervision and Regulation, AFRITAC WEST 2, Mr. Inwon Song and Mr. Michael Amoako-Atuobi who were some of the facilitators.

In his welcoming remarks, Dr. Baba Y. Musa expressed gratitude to the management and staff of the Central Bank of The Gambia for the hospitable welcome received on arrival in The Gambia. He also acknowledged and appreciated the collaboration between IMF AFRITAC WEST 2 with WAIFEM on building capacity in the sub-region.

Dr. Musa recalled that WAIFEM was established in July 1996 by the Central Banks of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone, with the mandate to build sustainable capacity for macroeconomic, debt, and financial sector management in the five member countries. He also stated that apart from officials of the central banks and ministries of finance and economic affairs, the target audience also included national parliaments, the mass media, customs and immigration, law enforcement agencies, and private sector institutions.

The Director General maintained that the Institute has established a collaborative technical partnership with world-class institutions involved in capacity building for economic and financial sector management, to ensure that its programmes have a competitive edge. He concluded by noting that about 90 percent of the resource persons are now sourced from the WAIFEM member countries, indicating a high tendency towards sustainable capacity building in the region.

In his keynote address, Mr. Buah Saidy, Honourable Governor, Central Bank of The Gambia, on behalf of the President, His Excellency, Adama Barrow, and the People of The Gambia, welcomed the Director General of WAIFEM, Dr. Baba Yusuf Musa and his team, the facilitators and participants who were visiting Banjul for the first time. Mr. Saidy underscored the importance of credit risk analysis and maintained that effective management of credit risk was a critical component of a comprehensive approach to the long-term success of any banking organisation. The Hon. Governor stated that poor credit quality and credit risk assessment could result in a bank failure, and the inability to identify and recognise deterioration in credit quality promptly could aggravate the problem.

Governor Saidy intimated that the Covid-19 pandemic had caused severe negative economic shocks which translated into a sharp rise in non-performing loans. He further noted that banks' provisioning requirements increased significantly due to the deterioration in asset quality. He stated that despite the accommodative policy measures put in place by the central banks in the sub-region, most countries in the region experienced high non-performing loans, credit concentration risks, and low financial intermediation coupled with the recent war in Ukraine, which has increased inflationary pressures due to global supply-chain shocks.

Notwithstanding the challenges, Mr. Saidy maintained that financial intermediation plays a crucial role in economic growth and development, through its contribution to higher levels of output, employment creation, income generation, and enhanced living standards of the population. In conclusion, Governor Saidy referred to the harmonization of the regulatory frameworks in the WAMZ and emphasized the need to calibrate the analytical tools to adapt to the new realities faced by the financial system in the sub-region, which include, emerging issues like climate change, digitalization, sustainable banking, central bank digital currencies, FINTECH, etc.

The workshop was aimed at providing a broader understanding of the relationship between credit risk and provisioning for credit losses under the IFRS 9 and prudential reporting standards, and to enhance participants' knowledge in the assessment of credit risks and provisioning requirements for non-performing loans.

The broad themes covered in the course include an overview of credit risk management; loan classification, non-performing loans (NPLs), provisioning, capital; supervisory roles in loan loss provisioning in countries adopting International Financial Reporting Standards (IFRS); IFRS 9 and interest income on NPLs; IFRS 9 and structured loans; country experiences and regional perspectives

The course was attended by fifteen (15) participants made up of senior and middle-level officials from the central banks of Cape Verde, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The course was facilitated by experts drawn mainly from the Bank of Ghana and the IMF team.

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

i. All the participants concurred that the course has increased their understanding of the relationship between credit risk and provisioning for credit losses under the IFRS 9, and prudential reporting standards.

ii. The participants affirmed that the course has enhanced their knowledge in the assessment of credit risk in the loan portfolio, and provisioning for non-performing loans.

iii. The substantive impact of the resource persons as a team was rated as 'very good' by the participants.

iv. The participants believed that the knowledge and skills acquired from the course would improve their job performance.

v. Overall, the participants agreed that the course met their expectations.

In the course of the presentations and discussions, the following issues were identified:

i. There was a consensus that the course exposed participants to international standards and best practices in credit risk analysis and provisioning.

ii. There were some inconsistencies in the adoption of IFRS-9 in the sub-region, using collaterals.

iii. The importance of credit risk analysis is centered on adequate data collection and analysis, to understand the issues as they evolve, and to aid informed decision-making.

iv. It was noted that IFRS-9 is another tool used to calculate provisioning to aid prudential analysis.

v. Most supervisors in the sub-region were not adequately equipped with the requisite skills and knowledge to validate expected credit loss (ECL) models deployed by the banks hence there was the risk of banks underestimating their impairment figures posted to the banks' books.

vi. There is a need to build capacity on ECL model validation to enable supervisors to determine the adequacy or otherwise of the impairment figures charged to the books of the supervised institutions.

### 1.3.8 WAMA WAIFEM/CAIM ONLINE SEMINAR ON RESERVES MANAGEMENT, SEPTEMBER 27, 2022.

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the West African Monetary Agency (WAMA), and the Crown Agents Investment Management (CAIM), organised an online seminar on Reserve Management on September 27, 2022.

The seminar was designed to provide an overview of central bank reserves management, in a manner that is relevant across the hierarchy of a central bank - from Board and Investment Committee members to Heads of Financial Markets, and Reserves Management Departments. Participants were also exposed to issues facing central bank reserve managers in 2022. Specifically, the seminar acquainted participants with critical skills required to effectively play their roles in treasury/foreign reserves management, improved their understanding and skills in analysing market information, and ability to review portfolios and make decisions on which specific instruments to use, when and with whom.

The broad themes covered in the seminar include an overview of reserves management (reserves tranching - liquidity versus investment tranches, objectives - safety, liquidity, and return strategic vs. tactical asset allocation and active positions, governance); Asset Allocation for central bank reserves in 2022 (the consequences of low and rising interest rates, considering the investment horizon, benefits and challenges of diversification, long-term allocations versus short-term positioning, how should central banks be positioned now?; Market outlook (what's driving markets, what's driving central bank policy, economic fundamentals vs. other factors, and possible scenarios for 2022

The seminar was attended by fifty-two (52) participants made up of executive, senior, and middle-level officials from the central banks of Cape Verde, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

Experts from CAIM facilitated the seminar.

### 1.3.9 REGIONAL COURSE ON BANKING SUPERVISION AND RESOLUTION LEVEL II, OCTOBER 3 - 14, 2022, LAGOS, NIGERIA.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the College of Supervisors in the West Africa Monetary Zone (CSWAMZ), organized a regional course on Banking Supervision and Resolution Level II in Lagos, Nigeria, from October 3 - 14, 2022

In his keynote address, Dr. Musa reiterated the need for effective banking supervision and resolution, especially in the current dispensation of rapid technological advancement. He also emphasized the need for regulators to uphold prudent and ethical behaviour to strengthen the internal discipline of the financial system and ensure its stability. Dr. Musa stressed the need for risk-based supervision to reduce the risk of bank failures and financial system instability. Finally, the Director General reminded participants that the module was examinable and urged them to take it seriously as the scores would be forwarded to the Senior Management of their respective institutions.

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

The following broad themes were covered:

- Core Principle of Banking Supervision - Self-assessment Process and Procedures;
- Basel II and Basel III: Issues and challenges;
- Non-Bank Financial Institutions: The Regulatory Challenges;
- A Review of Prudential Indicators of the Health and Stability of the Financial System;
- Bank Behaviour and Vulnerability: Banking Indicators;
- Stress Testing of the Financial System;
- Banking and Electronic IT-Based Examination;
- Contingency Planning: Framework for Managing Systemic Banking Crisis;
- Cross-Border Supervision;
- Safety Nets: The Case of Deposit Insurance Schemes; Asset Management Companies;
- Credit and Credit Risk Examination Procedures;
- Banking Crisis and Supervisory Responses;
- Internal Control Measures;
- Macro-Prudential vs. Micro-Prudential Supervision: Costs and Benefits;
- Risk-Based Supervisory Approach: Cost, Benefits and Implementation Challenges; and
- Report Writing Techniques.

The course was attended by fourteen (14) senior and middle-level staff of the central banks of The Gambia, Ghana, Liberia, and Nigeria. A country-wide breakdown indicated that two (2) participants

(14.3%) attended from The Gambia, four (4) (28.6%) from Ghana, two (2) (14.3%) from Liberia and six (6) (42.9%) from Nigeria. In terms of gender distribution, 5 or 35.7% of the participants were male, while 9 or 64.3% were female.

The course was facilitated by well-informed and experienced resource persons and practitioners drawn from the central banks in the sub-region.

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

i. All the participants were of the view that the course deepened their knowledge and understanding of the basics of banking supervision and resolution;

ii. Over 97 percent of the participants agreed that the course content in terms of the topics covered was appropriate;

iii. 94 percent of the participants affirmed that the course would assist them in performing their job functions;

iv. 84 percent of the participants believed that the quality of facilitation assisted them in understanding the concepts;

v. The course materials were found to be very useful by 93 percent of the participants;

vi. The overall administration and coordination of the course were rated as 'very effective' by 93 percent of the participants; and

vii. Overall, the participants unanimously concurred that the course met their expectations.

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

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, especially at a time of rising exchange and interest rates in the sub-region and the advent of Central Bank Digital Currency (CBDC) and its impact on banks' liquidity, financial inclusion, and financial system stability.

ii. Basel II and III spelled out the requirements (especially capital) for Regulators which prescribed pre-conditions for adoption. However, some jurisdictions adopted them without meeting the preconditions, thereby struggling for proper implementation.

iii. Risk Based Supervision (RBS) is forward-looking and enables Supervisors to plan examinations and prioritize the allocation of scarce resources to more risky areas. However, we realize that some jurisdictions in the sub-region are yet to adopt RBS.

iv. Some jurisdictions have yet to adopt the International Financial Reporting Standards (IFRS) and Basel II & III Principles, which can contribute to a lack of uniformity in the development of the financial systems of the sub-region.

v. Prudential Indicators for banks differ in jurisdictions within the sub-region making cross-border examination and peer-to-peer review difficult.

**Recommendations:**

i. Facilitators should include practical case study sessions, specifically in RBS, in future programmes for clarity and good undertaking, and a hands-on experience with the technique.

ii. The 3-module programme should be reconsidered as the topics were too broad for facilitators to cover adequately and participants to thoroughly comprehend.

iii. There should be more training tailored towards capacity building of Central Bank officials in Basel Core principles for effective Banking Supervision and International Financial Reporting Standards in the sub-region.

iv. Uniform regulatory and supervisory prudential requirements should be adopted by all member countries to enhance cross-border supervision and also prevent arbitrage, to promote a safe and sound financial system in the sub-region.

v. All member countries should be encouraged to conduct macroprudential supervision of their banking industry to enable quick identification of early warning signals of financial sector failures.

vi. Central Banks within the sub-region, are encouraged to learn from countries with more advanced supervisory regimes, through attachment programmes.

### 1.3.10 REGIONAL COURSE ON PAYMENT SYSTEMS AND CAPITAL MARKET DEVELOPMENT, MONROVIA, LIBERIA, OCTOBER 24 - 28, 2022.

The course was declared open by the Executive Governor of the Central Bank of Liberia, Mr. J. Aloysius Tarlue Jr., who was ably represented by Mr. Michael Ogun, Advisor, Multilateral Relations, Central Bank of Liberia. Also present were Mr. Amadou Koora, Director of, the Financial Sector Management Department, who represented the Director General of WAIFEM, Dr. Baba Y. Musa, and Dr. Settor Amediku who represented the facilitators.

In his welcome remarks, Dr. Baba Y. Musa expressed his gratitude to Mr. J. Aloysius Tarlue Jr., Honourable Governor, management, and staff of the Central Bank of Liberia, for the logistical support accorded to WAIFEM and participants. He also welcomed all participants and urged them to find time to explore Monrovia. Dr. Musa stated that payment systems are widely recognized as an important part of the financial infrastructure of a modern economy, which has undergone tremendous reforms with the increasing use of smart cards and the introduction of Real Time Gross Settlement (RTGS).

In his keynote address, Mr. J. Aloysius Tarlue, Executive Governor of, the Central Bank of Liberia, extended a warm welcome to the WAIFEM team, participants, and facilitators present at the opening ceremony. He stated that in a modern economy, a payment system is an essential component of the financial system, which is vital to the development of interbank money and securities markets. Mr. Tarlue revealed that one of the basic elements of the monetary integration programme of the West African Monetary Zone (WAMZ) is the harmonization of payment systems in the Zone. He acknowledged ongoing actions in the financial engineering space to facilitate the interconnectivity of the national payment systems in the Member States of WAMZ, UMEOA zones, and Cabo Verde. From the viewpoints of the African Union (AU) and Economic Community of West African States (ECOWAS), he noted that the Pan-African Payment and Settlement System (PAPSS) connects the entire continent through regional blocks, while the ECOWAS Payment & Settlement System (EPSS) connects the continent through ECOWAS' economic union of Member States. He stated that the payment and settlement systems would significantly transform Africa's trade finance, by minimizing the use of hard currencies in trade payments and domesticate payments and settlements within Africa.

The course was designed to give participants an appreciable understanding of payment systems and capital market development in general. It also provided participants with an understanding of Real Time Gross Settlement (RTGS) and a platform to discuss the interconnectivity of the payment systems of member countries of ECOWAS and review the key challenges.

The following broad themes were covered:

i. Structure of the Payment System;
ii. Authorization of Payment Products and Services;
iii. Oversight of the Payment System;
iv. Money Transfer (remittance) System;
v. Payment Systems Aspects of Financial Inclusion;
vi. Catalytic pillars, drivers of access and Usage;
vii. Payment and Settlement Systems Statistics;
viii. Payment and Settlement System (EPSS) project;
ix. Challenges of Payment System in Country with Dual Currency;
x. Harmonization of Payment &Settlement Systems (PSS);
xi. Capital Markets: Legal, Regulatory, and Institutional Framework;
xii. Development of Capital Markets; and xiii. Role of Participants in Capital Markets.

The course was attended by twenty-two (22) participants made up of senior and middle-level officials from central banks, and ministries of finance and planning, from The Gambia, Ghana, Liberia, and Nigeria.

The course was facilitated by resource persons from various Central Banks in the sub-region and the Nigerian Stock Exchange.

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

i. 91 percent of the participants affirmed that the course has increased their understanding of central banks' role in payment systems.
ii. More than 86 percent of the participants stated that the course has increased their understanding of issues and challenges in developing real-time gross settlement (RTGS).
iii. 91 percent of the participants concurred that the course has increased their knowledge of risk management issues in payment and settlement systems.
iv. Over 95 percent of the participants affirmed that the course has increased their understanding of the issues relating to the development of capital markets and the participants.
v. 91 percent of the participants opined that the course has broadened their knowledge of payment system harmonization efforts in WAMZ.
vi. About 96 percent of the participants affirmed that the course has exposed them to legal/regulatory frameworks for security markets in West Africa.
vii. 91 percent of the participants concurred that the course has broadened their knowledge of the interrelationship between the money market and the payment system.
viii. 91 percent of the participants posited that the course has exposed them to issues and challenges in cheque clearing and settlement framework.
ix. Over 96 participants adjudged the course

content as 'very good'.

x. The substantive impact of the resource persons as a team was rated as 'very good' by 96 percent of the participants.

xi. 94 percent of the participants concurred that the knowledge and skills acquired from the course would improve their job performance.

xii. More than 95 percent of the participants affirmed that the course met their expectations.

xiii. Over 97 percent of the participants believed that the time allotted for the presentations was adequate.

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

**Observations**

i. Adequate public trust and confidence in the payment systems of some countries in the sub-region are quite low due to the following reasons:

- Weak regulatory and legal framework in some jurisdictions;
- Suboptimal or non-functional processing systems;
- Intermittent illiquidity of payment channels and instruments;
- Poor internet infrastructure;
- Limited expertise and public awareness of the benefits of available products;
- Poor handling and resolution of consumer complaints; and
- Low financial literacy.

ii. Banking and payment system functions are not aligned in some jurisdictions; hence RTGS is controlled by the Payment Systems Department rather than the Banking Department.

iii. Infrastructural and technological deficiencies lead to frequent incidents of downtime and power outages, which presents a major obstacle to efficient payment systems operations.

iv. Stakeholders involved in payment systems development work in silos and engage in unnecessary competition rather than collaborating towards a common goal.

v. Some jurisdictions do not have payment systems and financial inclusion strategies, and where strategies exist, they are often not fully implemented or periodically reviewed and upgraded to conform with contemporary global standards.

vi. The level of networking and information sharing amongst stakeholders both at national and regional levels is still low. For instance, it was noted that in some jurisdictions, the License and Authorization Unit investigates third parties without collaboration with the Financial Intelligence Unit (FIU), which is statutorily empowered to undertake such investigations.

vii. The existence of dual currency systems in some member countries of ECOWAS poses some challenges in terms of cost and slow pace of transactions.

viii. There is wide divergence in payment laws, regulations, and guidelines amongst member states of ECOWAS.

ix. Cross-border payments regulatory framework is lacking in most countries in the region, only a few Central Banks have explicit regulations/laws.

x. Weak regulatory and policy regimes in the capital markets of most countries in the sub-region have contributed immensely to low investor confidence, high cost of capital formation, illiquid markets, loss of wealth, and sovereign bail-out.

**Recommendations**

i. To promote public trust and confidence in the payment systems, efforts should be directed towards the promulgation of national payment systems' laws and ensure their effective implementation.

ii. Financial institutions should invest more in consumer protection and customer education on payment services to increase their willingness to adopt innovations.

iii. Countries should establish sensitization committees that will make use of both the print and electronic media to educate the public about the benefits of payment systems development and financial inclusion.

iv. Countries should be more innovative in addressing the payment systems infrastructure deficits in their jurisdictions. Given the abundance of sunshine in most countries in the region, solar-powered payment system channels should be explored, if not for the entire banking institution, at least for the vital units involved in payment systems operations.

v. Urgent harmonization of the legal and regulatory frameworks for national payment systems amongst member states is required.

vi. Effective mechanisms and frameworks for dispute resolution and handling of conflict of payment service laws amongst the member states of ECOWAS should be put in place. This may also entail cooperation of regulators and oversight frameworks, as well as, harmonization of regulations on cross-border regional payments amongst Member states.

vii. Sound legal and regulatory frameworks should be put in place before developing a capital market.

viii. Developed capital markets such as Ghana and Nigeria should share experience and build the capacity of other countries in the sub-region.

ix. At the regional level, a committee should be set up to coordinate and drive the review of capital market regulations in the various countries to: promote fair, efficient, and transparent markets, and engender business; ensure full disclosure to customers and investors; avoid publication of incorrect or misleading information; facilitate the free flow of information to market operators; prevent systemic risk; prevent illegal and unfair trading practices and stipulate sanctions to serve as deterrent to offenders.

### 1.3.11 HIGH LEVEL SEMINAR ON PRACTICAL GUIDE TO THE IMPLEMENTATION OF BASEL II AND III FOR COLLEGE OF SUPERVISORS, WEST AFRICAN MONETARY INSTITUTE (CSWAMZ) -CAPE COAST, GHANA, NOVEMBER 21 – 22, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organized a High-Level Seminar on Practical Guide to the Implementation of Basel II and III for the College of Supervisors, West African Monetary Institute (CSWAMZ) in Cape Coast, Ghana from November 21 – 22, 2022.

The opening ceremony was presided over by the representative of the Honourable Governor, Bank of Ghana, Mr. Osei Gyasi, Director of the Banking Supervision, Bank of Ghana. Also in attendance were the Director General of WAIFEM, Dr. Baba Y. Musa, and the Director General of West African Monetary Institute (WAMI), Dr. Olorunsola E. Olowofeso.

The Chairperson of the CSWAMZ, Madam Halima Singhateh-Jagne, in her opening remarks, thanked WAIFEM for continuous support in capacity building for Member Countries on pertinent issues geared towards strengthening financial stability in the WAMZ region. She also congratulated the Expert Committee on the successful completion of the project on the Harmonization of Prudential Ratios. Mrs. Singhateh-Jagne commended committee members and regulators in the region for their unrelenting strive to maintain a safe and sound banking system, despite two major exogenous shocks such as the COVID-19 pandemic and the Russia-Ukraine war which had resulted in rising inflation. She enumerated the achievements of the College and called on members to recognize the new reality of financial interoperability between banks and other financial institutions. She concluded by imploring members to maintain financial stability in the wake of FinTech innovations.

In his welcome address, the Director General of WAMI, Dr. Olorunsola Olowofeso, welcomed Members to the 43rd Meeting of the College, which he said would be preceded by a two-day high-level seminar. He thanked the DG of WAIFEM and other partners for their relentless efforts to build the capacity of the CSWAMZ. He said that the theme for the High-level Seminar: "Practical Guide to the Implementation of Basel II and III Capital Framework" was timely, and that the adoption of international supervisory and regulatory standards was critical to financial sector convergence and alignment with the single-track approach of ECOWAS Integration Agenda. He stated that at the CSWAMZ meetings, Members proposed timelines for the implementation of the Basel II/III Capital Framework among other sixteen (16) selected international standards, and monitoring the timeliness of compliance over the years has revealed the different stages of implementation of the Basel Capital Framework. Dr. Olowofeso proposed for the consideration of Members and WAIFEM the topic titled "Principles for the effective management and supervision of climate-related financial risks" for future seminars. The DG, of WAMI highlighted some of the projects executed by WAMI towards the promotion of regional integration of the Zone and encouraged continuous collaboration, and information sharing on relevant national and cross-border banking issues that would help to address inherent and emerging risks to financial stability in the Zone.

In his address, the Director General of WAIFEM, Dr. Baba Y. Musa expressed his appreciation to the CSWAMZ for the opportunity given to the Institute to organize the Seminar. He said that WAIFEM was glad to be part of the College's quest for a vibrant financial industry in the Zone. Dr. Musa maintained that fiscal, monetary, and prudential support measures have helped stabilize corporate liquidity and debt sustainability during the COVID-19 pandemic. Thus, countries in the sub-region experienced some economic recovery from the pandemic, and with the relaxation of the lockdown measures and increase in vaccination rates, global and domestic demand spurred production, business, and investment. He however noted that Russia's war against Ukraine has triggered a slowdown in growth, higher inflation, volatility of exchange rate, and other headwinds, in most of the countries in the sub-region.

Dr. Musa further stated that financial stability vulnerabilities were rising on the back of elevated corporate and sovereign debt levels, and called for a comprehensive evaluation of developments in the banking system across the zone, including cross-border supervision and joint examination issues, to avoid cross-border spillovers of financial distress.

According to Dr. Musa, an open global financial system requires a set of global minimum and consistent prudential standards, to avoid, regulatory arbitrage. and an uneven playing field for internationally active banks, and increased risks to global financial stability.

In his keynote address, the Hon. Governor, Bank of Ghana, Dr. Ernest Addison, stated that the lessons learned from the recent global developments and the impact on financial systems across the globe have underscored the fundamental principles of coordination, collaboration, and exchange of information among member central banks. He noted that the Basel Core Principles, which include minimum standards for sound regulation and supervision of banks, recommended Cross-Border Supervision and Joint Examination Exercises as essential elements of the principles. Principles 3 and 13 are premised on Cooperation and Collaboration between Home-Host Country Supervisors for effective supervision of banks.

Dr. Ernest Addison stated that Member Central Banks in the sub-region were also expected to implement the Basel II and III capital standards to enhance resilience. He admonished members to use the forum to share experiences and also deliberate on ways to ensure an effective implementation of the standards. He noted that the frontiers of banking were evolving due to advances in technology and globalisation, and urged the regulators to ensure that existing monitoring and surveillance systems were commensurate with the risk profile of the supervised institutions, to preserve the safety and soundness of individual banks and the stability of the banking system as a whole.

In conclusion, the Governor encouraged all to find time to enjoy the hospitality of the people of Elmina.

The seminar was aimed at exposing participants to ways of promoting banks' ability to absorb shocks arising from financial and economic stress, maintain a much larger capital base, increase transparency, and improve liquidity. Specifically, it provided guidance on the practical implementation of Basel II and III in the WAMZ countries, facilitated the migration of countries to Basel II and III, and promoted harmonization in the supervisory practices in the region.

The seminar had plenary sessions on a practical guide to the implementation of Basel II and Basel III.

The seminar was attended by thirty-three (33) 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). WAIFEM and Commission Bancaire have been observer institutions at meetings of the CSWAMZ.

The seminar was facilitated by Dr.Chikelu E. Oballum, an experienced Deputy Director from the Banking Supervision Department of the Central Bank of Nigeria.

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

i. The evolving nature of the BASEL Standards requires constant adjustments to keep up with the changing frameworks. However, there is inadequate expertise in terms of practical experience to drive the process, hence there is a need for continuous capacity building.

ii. There is a need to know the state of the financial market, that is, the depth of the market, etc., to align what is happening in the market with the framework.

iii. Actors in the financial industry should learn-by-doing, to gain experience rather than relying on consultants.

iv. There is a need to leverage experts in the financial markets for their valuable input.

v. IT experts should be involved because the BASEL framework process is highly automated, quality assurance level should be put in place to ensure the right data is inputted.

vi. Set up Committees in the different risk areas to drive the process of migration, and have experts as the head of each committee.

vii. Comb other jurisdictions that have implemented the BASEL Standards to tap from their experiences, under the guidance of consultants.

viii. There is a need to look at the law on capital requirements and incorporate the needful amendments.

ix. The industry pushback is eminent, hence, there is a need for adequate sensitization of the players in the industry to adopt the BASEL II and III accords, and engage them at the initial stage to get their buy-in.

x. The adoption should be a gradual process that will be subjected to a series of evaluations, comments, revisions, and improvements on the draft document.

xi. Preliminary tests should be conducted to determine the level of compliance.

xii. There is a need for a parallel run to test the system.

xiii. The draft should be made available for public comment.

## 1.4 RESEARCH AND MACROECONOMIC MANAGEMENT DEPARTMENT

### 1.4.0 INTRODUCTION

The Research and Macroeconomic Management Department organized a total course of ten (10) programmes (consisting of 3 virtual, 2 blended learning, and 5 face-to-face programmes) during the year 2022. A total of 349 participants benefited from the course, out of which 220 were online participants and 129 were in-person participants. In terms of participation by countries, Nigeria accounted for 23.2 percent, Ghana 18.3 percent, Sierra Leone 15.5 percent, The Gambia 10.9 percent, and Liberia accounted for 10.3 percent, whilst others accounted for 21.8 percent.

Institutional distribution of course participants indicated that staff of Central Banks accounted for 59.3 percent (207 participants), those of Ministries, Departments, and Agencies accounted for 24.1 percent (84 participants) whilst other public and private sector agencies were represented by 16.6 percent (58 participants). In terms of the distribution of participants by gender, 249 were males (71.3%) and 100 were females (28.7%).

### 1.4.1 REGIONAL VIRTUAL COURSE ON ADVANCED MODELLING AND FORECASTING FOR POLICY ANALYSIS FOR SENIOR ECONOMISTS AND DIRECTORS OF RESEARCH (BAYESIAN DSGE MODELLING), MARCH 7-25, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a fifteen (15) day Regional Virtual Course on Advanced Modeling and Forecasting for Policy Analysis for Senior Economists and Directors of Research (Bayesian DSGE Model) for the period, March 7-25, 2022.

The course was intended to expose participants to the Bayesian Stochastic General Equilibrium (DSGE) Models. It was built on the Foundation level DSGE modeling course organised in 2021, where the emphasis was on the Maximum Likelihood (ML) estimation of DSGE Models within a close economy. The 2022 edition of the course extended the analyses to cover open economy issues. The main instructional software used were STATA 17, Octave, and Mad Lab.

The course commenced with a brief opening ceremony that was moderated by Dr. Okon Joseph Umoh, Principal Programme Manager of the 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), Mr. Amadou Koora (Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM), Dr. Mrs. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM), Prof. Afees A. Salisu (Course Facilitator from the Centre for Econometrics & Applied Research, University of Ibadan), Prof. OlaOluwa Simon Yaya (Course Facilitator from the Department of Statistics, Faculty of Science, University of Ibadan), Dr. Jamaladeen Abubakar (Course Facilitator from the Central Bank of Nigeria), Mr. Ogbonnaya Agu (Senior Programme Manager, Governance and Institutional Development Department, WAIFEM), Mr. Gabriel Asante (Senior Programme Manager of Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM) Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM) and Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM).

In delivering the opening/keynote address, the Director General warmly welcomed the participants to the course and expressed his gratitude to the facilitators of the course for their short-term technical support. Focusing on the course, he emphasized the importance of Bayesian DSGE Model estimation for policy analysis and evaluation. He stated that the Bayesian DSGE Model is an extension of the Maximum Likelihood DSGE Model. The Bayesian DSGE modeling aids policymakers in effectively communicating the transmission mechanism of monetary policy impulses and how varied shocks to the economy are traced and appropriately interpreted. In addition, the Director General implored policymakers to apply econometric techniques and models to make decisions, when sufficient data are available. In conclusion, he thanked the course facilitators and encouraged the participants to freely interact with one another to deepen the course of regional integration. He subsequently declared the course open.

The main topics discussed during the VIRTUAL regional course on Advanced Modeling and Forecasting for Policy Analysis for Senior Economists and Directors of Research (Bayesian DSGE Model) were:

Introduction of Dynamic Stochastic General Equilibrium (DSGE) Models; Writing a DSGE in a Solvable Form; Identification Issues in DSGE; DSGE Modelling; Introduction to Linear/Linearized DSGE Model; Identification Problems in Linear DSGE Model;

Introduction to New Keynesian Model; Introduction to Nonlinear New Classical Real Business Cycle (RBC) DSGEs; DSGE Model with Financial Frictions; Open Economy in DSGE Models; Special Considerations in DSGE Models (including a Lag of a Control Variable and Including an Observed Exogenous Variable).

In addition, participants were tasked to apply the knowledge gained to develop and present publishable papers on how real, monetary, and financial shocks are analysed with their respective country-specific data. Representatives from the five (5) WAIFEM Member Countries successfully presented their respective draft papers. To further deepen the link between capacity building and research activity at WAIFEM, the final draft of the manuscripts would be subjected to the normal peer review processes and considered for publication in the WAFER Journal (WAFER).

The facilitators of the course were Prof. Afees A. Salisu (Director, Centre for Econometrics & Applied Research, University of Ibadan), Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan) and Dr. Jamaladeen Abubakar (Central Bank of Nigeria). The language of instruction of the course was 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-six (26) participants from the five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, two (2) from Ghana, five (5) from Liberia, eleven (11) from Nigeria and five (5) from Sierra Leone. For gender and institutional distribution of participants, refer to Table 1 below.

Table 1.4.1: Gender and Institutional Distribution of Participants

| Gender Distribution | | Central Banks | Ministries, Depta & Agencies | Leg./Mass Media | Other public |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 23 | 3 | 20 | 0 | 0 | 6 |
| **88.46%** | **11.54%** | **76.92%** | **0.00%** | **0.00%** | **23.08%** |

The analysis of the completed evaluation questionnaires by the participants at the end of the course suggest the following:

- A significant proportion of the participants (83.3 percent) agreed that the general objective of the course was achieved.
- About 83.3 percent of the participants fall within the category of strongly agreed to agree that the course provided them with an understanding of pertinent issues relating to Advanced Modelling and Forecasting (Dynamic Stochastic General Equilibrium Model).
- The participants confirmed that the course provided enough capacity for the formulation and implementation of good forecasting and policy analysis that would yield maximum benefit for their organizations.
- The participants maintained that the substantive impact of the resource persons as a team was achieved.
- About 83.3 percent of the participants affirmed that the knowledge and skills acquired from this course would improve their job performance.
- The participants indicated that the blend of plenary and group exercises was effectively executed.
- The participants rated the training materials and documentation to be of high quality.
- The participants stated that their overall expectations about the course were met;
- About 99.1 percent of the participants rated the presentations as substantially acceptable.
- The number of participants who rated the contents of the course as good was an overwhelming 98.3 percent
- All the participants indicated that the course was useful to their work.
- About 85.4 percent of the participants indicated that the time allotted to the course was enough.
- Finally, all the participants indicated that the administrative arrangements and the coordination of the course by WAIFEM were efficient and effective.

The Communique` presented during the closing ceremony indicated the following observations:

- Firstly, the training was rigorous, useful, and timely, considering the level of challenges faced by participants of member countries to work with the requisite software used for the course. Thus, the training allowed participants to share experiences, especially in the areas of Advanced Modelling and Forecasting for Policy Analysis of data through the software application.

- It was also observed that the facilitators did an excellent job by making the lectures somehow interactive and interesting.
- Furthermore, with the technical nature of the course and the required software package, it was observed that the whole session was exhausted by the facilitators.
- Lastly, both participants and facilitators were faced with internet connectivity challenges that led to breaks and disruptions in the flow of discussion and presentations.

Furthermore, in the Communique', the participants recommended that the course required face-to-face sessions due to its rigorous nature.

### 1.4.2 IMF/AFW2/WAIFEM REGIONAL ONLINE COURSE ON PRICE STATISTICS, APRIL 4-8, 2022

Due to the importance attached to price statistics compilation in combating both consumer and producer price inflation by policymakers, the West African Institute for Financial and Economic Management (WAIFEM) in collaboration with AFRITAC West 2 (AFW2) and the International Monetary Fund (IMF) organised a five-day Regional Online Course on Price Statistics, from April 4 – 8, 2022.

The Course on Price Statistics was designed to focus primarily on the compilation of CPIs to promote best practices and international standards for CPI compilation and to strengthen the participants' knowledge of CPI concepts and methods.

The dignitaries present at the opening ceremony were Dr. Baba Yusuf Musa (the Director General of WAIFEM), Ms. Eva Jenkner (Director of AFRITAC West 2), Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management Department, WAIFEM), Dr. Okon Joseph Umoh (Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM), Mrs. Elirjeta Pepaj (Facilitator, AFRITAC West 2/IMF), Mr. Graf Brian E. (Facilitator, IMF), Ms. Corinne Capela (Portuguese Interpreter, IMF), Ms. Carla Egidio (Portuguese Interpreter, IMF), Ms. Janice Norman (Office Manager, AFRITAC West 2), Ms. Eugenia Bamfo (Administrative Assistant, AFRITAC West 2) and Ms. Helen Anjorin (Administrative Assistant, WAIFEM).

The ceremony began with a welcome address by Mrs. Elirjeta Pepaj, after which she invited the Director General of WAIFEM, Dr. Baba Yusuf Musa, to give his opening remarks. In his remarks, Dr. Musa appreciated the 'healthy' and mutually beneficial collaboration between AFRITAC West 2 and WAIFEM. He then briefly elucidated the importance of the Consumer Price Index (CPI). Specifically, he stated that the CPI is one of the bedrock measures for assessing improvement or otherwise of the economic well-being of a society. He further reiterated in his remarks that a good measurement of the CPI gives a better sense of the underlying inflationary pressures that can be effectively controlled with appropriate policy instruments. Dr. Musa ended his remarks by entreating the participants to utilize the opportunity to deepen professional networking relationships with their fellow participants to further the course of regional integration.

After the remarks by Dr. Musa, Ms. Eva Jenkner was invited to present her opening remarks. In her remarks, she expressed her gratitude to WAIFEM and the team of IMF Facilitators for their continuous support and collaboration. She then declared the course open. Virtual group photography was taken. Ms. Eugenia Bamfo ended the opening ceremony with an administrative brief.

The main topics discussed during the online Price Statistics course included the following: Price Compilation Issues; Issues for Compiling Price Indices; Elementary Index Calculation; Upper-Level Index Calculation; Sampling Methods; and Temporarily and Permanently Missing Prices.

The course was facilitated by two main facilitators, Ms. Elirjeta Pepaj (Statistics Advisor, AFW2/IMF) and Mr. Graf Brian E. (HQ Expert, IMF). The course was delivered in English with simultaneous translation to Portuguese. The course delivery involved online lectures and workshops.

The course was attended by twenty-seven (27) participants from six (6) West African countries. The countries were Cabo Verde, The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. For gender and institutional distribution of participants, see Table 2.

Table 1.4.2: Gender and Institutional Distribution of Participants

| Gender Distribution | | Central Banks | Ministries, Depta & Agencies | Leg./Mass Media | Other public |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 18 | 9 | 4 | 23 | 0 | 0 |
| **66.7%** | **33.3%** | **14.8%** | **85.2%** | **0.0%** | **0.0%** |

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

- 89.5 percent of the participants agreed that the topics covered were appropriate.
- 84.2 percent of the participants agreed that the course was useful.
- 77.8 percent of the participants agreed that there was a balance between presentations and general discussions.
- 94.7 percent of the participants agreed that the knowledge/skills learned during the course will be used in their job and professional development.
- 89.5 percent of the participants agreed that they would recommend the course to others.
- 78.9 percent of the participants stated that overall, they were satisfied with the course.
- 63.2 percent of the participants admitted that there were technical issues that prevented them from seeing or hearing the proceedings of the course.

The closing ceremony began with a presentation of an overview of the course by Mrs. Elirjeta Pepaj. She urged the participants to form a network to improve CPI compilation in the region. After, she invited the Director of the Research and Macroeconomic Management Department of WAIFEM, Dr. Emmanuel Owusu-Afriyie, to deliver the closing remarks on behalf of the Director General of WAIFEM, Dr. Baba Yusuf Musa. Dr. Owusu-Afriyie on behalf of the Director General expressed his appreciation to the AFRITAC West 2 team and the IMF Facilitator for their technical support and collaboration. He also highlighted the need for interdependency among CPI compilers in building synergy to improve CPI compilation in the region. Dr. Owusu-Afriyie ended the closing remarks by thanking the two facilitators of the course, Mrs. Elirjeta Pepaj, and Mr. Graf Brian E.

After the closing remarks by Dr. Owusu-Afriyie, Mrs. Pepaj called on the Centre Director of AFRITAC West 2, Ms. Eva Jenkner, to deliver her remarks as well. In her remarks, Ms. Jenkner congratulated all for their active participation and successful completion of the course. She ended her remarks by thanking the WAIFEM team, the AFRITAC West 2 team, participants, and colleagues from the IMF.

Mrs. Pepaj finally called on Mr. Graf Brian E. (IMF Facilitator) to deliver his final remarks. Mr. Brian thanked AFRITAC West 2 and WAIFEM for the administrative support. He also thanked the Portuguese interpreters and all the participants for their excellent participation. Finally, he expressed joy in being part of the course to help address some of the challenges regarding CPI compilation in the region. After his remarks, Mrs. Pepaj officially declared the course closed.

The course was highly beneficial to the participants in terms of resolving price compilation issues, as well as issues involving temporarily and permanently missing price indices. Furthermore, as part of their recommendation, the participants stated the following: the duration of the course should be extended; the course should be face-to-face and lastly, it should be organized after the 15th of the month, since most of the participants in the price division were busy working on the CPI for the month and could not fully (100%) participate in the course.

### 1.4.3 REGIONAL COURSE ON EXCHANGE RATE REGIMES AND POLICIES, ABUJA, NIGERIA, JUNE 27-JULY 1, 2022.

The sharp depreciation of exchange rates in WAIFEM member countries propelled the West African Institute for Financial and Economic Management (WAIFEM) to organise a five-day Regional Course on Exchange Rate Regimes and Policies at the Central Bank of Nigeria International Training Institute (Abuja, Nigeria) for the period, June 27-July 1, 2022. It was the first in-person regional course organized by the Research and Macroeconomic Management, since the onset of the COVID-19 pandemic in 2020.

The course was designed to introduce participants to the different exchange rate regimes and arrangements that countries and regional bodies may choose to achieve optimal exchange rates. It addressed the factors relevant to the choices and the consequences of these choices.

The 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 Dr. Baba Y. Musa (the Director General of WAIFEM), Dr. Omolara Duke (the representative of the Governor of the Central Bank of Nigeria) and Prof. Festus Ebo Turkson (representative of the team of facilitators). He also acknowledged the presence of the following WAIFEM staff members: Dr. Emmanuel Owusu-Afriyie (the Host Director, Research and Macroeconomic Management Department), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department) and Mrs. Helena Anjorin (Administrative Assistant, Research and Macroeconomic Management Department). Members of the media and press in Nigeria were also present to cover the opening ceremony.

The Director General of WAIFEM, Dr. Baba Y. Musa, delivered the welcome address and on behalf of

Management of WAIFEM, welcomed all the participants to the course. He expressed his appreciation for the commitment of the facilitators to provide short- and long-term technical support to participants.

Furthermore, as part of his welcome remarks, the Director General of WAIFEM emphasized the significance of the course in light of the COVID-19 pandemic and the ongoing Russia-Ukraine war that has simultaneously introduced uncertainty in the commodities market. According to him, the essence of sharing insights on exchange rate policy is further reinforced by the ongoing effort by the sub-region to achieve regional integration in trade, which can be facilitated with appropriate exchange rate regimes and policies.

In his final remarks, the Director General of WAIFEM entreated participants to freely interact with the facilitators to derive maximum benefit from the course and also seize the opportunity to deepen their professional networking relationship with one another to further the course of regional integration.

In her keynote address, the representative of the Governor of the Central Bank of Nigeria (CBN), Dr. Omolara Duke, emphasized the role of the Central Bank of Nigeria (CBN) in ensuring exchange rate stability in Nigeria to achieve reduced inflationary expectations, improved external position and sustainable economic growth. Dr. Duke revealed that the CBN's choice of an appropriate exchange rate regime and its management are seen as critical for monetary policy formulation and implementation. She stated that the CBN's choice of exchange rate regime over the past years had been determined by the macroeconomic circumstances of Nigeria. She also stated that to deal with the issue of policy trilemma, the CBN adopted unconventional policy measures such as putting restrictions on demand for hard currencies for the importation of commodities for which Nigeria could produce. The various exchange rate regimes that Nigeria had undergone were also emphasized in the keynote address.

In conclusion, Dr. Omolara Duke expressed her confidence in WAIFEM to excellently build the capacity of technical staff and policy-makers in exchange rate management. She also expressed her confidence in the team of facilitators for the course. She ended the keynote address by urging the participants to seize the opportunity to enhance their knowledge and skills through interaction with the experts and also urged them to take time out to visit some of the tourist places in Abuja. She then declared the course open.

The opening session ended with a vote of thanks delivered by Mr. John Owusu-Afriyie (Programme Manager of Research and Macroeconomic Management Department, WAIFEM) and a photography session.

The main topics discussed during the in-person regional course on Exchange Rate Regimes and Policies were: Introduction To Key Definitions and Concepts Used in Exchange Rate Analysis; Key Theories of Exchange Rate Determination; Real Exchange Rate Equilibrium and Misalignment: Implications for External Adjustment and Growth; The choice of optimal exchange rate regime: further discussions on OCA; Macroeconomic Policy Trade-offs of 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; Exchange Rate Dynamics and Monetary Integration in the ECOWAS countries; Economic Integration and Exchange Rate Regimes: Lessons from Other Region; Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Sierra Leone; Monetary Policy in Managed Exchange Rate Regimes: Constraints and Challenges; Evolution of Foreign Exchange (FX) Intervention in Nigeria: Objectives, Modalities, Effectiveness, and Ways to Assess the Adequacy of Foreign Exchange Reserves, and their Management; Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Nigeria; Evolution of Foreign Exchange (FX) Intervention in Ghana: Objectives, Modalities, Effectiveness, and Ways to Assess the Adequacy of Foreign Exchange Reserves, and their Management as well as Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Ghana.

The course was facilitated by six (6) resource persons namely Professor Festus Ebo Turkson (Department of Economics, University of Ghana and Monetary Policy Committee Member of the Bank of Ghana); Mr. Stephen Opata (Director of Financial Markets Department and Monetary Policy Committee Member of the Bank of Ghana), Prof. Festus O. Egwaikhide (Economics Department, University of Ibadan, Nigeria); Dr. Moses Tule (Former Director of Monetary Policy Department, Central Bank of Nigeria), Mr. Morlai Bangura (Director of Monetary Policy Department, Bank of Sierra Leone) and Dr. Nakorji Musa (Central Bank of Nigeria). The language of instruction of the course was English. The course's mode of delivery involved face-to-face lectures, interactions, and discussions.

The course was attended by twenty-seven (27) participants from five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, five (5) from Ghana, twelve (12) from Nigeria, three (3) from Liberia and four (4) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 3.

Table 1.4.3: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Depta & Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 21 | 6 | 16 | 11 | 0 | 0 |
| **77.78%** | **22.22%** | **59.26%** | **40.74%** | **0.00%** | **0.00%** |

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

- Almost all of the participants (88.89 percent) agreed that the general objective of the course was achieved;
- All the participants agreed that the course had equipped them with an understanding of pertinent information relating to exchange rate regimes and policies;
- 88.89 percent of the participants agreed that the substantive impact of the resource persons as a team was very good;
- Similarly, 88.88 percent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance;
- 77.77 percent of the participants indicated that the blend of plenary and group exercises was effective.;
- 91.7 percent of the participants rated the presentations as good;
- 99.5 percent of the participants rated the contents of the course as good;
- Similarly, 87.6 percent of the participants indicated that the course was useful to their work;
- 96.4 percent of the participants indicated that the time allotted to the course was enough;
- 88.88 percent of the participants stated that their overall expectations about the course were met.;
- Finally, all the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective.

Furthermore, the participants observed the following at the end of the course:

- The course was well structured with highly experienced experts in the field.
- The materials were comprehensive, and the deliveries were robust.
- Facilitators despite the challenge with time allocation were able to effectively deliver their materials to the understanding of participants. However, it was more theoretical than empirical as contemporary macroeconomic policy analysis now demands.
- A critical look at the performance of other countries outside West Africa and extending to Western countries under various monetary policy regimes was indeed insightful in cautioning West African Countries' choice of exchange rate regimes and policies.
- The coordinators for the programme were very professional and committed to the training process and contributed extensively to the discussions.
- The breaks were also necessary to cool off and keep participants attentive and also helped to enhance the understanding of the materials delivered in line with global best practices.
- The major challenge encountered was poor internet service at the facility which hampered real-time research and access to online materials.
- The country-specific cases presented and/ or discussed were very insightful and allowed participants to learn from best practices across the subregion.
- Participants also learned from the discussions on various intricacies of exchange rate regimes currently being implemented in regional countries. This should be encouraged in subsequent courses

In addition to the above, the participants recommended the following:

- Increasing female participation in the course will be very beneficial to exchange rate policy formulation.
- Some forms of modelling and forecasting by highly skilled experts be introduced in the course for empirical analysis of exchange rate dynamics and forecasting since participants are encouraged to come along with personal computers for the course.

- Face-to-face learning method encourages better participation and interactions between lecturers and participants and should therefore be encouraged since in fact, COVID is becoming less of an existential threat to mankind.
- It was further recommended that WAIFEM and/or the Central Bank of Nigeria devote a well-functioning, smooth, and high-speed internet connection in the training facility for participants to enhance their research drives and strengthen their capacities to instantaneously access training materials online.
- Having more varieties of food with low fat and carbohydrate adherents during future training should be encouraged.
- Lastly, some form of modelling and forecasting by highly skilled experts would put the icing on the cake to take up modules related to modelling and forecasting exchange rates for central bankers and national statistical offices.

As part of the communiqué issued during the closing ceremony, participants were very grateful to the Director General of WAIFEM, Dr. Baba Yusuf Musa, and the staff of WAIFEM for organising and effectively hosting this course.

### 1.4.4 REGIONAL COURSE ON ECONOMETRIC METHODS FOR POLICY ANALYSIS, LAGOS, NIGERIA, JULY 18-29, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a ten-day Regional Course on Econometric Methods for Policy Analysis at the Central Bank of Nigeria Learning Centre and Rock-view Hotel (Lagos) for the period, July 18-29, 2022. It was the second in-person regional course organized by the Research and Macroeconomic Management Department, since the onset of the COVID-19 pandemic in 2020.

The course commenced with an opening ceremony moderated by Dr. Okon Joseph Umoh (Principal Programme Manager, Macroeconomic Management Department, WAIFEM). Dr. Umoh welcomed the participants to the course and introduced the dignitaries present to the participants. The dignitaries were: Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM), who was the representative of the Director General of WAIFEM; Prof. William Baah-Boateng (representative of the team of facilitators); Dr. Emmanuel Owusu-Afriyie (the Host Director, Research and Macroeconomic Management Department); Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department) and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department).

The representative of the Director General of WAIFEM, Mr. Euracklyn Williams, delivered the welcome and keynote address on behalf of the Director General of WAIFEM. In his address, he welcomed all the participants to the course and expressed appreciation for the commitment of the facilitators, who agreed to share their vast knowledge and experience with the participants.

Furthermore, as part of the welcome and keynote remarks, Mr. Euracklyn Williams elucidated the motivation for the course. He mentioned that the course would help the participants to understand and effectively manage their respective economies. Also, Mr. Euracklyn Williams highlighted the various studies that have attempted to model the behaviour of the economies of ECOWAS and WAMZ countries. According to Mr. Williams, Econometric Methods allow for understanding and forecasting the behaviour of economic and other systems.

In concluding his remarks, Mr. Williams urged the participants to seize the opportunity to enhance their knowledge and skills in Econometrics by freely interacting with the facilitators. He also urged them to build their professional relationships with their fellow participants to deepen the regional integration agenda and declared the course open.

Following the welcome and keynote remarks by the representative of the Director General of WAIFEM, the participants were called upon to introduce themselves to the dignitaries. The opening session ended with a vote of thanks delivered by Dr. John Owusu-Afriyie (Programme Manager of Research and Macroeconomic Management Department, WAIFEM) and a photography session.

The course on Econometric Methods for Policy Analysis was designed to enable participants to conduct basic statistical and econometric analyses and forecasting. Specifically, the course was designed to enable participants to, among others, derive multiple regression parameter estimates and perform statistical inference on regression parameters. It was also designed to enable participants to understand basic research methods and the use of econometric software (such as Eviews, RATS, STATA, and SPSS) for data analysis and forecasting.

The main topics discussed during the in-person regional course on Econometric Methods for Policy Analysis were: Overview of the Nature and Methodology of Econometric Modelling, and Forecasting; Univariate Time Series Modelling and Forecasting; Estimation of ARMA/ARIMA models for Forecasting, for Example: Inflation and Exchange Rates; Multivariate Models: Vector Autoregression Models; Quantile Regression; Modelling Long Run

Relationships: Cointegration and Error Correction; Regime Switching Modelling (Markov Switching Models); Randomized Control Trials; Modelling and Forecasting Volatility; Introduction to Panel Data Analysis; Probit, Logit and Ordered Logistic Models and CoVar Models: Contribution to Systemic Risk.

The course was facilitated by five (5) resource persons namely Prof. William Baah-Boateng (Head of Department of Economics, University of Ghana), Dr. Jamaladeen Abubakar (Central Bank of Nigeria), Prof. Michael Nkong-Nkan (University of Calabar, Nigeria and Fellow Institute of Operations Research and Centre for Economic Policy and Development Research, Covenant University, Nigeria), Dr. Nafiu Bashir Abdussalam (Monetary Policy Department, Central Bank of Nigeria) and Prof. Afees Adebare Salisu (Director, Centre for Econometrics and Applied Research, Ibadan, Nigeria). The language of instruction of the course was English. The course's mode of delivery involved face-to-face lectures, interactions, and discussions.

The course was attended by twenty-four (24) participants from five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, five (5) were from Ghana, eight (8) were from Nigeria, four (4) were from Liberia, and four (4) were from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 4 below.

Table 1.4.4: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Depta & Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 21 | 6 | 18 | 2 | 0 | 4 |
| **77.78%** | **22.22%** | **75%** | **8.3%** | **0.00%** | **16.67%** |

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

- Almost all of the participants (85.72 percent) agreed that the general objective of the course was achieved;
- 78.75 percent of the participants agreed that the course had equipped them with an understanding of pertinent information relating to exchange rate regimes and policies;
- 88.89 percent of the participants agreed that the substantive impact of the resource persons as a team was very good;
- Similarly, 92.85 percent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance;
- 92.86 percent of the participants indicated that the blend of plenary and group exercises was effective.;
- All the participants rated the presentations as good;
- 98.86 percent of the participants rated the contents of the course as good;
- All the participants indicated that the course was useful to their work;
- 97.06 percent of the participants indicated that the time allotted to the course was enough;
- 92.86 percent of the participants stated that their overall expectations about the course were met.;
- Finally, 92.86 percent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective.

The course was greatly beneficial to the participants. It exposed the participants to various techniques of modelling the behaviour of times series, cross-sectional and panel data. It also exposed participants to various forecasting techniques. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery.

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

- The course materials were rich and comprehensive, and the delivery was robust.
- The multi-level facilitators utilised the allocated time effectively.
- Despite the challenge of using an outside facility for the first week, facilitators were able to effectively deliver their materials to the understanding of participants.
- The coordinators for the programme were very professional and committed to the training process and contributed extensively to the discussions.
- The breaks were also necessary to keep

participants attentive and helped to enhance the understanding of the materials delivered in line with global best practices.

- The excursion embarked on, during the period of the course allowed the non-Nigerian participants to appreciate the hosting community. Moreover, the excursion was rejuvenating, and refreshments provided new experiences.
- Also, despite the ongoing renovation of the buildings in the CBN Learning Centre, the organisers made frantic efforts to make participants comfortable.
- The course was well organised and managed.

Participants were however of the view that the following recommendations could help prepare for the subsequent ones:

- Practical sessions and assignments are expedient for econometrics-based courses; hence we implore the organisers to allot more time for them.
- The course involved long hours of sitting. The sedentary nature requires that the break periods could be increased.
- Breakfast and dinner were not provided and efforts to source food constituted some level of distractions for participants. This most often required moving out of the premises.
- Last but not least, modelling climate change, and emerging issues should be added to the course.

Overall, participants were very appreciative of WAIFEM for expanding the curriculum of the course, first and foremost, to the Director General, Dr. Baba Yusuf Musa, and secondly to Dr. Emmanuel Owusu-Afriyie, Dr. Okon Umoh, and Dr. John Owusu-Afriyie as well as all facilitators for the efficient organization of the course.

### 1.4.5 REGIONAL COURSE ON MONETARY POLICY FRAMEWORKS AND ANALYTICAL TOOLS FOR MONETARY POLICY, BANJUL, THE GAMBIA, AUGUST 29 - SEPTEMBER 2, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organised a five-day Regional Course on Monetary Policy and Analytical Tools for Monetary Policy at the Paradise Suites Hotel (Banjul, The Gambia) for the period, August 29-September 2, 2022. It was the third in-person regional course organized by the Research and Macroeconomic Management Department, since the onset of the COVID-19 pandemic in 2020.

The course began with an opening ceremony moderated by Dr. Okon Joseph Umoh, Principal Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), who welcomed the dignitaries and participants to the course. He also acknowledged the presence of WAIFEM staff members namely Dr. Emmanuel Owusu-Afriyie (Director of the Research and Macroeconomic Management Department), Dr. John Owusu-Afriyie (Programme Manager of the Research and Macroeconomic Management Department), and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department).

Dr. Emmanuel Owusu-Afriyie delivered the welcome address on behalf of the Director General of WAIFEM, Dr. Baba Yusuf Musa, and welcomed all participants to the programme. He conveyed the apologies and well wishes of the Director General of WAIFEM, Dr. Baba Yusuf Musa, who could not attend the opening ceremony in person. He expressed the Director General's appreciation of the commitment of the facilitators to provide technical support to participants. The Director General noted the timing and relevance of the course and urged the participants to optimise the opportunity accorded by WAIFEM to broaden their knowledge of the various monetary policy frameworks adopted in the sub-region. He also urged the participants to fraternise with one another to leverage the expertise and experience of the facilitators. In his final remarks, the Director General encouraged participants to make the course interactive and develop professional networks with fellow participants to further the course of regional integration.

The keynote address by the Governor of the Central Bank of The Gambia, Hon. Buah Saidy, was delivered by Dr. Paul Mendy (Second Deputy Governor of the Central Bank of The Gambia). The keynote address noted the discretionary power of monetary policy to influence the desired level of output, price, and macroeconomic stability. He also touched on a recent review of The Gambian economy where the Monetary Policy Committee (MPC) considered the effects of global economic developments on the short and medium-term prospects of The Gambian economy. He concluded by stating that global developments notwithstanding, The Gambian economy remains stable and resilient.

Participants were allowed to introduce themselves, after which the Programme Manager of the Research and Macroeconomic Management Department of WAIFEM, Dr. John Owusu-Afriyie, gave a vote of thanks to bring the opening ceremony to an end.

The course on Monetary Policy Frameworks and Analytical Tools for Monetary Policy was designed to provide an introduction to monetary policy frameworks and an overview of different analytical tools used by Central Bankers in the process of monetary policy decision-making.

The main topics discussed during the in-person 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 Framework (Monetary Policy Objectives, Intermediate Targets and Nominal Anchors); Key Elements of Operational Frameworks (Operational Targets and Monetary Policy Instruments) and Money Market Analysis, Monetary Analysis, Capital Markets Analysis and Monetary Transmission Analysis.

The course was facilitated by professionals from the Central Banks of Ghana, Liberia, Nigeria, Sierra Leone, and The Gambia. Specifically, they were Dr. Zakari Mumuni (Bank of Ghana), Mr. Jefferson S.N. Kambo (Central Bank of Liberia), Mr. Morlai Bangura (Bank of Sierra Leone), Dr. Hassan Mahmud (Central Bank of Nigeria) and Mr. Ebrima Wadda (Central Bank of The Gambia). The facilitators were very articulate in their delivery and very effective in answering questions. The course was very practical, interactive, and engaging.

The course was attended by a total of nineteen (19) professionals from member countries, out of which three (3) were from The Gambia, five (5) from Ghana, one (1) from Liberia, five (5) from Nigeria and five (5) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 5 below.

Table 1.4.5: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Dept.& Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 13 | 6 | 15 | 2 | 0 | 2 |
| **68.42%** | **31.58%** | **78.95%** | **10.53%** | **0.00%** | **10.58%** |

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

- 81.25 percent of the participants agreed that the general objective of the course was achieved;
- 93.75 percent of the participants agreed that the course had equipped them with an understanding of pertinent information relating to exchange rate regimes and policies;
- 93.75 percent of the participants agreed that the substantive impact of the resource persons as a team was very good;
- Similarly, 93.34 percent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance;
- 62.50 percent of the participants indicated that the blend of plenary and group exercises was effective.;
- 93.75 percent of the participants agreed that the quality of training materials and documentation was very good.
- 87 percent of the participants rated the presentations as good;
- 95.62 percent of the participants rated the contents of the course as good;
- All the participants indicated that the course was useful to their work;
- 96 percent of the participants indicated that the time allotted to the course was enough;
- 87.50 percent of the participants stated that their overall expectations about the course were met;
- Finally, 93.75 percent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective.

Furthermore, the participants made the following observations:

- The course materials were comprehensive and the delivery was apt.
- Facilitators were able to effectively deliver their materials to the understanding of participants.
- There was active participation by participants through questions and contributions as well as the sharing of country-specific experiences, which enriched the discussions and knowledge sharing among the participants and facilitators.
- The Director of Research and Macroeconomic Management Department (WAIFEM) was present throughout the various presentations and contributed extensively to the discussions.
- There were tea and coffee breaks which also contributed to sparkling informal discussions

among participants, and between facilitators and participants during the breaks.

- The meals provided were nutritious, tasty, and timely.
- The residential nature of the programme was great and that enhanced in-person interactions and networking. However, the constant rainfall made it difficult to explore the city after each training day.
- The WAIFEM Secretariat also ensured a smooth and seamless organisation of the course, making the arrival and airport pick-ups easy.
- Course materials were provided ahead of time and all other relevant logistics were made available to participants at the programme venue.

However, the participants recommended that the training should be replicated for other central bank staff as well as staff of the ministries of finance and economic planning of WAIFEM member countries for them to benefit from this relevant and practical approach to the formulation and practice of monetary policy in member countries.

### 1.4.6 BLENDED REGIONAL COURSE ON REMITTANCE STATISTICS, SEPTEMBER 19-23, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a five-day Blended Regional Course on Remittance Statistics in collaboration with the International Monetary Fund (IMF) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) for the period, September 19-23, 2022. It was the first blended regional course (both virtual and in-person formats) organized by the Research and Macroeconomic Management Department, since the onset of the COVID-19 pandemic in 2020.

The course was designed for officials employed in the collection and compilation of External Sector Statistics (ESS), mainly balance of payments and remittances. It was aimed at providing participants with a thorough understanding of the conceptual and statistical framework of remittance statistics compilation and provided practical guidance on collection, compilation, and estimation methods. In other words, the course objectives were compilation of remittance statistics, application of the principles of balance of payments to measure remittance statistics, identification of potential new data sources for the compilation of remittances as well as application of compilation and estimation techniques to remittances. The course was also designed to allow participants to share their country experiences and discuss areas of further development.

The course began with an opening ceremony, moderated by Dr. Emmanuel Owusu-Afriyie, Director of the Research and Macroeconomic Management Department (WAIFEM), who welcomed the dignitaries and participants to the course. He then invited the representative of the team of IMF Facilitators, Ms. Evrim Bese Goksu, to give brief opening remarks. In her opening remarks, Ms. Goksu briefly introduced Mr. Malik Bani Hani and Mr. Yves Martin Djoufack, her colleagues, who assisted in facilitating the course. She also introduced Maria Borga (Deputy Division Chief of the Balance of Payments Division, IMF) and invited her to make some welcoming remarks. Maria briefly touched on the importance of remittances and explained that remittances prove to be more stable than capital flows in many countries, making them a good source of income. Furthermore, in her remarks, Maria stated that if there was an economic downturn in recipient countries, capital flows might dry up but remittance inflows would continue and increase at the same time. However, she admitted that remittance flows are the most difficult items to measure on the Balance of Payments. She also emphasized that the COVID-19 pandemic highlighted the need for improved remittance statistics. In concluding her remarks, Maria briefly elaborated on the objectives of the course, encouraged the participants to be attentive, and offered her appreciation to WAIFEM and MEFMI for the collaboration to improve remittance statistics.

After the remarks by the Deputy Division Chief of the Balance of Payments Division, Ms. Goksu called on Mr. Yves Martin Djoufack (IMF Facilitator) to give his opening remarks. Mr. Djoufack expressed his pleasure to be part of the team of facilitators and thanked WAIFEM and MEFMI for the collaboration. Ms. Goksu then invited Mr. Malik Bani Hani (IMF Facilitator) to deliver his opening remarks. Mr. Hani expressed his pleasure to be part of the team of facilitators for the course and thanked everyone.

Ms. Goksu invited the Directors of WAIFEM and MEFMI to offer their welcoming remarks before the commencement of the course. On behalf of MEFMI, Dr. Sehliselo Mpofu (Programme Director of MEFMI), gave the welcome address. She welcomed all the participants to the course and stated that MEFMI was very glad for the collaboration. She stated that the collaboration was part of IMF, WAIFEM, and MEFMI's coordinated interventions to contribute to improving the common goal of quality remittance statistics in member countries. She was therefore optimistic that the three institutions (i.e. IMF, WAIFEM, and MEFMI) would continue with the ongoing excellent work. Dr. Mpofu appreciated the presence of the IMF facilitators and thanked them for availing themselves to share their expertise with the participants. She concluded her remarks by urging participants to derive the maximum benefits from the course through information sharing and free exchange of ideas.

Following Dr. Mpofu's remarks, the Director General of WAIFEM, Dr. Baba Yusuf Musa, was called upon to give his welcoming remarks. On behalf of the Management of the West African Institute of Financial and Economic Management, the Director General first expressed his gratitude to the team of IMF facilitators for their continuous commitment to providing training and capacity building in macroeconomic management to the officials of Africa and beyond. He further expressed his appreciation for the mutual relationship that had existed between WAIFEM and MEFMI which had resulted in continuous collaboration in capacity building. The Director General welcomed the participants, briefly touched on the importance of remittance statistics in the region, and urged the participants to take the course seriously. The course was then declared open.

The two main topics discussed during the blended regional course on Remittance Statistics were the compilation of Compensation of Employees and the Compilation of Personal Transfers.

The course was facilitated by three (3) professionals from the Balance of Payments Division, Statistics Department of the IMF. Specifically, they were Ms. Evrim Bese Goksu (Senior Economist, IMF), Mr. Yves Martin Djoufack (Senior Economist, IMF), and Mr. Malik Bani Hani (Senior Economist, IMF). The course consisted of self-paced learning and instructor-led live sessions. It was very practical, interactive, and engaging. There were also country presentations on remittance statistics compilation.

The course was attended by a total of seventy (70) professionals from both WAIFEM and MEFMI member countries. The total number of WAIFEM member countries was thirty-four (34), out of which five (5) were from The Gambia, six (6) from Ghana, five (5) from Liberia, nine (9) from Nigeria and nine (9) from Sierra Leone. A total of thirty-six (36) participants were from MEFMI member countries namely, Angola, Botswana, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Rwanda, Uganda, Zambia, and Zimbabwe.

For gender and institutional distribution of participants, refer to Table 6 below.

Table 1.4.6: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Dept.& Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 48 | 22 | 49 | 5 | 0 | 16 |
| **68.57%** | **31.43%** | **70.00%** | **7.14%** | **0.00%** | **22.86%** |

Course evaluation was conducted using the Likert Scale framework. On a scale of 1 to 5 (with 1=strongly disagree and 5=strong 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 blended environment within which the training was organized. The analysis of the completed evaluation questionnaires 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 4.4. 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 4.4. This suggests that on 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 4.7. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- The average value of ranking for the statement “Reading materials shared on the Moodle platform (Self-paced materials) was useful” was 4.7.
- The average value of ranking for the statement “Instructor-led live sessions were useful” was 4.4.
- The average value of ranking for the statement “Lectures and/or workshops during the live sessions" was 4.6.
- 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.

- The statement, "The Moodle platform was well organized, easy to navigate, and easy to use." had an average score of 4.6. This indicates that the participants agreed that the training website (Moodle) was helpful for their presentations.
- The statement, "I was satisfied with the translated course materials" had an average score of 4.3. This suggests that the participants were very satisfied with the translated course materials.
- Lastly, the average score of the statement "Overall, the pre-training live session, and preparatory administrative arrangements were satisfactory" was 4.5. This suggests that the participants agreed that the training was effectively conducted and delivered within the blended environment.

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

- The course should be held in person at a future period
- The training should be regular for those in the concerned field
- The length of the training period should be increased by one more week.
- Some transactions such as informal remittances and bitcoin remittances should be covered.

The closing ceremony was graced by the following dignitaries: Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department), who represented the Director General of WAIFEM, Dr. Baba Y. Musa, and the Team of IMF Facilitators consisting of Ms. Evrim Bese Goksu, Mr. Yves Martin Djoufack and Mr. Malik Bani Hani. Other dignitaries included Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM), Dr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM), Mr. Senei Molapo (Programme Manager, Macroeconomic Management Department, MEFMI) and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

In her closing remarks, Ms. Evrim Bese Goksu thanked the staff of WAIFEM and MEFMI for the excellent administration of the course and brought the ceremony. She also thanked the participants for their active participation throughout the course and brought the ceremony to an end.

### 1.4.7 BLENDED REGIONAL COURSE ON BALANCE OF PAYMENTS STATISTICS, SEPTEMBER 26-30, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a five-day Blended Regional Course on Balance of Payments Statistics for the period, September 26-30, 2022. It was the second blended regional course organized by the Research and Macroeconomic Management Department, since the onset of the COVID-19 pandemic in 2020.

The course began with an opening ceremony moderated by Dr. John Owusu-Afriyie, Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), who welcomed the dignitaries and participants to the course. He also acknowledged the presence of WAIFEM staff members: Dr. Emmanuel Owusu-Afriyie (The Host Director, Director of the Research and Macroeconomic Management Department), Dr. Okon Joseph Umoh (Principal Programme Manager of the Research and Macroeconomic Management Department), and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department).

Dr. Emmanuel Owusu-Afriyie delivered the welcome address on behalf of the Director General of WAIFEM, Dr. Baba Yusuf Musa, and welcomed all participants to the programme. He conveyed the apologies and well wishes of the Director General of WAIFEM who could not attend the opening ceremony virtually. He also expressed the Director General's appreciation of the commitment of the facilitators to provide technical support to participants. The Director General noted the timing and relevance of the course and urged the participants to optimize the opportunity accorded by WAIFEM to broaden their knowledge of the BPM6 and share their experiences. He also urged the participants to fraternize with one another to leverage the expertise and experience of the facilitators. In his final remarks, the Director General encouraged participants to make the course interactive and develop professional networks with fellow participants to further the course of regional integration.

Participants were allowed to introduce themselves and give their expectations from the course. Following that, the Principal Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), Dr. Okon Joseph Umoh, gave the vote of thanks, bringing the opening ceremony to an end.

The purpose of the blended course on Balance of Payments Statistics was to assess how the conceptual framework described in the BPM6 had been effectively assimilated and translated into practice. Specifically, the course was aimed at improving the compilation and dissemination of BoP and IIP statistics using the techniques provided in the Guide.

It was also aimed at identifying new sources of data to be used to improve the compilation of BoP and IIP statistics.

The main topics discussed during the blended 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 Using the BOP to assess the External Position and Vulnerabilities of the Ghanaian Economy; Conceptual Framework of the Balance of Payments (BoP); Ghana's Survey Techniques and Methodology for Compiling Balance of Payment; 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; Using the BOP to Assess the External Position and Vulnerabilities of the Nigerian Economy; Conceptual framework of the Balance of Payments (BoP); Sierra Leone 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; Using the BOP to assess the External Position and Vulnerabilities of the Sierra Leonean Economy; 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 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; Using the BOP to assess the External Position and Vulnerabilities of the Liberian Economy; Conceptual Framework of the Balance of Payments (BoP); The Gambia's Survey Techniques and Methodology for Compiling Balance of Payments; Inter-linkages between the Balance of Payments (BoP) and Other Sectoral Accounts; The Gambia's Sources of Data to Compile and Construct Sectoral Accounts; The Gambia's Sources of Data to Compile and Construct BOP statements and Challenges in Compiling BOP and 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) resource persons namely Ms. Cynthia Kotei (Bank of Ghana), Dr. G.K. Sanni (Central Bank of Nigeria), Mr. Rashid Koroma (Bank of Sierra Leone), Mr. Michael D. Titoe (Central Bank of Liberia) and Mr. Alieu Ceesay (Central Bank of The Gambia). The language of instruction of the course was English. The course's mode of delivery involved both face-to-face and virtual interactions and discussions (blended).

The course was attended by thirty-four (34) participants from five (5) WAIFEM Member countries. Specifically, five (5) participants were from The Gambia, nine (9) from Ghana, five (5) from Nigeria, seven (7) from Liberia and eight (8) from Sierra Leone.

For gender and institutional distribution of participants, refer to Table 7 below.

Table 1.4.7: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Dept.& Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 27 | 7 | 22 | 3 | 0 | 9 |
| **79.41%** | **20.59%** | **64.71%** | **8.82%** | **0.00%** | **26.47%** |

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

- All the participants (100 percent) agreed that the general objective of exposing participants to BPM6 and its uses was achieved;
- 94.45 percent of the participants agreed that the course provided them with a comprehensive set of analytical tools to undertake policy impact assessment and scenario analysis.
- All the participants (100 percent) agreed that the substantive impact of the resource persons as a team was very good;

- Similarly, all the participants agreed that the knowledge and skills acquired from this course would improve their job performance;
- 57.89 percent of the participants indicated that the blend of plenary sessions and hands-on exercises had been effective;
- 94.23 percent of the participants rated the presentations as good;
- 96.18 percent of the participants rated the contents of the course as good;
- 96.13 percent of the participants indicated that the course was useful to their work;
- 91.11 percent of the participants indicated that the time allotted to the course was enough;
- 94.74 percent of the participants agreed that the quality of training materials and documentation was very good.
- All the participants (100 percent) indicated that their overall expectations about the course were met.;
- Finally, 94.73 percent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective.

The course was greatly beneficial to the participants. It exposed the participants to BoP and IIP statistics compilation. It also exposed them to new sources of data to improve the compilation of BoP and IIP statistics. 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 WAIFEM should consider organizing a course on forecasting BOP indicators using advanced econometric techniques (see Communique' in the appendix section).

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

- The course materials were elaborate.
- Facilitators shared their country-specific experiences while participants were involved and also shared their country-specific experiences throughout the workshop.
- The Director of Research and Macroeconomic Management Department (WAIFEM) contributed extensively and ignited meaningful discussions.
- Breakfast and lunch were served. There were also breaks in between presentations allowing participants in their respective localities to hold informal discussions.
- The WAIFEM Secretariat ensured a smooth organization of the workshop by dispatching an officer to coordinate the workshop in each participating country.
- The country-specific cases were rewarding and very insightful, thus, allowing participants to learn and exchange knowledge, acquainting themselves with how other countries compile and report their Balance of Payments statistics.

At the end of the course, participants made the following recommendations:

- Given the complexity of BOP statistics, WAIFEM should consider organizing a course on forecasting BOP indicators using advanced econometric techniques;
- WAIFEM should consider organizing a face-to-face session of the course on compiling and reporting BOP statistics to help bridge some of the differences that were observed during the various presentations.
- WAIFEM should join other partners to re-echo the call for adequate staffing of understaffed BOP units/sections in WAMZ's central banks. It is worth emphasizing that unofficially, 3 of the 5 English-participating countries have 3 or fewer active staff in their BOP units/sections. “Life in BOP” is challenging, therefore, adequate staffing of units could immensely help to address some of the challenges.
- WAIFEM should encourage countries to prioritize the use of the ITRS in their BOP compilation and reporting.

### 1.4.8 ONLINE REGIONAL COURSE ON GOVERNMENT FINANCE STATISTICS/PUBLIC SECTOR DEBT STATISTICS, OCTOBER 24-28, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a five-day Online Regional Course on Government Finance Statistics/Public Sector Debt Statistics in collaboration with the International Monetary Fund (IMF) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) for the period, October 24-28, 2022.

The course on Government Finance Statistics/Public Sector Debt Statistics was designed for senior officials from the Central Banks, Ministries of Finance, Public Account Offices, Statistics Offices as well as other central government agencies involved with government finance statistics. The course was designed to expose participants to the basic concepts, definitions, and accounting principles in the integrated GFS/PSDS framework. It was also designed to help participants: classify basic government flows and stock positions according to the GFSM 2014; apply the general principles to classify an entity in the public sector and relevant subsectors, such as the general government and public corporations; record the fiscal flows and stocks associated with the activities of public sector entities, following the GFSM 2014 guidelines and classifications; explain how the main GFS/PSDS aggregates and analytical balances are calculated, and what they show about the government's impact on the economy; develop a migration plan to adopt the GFSM 2014 methodology and PSDS guide, and compile and disseminate GFS/PSDS following international guidelines; recognize the value of comprehensive, consistent, and internationally comparable GFS/PSDS, and the use of the key GFS/PSDS indicators in the design, monitoring and evaluation of fiscal policy.

The course began with an opening ceremony moderated by Dr. Okon Joseph Umoh, Principal Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), who welcomed the dignitaries and participants to the course. He invited the representative of the Deputy Division Chief of the Statistics Department of the IMF, Mr. Noriaki Kinoshita, to give brief opening remarks. In his opening remarks, Mr. Kinoshita briefly explained the key functions of the Statistics Department of the IMF. Specifically, according to him, the key functions of the department are to provide global leadership macroeconomic and financial statistics to advance the international statistics agenda as well as contribute to carrying out the IMF's surveillance mandate. He went further to explain that the course focuses on debt-related issues of Government Finance Statistics. Also, he entreated the participants to pay attention to relevant issues about their work that would be discussed during the workshop. In conclusion, Mr. Kinoshita on behalf of Mr. Andrew Kittilli (Deputy Division Chief of the Statistics Department, IMF) thanked WAIFEM and MEFMI Secretariats for the collaboration.

Following the opening remarks by Mr. Kinoshita, the moderator invited the Director of MEFMI, Mr. Stanislas Nkhata, to deliver a brief opening address. In his address, Mr. Nkhata welcomed all the participants to the course and expressed gratitude to WAIFEM and IMF for the collaboration. He also mentioned that the objective of the course was to ensure effective compilation and dissemination of Government Finance Statistics/Public Sector Debt Statistics based on internationally accepted standards. Furthermore, he explained the importance of the workshop to participants. Specifically, he stated that the workshop would help to foster transparency, accuracy, and regularity in the compilation and dissemination of Government Finance Statistics/Public Sector Debt Statistics. Mr. Nkhata ended his remarks by urging participants to make the most out of the workshop.

Dr. Okon Joseph Umoh (the moderator) invited the Director General of WAIFEM, Dr. Baba Yusuf Musa, to deliver his opening address. The Director General on behalf of the Management of WAIFEM, welcomed the participants to the course and appreciated the IMF facilitators for availing themselves to provide short-term technical support. He also thanked the IMF and MEFMI for the continuous closed collaboration in capacity building. In his address, Dr. Musa briefly explained the importance of Government Finance Statistics (GFS)/Public Sector Debt Statistics (PSDS). According to him, the significance of GFS/PSDS is: (1) They help to understand the financial position of the government sector; (2) They help to understand the fiscal stance and liquidity position of government; (3) They help in effective policy formulation and (4) They serve as guidance for data improvement. The Director General briefly touched on the objectives of the course and urged the participants to freely interact with one another to derive the maximum benefit from the course. He ended his remarks by declaring the course opened.

The topics covered included: Overview of GFS Manual (GFSM) and PSDS Guide (PSDSG): the role of the GFS framework; Debt instruments in the GFS balance sheet (GFSM, Chapter 7; PSDSG, Chapter 3); Institutional units and sectors (GFSM, Chapter 2; PSDSG, Chapter 3); Accounting rules and principles (GFSM, Chapter 3; PSDSG, Chapter 2); Consolidation of public sector debt statistics (PSDSG, Chapter 8); Selected issues in public sector debt, part 1 (PSDSG, Chapter 4); Selected issues in public sector debt, part 2 (PSDSG, Chapter 4); Presentation of general government and public sector debt statistics (PSDSG, Chapter 5); Climate change indicators: Environmental taxes and Expenditure on environmental protection; Using a Debt Management System for Reporting of PSDS: the case of Meridian (The Commonwealth Secretariat); Using a Debt Management System for Reporting of PSDS: the case of DMFAS (UNCTAD) and Reporting of quarterly PSDS (World Bank).

The course was mainly facilitated by two (2) professionals from the Statistics Department of the IMF and one (1) former employee of the IMF. Specifically, they were Mr. Noriaki Kinoshita (Senior Economist, IMF), Mr. Obadiah Turinawe (Senior Economist, IMF), and Mr. Gary Jones (Former Employee of the IMF). In addition, two professionals were invited from The Commonwealth Secretariat and the United Nations Conference on Trade and Development (UNCTAD) respectively to make presentations on 'Using a Debt Management System for Reporting of PSDS. They were Mr. Vikas Pandey (The Commonwealth Secretariat) and Mr. Ricardo Murillo (DMFAS Project Manager, UNCTAD). The course consisted of presentations, and pre- and post-quizzes. It was very practical, interactive, and engaging.

The course was attended by a total of sixty-three (63) professionals from both WAIFEM and MEFMI member countries. The total number of participants from WAIFEM member countries was twenty-six (26), out of which four (4) were from The Gambia, five (5) from Ghana, four (4) from Liberia, six (6) from Nigeria and seven (7) from Sierra Leone. A total of thirty-seven (37) participants were from MEFMI member countries namely, Angola, Botswana, Kenya, Lesotho, Mozambique, Rwanda, Uganda, Zambia, and Zimbabwe.

For gender and institutional distribution of participants, refer to Table 8 below.

Table 1.4.8: Gender and Institutional Distribution of Participants

| Gender Distribution | | Central Banks | Ministries, Dept.& Agencies | Leg./Mass Media | Other public |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 39<br>**61.90%** | 24<br>**38.10%** | 21<br>**33.33%** | 30<br>**47.62%** | 0<br>**0.00%** | 12<br>**19.00%** |

Course evaluation was conducted using the Likert Scale framework. On a scale of 1 to 5 (with 1=strongly disagree and 5=strong 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 blended 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 4.4. 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 4.4. This suggests that on 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 4.3. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- The average value of ranking for the statement "The mix of presentation methods (e.g. balance of lectures and workshops, interactive discussions) was an effective way to learn the subject" was 4.4.
- 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.
- The statement, "The length of the training provided enough time to cover all the material" had an average score of 3.5. This indicates that the participants agreed that the length of the training was average enough to cover all the material.
- Finally, the statement, "Overall, given the virtual environment, the training was effectively conducted and delivered." had an average score of 4.1. This suggests that the participants were satisfied with the virtual environment within which the training was conducted.

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

- The course should be held in person at a future period
- The length of the training period should be extended.
- More hands-on exercises should be given

The course was greatly beneficial to the participants. It exposed the participants to the various chapters of the GFSM 2014 and PSDS Guide. It also exposed the participants to the Commonwealth Secretariat and UNCTAD's standards of reporting Public Sector Debt Statistics. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery.

### 1.4.9 REGIONAL COURSE ON MACROECONOMIC DIAGNOSTICS, ACCRA, GHANA, NOVEMBER 7-18, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a ten-day In-person Regional Course on Macroeconomic Diagnostics in collaboration with the International Monetary Fund

(IMF) in Accra (Ghana) for the period, November 7-18, 2022.

The course was designed to strengthen participants' ability to assess a country's macroeconomic situation with emphasis on practical tools for use in day-to-day macroeconomic analysis. The course covered assessments of the current state of the macroeconomy; the stance of fiscal and monetary policy; financial stability and the medium-term prospects of the economy, taking into account the sustainability of public and external debt, possible misalignments of the exchange rate, and vulnerabilities arising in the different sectors. The specific objectives of the course were to: analyze potential output, calculate output gaps, and diagnose the outlook for the economy; assess the stance of current fiscal, monetary, exchange rate, and financial policies; assess macro-financial linkages, including the analysis of financial sector soundness indicators; assess the medium-term prospects of the economy, especially the sustainability of public and external debt and lastly, identify possible external and internal economic risks and vulnerabilities to economic growth and identify policies to address them.

The course began with an opening ceremony moderated by Dr. Okon Joseph Umoh, Principal Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), who welcomed the dignitaries and participants to the course. He invited the Director General of WAIFEM, Dr. Baba Yusuf Musa, to deliver the opening remarks. Dr. Musa began the opening remarks by welcoming and appreciating the facilitators from the Institute for Capacity Development (ICD) of the International Monetary Fund for their efforts in ensuring that the mandate of WAIFEM was achieved. Furthermore, Dr. Musa in his opening remarks expressed profound gratitude to the Governor of the Bank of Ghana, Dr. Ernest Addison, for the immense support logistical backstop WAIFEM always enjoyed within his jurisdiction. The Director General proceeded with his opening remarks with the operational background of WAIFEM. He ended his remarks with highlights of the recent global economic downturn, which according to the Director General posed challenges and would continue to pose challenges to developing countries, of which WAIFEM member countries were not exceptions. Dr. Musa emphasized the need to effectively build the capacity of WAIFEM member countries' staff engaged directly in policy formulation and implementation to undertake proper diagnosis of macroeconomic malaise.

Following the opening remarks by the Director General of WAIFEM, Ms. Boriana Yontcheva (Deputy Division Chief of the Institute for Capacity Development and Leader of the IMF Team of Facilitators) gave her opening remarks. She expressed delight at the invitation by WAIFEM to facilitate the course and urged participants to freely interact with them to derive the maximum benefit from the course. Ms. Yontcheva also briefly highlighted the key topics that would be discussed during the course.

The Governor of the Bank of Ghana, Hon. Dr. Ernest Addison, ably represented by Mr. Richard Homiah (Assistant Director, Governor's Department, Bank of Ghana), presented the keynote address. In the keynote address, read on behalf of the Governor by Mr. Homiah, the Governor briefly touched on the recent macroeconomic diagnostics of the Ghanaian economy by the Monetary Policy Committee of the Bank of Ghana. According to him, the Bank's latest surveys showed increased inflation expectations across consumers, businesses, and the financial sectors. That notwithstanding, the Governor stated that monthly inflation has declined for four consecutive months, reflecting a slowdown in the rate of increase in inflation. The Governor ended the keynote address by expressing confidence in WAIFEM and the Institute for Capacity Development of the IMF to build the capacity of technical staff and policy-makers in the critical area of macroeconomic management. The course was declared open by Mr. Richard Homiah (Assistant Director, Governor's Department, Bank of Ghana) on behalf of the Governor of the Bank of Ghana, Dr. Ernest Addison.

The vote of thanks was offered by the Programme Manager of the Research and Macroeconomic Management Department (WAIFEM), Dr. John Owusu-Afriyie. The opening ceremony ended with group photography and refreshments.

The topics covered include: Macroeconomic Framework; Introduction to South Africa Case Study; Supply and Productivity-Tools; Supply and Productivity- Growth Diagnostics and Structural Reform; Analysing Aggregate Demand; Analysing of Inflation; Analysing Monetary Policy; Assessing Fiscal Policy; Assessing Fiscal Sustainability; Assessing the External Position; Assessing Competitiveness and the Exchange Rate; Assessing External Debt Sustainability and Foreign Reserve Adequacy and Assessing Risk.

The course was mainly facilitated by three (3) professionals from the Institute for Capacity Development (IMF). Specifically, the facilitators were Ms. Boriana Yontcheva (Deputy Division Chief of the Institute for Capacity Development, IMF), Mr. Alex Wai Yip Ho (Senior Economist, Institute for Capacity Development, IMF), and Mr. Mehdi El Herradi (Economist, Institute for Capacity Development, IMF). The course consisted of group presentations, and pre- and post-quizzes. It was very practical, interactive, and engaging.

The course was attended by a total of thirty-five (35) professionals from WAIFEM member countries; three (3) were from The Gambia, eighteen (18) from Ghana, two (2) from Liberia, seven (7) from Nigeria and five (5) from Sierra Leone. For gender and institutional distribution of participants, refer to Table 9.

Table 1.4.9: Gender and Institutional Distribution of Participants

| Gender Distribution | | Central Banks | Ministries, Dept.& Agencies | Leg./Mass Media | Other public |
|---|---|---|---|---|---|
| Male | Female | | | | |
| 30<br>**85.71%** | 5<br>**14.29%** | 20<br>**57.14%** | 6<br>**17.14%** | 0<br>**0.00%** | 9<br>**27.71%** |

Course evaluation was conducted using the Likert Scale framework. On a scale of 1 to 5 (with 1=strongly disagree and 5=strong agree), participants were asked to rank the extent to which they were satisfied with the training, its delivery mode, and its design. 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 4.9. 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 4.4. 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 Diagnostics.
- The average value of ranking for the statement "Overall, I was satisfied with the training" was 4.8. This suggests that on 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 relevant" was 4.9. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- The average value of ranking for the statement "Lecturer was knowledgeable" was 4.8. This indicates that the participants were very satisfied with the expertise of the Facilitator.
- The statement, "The lecturer encouraged discussion" had an average score of 4.8. This indicates that the participants benefited from the discussion.
- The statement, "counselor facilitated workshops" had an average score of 4.9. This indicates that the participants benefited from the workshop sessions.
- Finally, the statement, "effective presentation methods and online platform was effective" had an average score of 4.7. This suggests that the participants were satisfied with the presentation methods.

The closing ceremony began with the introduction of the dignitaries by Dr. Okon Joseph Umoh. The dignitaries present were: Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department), who represented the Director General of WAIFEM, Dr. Baba Y. Musa, and the Team of IMF facilitators consisting of Ms. Boriana Yontcheva (Deputy Division Chief of the Institute for Capacity Development, IMF), Mr. Alex Wai Yip Ho (Senior Economist, Institute for Capacity Development, IMF) and Mr. Mehdi El Herradi (Economist, Institute for Capacity Development, IMF). Other dignitaries included Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM), Dr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

In his remarks, the Director of Research and Macroeconomic Management Department warmly congratulated the participants for exhibiting commitment throughout the course. He ended his remarks by thanking the IMF Team of Facilitators for sharing their expertise and experience with the participants. That followed with the verbal presentation of the communiqué by Mr. Alagie B. Sowe (Class Governor).

Following the presentation of the communiqué, the moderator, Dr. Okon Joseph Umoh, invited the Head of the Team of IMF Facilitators, Ms. Boriana Yontcheva, to give her closing remarks. In her remarks, Ms. Yontcheva congratulated all the participants for completing the course successfully. She also thanked the Management of WAIFEM for the successful execution of the course. Furthermore, in her address, Ms. Yontcheva stressed that the course was tailored to the needs of WAIFEM member countries regarding Macroeconomic Diagnostics. She concluded by emphasizing the need for more collaboration between the IMF and WAIFEM regarding capacity building in Macroeconomic Diagnostics.

He emphasized the relevance of the course and mentioned that Macroeconomic Diagnostics is imperative to identify the challenges of an economy. Specifically, he stated that 'just as Medical Diagnosis helps to identify a disease and its associated causes, Macroeconomic Diagnostics helps to identify economic challenges and proffer remedies for them'. Dr. Emmanuel Owusu-Afriye conveyed the felicitation of the Director General of WAIFEM to the IMF Facilitators and the participants for the successful completion of the course, after which he officially declared the course closed.

Presentation of certificates to the participants was done by Ms. Boriana Yontcheva (The Head of the Team of IMF Facilitators and Deputy Division Chief of the Institute for Capacity Development, IMF) on behalf of the IMF and Dr. Emmanuel Owusu-Afriyie (Director, Research and Macroeconomic Management Department, WAIFEM) on behalf WAIFEM. The closing ceremony ended with the presentation of a vote of thanks by Ms. Beverly Koranteng (Deputy Class Governor).

The course was greatly beneficial to the participants. It exposed the participants to Macroeconomic Framework, Supply, and Productivity-Tools, Structural Reforms, Analysing Aggregate Demand, Analysing Inflation, Analysing Monetary Policy, and Assessing Fiscal Policy among others. The course evaluation suggested that the participants were very satisfied with the contents of the course and its mode of delivery. Thus, as part of their recommendations, the participants suggested that WAIFEM should continue to escalate its physical training programmes, as it aids better participation, concentration, and networking.

### 1.4.10 REGIONAL WORKSHOP ON CURRENCY MANAGEMENT AND FORECASTING, ABUJA, NIGERIA, DECEMBER 5-9, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a five-day regional workshop on Currency Management and Forecasting for Central Banks, Ministries of Finance, and other Institutions that are involved in currency management. The workshop was organized in Abuja, Nigeria from December 5 – 9, 2022

The opening ceremony was chaired by the Honourable Governor, Central Bank of Nigeria, Hon. Mr. Godwin Emefiele, CON, who was represented by Dr. David E. Omoregie, Acting. Director Monetary Policy Department, Central Bank of Nigeria. In his welcoming remarks the Director General of WAIFEM, Dr Baba Yusuf Musa, who was represented by Dr. Emmanuel Owusu-Afriyie, Director of Research and Macroeconomic Management Department WAIFEM, welcomed the audience to the Regional Workshop. On behalf of the Board of Governors of WAIFEM, he expressed utmost appreciation to the President, the Government, and the good people of Nigeria for accepting the conduct of the training in Abuja. He also specially welcomed those visiting Abuja for the first time and entreated them to relax and enjoy the iconic and serene city.

The Director General also extended the profound appreciation of the Institute to the Honourable Governor of the Central Bank of Nigeria, Honourable Godwin I. Emefiele, for his steadfast support and constant encouragement to WAIFEM, noting that, his personal and official commitment to WAIFEM has continuously invigorated the pursuit and achievement of WAIFEM's vision, mission, and mandate. In addition, he commended the Honourable Governor for his exceptional leadership in monetary policy and regional economic integration, which helped the whole West African sub-region despite the current global economic turmoil.

The Director General gave a brief overview of the Institute which was established in 1996 by the central banks of the five Anglophone West African countries namely, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. He said the principal mandate of the Institute is to strengthen the capacity for improved macroeconomic and financial management in the constituent member countries. Since its inception in 1997 to date, the Institute has successfully executed eight hundred, and forty-five (845) courses and workshops, which have benefited twenty-three thousand, six hundred and thirty-three (23, 633 ) participants from the sub-region and beyond. WAIFEM, according to him, collaborates with several reputable international institutions to ensure high-quality standards in the discharge of its programmes. These include; the International Monetary Fund, the World Bank, the Commonwealth Secretariat, Debt Relief International, the United Nations Institute for Training and Research (UNITAR), the African Capacity Building Foundation (ACBF), and the United Nations Economic Commission for Africa (UNECA). The Institute has extended its operations to the private sector by establishing the Business Development and Consultancy Unit (BD&CU). Although the Unit targets the private sector in the sub-region, some of its programmes may also benefit the Central Banks and relevant public sector institutions.

He maintained that in line with technological advancements and new trends, WAIFEM also undertakes e-learning programmes in Public Sector Debt Management and the French Language. The course in the French Language is intended to bridge the language gap with the Francophone countries while at the same time deepening the regional integration process. WAIFEM has been collaborating with the United Nations Institute for Training and Research (UNITAR) to organize an e-learning certificate course in French. The course is facilitated by Channelle Francaise. For the first two weeks of the course, participants have the opportunity to interact directly with the mentor whilst the remaining six weeks are conducted online. There is also an e-learning programme in banking supervision which has been accredited by the Chartered Institute of Bankers of Nigeria.

In his keynote address the Hon. Governor of, the Central Bank of Nigeria, who was represented by the Acting Director, of Monetary Policy Department, Dr. David E. Omoregie, warmly welcomed the WAIFEM team and the participants on behalf of the management and staff of the Central Bank of Nigeria, to the nation's capital, Abuja, Nigeria. He thanked the West African Institute for Financial and Economic Management (WAIFEM) for choosing Abuja as the venue for the workshop and for inviting him to deliver the keynote address.

He also appreciated Dr. Baba Y. Musa and his team for their continuous efforts in building capacity for Debt, Macroeconomic, and Financial Management as well as Governance and Institutional Development across the sub-region.

He stated that the fact that our economies are predominantly cash-based is a reflection of the preference of economic agents to hold cash and also reveals the level of development of our payment systems. Hence, the timeliness and relevance of the workshop, given the challenges of currency management in most of our countries, and the need to chart new directions consistent with best practices, to ensure efficiency (low cost) in printing notes and minting coins among others. Currency management essentially relates to planning, designing, issuing, and withdrawing currency from circulation, thus ensuring its integrity and availability as well as influencing its value.

He maintained that currency management is one of the critical functions of central banks. and hinted that Nigeria has a national printer, known as Nigerian Security Printing and Minting PLC, responsible for printing and minting the Naira. The CBN, through its Mint Inspectorate Office, ensures that the quality of Nigeria's banknotes meets the required standard. The Nigerian currency is issued to the deposit money banks through the various Branches of the CBN, while the old notes are withdrawn from circulation through the same channel. He also noted that currency deposited at the CBN by the banks is processed and sorted into fit and unfit notes, in line with the Clean Note Policy of the CBN. Consequently, the clean notes are reissued, whilst the dirty ones are destroyed under strict security.

He touched on key elements in banknote design as well as digital currency. He urged the participants to optimize the opportunity to enhance their knowledge and skills by freely interacting with the highly experienced facilitators. He urged the participants to find time out of their crowded programme to visit the numerous interesting resorts in Abuja and its environs. The honourable Governor then declared open the Regional Workshop on Currency Management and Forecasting.

The objective of the workshop was to explore key challenges that confront Central Banks in currency management and how they are tackled. Specifically, the workshop was designed to deepen the knowledge and upgrade the analytical skills of staff in performing currency management functions.

The main topics covered during the workshop include the life Cycle' of Modern Day Currency: Features and Benefits of Paper Currency; Managing Low Denomination Notes: The Modern Approach to Currency Management; Cash Center Efficiency and Optimization: A Case Study of Ghana; Technological Foundation in Currency Management and Threats; Analyzing the Role of Central Banks in Digital Currencies: The Case of Nigeria; Analyzing the Role of Central Banks in Digital Currencies: The Case of Ghana; Technological Platforms for Central Bank Digital Currencies (CBDCs) and How to Keep Pace with New Technologies in the Presence of CBDCs: The Case of Nigeria; How to Keep Pace with New Technologies in the Presence of CBDCs: The Case of Ghana; Clean Note Policy Implementation and Re-cycling of Currency; Modelling the Cash Cycle: The Case of Nigeria; Guarding against Counterfeit/Anti-counterfeit Measures; Trends in World Wide Currency Developments; Currency Management: Commercial Banking Perspective; ATM Developments in Africa and Worldwide and The Role of CITs in Processing Coin and Notes.

The workshop was facilitated by regional experts drawn from WAIFEM faculty, the Central Bank of Nigeria, the Bank of Ghana, and private sector practitioners. The participants also had a tour of The Nigerian Security Printing and Minting Plc to obtain a first-hand view and information on currency processing and storage.

The workshop was attended by twenty-four (24) participants made up of middle/senior officials from Ghana, Nigeria, Gambia, and Sierra Leone. Out of the twenty-four participants, five (5) were female and nineteen (19) were male. Five (5) middle/senior/executive officials were from Ghana, thirteen (13) were from. In Nigeria, four (4) were from Sierra Leone and two (2) were from The Gambia. The institutions represented at the workshop were the Central Bank of Nigeria, Bank of Ghana, Central Bank of the Gambia, Sierra Leone, and Ministry of Finance Sierra Leone. Twenty-two (22) participants were from Central Banks while two (2) were from the Ministry of Finance.

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

- Almost all of the participants (87.5 percent) agreed that the general objective of the course was achieved;
- 87.5 percent of the participants agreed that the workshop had upgraded their skills and knowledge in banknote and currency management;
- All the participants (100 percent) agreed that the workshop provided an overall framework and techniques for the design of Banknotes and the battle against Counterfeiting;
- All the participants (100 percent) agreed that the substantive impact of the resource persons as a team was very effective;
- All the participants (100 percent) indicated that the knowledge and skills acquired from this workshop would immensely enhance their job performance;
- All the participants (100 percent) indicated that the blend of the plenary sessions and exercises was effective;
- All the participants (100 percent) indicated that the quality of training materials and documentation was of appropriate standard;
- 100 percent of the participants rated the presentations as good;
- 94.5 percent of the participants rated the contents of the course as good;
- Similarly, 97.6 percent of the participants indicated that the course was useful to their work;
- 90.0 percent of the participants indicated that the time allotted to the course was enough;
- 87.5 percent of the participants stated that their overall expectations about the course were met;
- Finally, 87.5 percent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective.

Based on participants' views and observations, there is a continued demand for the course given its relevance, content, and high standards. Moreover, the interest in WAIFEM courses in the sub-region is evident. Hence there is the need for WAIFEM to sustain capacity building in this area for effective macroeconomic management. Furthermore, there is a need for increased female participation in the course in the future.

Table 1.4.10: Gender and Institutional Distribution of Participants

| **Gender Distribution** | | **Central Banks** | **Ministries, Dept.& Agencies** | **Leg./Mass Media** | **Other public** |
|---|---|---|---|---|---|
| **Male** | **Female** | | | | |
| 19 | 5 | 22 | 2 | 0 | 0 |
| **79.17%** | **20.83%** | **91.67%** | **8.33%** | **0.00%** | **0.00%** |

## 1.5 GOVERNANCE AND INSTITUTIONAL DEVELOPMENT DEPARTMENT

### 1.5.0 INTRODUCTION

The Governance and Institutional Development Department organized a total of seven (7) capacity-building programmes during the year 2022. These programmes benefitted two hundred and twenty-four (224) 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 shows that Central Banks accounted for 111 participants (49.6 percent); Ministries of Finance accounted for 45 participants (20.1 percent), other public sector agencies accounted for 60 participants (26.8 participants) while other private sector agencies accounted for 8 participants (3.6 percent). In terms of country representation, 52 participants (23.2 percent) were from The Gambia; 52 participants (23.2 percent) of the participants from Liberia; 47 participants (21.0 percent) were from Ghana; 41 participants (18.3 percent) from Sierra Leone; and 32 participants (14.3 percent) from Nigeria. Considering gender distribution, 107 participants (47.8 percent) were males while 117 participants (52.2 percent) were females.

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

### 1.5.1 COURSE ON STRATEGIC HUMAN RESOURCE POLICIES AND TALENT MANAGEMENT SKILLS TO TRANSFORM ORGANISATIONS, LAGOS, NIGERIA, APRIL 25 - 29, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organized a virtual Regional Course on Strategic Human Resource Policies and Talent Management Skills to Transform Organisations from April 25-29, 2022.

The opening ceremony was chaired by Dr. Baba Yusuf Musa, Director General of WAIFEM who was represented by Dr. Alvin Johnson, Director of, the Governance and Institutional Development Department of WAIFEM. In attendance were the directors and other staff of WAIFEM and representatives of the facilitators for the course.

In his keynote address, the Director General welcomed participants to the course and informed them that the course on Strategic Human Resource Management was being held virtually for the second consecutive time due to the COVID-19 pandemic and its attendant restrictions. He expressed his optimism that in-person training would resume sooner than later as COVID-19 eases around the globe. Dr. Baba Musa also appreciated the various institutions that nominated participants and indicated that the large attendance is evident that institutions are paying more attention to developing human resource capacity in the respective organisations.

Regarding the said course on Strategic Human Resource Policies, Talent Management Skills, and Human Resource Transformation, the Director General indicated that organisations are now focused more on employee-related issues and how they can transform modern business processes. Organisations have transformed their human resource functions from being merely administrative decades ago to one that is more policy-oriented nowadays. He further noted that human resource transformation and change management have become topical issues globally and across various organisations. In addition, Dr. Musa stated that to adapt to a changing business environment, a specialist in human resource management needs to develop effective communication, strategic plans, and problem-solving abilities, among others.

The Director General concluded his address by encouraging participants to enrich their participation by taking every available opportunity to tap into the knowledge and experience of the excellent facilitators for the course.

The main objective of the course was to produce competent and confident Human Resource Managers and officials who are policy oriented to drive the growth of their organisations through strategic human resource policy orientations and strategic talent management. 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;
- Formulating new approaches that will make a measurable improvement to existing HR functions; and
- Techniques in identifying and retaining strategic talents for organisational success as well as succession planning.

The main themes covered in the course include:

- Strategic HR Policy orientation and reforms;
- Strategic HR Leadership and competence development;
- Knowledge management in Strategic HR Policies;
- Employee empowerment and engagement; and

- Innovation and talent identification, among others.

The course was attended by twenty-eight (28) participants from various institutions from The Gambia (5), Ghana (5), Liberia (12), Nigeria (1), and Sierra Leone (5). In terms of institutional representation, 19 (67.9%) came from the central banks; 2 (7.1%) from the Ministry of Finance and Economic Planning; and 7 (25.0%) from other public sector institutions. When gender is considered, 10 (35.7%) of the attendees were males while 18 (64.3%) were females. The course was facilitated by a team of experienced human resource experts drawn from professional institutions, including the Bank of Ghana and WAIFEM Faculty.

The following observations and recommendations were recorded by the participants in a communique and delivered at the end of the course:

**Observations**

- The facilitators were all good and presented their materials with utmost precision.
- Internet connectivity was a challenge for both presenters and participants. Some speakers sounded very low because of network connectivity.
- Most public sector institutions do not practice the Reward and Recognition System as revealed through the interactive discussions.
- Most institutions require new employees to undergo medical screening as part of the recruitment process.

**Recommendations**

Given the aforementioned observations, the participants recommended the following:

- WAIFEM should consider collating the training materials and the experiences shared on the different practices in the sub-region into an HR publication.
- WAIFEM should forward the presentations to participants much earlier before the presentations. This will enable participants to do further research before the commencement of lectures to enhance participation.
- WAIFEM explores alternative solutions that would lead to the provision of stable internet facilities by nominating institutions to participants.
- The cameras should be switched on to know when a participant is present or not.
- Institutions take seriously the issue of employee engagement as it is necessary for maintaining a healthy and productive organisation.
- Institutions review the requirement for medical examination during the recruitment exercise to avoid practices that have a discriminatory undertone.

The participants suggested that the following additional themes be added to the content of the course in the future:

- Managing retirement, redundancy, and dismissal in a professional, legal and ethical content;
- Cultural demographic organizational and global impacts on employee resourcing;
- How an organization can successfully recruit and strategically engage an expatriate;
- Retention strategies; Welfare, Retirement, and Succession Planning; and
- Computation of compensation benefits.

The participants thanked WAIFEM for the training opportunity. They noted that the training enhanced their knowledge needed to reposition their various organisations through appropriate HR policies and talent management strategies to face the current global challenges with hope and optimism.

They were also grateful to their various institutions for providing them the opportunity to participate in such an important course. Their heartfelt appreciation also went to the experienced facilitators for accepting to share their wealth of experience and knowledge.

### 1.5.2 REGIONAL COURSE ON PROJECT APPRAISAL AND FINANCIAL ANALYSIS (BLENDED LEARNING FORMAT). JUNE 20 - 24, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Course on Project Appraisal and Financial Analysis (Blended Learning Format), from June 27- July 1, 2022.

The opening ceremony was chaired by Mr. Euracklyn V. Williams, Director for Administration and Finance Department, WAIFEM, on behalf of Dr. Baba Yusuf Musa, Director General of the Institute. In attendance were the Directors and other staff of WAIFEM and seasoned resource persons. In his keynote address, the Director General welcomed participants to the course and informed them that the course on Project Appraisal and Financial Analysis was being held for the first time in a blended learning format – a variant of the virtual and in-person delivery. This method was devised to address some of the challenges associated with online delivery as well as to enhance interactions among participants.

Dr. Musa expressed his optimism that regular in-person training would resume in the second half of 2022 because the world's economy is gradually recovering due to the massive vaccination of citizens, relaxation of some COVID restrictions as well and adherence to mitigating measures. The Director General, however, advised that participants should continue to observe the social distancing protocols, washing of hands, and wearing of face masks. Dr. Musa also appreciated the various institutions that nominated participants and indicated that the large attendance is evidence that institutions are concerned about developing their human resources capacity and a clear manifestation of the importance of project appraisal and financial analysis in their institutions.

Dr. Baba Musa indicated that capital expenditure on projects often consumes a significant amount of organizations' resources and that it is important for project decision-makers to develop proposals that will have the best results. The project decision-making process requires adequate skills to effectively assess an organization's capabilities and opportunities using various methods. The Director General further stated that a rigorous project identification system acts as the first screening mechanism to prevent inappropriate and inefficient projects from getting into the project life cycle and gaining the momentum that could make it difficult to halt execution at the later stages.

Dr. Baba encouraged participants to enrich their participation in the course by taking every available opportunity to tap into the knowledge and experience of the experienced facilitators who have been assembled to deliver the topics lined up.

The main objective of the course was to provide insight into the techniques of project evaluations, strategic policy analysis, and selection techniques that are critical parts of the project decision-making process, including financial and risk analysis methodologies.

The main themes covered during the course include:

- Overview of Project Appraisal and Financial Analysis;
- Best Practices in Project Appraisal and Selection;
- Analyzing Project Specifics;
- Managing, Controlling, and Modelling Cash Flow;
- Project Analysis Under Risk and Uncertainty;
- Risk Assessment and Management Techniques in Project Appraisal;
- Project Investment Decisions- Case Study of Ghana;
- Evaluating Project Costs; and
- Public Private Partnerships (PPPs) and Sources of Project Finance- Case Study of Nigeria, among others.

The course was attended by forty-nine (49) participants from various institutions from The Gambia (10), Ghana (9), Liberia (10), Nigeria (12), and Sierra Leone (8). In terms of institutional representation, 14 (28.6%) came from the central banks; 15 (30.6%) from the Ministry of Finance and Economic Planning; 16 (32.6%) from other public sector institutions, and 4 (8.2%) from the private sector. When gender was considered, 28 (57.1%) of the attendees were males while 21 (42.9%) were females. The course was facilitated by a team of experienced Project Executors and Financial Experts drawn from professional institutions in the private and public sectors from the sub-region. They used lecture notes, role-playing, and case studies in the course delivery.

The participants identified the following as major hindrances to project implementation in Africa:

- Improper planning, political instability, bureaucratic bottlenecks, deliberate policy imposition, and project plan alterations by implementers or civil servants saddled with the responsibility to implement.
- Faulty forecasting of project duration is influenced by the desire to win a contract at all costs under competitive bidding (due process). In the end, the contractors, after giving very optimistic time estimates to win the contract, face the reality of project implementation ending up in delayed project completion.
- Delayed payments for completed projects, and variations in contract negotiations due to inflation, interest rates, fiscal measures, and other political exigencies, take a toll on contract implementation.
- Faulty costing also arises which brings about untold logistic complications in the system.
- Wrong choice of staff to handle key positions and wrong choice of method of implementation
- Sourcing of funds and guarantee of cash flow;
- The inability to involve the target beneficiaries in the planning process (social, political, economic, and administrative environment) hinders project implementation and results in project

failure;

- Ignorance of project life cycle cost, and lack of financial resources;
- Lack of government policies/support, and lack of building codes on sustainability;
- Lack of leadership, lack of market segmentation, lack of motivation and aspiration values of managers, and delay in decision making;
- Lack of environmentally sustainable materials, lack of sustainability measurement tools, lack of easily accessible guidance, lack of technical ability, and chronic skills and labor shortages;
- Political barriers: lack of government commitment, and lack of legislation.

The participants thanked the West African Institute for Financial and Economic Management (WAIFEM) for the training opportunity. They averred that the training increased their knowledge of Project Appraisal and Financial Analysis for the benefit of their various institutions. The participants also expressed appreciation to their various institutions for providing them the opportunity to participate in the course. They also appreciated the facilitators and coordinators for their commitment to ensuring the success of the course.

### 1.5.3 WAIFEM REGIONAL COURSE ON CORPORATE GOVERNANCE AND REGULATORY COMPLIANCE, BANJUL, THE GAMBIA. JULY 25-29, 2022

The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Course on Corporate Governance and Regulatory Compliance in Banjul, The Gambia, from July 25-29, 2022 to enhance the capacity of staff from member countries (The Gambia, Ghana, Nigeria, Liberia and Sierra Leone) on Corporate Governance and Regulatory Compliance.

During the opening ceremony, the Director General of WAIFEM, Dr. Baba Y. Musa, welcomed all participants and facilitators and expressed his utmost appreciation to the President of the Republic of The Gambia, His Excellency Adama Barrow, and the Honourable Governor and Management of the Central Bank of The Gambia for the tremendous support offered WAIFEM over the years. He expressed his pleasure for the return of in-person execution of the WAIFEM programmes following the relaxation of restrictions put in place by member countries over two years ago due to the outbreak of the COVID-19 pandemic. Dr. Musa affirmed that during the period of the imposition of the COVID-19 restrictions, WAIFEM successfully executed several programmes through virtual learning formats. Nonetheless, he admonished the participants to continue to observe the social distancing protocols, washing of hands and wearing of nose masks and other directives from governments and relevant health institutions if required.

Regarding the course, the Director General highlighted that good corporate governance is the foundation for a healthy and functional organization and that the course could not have come at a better time than now when most countries and institutions are grappling with governance and regulatory compliance issues. He concluded his remarks by urging participants to engage excellent and experienced facilitators to build an ethical culture and establish acceptable corporate governance standards and mitigation of compliance risks in their respective organizations.

The keynote address was delivered by the Second Deputy Governor, Dr. Paul J. Mendy, on behalf of the Governor of the Central Bank of The Gambia, Hon. Buah Saidy, who was unavoidably absent due to other equally important official engagements. The Governor also welcomed all participants to Banjul and particularly recognized the Director General of WAIFEM and his team for organizing this important course after a nearly two-year break in hosting in-person regional courses due to the COVID-19 pandemic. The Governor praised the achievements of WAIFEM under the leadership of Dr. Musa who has been unrelenting in contributing immensely to the building of capacity in macroeconomic, debt, and financial sector management, as well as governance and institutional development across the sub-region.

He noted that one of the most obvious reasons for corporate failure was the lack of an effective board and cited the importance of an effective corporate governance structure in organisations. Governor Saidy further pointed out that another crucial corporate governance issue that makes organisations and companies fail was risk blindness. The Governor indicated that good corporate governance involved a framework that is put in place to get the most value for the shareholders legally, ethically, and sustainably. He assured participants that the course would provide the right forum for the exchange of ideas towards ensuring that good corporate governance practices are strengthened in organisations within the sub-region. With these final remarks, he took the honour and privilege to declare the Regional Course on Corporate Governance and Regulatory Compliance opened.

The main objective of the course was to provide practical and theoretical insights that would help participants and organisations build an environment of trust, transparency, and accountability necessary for fostering long-term investment, financial stability, and business integrity, thereby supporting stronger ethical culture, growth, and more inclusive societies. The course was also expected to enable leaders and compliance managers in organisations to learn good corporate governance strategies and regulatory compliance ethics. Another aim of the course was to assist participants to develop core operational skills that focus on best-fit practices in risk management, creating regulatory compliance culture, and strengthening relationships with key stakeholders.

The broad themes covered include:

- Introduction to the Value Proposition of Corporate Governance, Risk Management & Regulatory Compliance;
- Red-flags Associated with Regulatory Compliance & Governance Failures;
- Development and Implementation of Corporate Governance, Risk Management & Compliance Policies and Procedures;
- Framework for Compliance Risk Assessment; and
- Corporate Governance Framework for Public Agencies, Banks, and Other Financial Institutions, among others.

The Course was attended by thirty-six (36) participants from central banks, core policy ministries, regulatory agencies, revenue authorities, and other public sector organizations in The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. A team of experienced facilitators from both public and private sector institutions in the sub-region who articulated the subject matter in detail facilitated the course.

At the end of the course, the participants made several observations including the balancing of case studies and examples for both public and private institutions; the inclusion of West African-related case studies of corporate failures and successes; and that member countries should develop policies on gifts and reward register, among others.

### 1.5.4 REGIONAL COURSE ON LEADERSHIP SKILLS DEVELOPMENT AND MANAGEMENT FOR SUPERVISORS AND NEW MANAGERS. ACCRA, GHANA, SEPTEMBER 19-23, 2022.

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 September 19-23, 2022, at Erata Hotel, Accra, Ghana.

The course was declared open by the Governor of the Bank of Ghana, Dr. Ernest Addison, who was represented by Mr. Richard Homiah, Assistant Director of the Governor's Department, Bank of Ghana. In his keynote address, the Governor welcomed the Director General of WAIFEM and his team and the participants to Accra and thanked WAIFEM for organizing this important course after nearly a two-year break from hosting in-person regional courses due to the COVID-19 pandemic.

The Governor stressed the relevance of the course and reflected on how the COVID-19 situation has been further exacerbated by the outbreak of the Russia-Ukraine war at a time when countries were gaining momentum in their economic recovery efforts and stemming the COVID-19 surge. He recounted the current global developments including rising inflation, climate change, insecurity, food insecurity, exponential technological advancement, and emerging geo-political contours, among others, which signal more complex challenges ahead. Therefore, countries and organizations require good leadership – the kind of leadership skills needed to navigate these turbulent times, he emphasised.

The Governor also quoted a popular saying that "great leaders are born and not made." He added that whilst the saying may have a grain of truth in it, learning to be more effective at leadership is within the grasp of everyone. It doesn't matter if one leads multiple teams, an entire company, or just a handful of staff members, he continued, acquiring leadership skills can improve both the leaders' and employees' performances. He identified inspiring vision, good managerial skills, technical and conceptual skills, interpersonal skills, communication skills, and decision-making skills, among others, as cardinal for leadership roles.

Similarly, he indicated that most senior managers are expected to be 21$^{st}$-century leaders as they are required to have a shift in mindset. The 'Modern mindset' he emphasized, would equip them to deal with the unique challenges of the 21st century. They must be able to adapt rapidly in a changing world of work where the talent to relate, create, and instigate change defines the overall success of an organization.

On behalf of WAIFEM, the Director General of WAIFEM, Dr. Baba Musa welcomed all participants to Accra, Ghana. He emphasized the need for strong team cohesiveness and the adoption of recent technologies that have impacted leadership styles post-COVID-19. He urged the participants to tap into the rich knowledge and experiences that would be shared during the course to improve their leadership functions in their respective organizations.

The objective of the course was to enable supervisors and new managers to learn and apply advanced management and leadership skills in their workplaces. Specifically, the course enabled the participants to:

- Learn the different leadership styles and roles of leaders;
- Achieve productivity gains through leadership strategies that engage and motivate team members;
- Learn the critical role of digitalisation in leadership; and
- provide participants with an understanding of the different generations in the workplace and management of youthful employees, among others.

The broad themes covered included the following:

- Leadership Fundamentals;
- Managing people and resources;
- Understanding and implementing effective leadership styles;
- The role of a leader: Preparing for a leadership role;
- Strategic drivers of successful leadership;
- Organizational dynamics: Setting organisational priorities;
- Tools for leading performance;
- Inter-generational Value Change; and
- Coaching, Delegation, and monitoring performance, among others.

A total of thirty-one (31) participants comprising 20 males and 11 females from Central Banks, Core Policy Ministries, Regulatory Agencies, Revenue Authorities, and other public sector organizations in 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.

After five days of intensive presentations and discussions on Leadership Skills Development and Management for Supervisors and New Managers, the following observations and recommendations were recorded by the participants for consideration by the WAIFEM Management and other relevant authorities:

**Observations:**

- The training sessions were very interactive with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions;
- Some of the facilitators incorporated activities/tactics that prompted participants' interactions and group work.
- Only one level of Leadership training programme is offered yearly by WAIFEM.
- Most of the participants were not familiar with the issues of addressing generational gaps in their workplaces.
- There was limited or no media presence during the opening ceremony of the programme, thereby limiting the publicity of the course.
- The ratio of 11 females to 20 males is quite commendable and a reflection of the gender sensitivity of the group/organizers.
- The course content was well articulated, elaborate, and tailored towards contemporary leadership and management practices;
- Given that there was a session on Inter-generational Value Change, the participants should consider all generations for a proper understanding of how to manage each generation in the workplace.

**Recommendations:**

- All facilitators should incorporate class activities during the sessions to create full interactive discussions and engagements.
- The programme should be made fully residential for all the participants to facilitate group assignments and avoid lateness and absenteeism.
- Given the dearth of leadership in the sub-region, WAIFEM should consider the possibility of having different levels of Leadership and Management training programme in the calendar year.
- WAIFEM should consider including Human Resources Management (Manpower Planning, Job Evaluations, Management Information Systems, etc.) to prepare employees in these areas to overcome the challenges and expectations faced.
- There should be a media presence during the opening of the course to give the programme the necessary publicity.

The participants suggested the following additional themes should be added to the content of the course in the future:

- Strategic Leadership
- Organizational Behaviour
- Perception and its effects on individual/work colleagues
- Leadership deficit and mitigation strategies
- Coaching and Mentoring

The participants expressed their profound gratitude to the Governor of the Bank of Ghana, 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 their respective institutions and organizations that allowed them to enroll in this much-needed course.

### 1.5.5 REGIONAL COURSE ON EFFECTIVE COMMUNICATION AND PLANNING SKILLS FOR ADMINISTRATIVE PROFESSIONALS & EXECUTIVE ASSISTANTS. MONROVIA, LIBERIA, OCTOBER 3 - 7, 2022

The regional course on Effective Communication and Planning Skills for Administrative Professionals and Executive Assistants was organized by the West African Institute for Financial and Economic Management (WAIFEM) in Monrovia, Liberia, from October 3 – 7, 2022.

The course was declared open by Hon. J. Aloysius Tarlue, Jr., the Executive Governor of the Central Bank of Liberia, who was represented by Mr. Michael B. Ogun, Senior Director, of Multilateral Relations, Central Bank of Liberia. In his keynote address, the Hon Executive Governor welcomed everyone to the opening ceremony, particularly, the Director General of WAIFEM and his team to Monrovia. He also thanked WAIFEM for organizing this important course after a two-year break from hosting in-person regional courses due to the COVID-19 pandemic.

Further, Mr. Ogun, on behalf of the Honourable Governor, welcomed the distinguished facilitators and participants, especially those visiting Monrovia for the first time, and wished them a pleasant stay. The Hon. Executive Governor urged the participants to take some time off their busy schedules to visit some of the tourist sites around the capital city.

Governor Tarlue highlighted the role and relevance of administrative professionals and executive assistants for organizational success as follows:

- They are individuals who are relied upon to keep offices organized and operating effectively;
- They are experts who know the top tactics for improving business productivity and can quickly implement strategies that make a big impact.
- They are staff members who are adept at taking on a wide range of tasks.
- They are people who add value by freeing up large blocks of time for their bosses or the teams they support.
- They play vital roles in an organization's ability to achieve its goals and objectives, etc.

In addition, the Executive Governor mentioned that Administrative Professionals and Executive Assistants should possess some critical knowledge and skills necessary to manage interpersonal relations efficiently within their organizations vis-à-vis the high and pressing demands of their offices. He indicated that most Senior Managers expect Administrative Professionals and Executive Assistants to have leadership and management skills for the proper discharge of their duties and as such, need training and retraining for enhanced job performance.

On his part, the Director General of WAIFEM, Dr. Baba Y. Musa, ably represented by Dr. Alvin Johnson, Director, of the Governance and Institutional Development Department, WAIFEM, informed the participants and the guests that the Regional Course is one of WAIFEM's flagship courses as it creates a platform for dialogue on the important roles Administrative Professionals and Executive Assistants play in achieving organizational success.

Dr. Musa further noted that the ability of high-performing leaders to achieve targets and goals is largely dependent on their Administrative Professionals and Executive Assistants. He pointed out that Executive Assistants and Administrative Professionals ought to be well-organized, have time management skills and independently act without guidance to improve business productivity.

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 Administrative Professionals and Executive Assistants;
- Acquire knowledge and skills in Office Administration and Management essential for the effective discharge of their responsibilities; and
- Develop and upgrade interpersonal skills for office management, among others.

The broad themes covered included but not limited to the following:

- Roles and Expectations of an Administrative Professional/Executive Assistant
- Effective Communication and Emotional Intelligence;
- Protocol and Business Etiquette;
- Strategic Skills for Administrative Professionals;
- Organisational Skills for Superior Performance;

- Personal Effectiveness and Assertiveness;
- Document Control and Records Management;
- Decision-making and Problem-Solving Skills; and
- Introduction to Microsoft Office and Office Technologies.

A total of forty (40) Administrative Professionals and Executive Assistants from Central Banks, Core Policy Ministries, Regulatory Agencies, and Revenue Authorities from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone benefited from the program. The course was delivered by a team of experienced facilitators from both the Public and Private Sectors in the Sub-Region.

After five days of intensive presentations and discussions on Effective Communication and Planning Skills, the following observations and recommendations were recorded by the participants for consideration by the WAIFEM Management and other relevant authorities:

**Observations:**

a. The female participants in the course outnumbered the male participants (36:4). This is a positive development as it demonstrates that organizations in West Africa are being gender sensitive which is laudable.

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

c. The training sessions were very interactive with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions;

d. The course venue was conducive to teaching and learning. However, there were intermittent disruptions due to technical challenges.

**Recommendations**

- Given the contemporary nature of the topics delivered, more participants should be allowed to attend the course, especially their male counterparts.
- A follow-up course should be organized with more emphasis on Protocols and Etiquette, Interpersonal Skills Development, Public Speaking, etc. to enable participants to gain a deeper understanding.
- WAIFEM should consider conducting research into the success stories of Administrative Professionals/Executive Assistants in the Sub-Region in terms of how this program has impacted their performance in the workplace.
- There is a need to extend the duration of the course to two weeks for participants to have in-depth discussions on the topics presented.
- Organizations in the sub-region should nominate more participants in the training on Effective Communication and Planning Skills due to its relevance and importance to modern-day business operations.

The following additional themes were suggested by the participants to be added to the content of the course in the future:

- Time management;
- Microsoft Outlook;
- Developing and Analysing Statistical Reports;
- Professional Development for Administrative Assistants and Executive Assistants in the 21st Century; and
- Behavioural Attitude and Change Management, among others.

- The participants expressed their sincere gratitude to the Honourable Executive Governor of the Central Bank of Liberia, the Director General of WAIFEM and his staff, and all stakeholders for the successful organization of the course. They appreciated the seasoned facilitators for imparting such great knowledge in a short space of time. They expressed their heartfelt gratitude to their various nominating organizations that accorded them the opportunity to enroll in this much-needed course. The participants also congratulated themselves for their comportment and excellent cooperation during the entire program.

### 1.5.6 WAIFEM REGIONAL WORKSHOP ON PROJECT MONITORING & EVALUATION USING RESULTS-BASED MANAGEMENT FRAMEWORK, FREETOWN, SIERRA LEONE, OCTOBER 17 - 21, 2022.

The regional workshop on Project Monitoring & Evaluation Using Results-Based Management was organized by the West African Institute for Financial and Economic Management (WAIFEM), from October 17 – 21, 2022 at New Brookfields Hotel, Freetown, Sierra Leone.

The workshop was declared open by the Governor of the Bank of Sierra Leone and current Chairman of the Board of Governors of WAIFEM, Professor Kelfala M. Kallon, who was ably represented by Mr. Hilton Jarrett, Director of the Banking Supervision Department, Bank of Sierra Leone.

In his keynote address, the Governor welcomed the Director General of WAIFEM, his team, and the participants to Freetown and thanked WAIFEM for organizing this important workshop. Prof. Kallon stressed the relevance of the workshop as he reflected on the impact the Covid-19 pandemic has had on the world's economy which has been further exacerbated by the Russia-Ukraine war.

He emphasized that as governments and organisations assess, design, and implement crucial project interventions, an important component of project implementation that requires due attention is the Monitoring and Evaluation (M&E) framework which is fundamental to the successful implementation of development projects.

The Governor also quoted a popular saying that "starting a project without an M&E framework is akin to starting a business without enough financial resources." Prof. Kallon further emphasized that project monitoring and evaluation has become a more and more bottom-up approach where the wider public and local agents find space to voice new demands and hold policymakers accountable. He outlined Transparency and Accountability, Early Detection of Problems, Improvement in Decision Making, Organisational Skills, and Replication of the Best Projects or Programmes as some of the importance of the M & E system in the project circle.

The Governor concluded his remarks by expressing his confidence that M&E can be significantly enhanced when institutions like WAIFEM continue to build the capacity of a community of professionals and advocates who value monitoring and evaluation nationwide, and support governments and organizations that are governed by evidence-based policy-making and programming. He wished the participants fruitful discussions and productive dialogue and declared the workshop open.

The Director General of WAIFEM, Dr. Baba Musa, represented by Dr. Alvin Johnson, Director, of the Governance and Institutional Development Department, WAIFEM, welcomed the participants to Freetown, Sierra Leone. The Director General emphasized that the workshop aimed to equip participants with needed skills and tools in setting up and implementing Project Monitoring and Evaluation using Results-Based Management Framework systems throughout the life cycle of a project – from initiation, planning, execution, monitoring, and closure. He indicated that it was important to conduct an evaluation test after every phase of a project to ensure project success in the end.

The main objective of the workshop was to upgrade the knowledge and skills of participants in understanding monitoring and evaluation systems using a result-based management framework. Specifically, the workshop enabled the participants to:

- clarify key project results levels;
- develop indicators and targets for each result level;
- design a project using a logical framework; and
- develop and implement an effective monitoring and evaluation system, among others.

The broad themes covered include the following:

- Introduction to results-based project management;
- Fundamentals of Monitoring and Evaluation Process;
- Evaluation with RBM and implementing RBM;
- Tools, methods, and approaches to M&E;
- Results-based management and the theory of change;
- Risk management plan and impact evaluation;
- M&E results use and dissemination; and
- Knowledge & learning, among others.

A total of twenty-seven (27) participants comprising 17 males and 10 females from Central Banks, Ministries of Finance and other Core Policy Ministries, Regulatory Agencies, Revenue Authorities, and other public sector organisations in The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone attended the workshop. The workshop was delivered by a team of experienced facilitators led by Dr. James Edwin, Director General & Chairman, National Monitoring & Evaluation Directorate, State House, Sierra Leone. The other facilitators were Dr. Oyewole Gbenga, an M&E Consultant from Nigeria, and Mr. Kawusu Kebbay, Head of WAQF Foundation, Sierra Leone.

After five days of intensive presentations and discussions on Project Monitoring and evaluation using a Results-Based Management Framework, the following observations and recommendations were recorded by the participants for consideration by the WAIFEM Management and other relevant authorities:

**Observations:**

- Given the hands-on nature of the workshop, the one-week duration was inadequate to fully cover all the topics in-depth.
- The training sessions were very interactive

with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions.

- The facilitators incorporated activities/tactics including group exercises that prompted further discussions.
- Most of the participants were familiar with the issues discussed but did not have adequate resources to practice in their workplaces.
- The ratio of 10 females to 17 males is quite commendable and a reflection of the gender sensitivity of the group/organizers.
- The workshop presentations were not recorded for future learning for the participants.
- The workshop content was well articulated, elaborate, and tailored towards M&E practices.

**Recommendations:**

- WAIFEM should consider extending the duration of the workshop to two weeks to facilitate the in-depth coverage of the workshop materials;
- WAIFEM should consider developing standard modules and transforming the programme into a certification programme with three different levels – Foundation, Intermediate, and Advanced levels.
- Member countries should be assisted in institutionalizing M&E units in their various institutions and encouraged to provide the needed tools and support to internalize M&E systems.
- Lectures should be recorded and shared with participants for further reference.

The participants proposed the following themes for consideration for future workshops in this area:

- M&E data collection and analysis.
- Practical Setting of Baselines and Targets and their Measurement.
- More hands-on on Indicators Setting.
- M&E using real case studies.
- The use of statistical software.
- Effective preparation and analysis of questionnaires using software.
- Use of technology/mobile phone in data collection.
- M&E Reports and Documentation.
- Planning for improvement-selecting results target using M&E findings.

The participants expressed their profound gratitude to the Governor of the Bank of Sierra Leone and Chairman of the Board of Governors of WAIFEM, the Director General of WAIFEM and his staff, and all stakeholders for the successful organisation of this important programme. Special appreciation was accorded to the experienced facilitators who brought theory to practice in monitoring and evaluation using results-based management. The participants also extended their heartfelt appreciation to the respective institutions and organisations for allowing them to enroll in this much-needed workshop.

### 1.5.7 REGIONAL COURSE ON RETIREMENT PLANNING, PERSONAL FINANCE MANAGEMENT SKILLS, AND MANAGING NEW BEGINNING. LAGOS, NIGERIA, OCTOBER 31 - NOVEMBER 4, 2022

The Regional Course on Retirement Planning, Personal Finance Management Skills, and Managing New Beginning was organized by the West African Institute for Financial and Economic Management (WAIFEM), from October 31 – November 4, 2022, in Lagos, Nigeria (WAIFEM Headquarters).

At the opening ceremony, the Director General of WAIFEM, Dr. Baba Y. Musa, welcomed the participants on behalf of the Management and staff of WAIFEM to the regional course on Retirement Planning, Personal Finance Management Skills, and Managing New Beginning. He congratulated the participants who were selected by their various organizations to participate in the course. Dr. Musa noted that WAIFEM, on the directive of the Board of Governors, resumed face-to-face delivery of its capacity-building programmes in the second half of 2022.

The Director General stated that one of the greatest challenges that employees face throughout their work life is life after retirement. He maintained that every employee must reach a point in his/her life, whether he/she is prepared or not, to retire as retirement is inevitable. As such, employees, while in active service, must prepare well in advance to cope with the emotional, psychological, and financial challenges that come with retirement because their careers will end at some point in time.

Accordingly, Dr. Baba Musa said, that even though in most developing countries, governments restrict the working age of civil servants to prevent an aging workforce, i.e. encouraging the entry of young able-bodied workers to increase efficiency and productivity, many people retire without any personal plans or pre-retirement counselling. The Director General indicated 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. He therefore stressed that it is pertinent for workers to plan adequately toward retirement well ahead of time to avoid the pitfalls associated with poor retirement planning.

Dr. Musa reiterated that due to the rapidly changing economic situation (rising cost of living, healthcare, responsibility for extended family members, etc.), there is no better time to begin planning for retirement than right now. This is because benefits from pension schemes (public or private) are inadequate. Additionally, he emphasized that most pension funds have been characterized by corruption, mismanagement, diversion, and embezzlement for political reasons over the years in most developing countries.

Dr. Baba Musa informed the participants that by attending this course, they would benefit in several ways which include but are not limited to planning and managing retirement; learning investment tips, starting and running their businesses; implementing a new financial culture; and living a healthy and prolonged life, among others.

The Director General encouraged the participants, particularly those making their first formal encounter with the Institute to visit WAIFEM's website at www.waifem-cbp.org, where they will learn a great deal about WAIFEM's two-and-a-half decades of capacity-building in the West African sub-region and beyond, including institutional reforms, programme and mission accomplishments and its network of partners in the capacity building sphere.

The main objective of the course was to expose participants to issues of accountability and responsibility for their retirement planning and personal finance management. Additionally, the course also aimed at enhancing participants' competencies in the following areas:

- Help participants make sound investment decisions to create, protect, and distribute their wealth;
- Assist participants in living a renewed life and creating a fulfilling retirement lifestyle; and
- Assist participants in identifying talents and personal capabilities that can be utilized elsewhere after retirement, including starting a business that will assist retirees in living a renewed and fulfilled life.

The Course also introduced participants to developing business plans, barriers to good life, employment continuity, and professional enhancement as well as Will and Testament Planning for post-retirement.

The broad themes of the course covered include:

- Retirement Psychology Mind-Set Management;
- Retirement Planning & Setting Retirement Goals;
- Entrepreneurial Development;
- Financial Management in Retirement;
- Investment Options in Retirement;
- Business Plan Development;
- Home, Family, and Other Considerations/ Barriers to Good Life;
- Employment Continuity and Professional Enhancement in Retirement;
- Will and Testament Planning;
- Health, Physical Fitness & Wellness Management in Retirement;
- Planning for Health Expenses in Retirement; and
- Case Studies on Retirement Start-up Project/Business.

A total of 13 officials from Central Banks, Core Policy Ministries, Regulatory Agencies, and other public sector organizations from The Gambia, Ghana, Liberia, and Nigeria attended the course. The course was delivered by a team of experienced facilitators from both the public and private sectors.

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

- All the participants averred that the course exposed them to the psychological factors that influence success or failure in retirement.
- All the participants believed that the course enhanced their knowledge and skills in entrepreneurial development financial management and planning to ensure a financially independent life after retirement.
- All the participants agreed that the knowledge gained will enable them to make sound entrepreneurial and investment decisions to create, protect, and distribute their wealth after retirement.
- All the participants agreed that the course increased their understanding of setting retirement and health goals, identifying their talents, and developing personal capabilities in preparation for retirement.
- § All the participants strongly agreed that the topics covered in the course were

appropriate.

- 91.6% of the participants strongly agreed that the group presentation session was effective in showcasing participants' understanding of the topics discussed.
- More than 91% of the participants strongly agreed that the quality of facilitation assisted them in understanding the different concepts of retirement planning, personal finance management skills, and managing new beginnings.
- All the participants agreed that the documents (lecture materials, case studies, etc.) that were presented were useful.
- All the participants strongly agreed that the administration of the course was effective.
- Overall, the participants agreed that the course met their expectations.

Participants suggested that the following themes be added to the content of the course in the future:

- Work-life balance in retirement
- Personal development in retirement
- Slowing down with workload months before retirement
- Islamic perspective on inheritance
- Settlement of debt owed before retirement.

The following observations and recommendations were made by the participants for consideration by the WAIFEM Management and other relevant authorities, during the five (5) days of intensive presentations and discussions on Retirement Planning, Personal Finance Management, and Managing New Beginnings:

**Observations:**

a. The initiative by WAIFEM in rolling out the regional course on retirement planning is laudable, especially at a time when most employees think that retirement is a death sentence due to their unpreparedness and the level of uncertainty;

b. The course content was well articulated, elaborate, and tailored toward real-life situations;

c. The sessions were interactive with both facilitators and participants sharing practical knowledge; real-life examples and experiences regarding their situation which enhanced and brought more insight into the discussions;

d. Most WAIFEM member countries do not have private pension managers to give a wide range of pension options to employees;

e. Most employees do not start retirement planning much earlier, e.g. from day one of being employed;

f. The economic environment of most countries in the West African sub-region discourages entrepreneurship and other economic activities due to inconsistencies in government policies, security concerns, etc.;

g. Most organizations in the WAIFEM member countries do not have policies in place for retirees (especially healthcare);

h. Retirement Planning is not discussed in most organizations in the sub-region which contributes to the unpreparedness of employees for retirement after many years of service;

i. Most employees and soon-to-be retirees do not properly manage their finances during their work life;

j. Most employees are not aware that the preparation of 'Will & Testament is very important to the well-being of their family; and

k. Most of the participants in this program are soon-to-be retirees.

**Recommendations**

- Organizations in the sub-region are urged to put in place policies that would benefit retirees (health care/insurance for employees/spouses after they leave the organization.
- Organizations (public and private) should introduce robust Retirement Planning Programmes during onboarding/induction to enable employees to better understand, prepare, embrace, and get ready for their retirement when due.
- Soon-to-be retirees or retirees are urged to venture into business that they understand or know about.
- Employees should be encouraged to start a business (side hustle) at least ten (10) years before retirement.
- Relevant laws and policies should be enacted for the establishment of private pension managers in countries where they are non-existent.
- There is a need for employees to start planning for retirement early enough to avoid the pitfalls of late planning (Financial Planning).

- Governments in our sub-region should, as a matter of urgency, create an enabling environment to encourage entrepreneurship.
- There is a need for employees to understand the essence of writing a Will and Testament to avoid misunderstanding and confusion that may arise in the future.
- Employers should encourage employees to begin writing their "Will and Testament".
- 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.

The participants expressed their profound gratitude to the Director General of WAIFEM, Dr. Baba Y. Musa, his staff, and all stakeholders for the successful organization of this all-important program. Their heartfelt appreciation was also extended to the nominating institutions and organizations for allowing their employees to attend the course.

## 1.6 BUSINESS DEVELOPMENT AND CONSULTANCY UNIT

### 1.6.0 INTRODUCTION

During the year 2022, the Business Development & Consultancy Unit organized a total of sixteen (16) demand-driven capacity-building programmes, three (3) of which were organized online. These programmes benefitted three hundred and ninety-one (391) 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-wide distribution of the participants indicates that 316 participants were from Nigeria (80.8 percent); this is followed by 42 participants from other countries (Francophone etc.) (10.57 percent);12 participants from Guinea (3.1 percent); 6 from Liberia (1.5 percent); 6 from Sierra Leone (1.5 percent); 5 from Ghana (1.3 percent); and 4 from The Gambia (1.0 percent).

A breakdown of participation according to institutions shows that central banks accounted for 94 participants representing 24.0 percent; other public sector agencies accounted for 216 participants (55.2 percent) and Ministries of Finance and Economic Planning accounted for 81 participants (20.7 percent). In terms of participation by gender, 256 participants were male, representing 65.5 percent, while 135 were female representing 34.5 percent of the participants.

Details of the demand-driven courses conducted by the Business Development & Consulting Unit (BDCU) are as follows:

### 1.6.1 STATE-BY-STATE COURSE ON DEBT SUSTAINABILITY ANALYSIS (DSA) FOR STATES UNDER AfDB FUNDED CAPACITY BUILDING PROGRAMME, NASARAWA STATE, NIGERIA, JANUARY 17 - February 19, 2022.

This course was organized by the West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Debt Management Office (DMO) in the Northern and Southern States of Nigeria. The workshop for both Southern and Northern States consists of two tripods each (i.e. Tripod 1 and 2).

#### 1.6.1.1 Northern States-by-States (Tripod 1)

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Debt Management Office (DMO), Nigeria, organized the first batch of Northern **State-by-State training courses on Debt Sustainability Analysis (DSA)**. The course which is funded by African Development Bank (AfDB), was held from 17 to 21 January 2022 at the Global Village Hotel, Abuja-Keffi Express Way, Mararaba, Nasarawa State. Twenty-one (21) delegates attended the workshop from Three (3) States comprising Benue, Kebbi, and Yobe States of the North East, North West, and North Central geopolitical zones. Each State had seven (7) delegates each.

#### 1.6.1.2 Southern States-by-States (Tripod 1)

The first Southern States-by-States workshop was held on 24-28 January 2022 at the Lagos Airport Hotel, Ikeja, Lagos State. Twenty (20) delegates attended the workshop from 4 States comprising Delta, Ondo, Osun, and Imo. Fourteen (14) representatives made up of seven (7) delegates each attended from Ondo and Imo states, while Delta State had six (6) delegates.

#### 1.6.1.3 Northern States-by-States (Tripod 2)

The second States-by-States workshop was held from 7 to 11 February 2022 at the Global Village Hotel, Abuja-Keffi Express Way, Mararaba, Nasarawa State. Twenty-one (21) delegates attended the workshop from Three (3) States comprising Adamawa, Jigawa, and Plateau States of the North-East, North-West, and North-Central geopolitical zones. Each State had seven (7) delegates each.

#### 1.6.1.4 Southern States-by-States (Tripod 2)

The second Southern Zone States-by-States workshop was held from 14 to 19 February 2022 at the Lagos Airport Hotel, Ikeja, Lagos State. Twenty-one (21) delegates attended the workshop from three (3) States comprising Bayelsa, Enugu, and Ogun States of the SouthSouth, SouthEast, and SouthWest zones. Each State had seven (7) delegates each. Ogun State sent the highest number of female delegates relative to other states in the entire program (four females out of the seven delegates.

**Opening Sessions for the Workshops**

The workshops were declared open by the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Yusuf Musa who was represented by Professor Douglason G. Omotor. At all the opening sessions, the Director General expressed his gratitude on behalf of the Board of Governors, Management, and Staff of WAIFEM to the Director General, Debt Management Office, and staff for permitting the Institute to host the workshop. He also expressed a similar sentiment to the staff of the Debt Management Office for the excellent logistics support provided to organize/conduct the workshop. Dr. Baba Yusuf Musa reiterated WAIFEM's Board and Management's appreciation to the African Development Bank (AfDB) and Debt Management Office (DMO) for their relentless efforts in partnering with WAIFEM in the delivery of various trainings.

The Director General encouraged the participants to pay more attention to the training as this is a continuation of the first one held in November 2021. The DG reiterated the commitment of the WAIFEM to building the capacity of the states' officials to master the template.

Dr Olugbenga Oyewole, one of the facilitators highlighted the importance of maintaining Debt Sustainability by States and urged participants to devote themselves to understanding the DSA template tool, be able to explain every input therein and further ask questions or seek clarification anytime during the training.

Another facilitator, Dr Mohammed Aliu Momoh emphasized the need for states to maintain debt at sustainable levels, highlighting the importance of debt sustainability in fiscal management. He also pointed out the need for the states to partner with academicians in their respective universities, especially departments of economics who are versed in research to acquire accurate data close to reality.

**Objectives of the Training**

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 scope of the capacity-building programme was also to develop and execute targeted capacity-building plans for the sub-national debt managers in liaison with the DMO. Arising from the scope above, the following listed sub-themes were covered:

- o Concepts of Fiscal Balance and Public DebtInputs: Financing Assumptions
- o Macroeconomic Linkages and Debt Dynamics
- o Realism Baseline Projections
- o Debt Level in a DSA
- o Improving fiscal Risks
- o Vulnerabilities Associated with Profile of Public Debt
- o Risk-Based Approach to DSA
- o Preparation of DSA Report, and Presentation of DSA Reports by States.

The Training workshops were facilitated by a team of experienced resource persons from WAIFEM. They include Dr. Olugbenga Oyewole, Dr. Mohammed Aliu Momoh, and Dr. Baba Y. Musa.

Messrs Maraizu Nwankwo and Nura Adamu Usman of the DMO, Abuja, and Prof. Douglason G. Omotor of WAIFEM complemented the facilitation.

**Table 1.6.1: Attendance, Venue, and Dates at the States-by-States DSA training**

| S/N | Tripod | Gender and Number | | | States | Venue | Date |
|---|---|---|---|---|---|---|---|
| | | Male | Female | Total | | | |
| 1 | Northern States 1 | 19 | 2 | 21 | Benue, Kebbi, and Yobe | Kebbi, Nasarawa State | 17-21 January 2022 |
| 2 | Southern States 1 | 15 | 5 | 20 | Delta, Ondo and Imo | Lagos, Lagos State | 24-28 January 2022 |
| 3 | Northern States 2 | 18 | 3 | 21 | Adamawa, Jigawa and Plateau | Kebbi, Nasarawa State | 7-11 February 2022 |
| 4 | Southern States 2 | 12 | 9 | 21 | Bayelsa, Enugu and Ogun | Lagos, Lagos State | 14-19 February 2022 |
| **Total** | | **64** | **19** | **83** | | | |

Table 1 highlights the attendance breakdown by gender and number, venue, and dates of the four state-by-state capacity-building workshops. In all, 83 participants attended the CB 3 state-by-state workshops. The breakdown of the attendance by gender is 64 (77.11%) males and 19 (22.89 %) females. The analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

- 99.9 percent of the participants agreed that the objective of the course has been achieved;
- 100 percent of the participants concurred that the course has upgraded their knowledge of Debt Sustainability Analysis;
- Overwhelmingly, 93.6 percent of the participants had agreed that the course has provided them with pertinent issues relating to Debt Sustainability Analysis which will be of immense benefit to their organizations;
- The majority of the participants, up to 99.5 percent agreed on the substantive impact of the resource persons as a team to be very good;
- 99.5 percent of the participants agreed that the knowledge and skills acquired from the training will improve their understanding of Debt Sustainability Analysis;
- 95 percent of the participants adjudged the blend of the plenary sessions and group exercises to be very effective;
- More than 88 percent of the participants concurred the quality of training materials and documentation is very good;
- 94 percent of the participants agreed the course met their expectations;
- Overall, all the participants, up to 100 percent agreed the administration and coordination of the course to be effective.

## Observations

Technical Observations (SDSA Template)

i. The participants found the SDSA Template user-friendly and efficient for target-driven debt analysis.

ii. Though data collection and analysis are cumbersome, the participants found the training interesting and educative through effective participation interactions with the facilitators and DMO, Abuja staff.

iii. SDSA template provides a sound framework for conducting DSA Framework Analysis.

iv. The Realism tools help scrutinize key macroeconomic and debt projections, which are the main inputs into the SDSA. Further discussions around key assumptions underpinning the projections; in-depth thoughts on these features of the macroeconomic framework and their realism.

v. The realism of the baseline scenario is key for a credible assessment of debt sustainability.

vi. The tools provide a point of comparison for forecasts, whether drawing on the State's history, experience, or relationships drawn from economic theory.

vii. A sound and consistent macro-fiscal framework is crucial to conducting a reliable DSA.

## General Observations

viii. The course content was all-encompassing in design and delivery and surpassed the expectations of participants.

ix. Participants observed the need for political officeholders to avail themselves of debt management courses to enable such officeholders to appreciate the importance of evidence-based sound debt policies and programs.

x. The importance of carrying along with officials of DMD in the States in evaluating debt proposals before contracting them came to the fore in the course of the training.

xi. Effective public debt management and regular conduct of DSA by states are essential; they give clear directions for borrowing and provide an early warning signal to debt distress.

xii. DSA also assists governments in achieving fiscal sustainability in the medium to long term.

xiii. The hands-on exercises and group work were beneficial, and the facilitators were very vastly knowledgeable; and

xiv. The sessions were well-planned, and the presentations were done logically.

## Recommendations

Considering the enormous impact of the issues discussed during the workshops, the following recommendations were proffered for consideration by the relevant stakeholders:

(i) To consolidate on the gains of the Sub-National Debt Sustainability Analysis (SDSA), it will be appreciated if AfDB provides additional financing to undertake further training on Medium-Term Debt Management Strategy (MTDS) and Debt Dynamics.

(ii) Debt managers should be proactive in their submissions and advice to decision-makers as enshrined in the debt management laws.

(iii) The organizers should embark on a state tour to enable them to meet with the policymakers to stress the need for strict adherence to the DSA, resulting in financial decisions

(iv) The conduct of DSA is a multi-agency activity, and there is a need to coordinate all agencies involved in macroeconomic policy formulation. Therefore, there is a need for a state to have a DSA core group team.

(v) More time is needed to internalize the new DSA framework as participating States are expected to conduct their State-specific DSAs using the new Template.

(vi) The AfDB and DMO should invest time and resources in building the capacity of statistics-generating agencies to generate credible macro-fiscal data that feed into the preparation of DSA. The Bureau of Statistics should be established where they do not exist or reformed in States for efficiency and effectiveness.

(vii) The participants should continue to adopt best practices in debt management to achieve debt sustainability in collaboration with the Debt Management Office in Abuja.

(viii) Participating States are urged to collaborate to share information and best practices.

(ix) Training on the Joint Debt Sustainability Framework should be annual and organized at the geopolitical level by WAIFEM to sustain and enhance capacity development.

(x) Delegates further recommended that states have a separate pre-DSA exercise that should be convened to finalize all macroeconomic projections for consistency. This exercise should be attended by only member agencies that are expected to provide macroeconomic projections; and

(xi) WAIFEM should develop and deliver further training on Medium Term Debt Strategy in the future to complement the SDSA applications

(xii) The organizers are also advised to extend this training to lawmakers at all sub-national government levels. This should also be extended to State Commissioners of Finance, Commissioners in charge of Budget and Planning

(xiii) The DSA should be entrenched into the DMO laws that it should be prepared Annually

(xiv) The DSA should accompany the Budget proposals to the Houses of Assembly.

(xv)The Executives and Legislators should involve the DMO in loan negotiation and disbursement to participating States.

(xvi) The DMO should liaise with CBN and the Office of the Accountant General of the Federation to ensure that a uniform exchange rate is used for sharing FAAC Allocation and deduction for External Debt Services from states

(xvii) WAIFEM should come up with training on Debt Management Strategy (DMS).

In conclusion, the participants gave assurance that the theoretical and practical skills gained from the training programme shall be fully utilized and shared with colleagues in their various states.

### 1.6.2 ONLINE COURSE ON FINANCIAL SOUNDNESS INDICATORS (FSI), APRIL 4 - 8, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Central Bank of Nigeria (CBN) organized a course on Financial Soundness Indicators (FSI) for staff of the Central Bank of Nigeria, Abuja. The course was delivered online from April 4 - 8, 2022.

The opening commenced with a brief announcement by Mrs. Marcia Idisere Lapang of the Central Bank of Nigeria International Training Centre (ITI). Professor Douglason G. Omotor, Advisor, Business Development and Consultancy Unit (BDCU) WAIFEM, on behalf of the Director General of WAIFEM, Dr. Baba Y. Musa, welcomed participants to the online course. Present at the opening session were the facilitators Dr. Gabriel G. Udendeh, and Mr. Jibrin Musa. Also present were Mr. Aniekan James. Mrs. Marcia Lapang and other staff of the CBN.

The objectives of the course were to enable participants:

- Compile FSIs by the methodology of the 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:

- Overview and Introduction to FSIs
- Institutional Sectors and the Financial System
- Consolidation Basis and Consolidation Adjustments
- Regulatory and Accounting Framework for Deposit Takers (DTs)
- Sectoral Financing Statements for FSIs
- Core FSIs for Deposit Takers
- Additional FSIs for Deposit Takers
- Additional FSIs for Other Financial Corporations, Nonfinancial Sectors, and Markets
- Interpretation of FSIs
- Workshop: Interpretation of FSIs
- Financial Sector Surveillance and FSIs
- Workshop: Interpretation of FSIs reported by participants and discussions

About Forty-two (40) participants drawn from various departments of the Central Bank of Nigeria (CBN), Abuja attended the course. These comprised 26 males and 14 females.

The participants expressed thanks and appreciation to the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude to the West African Institute for Financial and Economic Management (WAIFEM), the International Training Centre (ITI), and their entire staff for the unique manner in which the course was structured and delivered.

### 1.6.3 ONLINE COURSE ON PUBLIC SECTOR DEBT STATISTICS (PSDS), APRIL 11 - 15, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) was engaged by the Central Bank of Nigeria (CBN), to facilitate a virtual course on Public Sector Debt Statistics for staff of the Central Bank of Nigeria, Abuja, April 11 - 15, 2022.

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. Baba Yaaba, Yakubu Aliyu, and other staff of the CBN. In his address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed participants to the virtual training. 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 Director General of WAIFEM, Dr. Baba Musa, noted that, in recent years, the international financial crisis and the associated large fiscal deficits and debt levels in many countries of the world, underscored the importance of reliable and timely statistics on general government and more critically, public sector debt as an important element in countries' fiscal and possibly external sustainability. He maintained that, against this background, improving the quality and timeliness of key debt statistics and promoting convergence of recording practices have become highly imperative.

The course was designed to provide a comprehensive conceptual framework for 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:

- Overview of the GFSM system (including an introduction to and overview of the Course)
- Coverage and sectorization of the public sector
- Public sector debt: Definitions and accounting principles
- The accrual of interest
- Identification of debt instruments and institutional Contingencies and debt
- Identification of debt instruments and institutional sectors of the counterparties
- Tools of Public Sector Debt Analysis- DSA & MTDS
- Presentation of public sector debt statistics
- Contingencies and debt reorganization
- Other Debt-Related Issues
- Consolidation of public sector debt statistics
- Tools of Public Sector Debt Analysis- Fiscal Risk & Vulnerability
- Reporting of public sector debt statistics to the IMF and World Bank
- Relationship between PSDS and External Debt Stat
- Reconciliation of Public Debt Flows and Stocks World Bank

The course was facilitated by Dr. Baba Y. Musa. (DG WAIFEM), Mr. Yakubu Aliyu, and Dr Yaaba Nmadu.

**Observations**

- The lectures were well delivered
- Facilitators were not only knowledgeable about the subject matter but also very conversant with both domestic and international politics around it.

**Recommendations**

- There is a strong need for the course to be extended to more people in the organisation including executives, this is because the exposure of the facilitators could be of help to them in any debt negotiation process. The knowledge can also help determine when and how of not only debt negotiation but also the short and long-run implications of the negotiations.
- Training duration should be increased.
- Training should be physical
- A conducive learning environment should be provided for proper concentration and provision of ample time for effective learning.
- There is a need to invite staff of the Federal Ministry of Finance and Debt Management Office (DMO) to attend this course as their knowledge and experience of the subject matter would be a good learning resource for all participants.

A total of twenty-three (23) participants drawn from various departments from the Central Bank of Nigeria (CBN), Abuja attended the course. These comprised 16 males and 7 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.

### 1.6.4 ECOWAS/WAIFEM/GIZ REGIONAL COURSE ON RISK-BASED TAX AUDIT IN THE BANKING AND REAL ESTATE SECTORS USING COMPUTER-ASSISTED AUDIT TECHNIQUES (CAATs), MAY 30 - AUGUST 12, 2022.

The West African Institute for Financial and Economic Management (WAIFEM), with funding from the Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) and ECOWAS Commission, organized four runs of regional course on Risk-Based Auditing in the Banking Sector using Computer-Assisted Audit Techniques (CAATs).

The opening ceremonies were chaired by Dr. Baba Yusuf Musa, Director General of the West African Institute for Financial and Economic Management (WAIFEM), management, and senior management staff of WAIFEM. Dignitaries present at the opening ceremony include Mr. Lucien Ametchowou, who represented the Gesellschaft fur International Zusammenarbeit (GIZ), and some of the facilitators, among them, are M. Daniel G.P.M. Appiah, M. Steve Marc Kablan Kpangni, Andrew Uviase, Dr. Edirin Jero, and M. Legbe Armand-Rodrigue Bobi.

In his keynote addresses, the Director-General of WAIFEM, Dr. Baba Yusuf Musa, welcomed all the participants and facilitators to the workshops. He specifically expressed the Institute's gratitude to the ECOWAS Commission and the German Society on International Development (GIZ) for the funding, collaboration, and confidence reposed in WAIFEM to organize the training programmes. Dr. Baba Musa also immensely commended GIZ's support towards addressing capacity challenges in the sub-region. He extended gratitude to the facilitators and participants' institutions for nominating them to participate in the programme.

On the importance of the training programmes, Dr. Musa noted the ample opportunity for tax auditors in the sub-region to benefit from such high-level and impactful training. He emphasized the need for standard auditing procedures and reporting to conform with international sound practices in the sub-region. According to the Director-General, Dr. Baba Musa, Risk-Based Tax Auditing (RBA) is designed to efficiently and effectively focus on the nature, timing, and extant Audit procedures in those areas with the most potential for causing Material Misstatements in the Financial Reports and Management Assertions. He said that as entities increase the use of information systems to record, transact, and process data, the need for auditors to utilize tools to assess risk adequately becomes an integral part of audit coverage.

In addition, the DG, WAIFEM, stated that Computer-Assisted Audit Techniques (CAATs) serve as an important tool for auditors to evaluate the control efficiently and effectively. Furthermore, according to Dr. Baba Musa, CAATs can increase audit coverage, more thorough and consistent data analysis, and risk reduction. However, the Director-General of WAIFEM, Dr. Baba Musa, maintained that risk-based auditing using Computer-Assisted Audit Techniques (CAATs) requires appropriate technical expertise on the part of the tax auditors, which can be acquired through training. He maintained that it would enable the IT auditors to decide whether to perform compliance testing or substantive testing to assess risk and adjust activities to international practices and standards in the audit process.

The Director General assured that by the end of the training programmes, tax auditors would have acquired the necessary skills to reduce costs for their organizations' audit activity by increasing productivity and reducing errors in the audit process to mobilize adequate tax and increase national revenues.

Tax Auditors from fourteen (14) of the ECOWAS countries that participated in the four (4) runs of the course comprised 7 Anglophone-Portuguese, 7 Francophone, 5 Anglophone, and 7 Francophone countries respectively attended the courses. This comprised Benin, Burkina Faso, Cabo Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, and Sierra Leone. The four runs of the workshop are as follows:

1.6.4.1 First Run of Workshop, May 30 – June 3, 2022.

The first workshop was held on May 30-June, 3 2022 at the facility of the Central Bank of Nigeria Learning Centre, Lagos. Twenty (20) delegates attended the workshop from 7 countries comprising Cabo Verde, The Gambia, Ghana, Guinea Bissau, Liberia, Nigeria, and Sierra Leone. The seven countries had three (3) representations each, safe for Guinea Bissau. As Table 6 shows, Nigeria sent the highest number of female delegates (two females out of the three delegates) relative to other countries in the entire programme. Female delegates account for 35% 66.67 percent.

**Table 1.6.2: Attendance by Country and Gender for the First Run**

| S/N | COUNTRY | MALE | FEMALE | TOTAL |
|---|---|---|---|---|
| 1 | The Gambia | 2 | 0 | 2 |
| 2 | Cape Verde | 2 | 1 | 3 |
| 3 | Liberia | 2 | 1 | 3 |
| 4 | Sierra Leone | 2 | 1 | 3 |
| 5 | Guinea Bissau | 2 | 1 | 3 |
| 6 | Nigeria | 2 | 1 | 3 |
| 7 | Ghana | 2 | 1 | 3 |
| | **TOTAL** | **14** | **6** | **20** |

Analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

- The participants agreed that 70 percent of the content was well-organized and easy to follow.
- 88 percent of participants concurred the programme achieved its stated objectives.
- Instructors were clear and effective in the delivery of course content. This is indicated by 82 percent of participants.
- 94 percent of participants adjudged that instructors were approachable and responded to questions well.
- 82 percent of the view of participants also indicated that participation and interaction were encouraged during the training.
- On the training materials, participants agreed that 74 percent of, the training materials were clear and adequately covered the programme content.
- 88 percent of participants are of the view that case studies were good and improved understanding of the subject.
- 70 percent of participants indicated that the time allotted for the training was sufficient.
- It is also indicated by 88 percent of the participants that facilities were adequate.
- and comfortable during the training.
- 92 percent of participants will recommend the program to others.

1.6.4.2 Second Run of Workshop, June 20-24, 2022.

The Banking Sector (French Language run) workshop was held on 20-24 June 2022 at the CBN Learning Centre which equally hosts WAIFEM Headquarters. Twenty-one (21) delegates attended the workshop from seven francophone ECOWAS countries: Benin, Burkina Faso, Cote d'Ivoire, Guinea, Mali, Niger, and Senegal. Each country nominated and sent three delegates each, with Benin sending the highest number of female delegates.

**Table 1.6.3: Attendance by Country and Gender for the Second Run**

| S/N | COUNTRY | MALE | FEMALE | TOTAL |
|---|---|---|---|---|
| 1 | Benin | 1 | 2 | 3 |
| 2 | Burkina Faso | 3 | 0 | 3 |
| 3 | Mali | 3 | 0 | 3 |
| 4 | Niger | 2 | 1 | 3 |
| 5 | Cote d'Ivoire | 2 | 1 | 3 |
| 6 | Senegal | 3 | 0 | 3 |
| 7 | Guinea | 2 | 1 | 3 |
| | **TOTAL** | **16** | **5** | **21** |

Analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

i. The participants agreed that 68 percent of the content was well-organized and easy to follow.

ii. 68 percent of participants concurred the programme achieved its stated objectives.

iii. Instructors were clear and effective in the delivery of course content. This is indicated by 74 percent of participants.

iv. 74 percent of participants adjudged that instructors were approachable and responded to questions well.

v. 74 percent of the view of participants also indicated that participation and interaction were encouraged during the training.

vi. On the training materials, participants agreed that 64 percent of, the training materials were clear and adequately covered the program content.

vii. 74 percent of participants are of the view that case studies were good and improved understanding of the subject.

viii. 74 percent of participants indicated that the time allotted for the training was sufficient.

ix. It is also indicated by 68 percent of the participants that facilities were adequate and comfortable during the training.

x. 64 percent of participants will recommend the programme to others.

1.6.4.3 Third Run of Workshop, July 18-22, 2022.

The third workshop was held from 18-22 July 2022 in Lagos. Twenty-one (21) delegates attended the workshop from five (5) Anglophone ECOWAS countries comprising The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone, and two (2) Portuguese ECOWAS countries (Cabo Verde and Guinea Bissau) Each country had three (3) delegates each. Four of the countries sent a female delegate each, while The Gambia, Liberia, and Ghana had two delegates who were all male as indicated in the table below

**Table 1.6.4: Attendance by Country and Gender for the Third Run**

| S/N | COUNTRY | MALE | FEMALE | TOTAL |
|---|---|---|---|---|
| 1 | The Gambia | 3 | 0 | 3 |
| 2 | Cabo Verde | 2 | 1 | 3 |
| 3 | Liberia | 3 | 0 | 3 |
| 4 | Sierra Leone | 2 | 1 | 3 |
| 5 | Guinea Bissau | 2 | 1 | 3 |
| 6 | Nigeria | 2 | 1 | 3 |
| 7 | Ghana | 2 | 0 | 2 |
| **TOTAL** | | **16** | **4** | **20** |

Analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

i. The participants agreed that 94 percent of the content was well-organized and easy to follow.

ii. 96 percent of participants concurred the programme achieved its stated objectives.

iii. Instructors were clear and effective in the delivery of course content. This is indicated by 90 percent of participants.

iv. 92 percent of participants adjudged that instructors were approachable and responded to questions well.

v. The overwhelming totality of participants agreed and indicated 100 percent that participation and interaction were encouraged during the training.

vi. On the training materials, participants agreed that 90 percent of, the training materials were clear and adequately covered the program content.

vii. 98 percent of participants are of the view that case studies were good and improved understanding of the subject.

viii.74 percent of participants indicated that the time allotted for the training was sufficient.

x. It is also indicated by 94 percent of the participants that facilities were adequate and comfortable during the training.

xi. 96 percent of participants will recommend the programme to others.

1.6.4.4 Fourth Run of Workshop, August 8-12, 2022.

The fourth workshop on the Real Estate Sector was held from 8-12 August 2022 in Lagos State. Twenty-one (21) delegates attended the workshop from seven (7) francophone ECOWAS countries comprising Benin, Burkina Faso, Cote d'Ivoire, Guinea, Mali, Niger, and Senegal. Each country had three (3) delegates. Benin, Guinea, and Cote d'Ivoire sent a female delegate each, while all other four (4) sent only male delegates.

**Table 1.6.5: Attendance by Country and Gender for the Fourth Run**

| S/N | COUNTRY | MALE | FEMALE | TOTAL |
|---|---|---|---|---|
| 1 | Benin | 2 | 1 | 2 |
| 2 | Burkina Faso | 3 | 0 | 3 |
| 3 | Mali | 3 | 0 | 3 |
| 4 | Niger | 3 | 0 | 3 |
| 5 | Cote d'Ivoire | 2 | 1 | 3 |
| 6 | Senegal | 3 | 0 | 3 |
| 7 | Guinea | 2 | 1 | 3 |
| | **TOTAL** | **18** | **3** | **21** |

Analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

i. The participants agreed that 94 percent of the content was well-organized and easy to follow.

ii. Participants agreed 100 percent the programme achieved its stated objectives.

iii. Instructors were clear and effective in the delivery of course content. This is indicated by 90 percent of participants.

iv. 94 percent of participants adjudged that instructors were approachable and responded to questions well.

v. 94 percent of the view of participants also indicated that participation and interaction were encouraged during the training.

vi. On the training materials, participants agreed that 72 percent of, the training materials were clear and adequately covered the programme content.

vii. 100 percent of participants adjudged that case studies were good and improved their understanding of the subject.

viii. 74 percent of participants indicated that the time allotted for the training was sufficient.

ix. It is also indicated by 100 percent of the participants that facilities were adequate and comfortable during the training.

x. It is 100 percent that participants will recommend the program to others.

Following the presentations and discussions during the course, participants observed that:

- The organisers were proactive by mounting a three-day pre-training session for participants virtually before the main course. This was an eye opener and confidence building for the physical training;
- WAIFEM/organisers received participants from their various countries in a timely, amiable, organized, and accommodative manner;
- Accommodation, training environment, and facilities were inspiring and satisfactory;
- The facilitators demonstrated a high level of proficiencies in their respective areas of presentations. The sessions were reciprocal and interactive, giving opportunities to participants to interact and learn from countries' tax jurisdictions in the sub-region. The gesticulations of facilitators during presentations served as motivations for attention, spiritedness, and enthusiasm;
- The facilitations were pragmatic giving participants literature and practical issues of

real case studies and data from anonymous banks. These were demonstrated and analysed to actual risks facing the sector;

- The facilitators targeted practical issues/cases (e.g., Examining financial statements, general ledgers from banks, and the composition and transactions therein) in tax field audits. Their experiences in accountancy firms and expertise in tax authorities were helpful practices to revenue authorities. Most of the presentations on risk and audit procedures focused on internal, and external audits and applications to public sectors;
- Overall, the training was insightful, value-additive, and a springboard for future programmes in the banking sector. The facilitators are spirited, fantastic, worth emulating, and epitomes of knowledge; and
- Most importantly, an empty bag cannot stand in this light. Participants were adequately taken care of and fed with sumptuous and delicious meals.

Based on the observations above, participants made the following specific recommendations:

- The facilitations and discussions should be globally driven as most of the issues now center more on practices. Future training/programmes should ensure participants nominated are officers whose job schedules align with issues affecting tax compliance and tax collections;
- In future training, WAIFEM/GIZ should conduct a preliminary survey with tax authorities to highlight challenges and risks facing them in tax revenue collections and mobilisations and what will be the expectations from the training. The various collections should be synchronised and lessons prepared to address those challenges and expectations facing the specific sectors;
- The discussions did not touch on the actual use of CAATs for banking audits using risk-based measures. In future training, live data should be used including financial statements to demonstrate and practical the use of CAATs specifically for risk-based audits in the banking sector;
- Also, the training materials should be given before the training/presentation to allow participants to peruse and prepare before the actual presentations. This will also help non-speaking English participants (Lusophone) translate the learning materials into their readable languages on their laptops. This will stimulate high-level discussions and interactions during presentations resulting in comprehension and assimilation of the subject matters;
- The training for each sector should be organized at least bi-annually and WAIFEM/GIZ should liaise with tax authorities in the sub-region to ensure continuous participation of participants (i.e. participants should not be changed) in training programmes in the same sectors to drive continuous capacity building and expertise. By this WAIFEM/GIZ will tap into the expertise of these participants to become future facilitators in their different institutions;
- It is also expedient that WAIFEM/GIZ introduce video recordings of training presentations to be made available to participants for continuous learning and referencing;
- Also of importance, a premium should be given to the duration of the programme to make provisions for more practical sessions and if possible, a tour to the host country's National Revenue Authority for practicals and familiarity;
- Finally, all work and no play make Jack a dull boy. On this footing, it is recommended that a special day should always be provided for participants to tour around to see and feel the beauty of the country and to provoke discussions and networking with citizens of that country.

The main objective of the four-day workshop was to train tax auditors in the Member States on risk-based auditing in the banking and real estate sectors. The overall mission was to assist the Directorate of Customs Union and Taxation of ECOWAS Commission by enhancing the skills, technical verification tools, and techniques of member states' tax auditors to conduct risk-based tax audits using Computer-Assisted Audit Techniques. Some of the themes covered during the training include the following:

- Overview of the banking and real estate sectors in West Africa
- Financial Reporting in the sectors
- Tax audits and tax planning schemes, including transfer pricing in the sectors
- Computer-Assisted Audit Techniques (CAATs)
- Risks in accounting and financing methods in the sectors and International Financial Reporting Standards (IFRS)
- Document and data requests in the sectors
- Audit plans and techniques
- Risk assessments in the sectors, including the Basel assessment tool, ratios, and applications.
- Financial statements audits and forensic audits
- Analysis and evaluation of non-performing loans and tax implication
- Explanation of the link between regulatory and tax compliance

Ø Revenue Modelling, among others; and

Practical training on Computer-Assisted Auditing

Techniques (CAATs) with data interaction and manipulations.

The four runs of the workshop were facilitated by well-experienced and knowledgeable resource persons drawn from the Auditing Firms, Academia, and Revenue Agencies in the sub-region. Resource persons included Messrs Daniel Appiah, Samuel Olabanji, Andy Uviase, Dr. Edirin Jeroh, Andrew Uviase, M. Steve Marc Kablan Kpangni, Legbi Bobi, Hyacinthe Boni, Hassane Yacoub Heraibi, Peter Kelly Egedegbe, and Lateef Bamidele Babatunde, while Mrs. Modupe Oyedepo, Jide Faleb, and Abubakar Bamgbade served as Portuguese - English interpreters.

### 1.6.5 COURSE ON DEBT SUSTAINABILITY ANALYSIS (DSA), FOR LAGOS STATE DEBT MANAGEMENT OFFICE, LAGOS, AUGUST 1 - 5, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a training course on Debt Sustainability Analysis (DSA) for the Lagos State Debt Management Office from August 1 - 5, 2022.

The programme commenced with a brief introduction by the Honourable Commissioner, Ministry of Finance, Lagos State, Dr. Rabiu Olowo, represented by the Permanent Secretary, Lagos State Debt Management Office, Mrs. Sanusi Rukayat. Also present were Professor Douglason G. Omotor, Advisor, Business Development & Consultancy Unit, WAIFEM, Dr Mohammed Momoh, Dr Gbenga Oyewole, Mr Nura Adamu, and Mr Aniekan B. James.

In her remarks, the Permanent Secretary, Mrs. Sanusi Rukayat, informed the participants that the workshop took a while to come to reality. She reiterated the commitment of the Lagos State Debt Management Office to build the capacity of the states' officials to master the DSA template. She urged participants to be actively involved in the workshop for the state to actualize the purpose for which the training was conceived.

The Director General expressed his gratitude on behalf of the Management and Staff of WAIFEM to the Permanent Secretary, the Lagos State Debt Management Office, staff of the DMO, and the Lagos State government for funding the programme. He also expressed a similar sentiment to the Lagos State Debt Management Office staff for the excellent logistics support in organizing/conducting the Workshop.

The Director General asked participants to pay utmost attention to maximize the opportunity. He highlighted the importance of maintaining Debt Sustainability by states and urged participants to devote themselves to understanding the DSA template tool as an efficient working tool. He concluded by warmly welcoming the participants, wishing them fruitful deliberations, and assuring them that key experts and administrators of the programme were on standby and ready to assist them with their work.

The overall objective of the training was to provide hands-on training on Debt Sustainability Framework for Lagos Debt Management Officials. The training was also aimed at providing more in-depth knowledge to the attendees and greater insight into the nexus underpinning the debt sustainability framework, as well as the procedure for consistency checks using the SDSA template.

The themes covered during the course include the following:

- Introduction to Sub-National Debt Sustainability
- Macroeconomic Linkages;
- Key Concepts in DSA Template;
- Introduction to Sub-National Debt Sustainability Framework;
- Macroeconomic Linkages and Debt Dynamics;
- The realism of Baseline Projections and Improving the Analysis of Fiscal Risks
- Role of the Debt Level in a DSA and Vulnerabilities associated with the profile of Public Debt;
- A Risk-Based Approach to DSA;
- Preparation of DSA Reports;

Hands-on exercise on Data Input; Developing Alternative Scenarios; Group Exercise and Presentations.

Experienced resource persons drawn from WAIFEM and DMO facilitated the training.

A total number of twenty-nine (29) senior-level officials drawn from the Debt Management Office and other parastatals of the state government attended the programme. They comprised 15 females and 14 males, including the Ministry of Finance, Economic Planning and Budget, etc.

At the end of the course, participants evaluated the training as revealed by the following outcomes.

i. The participants agreed that 94 percent of the content was well-organised and easy to follow.

ii. 100 percent of participants indicated the programme achieved its stated objectives.

iii. Instructors were clear and effective in the delivery of course content. This is indicated by 90 percent of participants.

iv. 94 percent of participants adjudged that instructors were approachable and responded to questions well.

v. 94 percent are also of the view of participants also indicated that participation and interaction were encouraged during the training.

vi. On the training materials, participants agreed that 86 percent of the training materials were clear and adequately covered the program content.

vii. 86 percent of participants are of the view that case studies were good and improved understanding of the subject.

viii. 74 percent of participants indicated that the time allotted for the training was sufficient.

ix. It is also indicated by 100 percent of the participants that facilities were adequate and comfortable during the training.

x. All participants will recommend the programme to others. This is indicated 100 percent by participants

The participants expressed profound gratitude on behalf of the Lagos State Debt Management Office, the State's Treasury Office, and the Ministry of Economic Planning and Budget. They extended deep appreciation to the WAIFEM for their relentless effort in building the capacity of officials directly involved in developing the SDSA. Participants were full of thanks to Dr. Olugbenga Oyewole, Dr. Mohammed Aliu Momoh, and Mr. Nura Gussau for their remarkable expertise in presenting a typical Debt Sustainability Template. They, however, concluded with the assurance that the theoretical and practical skills gained from the training workshop should be fully utilized and shared with colleagues.

The closing ceremony was presided over by the Permanent Secretary, of Lagos State Debt Management Office, Mrs. Sanusi Rukayat. Addressing the participants, she noted that the MTDS programme would complement the next training on the MTDS. After congratulating the participants, she asked a few to relate their experience from the training and what they can now do differently. In response, Mrs. Soyoye Christianah, one of the participants from the Internal Audit Unit, eloquently explained her knowledge of the DSA framework and its practical uses, especially the relationship between the parameters.

Mr Soboyede Oluseun, from the Public Finance Department, opined that training has enhanced his knowledge of Debt Sustainability Analysis, and he would, henceforth be able to navigate the DSA template and generate and explain various scenarios. He further displayed his knowledge of Debt Portfolio Review and Determination of Fiscal Balance using a given set of macro data. Madam Modupe Oluwatosin, from the State Treasury Office, noted further that with training, she could now input data into the DSA template, run it, and interpret the results using the framework.

On behalf of WAIFEM, Prof. Douglason Omotor appreciated the participants for their interest and enthusiasm in the DSA programme. He also thanked the Permanent Secretary, of Lagos State Debt Management Office, Mrs. Sanusi Rukayat, for ensuring full participation in the programme. On behalf of the Lagos State DMO, Mr Abalagada Wahab Oyewole, Assistant Director of Finance & Accounts, expressed sincere appreciation to WAIFEM and the facilitators. The Permanent Secretary declared the course closed.

### 1.6.6 COURSE ON NATIONAL DEBT SUSTAINABILITY ANALYSIS (DSA) LEVEL 1, FOR STAFF OF CENTRAL BANK OF NIGERIA (CBN), ABUJA, AUGUST 22 – 26, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a training course on National Debt Sustainability Analysis (DSA) level 1, for the Staff of the Central Bank of Nigeria (CBN) at the Internal Training Centre (ITI), Abuja, August 22 – 26, 2022.

The programme commenced with a brief remark by the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Y. Musa, who was represented by Professor Douglason G. Omotor, Advisor, Business Development and Consultancy Unit (WAIFEM). On behalf of the management and staff of WAIFEM, Dr. Baba Musa welcomed the participants to the training. Also present at the opening session were the facilitators Mr Maraizu Nwankwo and Dr. Bartholomew Aja. Dr. Baba Musa noted that in recent years, the international financial crisis and the associated large fiscal deficits and debt levels in many countries underscored the importance of reliable and timely NDSA on general government and more broadly, public sector debt as a critical element in countries' fiscal and possibly external sustainability. Dr. Baba Musa noted that improving the quality and timeliness of key debt statistics and promoting convergence of recording practices is important.

The Director General expressed his gratitude on behalf of the Management and Staff of WAIFEM, to the Director, of the Central Bank of Nigeria International Training Center (ITI) for the conducive learning environment provided for training. He also expressed thanks to the facilitators for finding time to be around to share their wealth of knowledge at the Workshop.

The Director General urged the participants to make maximum use of the opportunity. He highlighted the importance of maintaining Debt Sustainability and entreated the participants to devote themselves to understanding the DSA template tool and the input therein. He concluded by warmly welcoming the participants to the training, wishing them fruitful deliberations, and assuring that key experts and administrators of the programme are on standby to assist them as the need arises.

The overall objective of the training was to provide hands-on training on the National Debt Sustainability Framework (NDSF) for selected staff of the Central Bank of Nigeria (CBN). The training also aimed at providing more in-depth knowledge and greater insight into the nexus underpinning NDSF, as well as the procedure for consistency checks using the DSA template.

The themes covered during the course include the following:

- Introduction to Debt Sustainability Analysis (DSA) in Low-Income Countries and New Features of the Debt Sustainability Framework (DSF) Coverage of Fiscal Balance and Public Debt,
- Inputs: Definitions and Coverage of Public Sector and Macroeconomic Projections;
- Inputs: Financing Assumptions;
- Macroeconomic Linkages and Debt Dynamics;
- Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth;
- Standardized Stress Tests, Contingent Liability Stress Tests;
- Other Tailored Stress Tests (Natural Disaster, Commodity Price, Market Financing);
- Discussion exercises -Realism tools;
- Debt Carrying Capacity (Composite Indicator) and Thresholds;
- Risk Signals: External, Total Public Debt, and Market Financing Pressures;
- 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;
- Final Risk Ratings;
- Granularity: Moderate Risk Category (space to absorb shock), Assessing Sustainability;
- Walk through the New LIC DSF Template: General Structure and Inputs; Hands-on Exploration
- Introduction to the hands-on exercise: Country Case Study's Structure, Background Information, and Flow Chart
- Template exercise:
- Checking Macroeconomic Projections and Financing Assumptions
- Interpreting and Discussing Results of the Realism Tools.
- MAC DSA

Experienced resource persons drawn from the Debt Management Office (DMO), Mr. Maraizu Nwankwo and Dr. Bartholomew Aja facilitated the training.

The workshop was attended by thirty-five (35) senior-level officials drawn from various departments of the Central Bank of Nigeria (CBN). This comprised 15 females and 20 males.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

i. 97 percent of the participants believed that the course met the objectives.

ii. An overwhelming totality of participants agreed that the course upgraded their knowledge of Debt Sustainability Analysis.

iii. 93 percent concurred the workshop provided pertinent issues relating to Debt Sustainability Analysis which will be of immense benefit to their organization.

iv. 93 percent affirmed the substantive impact of the resource persons as a team to be very good.

v. 97 percent of participants shared the sentiment that knowledge and skills acquired from the workshop will improve their understanding of Debt Sustainability Analysis.

vi. 73 percent agreed the blend of the plenary session to be effective.

vii. Participants also confirmed that 97 percent of the quality of training materials and documentation was very good.

viii. 90 percent of the participants agreed the course met expectations.

ix. On 3 topics of the course with the greatest practical value, participants listed: 1. Macroeconomic Linkages and Debt Dynamics; and 2. Realism tools; and 3. Risk signals

Based on the lectures provided and judging from the DSA template, the following observations were made by participants for consideration:

i. The DSA template provides a sound framework for conducting DSA Framework;

ii. A sound and consistent macro-fiscal framework is crucial to the conduct of a reliable NDSA;

iii. The Realism tools help scrutinize key macroeconomic and debt projections, which are the main inputs into the DSA. The realism of the baseline scenario is key for a credible assessment of debt sustainability;

iv. Effective public debt management and regular conduct of DSA is important because it gives clear directions for borrowing and provides an early warning signal to debt distress;

v. DSA also assists governments to achieve fiscal sustainability in the medium to long term;

vi. The sessions were well-planned, and the presentations were done logically.

Given the above observations, participants made the following recommendations for consideration.

- The organizers should not relent in their efforts to sensitize policymakers on the use of the outcome of the DSA exercise to ensure that the total public debt is sustainable in the medium to long term.
- There is a need for the government to ensure effective and efficient implementation of macroeconomic policies to ensure that the overall macroeconomic goals are met.
- The government should strengthen the revenue reform initiatives in other to shore up government revenue to moderate the growth rate of public debt.
- The government should also continue to explore the use of a non-debt-creating approach to fund infrastructure.
- The conduct of DSA is a multi-agency activity; therefore, there is a need for coordination of all agencies involved in macroeconomic policy formulation.
- Given the rising public debt, there is a need for efficient public debt financing and effective utilization of debt proceeds (Borrowed funds).
- There is a need for the government to comply with fiscal rules as provided in the Fiscal Responsibility Act (2007) to ensure Fiscal and Debt sustainability.
- The government should optimize expenditures and ensure that borrowed funds are utilized for projects that will engender economic growth and development.
- The government should enthrone an efficient budgetary process in other to minimize fiscal spillages.
- Training on the National Debt Sustainability Framework should be annual and organized periodically by WAIFEM to sustain and enhance capacity development.

### 1.6.7 COURSE ON NATIONAL DEBT SUSTAINABILITY ANALYSIS (DSA) LEVEL II, FOR STAFF OF CENTRAL BANK OF NIGERIA (CBN), ABUJA, SEPTEMBER 5 - 9, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a training course on National Debt Sustainability Analysis (DSA) level II, for the Staff of the Central Bank of Nigeria (CBN) at the Internal Training Centre (ITI), Abuja, September 5 - 9, 2022.

The brief opening session was anchored by the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Y. Musa, who was represented by Professor Douglason G. Omotor, Advisor, Business Development and Consultancy Unit (WAIFEM). On behalf of the management and staff of WAIFEM, Dr. Baba Musa welcomed the participants to the second training on National Debt Sustainability (NDSA II). Also present at the opening session were the facilitators Mr. Maraizu Nwankwo and Mr. Nura Gussau. Director General of WAIFEM, Dr. Baba Musa, in his welcoming speech, recalled that the training was the second part of the course on NDSA I, which took place in the same venue on August 22 – 26, 2022, and a prerequisite to the NDSA II. Dr. Baba Musa highlighted more on the importance of the NDSA II, noting that it is more practical and hands-on. He emphasised the need for the participants to pay more attention, ask relevant questions and seek clarifications where necessary to enhance their understanding and have a good grasp of the National Debt Sustainability Framework (NDSF). He also expressed deep appreciation to the facilitators for finding time to be around just as in the first phase of the workshop.

The Director General urged the participants to make maximum use of the opportunity and assured them that there would be a recap of the NDSA I, to refresh their mind for the NDSA II training. He concluded by warmly welcoming the participants to the training and wished them a fruitful learning experience.

The overall objective of the training was to provide hands-on training on the National Debt Sustainability Framework (NDSF) for selected staff of the Central Bank of Nigeria (CBN). The training also aimed at providing more in-depth knowledge and greater insight into the nexus underpinning NDSF, as well as the procedure for consistency checks using the DSA template.

The themes covered during the course include the following:

- Introduction to Debt Sustainability Analysis (DSA) in Low-Income Countries and New Features of the Debt Sustainability Framework (DSF) Coverage of Fiscal Balance and Public Debt,
- Inputs: Definitions and Coverage of Public Sector and Macroeconomic Projections;
- Inputs: Financing Assumptions;
- Macroeconomic Linkages and Debt Dynamics;
- Realism Tools: Drivers of Debt Dynamics, Realism of Planned Fiscal Adjustment, Fiscal Adjustment and Growth, and Public Investment and Growth;
- Standardized Stress Tests, Contingent Liability Stress Tests;
- Other Tailored Stress Tests (Natural Disaster, Commodity Price, Market Financing);
- Discussion exercises -Realism tools;
- Debt Carrying Capacity (Composite Indicator) and Thresholds;
- Risk Signals: External, Total Public Debt, and

Market Financing Pressures;

- 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;
- Final Risk Ratings;
- Granularity: Moderate Risk Category (space to absorb shock), Assessing Sustainability;
- Walk through the New LIC DSF Template: General Structure and Inputs; Hands-on Exploration
- Introduction to the hands-on exercise: Country Case Study's Structure, Background Information, and Flow Chart
- Template exercise:
- Checking Macroeconomic Projections and Financing Assumptions
- Interpreting and Discussing Results of the Realism Tools.
- MAC DSA

Experienced resource persons were drawn from the Debt Management Office (DMO), Mr. Maraizu Nwankwo, Dr. Bartholomew Aja and Mr. Nura Gusau who facilitated the training.

The workshop was attended by twenty-nine (29) senior-level officials drawn from various departments of the Central Bank of Nigeria (CBN). This comprised 13 females and 16 males.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

i. It is agreed 100 percent that the course met the objectives.

ii. Overwhelming totality indicated that 100 percent of the course upgraded their knowledge of LIC-DSA and MAC-DSA frameworks.

iii. 93 percent concurred the workshop provided pertinent issues relating to DSF Tool: General structure and Inputs which will be of immense benefit to the organisation.

iv. 100 percent affirmed the substantive impact of the resource persons as a team to be very good.

v. 97 percent of participants shared the sentiment that knowledge and skills acquired from the workshop will improve their understanding of Debt Sustainability Analysis.

vi. It is agreed 100 percent the blend of plenary sessions to be effective.

vii. Participants also confirmed that 93 percent of the quality of training materials and documentation was very good.

viii. 93 percent of the participants concurred the course met the expectations.

ix. On the overall administration and coordination of the course by the WAIFEM. This is indicated 100 percent by the participants to be effective.

Some observations were made by the participants for consideration as detailed below:

i. The DSA template provides a sound framework for conducting DSA exercises.

ii. The Realism tools help scrutinize key macroeconomic and debt projections, which are the main inputs into the DSA.

iii. The realism of the baseline scenario is key for a credible assessment of debt sustainability.

iv. The hands-on sessions were well-planned, and the presentations were done logically.

Given the observations, a participant made the following recommendations.

- The organisers should not relent in their efforts to sensitize policymakers on the use of the outcome of the DSA exercise.
- Government should enhance its revenue performance through the Strategic Revenue Growth Initiatives and Finance Acts to reduce the Budget deficit, and thus, moderate the growth rate of public debt and debt service.
- The government should also continue to explore the use of a non-debt-creating approach to fund infrastructure.
- Given the rising public debt, there is a need for efficient public debt financing and effective utilization of debt proceeds (Borrowed funds).
- There is a need for the government to comply with fiscal rules as provided in the Fiscal Responsibility Act (2007) to ensure Fiscal and Debt sustainability.
- The government should optimize expenditures and ensure that borrowed funds are utilized for projects that will engender economic growth and development.
- Training on the National Debt Sustainability Framework should be annual and organized periodically by WAIFEM to sustain and enhance capacity development.

### 1.6.8 COURSE ON MACROECONOMETRIC MODELING FOR EXPENDITURE FORECASTING, ABUJA, NIGERIA, OCTOBER 10 - 14, 2022.

The West African Institute for Financial and Economic Management (WAIFEM), organised a course on Macroeconometric Modeling for Expenditure

Forecasting for the staff of the Federal Ministry of Finance, Budget and National Planning, October 10 - 14, 2022 at the Central Bank of Nigeria International Training Centre (ITI), Abuja.

The brief opening session was chaired by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Advisor, Business Development & Consultancy Unit WAIFEM, Professor Douglason G. Omotor. On behalf of the Management and Staff of the WAIFEM, he welcomed the participants to the training programme. In his remarks, Dr. Baba Musa recalled that the first training on the modeling programme which dwelt extensively on the revenue aspect was on June 21 - 25, 2021.

He noted that the current training would dwell more on expenditure modeling to give a more robust picture to the entire training project to continue to sharpen the skills of the team in Macroeconomic Modeling, Forecasting, and Policy Analysis to take into account current realities of the economy towards the realisation of the Ministry's mandate. Furthermore, he emphasizsd that to be a good modeler, participants would need a good knowledge of economic theories, statistics, and mathematics. He assured the participants that the facilitator assembled to facilitate the training, Professor Afeez Salisu, from the Department of Economics, University of Ibadan, Nigeria, is one of the best econometricians and modelers around the world today. He entreated them to pay attention and ask pertinent questions to enrich their knowledge as the facilitator and the assistant, Dr. Idris Adediran, from the same university are always on the ground to assist them whenever necessary during the training. The Director General of WAIFEM, Dr. Baba Musa, specifically expressed the Institute's appreciation to the Federal Ministry of Finance, Budget and National Planning (FMFBNP), for allowing WAIFEM to organize the training and the facilitators and assistant to come to share their knowledge with the participants despite that it was a public holiday.

In conclusion, The Director General enjoined the participants to seize the opportunity to acquire pertinent skills and ask questions to enrich their knowledge.

In her brief remark, the Director, of Economic Research and Policy Management (ERPM) Department of FMFBNP, Mrs. Grace M. Ogbonna, welcomed the participants to the training. She expressed appreciation to the WAIFEM for providing the needed capacities and added that the Institute has the faculty to teach econometrics at any level. She stated further that the facilitator, Professor Afeez Salisu is an asset to the nation. Continuing, the Director, of ERPM, Mrs. Grace Ogbonna, noted that the officials who participated in the previous training on the modeling course have done well, but according to her, a lot more is still needed to be done to get to the expected level of proficiency in modeling and forecasting of the relevant macroeconomic variables. She charged the participants to be very active and focused and take the training seriously, especially as it relates to the expenditure side of the modeling programme.

In conclusion, the Director of, the Economic Research and Policy Management (ERPM) Department of FMFBNP, Mrs. Grace M. Ogbonna, assured the participants that they are in good hands with Professor Afeez Salisu and his able assistant Dr. Idris Adediran. She thanked WAIFEM and declared the training open.

This principal objective course was to enable participants to acquire more skills for modeling and forecasting relevant macroeconomic expenditure variables, etc.

The themes covered during the course include the following:

- Fundamentals of forecasting fiscal variables.
- Review of non-model-based approaches.
- Forecast evaluation measures/criteria
- Univariate Time Series Approaches
- Single-equation model approaches to fiscal forecasting I
- Single-equation model approaches to fiscal forecasting II
- Multivariate structural model approaches to fiscal forecasting I
- Multivariate structural model approaches to fiscal forecasting II

There were group discussions and group presentations on expenditure modeling and forecasting.

Twenty-five (25) staff of the Federal Ministry of Finance, Budget and National Planning (FMFBNP), attended the training programme. This comprised 17 males and 8 females.

At the end of the course, participants gave their evaluation of the course as revealed by the following outcomes:

i. It is affirmed 100 percent by the participants that the objectives of the training was achieved.

ii. Participants agreed 100 percent that the course upgraded their knowledge of Macroeconometric Modeling and Expenditure forecasting.

iii. Participants concurred 100 percent that the training provided pertinent issues in Macro Expenditure modeling which is of immense benefit to the organization.

iv. On the substantive impact of the resource persons as a team, participants agreed 100 percent that it was very good.

v. The overwhelming totality of the participants believed that knowledge and skills acquired from the training would improve their understanding of Macroeconometric Modeling and Expenditure Forecasting.

vi. In the plenary sessions and group exercises, participants agreed 100 percent, to be effective.

vii. It is affirmed 100 percent that the quality of training materials and documentation was very good.

viii. Overall, the totality of participants agreed the training met their expectations.

ix. On the administration and coordination of the training by WAIFEM, this is indicated 100 percent by the participants to be very effective.

Following the five-day intensive hands-on exercises 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 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 pointed toward increased frequency and regularity of the training experience.

vii. The timing of the programme, the learning environment, the resource persons (facilitators), and the quality of coordination and participation, were all top-notch.

In the light of the following observations, participants made the following recommendations:

i. More time (say, two (2) weeks at the minimum, should be allocated to this type of course, for comprehensive coverage.

ii. Alternatively, for 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.

### 1.6.9 COURSE ON MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS) FOR STAFF OF LAGOS STATE DEBT MANAGEMENT OFFICE, LAGOS, NIGERIA, OCTOBER 31- NOVEMBER 4, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) organised a course on Medium-Term Debt Management Strategy (MTDS) for staff of the Lagos State Debt Management Office, Lagos, from October 31 – November 4, 2022.

The brief opening session was presided over by the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Y. Musa, who was represented by Professor Douglason G. Omotor, Advisor, Business Development and Consultancy Unit (WAIFEM). In his welcoming speech, the Director General of WAIFEM, Dr. Baba Musa, welcomed participants, expressed the Institute's appreciation to the Lagos State Debt Management Office, and applauded the Government of Lagos State in her efforts to build staff capacity in Debt Management.

Speaking on the importance of the Medium-Term Debt Management Strategy (MTDS), Dr Baba Musa noted that it is a framework developed by the World Bank and IMF to guide government authorities' debt management decisions and operations. According to the Director-General, the Medium-Term Debt Strategy (MTDS) links borrowing with macroeconomic policy, helps countries and subnationals maintain sustainable debt levels, and facilitates domestic debt market development.

The Director General noted further that the Training in MTDS will involve necessary practical steps and hands-on exercises, which would demand more attention and focus on having a good grasp of the MTDS framework within the stipulated period of the Training. Dr Baba Musa entreated the participants to interact freely with the facilitators and ask pertinent questions to enrich their knowledge.

The Permanent Secretary, Lagos State Debt Management Office, Mrs Sanusi Rukayat, also joined the DG, WAIFEM, to welcome the participants and stressed the importance of the Training to the state government. She stated the importance of capacity development and team building, saying these remain the primary means to enhancing productivity, efficiency, and effectiveness in the DMO.

The overall objective of the programme was to provide hands-on training on the MTDS for selected staff of the Lagos State Debt Management Office. It also aimed at building capacity in developing and implementing sound debt management strategies using the MTDS framework.

The themes covered during the course include the following:

- Overview of the MTDS Framework.
- Identifying the objectives and scope for the debt management strategy.
- Data Preparation: Data needs and formats and useful Excel Functions.
- Cash Flow generation exercises.
- Cost-risk indicators with exercises on calculating and interpreting cost measures and risk exposure indicators.
- Introduction to the MTDS Analytical Tool.
- Debt Management and Macroeconomic Framework.
- Market Environment: Exchange Rates and Interest Rates.
- Scenario Analysis: Shock Scenarios and Model Input.
- Exercise on Yield Curve and Forward Rates.
- Funding Sources and Investor Base.
- Formulating alternative strategies based on cost-risk assessment.
- Running the Model and Interpreting results.

The training was facilitated by highly skilled and experienced Debt Consultants from the WAIFEM faculty, Dr. Gbenga Oyewole, Dr. Aliyu Momoh, and Mr. Nura Gussau.

Twenty (20) senior-level officials comprising 11 females and 9 males drawn from the Lagos State Debt Management Office, attended the workshop.

Analysis of the evaluation questionnaires filled out by the participants at the end of the course revealed the following:

i. 82 percent of participants adjudged the content was well-organized and easy to follow.

ii. 88 percent of participants believe the programme achieved its stated objectives.

iii. Instructors were clear and effective in the delivery of course content. This is indicated by 88 percent of participants.

iv. 88 percent of participants adjudged that instructors were approachable and responded to questions well.

v. 88 percent of the view of participants also indicated that participation and interaction were encouraged during the training.

vi. On the training materials, participants concurred that 74 percent of, the training materials were clear and adequately covered the programme content.

vii. 88 percent of participants are of the view that case studies were good and improved understanding of the subject.

viii. 70 percent of participants indicated that the time allotted for the training was sufficient.

ix. It is also indicated by 88 percent of the participants that facilities were adequate and comfortable during the training.

x. 92 percent of participants will recommend the programme to others.

# ADMINISTRATION AND FINANCE DEPARTMENT

# 2.0 ADMINISTRATION AND FINANCE DEPARTMENT

## 2.1 ADMINISTRATION

### 2.1.1 Staff Training and Development

In line with the Institute's continuous commitment towards enhancing the capacity of its staff, 5 members of staff benefited from different training programmes including:

- Regional course on Strategic Human Resource Policies and Talent Management Skills to Transform Organizations; April 25 to 29, 2022.
- Regional Course on Project Appraisal and Financial Analysis (hybrid) Blended Platform, June 27- July 1, 2022.

### Staff of the Institute benefitted from the following courses:

- Workshop on work Ethics and Social Intelligence for Protocol officers, October 3-7, 2022.
- Workshop for Productive Performance on Record Keeping, Report Writing, and Office Management for Secretaries and Clerical Staff; October 3-7, 2022;
- Effective Communication and Planning Skills for Admin Professionals and Executive Assistants; October 3-7, 2022.
- Regional Workshop on Project Monitoring and Evaluation Using Results-Based Management Framework; October 17-21, 2022.
- Database Management; October 31-November 4, 2022 and November 7-11, 2022.
- Efficient Finance and Accounting Operations Workshop; October 31-November 4, 2022 and November 7-11, 2022.
- Performance Management; October 31-November 4, 2022.
- Workshop for Distinctive Housekeeping; October 3-7, 2022, and October 17-21, 2022.

### 2.1.2 Assumption of Duties of New Staff

During the period, the following new members of staff assumed duties at the Institute as indicated:

**Table 2.1.1: Names of New Staff**

| S/N | NAME | DATE OF ASSUMPTION | POSITION |
|---|---|---|---|
| 1 | Ephraim K. Cheapoo | February 1, 2022 | Senior Manager, Information and Technology Unit. |
| 2 | Amadou S. Koora | March 1, 2022 | Director, Financial Sector & Payments System, Department |
| 3 | Khalilu Bah | March 1, 2022 | Program Manager, Fiscal Policy, Debt Management and Regional Integration Department. |

### 2.1.3 Recruitment of New Staff- Manager, Human Resources

The process of recruiting a Human Resource Manager in the Administration and Finance Department is in progress. It is a position allocated to Sierra Leone and the Sierra Leonean Authorities have already advertised the position.

On November 9, 2022, the interview for the vacant position of Senior Manager, Financial Sector and Payment Systems Department was conducted, following the shortlisting of qualified candidates. At the end of the interview, Mr. Gabriel Asante emerged as the most successful candidate for the position. He would assume duties on January 2, 2023.

### 2.1.4 Retirement from Service

After successfully serving the Institute for sixteen years, four months, and five days, on 21 June 2022, Mr. Samuel Sepha from the Republic of Sierra Leone retired from service (based on retirement age at 65 years). He served the Institute as Library and Publications Manager and helped build the library collections as well as transformed the collection of a catalogued stack of books on a few shelves into fully searchable digital resources.

### 2.1. 5 Resignation from the Institute

Mrs. Abosede Badejo, Front Desk Officer resigned from the Institute on October 25, 2022, to join her husband in Manchester, United Kingdom. Mrs. Badejo served the Institute for 14 years and 24 days.

### 2.1.6 International Relations

2.1.6.1 Spring Meetings of the IMF/World Bank, (Virtual), April 18 – 24, 2022

WAIFEM had fruitful meetings with the Statistics Department and the Institute for Capacity Development (ICD), both IMF, during spring meetings of the IMF/World Bank held in Virtual format. Outcome of the meeting with the Statistics Department of the IMF was agreement to collaborate with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) to execute the following courses:

i. Course on International Transactions in Remittances Statistics (ITRS), 2022

ii. Course on Price Statistics (PRS), 2022.

iii. Course on Government Finance Statistics (GFS), Virtual, 2022.

iv. Course on Balance of Payments Statistics, 2023.

v. Course on Financial Soundness Indicators, 2022.

For the Institute for Capacity Development (ICD), the following courses were agreed for collaboration:

i. Course on Macroeconomic Diagnostic (MDS), 2022.

ii. Course on Model-Based Monetary Policy Analysis and Forecasting (MPAF), 2023.

iii. Course on Legal, Institutional and Organisational Aspects of Central Banking, 2022.

2.1.6.2 AFRITAC WEST2 (AFW2) 9th Steering Committee Meeting, Accra, Ghana, June 7, 2022.

The 9th AFRITAC West 2 Steering Committee Meeting was held in Accra, Ghana on June 7, 2022, chaired by Mr. Sheku A. F. Bangura, Deputy Minister of Finance for the Republic of Sierra Leone. The meeting featured a series of presentations and panel discussions on regional outlook and CD strategy for the medium term. AFW2 member countries, donor partners, and regional stakeholders were represented at the meeting, in person and online. At the meeting, Member countries highlighted the importance of capacity development in equipping key government institutions with the ability to formulate and enact policy reform toward the achievement of sustainable development goals.

2.1.6.3 9th IMF-ATI Steering Committee Meeting, June 8, 2022

Since starting operations in 2013, the Africa Training Institute (ATI) joined a network of IMF regional capacity development centers established around the world to help strengthen countries' capacity for effective economic policymaking and management. ATI cooperates closely with other institutions in Africa such as WAIFEM as well as the IMF's five Africa Regional Technical Assistance Centers (AFRITACs), in delivering capacity-building programmes. In cooperation with ATI, WAIFEM exchanges curriculum of courses in its core areas of expertise, from fiscal, monetary, and exchange rate policies to financial sector supervision and the compilation of national account statistics. The curriculum is updated and revised frequently to respond to the needs of the region.

2.1.6.4 African Financial Stability Mechanism AFSM Focal Points

On September 8, 2022, WAIFEM participated in the AFSM meeting. The AFSM is an AfDB initiative that is aimed at providing an opportunity for African countries to pool together their limited resources to address idiosyncratic shocks. A country experiencing liquidity problems due to a shock would therefore be able to access more resources, quicker and under conditions negotiated collectively with its peers. Mutualizing resources through the AFSM would give more room for maneuvering to member countries to deal with idiosyncratic shocks and give more comfort to its members to negotiate policy actions.

2.1.6.5 Annual Meetings of the IMF/World Bank, (Virtual), October 10 – 16, 2022 .

WAIFEM had fruitful meetings with the Statistics Department and the Institute for Capacity Development (ICD), both of the IMF, during the Annual Meetings of the IMF/World Bank held in in Washington DC. The meeting with the Statistics Department of the IMF resulted in an agreement for the joint execution of five courses in 2023, namely:

vi. Course on High-Frequency Indicators of Economic Activity

vii. Course on Compilation of Basics for Macroeconomic Statistics (Hybrid)

viii. Course on Balance of Payments Statistics

ix. Course on Government Finance Statistics (GFS)

x. Course on Financial Soundness Indicators (FSI)

During the meeting with ICD, WAIFEM took the opportunity to firm-up the discussion on a pledge to support the execution of the course on Macroeconomic Diagnostics which was later held in Accra, Ghana from November 7-18, 2022. Thus, apart from adjusting the initial pledge of UD$42,000 to US$48,000 to cater for cost escalation due to inflation and in the spirit of cost sharing, the ICD also provided technical assistance to facilitate the course. The ICD agreed in principle to support the Institute's programmes in 2023. Both institutions agreed to collaborate to execute a course on Model-Based Monetary Policy Analysis in 2023.

2.1.6.6 Participation at the African Development

Bank's Seminar on Leveraging the African Diaspora for Inclusive Growth and Sustainable Development in Africa. December 1, 2022.

The Seminar was aimed at improving knowledge remittances in Africa; assisting the reform of regulatory frameworks to improve the conditions of transfer; and developing new financial products. In addition, African countries face significant challenges in securing financing. Another important source is annual diaspora savings, transferred from workers living abroad to recipients in countries of origin. These private transfers can take several forms, including remittances and direct investment by migrants.

2.1.6.7. Meeting held between WAIFEM and ACBF on December 5, 2022

The meeting discussed the possible role of WAIFEM in the project implementation geared toward building capacity for Enhanced Leadership and Governance with respect to Public Financial Management (ELG-PFM). The ACBF is piloting the project in five countries – Nigeria, Ghana, Kenya, Zimbabwe and Senegal.

# WAIFEM COUNTRIES ECONOMIC REPORTS

# 3.0 WAIFEM COUNTRIES ECONOMIC REPORTS

## 3.1 THE GAMBIA

### 3.1 THE GAMBIA: MACROECONOMIC DEVELOPMENTS IN 2022

#### 3.1.0 Overview of Developments in the Domestic Economy

The Gambian economy continues to recover from the impact of the pandemic-induced low growth in 2020. Real GDP growth is estimated at 4.3 percent in 2021 and CBG staff forecast the economy grow at 5.2 percent in 2022. The recovery was led by strong fiscal support through investments in growth-enhancing projects, private-sector construction activity, and a rebound in tourism. Meanwhile, inflation jumped to 13.7 percent in 2022, compared to 7.6 percent in 2021 driven by both demand and supply shocks.

Growth in monetary aggregates moderated, as annual money supply growth slowed to 7.7 percent in 2022, compared to 21.7 percent in 2021, owing to moderation in Net Foreign Assets (NFA) of both the Central Bank and commercial banks. Reserve Money (RM) growth, also decreased by 0.9 percent in 2022, relative to 13.6 percent the previous year. The banking system continues to be well-capitalized, highly liquid, and profitable. The risk-weighted capital adequacy ratio stood at 24.8 percent in December 2022, higher than the regulatory requirement of 10.0 percent, The ratio of non-performing loans to gross loans remained low at 4.6 percent in December 2022, and banks maintained an adequate level of provisioning.

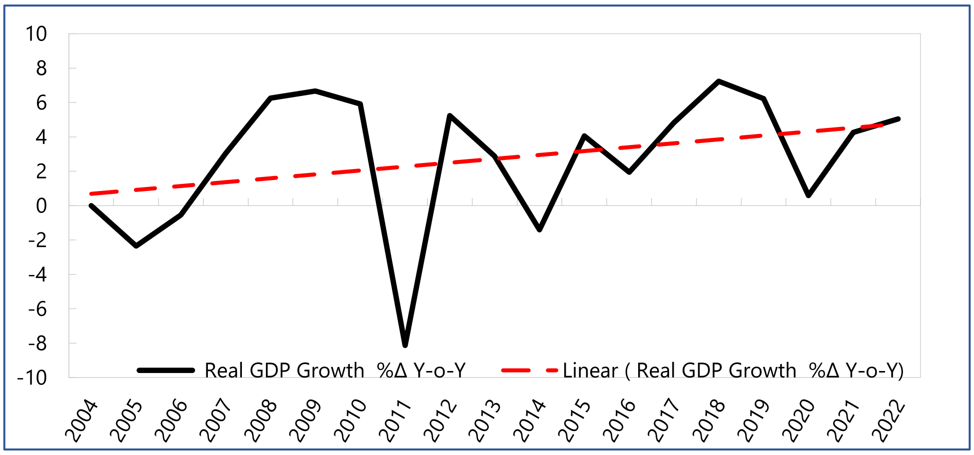
Provisional data on government fiscal operations for 2022 shows an overall budget deficit (including grants) of D6.4 billion (6.1 percent of GDP), relative to a deficit of D6.1 billion (5.8 percent of GDP) in 2021, attributed to a shortfall in revenue. Total revenue and grants declined by 3.8 percent to D19.0 billion (18.1 percent of GDP), mainly attributed to a decline in revenue generated from international trade taxes and non-tax revenues. Total expenditure and net lending decreased by 1.8 percent to D25.4 billion (24.2 percent of GDP) compared to a year ago.

The external sector remains challenged and shaped by the developments in the global economic environment. Provisional estimates of the balance of payments indicate a wider current account deficit of US$116.7 million (5.7 percent of GDP) in 2022, compared to US$86.9 million (4.5 percent of GDP) in 2021, reflecting mainly developments in the goods account. The deficit in the goods account worsened to US$591.6 million in 2022, from US$574.5 million a year ago as the import bill rose by 6.2 percent to US$645.3 million in 2022, reflecting higher payments for the importation of petroleum and food products.

#### 3.1.1 Real Sector Developments

Real Gross Domestic Product (GDP) is estimated to grow by 5.2 percent in 2022 compared to 4.3 percent in 2021 (see Chart 1), reflecting strong fiscal support in growth-enhancing projects, recovery in tourism activities, and robust private remittances that continue to support the construction sector. The growth outlook is positive, as CBG staff forecast real economic growth to accelerate to 6.0 percent in 2023, predicated on sustained improvement in macroeconomic management, public investment spending, and full recovery of the tourism sector.

**Chart 3.1.1: RGDP Growth (2004-2022)**

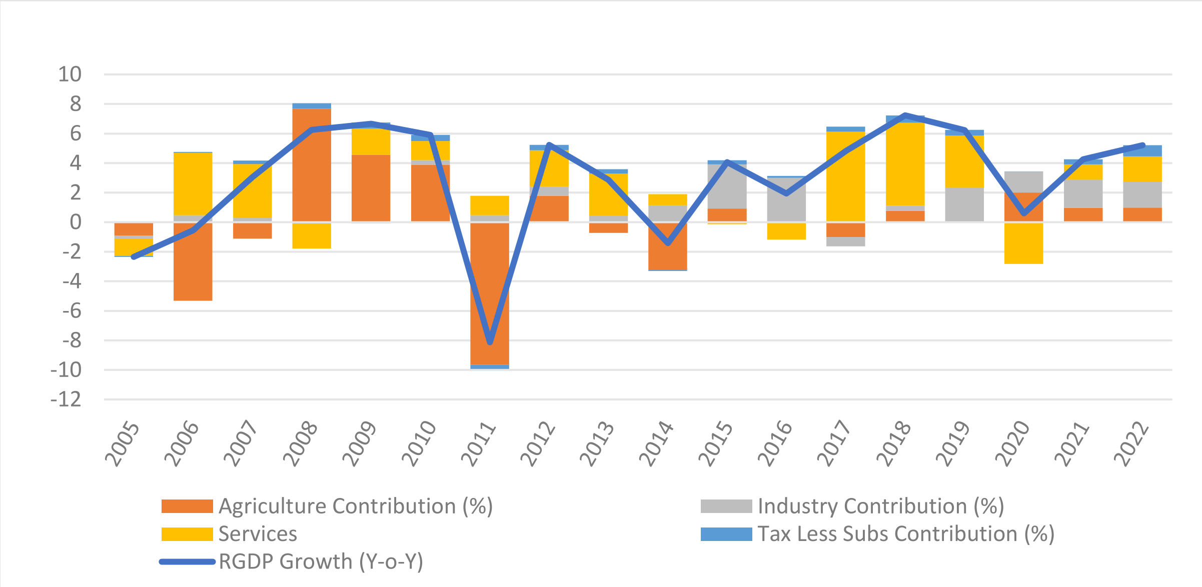



*Source: CBG staff calculations*

However, the risk to the outlook remains significant, including the uncertain geopolitical environment, volatile international commodity prices, and the impact of monetary tightening in advanced economies on domestic demand.

On the contribution to growth, the service sector remains the largest sector of the economy, accounting for more than 50 percent of GDP (see chart 2). Agriculture as the second largest sector of the economy has been characterized by low productivity as it remains highly rudimentary and vulnerable to erratic rains. The industry sector, on the other hand, has been expanding, supported by development in the construction sub-sector and small-scale manufacturing.

**Chart 3.1.2: Sectoral (Agriculture, Industry & Service) contribution to Growth, 2005-2022.**

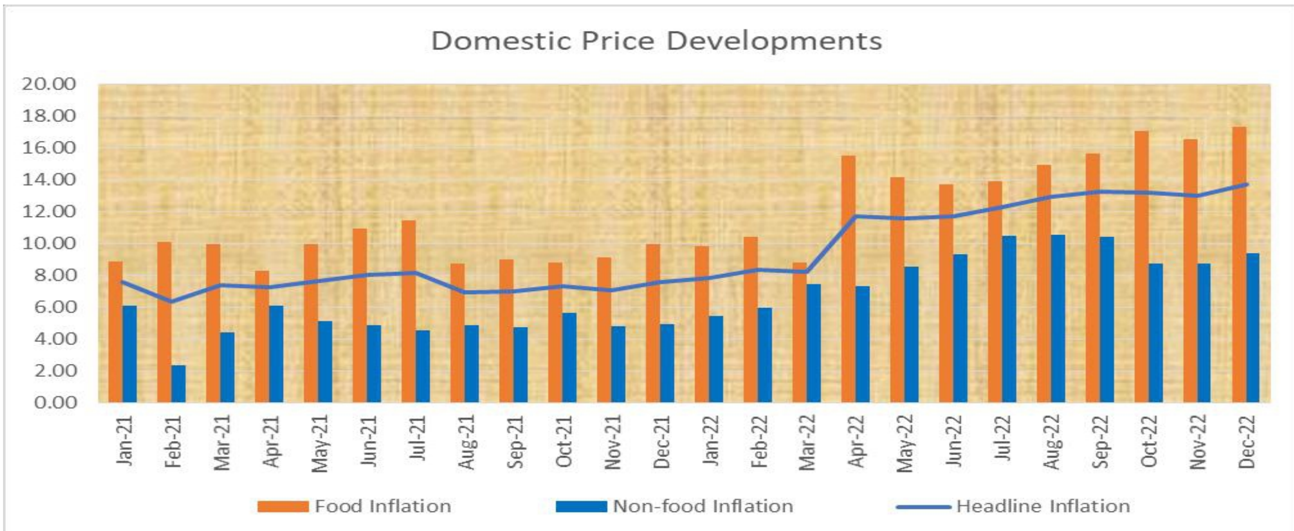



*Source: CBG staff calculations*

On domestic price developments, Inflation remains elevated on account of global supply constraints and strong domestic demand pressures. Headline inflation increased to 13.7 percent in 2022, compared with 7.6 percent in 2021, due to an increase in both food and non-food prices. Food inflation increased to 18.3 percent in December 2022 whilst non-food inflation rose to 9.4 percent in December 2022, relative to 4.9 percent recorded a year ago.

The Bank's Core measure of inflation which (excludes volatile food items and energy prices ) from headline inflation increased to 19.9 percent in 2022, from 9.5 percent in 2021 reflecting persistent underlying inflationary pressures over the reporting period.

**Chart 3.1.3: Domestic Price Developments (Jan-2021 to Dec-2022)**



### 3.1.2 Fiscal Sector Developments

Provisional data on government fiscal operations for 2022 shows an overall budget deficit (including grants) of D6.4 billion (6.1 percent of GDP), compared to a deficit of D6.1 billion (5.8 percent of GDP) in 2021, attributed to less-than-expected revenue receipt and grants disbursement, which offset the registered gains from the ongoing fiscal consolidation efforts.

In 2022, the total revenue and grants collected amounted to D19.0 billion (18.1 percent of GDP), which was 3.8 percent lower than the D19.8 billion (18.8 percent of GDP) recorded in 2021, mainly attributed to a decline in revenue from international trade taxes, non-tax revenue and grants. Of the revenue and grants component, domestic revenue mobilized amounted to D13.8 billion (13.1 percent of GDP), lower than D15.3 billion (14.6 percent of GDP) recorded in 2021, driven by the decline in international trade taxes and non-tax revenue.

Total expenditure and net lending decreased by 1.8 percent to D25.4 billion (24.2 percent of GDP) compared to the previous year. The decline was mainly due to a reduction in both recurrent expenditure and capital expenditure during the review period.

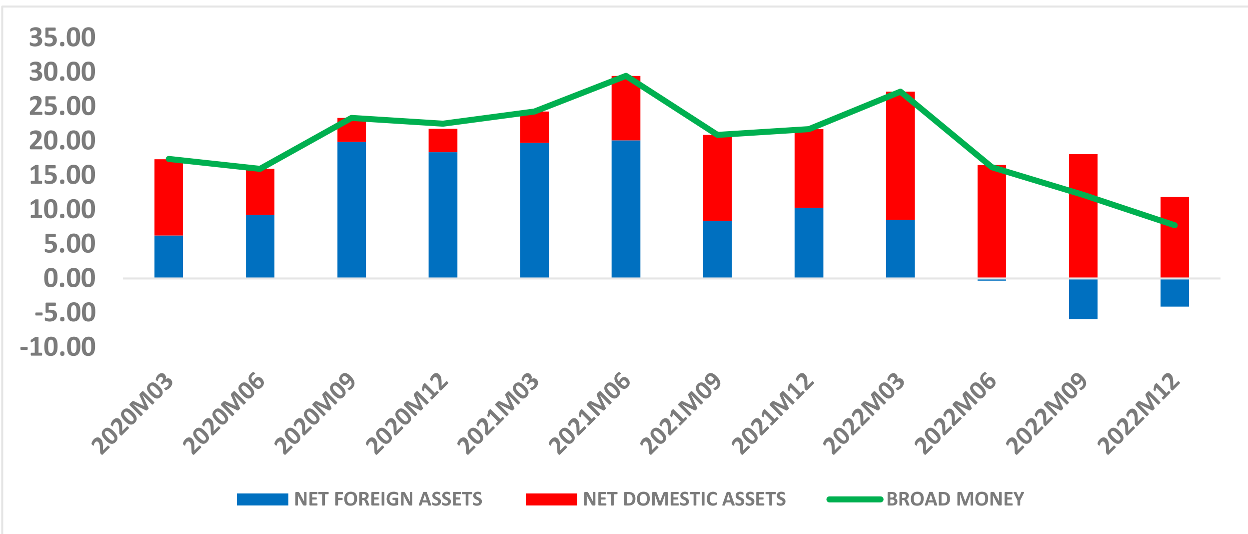
The stock of government domestic debt increased in 2022 but the rate of growth has slowed. The nominal debt stock stood at D38.1 billion, representing an annual increase of 2.5 percent, lower than an average growth of 5.8 percent for the past 5 years. Moreover, the domestic debt-to-GDP ratio declined from 34.7 percent in 2021 to 31.7 percent in 2022. The stock of treasury bonds increased by 15.7 percent to D19.8 billion during the period under review. Short-term treasury bills and Sukuk Al Salaam, on the other hand, contracted by 9.0 percent to D19.8 billion. The decline in short-term instruments is consistent with the government's debt management strategy to re-profile the debt to reduce the refinancing risk.

### 3.1.3 Monetary Sector Developments

Annual money supply growth slowed to 7.7 percent in 2022, compared to 21.7 percent in 2021, owing to moderation in Net Foreign Assets (NFA) of both the Central Bank and commercial banks. Reserve Money (RM) growth decreased by 0.9 percent in 2022, relative to 13.6 percent the previous year.

The NFA accounted for 37.1 percent of broad money and contributed negatively by 4.1 percentage points to broad money growth (see Chart 4). The NDA accounted for 62.9 percent of broad money and contributed 11.8 percentage points to broad money growth.

**Chart 3.1.4: Sources of M2 Growth (% contributions)**




*Source: CBG staff calculations*

On the demand side, growth in narrow money, and other deposits both moderated from 25.6 percent and 16.9 percent to 9.5 percent and 5.4 percent, respectively, in 2022. Narrow money and other deposits contributed 5.4 and 2.3 percent to the growth of broad money, respectively. Of the components of narrow money, currency outside the banking system and transferable deposits grew by 12.2 percent and 8.1 percent and contributed 2.3 and 3.1 percentage points to the growth of broad money, respectively.

On the financial sector performance, the banking system continues to be well-capitalized, highly liquid, and profitable. The risk-weighted capital adequacy ratio stood at 24.8 percent in December 2022, higher than the regulatory requirement of 10.0 percent. The liquidity ratio stood at 63.7 percent, also above the prudential requirement of 30 percent.

The ratio of non-performing loans to gross loans remained low at 4.6 percent in December 2022, and banks maintained an adequate level of provisioning.

Meanwhile, yields on government securities continue to rise, mirroring the tight monetary policy stance of the Bank. The weighted average interest rate on treasury bills increased from 1.8 percent in December 2021 to 11.2 percent in December 2022.

3.1.4 External Sector Developments

Owing to global economic developments, the Gambia's external sector position deteriorated in 2022 as the balance of payments pressures heightened. The current account balance deteriorated in 2022, relative to 2021, due to a worsening goods account balance. The deterioration in the current account exerted depreciation pressures on the exchange rate with the implication of higher pass-through to domestic prices.

Specifically, the current account deficit widened to US$116.9 million (5.7 percent of GDP) in 2022, from a deficit of US$86.9 million (4.5 percent of GDP) in 2021 as the goods account balance worsened.

The goods account registered a deficit of US$591.6 million (29.0 percent of GDP) in 2022, higher than a deficit of US$574.5 million (29.8 percent of GDP) in 2021. The widening of the deficit in the goods account was on account of the faster growth in the value of imports (FOB) on the back of higher international commodity prices. The value of total imports (FOB) increased by 6.2 percent to US$645.3 million in 2022, from US$607.4 million in 2021. Exports of goods grew significantly but remained below the pre-pandemic level. Total exports (FOB) of goods increased to US$53.7 million in 2022, from US$32.9 million in 2021. Recovery in re-export trade was hampered by adverse political developments and increased insecurity in the Ecowas region.

The services account balance improved, supported by a recovery in tourism, but remained below the pre-pandemic level. The services account balance is estimated to have registered a surplus of US$25.6 million in 2022, from a deficit of US$9.1 million a year ago, on the back of an increase in tourist arrivals.

Tourism activity is gradually picking up and recorded 185,728 arrivals this year, higher than 102,460 recorded a year ago. While this is a significant positive development that helped improve the current account balance, it is still well below the pre-pandemic level.

Private remittance inflows are normalizing following an unprecedented increase in the pandemic period. The resumption of transfers through unofficial channels following the re-opening of international travel is putting a damper on the inflows recorded in the official statistics. As a result, current transfers (net) declined by 10.9 percent to a net inflow of US$487.4 million in 2022, from a net inflow of US$547.2 million in 2021.

The capital and financial account registered a net inflow of US$238.0 million in 2022, higher than US$158.4 million a year ago. Like developments in many net-importing low-income countries, a confluence of the effects of the overlapping external shocks (Ukraine war and COVID) disrupted external reserve build-up. From January to mid-November 2022 the CBG intervened in the FX market by selling about US$139.58 million of external reserves to facilitate importation of essential goods.

The financial account registered a net outflow of US$279.5 million in 2022, compared to US$181.5 million a year ago, mainly reflecting the decline in changes in reserve assets.

The stock of net official reserves as at end-2022 stood at US$322.7 million (4.6 months of net import cover) compared to US$427.7 million (7.1 months of net import cover) at end-2021. On the exchange rate developments, as of December 2022, the dalasi weakened against the US dollar by 13.5 percent, the euro by 5.4 percent, and the Great Britain pound by 4.6 percent but strengthened against the CFA franc by 4.7 percent.

## 3.2 GHANA - MACROECONOMIC DEVELOPMENTS IN 2022

### 3.2.1 Global Macroeconomic Developments

In 2022, the global economy faced severe headwinds from rising inflation, volatile commodity prices, global supply-chain disruptions, tightening financing conditions, and weakened growth. With the withdrawal of COVID-19 restrictions at the start of 2022, alongside increased vaccination campaigns, there were expectations that pent-up demand would pick up to boost global growth. However, the persistent global supply-chain constraints were exacerbated by the war in Ukraine, which spilled over into a food and energy crisis and pushed global inflation to historic highs. In response, central banks commenced aggressive policy rate hikes to contain the rising inflation, resulting in tightening global financing conditions with spillovers into enormous currency pressures in emerging markets and developing economies. Although the sharp increase in food and energy prices eased during the second half of 2022, the worsening global financial conditions and declining real incomes of households due to elevated price pressures, weighed down on global growth. Consequently, global growth almost halved to 3.4 percent in 2022, from 6.2 percent in 2021 (IMF World Economic Outlook, April 2023).

Global headline inflation remained elevated in the review period, reflecting the pass-through effects of high energy costs, exchange rate depreciation, supply-chain cost pressures, and tighter labour market conditions, particularly in advanced economies. Despite these developments, long-term inflation expectations remained stable in major advanced economies, due to the persistent monetary policy tightening by central banks to contain price pressures. Global inflation ended the year at 8.7 percent compared with 4.7 percent in 2021 (IMF WEO, April 2023). These global developments impacted adversely on the Ghanaian economy, especially through the trade and financial channels.

### Ghana's Macroeconomic Performance

### 3.2.2 Real Sector Developments

Provisional real GDP growth was 3.1 percent in 2022, compared to 5.1 percent in 2021. Non-oil GDP growth was 3.8 percent in 2022, down from 6.6 percent in 2021. The slowdown in growth was attributed to lingering supply-chain constraints, tightened global financial conditions, and rising input costs.

Consumer price inflation rose to 54.1 percent in December 2022, from 12.6 percent in December 2021, on account of pass-through effects of currency depreciation, upward adjustments in ex-pump petroleum prices, transport fares, and utility tariffs.

In the year, food inflation surged to 59.7 percent in December 2022, from 12.8 percent in December 2021 and non-food inflation rose to 49.9 percent in December 2022, from 12.5 percent in December 2021.

### 3.2.3 Monetary and Financial Developments

During the review year, the Monetary Policy Committee (MPC) responded decisively to the developments in the global and domestic economy. The Monetary Policy Rate (MPR) was increased cumulatively by 1,250 basis points to 27.0 percent in response to heightened inflationary pressures.

Broad money supply (including foreign currency deposits, M2+) recorded an annual growth of 33.0 percent in December 2022, compared with 12.5 percent in December 2021. The growth in M2+ was mainly driven by expansion in Net Domestic Assets (NDA), which more than offset the contraction in Net Foreign Assets (NFA). NDA grew by 50.3 percent in December 2022, compared with 25.8 percent in December 2021, while NFA contracted by 261.1 percent, relative to 59.8 percent over the same comparative period.

Deposit Money Banks' (DMBs') total outstanding credit was GH¢70.00 billion, representing 30.2 percent year-on-year growth at end-December 2022, compared to 12.6 percent at end-December 2021. Credit to the private sector grew by 31.8 percent in December 2022 to GH¢63.75 billion, compared with a growth of 11.2 percent in December 2021. In real terms, credit to the private sector contracted by 14.5 percent in December 2022, compared to a contraction of 1.3 percent in December 2021.

On the interbank market, the weighted average interest rate went up by 1,282 bps, year-on-year, to 25.51 percent at the end of December 2022. The average lending rate increased by 1,554 bps on a year-on-year basis to 35.58 percent in December 2022. The spread between the borrowing and lending rates widened by 1,304 bps on a year-on-year basis to 21.58 percent in December 2022, from 8.54 percent in December 2021.

### 3.2.4 Stock Market Developments

The Ghana Stock Exchange Composite Index (GSE-CI) contracted by 12.4 percent (-345.43 points) during the year, to 2,443.91 points on account of a slowdown in economic activity. In the review year, market capitalisation increased by 0.02 percent, year-on-year, to GH¢64.51 billion.

### 3.2.5 Government Fiscal Operation and Public Debt

Government fiscal operations in the year resulted in an overall broad cash budget deficit of 8.1 percent of GDP in 2022, against the mid-year revised target of 6.3 percent, and below 9.2 percent recorded in 2021. Total government revenue and grants were 15.8 percent of GDP, compared to 15.2 percent of GDP in 2021, while total government expenditure and net lending were 24.0 percent of GDP, compared to 23.7 percent of GDP in 2021. The overall fiscal deficit was mainly financed from domestic sources.

Total public debt was GH¢434.6 billion, representing 71.2 percent of GDP at the end of 2022, compared with a total of GH¢351.8 billion at the end of December 2021, which amounted to 76.2 percent of GDP. The stock of domestic debt at the end of December 2022 was GH¢193.95 billion (31.8% of GDP) compared to GH¢182.49 billion (39.5% of GDP) at the end of December 2021. The increase in the domestic debt stock in the review period was a result of GH¢11.56 billion increase in short-term securities, and GH¢834.60 million increase in the medium-term securities. Long-term securities, however, decreased by GH¢952.30 million.

### 3.2.6 External Sector Developments

The overall Balance of Payments (BOP) recorded a deficit of US$3.64 billion in 2022, compared to a surplus of US$510.10 million in 2021. The BOP deficit was driven by significant outflows from the capital and financial accounts.

The current account deficit improved to US$1.64 billion (2.3 percent of GDP) in 2022, compared to a deficit of US$2.50 billion (3.2 percent of GDP) in 2021. The lower deficit was on account of improvement in the trade surplus alongside increased remittance inflows, which outweighed the higher payments recorded in the services and income accounts during the year.

The trade balance recorded a surplus of US$2.75 billion in 2022, compared to US$1.10 billion in 2021, on the back of higher exports relative to import growth, while the services, income, and transfers account recorded a net outflow of US$4.40 billion in 2022, higher than the net outflow of US$3.64 billion in 2021.

The capital and financial account recorded a significant outflow of US$2.18 billion in 2022, compared to a net inflow of US$3.30 billion in 2021. During the review year, the capital account recorded a net inflow of US$135.62 million, against a net inflow of US$203.98 million in 2021, while the financial account recorded a net outflow of US$2.31 billion in 2022, compared to a net inflow of US$3.10 billion in 2021. The financial account outflows were attributed to significant portfolio reversals that occurred on the back of heightened uncertainties in the domestic economy alongside rising bond yields in advanced economies.

Gross International Reserves (GIR) decreased by US$3.46 billion to US$6.24 billion at the end of December 2022, representing 2.7 months of import cover, compared to 4.3 months of import cover at the end of December 2021.

### 3.2.7 Currency Market Developments

The Ghana cedi cumulatively depreciated by 29.9 percent against the US dollar in 2022, compared to 4.1 percent depreciation in 2021. Against the British pound and euro, the Ghana cedi depreciated by 21.2 percent and 25.3 percent, respectively in 2022, compared to 3.1 percent and 3.5 percent depreciation in the previous year.

The sharp depreciation of the local currency during 2022 was mainly due to heightened uncertainties about the country's fiscal outlook, multiple sovereign downgrades by international rating agencies, and significant portfolio flow reversals. These developments exerted significant pressure on the Ghana cedi.

## Table 3.2.1: Selected Economic Indicators

| Indicators | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| *(Annual percentage change; unless otherwise indicated)* | | | | | |
| **National Income and Prices** | | | | | |
| Real GDP Growth (incl. Oil) | 6.2 | 6.5 | 0.5 | 5.1 | 3.1 |
| Agriculture | 4.9 | 4.7 | 7.3 | 8.5 | 4.2 |
| Industry | 10.5 | 6.4 | -2.5 | -0.5 | 0.9 |
| Services | 2.8 | 7.6 | 0.7 | 9.4 | 5.5 |
| Real GDP Growth (excl. Oil) | 6.1 | 5.8 | 1.0 | 6.6 | 3.8 |
| Nominal GDP (GhC Million) | 308,587 | 356,544 | 391,941 | 461,695 | 610,222 |
| **Consumer price index (end period, year-on-year)** | | | | | |
| Headline | 9.4 | 7.9 | 10.4 | 12.6 | 54.1 |
| Food | 8.7 | 7.2 | 14.1 | 12.8 | 59.7 |
| Non-food | 9.8 | 8.5 | 7.7 | 12.5 | 49.9 |
| **Exchange Rates (End of period)** | | | | | |
| GHC/US$ | 4.8200 | 5.5337 | 5.7604 | 6.0061 | 8.5760 |
| [Depreciation (-)/Appreciation (+)] (%) | -8.4 | -12.9 | -3.9 | -4.1 | -30.0 |
| GHC/Pound Sterling | 6.1710 | 7.3164 | 7.8996 | 8.1272 | 10.3118 |
| [Depreciation (-)/Appreciation (+)] (%) | -3.3 | -15.7 | -7.1 | -3.1 | -21.2 |
| GHC/Euro | 5.5131 | 6.2114 | 6.9929 | 6.8281 | 9.1457 |
| [Depreciation (-)/Appreciation (+)] (%) | -3.9 | -11.2 | -12.1 | 3.5 | -25.3 |
| **Monetary Aggregates Annual Growth Rates (%)** | | | | | |
| Reserve Money | 4.6 | 34.4 | 25.0 | 20.0 | 57.5 |
| Broad Money Supply (M2) | 16.1 | 16.1 | 25.0 | 12.0 | 27.8 |
| Broad Money Supply (M2+) | 15.7 | 21.7 | 29.6 | 12.5 | 33 |
| Private Sector Credit | 10.6 | 18.0 | 10.6 | 11.1 | 31.8 |
| Real Credit to the private sector | 1.1 | 9.4 | -0.1 | -1.3 | -14.5 |
| **Interest Rates (%)** | | | | | |
| Monetary Policy rate | 17.0 | 16.0 | 14.5 | 14.5 | 27.0 |
| Interbank rate | 16.1 | 15.2 | 13.6 | 12.7 | 25.5 |
| 91-Day treasury bill rate | 14.5 | 14.7 | 14.1 | 12.5 | 35.5 |
| 182-day treasury bill rate | 15.0 | 15.1 | 14.1 | 13.2 | 36.2 |
| 364-Day treasury bill rate | | 17.9 | 17.0 | 16.5 | 36.1 |
| **Interest Rates (%)** | | | | | |
| 1-year treasury note rate | 15.5 | - | - | - | - |
| 2-year treasury note rate | 19.5 | 21.0 | 18.5 | 19.8 | 21.5 |
| Average lending rate | 24.0 | 23.6 | 21.1 | 20.0 | 35.6 |
| 3-month average deposit rate | 11.5 | 11.5 | 11.5 | 11.5 | 14.0 |
| *Lending-deposit rate spread* | *12.5* | *12.1* | *9.6* | *8.5* | *21.6* |
| **External Sector** | | | | | |
| Exports of Goods (US$ m) | 14,941.8 | 15,667.5 | 14,471.5 | 14,727.5 | 17,494.4 |
| Imports of Goods (US$ m) | -13,134.1 | -13,410.7 | -12,428.6 | -13,628.7 | -14,621.2 |
| Trade balance (US$' m) | 1,807.8 | 2,256.8 | 2,043.0 | 1,098.8 | 2,873.1 |
| Current Accout Balance (US$' m) | -2,041.4 | -1,864.0 | -2,134.0 | -2541.42 | -1,516.9 |
| per cent of GDP | -3.0 | -2.7 | -3.1 | -3.2 | -2.1 |
| Overall Balance of Payments (US$' m) | -671.5 | 1,341.0 | 377.5 | 510.1 | -3,639.5 |
| **Gross International Reserves** | 7,024.8 | 8,418.1 | 8,624.4 | 9,695.2 | 6,238.2 |
| months of imports cover | 3.6 | 4.0 | 4.0 | 4.3 | 2.7 |
| **Gross International Reserves (excl Oil Funds, Encumbered Assets) ( US$' m)** | 5,317.2 | 6,607.9 | 6,961.8 | 7,906.0 | 4,417.6 |
| months of imports cover | 2.7 | 3.2 | 3.2 | 3.5 | 1.9 |
| **Net International Reserves ( US$' m)** | 3,851.0 | 5,192.0 | 5,569.4 | 6,079.5 | 2,440.0 |
| months of imports cover | 2.0 | 2.5 | 2.6 | 2.8 | 1.1 |
| **External Debt (US$'m)** | 17,868.5 | 20,349.4 | 24,715.8 | 28,389.2 | 28,869.0 |
| **Government Budget (% of GDP)** | | | | | |
| Domestic Revenue | 15.1 | 14.7 | 14.1 | 14.9 | 15.7 |
| Tax Revenue | 12.2 | 12.0 | 11.6 | 12.2 | 12.4 |
| Total Revenue and Grant | 15.4 | 15.0 | 14.4 | 15.2 | 15.8 |
| Total Expenditure | 18.9 | 19.0 | 25.1 | 23.7 | 24.0 |
| Primary Balance | 2.2 | 1.8 | -3.3 | -1.9 | -0.7 |
| Overall Balance (Including Divestiture) | -3.8 | -4.7 | -11.7 | -9.2 | -8.1 |
| Public Debt | 56.1 | 61.2 | 76.0 | 76.2 | 71.2 |

** Provisional*

*Source: Bank of Ghana, Ghana Statistical Service and Ministry of Finance*

## 3.3 LIBERIA

### 3.3.1 Real Sector Developments

Growth of the Liberian economy moderated slightly by an estimated 4.8 percent in 2022, from the 5.0 percent growth recorded in 2021. This development was mainly driven by relatively strong performance in the mining & panning subsector (through increased gold production) and the services subsector through increased construction, especially in hotel-related services.

In the primary sector (agriculture & fisheries, forestry, and mining & panning), growth was estimated to moderate to 5.1 percent in 2022, from 7.2 percent in 2021, mainly due to a slowdown in the agriculture sub-sector on account of declines in rubber and cocoa outputs. Growth in the mining & panning subsector was estimated at 14.0 percent in 2022, from 17.6 percent in 2021 on account of low diamond output. The volume of iron ore produced in 2022 remained flat at 5.0 million metric tons, the same as in 2021.

**Table 3.3.1: Sectoral Origin of Growth (GDP at 2018 Constant Prices) (2020-2023)**

| | 2020 | 2021 | 2022 | 2023* |
|---|---|---|---|---|
| Agriculture & Fisheries | 959.3 | 997.7 | 1,009.30 | 1,043.00 |
| Forestry | 285.3 | 285.2 | 292.9 | 296.5 |
| Mining & Panning | 463.7 | 545.3 | 621.8 | 650.5 |
| Manufacturing | 186.1 | 194.8 | 199.1 | 208.8 |
| Services | 1,193.30 | 1,216.40 | 1,275.30 | 1,347.30 |
| Real GDP | 3,087.70 | 3,242.40 | 3,398.40 | 3,546.20 |

***Source: Liberian Authorities & IMF staff estimates***
***All figures are expressed in millions of U.S. dollars. *Projection***

The secondary sector (manufacturing) moderated by 2.2 percent, from 4.7 percent in 2021, mainly on account of a reduction in non-alcoholic beverage production. Production in the manufacturing subsector was somewhat mixed in 2022. Aggregate cement production during the year was reduced by 11.4 percent, while total paint production (both oil & water paints) rose by 13.4 percent. The tertiary sector grew by 4.8 percent in 2022, from 1.9 percent in 2021, due to expansion in government-related services as well as trade, construction, transportation & communication, and financial institution services.

**Table 3.3.2: Key Manufacturing Output (2020-2022)**

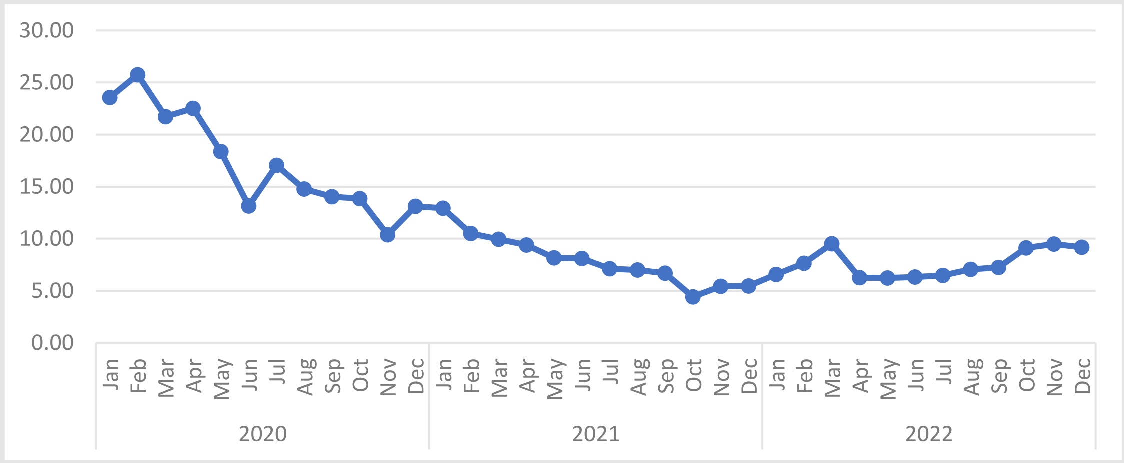
| Commodity | Unit | 2020 | 2021+ | 2022** |
|---|---|---|---|---|
| Cement | Mt. | 416,444 | 534,993 | 474,187 |
| Beverages | Liter | 14,164,563 | 17,239,963 | 16,366,299 |
| Paints | Gal. | 213,166 | 206,223 | 233,862 |
| Candle | Kg. | 71,274 | 48,416 | 44,121 |
| Chlorox | Liter | 1,246,431 | 829,241 | 909,282 |
| Rubbing Alcohol | Liter | 493,786 | 306,268 | 198,485 |
| Mattresses | Pcs. | 103,353 | 129,454 | 130,047 |
| Finished Water | Gal. | 1,433,941,441 | 1,120,947,013 | 1,054,208,161* |
| **Services** | | | | |
| o/w Electricity | Kw | 242,168,960 | 272,691,852 | 267,661,175* |

***Sources: Ministry of Commerce & Industry (MOCI); Liberia Water and Sewer Corporation. (Note: + Revised/Actual, ** Projection, *Estimate)***

Analysis conducted on price developments showed that average headline inflation moderated slightly to 7.6 percent in 2022, from 7.9 percent in 2021. The moderation in average inflation was largely explained by the year-on-year appreciation of

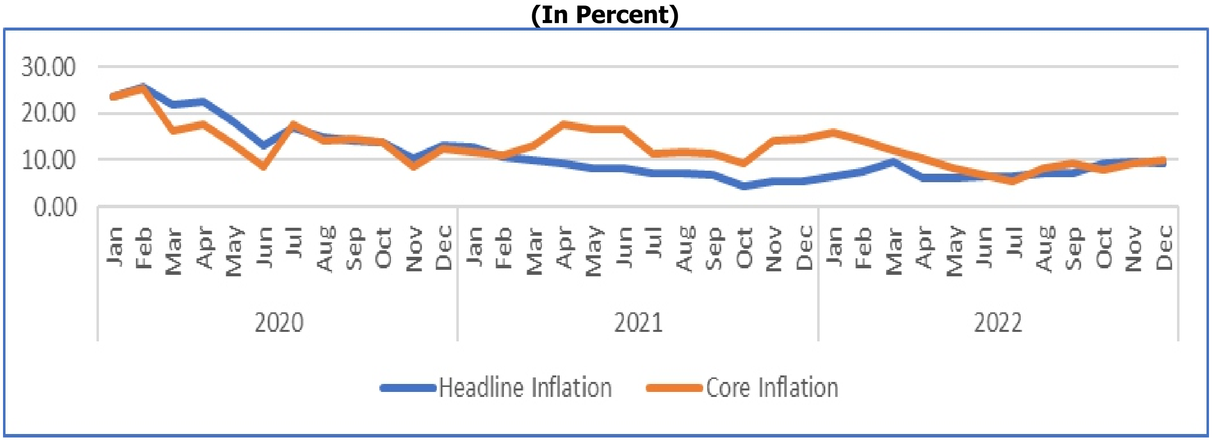
the domestic currency and the moderation in food prices.

**Chart 3.3.1: Year-on-year Rates of Inflation
2020-2022
(December, 2005=100)**




Core inflation, the underlying inflation excluding food and transport, moderated to 9.8 percent from 13.2 percent in 2021. The downward trend in core inflation mainly reflected activities in health and education as well as the pass-through effect from the appreciation of the Liberian dollar.

**Chart 3.3.2: Headline and Core Inflation, 2020-2022
(In Percent)**




***Source: Central Bank of Liberia***

Despite the expectation of inflationary pressure arising from uncertainty in the prices of global commodities, average consumer prices are expected to remain in the single digits, mainly on account of liquidity management, anticipated fiscal discipline, and rising net remittance inflows. Additionally, the exchange rate volatility is expected to remain within a manageable threshold, even though the current account deficit will continue.

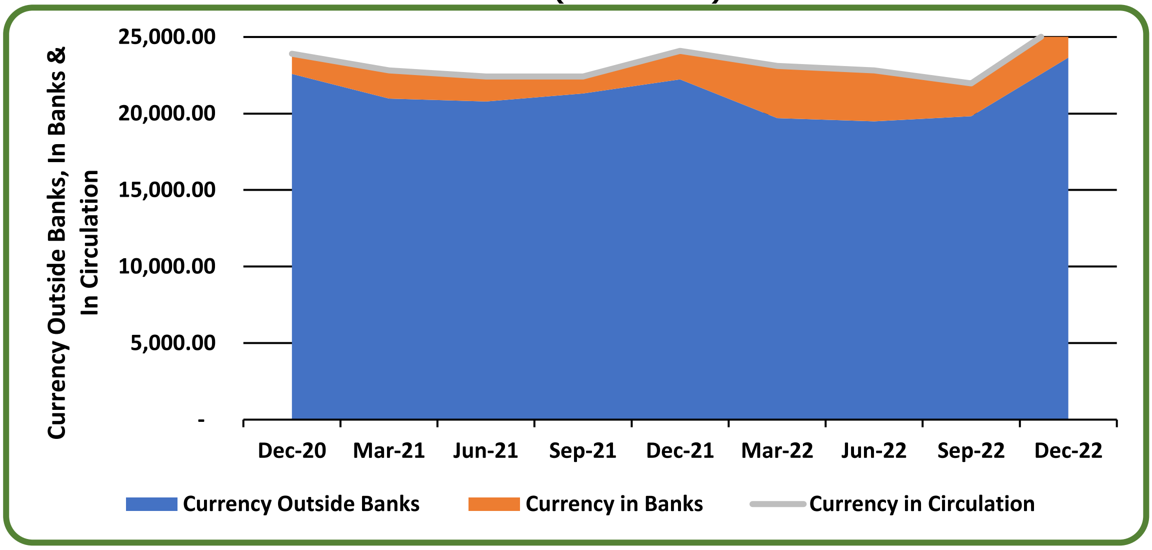
In terms of outlook, RGDP growth for 2023 is projected at 4.3 percent, mainly reflecting anticipated developments in agricultural, manufacturing, and services-related activities. The growth prospect is in anticipation of increased economic activity supported by expected expansion in energy supply and additional investment in road construction, with the expectation that growths in all sectors are to remain on a positive trend.

### 3.3.2 Monetary Developments

#### 3.3.2.1 Monetary Aggregates

At the end of December 2022, the stock of Liberian dollar currency in circulation grew by 8.8 percent to L$26,198.43 million, from the L$24,085.95 million recorded at the end of December 2021. This expansion was primarily induced by a 37.3 percent growth of currency in banks. Currency outside the banking (COB) system accounted for 90.3 percent of the total stock of currency in circulation, down from the 92.3 percent reported at the end of December 2021. This high level of COB was attributed to increased economic activity and improvement in the ease of accessing deposits in the financial sector.

**Chart 3.3.3: Liberian Dollar in Circulation (2020 - 2022)**



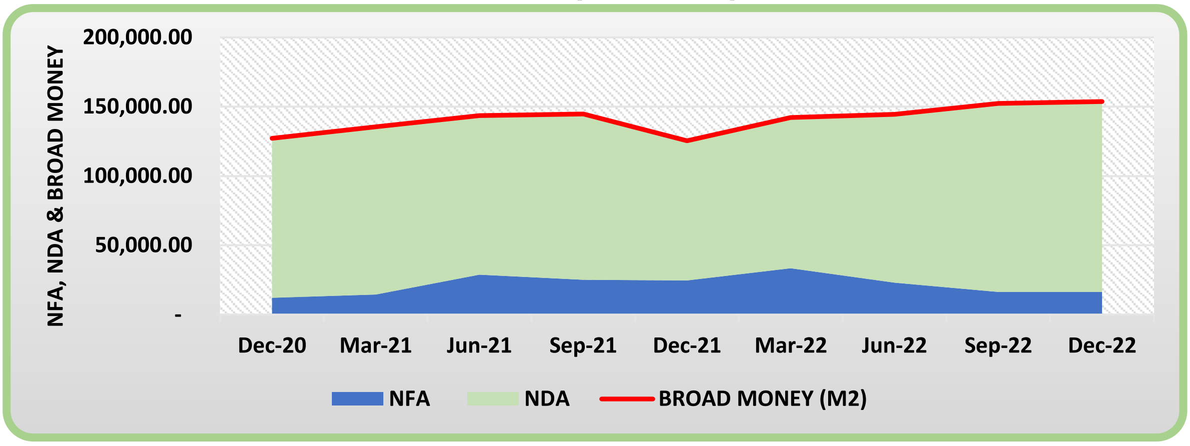

***Source: Central Bank of Liberia***
***Note: All figures are expressed in millions of Liberian dollars***

The stock of narrow money supply (M1) in December 2022 increased by 25.2 percent to L$106,234.68 million, mainly on account of 31.9 percent and 6.4 percent growths in demand deposits and currency outside banks, respectively. Also, quasi-money expanded by 17.0 percent to L$47,489.35 million, primarily induced by 82.2 percent and 16.5 percent increases in other deposits and time & savings deposits, respectively.

Similarly, the broad money supply (M2) rose by 22.6 percent to L$153,724.03, largely driven by a 36.4 percent increase in net domestic assets (NDA) which offset the 33.6 percent decline in net foreign assets (NFA). The expansion in NDA was mainly explained by growth in net claims in the private sector, which accounted for more than 95 percent of total credit to the economy.

At end-2022, reserve money grew by 10.8 percent to L$49,476.73 million, mainly on account of growths in cash reserves of commercial banks held at the Central Bank of Liberia (CBL), currency in circulation, and other deposits at the CBL. Based on the foregoing, the US dollar component of broad money supply at end-2022 accounted for 68.9 percent (L$105,888.58 million), from 68.1 percent (L$85,457.11 million) recorded at the end of December 2021.

**Chart 3.3.4: Broad Money (M2) (2020 - 2022)**

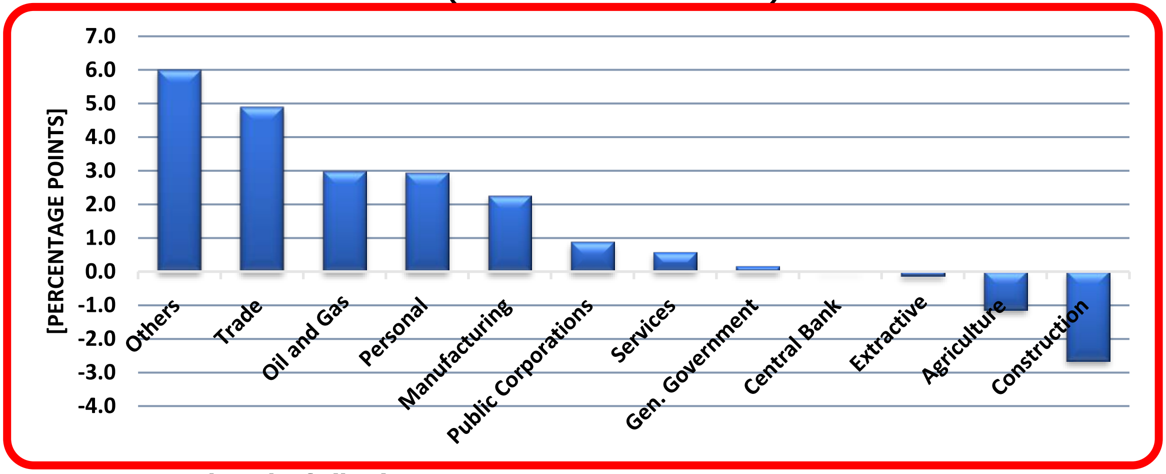



***Source: Central Bank of Liberia***
***Note: All figures are expressed in millions of Liberian dollars.***

3.3.2.2 Commercial Banks' Credit to the Economy

At the end of December 2022, Commercial banks' credits to the various subsectors of the economy summed up to L$77,227.45 million, representing a 16.8 percent increase compared with the amount reported at the end of December 2021. The contributing subsectors to the growth in credits included trade, oil & gas, loans & advances to individuals, manufacturing, and agriculture, among others. The growth in sectoral credits was largely driven by stability in the domestic economy, reflecting increased credit conditions amid relative exchange rate stability in 2022, despite the challenging global economic conditions.

**Chart 3.3.5: Sectoral Contribution to Credit Growth (As of end-December 2022)**




***Source: Central Bank of Liberia***

3.3.3 Financial Sector Developments

The financial sector remained relatively stable in 2022 with key financial institutions showing signs of recovery from the COVID-19 pandemic and the lingering effects of the crisis in Ukraine. With speculation of the pass-through effect of the global threats on financial stability, the central banks introduced both conventional (using policy instruments) and non-conventional policies by relaxing some regulatory requirements as interventions to minimize potential threats.

3.3.3.1 Banking Sector Developments

The banking industry was generally stable in 2022, recording increases in key balance sheet indicators compared to the previous year mainly due to the recovery in economic activity. As of December 2022, the yearly comparison showed that total assets increased by 22.5 percent to L$206.84 billion; total loans and advances increased by 16.7 percent to L$77.6 billion; total capital increased by 2.1 percent in 2022 to L$31.43 percent; and deposits rose by 18.5 percent to L$135.51 billion. The banking industry accounted for 95.1 percent of the total assets of the financial sector, which comprises banks and non-bank financial institutions.

The banking industry's net income amounted to L$4.20 billion, declining by 23.6 percent from a year ago. Total operating income of the sector amounted to L$17.77 billion with interest income accounting for L$8.91 billion (50.1 percent), while non-interest income constituted L$8.86 billion (49.9 percent). On the other hand, operating expenses stood at L$12.17 billion, reflecting a 2.5 percent increase compared to the previous year.

The industry's average capital moderated by 3.5 percent to US$22.5 million which exceeded the minimum regulatory capital requirement of US$10.0 million. The capital adequacy ratio (CAR) stood at 25.3 percent, 15.3 percentage points above the minimum ratio of 10.0 percent. The industry also showed a relatively stable liquidity position with a liquidity ratio of 43.5 percent, 1.0 percentage points higher than the ratio recorded in 2021 and 28.5 percentage points above the minimum threshold. The volume of NPLs (L$13.64 billion) to total loans (L$77.61 billion) in the industry decreased by 5.1 percentage points to 17.5 percent, from 22.7 percent recorded in 2021, indicating the policy focus of the CBL to strengthen asset quality.

Commercial banks' networks were spread across 9 of the 15 counties in Liberia with no new bank branches opened in 2022. The total number of bank branches, including annexes and windows, remained at eighty-seven (87) as of 2021. The number of registered Non-Bank Credit Microfinance Institutions (NBCOs) rose to 19 in 2022, from 13 in 2021. The total number of foreign exchange bureaus at the end of December 2022 increased by 9 percent to 204, from 188 at the end of December 2021. At the end of 2022, the number of Rural Community Finance Institutions (RCFIs) remained at 12 with its presence in 8 of the 15 counties.

3.3.3.2 Insurance Sector Developments

During the year under review, the Liberian Insurance Sector recorded 14 licensed insurance companies and 5 licensed brokerage firms. The sector remained dominated by 9 domestic-owned companies and 5 foreign ownerships. The assets and capital of significantly domestic-owned companies (SDOC) accounted for 40.1 percent and 47.2 percent, respectively. In December 2022, key financial balance sheet indicators of the insurance sector recorded significant changes compared to December 2021.

The sector recorded a decline in capital of 52.0 percent due to significant declines in total assets and investment by 51.5 percent and 45.0 percent, respectively. Liability decreased by approximately 50.0 percent, while gross premium increased by 30.0 percent during the year. Accordingly, the operational and administrative expenses of insurance companies increased by 25.0 percent, while claims rose by 28.0 percent in comparison with 2021 resulting in net losses by some companies in the sector.

3.3.4 Monetary Policy Framework

The monetary policy framework of the CBL (monetary targeting framework) is guided by the impossibility principle- the idea of not being able to simultaneously achieve a fixed exchange rate, free capital mobility, and independent monetary policy. In the context of this principle, the conduct of monetary policy was guided by the specification of well-defined objectives, clarity on the intermediate and operational targets as well and the monetary policy tools in 2022.

3.3.5 Financial Market Operations

The CBL remained committed to developing the money market as part of its broad strategy for capital markets development. The Bank continued its issuance of the CBL bills to retail investors through commercial banks which is intended to attract more currency into the banking system as well as mobilize a diverse pool of investors for secondary market transactions. During the year, the CBL, on behalf of the Government of Liberia (GoL), issued Treasury bills totaling US$118.00 million and Treasury bonds of US$2.5 million.

As a way of strengthening the primary and secondary money market transactions in the debt market, the Board of Governors of the CBL approved the final license to Liberia Merchant Capital Limited (LMCL) to own and operate a discount house in Liberia to build confidence in the debt market.

3.3.6 Fiscal Sector Development

The fiscal operations of the Government in 2022 were characterized by prudent fiscal policy measures and enhanced revenue administration that resulted in increased domestic revenue mobilization. Both government revenue and expenditure increased to US$745.3 million (18.9 percent of GDP) and US$758.1 million (19.3 percent of GDP) respectively resulting in a deficit of US$12.8 million (0.4 percent of GDP) in the Overall Balance (OB). In contrast, the Primary Balance (PB) remained in surplus of US$76.1 million (1.9 percent of GDP), reflecting the short-term sustainability of government finances. The stock of public debt rose by 16.6 percent to US$2,018.7 million (51.3 percent of GDP) at the end of December 2022 due to both domestic and external borrowings. However, the debt stock remained moderate in line with IMF and ECOWAS benchmarks.

**3.3.7 External Sector Developments**

3.3.7.1 Exchange Rate Developments

During the year 2022, the Liberian dollar on average appreciated by 8.0 percent to L$152.93 per US$1.00, from L$166.15 per US$1.00 in 2021, despite constraints relating to the external sector. The average annual exchange rate appreciation was largely attributed to the positive impact of the monetary policy stance of the CBL on liquidity management, rising remittance inflows, and sound fiscal discipline

3.3.7.2 Balance of Payments

External sector developments were generally challenged in 2022. The current account deficit increased by 5.7 percent to US$629.0 million compared to the deficit recorded in the preceding year, mainly on account of increased trade deficit and reduction in receipts of secondary income. The capital account balance increased to 11.9 percent of GDP, from the 6.1 percent of GDP reported in 2021, mainly driven by growth in capital transfers. However, net borrowing from the financial account declined by 53.7 percent to US$177.6 million in 2022 due to decreases in direct and other investment inflows.

Liberia's Gross International Reserves (GIR) in December 2022 fell by 9.9 percent to US$600.1 million (15.0 percent of GDP), from the amount recorded in December 2021, mainly reflecting the depreciation of the Special Drawing Rights (SDRs) and reduction in SDRs holdings & reserves. Similarly, the months of import cover reduced to 3.6 months due to a rise in imports coupled with the reduction in GIR but remained above the ECOWAS regional convergence benchmark by 0.6 months.

3.3.7.2.1 Merchandise Trade Balance

The merchandise trade deficit (with imports on fob basis) grew by 2.9 percent to US$469.8 million in 2022, from US$456.6 million in 2021 mainly explained by growth in import payments, which outweighed the increase in export proceeds. Total merchandise trade (with imports on cif basis) rose by 17.8 percent to US$2,777.8 million, driven by increases in both merchandise exports and imports.

3.3.7.2.1.1 Merchandise Exports

Export earnings grew by 20.1 percent to US$1,058.0 million (26.5 percent of GDP), from the US$881.2 million (25.1 percent of GDP) reported in 2021, explained primarily by increases in receipts from key export commodities including gold, round logs, and diamond. Receipts from gold and round logs increased by US$202.6 million to US$542.9 million, and US$29.5 million to US$34.8 million, respectively. Additionally, proceeds from diamonds rose by 48.5 percent to US$22.5 million. However, proceeds from iron ore declined by 17.6 percent to US$285.7.

3.3.7.2.1.2 Destination of Exports

In 2022, Europe and Asia were the main destinations of Liberia's exports, accounting for 74.8 percent and 11.0 percent of total exports, respectively. Merchandise exports to Europe and Asia increased by 9.2 percent and over 100.0 percent, respectively. Additionally, exports to North America & the Caribbean, and Africa grew by 11.2 percent and 24.9 percent, and constituted 7.4 percent and 2.5 percent of total exports, respectively.

3.3.7.2.1.3 Merchandise Imports

Payments for imports on a Freight on Board (FOB) basis increased by 14.2 percent to US$1,527.8 million (38.3 percent of GDP) in 2022, from the US$1,337.7 million (38.1 percent of GDP) recorded in 2021. This growth was explained by increases in payments for food & live animals (including vegetable oil) by 2.5 percent to US$391.0 million, and minerals, fuel & lubricants (mostly petroleum products) by 122.8 percent to US$494.6 million in 2022. On a Cost Insurance and Freight (CIF) basis, payments for imports also grew by 16.4 percent to US$1,719.8 million (43.1 percent of GDP), from the US$1,477.6 million (42.1 percent of GDP) recorded in 2021.

3.3.7.2.1.4 Sources of Imports

Asia and Africa were the major sources of Liberia's imports in 2022. Even though merchandise imports from Asia declined by 3.9 percent in 2022, it accounted for the highest share of total imports at 42.8 percent, followed by Africa which accounted for 28.9 percent, and Europe which accounted for 15.7 percent. Imports from Africa and Europe grew by 60.9 percent and 4.5 percent, respectively, from the amount recorded in 2021.

## 3.4 NIGERIA

### 3.4.1 Overview of the Economy in 2022

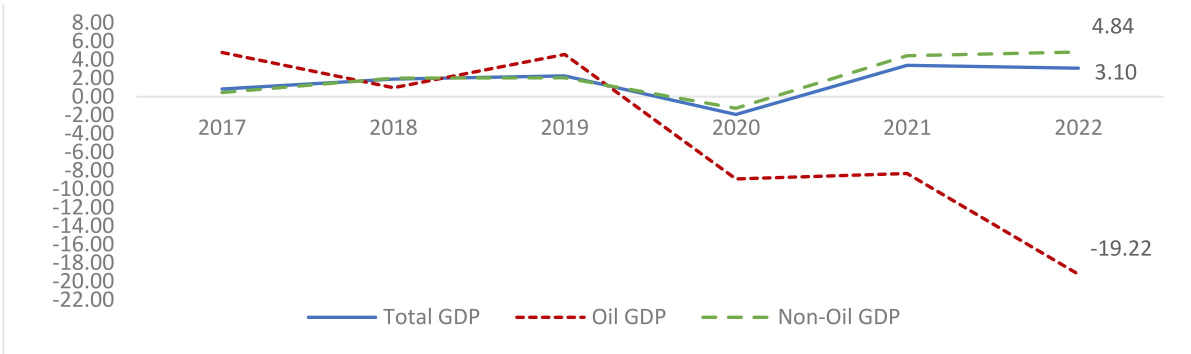
Global economic activity was largely depressed in 2022 with output estimated to slow from 6.2 percent in 2021 to 3.4 percent in 2022. This was mainly predicated on the disruptions to energy and commodity markets emanating from the Russia-Ukraine conflict, supply-side bottlenecks, attributed to China's zero-COVID policy as well as normalization of monetary policy in the advanced economies. For emerging markets and developing economies, these headwinds collectively resulted in significant capital reversals, currency depreciations, rising inflation, and subdued growth. Nevertheless, the Nigerian economy expanded in the four quarters of 2022, reaching an annual growth rate of 3.10 percent. The sustained growth in economic activities was driven, largely, by the robust, broad-based performance of the non-oil sector, especially the Services and Agriculture sub-sectors. Improvement in crude oil prices, coupled with other quasi-fiscal policy support to critical sectors of the economy provided further impetus for growth. Conversely, persistent pressure from food and energy prices contributed to headline inflation (Y-on-Y) increasing to 18.77 percent in 2022, from 16.98 percent in 2021. Monetary policy in 2022 was largely contractionary with several policy rate hikes to contain inflationary pressures.

3.4.2 Sectoral Developments

3.4.2.1 Domestic Output

The economy maintained a positive trajectory in 2022, with growth reaching pre-pandemic levels. Data from the National Bureau of Statistics (NBS) indicated that the real Gross Domestic Product (GDP), measured at 2010 constant basic prices, stood at N74.64 trillion in 2022, an expansion of 3.10 percent when compared with 3.40 percent or N72.4 trillion in 2021. The development was driven, largely, by the robust, broad-based performance of the non-oil sector, especially, Services and Agriculture sectors, which contributed 3.57 and 0.49 percent to overall growth in real terms, respectively (Table 1).

**Chart 3.4.1: Real GDP Growth Rate 2017-2022 (Percent)**




***Source**: National Bureau of Statistics (NBS)*

The 2022 real GDP growth was below the IMF projection of 3.20 percent and the Federal Ministry of Finance, Budget, and National Planning (FMFBNP) projection of 4.20 percent. The growth performance was sustained by the non-oil sector, supported by various fiscal and monetary policy interventions. Nonetheless, growth remained fragile, weighed down by persistent structural issues, and waning macroeconomic conditions worsened by the Russia-Ukraine war in 2022. In addition, the oil sector performance worsened in the review period, recording a deep contraction of 19.22 percent, thus offsetting the gains in crude oil prices (Figure 1). The contraction was attributed to aging infrastructure, and slow implementation of market-based reforms in the oil sector as stipulated in the Petroleum Industry Act (PIA), among other factors.

**Table 3.4.1: Sectoral Contribution of Real GDP Growth Rate**

| Sectoral Contribution to Real GDP Growth Rate (2017 - 2022) | | | | | | |
|---|---|---|---|---|---|---|
| **Activity Sector** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
| **Agriculture** | 0.8 | 0.5 | 0.6 | 0.6 | 0.6 | 0.49 |
| *Crop Production* | 0.8 | 0.5 | 0.6 | 0.5 | 0.5 | 0.47 |
| **Industry** | 0.4 | 0.3 | 0.5 | -1.3 | -0.1 | -0.95 |
| *Crude Petroleum* | 0.4 | 0.1 | 0.4 | -0.8 | -0.7 | -1.39 |
| *Construction* | 0.04 | 0.1 | 0.1 | 0.3 | 0.1 | 0.16 |
| **Service** | -0.4 | 1.1 | 1.1 | -1.2 | 2.9 | 3.57 |
| *Trade* | -0.2 | -0.1 | -0.1 | -1.4 | 1.3 | 0.81 |
| *Information and Communications* | -0.1 | 1.1 | 1.1 | 1.7 | 1.0 | 1.51 |
| **Total (GDP %)** | 0.8 | 1.9 | 2.3 | -1.9 | 3.4 | 3.10 |

***Source:** National Bureau of Statistics*

The non-oil sector recorded broad-based growth as 50 activity sectors expanded in 2022, compared with 41 in 2021. The sector grew by 4.84 percent in 2022, against a growth of 4.4 percent in 2021. Moreover, the Services sector grew the fastest among the three main sectors with a growth of 6.66 percent in 2022 as compared with 5.61 percent in 2021 (Table 2). The impressive growth among its sub-sectors reflected the pace of improved economic activities accompanied by a recovery in demand and increased access to credit for businesses. Most of the activity sectors recorded double-digit growth during the period. For instance, transportation and storage; telecommunication and information service; and finance and insurance grew by 15.20; 10.72; and 16.36 percent, respectively, in 2022 (See table 2).

Despite incidences of flooding, persisting infrastructural and security challenges in major food-producing regions, and its impact on farming activities, the agricultural sector sustained its growth trajectory in 2022, spurred by continued policy support by the monetary and fiscal authorities. The sector grew, albeit slower, by 1.88 percent in 2022, compared with 2.1 percent in 2021. Crop production (remained the main driver of growth) and forestry grew by 2.01 and 1.62 percent, respectively, while Livestock and Fishing subsectors grew by 0.61 and 0.47 percent, respectively (Table 2).

The performance of the industry sector in 2022 was subdued due to the lingering impact of the COVID-19 pandemic and the continuous deterioration in the crude oil and gas subsectors. The sector contracted further by 4.62 percent in 2022, compared with a 0.47 percent contraction in 2021 (Table 2).

**Table 3.4.2: Sectoral Growth Rate of Real GDP (2017-2022) (percent)**

| Activity Sector | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| **Agriculture** | 3.45 | 2.12 | 2.36 | 2.17 | 2.13 | 1.88 |
| *Crop Production* | 3.64 | 2.26 | 2.51 | 2.24 | 2.27 | 2.01 |
| *Livestock* | 1.61 | 0.33 | 0.16 | 1.91 | 0.58 | 0.61 |
| *Forestry* | 3.31 | 3.06 | 2.59 | 1.62 | 1.43 | 1.62 |
| *Fishing* | 1.34 | 1.64 | 3.33 | 0.26 | 1.16 | 0.47 |
| **Industry** | 2.15 | 1.87 | 2.31 | -5.85 | -0.47 | -4.62 |
| *Crude Petroleum and Natural Gas* | 4.69 | 0.97 | 4.59 | -8.89 | -8.30 | -19.22 |
| *Coal Mining* | -1.45 | -5.81 | 13.15 | -20.50 | 25.75 | 6.24 |
| *Metal Ores* | 21.37 | 26.34 | -14.38 | -5.85 | 34.19 | 15.98 |
| *Quarrying and Other Minerals* | -1.12 | 10.33 | -5.63 | 21.16 | 18.37 | 27.52 |
| *Manufacturing* | -0.21 | 2.09 | 0.77 | -2.75 | 3.35 | 2.45 |
| *Electricity, Gas, Steam & Air conditioner* | 16.43 | 7.30 | -4.86 | -2.90 | 27.57 | -2.21 |
| *Water supply, sewage, waste Mang.* | 4.16 | 7.21 | 5.47 | 3.81 | 18.34 | 13.62 |
| *Construction* | 1.00 | 2.33 | 1.81 | -7.68 | 3.09 | 4.54 |
| **Services** | -0.91 | 1.83 | 2.22 | -2.22 | 5.61 | 6.66 |
| *Trade* | -1.05 | -0.63 | -0.38 | -8.49 | 8.62 | 5.13 |
| *Accommodation and Food Services* | -1.61 | 1.76 | 2.85 | -17.75 | -0.45 | 4.22 |
| *Transportation and Storage* | 3.86 | 13.91 | 10.73 | -22.26 | 16.25 | 15.20 |
| *Information and Communication* | -1.04 | 9.65 | 9.17 | 13.18 | 6.55 | 9.76 |
| *Financial and Insurance* | 1.26 | 2.03 | 2.56 | 9.37 | 10.07 | 16.36 |
| *Real Estate* | -4.27 | -4.74 | -2.36 | -9.22 | 2.26 | 3.95 |
| *Human Health & Social Services* | -0.31 | -0.32 | 0.31 | 2.23 | 4.93 | 4.20 |
| **TOTAL (GDP %)** | 0.82 | 1.91 | 2.27 | -1.92 | 3.40 | 3.10 |
| **Oil GDP %** | 4.69 | 0.97 | 4.59 | -8.89 | -8.30 | -19.22 |
| **Non-Oil GDP %** | 0.50 | 2.00 | 2.10 | -1.30 | 4.40 | 4.84 |

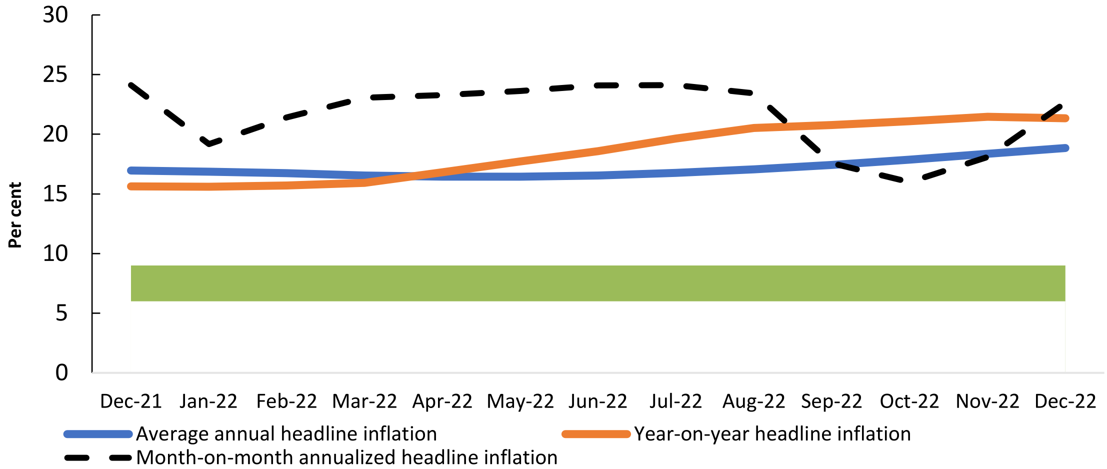
**Source:** National Bureau of Statistics

The oil sector continued to impact negatively on growth outcomes, despite higher crude oil prices in 2022. The sector contracted by 19.22 percent in 2022, compared with 8.30 percent in 2021. Despite higher crude oil prices in 2022, production levels were very low averaging 1.27 mbpd in 2022 from 1.46 mbpd in 2021. This outweighed the price gains of US$100.87pb in 2022. 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 aging oil and gas infrastructure.

### 3.4.2.2 Domestic Prices

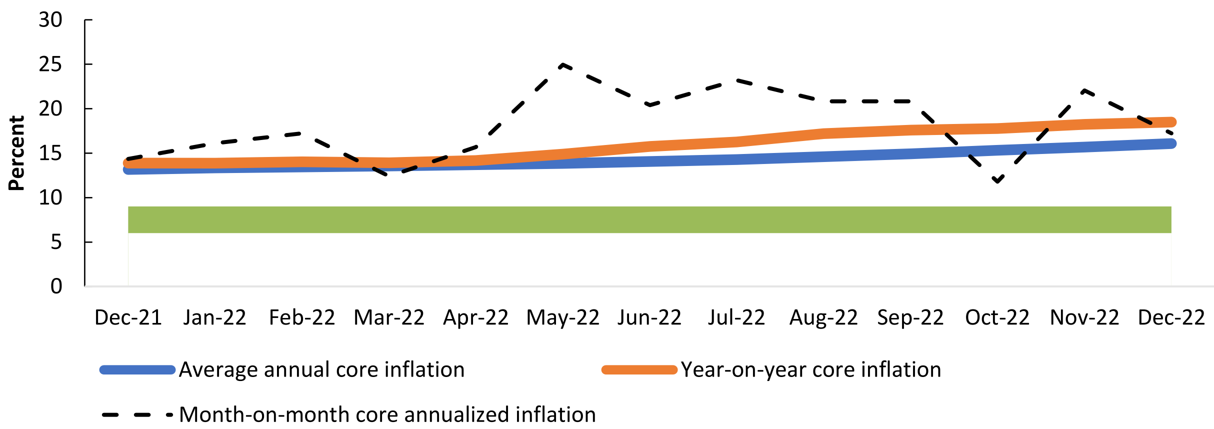
In December 2022, headline Inflation increased to 21.34 percent from 15.63 percent in December 2021. The increase in headline inflation was driven largely by food and non-alcoholic beverages. The increase in headline inflation was majorly due to Food and Non-alcoholic beverages. The major sub-components of food and non-alcoholic beverages responsible for the increase were Yam, Potatoes, and Other Tubers; Fish & Sea Food; Oil & Fats; and Vegetables. The developments in headline inflation were also affected by increases in the components of Housing, Water, Electricity, Gas and other Fuels, and Transport.

**Chart 3.4.2: Trends in Headline Inflation**



In December 2022, core inflation stood at 18.49 percent from 13.87 percent recorded in December 2021. Monthly annualized core inflation was above the year-on-year core inflation indicating that core inflation pressure may subsist in 2023. Staff forecasts tracked the realized core inflation, with the correlation between staff estimates and actual core inflation rates at 0.91 as shown in Figure 3.

**Chart 3.4.3: Trends in Core Inflation**




The food measure of inflation increased by 3.62 percentage points from 17.37 percent in December 2021 to 13.75 percent in December 2022. The increase in processed food prices was driven mostly by the rise in prices of milk, cheese & eggs; oil & fats; and plantain flour. The increase in farm produce was accounted for by rice imported, sold loose; maize grain, white sold loose; sorghum; yam, potatoes & other tubers, and vegetables. The food inflation trend reflected an increase in month-on-month inflation in December 2022 as the year-on-year average food inflation trended upward. The month-on-month food inflation remained below the year-on-year value indicating that food inflation may trend downwards in the first quarter of 2023. Staff estimates tracked the realized food inflation data with a correlation coefficient of 0.97 percent between December 2021 and December 2022 (Figure 5).

**Chart 3.4.4: Headline Inflation Components (YoY)**

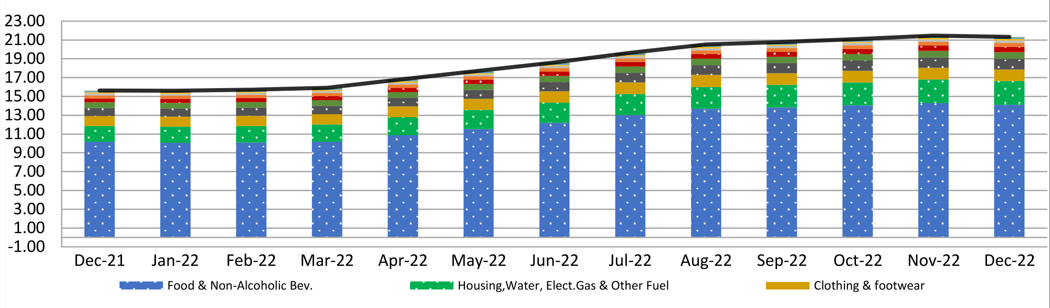
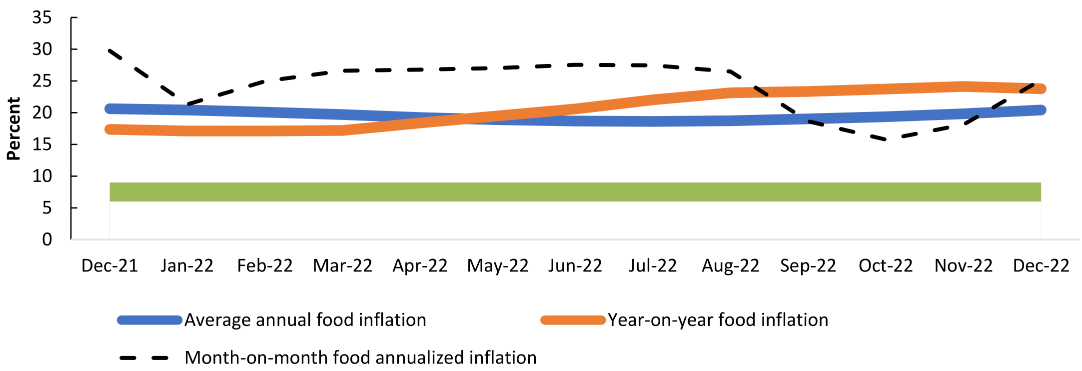



**Chart 3.4.5: Trends in Food Inflation**



### 3.4.2.3 Monetary Sector

Overall, monetary aggregates in 2022 performed positively when compared to their respective provisional indicative benchmarks. Key variables in the monetary sector, especially broad money (M2 and M3) sustained an upward trend in the year. The growth could be attributed largely to the spillover effects of monetary policy expansion in years 2020, 2021, and the first half of 2022, combined with financing the budget deficit and elections spending. This was further compounded by the continued interventions by the Monetary and Fiscal authorities. Net Domestic Assets (NDA) performed significantly above its growth benchmark of 1.79 percent in the review period, largely driven by growth in both credit to the private sector and Net credit to government (CPs and NCg) of 19.53 percent and 78.16 percent, respectively. Net Foreign Asset (NFA), however, declined in 2022, falling below its 2022 benchmark of 0.89 percent. The poor performance was attributed to two main factors; first, the continuous depreciation of the naira, which did not result in increased exports or inflows. Second, the continuous depletion of external reserves as a result of the low accretion to reserves due to a drop in crude oil production as well as intervention activities by the CBN in the foreign exchange market.

The broad measures of money supply (M3 & M2) grew substantially in the review period. M3 grew from N48,898.34 billion at the end of June 2022 to N52,155.42 billion in December 2022, representing an increase of 6.66 percent. When compared with the end-December 2021 level of N44,443.97 billion, it increased by 17.35 percent. Year-on-year, the growth of M3 of 17.35 percent in December 2022 was higher than the 2022 provisional indicative growth target of 14.94 percent. Similarly, M2 grew from N48,897.45 billion in June 2022 to N51,761.78 billion at the end of December 2022, representing a growth of 5.86 percent. When compared with the level in the corresponding period of 2021 of N44,443.07 billion, it increased by 16.47 percent. The year-on-year M2 growth rate of 16.47 percent was above the 2022 indicative growth benchmark of 14.92 percent.

In a bid to contain inflationary pressures, the CBN adopted a tight monetary policy stance, increasing the policy rate several times to control the growth of the money supply. Broad money (M2 and M3) however, did not respond immediately to the Bank's policies, primarily due to: the indirect transmission mechanisms of monetary policy which comes with a lag; and the spillover effects of intervention stimuli by both the CBN and fiscal authority as a result of the COVID-19 pandemic in the preceding years.

Narrow Money (M1) slightly increased from N20,348.21 billion at the end of June 2022 to N20,727.95 billion at the end of December 2022, this represents a marginal growth of 1.87 percent. When compared with the level in the corresponding period in 2021 of N18,055.86 billion, it grew by 14.80 percent. The year-on-year M1 growth of 14.80 percent was slightly lower than the 2022 indicative growth benchmark of 15.48 percent. The growth in M1 was attributed to the gradual pick up of economic activities which translated to an increase in bank liquidity, this was, however, subsequently moderated as cash outside bank (COB) recorded a reduction of 12.57 percent over the review period.

Net Foreign Assets (NFA) decreased from N6,109.03 billion at the end of June 2022 to N4,252.03 billion at the end of December 2022, representing a substantial contraction of 30.40 percent. When compared with the corresponding period of 2021 figure of N9,352.15 billion, NFA fell by 54.53 percent. The NFA year-on-year significant decline of 54.53 percent was below the 2022 provisional indicative growth target of 0.89 percent. The performance of NFA which was far below its benchmark was mainly driven by the contraction in foreign asset holdings of the central bank.

Net Domestic Assets (NDA) increased from N42,789.31 billion at the end of June 2022 to N47,903.38 billion at the end of December 2022, representing an increase of 11.95 percent. When compared with the end-December 2021 figure of N35,091.83 billion, NDA grew by 36.51 percent. The NDA year-on-year growth of 36.51 percent was significantly higher than the 2022 indicative growth benchmark of 1.79 percent. The growth was attributable to the behaviour of Other Items Net (OIN) which increased by about 45.09 percent, coupled with the increases in both NCg and CPs.

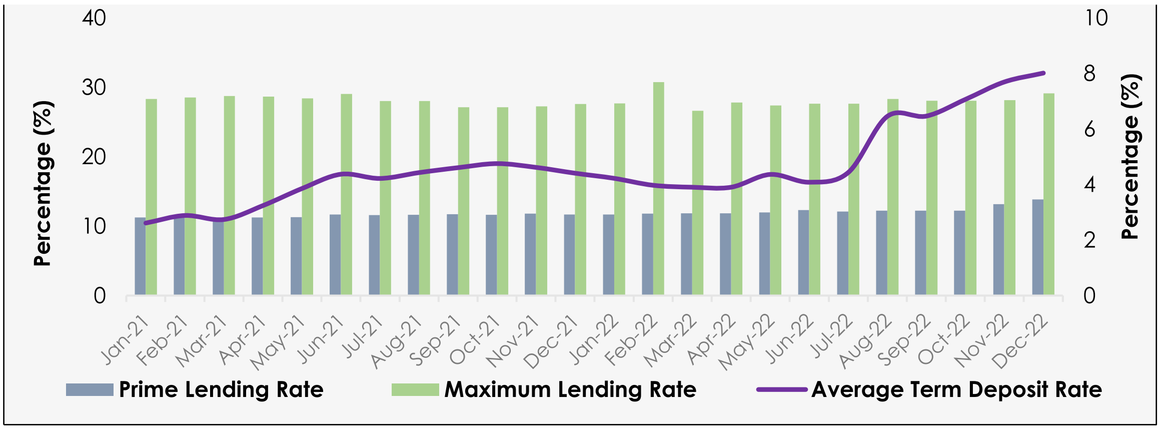
Net Domestic Credit (NDC) increased year-on-year by 36.17 percent, this was driven largely by the growth in NCg and CPs of 78.16 percent and 19.53 percent, respectively. The continuous increase in CPs reflects the Bank's position on improving lending to the real sector as well as its development finance interventions. These interventions were targeted at improving the flow of credit to critical sectors of the economy as a result of the Covid-19 pandemic. Overall, annual growth in NDC outperformed its benchmark of 16.23 percent, attributed to the combined performance of NCg and CPs in the same period. Growth in CG was persistently higher than CPS throughout 2022 raising concerns of the fiscal authority borrowing crowding out the private sector.

### 3.4.2.4 Deposit and Lending Rates

Commercial banks' average lending and deposit rates increased in 2022 relative to their levels in 2021. This largely reflected the tight liquidity conditions in the banking system and the pass-through effects of the policy rate on the term structure of interest rates. The Monetary Policy Committee (MPC) retained the MPR at 11.50 percent in 2021. However, in 2022, it was raised at four consecutive meetings of the MPC, due to the sustained push to control inflationary pressures and the pressure on the naira.

The average prime lending rate increased from 11.48 percent in 2021 to 12.34 percent in 2022. Similarly, the average maximum lending increased slightly from 28.06 percent to 28.37 percent over the period. With the average term deposit rate at 5.38 percent in 2022 (figure excludes Commercial Banks' Interest Rate on Time Deposits Maturing over 12 months), the spread between the maximum lending and average term deposit rate stood at 22.71 in 2022, a slight decrease from the 24.17 recorded in 2021.

**Chart 3.4.6: Deposit and Lending Rates Trends (January 2021-December 2022)**




3.4. 2.5 External Sector

The external sector had a mixed performance in 2022. Despite rising international crude oil prices and a positive current account balance, the sector had an overall balance of payments deficit of US$3.32 billion (0.7 percent of GDP), relative to a surplus position of US$0.30 billion (0.1 percent of GDP) recorded in 2021.

The current account recorded a surplus position, attributed largely to improved export earnings, occasioned by higher commodity prices on the international market, on account of the Russian-Ukraine war. The current account maintained a surplus position of US$1.02 billion in 2022, against a deficit of US$3.25 billion in 2021.

Export earnings rose significantly to US$64.23 billion in 2022, from US$46.86 billion in 2021, boosted by higher crude oil and gas prices, particularly in the first half of 2022, on account of the lingering supply-side disruptions in the crude oil market. Merchandise import increased to US$58.23 billion, from US$51.42 billion in 2021. The development was a result of the increase in the importation of both petroleum products and non-oil products. Specifically, the need to bridge the demand-supply gap which was prevalent in the domestic economy boosted the demand for petroleum products, especially Premium Motor Spirit (PMS), thus, importation of petroleum products increased by 50.1 percent to US$22.34 billion from US$14.88 billion in 2021. The increase in aggregate export earnings led to an improvement in Nigeria's trade balance to a surplus position of US$6.00 billion in 2022, from a deficit of US$4.56 billion in 2021.

A capital reversal of US$6.49 billion was recorded in 2022, higher than a reversal of US$6.35 billion in 2021. The development was due to divestment in direct investment equity and investment fund shares as non-resident investors sought haven following the uncertainties that surrounded the electioneering activities in the country. Foreign direct investment (FDI) divestment of US$0.19 billion was recorded in 2022, relative to an inflow of US$3.31 billion in the preceding period, resulting from reduced investments in equity and investment fund shares. During the same period, a portfolio investment inflow of US$4.56 billion was recorded, on account of the acquisition of money market instruments by non-resident investors. However, other investment inflow declined to US$7.62 billion, from US$9.68 billion in the preceding period, because of a lower inflow of foreign loans to the general government.

Nigeria's external reserves position deteriorated by 6.9 percent in 2022, falling from US$39.32 billion in January 2022 to US$36.61 billion in December 2022. The decline reflected the significant demand pressure witnessed in the foreign exchange market, the general drop in export proceeds, and the high cost of importation of refined petroleum products.

3.4.2.6 Exchange Rate Development

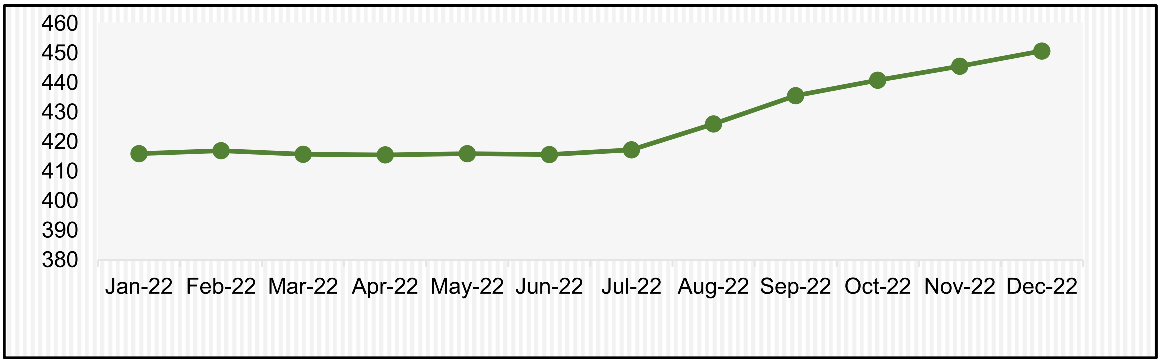
In 2022, the Nigerian naira depreciated in the foreign exchange market amidst lingering FOREX scarcity in the domestic economy. The naira plunged further against the rate it traded in the previous year as the dollar crisis worsened amid inflationary pressures.

The development was exacerbated by the scarcity of FOREX inflows, depleting foreign reserves, and the sudden surge in demand. Globally, the lingering effect of the COVID-19 pandemic and the continued lockdown of major industrial cities in China, as well as the uncertainties associated with the Russia-Ukraine war largely worsened the exchange rate.

The Central Bank sustained its various policy initiatives, programmes, and long-term interventions in the market. These included the introduction of the "Naira 4 Dollar" to divert the inflow of foreign exchange from the black market to the official foreign exchange market. This was in a bid to increase FOREX inflows and end the scarcity of foreign exchange. The CBN continued the discontinuance of FOREX sales to Bureau de Change (BDC) operators in Nigeria, while for the unification of exchange rates across the market, the Investors' and Exporters' window (I&E) rate remained the official exchange rate.

The annual average exchange rate in the I&E window in 2022, was 425.98 per US dollar. The average rate closed at 450.71 per US dollar in December 2022, a depreciation of 8.07 percent, relative to 414.34 per US dollar in December 2021. The average official rate, which stood at 416.21 per US dollar in the first quarter of 2022, appreciated slightly to 415.70 per US dollar in the second quarter. However, it further depreciated to 426.30 and 445.71 per US dollar in the third and fourth quarters, respectively.

**Chart 3.4.7: Average I&E Exchange Rate (January - December 2022)**




***Source**: Central Bank of Nigeria*

3.4.2.7 Economic Outlook for 2023

The Nigerian macroeconomic environment is expected to continue to improve, with output growth projected to sustain its positive trajectory in 2023. The forecast is predicated on the implementation of the Medium-Term National Development Plan (MTNDP) (2021-2025); improvement in manufacturing and oil production; and the positive impact of CBN interventions on growth-enhancing sectors. Downside global risks to output, however, remain including rising energy and commodity prices; supply disruptions due to the re-emergence of COVID-19 in China and spillovers from the war in Ukraine; as well as tighter financing conditions due to normalization of monetary policy by advanced economies. The headwinds from the domestic economy include capital reversals due to divestment by foreign investors; and limited crude oil production coupled with volatile international oil prices. Others are low accretion to reserves and foreign exchange pressures; huge infrastructure deficit, rising public debt, and security challenges that may intensify due to election-related violence.

Inflationary pressure in the domestic economy might persist in the near term. Specifically, headline inflation could moderate to 21.26 percent in the first quarter of 2023, from 21.34 percent in the fourth quarter of 2022. This is predicated on the Bank's tight monetary policy stance as well as effort towards improving efficiency in the supply chain during the year. Consequently, the domestic economy is expected to continue to expand in 2023, albeit at a moderated pace given identified downside risks to the growth outlook and upside risks to inflation.

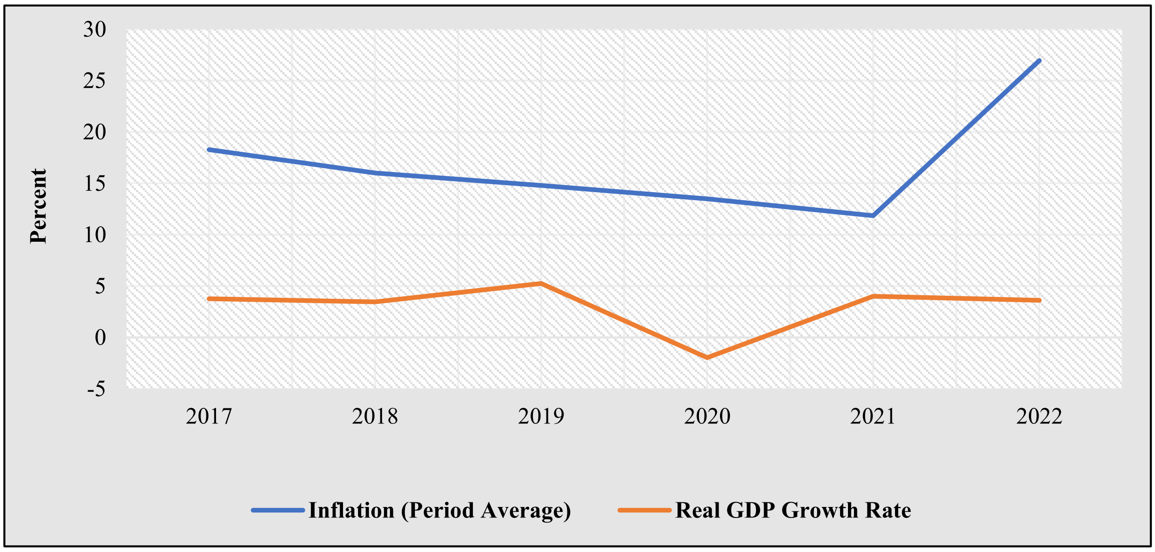
## 3.5 SIERRA LEONE

### 3.5.1 Real Sector

Real GDP growth slowed down to an estimated 3.6 percent in 2022, compared to a strong recovery of 4.1 percent in 2021. The moderation in economic growth reflected uncertainties in the global economic environment, coupled with supply-side challenges and higher food and energy prices. However, there were some improvements in the agricultural and services sectors, reflecting government diversification policies. This resulted in improved performance in crop production, trade, tourism, and transport and communication sub-sectors.

The agriculture sector recorded a growth of 3.37 percent in 2022, up from 2.85 percent in 2021, owing to the improvement in crop production. The services sector grew by 3.58 percent in 2022, up from 2.87 percent in 2021, due to the improvement in trade, tourism activities, as well as transport and communication activities during the review period. On the other hand, the industry sector's growth declined to 8.27 percent in 2022 compared to 17.41 percent in 2021, largely due to the decline in diamond production. However, other minerals such as iron ore increased during the review period. Figure 1 shows the trends in real GDP growth and average annual inflation rates.

**Chart 3.5.1: Real GDP Growth and Inflation Rate**




***Source: Statistics Sierra Leone***

### 3.5.2 Headline inflation

Headline inflation rose steadily from 17.94 percent in December 2021 to 37.09 percent at the end of December 2022. It further rose to 41.50 percent in March 2023, driven by high food and energy prices, higher freight costs, and the pass-through effect of the continuous exchange rate depreciation. Consequently, food inflation surged to 46.70 percent in December 2022 from 19.40 percent in December 2021. Non-food inflation also rose to 30.60 percent in December 2022 from 16.75 percent in December 2021. Accordingly, the average annual inflation rate rose to 26.95 percent in 2022 compared to 11.85 percent in December 2021.

### 3.5.3 Fiscal Developments

In 2022, the fiscal policy thrust was to consolidate revenue through the intensification of domestic revenue mobilization and rationalization of expenditure to support human capital development, social protection, infrastructure, and other growth sectors. Unfortunately, repeated adverse external and domestic shocks emanating from the Russian invasion of Ukraine and the pandemic have constrained the government's efforts to achieve these objectives.

Preliminary data outcome of government budgetary operations showed that the overall budget deficit expanded to NLe5.31 billion (9.6 percent of GDP) in 2022, from Le2.95 billion (6.7 percent of GDP) in 2021. Excluding grants, the budget deficit stood at NLe9.08 billion (16.4 percent of GDP), which was higher than NLe5.32 billion (12.1 percent of GDP) recorded in 2021. Similarly, the primary balance deficit widened to NLe5.12 billion (9.3 percent of GDP) in 2022, compared to NLe2.21 billion (5.0 percent of GDP) in 2021. Figure 2 shows the budget balance and public debt for the period 2017 to 2022.

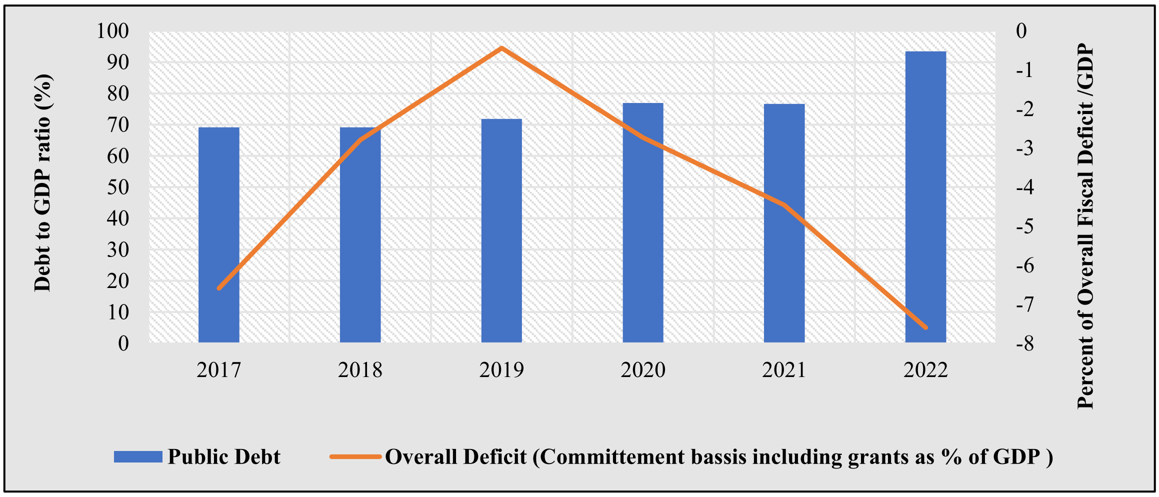
Total government revenue and grants expanded to NLe10.87 billion (19.3 percent of GDP) in 2022, compared to NLe9.29 billion (21.1 percent of GDP) in 2021. While domestic revenue increased, the bulk of the improvement in total revenue was due to an increase in foreign grants received. External grants received amounted to NLe3.82 billion (6.6 percent of GDP) in 2022, from NLe2.37 billion (5.4 percent of GDP) in 2021, representing a 61.16 percent increase. The grant was in respect of budgetary support and other development projects provided by the World Bank and the International Monetary Fund (IMF). Domestic revenue increased to NLe7.05 billion (12.7 percent of GDP), up from NLe6.92 billion (15.7 percent of GDP) in 2021. The increase was a reflection of the expansion in tax revenue to the tune of NLe5.41 billion (9.8 percent of GDP). On the other hand, non-tax revenue contracted by 18.14 percent to NLe1.64 billion (3.0 percent of GDP) due to the decline in revenue collected from royalties from mining, fisheries, and other departments, and receipts from road users and vehicle licenses.

Total government expenditure and net lending increased to NLe16.13 billion (29.2 percent of GDP) in 2022 from NLe12.15 billion (27.6 percent of GDP) in 2021, reflecting government spending on the implementation of mitigation policies to reduce the effect of supply-side shocks on the population. Hence, both recurrent and capital expenditure increased in the review period.

Recurrent expenditure increased to NLe11.06 billion (20.0 percent of GDP) in 2022 from NLe8.62 billion (19.6 percent of GDP) in 2021. The expansion in recurrent expenditure was attributed to the increase in wages and salaries, non-interest non-salary expenditure, and debt servicing.

Capital expenditure expanded to NLe5.06 billion (9.2 percent of GDP) in 2022 from NLe3.53 billion (8.0 percent of GDP) in 2021 due to the increase in both domestic and foreign development spending.

**Chart 3.5.2: Budget Balance and Public Debt**




***Source:*** *MOF*

### 3.5.4 Total Public Debt

Total Public Debt increased to NLe51.67 billion (93.4% of GDP) as of December 2022, up from NLe34.00 billion (76.6% of GDP) in the corresponding period of 2021. This reflects loans contracted in the Ebola period, accumulation of arrears, and depreciation in the exchange rate during the review period. Accordingly, external debt accounted for 69 percent of public debt, whilst domestic debt was 31 percent of public debt in 2022.

### 3.5.5 Monetary and Financial Sector

The Bank of Sierra Leone remained focused on its core mandate of ensuring price and financial sector stability while providing support for the government's economic objectives to enhance overall macroeconomic stability. In its efforts to strike a balance between low inflation, stable growth, and financial stability, the Bank consecutively raised its policy rate, resulting in an increase in the MPR by 300 basis points during the period of January 2022 to December 2022.

The monetary aggregate expanded in the review period, as evident in the growth of both broad money and reserve money.

Broad Money (M2) expanded by 41.05 percent in 2022, relative to the 22.05 percent increase in 2021. The expansion in Broad Money was primarily a reflection of the increase in Net Domestic Assets (NDA) in the banking system, coupled with moderate growth in Net Foreign Assets (NFA) of the banking system. The NDA of the banking system expanded by 53.13 percent in 2022, following a growth of 27.05 percent in 2021. The expansion in NDA was due to the 34.27 percent increase in Net Claims on the Central Government by the banking sector in 2022, relative to the 19.63 percent growth in 2021. Net Claims on the Central Government by the Bank of Sierra Leone increased by 62.76 percent in 2022, relative to the 23.88 percent increase in 2021. Furthermore, Net

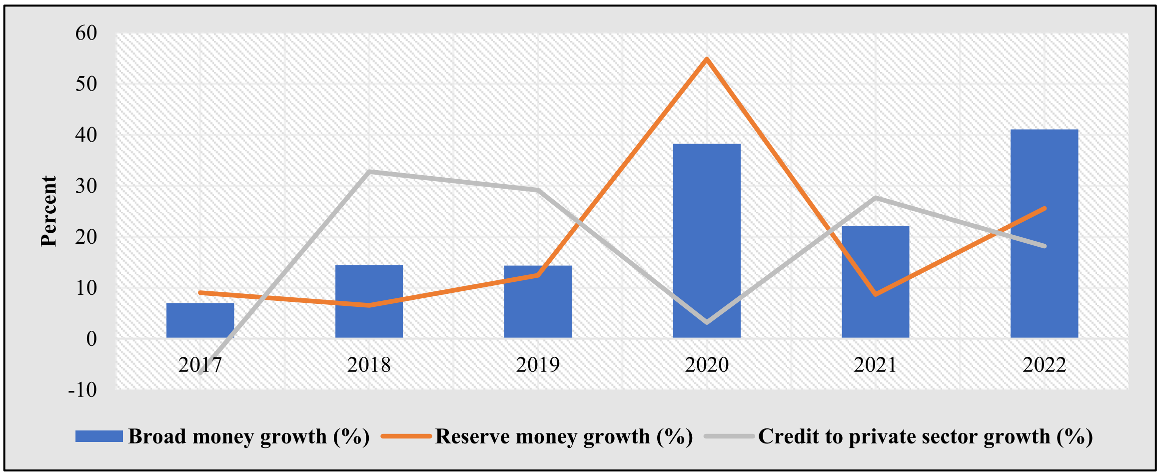
Claims on the Central Government by the commercial banks grew by 13.28 percent in 2022 from a growth of 16.68 percent in 2021. The growth rate of Credit to the Private Sector moderated to 18.12 percent in 2022 relative to a growth of 27.63 percent in 2021. The NFA of the banking system increased moderately by 3.22 percent in 2022, from a growth of 8.67 percent in 2021 due to government financing of foreign obligations.

From the liability side, the growth in M2 was reflected in both Narrow Money and Quasi Money. Narrow Money grew by 19.40 percent in 2022, compared to the 25.58 percent increase in 2021 due to the growth in both Currency Outside Banks (29.03%) and Demand Deposits (11.15%). Quasi Money expanded by 64.89 percent in 2022, following a growth of 18.39 percent in 2021, mainly due to increases in time and savings Deposits (104.74%) and foreign currency deposits (26.15%).

Reserve Money (RM) grew by 25.55 percent in 2022, relative to the growth of 8.68 percent in 2021. The expansion in Reserve Money was mainly due to an increase in the NDA of the BSL, which was more than the deterioration in the NFA of the Central Bank. NDA of the BSL grew by 118.44 percent in 2022, compared to a growth of 32.12 percent in 2021. The expansion in NDA of the BSL was primarily because of the increase in net claims on the government by the BSL. The net claims on the government by the BSL increased by 62.76 percent in 2022, from a growth of 23.88 percent in 2021. The significant surge reflects the significant increase in the holdings of government securities by the BSL, coupled with an increase in GoSL/IMF Budget financing.

NFA of the BSL deteriorated by 2643.26 percent in 2022 compared to the contraction of 127.17 percent in 2021. The deterioration in the NFA of the BSL was mainly due to an increase in foreign currency liabilities, coupled with a drawdown to support the importation of essential commodities, including food and energy items. From the liabilities side, RM growth was a consequence of a 29.03 percent increase in currency issued in 2022, compared to the 23.97 percent growth in 2021. Additionally, banks' reserves expanded by 14.91 percent in 2022, after contracting by 20.48 percent in 2021.

**Chart 3.5.3: Sierra Leone - Private Sector Credit and Broad Money**




***Source:*** *BSL*

Yield rates on government securities for 182-day and 364-day Treasury bills increased during the review period. The yield on the 182-day and 364-day Treasury bills increased from 13.13 percent and 21.38 percent in December 2021 to 13.21 percent and 28.23 percent, respectively, in December 2022. The interbank rate increased from 15.01 percent in December 2021 to 18.90 percent in December 2022. The average lending rate and interest rate on savings increased from 19.77 percent and 2.15 percent to 20.10 percent and 2.17 percent, respectively, during the reporting period.

The Financial Sector remained relatively stable, as most of the key financial soundness indicators (FSI) in the banking system remained above their minimum prudential requirement during the review period. The Capital Adequacy Ratio (CAR) of 15.00 percent was met by all but one (1) bank for the period under review. The industry's CAR position exceeded the regulatory minimum, indicating adequate capital of banks to absorb losses. However, the CAR dropped to 35.2 percent in 2022, from 39.9 percent in 2021, reflecting the negative capital base of one of the banks and the increase in the industry's Risk Weighted Assets.

Additionally, the shareholders' fund for two (2) banks decreased in 2022. The industry's overall liquidity ratio (liquid assets to total assets) declined to 41.5 percent, from 50.0 percent recorded in 2021. The non-performing loans (NPLs) ratio improved by 3.22 percentage points to 11.59 percent in 2022. However, the ratio remained above the 10.0 percent tolerable limit, with commerce & finance, and construction constituting about three-fifths of the total NPLs. Earnings of the banking industry remained robust during the period, with interest income to gross income improving from 69.1 percent in 2021 to 73.2 percent in 2022.

### 3.5.6 External Sector

3.5.6.1 Balance of Payment

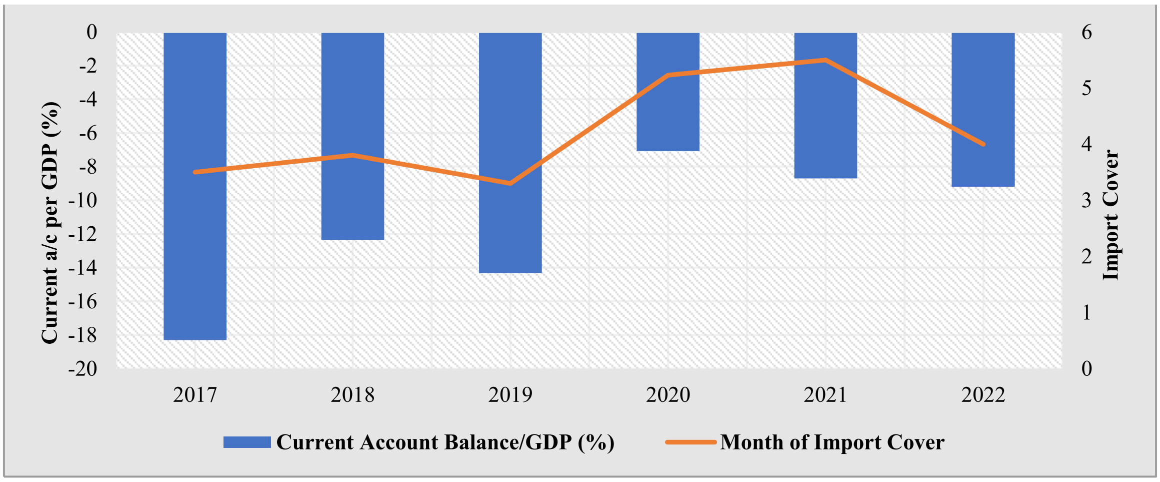
The external sector in Sierra Leone remained challenging in 2022, affected by multiple external shocks, including the Russian-Ukraine war, which worsened the supply-side challenges. Despite some improvement in the current account, the overall balance of payments recorded a deficit in 2022 compared to the surplus position in 2021.

The current account deficit narrowed to an estimated US$353.3 million (9.2 percent of GDP) in 2022, compared to US$360.6 million (8.7 percent of GDP) in 2021. This was mainly attributed to an improvement in the merchandise trade balance, net income, and transfers, which outweighed the decline in the services account. The merchandise trade deficit narrowed to US$532.6 million (13.8 percent of GDP) in 2022, from US$584.7 million (14.2 percent of GDP) in 2021, occasioned by an increase in exports over the increase in the import bill in 2022. Export receipts were boosted by earnings from rutile and ilmenite. Current transfers also improved marginally to US$497.4 million in 2022, compared with US$466.5 million in 2021, owing to increased remittance inflows. Conversely, the services account (net) recorded a wider deficit of US$255.0 million in 2022, compared to US$170 million in 2021.

The capital and financial accounts recorded an estimated surplus of US$54.7 million (1.4 percent of GDP) in 2022, compared to a surplus of US$589.0 million (14.3 percent of GDP) in 2021. The reduction in the surplus was mainly due to a drop in inflows in the financial account resulting in a deficit of US$52.4 million in 2022 from a surplus of US$483.3 million in 2021. This outweighed the increase in capital flows in the capital account from US$105.7 million in 2021 to US$107.2 million.

Accordingly, the overall balance of payments position deteriorated from a surplus of US$149.0 million (3.6 percent of GDP) in 2021 to an estimated deficit of US$298.5 million (7.7 percent of GDP) in 2022, mainly reflecting the reduction in foreign direct investment inflows under the financial account, associated with the adverse effects of the Russian-Ukraine crisis and resultant tightening global financial conditions.

**Chart 3.5.4: Sierra Leone Current Account Balance and External Reserves**




***Data Source: BSL/IMF discussions***

3.5.6.2 Gross Foreign Exchange Reserves

The gross foreign exchange reserves of the Bank of Sierra Leone decreased to US$610.42 million (3.2 months of import cover) in 2022 from US$931.76 million (5.4 months of import cover) in 2021. The drawdown on reserves mainly reflected the increase in external debt service payments, the BSL's additional facilities for supporting food and fuel imports, as well as its intervention to smooth volatility in the FX market.

3.5.6.3 Exchange Rate

Amid balance of payments fluctuations resulting from external shocks and dwindling reserves, the Leone continued to weaken against major foreign currencies in 2022. In bilateral terms, the official exchange rate of the Leone to the US dollar depreciated by 34.5 percent in 2022, compared to a depreciation rate of 6.2 percent in 2021.

3.5.6.4 Status of Convergence Based on the Revised ECOWAS Criteria

The performance score of Sierra Leone on the primary macroeconomic convergence criteria remained the same in 2022 as in 2021. The country met the criterion on gross external reserves but missed the targets on inflation, budget deficit, and central bank financing of the budget deficit. On the secondary convergence criteria, both the nominal exchange rate variation and public debt-to-GDP criteria were missed during the review period.

# 4.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN WEST AFRICA

## 4.1 INTRODUCTION

Just when the West African sub-region was recovering from the adverse effects of the COVID-19 pandemic, the Russian-Ukraine war struck to erode a significant portion of the gains made. The year 2022 was indeed a period of slump in economic activities, largely due to disruptions in global trade and supply chains caused by the war. Average GDP growth in the sub-region plummeted to 4.9 percent in 2022, 0.3 percentage points higher than the previous year's average growth. However, there were variations in the growth performance among the various countries in the sub-region. Whilst countries such as Mali, Niger, Cabo Verde, The Gambia, and Guinea experienced a positive growth performance, other countries such as Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Senegal, Togo, Ghana, Liberia, Nigeria and Sierra Leone experienced a slump in their growth performance (See Table 4.1).

The key drivers of the increased growth experienced in the sub-region were the extractive industry, manufacturing, construction, retail trade telecommunications, transport, the digital economy, renewable energy, private and public investments, and private consumption. However, for countries in the sub-region that experienced a slump in growth performance, the underlying factors were the closure of mines for security reasons (in Burkina Faso), socio-political instability and military coups (in Burkina Faso), a general deterioration of security environment in the sub-region, the effects of Russia's invasion of Ukraine, macroeconomic instability, global financial tightening, the decline in oil production ( in Nigeria), contraction in public consumption (in Nigeria), unfavourable agricultural season (in Senegal) and ECOWAS sanctions against Mali.

A full implementation of the African Continental Free Trade Area (AfCFTA) agreement signed in March 2018 will see intra-regional trade improve, with consequences for increased economic growth and development in the West African sub-region. In addition to the AfCFTA, many of the countries in the sub-region have also embarked on specific plans and policy reforms to restructure their respective economies to increase socio-economic development. These are Senegal's Energy Sector Reform (2016-2021), Benin's Government Action Plan and the Ghana CARES (“OBAATAN PA”) programme, and Cote d'Ivoire's National Development Plan (NDP) 2021–2025 among others.

Average inflation in the sub-region in 2022 is estimated at 11.7 percent, 5.3 percentage points higher than that of the previous year (Table 4.2). The rise in inflation in 2022 could be attributed mainly to high food prices, high cost of transportation (caused by increased global energy prices), depreciating local currency as well as deteriorating international economic situation.

## 4.2 CFA COUNTRIES

Average real GDP growth in CFA countries slightly plummeted to 5.0 percent in 2022, from 5.2 percent in 2021 (Table 4.1). Despite this development, not all CFA countries experienced a slump in their growth performance. Countries such as Benin, Mali (regardless of the ECOWAS sanctions imposed on her), Niger, and Senegal experienced an improvement in their growth performance (Table 4.1).

The economic contraction experienced in the CFA zone was mainly due to the spillover effects of the Russian-Ukraine war as well as the lingering effects of the COVID-19 pandemic. In Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Senegal, and Togo, the slump in economic growth was due to the closure of several mines for security reasons, reduced private consumption, low manufacturing output, unfavourable agricultural season, sociopolitical instability, military coups, and a deteriorating security environment as well as the ongoing effects of Russia's invasion of Ukraine the lagged effects of the COVID-19 pandemic.

However, the positive growth performance recorded by countries in the CFA zone (Mali and Niger) could be attributed to the growth of cereal production and industrial gold production; higher consumption by households and government agencies as well as major infrastructural projects.

In terms of inflation, the CFA countries experienced an acceleration in average inflation from 3.4 percent in 2021 to 7.7 percent in 2022 (Table 4.2). Similar to the experience of 2021, the inflation rate increased in all CFA countries in 2022 (Table 4.2). Specifically, Benin experienced an increase in inflation from 1.7 percent in 2021 to 2.5 percent in 2022, whilst Burkina Faso also experienced a rise in inflation from 3.7 percent to 14.4 percent over the same period (Table 4.2). The rise in headline inflation in Benin and Burkina Faso was due to the rising cost of necessities and higher imports of food products and oil. In Cote d'Ivoire, inflation rose from 4.2 percent in 2021 to 5.2 percent in 2022, whereas in Guinea-Bissau, inflation increased significantly by 4.6 percentage points to 7.9 percent in 2022 (Table 4.2). The hike in headline inflation in Cote d'Ivoire was due to higher food prices due to inadequate local supplies and the higher cost of transportation caused by increased global energy prices. Similarly, Mali experienced a leap from a deflation rate of 2.9 percent in 2019 to an inflation rate of 0.5 percent in 2020 (Table 4.2). Similarly, Niger experienced a quantum leap from an inflation rate of 3.9 percent in 2021 to 9.7 percent in 2022 (Table 4.2). In Senegal, inflation increased by 7.5 percentage points to 9.7 percent in 2022 due to soaring food prices. On the other hand, Togo experienced a hike in inflation by 3.2 percentage points in 2022 (Table 4.2). The hike in inflation in Mali and Niger was fueled by higher consumer food prices and the deteriorating international economic situation.

In summary, all countries in the CFA zone, except Benin, experienced a hike in their inflation rates in 2022, which were above the 3 percent West African Economic and Monetary Union (WAEMU) convergence criterion.

### 4.3 NON-CFA COUNTRIES

Sequel to Russia's invasion of Ukraine and the COVID-19 pandemic, there was a contraction in economic activities in the non-CFA countries. Average real GDP growth in the non-CFA countries contracted from 4.8 percent (2021) to 4.7 percent in 2022 (Table 4.1). However, there were country variations in the growth performance of the countries in the non-CFA zone. Specifically, whilst countries such as Ghana, Liberia, Nigeria, and Sierra Leone experienced slumps in their growth rates, Cabo Verde, The Gambia, and Guinea had increased growth rates (Table 4.1). The significant decline in the growth rate of Ghana significantly pulled down the average growth rate for the non-CFA countries.

It is worth noting that, among the non-CFA economies, the economy of Cabo Verde experienced the highest growth rate (10.5 percent) in 2022, despite the negative spillover effects of the Russia-Ukraine war. On the other hand, the lowest growth rate in the non-CFA zone in 2022 (2.8 percent) was recorded by Sierra Leone (Table 4.1).

The dip in real GDP growth of countries in the non-CFA zone was largely due to macroeconomic instability, global financial tightening, spillover effects of Russia's invasion of Ukraine, higher commodity prices, tight fiscal space, and a decline in oil production.

Similar to the experience of the CFA countries, the average inflation rate for non-CFA countries upsurged between 2021 and 2022. Specifically, the average inflation rate leaped from 9.8 percent in 2021 to 16.2 percent in 2022 (Table 4.2). However, there were mixed experiences in terms of inflation variation in the individual non-CFA countries between 2021 and 2022. Specifically, Cabo Verde, The Gambia, Ghana, Nigeria, and Sierra Leone experienced significant hikes in their inflationary rates, whilst Guinea and Liberia experienced a dip in 2022 (Table 4.2).

The hike in inflation rates of Cabo Verde, The Gambia, Ghana, Nigeria, and Sierra Leone was largely due to higher food and energy prices (induced by Russia's invasion of Ukraine), a slump in private investment, and depreciating local currency. On the contrary, the dip in inflation in Guinea and Liberia was attributed to appreciation of the domestic currency (Guinea) and a decline in domestic food prices (Liberia).

### 4.4 OUTLOOK FOR 2023 AND BEYOND

The outlook for growth in 2023 is somewhat stunted by the ongoing Russia-Ukraine war. Average real GDP growth in West Africa is expected to remain at 4.9 percent in 2023 but increase significantly to 5.9 percent in 2024 (Table 4.1).

All countries in West Africa (both CFA and non-CFA) are optimistic about growth resurgence in 2023 and beyond. However, the following headwinds are likely to pose a threat to their growth resurgence: unfavorable variations in global cotton and oil prices, losses and damages due to extreme whether events, sustained geographical tensions including the prolonged Russia's invasion of Ukraine, unresolved internal conflicts in some countries as well as political risks due to upcoming national elections in some countries.

**Table 4.1: Real GDP Growth in West Africa (%)**

| CFA | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022* | 2023** | 2024*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Benin | 4.8 | 7.2 | 6.4 | 1.8 | 3.3 | 5.7 | 6.7 | 6.9 | 2.0 | 3.8 | 6.0 | 6.2 | 6.0 |
| Burkina Faso | 6.5 | 5.8 | 4.3 | 3.9 | 6.0 | 6.2 | 6.8 | 5.7 | -2.0 | 6.9 | 3.2 | 3.7 | 3.9 |
| Cote d'Ivoire | 10.1 | 9.3 | 8.8 | 8.8 | 7.2 | 7.4 | 6.8 | 6.5 | 1.8 | 7.4 | 6.7 | 7.2 | 7.0 |
| Guinea-Bissau | -1.7 | 3.3 | 1.0 | 6.1 | 5.3 | 4.8 | 3.4 | 4.5 | -2.9 | 6.4 | 3.7 | 4.6 | 5.1 |
| Mali | -0.8 | 2.3 | 7.1 | 6.2 | 5.9 | 5.0 | 5.2 | 5.1 | -2.0 | 3.1 | 3.7 | 5.1 | 5.3 |
| Niger | 11.8 | 5.3 | 7.5 | 4.3 | 5.7 | 5.0 | 7.2 | 5.9 | 0.5 | 1.4 | 7.2 | 7.0 | 11.8 |
| Senegal | 4.0 | 2.4 | 6.2 | 6.4 | 6.4 | 7.4 | 6.4 | 5.3 | -0.7 | 6.5 | 4.0 | 5.0 | 9.8 |
| Togo | 6.5 | 6.1 | 5.9 | 5.7 | 4.9 | 4.4 | 4.9 | 5.3 | 0.0 | 6.0 | 5.5 | 6.3 | 6.6 |
| ***Average for CFA Countries*** | ***5.1*** | ***5.2*** | ***5.9*** | ***5.4*** | ***5.6*** | ***5.7*** | ***5.9*** | ***5.7*** | ***-0.4*** | ***5.2*** | ***5.0*** | ***5.6*** | ***6.9*** |
| **Non-CFA** | | | | | | | | | | | | | |
| Cabo Verde | 1.1 | 0.8 | 0.6 | 1.0 | 4.7 | 3.7 | 4.5 | 5.7 | -6.8 | 7.0 | 10.5 | 5.7 | 6.2 |
| The Gambia | 5.2 | 2.9 | -1.4 | 4.1 | 1.9 | 4.8 | 7.2 | 6.1 | -1.8 | 4.3 | 4.4 | 5.2 | 5.6 |
| Ghana | 9.3 | 7.3 | 2.9 | 2.2 | 3.4 | 8.1 | 6.3 | 6.5 | 0.9 | 5.4 | 3.3 | 1.7 | 3.0 |
| Guinea | 5.9 | 3.9 | 3.7 | 3.8 | 10.8 | 10.3 | 6.2 | 5.6 | 1.4 | 4.4 | 4.8 | 5.5 | 5.6 |
| Liberia | 8.4 | 8.8 | 0.7 | 0.0 | -1.6 | 2.5 | 1.2 | -2.5 | -3.0 | 5.0 | 4.0 | 4.3 | 4.8 |
| Nigeria | 4.3 | 5.4 | 6.3 | 2.7 | -1.6 | 0.8 | 1.9 | 2.2 | -4.3 | 3.6 | 3.3 | 3.3 | 3.3 |
| Sierra Leone | 15.2 | 20.7 | 4.6 | -20.5 | 6.3 | 3.8 | 3.5 | 5.4 | -3.1 | 4.1 | 2.8 | 3.1 | 4.8 |
| ***Average for Non-CFA Countries*** | ***7.1*** | ***7.1*** | ***2.5*** | ***-1.0*** | ***3.4*** | ***4.9*** | ***4.4*** | ***4.1*** | ***-2.4*** | ***4.8*** | ***4.7*** | ***4.1*** | ***4.6*** |
| **Average for West Africa** | **6.0** | **6.0** | **4.4** | **2.6** | **4.6** | **5.3** | **5.3** | **5.0** | **-1.3** | **5.0** | **4.9** | **4.9** | **5.9** |

**Source: IMF, AfDB, GSS, BoG, MoF, World Bank**

***2021 Figures are based on estimates**

****2022 and **2023 are based on projections.**

**Table 4.2: Consumer Price Inflation (Annual Averages, %)**

| CFA | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022* | 2023** | 2024*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Benin | -0.5 | 0.2 | -0.8 | 1.8 | 0.8 | 1.8 | 0.8 | -0.9 | 2.5 | 1.7 | 2.5 | 2.8 | 2.3 |
| Burkina Faso | -0.3 | 0.7 | 0.4 | 1.5 | 2.0 | 0.4 | 2.0 | -3.2 | 2.0 | 3.7 | 14.4 | 6.1 | 3.7 |
| Cote d'Ivoire | 0.4 | 1.3 | 0.7 | 0.7 | 0.4 | 0.7 | 0.4 | 0.8 | 1.2 | 4.2 | 5.2 | 3.7 | 2.7 |
| Guinea-Bissau | 6.9 | 6.6 | 6.3 | 8.0 | 4.7 | -0.2 | 0.4 | 0.2 | 2.0 | 3.3 | 7.9 | --- | 3.0 |
| Mali | 3.5 | 3.2 | 1.5 | 2.3 | 3.0 | 1.8 | 1.7 | -2.9 | 0.5 | 3.9 | 9.7 | 2.6 | 2.4 |
| Niger | 8.1 | 9.0 | 15.7 | 16.5 | 12.1 | 0.2 | 2.8 | -2.5 | 4.4 | 3.8 | 4.2 | --- | --- |
| Senegal | 1.4 | 4.0 | -1.0 | 2.9 | 3.7 | 1.1 | 0.5 | 1.0 | 2.0 | 2.2 | 9.7 | 3.4 | 2.6 |
| Togo | 0.2 | 2.6 | 1.3 | -1.0 | 0.9 | -0.2 | 0.9 | 0.7 | 1.4 | 4.6 | 7.8 | 3.8 | 2.6 |
| ***Average for CFA Countries*** | ***2.5*** | ***3.5*** | ***3.0*** | ***4.1*** | ***3.5*** | ***0.7*** | ***1.2*** | ***-0.8*** | ***2.0*** | ***3.4*** | ***7.7*** | ***2.8*** | ***2.4*** |
| **Non-CFA** | | | | | | | | | | | | | |
| Cabo Verde | -0.2 | 0.1 | -1.4 | 0.8 | 1.3 | 0.8 | 1.3 | 1.1 | 1.0 | 1.9 | 8.0 | 7.8 | 6.5 |
| The Gambia | 15.5 | 17.1 | 17.5 | 12.4 | 7.8 | 8.0 | 6.5 | 7.1 | 6.1 | 7.4 | 9.6 | 5.2 | 5.6 |
| Ghana | 7.1 | 10.8 | 8.2 | 8.9 | 9.8 | 12.4 | 9.8 | 7.2 | 10.4 | 10 | 31.5 | 44.7 | 20.4 |
| Guinea | -1.5 | 1.5 | 1.5 | 1.0 | 0.4 | 8.9 | 9.8 | 9.5 | 9.1 | 12.6 | 12.2 | 11.2 | 9.9 |
| Liberia | 2.4 | 9.8 | 25.9 | 28.5 | 13.6 | 12.4 | 23.5 | 27.0 | 11.9 | 7.9 | 7.4 | 8.2 | 6.5 |
| Nigeria | 5.9 | 2.3 | 2.5 | 7.2 | 8.3 | 16.5 | 12.1 | 11.4 | 12.9 | 17.0 | 18.8 | 19.6 | 13.6 |
| Sierra Leone | 1.3 | 1.4 | 2.3 | 2.9 | 5.1 | 18.2 | 16.0 | 14.8 | 15.7 | 11.9 | 26.1 | 27.1 | 20.8 |
| ***The average for Non-CFA Countries*** | ***4.4*** | ***6.1*** | ***8.1*** | ***8.8*** | ***6.6*** | ***11.0*** | ***11.3*** | ***11.2*** | ***9.6*** | ***9.8*** | ***16.2*** | ***17.7*** | ***11.9*** |
| **Average for West Africa** | **3.3** | **4.6** | **5.2** | **6.2** | **4.8** | **5.2** | **5.6** | **4.4** | **5.3** | **6.4** | **11.7** | **9.8** | **6.9** |

**Source: IMF, AfDB, GSS, BoG, MoF, World Bank**

***2021 Figures are based on estimates**

****2022 and **2023 are based on projections.**

# 5.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN AFRICA

## 5.1 INTRODUCTION

The world was bedeviled with the menace of the COVID-19 pandemic, which claimed millions of lives in the affected countries and families in 2020 and 2021 respectively. In the aftermath of the pandemic when the global economy was on a recovery trajectory, the Russia-Ukraine war struck in 2022 to erode some portion of the gains made. There were commodity supply-chain disruptions due to the war, thus heightening energy and food prices. In spite of this, most African economies remained resilient in 2022.

## 5.2 MACROECONOMIC OUTCOMES IN 2022

In 2022, real GDP growth in the continent was estimated at 3.8 percent, down from 4.8 percent in 2021. Despite the slump in economic activity, the estimated GDP growth in 2022 was above the global average of 3.4 percent. The slump in growth was precipitated by factors such as tightening global financial conditions, supply chain disruptions exacerbated by Russia's invasion of Ukraine, declined global growth constraining demand for Africa's exports, residual effects of the COVID-19 pandemic, and growing impacts of climate change as well as extreme weather conditions.

Furthermore, compared to that of 2021 (i.e. 4.9 percent), Africa's fiscal deficit was estimated to have narrowed to 4.0 percent in 2022, reflecting scaling-down of COVID-19-related interventions and improved efforts to mobilize domestic revenues. The current account deficit was estimated to have widened in 2022 by 0.4 percentage points to 2.1 percent of GDP, whilst average inflation was estimated at 14.2 percent in 2022 (from 12.9 percent in 2021). The increase in inflation also reflected strong exchange rate passthrough effects.

Furthermore, public debt remained high in 2022, thereby increasing the vulnerabilities. In spite of the fact that the median public debt in Africa was estimated to have declined to 65 percent of GDP in 2022 (from 68 percent in 2021), debt levels will continue to remain above the pre-pandemic level of 61 percent of GDP. In addition, many countries' difficulties in accessing international capital markets, amidst limited revenue mobilization, have led to the issuance of local currency debt, which increased considerably from 35 percent of GDP on average in 2019 to 42 percent in 2021. But for the factoring cost of subsidies and cash transfers to reduce energy and food prices, domestic borrowing could have risen further in 2022. Domestic debt restructuring, therefore, should be part of the negotiations for the resolution of public debt crises in countries facing heightened risks. However, continued appreciation of the US dollar could also heighten risks of debt distress and perpetuate debt vulnerabilities, dampening the growth momentum.

### 5.2.1 GDP GROWTH

The continent's recovery effort in 2021 was quite remarkable but that was challenged by the Russian-Ukraine war amid global trade tensions. Growth dipped from 6.9 percent (in 2021) to 3.8 percent in 2022 (Table 5.1). Despite the general decline in growth, there were variations in growth experience across the sub-regions. For instance, the North Africa's economy slumped to 4.1 percent in 2022, from 11.7 percent in 2021 (Table 5.1). North Africa's economic slump was largely attributed to rising conflict in the region and lower performance of hydrocarbon, services, and, to a lesser extent, manufacturing.

On the other hand, although massive economic diversification is currently underway in East Africa, the region could not robustly withstand the negative spillovers of the Russian-Ukraine war and global trade tensions. Average GDP growth in East Africa declined from 4.8 percent (2021) to 4.4 percent in 2022 (Table 5.1). The decline in the region's GDP was attributable to reduced port traffic (due to the Tigray war), lower public investment, drought, increased commodity prices, and tight global financial conditions, climate shocks on domestic food production, high energy, food, and fertilizer prices as well as weak external demand on exports.

In Central Africa, growth climbed to an estimated 5.0 percent in 2022 (Table 5.1), benefiting from high commodity prices. Central Africa mainly comprises net exporters of crude oil, minerals, and other commodities such as timber. Growth is projected to moderate to 4.9 percent in 2023 and stabilize at 4.6 percent in 2024 as global commodity demand picks up and domestic conditions improve, supporting investment, after the weak performance induced by the COVID-19 pandemic

Growth in West Africa slowed to 3.8 percent in 2022 (estimate) from 4.4 percent in 2021. All countries except Cabo Verde, The Gambia, Guinea, Mali, and Niger, recorded growth decelerations in 2022.

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 to growth in tourism.

Across country groupings in Africa, the Oil-exporting countries slowly recovered from the effects of the pandemic, but the momentum weakened slightly in 2022, with growth estimated at 4 percent, down from 4.2 percent in 2021. This slowdown was largely blamed on a sharp decline in Libya and weaker growth in Nigeria. Africa's oil-exporting countries account for about 51 percent of the continent's GDP. Hence, their growth has a significant influence on Africa's average performance.

The tourism-dependent economies on the other hand grew by an estimated 8.4 percent in 2022, sustaining the momentum from 2021. Tourist arrivals in Africa's major destinations were also boosted by domestic strategies, including the award of long-term temporary residency permits and suspension of visa requirements for high-end tourism markets such as Mauritius and Seychelles. These strategies underscore policy efforts to help the sector to secure sustainable tourism revenues and employment.

### 5.2.2 DEBT DYNAMICS AND IMPLICATIONS FOR GROWTH

Public debt is projected to remain high, with lingering vulnerabilities. The median public debt in Africa was estimated to have declined to 65 percent of GDP in 2022 from 68 percent, due to debt relief initiatives that helped countries withstand the confluence of global shocks including the COVID-19 pandemic.

Public debt-to-GDP ratios are especially high among other resource-intensive (non-oil) economies. For this group of countries, the median public debt-to-GDP ratio declined in 2022 from 74.5 percent of GDP to 69 percent mainly due to a decline of more than 60 percentage points in Sudan's debt, which reached the Heavily Indebted Poor Countries Initiative decision point in 2021 and is expected to receive substantial external debt relief. However, public debt remains above the pre-pandemic level of 67.5 percent of GDP and is expected to increase respectively to 72 percent and 73 percent in 2023 and 2024, mainly due to rising interest costs of debt, depreciation of national currencies and growing financing needs.

For oil-rich countries, debt is set to decline to 64 percent of GDP in 2022 from 66.5 percent in 2021 despite a build-up in Nigeria. Nigeria's public debt has increased steadily due to a weak revenue position coupled with large outlays on fuel subsidies, estimated at about 3 percent of GDP. For other countries in this group, the gain from export earnings boosted by high oil prices have strengthened their currencies and improved their external position. These factors have mitigated the effect of rising interest rates and reduced the debt burden in these countries. Debt is estimated to have declined by double digits in Angola (20 percentage points), Equatorial Guinea (15 percentage points), and Congo (9 percentage points). In Angola, an appreciation of the national currency as well as improved receipts from oil exports accounted for the sharp decline in public debt in 2022. All countries in this group, except Gabon and South Sudan are expected to see a decline in their public debt-to-GDP ratios in 2023 and 2024.

Non-resource-rich countries exhibit a similar pattern in the evolution of public debt, which is estimated to have declined to 63 percent of GDP in 2022 from 64 percent the previous year, reflecting stronger economic growth. Projected higher economic growth and efforts to reduce the fiscal deficit through fiscal consolidation and expenditure restraint are expected to bring down the debt ratio to 62 percent of GDP in 2023 and 60 percent of GDP in 2024.

For the key drivers of debt dynamics during 2013–23, the decomposition of debt-creating flows indicates that the projected exchange rate depreciation and high primary deficits will have a greater cumulative impact on external debt dynamics than historical drivers such as real GDP growth. Similarly, interest-related expenditures, through increased nominal interest rates, are projected to contribute significantly to higher debt accumulation relative to past values, due to the current normalization of monetary policy across the world, reversing the historically ultra-low interest rate environment.

### 5.2.3 INFLATIONARY PRESSURE

Average consumer price inflation in Africa increased by an estimated 1.3 percentage points to 14.2 percent in 2022 from 12.9 percent in 2021. The rise in inflation in 2022 was due to domestic factors such as drought, expansionary public investment, and, more importantly, the direct effect of imported inflation, and external factors such as rising oil and food prices, exacerbated by supply chain disruptions. The rise in inflation was broad-based, surpassing central bank target rates for most countries with explicitly defined bands, except in Benin, Congo, Egypt, Eswatini, Liberia and Tanzania.

## 5.3 OUTLOOK FOR 2023 AND BEYOND

Africa remains resilient amidst multiple shocks with average growth projected to stabilize at 4.1 percent in 2023–24, higher than the estimated 3.8 percent in 2022. However, the outlook for growth recovery in Africa is subject to some risks.

The projected stable growth in 2023 and 2024 reflects the expected benefits from a slight improvement in global economic conditions—mainly underpinned by China's re-opening and the slower pace of interest rate adjustments following aggressive tight monetary policy. But elevated inflation and persistent fragility in supply chains and climate change impacts will remain on the watchlist as potential constraints to accelerated growth in the continent.

The general elections scheduled in several African countries in 2023 and 2024 could increase political uncertainty, weaken investor confidence, derail the recovery in investment flows and disrupt economic activity. Other outstanding downside risks include prolonged global tightening of monetary policy and the resulting drag on global growth that could dampen demand for Africa's exports and investment flows.

The region's smaller economies will thus anchor average regional growth to 3.9 percent in 2023 and 4.2 percent in 2024. Of the nine countries with projected growth rates of 5 percent or higher in 2024, eight are small economies, accounting for 15 percent of the region's GDP and 21.9 percent of the projected growth. This will offset the subdued growth in two of the region's biggest economies, Ghana and Nigeria.

Weighed down by growing macroeconomic imbalances—high inflation, depreciating local currency, and high public debt estimated at 91 percent of GDP, growth in Ghana is projected to decline to an average of 2.4 percent in 2023–24, from 3.3 percent in 2022. Similarly, Nigeria's growth is projected to stabilize at 3.3 percent in 2023–24, unchanged from 2022, reflecting structural weaknesses in the oil sector and deep macroeconomic imbalances—near 20-year high inflation, foreign exchange shortages that drove rapid depreciation of the national currency, and effects of local currency shortages that affected the country in the first quarter of the year. In Côte d'Ivoire, investment in strategic logistics infrastructure, expanded construction projects to meet growing urbanization and infrastructure in preparation to host the 34th edition of the Africa Cup of Nations in January 2024, and planned energy projects to enhance the country's renewable energy sector, are projected to boost growth from an estimated 6.7 percent in 2022 to 7.1 percent in 2023–24.

Any further escalation of Russia's prolonged invasion of Ukraine could exacerbate already disrupted supply chains and reverse the recent decline in global commodity prices— which could affect growth in Africa's net commodity importing countries.

Debt-to-GDP ratio remains higher than the pre-pandemic level of 61 percent of GDP, and it is expected to increase further to 66 percent in 2023 and then to stabilize at around 65 percent in 2024. The expected increase in debt reflects growing financing needs associated with rising food and energy import bills, high debt service costs due to interest rate hikes, exchange rate depreciations, and rollover risks.

Inflation in Africa is projected to increase further to a record 15.1 percent in 2023 but decline to 9.5 percent in 2024, close to the pre-pandemic levels of 9 percent in 2019 and 9.7 percent in 2014–18. The projected increase in inflation in 2023 is largely attributed to prevailing structural weaknesses in most African countries—including supply chain constraints, output gaps, imported inflation—and an exchange rate passthrough from the stronger US dollar, despite declining international commodity prices. It is expected to increase in 2023 in North Africa (6 percentage points), Central Africa (1 point), and West Africa (0.5 point), and to decline in East Africa (7.1 points) and Southern Africa (2.6 points). The strong increase in North Africa is mainly attributed to developments in Egypt, where currency devaluations, foreign currency shortages, and import shortfalls continue to cause a surge in prices. A decline in inflation is expected in 2024 in all regions and most countries, reflecting the expected benefits from the current cycle of monetary tightening. Despite the expectations of single-digit inflation in Africa in 2024, double-digit inflation could persist in East Africa (17.7 percent), West Africa (11.3 percent) and a few countries that have a history of high inflation such as South Sudan, Sudan, and Zimbabwe.

In terms of policy options to ameliorate the macroeconomic conditions of African economies, a combination of short-term and medium to long-term policies is needed. In the short term, a clearly communicated anti-inflation monetary policy (supported by prudent fiscal policy) will achieve lower inflation faster at minimum cost to the economy. Macroprudential policies to build capital and liquidity buffers in addition to monetary policy actions will be necessary to address financial stability risks and maintain price stability. Coordinated debt treatment strategy between official and private creditors is key to avoiding debt crisis, given tight global financial conditions and a bunching of debt service payments. In the medium to long term, a boost in domestic revenue mobilization is critical to restore fiscal sustainability and finance-inclusive growth and sustainable development. Enacting strategic industrial policies to accelerate economic diversification in Africa would limit the effects of recurrent headwinds and the transmission of global shocks to growth. Boosting regional trade would enhance Africa's resilience to spillovers from global economic growth slowdown and reduce the persistent trade deficit. Reforming the global financial and debt architecture would reduce the cost, time, and legal complications associated with debt restructuring for African countries. Governance reforms should strengthen public financial management to deal with increased debt and tight fiscal space.

**Table 5.1: Real GDP Growth in Africa, 2010 -2024.**

| Indicator and Country Group | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022* | 2023** | 2024*** |
|---|---|---|---|---|---|---|---|---|---|---|
| Central Africa | 3.3 | 0.2 | 1.1 | 2.2 | 2.9 | −0.5 | 3.4 | 5.0 | 4.9 | 4.6 |
| East Africa | 6.5 | 5.1 | 5.9 | 5.7 | 5.3 | 1.5 | 4.8 | 4.4 | 5.1 | 5.8 |
| North Africa | 3.7 | 3.2 | 4.9 | 4.3 | 4 | −1.3 | 11.7 | 4.1 | 4.6 | 4.4 |
| North Africa (including Sudan) | 3.6 | 3.7 | 3.2 | 4.8 | 3.6 | −1.5 | 10.9 | 3.8 | 4.5 | 4.4 |
| Southern Africa | 3.8 | 1.6 | 0.7 | 1.6 | 0.3 | −6.0 | 4.2 | 2.7 | 1.6 | 2.7 |
| West Africa | 6.2 | 3.2 | 0.5 | 2.7 | 3.6 | −0.6 | 4.3 | 3.8 | 3.9 | 4.2 |
| Africa | 4.7 | 3.5 | 2.1 | 3.6 | 3.3 | −1.6 | 6.9 | 3.8 | 4.0 | 4.3 |
| Africa (Excluding Lybia) | 4.4 | 3.6 | 2.2 | 3 | 3.2 | −1.2 | 4.2 | 4.1 | 3.7 | 4.2 |
| Sub-Saharan Africa | 5.2 | 3.4 | 1.5 | 2.9 | 3 | −1.7 | 4.3 | 3.7 | 3.6 | 4.2 |
| Sub-Saharan Africa (Excluding South Africa) | 5.9 | 3.9 | 1.8 | 3.3 | 3.6 | −0.7 | 4.2 | 4.1 | 4.3 | 4.8 |
| Oil-Exporting Countries | 4.7 | 3.3 | 1.5 | 3.2 | 3.2 | −1.0 | 8.1 | 4.0 | 4.3 | 4.1 |
| Oil-importing Countries | 4.6 | 3.7 | 3.1 | 4.2 | 3.6 | −2.4 | 5.3 | 5.3 | 3.7 | 4.1 |

2022* Figures Estimated, 2023** and 2024** Figures Projected

**Source: African Development Bank Statistics**

# FINANCIAL STATEMENTS & ACCOUNTS

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**Lagos, Nigeria**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

# WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
## ANNUAL REPORT AND FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS PAGE

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**

**CORPORATE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | | |
|---|---|---|
| Office Address: | Central Bank of Nigeria Learning Centre<br>P. M. B. 2001<br>Satellite Town<br>Lagos, Nigeria | |
| Board of Governors | Prof. Kelfala Kallon | Governor, Bank of Sierra Leone & Chairman, Board of Governors |
| | Mr. Godwin Ifeanyi Emefiele | Governor, Central Bank of Nigeria |
| | Mr. Buah Saidy | Governor, Central Bank of the Gambia |
| | Mr. Jolue Aloysius Tarlue | Executive Governor, Central Bank of Liberia |
| | Dr. Ernest Kwamina Yedu Addison | Governor, Bank of Ghana |
| Institute Directors: | Baba Yusuf Musa | Director-General |
| | Mr. Euracklyn Williams | Director, Administration and Finance |
| | Dr. Alvin G. Johnson | Director, Governance and Institutional Development |
| | Dr. Emmanuel Owusu-Afriyie | Director, Research and Macroeconomic Management |
| | Mr. Yakubu Aliyu | Director, Fiscal Policy, Debt Management and Regional Integration |
| | Mr. Amadou Koora | Director, Financial Sector and Payment Systems |
| Legal Adviser: | Chris Eyisanmi & Co. Legal Practitioners<br>Block AB Suite No. 8<br>Tinubu Shopping Complex, Gowon Estate<br>Moshalashi, Iyana-Ipaja<br>Agege, lagos | |
| Independent Auditor: | Ernst & Young<br>10th & 13th Floors, UBA House<br>57 Marina<br>Lagos, Nigeria | |

# WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT BOARD OF GOVERNORS' REPORT IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 and its financial performance, changes in equity and cash flows for the year then ended, in compliance with the International Financial Reporting Standards ("IFRS") and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute.

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 and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute
- 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 at least twelve months from the date of this statement.

The financial statements of the Institute for the year ended 31 December 2022 were approved by the Board of Governors on 14 September 2023.

**On behalf of the Board of Governors of the Institute**

Dr. Ibrahim L. Stevens
Chairman of the Board of Governors

Dr. Baba Yusuf Musa
Director General

12 Dec. 2023

## 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 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of West African Institute for Financial and Economic Management as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute.

### 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 Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Governors is 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 2022”, which includes the Corporate Information, 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.

**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 is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute, 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.

EY
Building a better working world

**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
19 Dec. 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0634216

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022<br>US$ | 2021<br>US$ |
|---|---|---|---|
| Income | | | |
| Subscription | 4 | 4,339,412 | 2,414,040 |
| Training income | 5 | 91,583 | 238,799 |
| Other operating income | 6 | 260,869 | 90,236 |
| Total operating income | | 4,691,864 | 2,743,075 |
| Expenditure | | | |
| Personnel expenses | 7 | 2,493,116 | 2,540,962 |
| Training expenses | 8 | 1,180,147 | 360,314 |
| Depreciation | 10 | 176,298 | 194,794 |
| Amortisation | 11 | 2,469 | 1,133 |
| Operating expenses | 9 | 715,197 | 655,408 |
| Total expenses | | 4,567,227 | 3,752,611 |
| Surplus/(deficit) for the year | | 124,637 | (1,009,536) |
| Other comprehensive income | | | |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income/(loss) for the year | | 124,637 | (1,009,536) |

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 2022**

| | Note | 31 December 2022 US$ | 31 December 2022 US$ |
|---|---|---|---|
| Assets | | | |
| Non-current assets | | | |
| Property and equipment | 10 | 427,703 | 406,768 |
| Intangible assets | 11 | 3,117 | 1,246 |
| | | 430,820 | 408,014 |
| Current assets | | | |
| Cash and cash equivalents | 12 | 2,951,916 | 3,041,051 |
| Cash held for staff provident fund (SPF) | 13 | 2,153,207 | 1,986,329 |
| Inventories | 14 | 6,640 | 13,155 |
| Other receivables | 15 | 192,632 | - |
| | | 5,304,395 | 5,040,535 |
| **Total assets** | | 5,735,215 | 5,448,549 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Staff provident fund | 17 | 2,153,207 | 1,986,329 |
| | | 2,153,207 | 1,986,329 |
| **Current liabilities** | | | |
| Other liabilities | 16 | 36,006 | 40,855 |
| | | 36,006 | 40,855 |
| **Total liabilities** | | 2,189,213 | 2,027,184 |
| **Equity** | | | |
| Accumulated funds | 18 | 3,546,002 | 3,421,365 |
| **Total equity and liabilities** | | 5,735,215 | 5,448,549 |

The financial statements were approved by the Board of Governors on 14 September 2023 and signed on its behalf by:

Dr. Ibrahim L. Stevens
Chairman of the Board of Governors

Dr. 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 2022**

| | Accumulated funds US$ |
|---|---|
| As at 1 January 2022 | 3,421,365 |
| Surplus for the year | 124,637 |
| Other comprehensive income | |
| Total comprehensive income as at 31 December 2022 | 3,546,002 |
| | |
| As at 1 January 2022 | 4,430,901 |
| Deficit for the year | (1,009,536) |
| Other comprehensive income | |
| Total comprehensive income as at 31 December 2021 | 3,421,365 |

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 2022

| | Note | 2022<br>US$ | 2021<br>US$ |
|---|---|---|---|
| Operating activities | | | |
| Surplus/(deficit) for the year | | 124,637 | (1,009,536) |
| *Adjustment for non-cash items:* | | | |
| Depreciation of property & equipment | 10 | 176,298 | 194,794 |
| Amortization of intangible assets | 11 | 2,469 | 1,133 |
| Net foreign exchange (gain)/loss | 6 & 9 | (12,017) | 9,257 |
| *Working capital adjustments:* | | | |
| Decrease/(increase) in inventory | | 6,515 | (154) |
| Increase in trade & other receivables | | (359,510) | (8,181) |
| Decrease in trade and other payables | | (4,849) | (22,984) |
| Increase in other liabilities | | 166,878 | 8,181 |
| Net cash flows from/(used in) operating activities | | 100,421 | (827,490) |
| Investing activities | | | |
| Purchase of property, plant & equipment | 10 | (197,233) | (10,521) |
| Purchase of intangible assets | 11 | (4,340) | (1,253) |
| Net cash flows used in investing activities | | (201,573) | (11,774) |
| Net decrease in cash and cash equivalents | | (101,152) | (839,264) |
| Net foreign exchange difference on cash and cash equivalents | | 12,017 | (9,257) |
| Cash and cash equivalents at 1 January | | 3,041,051 | 3,889,572 |
| Cash and cash equivalents at 31 December | 12 | 2,951,916 | 3,041,051 |

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 General 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. The Institute is domiciled at Central Bank of Nigeria Learning Centre, P. M. B. 2001, Satellite Town, Lagos, Nigeria.

1.1 Principal activities

The principal activities of the Institute continue to be strengthening capacity building for macro-economic management in the West African sub-region by offering short-term customized courses to professional staff of Central banks, Ministries of finance and economic planning and other agencies involved in the formulation and implementation of macro-economic policies in the West African sub-region.

1.2 Approval of financial statements

The financial statements were approved by the Board of Governors and authorised for issue at its meeting held on 14th September, 2023

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) 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 or liabilities.

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 capitalised when incurred and if it 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 of items 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:

Motor vehicle
Office furniture
Office equipment
Household furniture
Household equipment

# 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 of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The Institute’s intangibles assets are Computer software. These represent the cost of procuring computers software. Computer software is amortized on a straight line rate of 50%. Cost associated with maintaining the software programs are recognized as an expense when incurred.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase cost and other cost incurred in bringing the stocks to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

# WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

## NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities

All financial assets and liabilities- which include derivative financial instruments- have to be recognized in the statement of financial position and measured in accordance with their assigned category.

- *Initial recognition and measurement*

Financial assets are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial Instruments.

- *Subsequent measurement*

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

- *Classification and related measurement*

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

i) Financial assets

Subsequent to initial recognition, all financial assets within the Institute are measured at

Amortized cost
Fair value through other 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 reassesses 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 2022, 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 of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

2 Significant accounting policies - Continued

Impairment

The Institute recognises loss allowances for expected credit losses (ECLs) on the following financial instruments at amortised cost:

Debt investment securities;

Other receivables;

ECLs are required to be measured though a loss allowance at an amount equal to:

-12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage1); or full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument. (referred to as Stage 2 and Stage 3).

-A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal significantly or insignificantly to the 12-month ECL.

-ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Institute under the contract and the cash flows that the Institute expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

-The Institute measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is 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.

## 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

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.

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 of it). This is the case when the Institute determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Institute may apply enforcement activities to the financial assets written off. Recoveries resulting from the Institute's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:
- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- for debt instruments measured at FVTOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Institute's own equity instruments and is a non-derivative contract for which the Institute is or may be obliged to deliver a variable number of its 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 of identified financial instruments that the Institute manages together and has a recent actual pattern of short term profit taking or it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; in accordance with the Institute's documented risk management or investment strategy, and information about the accompanying is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at their fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line in the profit or loss account.

The Institute does not have any financial liabilities at fair value through profit or loss at the reporting date.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method (EIR).

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity - continued

Derecognition of financial liabilities

The Institute derecognizes financial liabilities when, and only when, the Institute's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

When the Institute exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Institute accounts for substantial modification of terms of an existing liability or part of it 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 of its useful life. Any material adjustment to the estimated useful lives of items 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 of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Institute applies the impairment assessment to its separate cash generating units. This requires management to make significant judgments and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realizable values. Management's judgment is also required when assessing whether a previously recognized impairment loss should be reversed. There was no indicator of impairment of property and equipment throughout the year.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 21.

3.1 New and amended standards and interpretations

There are several amendments and interpretations that apply for the first time in 2022, but do not have an impact on the financial statements of the Institute. These include the following:

(a) Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

(b) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

(c) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The amendment pro hibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of thoseitems in Profit or loss.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

(d) Annual Improvements 2018-2020 cycle (issued in May 2020)

*i) IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. This amendment does not have an impact on the Company's financial statements.

*ii) IFRS 9 Financial Instruments- Fees in the '10 per cent' test for derecognition of financial liabilities*

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. There is no similar amendment proposed for IAS 39. This amendment does not have an impact on the Institute's financial statements

*iii) 'IAS 41 Agriculture - Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets with the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning or after 1 January 2022. This amendment does not have an impact on the Institute's financial statements.

*iv) IFRS 16 Leases- Lease incentives*

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.
This amendment does not have an impact on the Institute's financial statements.

3.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these standards, if applicable, when they become effective.

(a) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. 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**

(b) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

These amendments will currently have no impact on the financial statements of the Institute, and it is effective for annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as current or non-current - Amendments to IAS 1

This is a slight amendment to IAS 1- Presentation of Financial Statements, the amendment clarifies how an entity classifies debt and other financial liabilities as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The impact of this standard on the Institute's financial statements is currently under assessment.

(d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. 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 2023.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

Other amendments to standards, which currently do not apply to the Institute are listed below:

(i) *IFRS 17 Insurance Contracts*

The IASB issued IFRS 17 in May 2017 and it applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation, and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance, and cash flows. This standard does not impact the Institute in any way as the Insitute do not engage in insurance business.

(ii) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12*

The amendments carify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component. This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

(ii) *Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

| | | | | |
|---|---|---|---|---|
| 4 | Subscription | | 2022 | 2021 |
| | | Not | US$ | US$ |
| | Central Bank of Nigeria | | 1,518,803 | 844,923 |
| | Bank of Ghana | | 1,084,857 | 603,513 |
| | Bank of Sierra Leone | | 578,584 | 321,868 |
| | Central Bank of The Gambia | | 578,584 | 321,868 |
| | Central Bank of Liberia | | 578,584 | 321,868 |
| | | | 4,339,412 | 2,414,040 |

| | | | | |
|---|---|---|---|---|
| 5 | Training income | | | |
| | Net consultancy fees | (Note 5.1 | 89,160 | 216,567 |
| | Sundry income & E-learning | | 2,423 | 22,232 |
| | | | 91,583 | 238,799 |

| | | | |
|---|---|---|---|
| 5.1 | Net consultancy fees | | |
| | Consultancy fees | 753,264 | 1,213,932 |
| | Demand Driven Courses expenses | (664,104) | (997,365) |
| | | 89,160 | 216,567 |

These relate to fees earned from training, learning and development organised by the Institute to Central Bank of Nigeria, Lagos state government, Debt Management Office, and other governmental, ministries, agency and departments from member countries and associated expenses of organising these trainings.

| | | | | |
|---|---|---|---|---|
| 6 | Other operating income | | | |
| | Grants | (Note 6. | 240,028 | 80,682 |
| | Interest | | 8,824 | 9,554 |
| | Foreign exchange gain | | 12,017 | - |
| | | | 260,869 | 90,236 |

| | | | |
|---|---|---|---|
| 6.1 | Grants | | |
| | World Bank | 192,632 | 80,682 |
| | International Monetary Fund Institute (IMF) | 47,396 | - |
| | | 240,028 | 80,682 |

i There are no unfulfilled conditions or contingencies attached to these grants.

ii World Bank Grant relates to grant received for expenses incurred by the Institute in organising various courses under the World Bank Debt Management Facility.

iii International Monetary Fund (IMF) Grant relates to grant received to implement a Regional Training Programme on Macroeconomic Diagnostics.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

| 7 | Personnel expenses | 2022<br>US$ | 2021<br>US$ |
|---|---|---|---|
| | Salaries and wages | 1,591,560 | 1,619,882 |
| | Provident fund contribution | 429,343 | 436,914 |
| | Leave allowance, home leave and ex-gratia allowance | 203,792 | 308,296 |
| | 13-month salary | 135,541 | 139,415 |
| | Utility allowance | 63,630 | 33,026 |
| | Resettlement, recruitment costs and shipment of personal effects | 61,423 | - |
| | Overtime allowance | 7,827 | 3,429 |
| | | 2,493,116 | 2,540,962 |

| 7.1 | Staff Remuneration<br>Salary range | 2022<br>Number | 2021<br>Number |
|---|---|---|---|
| | $1001 - $10,000 | 7 | 8 |
| | $10,001 - $20,000 | 25 | 22 |
| | $20,001 - $30,000 | 1 | 1 |
| | $30,001 - $40,000 | 5 | 5 |
| | $40,001 - $50,000 | 3 | 3 |
| | Above $50,000 | 11 | 12 |
| | | 52 | 51 |

| 8 | Training expenses | | |
|---|---|---|---|
| | Programme fees | 866,589 | 273,183 |
| | Training materials, cost of administration & transportation | 313,558 | 66,674 |
| | E-learning Expenses & Staff Retreat | - | 20,457 |
| | | 1,180,147 | 360,314 |

These are expenses incured on training and development for employees of the instituite to improve on the job and be intune with the latest development in the industry. These include flight expenses within and outside country, accommodation, transportation, feeding and their per diems etc.

| 9 | Operating expenses | 2022<br>US$ | 2021<br>US$ |
|---|---|---|---|
| | Official mission and travels | 242,212 | 101,268 |
| | Staff training | 90,844 | 116,530 |
| | Social programmes | 43,182 | 65,948 |
| | Board expenses | 36,368 | 27,294 |
| | Motor vehicle running expenses | 35,787 | 38,428 |
| | Postages and telecommunications | 35,438 | 23,445 |
| | Printing, stationery and computer consumables | 34,547 | 45,199 |
| | Bank charges | 33,353 | 2,436 |
| | Audit fees | 31,000 | 31,000 |
| | Electricity, lighting and rates | 26,811 | 17,234 |
| | Internet subscription/ website | 22,064 | 26,308 |
| | Souvenir teaching aids | 13,895 | 5,736 |
| | Repairs and maintenance | 13,449 | 34,139 |
| | General insurance | 12,702 | 38,156 |
| | Hospitality and security | 12,315 | 8,352 |
| | Upkeep of grounds and buildings | 9,235 | 6,211 |
| | Medical expenses | 7,284 | 46,865 |
| | Entertainment | 6,048 | 5,248 |
| | Management expenses | 2,975 | 1,208 |
| | Cleaning materials and staff uniforms | 2,866 | 1,802 |
| | Journals, periodicals and newspapers | 2,822 | 3,344 |
| | Net foreign exchange loss | - | 9,257 |
| | | 715,197 | 655,408 |

## 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 2021 | 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 |
| Additions | 116,888 | - | 14,081 | 21,322 | 44,942 | 197,233 |
| At 31 December 2022 | 844,692 | 13,667 | 465,718 | 66,510 | 155,357 | 1,545,944 |
| Accumulated depreciation | | | | | | |
| At 1 January 2021 | 356,188 | 3,578 | 317,690 | 19,453 | 50,240 | 747,149 |
| Depreciation charge | 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 |
| Depreciation charge | 100,026 | 2,072 | 36,092 | 10,950 | 27,159 | 176,298 |
| At 31 December 2022 | 575,563 | 7,716 | 392,928 | 39,716 | 102,319 | 1,118,241 |
| Net book value: | | | | | | |
| At 31 December 2022 | 269,129 | 5,951 | 72,790 | 26,794 | 53,039 | 427,703 |
| At 31 December 2021 | 252,267 | 8,023 | 94,801 | 16,422 | 35,255 | 406,768 |

i) There were no restrictions on title and no asset pledge as security for liabilities during the year.

ii) At the end of the reporting period, management has assessed all items of property and equipment for any indication of impairment and based on judgement there is no such indication.

11 Intangible assets

| | Computer Software '000 |
|---|---|
| Cost | |
| At 1 January 2021 | 80,324 |
| Additions | 1,253 |
| At 31 December 2021 | 81,577 |
| Additions | 4,340 |
| At 31 December 2022 | 85,917 |
| Accumulated amortisation: | |
| At 1 January 2021 | 79,198 |
| Amortisation | 1,133 |
| At 31 December 2021 | 80,331 |
| Amortisation | 2,469 |
| At 31 December 2022 | 82,800 |
| Net book value: | |
| At 31 December 2022 | 3,117 |
| At 31 December 2021 | 1,246 |

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

| 12 | Cash and cash equivalents | 2022 US$ | 2021 US$ |
|---|---|---|---|
| | Cash on hand | 249,492 | 15,490 |
| | Endowment fund at bank | 128,751 | 108,171 |
| | Cash at bank | 2,573,673 | 2,917,390 |
| | | 2,951,916 | 3,041,051 |

12.1 Cash & cash equivavalents 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.

| 13 | Cash held for Staff Provident Fund (SPF) | | 2022 US$ | 2021 US$ |
|---|---|---|---|---|
| | Cash held for Staff Provident Fund (SPF) | (See note 13.1) | 2,153,207 | 1,986,329 |

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 | Inventories | 2022 US$ | 2021 US$ |
|---|---|---|---|
| | Computer consumables | 3,821 | 8,623 |
| | Cleaning materials | 954 | 333 |
| | Household items | 267 | 463 |
| | Stationery | 1,598 | 3,736 |
| | | 6,640 | 13,155 |

14.1 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.

| 15 | Other receivables | 2022 US$ | 2021 US$ |
|---|---|---|---|
| | World Bank | 192,632 | - |
| | | 192,632 | - |

Other receivables represent programmes organized in 2022 under World Bank Debt Management Facility 111 (DMF 111) for which the grant was yet to be received as at 31 December 2022. This was received in January 2023.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

| | | 2022 US$ | 2021 US$ |
|---|---|---|---|
| 16 | Other liabilities | | |
| | Accruals (note 16.1) | 36,006 | 40,855 |

16.1 Accruals are 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 date of receipt of service to which they relate.

| | | 2022 US$ | 2021 US$ |
|---|---|---|---|
| 17 | Staff Provident Fund (SPF) | | |
| | Balance at 1 January | 1,986,329 | 1,978,148 |
| | Contributions by Staff (10% of total salary) | 143,127 | 145,638 |
| | Contributions by the Institute (20% of total salary) | 286,216 | 291,265 |
| | | 2,415,672 | 2,415,051 |
| | Payment to withdrawn staff (withdrawals by staff for the year) (Note 17.2) | (262,465) | (428,722) |
| | Balance at 31 December | 2,153,207 | 1,986,329 |
| 17.1 | Staff provident provisions | | |
| | Contributions by Staff (10% of total salary) | 143,127 | 145,638 |
| | Contributions by the Institute (20% of total salary) | 286,216 | 291,265 |
| | | 429,343 | 436,903 |
| 17.2 | Staff provident payment | | |
| | Payment to withdrawn staff (withdrawals by staff for the year) | (262,465) | (428,722) |

17.3 SPF is a contribution platform provided by Institute to all staff. This is usually deducted at source from staff salary at 10% of monthly salary. While the Institute contributes 20% of staff's monthly salary. Staff are entitled to 60% of total contribution after the staff has spent more than 3 years in the Institute. Approval of SPF withdrawal is given when it is meant for building purposes only.

| | | | |
|---|---|---|---|
| 18 | Accumulated fund | | |
| | As at January | 3,421,365 | 4,430,901 |
| | Surplus/(deficit) for the year | 124,637 | (1,009,536) |
| | | 3,546,002 | 3,421,365 |

19 Related parties

All related parties transactions are from the Business Development and Consultancy Unit and fees are charged on a cost recovery basis.

| Directors remuneration | 2022 US$ | 2021 US$ |
|---|---|---|
| | 749,409 | 736,517 |

The number of Directors excluding the Board of Governors, whose emoluments fall within the following ranges were:

| | 2022 | 2021 |
|---|---|---|
| $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 of financial instruments that the Institute deploys in carrying out its activities are included in notes 12 to 17. The Institute's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance operations and to provide guarantees that support its operations. The Institute has trade and other receivables, and cash and bank balance that arise directly from its operations. The major risks that the Institute is exposed to as a result of deploying financial instruments include market risk, credit risk, liquidity risk and Operational risk. The Institute oversees the management of these risks. The Management advises on financial risks and the appropriate financial risk strategy within its policy framework to ensure that risks are kept at a minimum level. The Management provides assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed to reduce the impact on its operations. The Management reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The Institute is not exposed to any significant market risks resulting from its financial instruments.

(b) Interest rate risk

The Institute does not have any long term debt obligations. The Institute's trade and other payables are for working capital and as such the Institute has little or no exposure to interest rate risk as at the year end.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute's exposure to the risk of changes in foreign exchange rates relates primarily to the Institute's operating activities (when revenue or expense is denominated in a different currency from the Institute's presentation currency).

The table below summarises the Institute's exposure to foreign currency exchange rate risk at 31 December 2022 and 31 December 2021. Included in the table are the Institute's financial instruments at carrying amounts, categorised by currency.

| | NAIRA<br>US$ | EURC<br>US$ |
|---|---|---|
| As at 31 December 2022 | | |
| *Net foreign currency exposures* | | |
| Cash and bank balances | 57,390 | 70,481 |
| As at 31 December 2021 | | |
| *Net foreign currency exposures* | | |
| Cash and bank balances | 53,385 | 77,706 |

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.

## WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
## NOTES TO THE FINANCIAL STATEMENTS - Continued

20 Financial risk management objectives and policies - continued

(c) Foreign currency risk - continued

The following table details the sensitivity to a 11% increase and 1% decrease in US Dollar against the Naira and a 1% increase and 3% decrease against the Euro. Management believes 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 11% against the Naira and 1% against the Euro. For a 1% and 3% 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$ | EURC US$ |
|---|---|---|
| Foreign exchange sensitivity analysis (31 December 2022) | | |
| *US Dollar strengthens by 11% (Naira) & 1% (Eur* | | |
| Profit/ (loss) | 6,313 | 705 |
| *US Dollar weakens by 1% (Naira) & 3% (Eur* | | |
| Profit/ (loss) | (574) | (2,114) |
| Foreign exchange sensitivity analysis (31 December 2021) | | |
| *US Dollar strengthens by 8% (Naira) & 1% (Eur* | | |
| Profit/ (loss) | 4,271 | 777 |
| *US Dollar weakens by 1% (Naira) & 4% (Eur* | | |
| Profit/ (loss) | (534) | (3,108) |

(d) Price risk

The Institute does not carry any financial instrument that exposes it to significant price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Institute if members or donors fail to meet their contractual obligations, and arises principally from the Institute’s receivables from members and donor agencies. The Institute’s principal exposure to credit risk is influenced mainly by the individual characteristics of each member and/or donor agency. Management is responsible for analysing each existing and new members based on experience and relevant available information on an ongoing basis. This is to ensure that the subscriptions and/or grants in form of subscription/contribution are made good by the respective members and donors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Institute evaluates the concentration of risk with respect to cash and bank balances and trade and other 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 2022 (2021: 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 2022 | | | | | |
| Other receivables | 192,632 | - | - | - | 192,632 |
| Cash and cash equivalents | 2,702,424 | - | - | - | 2,702,424 |
| Total credit risk exposure | 2,895,056 | - | - | - | 2,895,056 |
| 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 |

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

20 Financial risk management objectives and policies - continued

(e) Credit risk - continued

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:

Neither past–due nor impaired

| | Investment grade US$ | Non-investment grade: satisfactory US$ | Non-investment grade: unsatisfactory US$ | Past-due but not impaired US$ | Total US$ |
|---|---|---|---|---|---|
| As at 31 December 2022 | | | | | |
| Cash and cash equivalents | 2,702,424 | - | - | - | 2,702,424 |
| Other receivables | 192,632 | - | - | - | 192,632 |
| Total | 2,895,056 | - | - | - | 2,895,056 |
| As at 31 December 2021 | | | | | |
| Cash and cash equivalents | 3,025,561 | - | - | - | 3,025,561 |
| Total | 3,025,561 | - | - | - | 3,025,561 |

Age analysis of financial assets past due but not impaired

| | < 30 days US$ | 31 to 60 days US$ | > 60 days US$ | Total US$ |
|---|---|---|---|---|
| As at 31 December 2022 | | | | |
| Other receivables | 192,632 | - | - | 192,632 |
| Total | 192,632 | - | - | 192,632 |
| As at 31 December 2021 | | | | |
| Other receivables | - | - | - | - |
| Total | - | - | - | - |

(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.

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.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

Maturity analysis (contractual undiscounted cash flow basis)

| | Carrying amount US$ | Up to 3months US$ | 3-6 months US$ | Total US$ |
|---|---|---|---|---|
| As at 31 December 2022 | | | | |
| Financial assets | | | | |
| Other receivables | 192,632 | - | 192,632 | 192,632 |
| Cash and cash equivalents | 2,702,424 | 2,702,424 | - | 2,702,424 |
| Total assets | 2,895,056 | 2,702,424 | 192,632 | 2,895,056 |
| Less: Financial liabilities | | | | |
| Other liabilities | 36,006 | 36,006 | - | 36,006 |
| Total liabilities | 36,006 | 36,006 | - | 36,006 |
| Total liquidity surplus | 2,859,050 | 2,666,418 | 192,632 | 2,859,050 |

20 Financial risk management objectives and policies - continued

(f) Liquidity risk - continued

| | 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 |
| Less: Financial liabilities | | | | |
| Other liabilities | 40,855 | 40,855 | - | 40,855 |
| Total liabilities | 40,855.00 | 40,855.00 | - | 40,855.00 |
| Total liquidity surplus | 2,984,706 | 2,984,706 | - | 2,984,706 |

(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 of loss 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.

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT**
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

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
Level 2: for equity securities not listed on an active market and for which observable
Level 3: fair value measurements are those derived from valuation techniques that

There were no assets or liabilities measured at fair value at reporting date (2021: Nil).

21.1 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 2022 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Financial assets | | | |
| Cash and bank balances | - | - | 2,951,916 |
| Cash held for Staff Provident Fund (SPF) | - | - | 2,153,207 |
| Other receivables | - | - | 192,632 |
| | - | - | 5,297,755 |
| Financial liabilities | | | |
| Other liabilities | - | - | 36,006 |
| Staff provident fund | - | - | 2,153,207 |
| | - | - | 2,189,213 |
| As at 31 December 2021 | | | |
| Financial assets | | | |
| Cash and bank balances | - | - | 3,041,051 |
| Cash held for Staff Provident Fund (SPF) | - | - | 1,986,329 |
| | - | - | 5,027,380 |
| Financial liabilities | | | |
| Other liabilities | - | - | 40,855 |
| Staff provident fund | - | - | 1,986,329 |
| | - | - | 2,027,184 |

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 2022 and (2021: None).

22 Contingent liabilities

There were no pending litigations against the Institute as at 31 December 2022 and (2021: Nil).

23 Capital Commitments

There was no capital expenditure contracted but not provided for in these financial statements as at 31 December 2022 (2021: 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 2022 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
## STATEMENT OF VALUE ADDED
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022 US$ | % | 2021 US$ | % |
|---|---|---|---|---|
| Gross earnings | 4,691,864 | 168 | 2,743,075 | 159 |
| Less: | | | | |
| Bought in material and services | (1,895,345) | (68) | (1,015,722) | (59) |
| Value added | 2,796,519 | 100 | 1,727,353 | 100 |
| Applied as follows: | | | | |
| To employees: | | | | |
| - Personnel expenses | 2,493,116 | 89 | 2,540,962 | 147 |
| Retained for the Institute's future: | | | | |
| - Depreciation | 176,298 | 6 | 194,794 | 11 |
| - Amortisation | 2,469 | - | 1,133 | - |
| - Surplus /(deficit)for the year | 124,637 | 4 | (1,009,536) | (58) |
| Value added | 2,796,519 | 100 | 1,727,353 | 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<br>At 31 December | 2022<br>US$ | 2021<br>US$ | 2020<br>US$ | 2019<br>US$ | 2018<br>US$ |
|---|---|---|---|---|---|
| Assets | | | | | |
| Non-current assets | | | | | |
| Property and equipment | 427,703 | 406,768 | 591,041 | 425,759 | 268,090 |
| Intangible assets | 3,117 | 1,246 | 1,126 | 2,798 | 1,428 |
| | 430,820 | 408,014 | 592,167 | 428,557 | 269,518 |
| Current assets | | | | | |
| Cash and bank balances | 2,951,916 | 3,041,051 | 3,889,572 | 1,834,812 | 1,185,483 |
| Cash held for Staff Provident Fund (SPF) | 2,153,207 | 1,986,329 | 1,978,148 | 1,679,541 | 1,468,087 |
| Inventories | 6,640 | 13,155 | 13,001 | 14,437 | 18,519 |
| Trade and other receivables | 192,632 | - | - | 40,470 | 61,806 |
| | 5,304,395 | 5,040,535 | 5,880,721 | 3,569,260 | 2,733,895 |
| Total assets | 5,735,215 | 5,448,549 | 6,472,888 | 3,997,817 | 3,003,413 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Staff provident fund | 2,153,207 | 1,986,329 | 1,978,148 | 1,679,552 | 1,468,098 |
| Other liabilities | - | - | - | 11,233 | 41,406 |
| | 2,153,207 | 1,986,329 | 1,978,148 | 1,690,785 | 1,509,504 |
| Current liabilities | | | | | |
| Trade and other payables | 36,006 | 40,855 | 63,839 | 36,175 | 93,295 |
| | 36,006 | 40,855 | 63,839 | 36,175 | 93,295 |
| Total liabilities | 2,189,213 | 2,027,184 | 2,041,987 | 1,726,960 | 1,602,799 |
| Equity | | | | | |
| Accumulated funds | 3,546,002 | 3,421,365 | 4,430,901 | 2,270,857 | 1,400,614 |
| Total equity | 3,546,002 | 3,421,365 | 4,430,901 | 2,270,857 | 1,400,614 |
| Total equity and liabilities | 5,735,215 | 5,448,549 | 6,472,888 | 3,997,817 | 3,003,413 |

| Statement of Profit or Loss | 2022<br>US$ | 2021<br>US$ | 2020<br>US$ | 2019<br>US$ | 2018<br>US$ |
|---|---|---|---|---|---|
| Total operating income | 4,691,864 | 2,743,075 | 5,254,608 | 5,602,482 | 6,053,228 |
| Expenditure | | | | | |
| Personnel expenses | (2,493,116) | (2,540,962) | (2,269,508) | (2,265,982) | (2,429,414) |
| Training expenses | (1,180,147) | (360,314) | (181,350) | (1,287,169) | (2,400,255) |
| Depreciation | (176,298) | (194,794) | (151,961) | (225,584) | (137,618) |
| Amortisation | (2,469) | (1,133) | (1,672) | (1,128) | (2,732) |
| Operating expenses | (715,197) | (655,408) | (490,073) | (952,376) | (1,157,142) |
| Total expenses | (4,567,227) | (3,752,611) | (3,094,564) | (4,732,239) | (6,127,160) |
| Surplus/(deficit) for the year | 124,637 | (1,009,536) | 2,160,044 | 870,243 | (73,932) |

# PRINCIPAL OFFICERS OF THE INSTITUTE

| | | |
|---|---|---|
| 1. | DR. BABA YUSUF MUSA | DIRECTOR GENERAL |
| 2. | MR . EURACKLYN V. WILLIAMS | DIRECTOR, ADMIN. AND FINANCE DEPT. |
| 3. | MR. AMADOU S. KOORA | DIRECTOR, FINANCIAL SECTOR AND PAYMENT SYSTEMS DEPT. |
| 4. | DR. ALVIN JOHNSON | DIRECTOR, GOVERNANCE AND INSTITUTIONAL DEVELOPMENT DEPT. |
| 5. | DR. EMMANUEL OWUSU-AFRIYIE | DIRECTOR, RESEARCH AND MACRO-ECONOMIC MANAGEMENT DEPT. |
| 6. | MR. ALIYU YAKUBU | DIRECTOR, FISCAL POLICY, DEBT MANAGEMENT AND REGIONAL INTEGRATION DEPT. |
| 7. | DR. PATRICIA A. ADAMU | ASSISTANT DIRECTOR, FINANCIAL SECTOR AND PAYMENT SYSTEMS DEPT. |
| 8. | PROF. DOUGLASON OMOTOR | ADVISOR, BUSINESS DEVELOPMENT CONSULTANCY UNIT |
| 9. | DR. OKON J. UMOH | PRINCIPAL PROG. MANAGER, RESEARCH AND MACROECONOMIC MGT. DEPT. |
| 10. | MR. OGBONNAYA AGU | SENIOR PROG. MGR., GOVERNANCE AND INSTITUTIONAL DEVT. DEPT. |
| 11. | DR. GABRIEL Y. ASANTE | SENIOR PROG., MGR., FISCAL POLICY, DEBT MGT. AND REGIONAL INTEGRATION DEPT. |
| 12. | MR. KHALILU BAH | PROG. MGR., FISCAL POLICY, DEBT MGT. AND REGIONAL INTEGRATION DEPT. |
| 13. | DR. JOHN OWUSU-AFRIYIE | PROG. MGR., RESEARCH AND MACRO-ECONOMIC MANAGEMENT DEPT. |
| 14. | MR. LINUS GIMOH | PRINCIPAL ACCOUNTANT |
| 15. | MR. SAMUEL J. SEPHA | HEAD, LIBRARY AND PUBLICATIONS UNIT |
| 16. | MRS. JOSEPHINE A. ROBERT | EXECUTIVE ASSISTANT |
| 17. | MR. EMMANUEL EKPO | SENIOR MGR., MONITORING AND AND EVALUATION |
| 18. | MS. REBECCA IKPEME | SYSTEMS ADMINISTRATOR |
| 19. | MR. ABUBAKAR N. ADAMU | DEPUTY PROG. MGR., GOVERNANCE AND INSTITUTIONAL DEVT. DEPT. |

## SOME COOPERATING TECHNICAL PARTNERS

**International Monetary Fund (IMF) Institute**
Washington D. C.
Tel.: +1 202 623 4661
Fax. +1 202 623 6440
+1 202 623 6490

**Economic Community of West African States (ECOWAS)**
101 Yakubu Gowon Crescent
Asokoro District
P. M. B. 401
Abuja, Nigeria
Tel.: +234 9 3147647 9
Fax. +234 9 3143005
+234 9 3147646

**United Nations Economic Commission for Africa (UNECA)**
P. O. Box 3001
Addis Ababa, Ethiopia
Tel: 251 11 551 7200
Fax: 251 11 551 0365/2233

**World Bank Economic Policy & Debt Department**
1818 H. Street
Washington D. C. 20433
Tel.: +1 202 458 5556
Fax. +1 202 676 0959

Commonwealth Secretariat
Marlborough House, Pall Mall
London SWIY 5 HX
Tel: +44 207 747 - 6500
Fax: +44 207 930 0827

**World Trade Organization (WTO)**
Centre William Rappard
154 Rue de Lausanne
CH 1211, Geneva 21
Switzerland
Tel.: +41 227 395 111
Fax: +41 227 314 206

**United Nations Institute for Training and Research (UNITAR)**
Palais Des Nations
CH-1211 Geneva 10
Switzerland
Tel.: +41 22 917 1234
Fax. +41 22 917 8047

**Development Finance International (FDI)**
4th Floor, Lector Court
151-152 Farringdon Road
London ECIR 3AF
United Kingdom
Tel: +44 207 278 - 0022
Fax: +44 207 278 8622

**De La Rue**
De La Rue House
Jays Close, Viable
Basingstoke, Hampshire
RG22 4BS, United Kingdom
Tel.: +44 125 66 5000

**African Development Bank (AfDB) Relocatia Agency (Tunis)**
15 Avenue du Ghana
P. O. Box 323 1002
Tunis-Belvedere, Tunisia
Tel.: +216 7110 3900
+216 7135 1933

**Crown Agents Training**
St. Nicholas House
St. Nicholas Road
Sutton, Surrey
SM 1 1EL
United Kingdom
Tel: +44 208 643 - 3311

**Brookings Institution**
1775 Massachusetts Avenue,
N. W Washington D. C. 20036
United States of America
Tel.: +1 202 797 6000

**WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT (WAIFEM)**