



## WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

Central Bank of Nigeria Learning Centre, P.M.B. 2001, Satellite Town, Lagos, Nigeria.  
Tel: +234 805 440 7387, +234 814 696 4647  
E-mail: [capacity@waifem-cbp.org](mailto:capacity@waifem-cbp.org) | Website: [www.waifem-cbp.org](http://www.waifem-cbp.org)  
[dg@waifem-cbp.org](mailto:dg@waifem-cbp.org)



# WAIFEM News

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## WAIFEM CELEBRATES ITS 25<sup>TH</sup> ANNIVERSARY

Over the past 25 years of its operation, the West African Institute for Financial and Economic Management (WAIFEM) has proven to be robust in building capacity in the fields of macroeconomic, debt, financial sector management and governance among the staff of central banks, ministries of finance and economic planning, as well as other public sector and private institutions in the West African sub-region. On 23<sup>rd</sup> July, 2021, the institute celebrated its 25<sup>th</sup> Anniversary to commemorate its success in delivering its mandate as a capacity building institution. In attendance were all management team members and all other staff of WAIFEM.

The ceremony commenced with both Islamic and Christian Prayers — the Christian prayer was offered by Mr. Victor Emmanuel (Internal Auditor), whilst the Islamic prayer was offered by Mr. Ibrahim Usman

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Baba Yusuf Musa. In his remarks, the Director General paid glowing tribute to both the living and deceased founding members of the institute.

He also praised the former Director Generals of WAIFEM, Dr. Chris O. Itsede and Prof. Akpan H. Ekpo, for the sound institutional policies they formulated and implemented during their tenure of office, which propelled the institute to a world class status in the sub-region. In addition, the Director General lamented over the negative effect of the pandemic on training activities of the institute (in 2020 and 2021) but expressed optimism of immediate resumption of in-person training. The Director General concluded his remarks by thanking and commending the current staff and management team of the institute for their continuous support, hardwork, commitment and outstanding performance.

The anniversary ceremony ended with the cutting of the 25<sup>th</sup> Anniversary cake. The Director General with the support of the five (5) Departmental Directors namely Dr. Emmanuel Owusu-Afryie (Director of Research and Macroeconomic Mangement Department), Dr. Paul Mendy (Director of Financial Sector and Payment Systems Department), Dr. Alvin Johnson (Director of Governance and Institutional Development Department), Mr. Euracklyn Williams (Director of Administration and Finance Department) and Mr. Aliyu Yakubu (Director of Fiscal, Debt and Regional Integration Department) cut the anniversary cake. It was then followed by refreshment and photography. The ceremony ended with vote of thanks and closing prayer.



## WAIFEM BUILDS CAPACITY OF SENIOR MACROECONOMIC MODELERS, FORECASTERS AND POLICY ANALYST



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

The opening ceremony of the course began with the introduction of dignitaries by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM. The dignitaries in attendance were Dr. Baba Y. Musa (the Director General of WAIFEM and the Chairperson of the Opening Ceremony), Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department, WAIFEM), Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM), Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM), Dr. Paul Mendy

(Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM), Prof. Afees A. Salisu (Director, Centre for Econometric & Allied Research, University of Ibadan), Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan), Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mr. Ogbonnaya Agu (Senior Programme Manager, Governance and Institutional Development Department, WAIFEM)

Dr. Okon Joseph Umoh (who was the Moderator) invited the Director General of WAIFEM, Dr. Baba Y. Musa, to give the opening remarks. The Director General warmly welcomed the participants to the course and expressed his gratitude to Prof. Afees A. Salisu and Prof. OlaOluwa Simon Yaya (facilitators of the course) for their technical support. He then laid emphasis on the importance of DSGE Model estimation to an economy. Specifically, according to him, DSGE Model estimation aids policy makers (both at the micro and macro levels) in analysis and decision making.

He stated that, in the implementation of Monetary and Fiscal Policies, estimation of DSGE models help to understand the transmission mechanisms of the policies. In addition, the Director General implored policy makers to apply econometric tools to make decisions, when sufficient data are available. He acknowledged the limitations of data and econometric tools.

Hence, he advised the participants to supplement their econometric analysis with expert opinion to inform policy. In concluding his opening remarks, the Director General of WAIFEM (Dr. Baba Y. Musa) urged participants to freely interact with facilitators to understand the course and with one another to deepen the course of regional integration. After his opening remarks, he officially declared the course open.



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

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

The participants were also introduced to within-sample and out-of-sample forecasting techniques. The main topics discussed during the VIRTUAL regional course on Macroeconomic Modeling and Forecasting for Policy Analysis for Senior Economists and Other Professionals (DSGE Model) were:

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

New Classical DSGE Model, Linearizing the Nonlinear RBC Model, Results and Interpretation of Linear RBC DSGEs, Post-estimation and Sensitivity analysis, DSGE model with Financial frictions, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Nonlinear New Keynesian model, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Introduction to Nonlinear New Classical model, Specifying the Nonlinear New Classical model, Identification problems in Nonlinear New Classical DSGE model, Parameter estimation and interpretation, Post-estimation and Sensitivity analysis, Stochastic growth model, Parameter estimation and interpretation and Post-estimation and Sensitivity analysis.

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

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

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

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

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

In attendance at the closing ceremony were the following dignitaries: the Director General of WAIFEM, Dr. Baba Y. Musa; the Director of Research and Macroeconomic Management

Department, Dr. Emmanuel Owusu-Afriyie; Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM); Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM); Dr. Paul Mendy (Director, Financial Sector and Payment Systems Department, WAIFEM); Dr. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM); Mr. Yakubu Aliyu (Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM); Prof. Afees A. Salisu (Director, Centre for Econometric & Allied Research, University of Ibadan); Prof. OlaOluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mr. James Aniekan (Deputy Programme Manager, Business Development Unit, WAIFEM)

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

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

Following the presentation of the communique', the Director General of WAIFEM, Dr. Baba Y. Musa, presented his closing remarks.



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

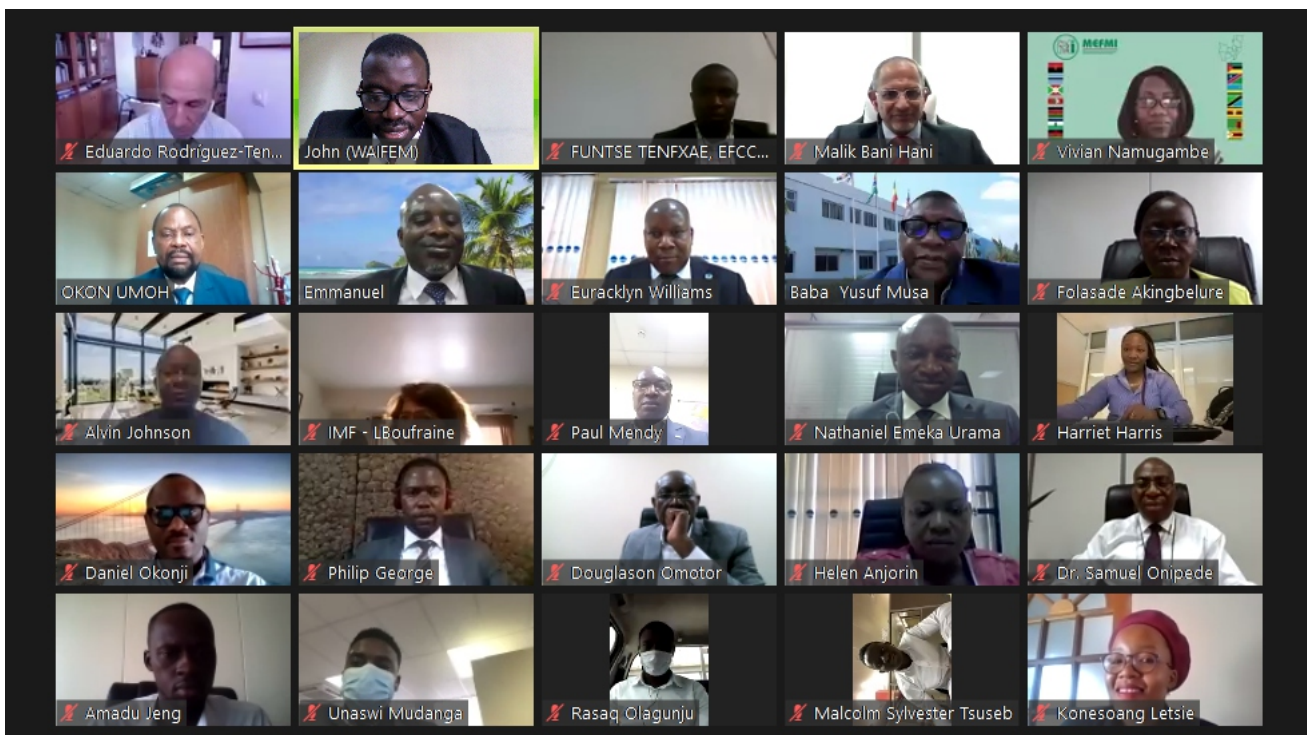
In concluding, the Director General applauded the only female participant of the course, Ms.

Olufunmilayo Tajudeen (from the Central Bank of Nigeria), for her boldness and commitment to the course.

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

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

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



## DG WAIFEM REITERATES THE NEED FOR FISCAL RULES AND CREDIT RISKS ASSESSMENTS



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

The Director General made these assertions during a one-week **Regional Course on Fiscal Rules and Credit Risks Assessments** organised by West African Institute for Financial and Economic Management (WAIFEM). The training

was conducted virtually on the zoom platform from July 12 - 16, 2021 for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region. The training was attended by twenty-nine (29) participants consisting of nine (9) females and twenty (20) males drawn from member countries namely, The Gambia, Ghana, Nigeria, and Sierra Leone.

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

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

The Director General asserted that fiscal rules are generally parameters set by governments to rein in their fiscal excesses. They are intended to help in preventing the temptation to borrow more, leaving the future generations to bear the consequences.



Fiscal rules are important to offsetting the biases inherent in fiscal policy as conducted in everyday politics, and to avoiding pro-cyclical patterns of public expenditure in most commodity-dependent economies such as ours. He revealed that one of the main fiscal risks in this regard is in identifying and managing contingent liabilities. If contingent liabilities are realised, governments may be forced to borrow significant amounts to meet their obligations, which may result in costly fiscal adjustment, an unsustainable debt position, and a deterioration of future borrowing options.

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

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

The course was envisioned to provide comprehensive training on the key concepts and tools required for the design and implementation of fiscal policy rules in developing economies, as well as to improve participants' ability to identify, assess, and manage credit risks associated with contingent liabilities arising from public-private

partnerships (PPPs), the debt of state-owned enterprises (SOEs), and other sources. It was also intended to equip participants with new perspectives in fiscal policy reforms and the role of fiscal governance in achieving fiscal and debt sustainability.

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

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

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

**Communiqué**

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

### Key Lessons

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

risk that a bond issuer's creditworthiness deteriorates, or migrates lower, leading to investors to believe the risk of default is higher and thus causing the yield spreads on the issuer's bonds to widen and the price of its bonds to fall.

- Market liquidity risk is the risk that the price at
  - which investors can transact - buying or selling - may differ from the price indicated in the market.
- Credit score models (CSMs) are designed to
  - analytically aggregate many dimensions of credit worthiness into a single credit score that represents a borrower likelihood of default.
- An increasing number of countries have
  - adopted fiscal rules to eliminate or to contain budget deficits and to reduce the public debt.
- Fiscal rule is a statutory or constitutional
  - restriction on fiscal policy that sets a specific limit on a fiscal indicator such as the budgetary balance, debt, or spending.
- Four groups of numerical rules are; the rules of
  - the budget deficit (balance budget rules); the rules of public spending (expenditure rules); the rules of public revenues (tax rules) and; the rules of public debt set explicit limits or targets for public debt as a percentage of GDP.
- For fiscal rules to be effective, the design and
  - monitoring aspects must have regulatory and political support, it must explicitly indicate credible punishment for non-compliance, and it must be sufficiently ambitious to address the underlying problem.
- The Fiscal Responsibility Act (FRA), 2007
  - was established in Nigeria to govern the conduct of fiscal policy and to prevent governments from abusing their powers to spend and tax.
- Political factors are especially salient in
  - determining the means of enforcing constraints and the actions taken (or not taken) when breaches occur.
- Formula for VaR = Volatility \* Standard Score
  - for the Confidence level \* Exposure (position size).

### Observations

- The programme was very insightful, Facilitators made the knowledge impartation very easy.
- Internet connectivity was a challenge for some
  - participants during the training.
- However, the participants found the training



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

### **Recommendations**

#### To Member Countries:

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

### **To WAIFEM:**

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

### **To Participants**

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

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

## WAIFEM ORGANISES ONLINE COURSE ON RESERVES AND FOREIGN EXCHANGE MANAGEMENT

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

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

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

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

- improve their understanding and skills in analyzing market information;

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

### **The following broad themes were covered:**

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

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

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

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

- The participants unanimously affirmed that the course has increased their understanding of reserves and foreign exchange management in the macroeconomic context;
- Over 96 percent of the participants agreed that the course has improved their understanding of derivatives and how to value fixed income instruments;
- About 81 percent of the participants strongly agreed that the course has improved their skills in strategic asset allocation, currency mix and benchmark design in reserves management;



- Almost 97 percent of the participants concurred that the course has increased their understanding of foreign exchange markets and products;
- 87 percent of the participants claimed that the course has increased their understanding of liquidity analysis and reserves tranching;
- More than 83 percent of the participants averred that the course has exposed them to the need to have in place clear and robust investment policies and guidelines in central banks;
- 94 percent of the participants affirmed that the quality of facilitation assisted them in understanding the concepts; and
- 90 percent of the participants strongly agreed that the course met their expectations.

### Communiqué

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

### Observations:

- i. That most member countries currently lay more emphasis on liquidity management than long-term investment of reserves, given the varying levels of reserves;
- ii. That most of the member countries have been relying heavily on the external rating agencies for assessing reserve positions, which in most cases undermine the true reserves condition;
- iii. That more attention has been devoted to theoretical issues during the course than the practices in the member countries;
- iv. That some member countries have investment guidelines but without comprehensive investment policies;
- v. That the training in specialised treasury management among some central bank is inadequate;
- vi. That the course is important to the success of every country;
- vii. That development in financial markets remain shallow and trading of derivatives are absent in some countries;
- viii. That as the training was conducted virtually, most of the presenters and participants encountered some internet breakup;
- ix. That sources of generating inflow to boost reserves are few and therefore vulnerable to external shocks.
- x. That deficit finance in most of the member countries are becoming persistent and this may require adjustment measure to our BOPs if care is not taken; and
- xi. That online participation attracts distraction from our work places.

### Recommendations:

- i. There is need to adopt investment strategies that will guarantee safety and where necessary enhance returns;
- ii. That attachment amongst member countries be encouraged in order to transfer practical knowledge from more experienced banks to other less experienced ones;
- iii. Central Banks should exercise caution in adopting the views of the rating agencies in consideration of recent experiences;
- iv. More time should be devoted to on-the-job (practical) issues in the training contents;
- v. In our investment management activities, we should not lose focus of the three cardinal objectives of reserve management viz: safety, liquidity and returns;
- vi. Member countries should have investment policies as a supplement to investment guidelines authorizing the investing of reserves within risk parameters;
- vii. Accurate and timely reporting of data is critical in the reserve management process;
- viii. Governmental interference in the reserve management process and the affairs of central bank officials must be eschewed;
- ix. Counties should endeavour to enrol their staff in the specialized training RAM world Bank Programme;
- x. Continuous training and refresher courses in reserve management for central bank officials should be encouraged;
- xi. The financial markets in most of the member countries should be deepened to accommodate derivatives instruments such as forward contracts, future contracts and swaps;
- xii. The sources of inflows should be expanded to ameliorate the vulnerability of our economies to external shocks;
- xiii. Countries should device various strategies to make deficit finance a temporary issue to ease the pressure on external reserves; and
- xiv. There is need to intensify efforts on the regional integration process which could assist in pulling resources in terms of reserves and make the region stronger.

## “EXAMINE ECOWAS REGIONAL INTEGRATION PROGRAMME FROM POLICY PERSPECTIVE” WAIFEM DG



**T**he Director General of WAIFEM Dr. Musa has stated that the ECOWAS Regional Integration programme be examined from the policy perspective rather than the political perspective. He entreated practitioners to play more role in the integration process rather than leaving it solely in the hands of politicians.

Furthermore, the Director General maintained that, “if we are not realistic with the economic aspects of the regional integration programme and allow politics to override the programme, we might end up having serious issues later along the line.” In addition, the Director General identified the inability of the media in the sub-region to disseminate and analyze economic issues. According to him, regarding economic issues, the media tend to adopt sensational journalistic approach rather than factual/investigative journalistic approach. This always leads to misreporting. Thus, he stated that there is the need for WAIFEM to organize courses for Journalists in the sub-region to strengthen financial and economic reporting.

The DG made these statements when The West African Institute for Financial and Economic Management (WAIFEM)organised a five (5) dayRegional Virtual Course on Exchange Rate Regimes and Policies, for the period, August 2-6, 202.

The Virtual course commenced with an opening ceremony moderated by Dr. Okon Joseph Umoh (Principal Programme Manager, Macroeconomic

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

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

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



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

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

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

The course was facilitated by five (5) resource persons namely Dr. Festus Ebo Turkson (Senior Lecturer, Department of Economics, University of Ghana); Prof. Festus O. Egwaikhide (Head of Economics Department, University of Ibadan, Nigeria); Mr. Anthony Akuamoah-Boateng (Financial Markets Department, Bank of Ghana),

who represented Mr. Steven Opata (Bank of Ghana); Dr. Robert Dauda Korsu (Executive Director, Economic, Social and Financial Research Institute-ESFRI, Freetown, Sierra Leone) and Dr. Ganiyu Kayode Sanni (Deputy Director/Head, External Sector Division of Research Department, Central Bank of Nigeria, Abuja).

The language of instruction of the course was in English. The course's mode of delivery involved Virtual lectures, interactions and discussions. The course was attended by twenty-five (25) participants from four (4) WAIFEM Member countries. Specifically, four (4) participants were from The Gambia, nine (9) from Ghana, seven (7) from Nigeria and five (5) from Sierra Leone.

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

- Almost all of the participants (88.2 per cent) agreed that the general objective of the course was achieved;
- 94.1 per cent of the participants agreed that the course had equipped them with an understanding of pertinent information relating to exchange rate regimes and policies.
- Similarly, 94.1 per cent of the participants agreed that the course gave them adequate understanding of exchange rate regimes.
- 93.8 per cent of the participants agreed that the substantive impact of the resource persons as a team was accomplished.
- Similarly, 93.8 per cent of the participants agreed that the knowledge and skills acquired from this course would improve their job performance.
- 93.8 per cent of the participants indicated that the blend of plenary and group exercises was effectively implemented.
- 98.7 per cent of the participants rated the presentations as effectively addressing the objectives of the course.
- 98.8 per cent of the participants rated the contents of the course as meeting standard practical and academic expectations.
- Similarly, 98.8 per cent of the participants indicated that the course was useful to their work;

- 86.3 per cent of the participants indicated that the time allotted to the course was enough;
- 58.8 per cent of the participants stated that their overall expectations about the course were met;
- Finally, 94.1 per cent of the participants indicated that the overall administration and coordination of the course by WAIFEM was efficient and effective;

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

The Principal Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Dr. Okon Joseph Umoh, who was the Moderator, warmly welcomed all the dignitaries to the Closing Ceremony and then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome remarks. In his welcome remarks, the Host Director candidly admitted that the duration of the course was very short but

concurred that participants were able to grasp a lot of concepts regarding exchange rate regimes and policies. He further stated that the failure of the monetary authorities to address macroeconomic imbalances have some level of disutility in that it adversely affects societal welfare. The Host Director thanked the Director General of WAIFEM, Dr. Baba Y. Musa, as well as other directors of WAIFEM for their support, which made the course successful. He entreated the participants to apply the knowledge gained from the course to reinforce their existing knowledge. The Host Director ended his remarks by commending the participants for their excellent dedication and commitment, which made the programme a success in a virtual environment. After the welcome remarks by the Host Director, the Moderator then called on the Class Governor, Mrs. Salamatu Dotse (Bank of Ghana), to present the communique' on behalf of the participants (refer to the appendix of this report for the full version of the communique').

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

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

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



## WAIFEM ENDS REGIONAL ONLINE COURSE ON NON-INTEREST BANKING ON A SUCCESSFUL NOTE



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

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

- Principle of justice is an essential requirement for all kinds of Islamic financing; the financier and the beneficiary share the actual profit/loss if the contract is equity-based.
- The financing of Islamic products is restricted to useful goods and services and refrain from financing harmful activities.
- The ethical and moral consideration of Islamic products cannot be detached from the standards laid down by Islamic Sharia.

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

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

The broad themes covered included the following:

- Fundamentals of Non-Interest Banking and Key differences between Islamic and Conventional Bank;
- Development and Challenges in Islamic Banking and Finance;
- Concept and Overview of Islamic Finance;
- The Prohibition of RIBA, Principles of Islamic Finance, and Principles of Islamic Trade;
- Legal and Institutional Framework: Islamic Legal System, Regulatory Regime for Islamic Banks, and Sharia Boards;
- Financial Reporting and Accounting for Islamic Transactions;
- Sharia Governance Framework;
- Non-Interest Finance in a Secular Environment: The Opportunities and Challenges;
- Islamic Micro Finance: Introduction, Models: The Way Forward;
- Non-Interest Banking Products: Mudaraba, Musharakah, Murabaha, Ijara, Sukuk; Mutual Fund, etc.;
- Risk Management for Non-Interest Banking; and
- Islamic Insurance: Instruments; Products, Pricing and Profit Sharing.

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

A team of experts drawn from the sub-region and the academia facilitated the one-week course. The analysis of the evaluation questionnaires filled out by the participants at the end of the course, revealed the following:

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

### Communiqué

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

### Observations:

- i. There is lack of qualified and knowledgeable experts in non-interest banking in our sub-region;
- ii. Non-interest banking derives its substance from Sharia law which is based on the principles of trust, honesty, sacrifice, commitment, integrity; etc.;
- iii. Non-interest banking is complementary to conventional banking and has potential to promote financial inclusion and growth in the real sector of the economy;
- iv. Non-interest banking is essentially a business concept rather than religious proposition;
- v. In non-interest banking, while the concept of profit and loss sharing is based on the

underlying asset and the sharing of risk is fundamental, the framework for determining profit is however discretionary.

- vi. The lack of liquidity management instruments is a great impediment to profitability of non-interest financial institutions (NIFIs) in the sub-region.
- vii. There is absence of clear enabling laws and regulatory framework in many West African countries.
- viii. Non-interest interbank market is yet to be operational at the various jurisdictions in West Africa.
- ix. Some countries in the sub-region have introduced non interest banking window without proper regulations.
- x. Lack of consensus in regional expert opinion and assistance on Non-interest banking and finance matters, can impede the development and operations of NIFIs.

### Recommendations:

- i. Appropriate legal and regulatory framework should be formulated by the respective authorities to ensure the establishment of non-interest banks in the sub-region.
- ii. Efforts should be exerted towards the introduction of non-interest banking in the sub-region through adequate sensitization of people to encourage its acceptability.
- iii. There is need for awareness creation to emphasize that Islamic banking is not synonymous with Islam, but a form of business.
- iv. There is need for a clear methodology on the determination of profit and loss in Islamic banking.
- v. Sharia board should include Islamic scholars based on their technical expertise rather than popularity.
- vi. Development of capacity of stakeholders in non-interest banking operations and services to build local expertise and awareness in non-interest finance.
- vii. Development of market and investment research capabilities to attract non-interest finance investments in the African continent. Community facilitation and support infrastructure to promote transactions, and develop advisory support for institutions wishing to gain access to Islamic finance transactions.

## WAIFEM IMPACTS SUPERVISORS AND NEW MANAGERS WITH LEADERSHIP AND MANAGEMENT SKILLS

The Regional Course on Leadership and Management Skills for Supervisors and New Managers was organized by the West African Institute for Financial and Economic Management (WAIFEM), from August 30-September 3, 2021.

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

The Director General identified inspiring vision, good managerial skills, technical and conceptual skills, interpersonal skills, communication skills, and decision-making skills, among others as imperatives in leadership roles. Dr. Musa indicated that most senior managers are expected to possess leadership and managerial skills to succeed in their roles. These skills would help them to lead through the most pressing issues of today while meeting organizational goals and objectives.

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

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

**The broad themes covered included but not limited to the following:**

- Essentials of Leadership;
- Critical Thinking and Listening Skills;

**Addressing Generational Gap;**

- Delegation, Talent Management & Succession Planning;
- Digital Transformation Leadership;
- Managing Ethics, Conflict Resolution, Negotiation & Procedures;
- Organisational Alignment and Change Management;
- Leading Through Effective Communication;
- Diversity and Gender Issues in leadership Development; and
- Performance Measurement towards better leadership results, among others.

A total of Thirty-five (35) participants from central banks, regulatory agencies, revenue authorities, and other public sector organizations in Ghana, Liberia, Nigeria and Sierra Leone attended the course. The course was facilitated by a team of experienced facilitators from both the public and private sectors in the sub-region.

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

- Majority of the participants strongly agreed that the course enhanced their understanding of issues in leadership and management to respond to the needs of various teams in their work place.
- Over 73% of the participants concurred that the course increased their knowledge on the role of leadership and management for achieving organizational goals.
- Almost 74% of the participants strongly claimed that the course improved their knowledge on the styles/characteristics of leadership that drives growth in an organization.
- Most participants agreed that the course equipped them with knowledge that will assist in understanding the different generations and management of youthful employees in an organization.
- Nearly 53% of the participants strongly agreed that the topics covered at the course were appropriate.
- Majority of the participants considered the group presentation session very effective in



showcasing their understanding of the topics discussed.

- Almost 75% of the participants asserted that the quality of facilitation assisted them in understanding the different concepts in leadership and management.
- More than 60% of the participants strongly considered the documents (lecture materials, etc.) that were distributed to be rich and very useful.
- 78.3% of the participants strongly agreed that overall the administration of the course was effective.
- Overall, the participants agreed that the course met their expectations.

The following observations and recommendations were made by the participants.

#### Observations

- i. The training sessions were very interactive with both facilitators and participants sharing practical experiences and knowledge that enhanced the discussions;
- ii. The course content was well articulated, elaborate and tailored towards contemporary leadership and management practices;
- iii. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform;
- iv. Some participants experienced technical difficulties in navigating the zoom platform during the presentations and group work.

#### Recommendations

- There were some technical issues with playing videos during some presentations. We recommend that facilitators should share the presentation with the organizers ahead of time so that tools and equipment are test-run for backup options.
- Some participants were divided in their attention. Some just signed in and never participated. Hence, we recommend for a face-to-face training.
- Pre-training Materials be sent to all participants before the commencement of training for better participation.
- The organizers should have a test meeting with trainees a day before the training starts to ensure that everyone understand how to get on and use the platform.
- The duration of the training should be expanded to two weeks to cover the topics extensively.
- Given that the participants are mostly busy with work in the morning hours, the training sections should be scheduled for evening hours.

At the end of the Programme participants expressed their profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organization of this important programme. They also extended their heartfelt appreciation to the respective institutions and organizations who afforded them the opportunity to enroll into this much needed course.

## WAIFEM BUILDS CAPACITY ON RETIREMENT PLANNING AND MANAGING NEW BEGINNING



The Regional Course on Retirement Planning and Managing New Beginning was organized virtually by the West African Institute for Financial and Economic Management (WAIFEM), from October 25 – 29, 2021. Dr. Baba Y. Musa, Director General of WAIFEM, welcomed the participants on behalf of the Management and staff of WAIFEM to the virtual opening ceremony of the Regional Course on Retirement Planning and Managing New Beginning, which held from October 25-29, 2021. He urged the participants to comply with the COVID-19 protocols (mask-up and social distance at all times in public). He also encouraged all to take advantage of the vaccination exercise that is being rolled out in all the WAMZ member countries by getting vaccinated so as to collectively beat the virus and eventually get our lives together again, like pre-COVID period. He further stressed that “vaccines save lives”.

The Director General stated that one of the greatest challenges employees faced throughout their working life is life after retirement. Dr. Musa maintained that retirement from active service is unavoidable, and all employees must eventually reach this stage, whether prepared or not. Therefore, early preparation would help employees face the emotional, psychological, and financial challenges associated with retirement.

The Director General noted that in spite of the known fact that retirement will come ultimately, many people go into retirement without any personal plans or pre-retirement counselling. Additionally, the Director General lamented that some employers do little or nothing to enlighten their employees on the need for retirement planning, and as a result, many employees go into retirement unprepared and struggle with life after retirement. He urged employees to plan adequately towards retirement well ahead of time to avoid the pitfalls that come with poor retirement planning. This involves identifying life goals following retirement from active service, developing a personalized wealth strategy and outlining the steps required in accomplishing such goals.

The Director General further noted that the rapidly changing economic situation and cultural values, have necessitated workers and retirees to increasingly take on unprecedented degree of responsibilities for their retirement, especially due to rising living cost (health, family responsibilities including that of extended family members). Additionally, in most developing countries, benefits from public and private pension schemes are not enough and most pension funds are generally characterised by corruption, embezzlement, mismanagement and diversion of funds. Therefore, “there is no better time to begin planning for retirement than right now”! he stressed.

He concluded that he had no doubt the participants would, at the end of the course, be exposed to the issues of retirement planning and acquire critical knowledge and skills needed for making post

retirement decisions. Finally, he encouraged all participants to take advantage of the opportunity and tap into the knowledge and experience of the facilitators. The objective of the course was to equip participants with the knowledge and skills to make informed retirement planning decisions. These included investments and post-retirement entrepreneurship, pension funds, insurance planning, etc. It introduced participants to post-retirement propensity for risk taking, including longevity risk, inflation risk, investment risk, etc. The course also exposed participants to sound retirement decision making, protection and diversification of their wealth to achieve their financial well-being as well as creation of fulfilling retirement life styles.

The broad themes covered included the following:

- Realities & Challenges of Retirement;
- Retirement Roadblocks & Mistakes;
- Effects of Retirement on the Different Classes of Workers;
- Financial Planning & Wealth Management; and
- Business Strategy & Retirement Options, among others.

A total of 24 officials (12 males and 12 females) from the central banks, core policy ministries, regulatory agencies, revenue authorities, and other public sector organizations from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone attended the course. The course was delivered by a team of experienced facilitators from both the public and private sectors in the sub-region, UK, and USA.

The analysis of the evaluation questionnaires filled out by the participants at the end of the course showed that:

92 percent of the participants agreed that the course has adequately prepared them in making retirement planning decisions, including investments and post-retirement entrepreneurship, pension, insurance, etc;

Over 92 percent of the participants were of the opinion that the course exposed them to post-retirement propensity for risks taking and how to mitigate them;

95.4 percent of the participants agreed that the course increased their knowledge in decision making in wealth creation, protection and distribution;

Majority of the participants (92.4 percent)

strongly agreed that the course has assisted them understand on how to live a renewed and fulfilled life style after retirement;

- 90.8 percent of the participants strongly agreed that the topics covered during the course were appropriate for retirement planning;
- 85 percent of the participants strongly agreed that the group presentation session was effective in showcasing participants understanding of the topics discussed;
- More than 92 percent of the participants strongly agreed that the quality of the facilitation assisted them in understanding different concepts in retirement planning;
- About 97 percent of the participants strongly agreed that the documents( lecture materials, videos, case studies etc) that were distributed were useful and appropriate;
- Overall, majority of the participants, up to 90.8 percent strongly agreed that the administration of the course was effective; and 92.4 percent of the participants strongly agreed that the course met their expectations.

The following observations and recommendations were made by the participants

Observations

- i. The sessions were very interactive with both facilitators and participants sharing practical knowledge and experiences which enhanced the discussions;
- ii. Most of the presenters shared real life examples of their own situations which brought more insight into the discussions.
- iii. Some of the presenters presented videos of western culture, how these individuals made it through and the impact it had on their lives, society and the world at large.
- iv. WAIFEM initiative in rolling out the regional course on retirement planning is commendable, especially at a time when the world is experiencing a global pandemic (COVID-19) and lots of uncertainties in the workplace.
- v. Most WAIFEM member countries do not have private pension managers to give wide range pension options to employees.
- vi. Most employees do not start early planning for retirement.
- vii. The economic environment of most countries in the sub-region discourages entrepreneurship and other economic activities due to



- inconsistencies in government policies, security concerns, etc.
- viii. Some participants found it difficult to follow through some of the presentation due to inadequate time.
  - ix. The course content was well articulated, elaborate and tailored towards real life situations; and
  - x. Access to strong internet connections remains a major challenge in executing virtual programmes through zoom platform.
- vi. Because the training is a virtual one, participants urge WAIFEM to request nominating institutions to allow their participants maximum time and space to fully partake in the training. Some participants had to multi-task while attending the course which distracted them.
  - vii. Presenters should consider practical and real life examples of Africans who retired successfully, thus bringing the message home.
  - viii. Organizations/Institutions should endeavour to provide basic training on the use of the zoom platform as this is the new normal used in conducting business, meetings, discussions, etc.

### Recommendations

- i. Organizations (public and private) should introduce robust retirement planning programmes to enable employees better prepare, embrace, and get ready for their retirement when due.
  - ii. Relevant laws and policies should be enacted for the establishment of private pension managers in countries where they are non-existent.
  - iii. There is need for employees to start planning for retirement early to avoid the pitfalls of late planning.
  - iv. Governments in the sub-region should, as a matter of urgency, create the enabling environment to encourage entrepreneurship.
  - v. Given the nature of the topics delivered, WAIFEM should consider organizing another round of the course to allow for more participants (not only those due for retirement) to attend;
- ix. The participants suggested that the following topics should be included in the course content in future:
    - Nutrition and dietary (for the benefit of the age of retirement);
    - How to avoid boredom at retirement, and
    - More expertise on Finance and Business area, among others.

The participants expressed their profound gratitude to the Director General of WAIFEM and his staff and all stakeholders for the successful organization of the Course. They also extended their heartfelt appreciation to the respective institutions and organizations for the opportunity to participate in the Course.

## WAIFEM FACILITATES A COURSE ON FINANCIAL SOUNDNESS INDICATORS (FSI), FOR CBN STAFF



The West African Institute for Financial and Economic Management (WAIFEM) was engaged by the Central Bank of Nigeria (CBN), to facilitate course on Financial Soundness Indicators (FSI) for staff of the Central Bank of Nigeria, Abuja, September 13 - 17, 2021 at the Central Bank of Nigeria Training Institute (ITI) Abuja, Nigeria.

The opening ceremony was chaired by Dr. Baba Yusuf Musa, Director General, WAIFEM. Also present at the opening session were Professor Douglasson G. Omotor, representative of the facilitators Dr. Paul Mendy, and other staff of the CBN. In his address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed participants to the Training Institute. He expressed appreciation to the Central Bank of Nigeria, Abuja for having confidence in WAIFEM to facilitate the course and their continuous patronage of the Institute in their capacity building programmes. The objective of the course was to enable participants to:

- Compile FSIs in accordance with the methodology of FSI Guide, using source data obtainable from sectoral financial statements and supervisory report forms.
- Calculate FSIs using different consolidation bases and interpret the different results obtained.
- Analyze and interpret FSIs compiled for the financial sector and their use in financial sector supervision and macroprudential policy.
- The themes covered during the course include the following:
  - Overview of the course
  - Coverage and sectorization of the public sector Public Sector Debt: Definitions and accounting principles
  - Guided Exercise on the accrual of interest Identification of debt instruments and institutional sectors of the counterparties
  - Balance sheet analysis
  - Contingencies and debt reorganization
  - Selected issues relating to debt
  - Presentation of public sector statistics
  - Selected issues in compilation and dissemination of public sector debt statistics statistics
  - Consolidation of public sector debt statistics
  - Guided exercise on consolidation of public sector debt statistics

The course was facilitated WAIFEM.

A total of twenty-five (25) participants drawn from various departments from the Central Bank of Nigeria (CBN), Abuja attended the course. These comprised 17 males and 8 females. The participants expressed thanks and appreciation to the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude also to Dr. Baba Yusuf Musa, Director General of WAIFEM and the entire staff of WAIFEM for the unique manner in which the course was structured and executed.

## COURSE IN FRENCH LANGUAGEA MEANS TO DEEPEN THE REGIONAL INTEGRATION PROCESS



**T**he Director General of WAIFEM, Dr Baba Yusuf Musa has said that the E-Learning Certificate Course in the French Language is a means to deepening the regional integration process in the West African sub-region. The Director General reiterated the importance of a second language since it raises the value of human interaction, enhances communication and bargaining abilities, fosters trust and confidence amongst individuals and nations. He assured the participants that competent facilitators have been assembled to make them speak excellent and fluent French.

He expressed the Institutes' appreciation to the sponsoring institutions for sponsoring participants to attend the course. In his conclusion, the Director General, provided a brief history of the Institute, accenting that WAIFEM, over the years, has established collaborative arrangements with world-class training organizations and capacity building institutions to ensure sound practices in the delivery of its programmes.

These assertions were made at the opening session of the E-Learning Certificate Course in the French Language organized by The West African Institute for Financial and Economic Management (WAIFEM) from September 20 – October 31,

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

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

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



Themes covered during the course include the following:

- Professional French – Business French
- French at workplace
- Useful French grammar
- Dialogue

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

Forty-two (42) participants, mainly from the Anglophone West African countries of The Gambia, Ghana, Sierra Leone, Liberia, Nigeria, and regional institutions West African Monetary Agency (WAMA) and West African Monetary Institute (WAMI), attended the course.

### Observations

- The facilitators' lecture deliveries were excellent as they demonstrated in-depth mastery of the themes;
- The course was exciting and interactive; facilitators were able to engage participants at the end of each lecture, to test the level of assimilation;
- Furthermore, verbal/vocal tasks were given to test participants' pronunciations which is essential for the French Language;
- The virtual course was not too effective for participants due to distractions in the office environment;
- It was also observed that internet connectivity and access to some course materials was a challenge for some participants;
- The level of participation dropped in the

second week due to virtual fatigue; and;

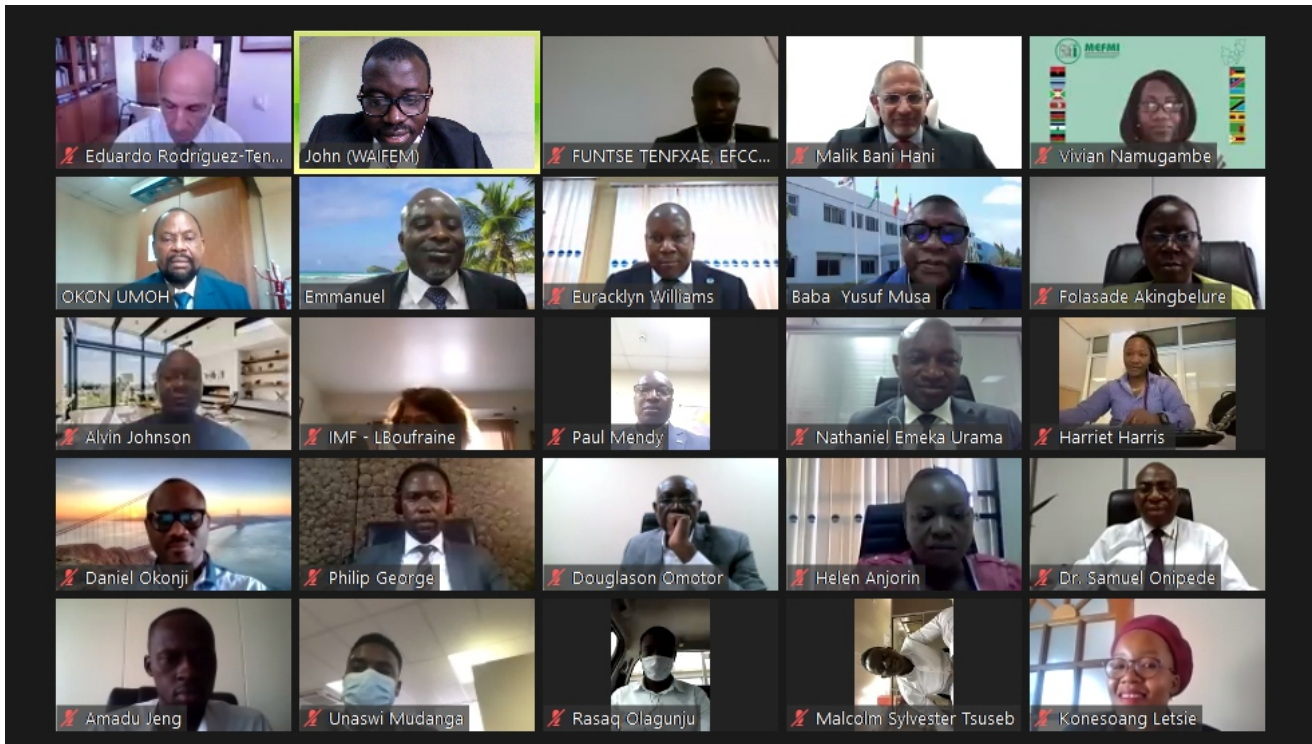
- The facilitation, coordination, and administration of the course by WAIFEM staff were very satisfactory and provided an exciting learning atmosphere during the virtual classes.

### Recommendation

- Virtual class should be extended to three (3) weeks to allow for more in-depth topics and discussions during classes;
- WAIFEM to reconsider the resumption of face-to-face classes, considering the fact that several potential participants have been vaccinated;
- WAIFEM to keep the e-learning lessons online (Platform) for at least 6 months;
- WAIFEM should encourage institutions to provide stipends for their nominees for tea and lunch during the zoom phases;
- To encourage face to face classes, participants can be divided into smaller groups to comply with COVID-19 protocol rules; and
- For reasonable fluency, reading and writing in French language WAIFEM, should extend the attachment phase from one week to three weeks.

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

## WAIFEM ORGANISES ONLINE COURSE ON CROSS-BORDER POSITION STATISTICS



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

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

In the opening remarks read on behalf of Dr. Sehlistelo Mpofo, Ms. Vivian Namugambe expressed sincere gratitude to the collaborating

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

The second remark in the series of opening remarks was given by Mr. Malik Bani Hani (Senior Economist, IMF). He began his remarks by thanking Dr. Baba Yusuf Musa (Director General of WAIFEM) and Ms. Vivian Namugambe (representing Dr. Sehlistelo Mpofo, Programme Director of Macroeconomic Management of MEFMI) for initiating the

cooperation between WAIFEM and MEFMI. He urged the participants to freely interact and ask questions. In the conclusion of his remarks, Mr. Malik entreated the participants to fully prepare for the course by thoroughly reading the designated course materials. He then invited his colleague, Mr. Eduardo Rodriguez Tenes (Expert, IMF) to make brief remarks. Mr. Eduardo expressed his pleasure to be part of the course and was optimistic that the course would be beneficial to the participants.

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

The course on Cross-Border Position Statistics was primarily designed to provide training on the methodology for compiling and disseminating Cross-Border Position statistics, including the Integrated International Investment Position (IIP); External Debt Statistics (EDS); the Coordinated Portfolio Investment Position Statistics (CPIPS); and the Coordinated Direct Investment Survey (CDIS). The course was based on the Balance of

Payments and International Investment Position Manual, sixth edition (BPM6), the 2013 External Debt Statistics: Guide for Compilers and Users, the 2010 CPIS Guide, as well as the 2015 CDIS Guide.

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

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

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

The course was attended by fifty (50) participants from fourteen (14) countries. The countries were Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, Uganda, Zambia and Zimbabwe. The total number of participants from WAIFEM member countries was twenty-seven (27); three



(3) from The Gambia, four (4) from Ghana, three (3) from Liberia, ten (10) from Nigeria and seven (7) from Sierra Leone.

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

- The average value of ranking for the statement “The knowledge/skills learned during the training will be useful for my job and my professional development” was 4.6. This suggests that the participants strongly agreed that the training would be useful for their jobs and professional development.
- The average value of ranking for the statement “The content of this training will help me to produce better quality, and/or better understand, macroeconomic statistics” was 4.6. This indicates that the participants strongly agreed that the content of the training would help them produce better quality, and/or better understanding of macroeconomic statistics.
- The average value of ranking for the statement “Overall, I was satisfied with the training” was 4.5. This suggests that on the average, the participants were very satisfied with the training.
- The average value of ranking for the statement “The exercises covered during the workshop sessions were useful” was 4.4. This suggests that the participants strongly agreed that the exercises covered during the workshop sessions were useful.
- Similarly, on the statement “The mix of presentation methods (e.g. balance of lectures and workshops, interactive discussions) was an effective way to learn the subject” had an average score of 4.4. This indicates that the participants strongly agreed that the mix of presentation methods was indeed an effective way to learn the subject.
- The average value of ranking for the statement “Overall, I was satisfied with the

administrative/logistical arrangements for the training” was 4.2. This indicates that the participants were very satisfied with the administrative/logistical arrangements for the training.

- The statement, “The training website (Moodle or Box) was helpful for your preparations for and during the training” had an average score of 4.3. This indicates that the participants agreed that the training website (Moodle or Box) was helpful for their presentations.
- The statement, “I was satisfied with the translated course materials” had an average score of 4.4. This suggests that the participants were very satisfied with the translated course materials.
- Lastly, the average score of the statement “Overall, given the virtual environment, the training was effectively conducted and delivered” was 4.2. This suggests that the participants agreed that the training was effectively conducted and delivered within the virtual environment.
- Furthermore, on the course evaluation questionnaire, the participants recommended the following:
  - Improvement in the duration of the course
  - The use of workshop at the end of each day's lectures to concretize understanding of different concepts learnt in each lecture
  - Offer follow-ups and refreshers from time to time. Provide post additional training content and discussion opportunities.
- Definitions of concepts should be accompanied by practical examples. Going back to normal classes will improve on the training so as to avoid distraction especially when at the workplace.

In attendance at the closing ceremony were the following dignitaries: Mr. Euracklyn Williams (Director of Administration and Finance, WAIFEM); Dr. Emmanuel Owusu-Afriyie (The Director of Research and Macroeconomic Management Department, representing the Director General of WAIFEM); Dr. Alvin Johnson (Director of Governance and Institutional Development Department of WAIFEM); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic

## WAIFEM BUILDS CAPACITY ON FISCAL RISKS MANAGEMENT AND FISCAL SUSTAINABILITY

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

The opening ceremony was chaired by the Director General of WAIFEM, Dr. Baba Yusuf Musa. Other dignitaries who graced the occasion included officials from WAIFEM, and the course facilitators. In his brief keynote address, the Director General welcomed the participants and congratulated them and their respective organizations for accepting to participate in the training. He expressed his optimism over the Covid-19 pandemic and stated that as vaccination coverage increases across the sub-region, face-to-face teachings of capacity building programs will resume in earnest possible time. However, he assured participants that the course's desire objective will still be accomplished despite the adjustment in the transmission method.

He used the occasion to give a brief account of WAIFEM and stated that the Institute recently restructured its institutional structure to better serve member countries by addressing emerging capacity-building challenges in the region, particularly on governance, institution building, regional integration, reserve management, and emerging global finance trends such as Fintech and cyber security.

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

fiscal authorities. He outlined some of the central points that underpinned fiscal risks to include:

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

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

The course was designed to highlight key institutions/frameworks that help governments better assess and manage risks to the government budget. It was envisaged to provide an overview of typical risks, their scale and relative importance, approaches for analyzing them, possible mitigating measures, and institutional

arrangements for dealing with them. It was also to discuss the standards for the disclosure of fiscal risks as prescribed in the IMF's Fiscal Transparency Code and IMF's fiscal transparency evaluations. It sought to expose participants to the standards for disclosure of fiscal risks and importance of long-term fiscal sustainability.

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

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

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

of Finance, Ghana).

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

### **Communiqué**

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

### **Key Lessons**

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



## Observations

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

## Recommendations

### To Member Countries:

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

### To WAIFEM

- Although the course was relevant and impactful, it is pertinent that WAIFEM reduces the workload of the work in the virtual environment. It is suggested that the time be shorten for course delivery to gain maximum attention from participants.
- Involvement of political office holders and other policymakers to educate them on the role of government in fiscal risk management and sustainability is also imperative to understand the frameworks used to make assessments.
- WAIFEM should require nominating countries to send at least two (2) officials with practical expertise and experience in the subject area to facilitate knowledge sharing.
- In subsequent training, time should be allotted to take participants through the procedure in accessing the documents on the portal since not all participants are familiar with the internet system of computer.
- Pre-test and post-test should be incorporated into the coursework replacing communiqué, since this an online platform.
- Participants should be given a day off to properly work on their group presentations to ensure quality work.

- Lecture materials should be sent directly to participants email addresses considering that some participants, though minimum, had challenges in accessing, locating, or downloading presentations and course materials from WAIFEM's website and e-learning portal.
- Facilitators must ensure that participants are following the flow of the lectures /presentations. This could be achieved by asking participants opinions at different intervals on presenters' pace, questions about the presentations, challenges with viewing slides, etc.

**To Participants**

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

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

## WAIFEM FACILITATES COURSE ON PUBLIC SECTOR DEBT STATISTICS FOR CBN

The West African Institute for Financial and Economic Management (WAIFEM) was engaged by the Central Bank of Nigeria (CBN), to facilitate course on Public Sector Debt Statistics for staff of the Central Bank of Nigeria, Abuja, October 4 - 8, 2021 at the Central Bank of Nigeria Training Institute (ITI) Abuja, Nigeria.

The opening ceremony was chaired by Dr. Baba Yusuf Musa, Director General, WAIFEM. Also present at the opening session were Professor Douglass G. Omotor, representative of the facilitators Dr. Paul Mendy, and other staff of the CBN. In his address, the Director General of WAIFEM, Dr. Baba Y. Musa welcomed participants to the Training Institute. He expressed appreciation to the Central Bank of Nigeria, Abuja for having confidence in WAIFEM to facilitate the course and their continuous patronage of the Institute in their capacity building programmes.

The course was designed to provide a comprehensive conceptual framework for a consistent measurement of gross and net debt of the Public Sector and all of its components.

It was also aimed 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:

- Key Elements of Sound PDM Legal Framework
- Key Elements of Sound PDM Legal Framework: Legal Framework for Borrowing in Anglophone West African Countries  
Loan Circle and Key Elements in Loan Evaluation
- Methods of Loan Valuation and Accounting  
Examining Public Spending: Estimates Review
- Institutional Arrangements and Governance Structure for Effective PDM
- Transparency and Accountability: Governance, Audit, Reporting and

- Accountability
- Budgetary Treatment of a Hypothetical Direct Loan
- Budgeting, Parameters Estimates and Modelling Assumptions
- Cost-Benefit Analysis
- Break-Even Analysis
- Concepts of Present and Future Value
- Mobilisation of External Resources and Loan Selection Criteria
- Methods of Valuing Government Loans and Guarantees
- Market Value Credit, Subsidy and Cost Estimates
- Market Risks, Uncertainty and Approaches to Manage Fiscal Risks
- Utilisation of Loan Proceeds I & II
- General Principles of Contingent Liabilities and Tracking Contingent Liabilities in PPP
- Negotiation of Loans I & II
- Concept and Application of Debt Management Strategy, and
- Concept and Application of Debt Sustainability Analysis

### **The course was facilitated WAIFEM.**

A total of twenty-five (25) participants drawn from various departments from the Central Bank of Nigeria (CBN), Abuja attended the course. These comprised 16 males and 9 females.

The participants expressed thanks and appreciation to the Management of the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude also to Dr. Baba Yusuf Musa, Director General of WAIFEM and the entire staff of WAIFEM for the unique manner in which the course was structured and executed.



## WAIFEM COLLABORATES WITH IMF AND MEFMI ON COURSE ON FINANCIAL SOUNDNESS INDICATORS



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

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

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

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

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

### **The following broad themes were covered:**

- Preparation of the sectoral financial statements and compilation of FSIs for deposit takers;
- Basel framework for capital adequacy and

- Basel III leverage and liquidity FSIs; Basel regulatory capital;
- Core and additional FSIs for deposit-takers; and
- Compilation of core and additional FSIs for deposit-takers.

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

Zambia, and four (4) from Zimbabwe. Gender-wise participation revealed that twenty-one (21) or 46.7 percent were female, while twenty-four (24) or 53.3 percent were male.

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

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

## WAIFEM BUILDS CAPACITY ON INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

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

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

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

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

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

### **The following broad themes were covered during the course:**

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

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

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

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

- Over 77 percent of the participants concurred that the objectives of the course were met.



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

### Communiqué

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

### Observations:

- i. That the course was successful in enhancing the knowledge of participants in International Financial Reporting Standards (IFRS), its framework, concepts and technical application.
- ii. That it is difficult to introduce, apply and maintain or enforce IFRS in different countries, each of which has a range of social, political, economic and business factors to consider.
- iii. That different legal systems may prevent the application of certain accounting practices and restrict the options available.
- iv. That there are different purposes of financial reporting between countries. In some

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

- v. That countries may be unwilling to accept another country's standards.
- vi. That it is costly to develop a fully detailed set of accounting standards.

### Recommendations:

- i. That considering the success of the course and in view of increased advocacy for adoption of IFRS, WAIFEM is urged to organize more of such course for Accountants and other related professionals in the sub-region to equip them for the implementation process.
- ii. That the various national laws and regulations should be reviewed to ensure that possible conflicts between the implementation of IFRS and the national laws and regulations are resolved.
- iii. That regulators in the WAMZ should be more sensitized about international financial reporting standards in order to facilitate their adoption into their legal arrangements.
- iv. That national standards setters in WAMZ be more involved in the development and promotion processes of a set of global accounting standards of high quality which are understandable and enforceable even by the small entities and owner-managed ones.
- v. That WAMZ countries should pursue their efforts towards the convergence of national and international accounting standards.
- vi. That there should be bilateral and multilateral cooperation between countries with high level of adoption of IFRS and those with lower level and some institutions to reduce the cost of adopting IFRS.

That countries should introduce IFRS in their training programmes.

## WAIFEM CONDUCTS REGIONAL ONLINE COURSE ON BALANCE OF PAYMENTS STATISTICS



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

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

Macroeconomic Management Department, WAIFEM), Mr. Gabriel Asante (Senior Programme Manager, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM) and Mr. Victor Emmanuel (Internal Auditor, WAIFEM).

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

Dr. Okon Joseph Umoh (the Moderator) then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his remarks and announcement. In his brief remarks, he entreated the participants to be fully committed to the course. He thanked the

Director General of WAIFEM, Dr. Baba Y. Musa and the directors of WAIFEM for gracing the Opening Ceremony with their presence. After the remarks, group photography was taken.

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

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

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

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

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

The course was facilitated by five (5) facilitators from the five (5) WAIFEM Member Central Banks. They were Mr. Alieu Ceesay (Central Bank of The Gambia), Mr. Dixon W. Dwanyen (Central Bank of Liberia), Dr. G.K. Sanni (Central Bank of Nigeria), Mr. Rashid Idriss Koroma (Bank of Sierra Leone) and Ms. Cynthia Kotei (Bank of



Ghana). The language of instruction of the course was in English. The course's mode of delivery involved online lectures, interactions and discussions, workshops, as well as group presentations.

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

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

- Almost all the participants (90 per cent) agreed that the course objective of exposing participants to BPM6 and its uses was achieved;
- All the participants agreed that the course provided them with a comprehensive set of analytical tools to undertake policy impact assessment and scenario analysis;
- 90 per cent of the participants agreed that the substantive impact of the resource persons was very good;
- 90 per cent of the participants agreed that the knowledge and tools acquired from this course would improve their job performance;
- 90 percent of the participants maintained that the blend of plenary sessions and hands-on exercises had been very effective;
- 90 per cent of the participants agreed that the quality of training materials and documentation was very good;
- 97.79 per cent of the participants rated the presentations as very good;
- 97.60 per cent of the participants rated the contents of the course as good;
- 97.22 per cent of the participants indicated that the course was very useful to their work;
- 97.85 per cent of the participants indicated that the time allotted to the course was enough;
- 90 per cent of the participants indicated that their overall expectations about the course were met and
- Finally, 80 per cent indicated that the overall administration and coordination of the course by WAIFEM was effective.

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

The Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Mr. John Owusu-Afriyie (who was the Moderator) warmly welcomed all the dignitaries to the Closing Ceremony. He then called on Dr. Emmanuel Owusu-Afriyie (the Host Director) to give his welcome-remarks. The Host Director applauded the facilitators for their excellent delivery despite being an online course. After the brief remarks by the Host Director, the Moderator called on Ms. Maame Ammah Frimpomaah Appiah from the Bank of Ghana (the Class Governor) to present the communique' on behalf of the participants (refer to the appendix of this report for the communique').

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

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

The course was grossly beneficial to the participants. The course exposed participants to the practical challenges and broader knowledge on how to compile BoP statistics, consistent with the BMP 6. It also exposed participants to the

inter-linkages between the Balance of Payments (BoP) and other sectoral accounts. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that as most economies have opened and vaccination is ongoing, these courses could be held in person.



# STAFF BIRTHDAYS

July - December, 2021



DR. BABA Y. MUSA



MR. EURACLYN WILLIAMS



MR. ALIYU YAKUBU



MR. SOLOMON ADEKANBI



MR. USMAN SHEHU



MR BASSEY UDOEKPO



DR. EMMANUEL OWUSU - AFRIYIE



MS. REBECCA IKPEME



MRS. JOSEPHINE ROBERT



MR. EMMANUEL OKON



MR. PHILIP EFFIONG



MR SUNDAY AGADOGU



MR. LINUS GIMOH



MS. REBECCA IKPEME



MR. MOSES OGUNNIYI



MR. NDFIREKE JAMES



MR. KAMAL MUSAL



MR. ANIEKAN JAMES



MR. USMAN IBRAHIM



MRS. ADELIN AJOKPAEZI