



## THE DIRECTOR-GENERAL OF WAIFEM ADVISES POLICY ANALYSTS, SENIOR ECONOMISTS, AND DIRECTORS OF RESEARCH ON THE NEED TO IMPLEMENT EVIDENCE-BASED POLICIES IN THE SUB-REGION



**A**t a 15-day regional virtual course on Intermediate Modelling and Forecasting organised by WAIFEM, the Director-General of WAIFEM, Dr. Baba Y. Musa, advised Policy Analysts, Senior Economists, and Directors of Research to embrace the implementation of evidence-based policies in the sub-region. The course commenced on 6<sup>th</sup> March and ended on 24<sup>th</sup> March 2023.

The keynote address presented by Dr. Musa emphasized the importance of econometric modelling and forecasting to an economy. He stated that the course would help in understanding the operations of an economy and enhance the policy and decision-making process both at the macro and micro levels. He also remarked that in the implementation of monetary and fiscal policies, econometric methods help to quantify how the economy is consequently affected. Thus, according to him, econometric techniques are useful tools to monitor the progress of an economy in order to make short- and long-term projections to determine the path to be followed by policymakers. In addition, the Director-General implored policymakers to apply econometric techniques and models to make decisions, when sufficient data are available. In concluding his remarks, the Director-General thanked the course facilitators and entreated the participants to freely interact with one another to deepen the course of regional integration. Thereafter, he officially declared the course open.

The course was intended to expose participants to the Maximum Likelihood (ML) and Bayesian Dynamic Stochastic General Equilibrium (DSGE)

Models. The course also aimed at exposing participants to the open economy with nominal and real frictions, as well as financial frictions in the form of liquidity-constrained households. The main instructional software were STAT 17, Octave, Dynare, and MATLAB.

- The main topics discussed during the course were Introduction to Dynamic Stochastic General Equilibrium (DSGE) Models;
- Writing a DSGE in a Solvable Form; Identification Issues in DSGE Modelling;
- Introduction to Nonlinear DSGE Models; Data Preparation for DSGE Estimation; Specifying the Nonlinear DSGE Model;
- Dealing with Identification Problems in DSGE; Results and Interpretation of Nonlinear DSGE Model;
- Introduction to Linear/Linearized DSGE Model; Introduction to New Keynesian Model; Specifying New Keynesian DSGE Model; Identification Problems in Linear DSGE Model; Results and Interpretation of Linear New Keynesian DSGEs Model; Introduction to Nonlinear New Classical Real Business Cycle (RBC) DSGEs;
- Linearizing the nonlinear RBC Model;
- DSGE Model with Financial Frictions;
- Open Economy in DSGE Models;
- Special Considerations in DSGE Models;
- Including a Lag of a Control Variable;
- Including a Lag of a State Variable;
- Including an Observed Exogenous Variable and an expectation beyond one-period ahead.

The participants were tasked by their facilitators to apply the knowledge gained to write and present papers regarding “Response of Monetary Policy to Productivity and Demand Shocks with Financial Frictions” 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 Institute’s journal, West African Financial and Economic Review, (WAFER) could be published based on the standard of the final articles submitted.

The Facilitators of the course were Prof. Afees A. Salisu (Director, Centre for Econometrics & Applied Research, University of Ibadan), Prof. Olaoluwa Simon Yaya (Senior Lecturer, Department of Statistics, Faculty of Science, University of Ibadan) and Dr. Jamaldeen Abubakar (Central Bank of Nigeria). The course was delivered in English and the mode of delivery involved virtual lectures, interactions and discussions, workshops, as well as group presentations.

Forty-three (43) participants from the five (5) WAIFEM Member Countries attended the course. Specifically, three (3) participants were from The Gambia, sixteen (16) from Ghana, eight (8) from Liberia, eight (8) from Nigeria and eight (8) from Sierra Leone. In terms of the gender distribution of participants, thirty-seven (37) were male whilst six (6) were female. With regard to institutional distribution, twenty-five (25) were from the Central Banks, six (6) were from the Ministries, Departments, and Agencies and twelve (12) were from other private and public sector agencies.

The analysis of the completed evaluation

questionnaire by the participants revealed the following:

- 90.9 percent agreed that the general objective of the course was achieved;
  - 90.9 percent agreed that the course provided them with an understanding of pertinent issues relating to Advanced Modelling and Forecasting (Dynamic Stochastic General Equilibrium Model);
  - 90.9 percent agreed that the course provided capacity for formulation and implementation of good Forecasting for Policy Analysis to yield maximum benefit for their organizations;
  - 100% maintained that the substantive impact of the resource persons as a team was achieved;
  - 81.8 percent agreed that the knowledge and skills acquired from this course would improve their job performance;
- The blend of plenary and group exercises was effectively executed;
  - 100% rated the training materials and documentation to be of high quality;
  - 100% stated that their overall expectations about the course were met;
  - 98.8 percent rated the contents of the course as good;
  - 97.3 percent indicated that the course was useful to their work;
  - 74.9 percent indicated that the time allotted to the course was enough;
  - 100% indicated that the presentations were very good;
  - 100% indicated that the administration and coordination of the course by WAIFEM was efficient and effective.

# WAIFEM ORGANISES REGIONAL COURSE ON BANKING SUPERVISION AND RESOLUTION LEVEL I



**T**he West African Institute for Financial and Economic Management (WAIFEM) organised a regional course on Banking Supervision and Resolution Level I in Lagos, Nigeria, from March 27–April 06, 2023.

The opening ceremony was presided over by the Director General of WAIFEM, Dr. Baba Y. Musa. Also present were Mr. Amadou Koora, Director, Financial Sector and Payment Systems Department, WAIFEM, Mr. Euracklyn V. Williams, Director of Administration and Finance, Dr. Alvin Johnson, Director of Governance & Institutional Development, Mr. Aliyu Yakubu, Director, Fiscal Policy, Debt Management, and Regional Integration, and Mr. Fonsia M. Donzo, a resource person.

In his keynote address, Dr. Musa reiterated the need

for effective banking supervision and resolution, especially in the current dispensation of rapid technological advancement. He also emphasized the need for regulators/supervisors to have a firm grasp of the different risks associated with the various banking activities such as credit/default risk, foreign exchange risk, interest rate risk, liquidity risk, etc. These were the basis for adopting a risk-based approach to banking supervision.

Dr. Musa stressed that risk-based supervision would reduce the risk of systemic failure and financial instability, and emphasized the need to learn and communicate effectively in French. He reminded participants that the majority of Francophone nationals within the sub-region can communicate in English, and thus, it places them

in good stead ahead of their Anglophone counterparts. For this reason, WAIFEM introduced the certificate and diploma courses in French for member countries, to ensure effective integration within the sub-region.

Finally, Dr. Musa reminded participants that the module was examinable and urged them to take it seriously as the scores would be forwarded to the Management of their respective institutions.

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

The following broad themes were covered:

- Bank licensing process;
- Bank failure: causes, prevention and resolution;
- Capital and capital verification;
- Consolidated supervision;
- Forex operations and forex examination process;
- Bank accounting;
- Financial statement analysis;
- Bank investment and liquidity management;
- On-site examination process;
- Off-site examination process;
- Fraud and forgeries;
- Corporate governance principles;
- Money laundering, financial crime;
- Framework for prompt corrective action; and
- International Financial Reporting Standards (IFRS) principles.

The course was attended by twenty-four (24) senior and middle-level staff of the central banks of The Gambia, Ghana, Liberia, and Nigeria, with two (2) participants from the National Deposit Insurance Corporation (NDIC), Nigeria, and one participant from the West African Monetary Agency (WAMA).

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

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

- All the participants were of the view that the course deepened their knowledge and understanding of the basics of banking supervision and resolution;
- Over 88 percent of the participants agreed that the course content in terms of the topics covered was appropriate;
- 92 percent of the participants affirmed that the course would assist them in performing their job functions;
- 83 percent of the participants believed that the quality of facilitation assisted them in understanding the concepts;
- The course materials were found to be very useful by 93 percent of the participants;
- The overall administration and coordination of the course were rated as 'very effective' by 82 percent of the participants; and
- Overall, the participants unanimously concurred that the course met their expectations.

In compliance with the directive of the Board and Management of WAIFEM, two sets of Quizzes were administered to the participants and the

overall performance was good.

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

### **Observations**

- i. The adoption of sound corporate governance principles by member countries in the supervision of banks and other financial institutions has led to relatively safe and sound financial institutions in their respective jurisdictions.
- ii. Countries within the sub-region have incorporated the Prompt Corrective Actions (PCAs) Framework in their Acts or guidelines. This has enabled them to intervene early to prevent capital erosion to enhance the stability of their banking systems, which is fundamental for economic growth
- iii. The concept of consolidated supervision has enabled member countries to cooperate, learn, and share best supervisory practices among themselves and has allowed financial sector supervisors to understand the relationships between the legal entities and how to effectively monitor the group and recognize incipient risks/problems.
- iv. Specific insights into important International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) allowed the participants to understand the substance and, most importantly, the hidden information contained in annual reports prepared by financial institutions.
- v. The Anti-Money Laundering and Financial Crime module availed the participants the opportunity to understand that financial institutions are required to implement the FATF recommendations and that regulatory authorities should take measures, particularly during the licensing of financial institutions to prevent criminals and their associates from holding shares or controlling interest or in management roles in the financial institution.
- vi. Prudential indicators for banks differ in jurisdictions within the sub-region, making cross-border examination and peer-to-peer review difficult.
- vii. Participants agreed that bank regulators and supervisors within the sub-region should minimize bank failure regardless of whether they are systemic important banks or not. This is because the failure of any bank within the region has systemic effects on the economy thereby leading to loss of confidence in the banking and financial system.
- viii. The urgency, frequency, and timing of on-site examination differed significantly across jurisdictions based on institutional policies or country-specific laws. For most central banks in the sub-region, onsite Bank examinations are performed once a year.
- ix. The sessions and presentations were in-depth, engaging, and well-delivered by knowledgeable Facilitators amidst the participants' full engagement.
- x. Some of the lecture materials were too voluminous for the time allocated making it difficult for participants to fully comprehend and internalize them.
- xi. The training program required intensive learning that saps energy thus putting both Muslim and Christian participants fasting at a disadvantage.

### **Recommendations**

- i. Supervisors in the sub-region should cooperate regarding the supervision of group financial institutions to avoid the contagion effect of bank failure in the region. The tools for cooperation can include a memorandum of understanding, supervisory colleges, and periodic meetings among supervisors.
- ii. Countries within the sub-region should endeavour to have effective Prompt Corrective Action (PCA) Framework to intervene early to prevent capital from falling below the minimum levels required to support the risk characteristics of a particular bank to enhance the stability of its banking system, which is fundamental for economic growth.
- iii. Central Banks in the jurisdiction should form national and regional alliances and strengthen partnerships and collaboration with security agencies, border controls, and inter-governmental agencies to effectively implement the AML/CFT regime and curb the illicit flow of funds within the region.
- iv. Such training programmes should be conducted outside the Ramadan and Lent periods to provide all participants with an equal or a level playing field.

# A JOINT WORLD BANK-WAIFEM TEAM EMBARKS ON A HYBRID-MISSION TO GHANA'S MINISTRY OF FINANCE AND ECONOMIC PLANNING (MoFEP)



**A** Joint Mission of World Bank/IMF/WAIFEM was sent to Ghana to assist the Government of Ghana to take stock of Public Debt Reporting Practices, including their coverage, scope, and modalities of over the period, of April 10 – 14, 2023.

In terms of participation, forty-two (42) senior and middle officials were drawn from the Auditor General's Office and the Bank of Ghana (BoG). The meetings were held at the Ministry of Finance and Economic Planning (MoFEP), Ghana. All the pre-mission activities including data validation and coordination between the Government of Ghana and the World Bank/IMF were undertaken by WAIFEM. In addition, during the mission, the

World Bank and IMF officials facilitated the meetings virtually, while a WAIFEM official was present, coordinating the teleconferencing facilities and other logistics and hands-on exercises. The post-mission evaluation was also conducted by WAIFEM.

The report submitted at the end of the mission outlined the current reporting practices and dissemination. The activity guided the staff of the Debt Management Department (DMD) at the Ministry of Finance and Economic Planning (MoFEP) of the operations of the Government of Ghana. In addition, the document provided the benchmark for key recommendations and steps going forward.

# A JOINT WORLD BANK/IMF/WAIFEM DEBT MONITORING AND REPORTING MISSION ASSESSES THE GOVERNMENT OF LIBERIA.



A team of World Bank/IMF/WAIFEM Debt Experts embarked on a mission to assist the Government of Liberia to take stock of public debt reporting practices, including their coverage, scope, and modalities of dissemination covering the period, April 17 – 21, 2023.

Twenty-one (21) senior and middle officials were drawn from the Debt Management Unit (DMU), under the Ministry of Finance and Development Planning (MoFDP), Auditor General's Office, and the Central Bank of Liberia (CBL) to take part in the exercise, which was carried out at the Debt Management Unit office.

All the pre-mission activities including data validation and the coordination among the Government of Liberia, the World Bank and IMF were undertaken by WAIFEM. In addition, during

the mission, the World Bank and the IMF officials facilitated virtually, while a WAIFEM official was present, coordinating the teleconferencing facilities and other logistics and hands-on. The post-mission evaluation was also conducted by WAIFEM.

The report submitted at the end of the mission outlined the current reporting practices and dissemination; recommendations and key findings. In terms of assessment of impact, the activity guided the staff of Debt Management Unit (DMU) at the Ministry of Finance and Development Planning (MoFDP) of the operations of the Government of Liberia. In addition, the document provided the benchmark for key recommendations and steps forward.

# WAIFEM ORGANISES A COURSE ON RISK-BASED AUDITING, GOVERNANCE, AND OPERATIONAL RISK MANAGEMENT



The Business Development and Consultancy Unit of the West African Institute for Financial and Economic Management (WAIFEM) organised a Course on Risk-Based Auditing, Governance, and Operational Risk Management, in Lagos, Nigeria from April 24 – 28, 2023.

The opening ceremony was chaired by the Advisor of the Business Development & Consultancy Unit (WAIFEM), Prof. Douglaason G. Omotor, a representative of the Director-General of WAIFEM, Dr. Baba Y. Musa. The resource persons, Dr. Jero Ediri, and Samuel Olufemi Olabanji of the Central Bank of Nigeria (CBN) were also present.

The Director-General, represented by Prof. Douglaason Omotor, welcomed the resource persons and participants on behalf of the Director

General of WAIFEM and expressed his gratitude to sponsorship institutions. Delivering the keynote address, he gave a brief history of WAIFEM and stressed that the core mandate of the Institute is to build capacity in the fields of Macroeconomics, Governance, Debt, and Financial Sector Management among staff of Central Banks, Ministries of Finance as well as other public sector institutions with core economic management responsibilities. He stressed that the course on Risk-Based Auditing, Governance, and Operational Risk Management is organized by the BDCU of WAIFEM, unlike WAIFEM-sponsored programmes. He noted further that, given recent developments in markets, techniques, technologies, and products, there was no gainsaying the fact that effective management of operational risks had become a more critical aspect of business strategy for the survival of any business in the modern-day

world. Dr. Baba Musa cited the case of the collapse of the Silicon Valley Bank, Silvergate, and Signature Bank of the United States of America.

According to the Director-General, the said courses are organised to cater for the training and capacity needs of the private sector on a cost recovery basis, even though the public sector also benefits from the BDCU programmes. He entreated the participants to take the course seriously as risk-based auditing was very important and key in any organization, especially the global world in which we live today. He therefore urged the participants to interact and feel free with the facilitators, and ask pertinent questions to enrich themselves from the course. The programme was declared open by the Advisor of BDCU on behalf of the Director-General.

The objective of the course was to build an understanding of the importance of Operational Risk Management and Governance within an organization, to produce competent auditors with good knowledge of Risk-Based Auditing; increase participants' acquaintances in accomplishing the internal audit objectives of their organizations, save resources, and make audit planning easier and more interesting in the business environment.

The broad themes covered during the course were as follows:

- Understanding the Basic Concepts of Risk, Types, and Enterprise Risk Management;
- Introduction to Audit and Relationship with Risk-Based Audit;
- Overview of Risk-Based Audit Methodology;
- Contingency Planning and Resilience;
- Risk and Governance and Assessing

- Governance and Oversight Functions;
- Risk Registers And Reporting Tools;
- Risk-Based Supervision and Risk Management Processes;
- Risk Management Principles, Categorization / Prioritization;
- Risk - Based Audit Planning ;
- Methodology and Tools for Measuring Risk and Returns of Portfolios;
- Risk-Based Audit Methodology, Using Practical Examples – Hands-on 1;
- Case Study/Hands-on 2 (Group discussion);
- COSO Enterprise Risk Management – Integrating with Strategy and Performance;
- Early Warning Signals as they relate to the organization;
- Compliance Risk Management: Applying the COSO ERM Framework;
- Operational Risk Management and Measuring Inherent Risk.

The course was facilitated by well-experienced and knowledgeable practitioners, namely: Prof. Jeroh Ediri (Delta State University), Mr. Samuel Olabanji (Head, Operational Risk Department, Central Bank of Nigeria), and Dr. Jonathan Osusuakpor, Managing Director, AMJU Microfinance Bank, Delta State.

Twelve (12) participants attended the course from the sub-region, comprising 10 males and 2 females. Two (2) participants were from the Central Bank of Liberia, four (4) from the Bank of Ghana, three (3) from ARB Apex Bank, Ghana, and three (3) from the Bank of Sierra Leone.

At the end of the course, participants' evaluation of the course was as follows:

- i. All the participants agreed that the objectives of the course have been achieved.
- ii. All the participants also concurred that the course upgraded their knowledge of Risk-

Based Auditing, Governance, and Operational Risk Management.

- iii. All the participants also agreed that the course provided pertinent issues relating to Risk-Based Auditing and Operational Risk Management which is of immense benefit to the organization.
- iv. All participants also agreed that the substantive impact of the resource persons as a team was very good.
- v. The participants agreed in totality that the knowledge and skills acquired from the course would greatly improve Risk-Based Auditing, Governance, and Operational Risk Management abilities.
- vi. 92 percent of participants are of the view that the blend of plenary and group exercises was very effective.
- vii. 92 percent of participants revealed that the quality of training materials and documentation was very good.
- viii. In terms of overall expectations about the course, participants agreed 100 percent the course met their expectations.
- ix. All participants agreed that overall administration and coordination of the course by WAIFEM were effective.
- x. In the additional comments, the majority of the participants agreed that the contents, usefulness of the topics, and presentations were very good; and
- xi. The time allotted for the course was good, as confirmed by 90 percent of participants.

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

- Facilities including pick-up arrangements at the airport, accommodation, lecture environment, restaurant services, computers,

and other equipment, and protocol arrangements were very appreciable.

- The topics of the programme were very relevant and carefully sequenced.
- The facilitators' performance and lecture delivery were excellent as they exhibited good mastery of the topics and gave practical examples that brought out exciting debates.
- Participants' experiences in Risk-Based Audit and Operational Risk Management in their various institutions were adequately aroused.
- The planning and arrangement of the logistics for participants were very satisfactory.
- The practical sessions were both challenging and exciting.
- The lectures allowed for an effective exchange of ideas among participants and between participants and the facilitators. The sessions were generally very interactive and stimulating.
- The facilitators, as well as the WAIFEM officers, were very friendly and supportive and this provided a congenial atmosphere during the lectures to facilitate learning.

In light of the observations, participants made the following recommendations:

- Opportunity should be created for more staff from relevant public institutions and other departments of member countries to participate in this important programme.
- There should be regular outreach programmes to member countries to facilitate important programmes in the countries thus easing the financial burden on some member countries who cannot afford external sponsorship for their employees.
- Risk-based internal auditing and operational risk management approach should be adopted by all Central Banks and regulatory institutions, including the adoption of suitable Enterprise Risk Management Framework.
- Internet at the Hostel should be improved upon.
- An advanced course on this should be organized for this cohort and other senior

# WAIFEM ORGANISES REGIONAL COURSE ON MICROPRUDENTIAL AND MACROPRUDENTIAL REGULATION AND SUPERVISION



The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Micro-Prudential and Macro-Prudential Regulation and Supervision in Abuja, Nigeria from April 24– 28, 2023.

The opening ceremony was chaired by Mr. Godwin I. Emefiele, Governor, Central Bank of Nigeria who was represented by Dr. (Mrs.) Omolara Duke, Deputy Director, Monetary Policy Department, Central Bank of Nigeria. Also present were the Director of the Financial Sector and Payment Systems Department, Mr. Amadou Koora, who represented the Director-General of WAIFEM, Dr. Baba Y. Musa, and Dr. Settor Amediku who represented the Facilitators.

In his welcoming remarks, the Director-General, represented by Mr Amadou Koora, thanked the

Governor, Management, and staff of the Central Bank of Nigeria, and the International Training Institute for the warm welcome and the logistical support extended to participants and organizers of the course since their arrival. He also welcomed all participants and urged them to make every effort to complete the course, whilst finding some time out of their busy schedule to visit the numerous attractions of the city of Abuja.

Dr. Musa noted that since the inception of WAIFEM on July 22, 1996, by the Central Banks of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone, with the mandate to build sustainable capacity in macroeconomic, debt, and financial sector management in the five member countries, the Institute's programmes had benefited over 23,400 officials from member countries in the sub-region and beyond. In

addition, he mentioned that to better equip public officials in member countries in line with changing global dynamics and challenges, WAIFEM had added cutting-edge and specialized training to its menu of offered courses in recent years. These include governance, regional integration, financial technology, cybersecurity, non-interest banking, climate change, gender and development, and youth unemployment.

He further mentioned that WAIFEM had scaled up its delivery modes from the emphasis on short-term courses to more integrated approaches to capacity building, encompassing the human and institutional dimensions. Within this framework, in addition to the traditional target institutions such as Central Banks, Ministries of Finance and Economic Planning, Debt Management Offices, and other Public Agencies involved in Macroeconomic and Financial Sector Management in the constituent member countries, the target audience now includes national parliaments, the mass media, customs, immigration, law enforcement agencies, and private sector institutions.

In his keynote address, the Governor, Mr. Godwin I. Emeziele, welcomed participants on behalf of the President, His Excellency, Muhammadu Buhari GCFR, the Government, and the people of the Federal Republic of Nigeria. He congratulated and recognized the great efforts of the Management and Staff of WAIFEM, who had worked very hard to prepare for the training, particularly in conceptualizing the substance and relevance of Microprudential and Macroprudential Regulation and Supervision course to member countries and the sub-region at large.

He noted also that the adoption of Microprudential

and Macroprudential Policies all over the world in recent decades had fueled an ongoing debate regarding the effect of these practices and their interaction with monetary policy. He mentioned specifically that, the 2007 - 2009 financial crisis and its long-lasting legacy, had led to the widespread perception that new regulations were needed to ensure a stable financial system as a whole. Therefore, most central banks had created new Financial Stability Units to adopt a holistic approach to financial stability. Mr. Emeziele asserted that given the challenges associated with the implementation of microprudential and macroprudential policies, the course would guide how to determine the appropriate timing for activation or deactivation of microprudential and macroprudential instruments, the effectiveness of both microprudential and macroprudential tools in achieving the objectives of microprudential and macroprudential policies, and the efficiency of the instruments in terms of a cost-benefit assessment.

The main objective of the course was to upgrade the knowledge and skills of participants and to effectively analyse microprudential and macroprudential policies for financial stability. Specifically, the course was aimed at enhancing participants' competence in formulating appropriate supervisory and regulatory policies and taking timely actions to promote safe, smooth, and sound operations of the financial system; and analyzing different microprudential and macroprudential policy options that would limit the risk contagion with the resultant possible systemic risks.

The broad themes covered included the following:

- Macroprudential Regulation: History, Theory and Policy;
- Effectiveness and Implementation Challenges: How to deal with credit boom, credit cycles, contingencies;

- The Financial Condition of the Banking Sector: Profitability, Solvency, Asset Quality, and Liquidity Indicators; Drivers of Bank Profitability;
- Detecting Financial Vulnerabilities from Macroprudential Indicators;
- Stress Testing for Financial Systems Stability: Value at Risk, Balance Sheet Analysis;
- Identification of Sources of Risk: Credit, Operational, Liquidity, Financial Markets, and Contagion Risks;
- Micro and Macroprudential Policy Approaches to Regulation and Supervision;
- The Importance of Micro and Macroprudential Regulation in Financial Systems;
- Conflicts and Trade-offs between Micro and Macroprudential Regulation and Policies; and
- The Role of Financial Regulators.

The course was attended by sixteen (16) participants consisting of senior and middle-level officials from the central banks of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. The course was facilitated by experts drawn mainly from central banks across the sub-region.

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

- The course has upgraded their skills to effectively analyze Microprudential and Macroprudential Policies for Financial Stability.
- The course content was adjudged as 'very good' by all the participants.
- The substantive impact of the resource persons as a team was rated excellent.
- 85 percent of the participants affirmed that the course had enhanced their skills in analyzing

various Microprudential and Macroprudential measures that would limit the risks and costs of systemic crises.

- The knowledge and skills acquired from the course would improve their job performance.
- Over 98 percent of the participants believed that the time allotted for the presentations was adequate;
- More than 88 percent of the participants concurred that the course met their expectations.
- At the wrap-up session, participants suggested that future courses should allow enough time for practical sessions like stress testing.

Following the presentations and discussions during the course, participants observed that:

#### **Observations**

- Some countries have inadequate existing early warning systems to detect problems in banks before systemic crises;
- The banking systems in some countries have huge non-performing loans beyond regulatory thresholds and these impact adversely on the financial system;
- Most countries have strengthened their supervision framework with risk supervision;
- While some Central Banks utilize Microprudential approaches to banking supervision, several Central Banks have incorporated Macroprudential Policy Frameworks;
- Data integrity and coverage remain a major challenge for the effective implementation of macroprudential policies in the sub-region;
- The course is pivotal for building financial

system stability in our countries and the sub-region;

- Countries within the sub-region are at different stages of developing their Macroprudential Frameworks; and
- The linkages of other relevant stakeholders such as stock exchanges, deposit insurance protection corporations, and insurance and pension commissions are key in macroprudential analysis.

### **Recommendations**

The following recommendations were made:

- There is a need for early warning systems for the detection of a crisis before its manifestation;
- There should be policy coordination between the macroprudential supervision authorities;
- Macroprudential policies should not focus too narrowly on insulating the larger financial institutions while paying insufficient attention to potential vulnerabilities in the rest of the financial system;

- For effective conduct of macroprudential regulation and supervision, countries in the sub-region should improve data coverage and integrity;
- There is a need to ensure the operational independence of central banks in the sub-region to enhance the efficacy of macroprudential regulation and supervision;
- Central Banks should develop and improve their stress testing tools to test the vulnerability of the system;
- Central Banks that need capacity development in macroprudential analytical tools should explore the option of study visits to other Central Banks in the sub-region that have already developed these tools; and
- Due to the importance of this course, key stakeholders in the financial system should participate in future training programmes like this.
- Hands-on sessions where country-specific exercises are done with country data will enhance practical and in-depth understanding of the course.

# WAIFEM ORGANISES VIRTUAL HIGH-LEVEL SEMINAR ON CORPORATE GOVERNANCE AND REGULATORY COMPLIANCE

**T**he West African Institute for Financial and Economic Management (WAIFEM) organized a **Virtual High-Level Seminar on Corporate Governance and Regulatory Compliance** from April 25 - 28, 2023.

The welcome address was delivered by Dr. Alvin Johnson, Director of Governance and Institutional Development Department, on behalf of the Director General of WAIFEM, Dr. Baba Y. Musa. In his address, Dr. Musa welcomed all participants and facilitators to the opening session of the course. He thanked the institutions that nominated participants for the course, which demonstrated their desire to address corporate failings in the sub-region.

Speaking on the importance of Corporate Governance and Regulatory Compliance, the Director-General highlighted that good corporate governance is the foundation for a healthy and functional organization and that the course could not have come at a better time than now when most countries and institutions were grappling with governance and regulatory compliance issues. He referenced the 2007 – 2008 financial crisis when the world economy experienced an unprecedented financial and economic crisis which many commentators attributed to failures in corporate governance, such as lax board oversight; flawed executive compensation practices; lack of internal controls; and failure to keep up with regulatory compliance requirements, among others. Dr. Musa emphasized that one of the most obvious reasons for corporate failure today is the lack of an effective

board and cited the importance of an effective corporate governance structure in organisations. The Director-General further pointed out that another crucial corporate governance issue that makes organisations and companies fail is “risk blindness” which is the failure to tackle emerging risks when they are in their formative stages. He concluded his remarks by urging participants to engage the excellent and experienced facilitators to build an ethical culture to establish acceptable corporate governance standards and mitigate compliance risks in their respective organizations. Dr. Musa assured the participants that the course would provide the right forum for the exchange of ideas, thus ensuring that good corporate governance practices are strengthened in organisations within the sub-region. He thereafter declared the course open.

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

stakeholders.

The main themes covered included but not limited to the following:

- Concepts and Imperatives of Corporate Governance & Regulatory Compliance;
- Regulatory Reporting and Operating Models;
- Governance Framework;
- OECD and ISO Principles of Corporate Governance;
- Anti-Bribery & Corruption Policy, Conflict of Interest and Whistle Blowing Policy;
- Effective Risk Management Procedures and Corporate Governance;
- Effective Compliance Plan to Implement Effective and Efficient Governance: Case Studies and Trends in 2023;
- Corporate Governance: Lessons Learnt; and
- Corporate Governance & Compliance Improvement Kit Box.

A total of twenty-eight (28) participants from Central Banks, Core Policy Ministries, Regulatory Agencies, Revenue Authorities, Regional Institutions, and other public sector organizations in The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone attended the course.

The course was delivered by a team of experienced facilitators from both the public and private sector institutions in the sub-region who articulated the subject matter in detail.

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

- i. 90 percent of the course participants averred that the course enhanced their understanding of Corporate Governance, Risk Management, and Regulatory Compliance.
- ii. On the role of executive management in an accountable corporate organization, 85 percent of the participants agreed that the

course increased their knowledge.

- iii. 90 percent of the participants believed the course improved their skills concerning the code of corporate governance framework and building a culture of compliance.
- iv. 83 percent of the participants agreed that the course would assist them in detecting what constitutes corruption, bribery, and conflict of interest in a corporate environment.
- v. 97.6 percent of the participants confirmed that the topics covered in the course were appropriate.
- vi. 82 percent of the participants agreed that the group presentation sessions were effective in showcasing participants' understanding of the topics discussed.
- vii. 90 percent affirmed that the quality of facilitation assisted them in understanding the different concepts of Corporate Governance, Risk Management, and Regulatory Compliance.
- viii. On the documents (lecture materials, case studies, etc.) distributed, over 92 percent of the participants agreed that they were useful.
- ix. More than 87 percent of the participants strongly agreed that the administration of the course was very effective.
- x. Overall, 85 percent of the participants strongly agreed that the course met their expectations.
- xi. Participants proposed the theme, "Ethics and Integrity" be added to the content of the future programme.

After four days of intensive presentations and discussions on **Corporate Governance and Regulatory Compliance**, the participant made the following observations:

- i. That corporate failure occurs mainly due to a lack of managerial oversight by the Board of Directors.
- ii. Whistleblowers are not well protected by institutions and the State after providing critical information on corruption and other vices.
- iii. Shareholders and investors are often unaware of their roles and responsibilities in a corporation.
- iv. Board members and managers of corporations are not very transparent and accountable in their oversight functions.
- v. Board members and managers are not given continuous training on Corporate Governance and Regulatory Compliance
- vi. Poverty is widespread in the West African sub-region and is a contributing factor to the non-adherence to many of the corporate governance principles.
- vii. There is a general lack of robust policies on gift and reward systems in the WAIFEM member countries.

### **Recommendations**

Given that poor corporate governance in corporate institutions affects the entire society and its environs, the following recommendations were adduced for consideration by WAIFEM Management:

- i. Regulators and Supervisors of corporate institutions should be more proactive in preventing institutional failures by utilizing early intervention strategies.
- ii. That whistle-blowing in corporate institutions should be encouraged and adequate protection provided for whistleblowers. Corruption in all its forms must be discouraged and sanctions for

corrupt practices must be commensurate with infractions committed.

- iii. Shareholders, Stakeholders, and Investors should be made aware of their responsibilities through training and capacity building.
- iv. Board Members and Management of Institutions should be diligent, accountable, and fair in dealing with the affairs of the institutions, exercise the duty of care at all times to the best interest of their institutions, and be committed to their mission.
- v. The training and re-training of the board, management, and staff of corporate institutions on corporate governance and the negative effects of non-adherence to best practices should be mandatory and frequent.
- vi. Governments at all levels should undertake critical infrastructure in their respective countries to reduce the level of poverty in society which will in turn reduce the challenges of complying with corporate governance principles.
- vii. Member countries should be encouraged to develop a policy framework on gifts and reward registers.

### **Appreciation**

The participants expressed their profound gratitude to the Director General of WAIFEM, Dr. Baba Y. Musa, and his staff, the facilitators, and all stakeholders for successfully organizing this important training. They also extended their heartfelt appreciation to the respective institutions and organizations that allowed them to attend such a relevant course.

# WAIFEM ORGANISES REGIONAL COURSE ON COMBATING MONEY LAUNDERING AND CYBER CRIMES



The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Combating Money Laundering and Cyber Crimes in Monrovia, Liberia, from May 8 - 12, 2023.

The opening ceremony was presided over by the Executive Governor, of the Central Bank of Liberia, Mr. J. Aloysius Tarlue, who was ably represented by Mr. Michael Ogun, Special Adviser, Multilateral Relations of the Bank. Also present were Mr. Amadou Koora, Director, Financial Sector and Payment Systems Department, WAIFEM, who represented Dr. Baba Y. Musa, the Director-General of WAIFEM, and some of the resource persons, Dr. Buno Nduka and Mr. Abimbola Adeyesoju.

In his welcoming remarks, the Director-General of WAIFEM, represented by Mr. Amadou Koora,

welcomed the participants to the course. He used the opportunity to give a brief history of the Institute and the numerous capacity-building programmes it has implemented towards achieving its mandate of strengthening capacity for sound debt, financial sector, and macroeconomic management in its member countries and beyond. He also highlighted the Institute's various collaborative technical partners involved in capacity building for economic and financial sector management. According to Dr. Musa, with the synergy leveraged from such partners, WAIFEM is now acknowledged as a center of excellence in capacity building for economic management in Anglophone West Africa and beyond.

In his keynote address, the Executive Governor of the Central Bank of Liberia, Mr. J. Aloysius Tarlue enumerated the adverse effects of money

laundering on the health and development of the financial system, such as inexplicable changes in money demand, prudential risks to bank soundness, contamination effects on legal financial transactions and increased volatility of international capital flows and exchange rate due to unanticipated cross-border asset transfers, as well as dampening effect on foreign direct investment. In view of this, Mr. Tarlue indicated that cyber security is very important to avoid attacks like online scams and phishing; disruptive malware, including ransomware; data-harvesting malware; malicious domains; and misinformation.

He, therefore, called for coordinated, harmonized, and concerted efforts by the central banks and relevant stakeholders like the Financial Intelligence Unit (FIU) within the sub-region, to improve the effectiveness of anti-money laundering/combating the financing of terrorism (AML/CFT), supervision and information-sharing with global banks through recognized platforms, to ensure banks compliance with AML/CFT standards, and reduce correspondent banks' costs on know-your-customer and customer due diligence (KYC/CDD) processes.

In conclusion, Mr. Tarlue stated that the FIU of Liberia, which was established in 2012 with the mandate to protect the financial system from abuse of financial and economic criminals, could receive, request, conduct preliminary investigations, analyze and disseminate information concerning suspected proceeds of crimes and terrorists' property. Finally, he acknowledged that money laundering and related organized crimes remain key problems in our sub-region and that developmental growth is impaired by such menace. He therefore urged everyone to

take it as a challenge in the collective resolve to combat the menace and improve the integrity of the financial systems.

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

The following were the specific objectives:

- To enable participants to understand the concepts and techniques of money laundering and its effects on the financial system;
- To enhance the knowledge of participants in AML/CFT supervision and regulation;
- To expose participants to current developments and trends in global initiatives to combat money laundering and other financial crimes;
- To expose participants to the threats posed by cybercrime to organizations, and measures to mitigate these threats; and
- To evaluate different approaches for securing complex computer networks, and discuss the risks and threat prevention measures, in the different layers of services in the financial services industry.

The following broad themes were covered:

- Overview of Money Laundering, Economic and Other Financial Crimes;
- Procedures, Monitoring Tools, and Investigative Techniques for Combating Money Laundering;
- Designing Anti-Money Laundering Compliance Systems for Enforcement in Financial Institutions;
- International/ Regional Initiatives: The Revised FATF Standards- Implications for Robust AML/CFT Regime in West Africa;
- Risk-Based Approach in Implementing

AML/CFT Compliance;

- Customer Due Diligence: The Link to Robust AML/CFT Framework;
- Overview of cyber-security concepts and drivers in the financial services industry;
- The role of regulators concerning existing vulnerabilities: tools for identifying cyber-security hygiene;
- Legal initiatives relating to cyber security and cybercrimes;
- Best practices in cyber security frameworks and optimization of disaster recovery strategies to ensure business continuity;
- Establishing effective mechanisms for sharing intelligence for cybercrime prevention, and learning lessons on cyber incidents across the financial services industry;
- Cyber-security issues in digital transformation: Cryptocurrencies, electronic banking services, mobile financial services, cheque truncation services; online stock trading services through the central security clearing system; and
- Future outlook: cyber-security and the financial services industry.

The course was attended by nineteen (19) senior/middle-level officials from the Central Banks of The Gambia (4), Ghana (3), Liberia (8), Nigeria (1), Sierra Leone (2), and the West African Monetary Agency (1), respectively.

The faculty comprised retired AML/CFT experts from the Inter-Governmental Action against Money Laundering in West Africa (GIABA), DataPro Consultancy, and a Cyber-Crime expert from Deloitte and Touché, Nigeria.

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

following:

- All the participants concurred that the course has broadened their knowledge of techniques for combatting money laundering and other financial crimes;
- The participants unanimously affirmed that the course provided a good platform to share experiences on regional initiatives in prevention and combating money laundering and other financial crimes;
- 99.6 percent of the participants rated the content of various topics included in the course as 'very good' and appropriate;
- In terms of the usefulness, all the participants acclaimed that the course would enhance their job performance;
- 99 percent of the participants confirmed that the quality of facilitation assisted them in understanding the concepts;
- Over 94 percent of the participants asserted that the documents or lecture materials distributed were useful;
- About 95 percent of the participants declared that the course has upgraded their knowledge of the role efficient cybersecurity and strategies could play in the financial services industry;
- All the participants maintained that the course has exposed them to the threats posed by cyber-crimes to organizations and measures to mitigate the threats;
- The participants affirmed that the course met their expectations;
- The administration of the course by WAIFEM was rated as 'very effective' by 95 percent of the participants and
- During the wrap-up session, participants commended WAIFEM for its effort in building capacity in the sub-region and suggested the need to extend the duration of the course to two weeks.

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

### **Observations**

- i. The course has highlighted the need for supervisors to constantly look out for issues regarding anti-money laundering and terrorism financing to adequately deal with the issues surrounding both menaces.
- ii. Cybercrime is and will continue to be a major global challenge. The course highlighted the emergence of Fintech, Blockchain, Cryptocurrency, and their implications.
- iii. There is inadequate sensitization of Senior Management on the issues of cybercrime and their participation in the fight against cybercrime;
- iv. Legislation and other regulations in most of the countries in the subregion failed to deal with cyber-crimes and their perpetrators, thus, creating some level of legislative heterogeneity within the region.
- v. Only a few countries among the member states have been able to establish a layered approach for sharing real-time financial institutions and general public cyber-attacks and threat information through cyber threat sharing centers (there is, therefore, no existing regional body that coordinates and monitors the cyber landscape within the West African sub-region);
- vi. Cyber security is no longer a technical problem for the Information Technology (IT) professionals alone, but a matter of great concern to the entire organization;

- vii. Not all the member central banks have fully adopted an information and cyber security framework and fully implemented them;
- viii. The upsurge of Fintech in the region creates the opportunity for the unbanked to access financial services. However, it increases the cyber risk to the region's financial information infrastructure.
- ix. There is little or no regulation on disruptive technologies from an ethical and risk point of view.

### **Recommendations**

- i. There should be a constant lookout for traces of Terrorism Financing in addition to Anti-Money Laundering to adequately deal with issues surrounding both threats.
- ii. Awareness and vigilance are vital as malicious actors are getting organized, growing smarter, and becoming more sophisticated in light of emerging technologies such as Artificial Intelligence (AI).
- iii. There should be continuous training and capacity building of staff in member Central Banks and other organizations. As the famous saying goes – 'You are only as strong as your weakest link'.
- iv. Regulated Financial Institutions should maintain information security management systems; and develop, implement, test, evaluate, and maintain business continuity or disaster recovery plans.
- v. There should be intelligence sharing amongst regulators, policymakers, and other stakeholders in educating and sharing information to protect against data breaches and security incidents.

# WAIFEM ORGANISES A REGIONAL COURSE ON HUMAN RESOURCE ANALYTICS: TOOLS AND TECHNIQUES FOR EFFECTIVE HUMAN RESOURCE DECISION-MAKING



The West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Human Resource Analytics: Tools & Techniques for Effective Human Resource Decision Making, in Abuja, Nigeria, from May 8-12, 2023.

The opening ceremony was chaired by the Governor, Central Bank of Nigeria, ably represented by Dr. Omolara Duke, Deputy Director, Monetary Policy Directorate, Central Bank of Nigeria. Also present were the representative of the Director-General of WAIFEM, Dr. Alvin Johnson, other staff of WAIFEM, and the representative of the resource

persons, Ms. Ema Clark.

In his keynote address, the Governor, of the Central Bank of Nigeria, Mr. Godwin Emefiele welcomed all, especially those visiting Abuja for the first time, to the opening ceremony of the course. He thanked WAIFEM for organizing this important course. Governor Emefiele indicated that as the world becomes connected through globalization and technology, human resource management functions have changed over time. He mentioned that currently, the human resource functions have gone beyond the traditional duties of recruitment, retention, and management towards a more strategic one. He further indicated

that the HR focus was now directed at aligning organizational goals with human resource strategies for enhanced organizational performance.

He further highlighted that data analytics had evolved as an important factor in the development of strategic human resource management policies to facilitate the long-term integration of human resource strategies with organizational goals. He maintained that to facilitate evidence-based decisions on recruitment, talent management, and other human-resource-related functions, data analytics and metrics were fundamental factors.

Governor Emefiele stressed that the course would enable HR Managers to leverage data to make better and more informed decisions. It involved the gathering and synthesizing of data from a variety of sources both within and outside an organization for informed decision-making to achieve desired results. He further added that data analytics was very important to HR professionals; hence, the need to build adequate capacity to ensure high-performing human resource teams. In conclusion, the Governor indicated that at the end of the course, participants would have acquired knowledge on how human resource analytics could improve their job performance. He, therefore, encouraged participants to make their participation in the course rewarding. Lastly, Mr. Emefiele reiterated his confidence in WAIFEM's capability to continue building capacity in human resource analytics to transform the human resource functions in organizations across the sub-region.

The main objective of the course was to produce competent and confident Human Resource

Managers and officials who are highly skilled to drive the growth of their organisations through HR Analytics and strategic thinking. The training specifically aimed at enhancing participant's competencies in the following areas:

- New tools and techniques in HR Analytics;
- New terminologies, theories in HR Analytics;
- Employee Engagement Analytics; and
- Data-driven HR decision-making.

The main themes covered in the course included:

- Introduction to HR Analytics;
- Concepts, Terminologies, Tools and Theories in HR Analytics;
- HR Analytics-Structure and Journey;
- HR Decision Application-Talent Acquisition Analytics;
- Talent Development Analytics;
- Employee Engagement Analytics;
- Data and Metrics in HRM;
- Strategic Workforce Planning;
- HR Analytics and Dashboarding;
- Structuring and Modeling HR Data and
- Visualizing, Reporting and Publishing HR Data, among others.

The course was attended by twenty-eight (28) participants from various institutions from The Gambia, Ghana, Nigeria, and Sierra Leone. It was facilitated by a team of experienced Human Resource Experts and consultants drawn from WAIFEM Faculty and the sub-region.

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

- i. Over 92 percent of the course participants thought that the course enhanced their understanding of how to harvest the right kind of data and use metrics for HR decision-

# STAFF



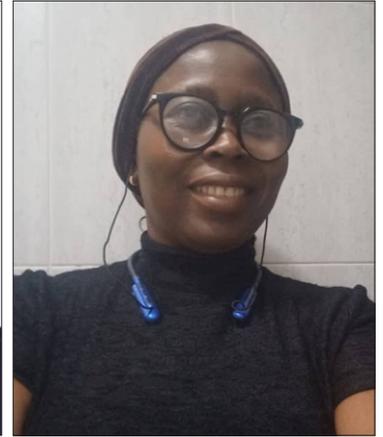
**MR NUHU USMAN**  
JANUARY 1



**MR AMADOU KOORA**  
JANUARY 1



**MR. EDIDIONG-ABASI ANWANANE**  
JANUARY 6



**MRS VERONICA INOFE**  
JANUARY 17



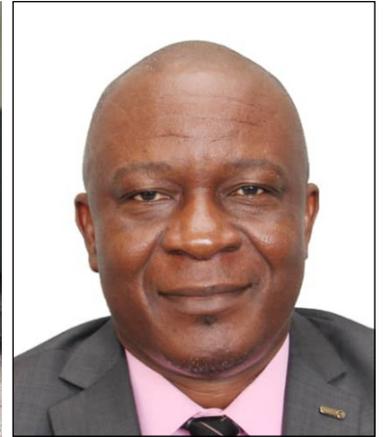
**MR YUSUF AMUDA**  
JANUARY 19



**MS. ONYEKA CYNTHIA**  
JANUARY 21



**DR. PATRICIA A. ADAMU**  
FEBRUARY 8



**DR. ALVIN JOHNSON**  
MARCH 1



**MR. OGBONNAYA AGU**  
MARCH 9



**MR. ABUBAKAR NOMA**  
MARCH 16



**DR. JOHN OWUSU-AFRIYIE**  
MARCH 27



**DR. GABRIEL ASANTE**  
MARCH 28



**MRS. HELEN ANJORIN**  
MARCH 30  
WAIFEM NEWS



**MR. GABRIEL YAW ASANTE**  
APRIL 2



**MR. REGINALD EJEUVABAEZE**  
APRIL 11



**DR. OKON J. UMOH**  
APRIL 11

# BIRTHDAY



**PROF. DOUGLASON OMOTOR**  
APRIL 16



**MR. ANDY OGIOGIO**  
APRIL 24



**MR PHILIP ODILI**  
MAY 19



**GANIYU AKINDELE**  
JUNE 6



**MRS. FRANCISCA IJEH**  
JUNE 6



**MR. CHARLES MADOJEMU**  
JUNE 10



**MR. DANIEL EKPEMOMHEGBE**  
JUNE 12



**MS PRINCESS CHUKWUKA**  
JUNE 18



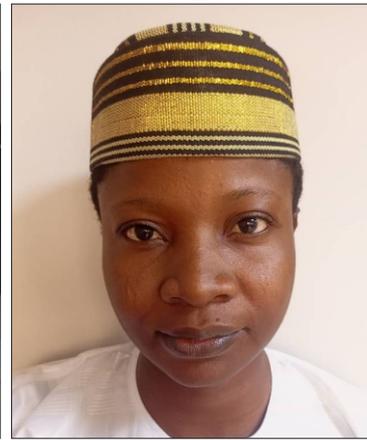
**MR. MICHEAL IKYAAGBA**  
JUNE 24



**MR EPHRAIM CHEAPOO**  
JUNE 27



**MRS. JESSICA ONYEBGUNAM**  
JUNE 29



**MS. JULIET JOHN**  
JUNE 29



**MR CHUKS MBA**  
JUNE 30

**JANUARY  
TO  
JUNE**



making;

- ii. More than 96 percent of the participants agreed that the course increased their knowledge of the concepts of HR Analytics and the application of measures to achieve strategic organizational goals;
- iii. Participants affirmed that the course allowed them to acquire new tools and techniques required for HR data mining;
- iv. Over 92 percent strongly agreed that the course improved their knowledge of HR Dashboard and reporting HR data;
- v. All the participants agreed that the topics covered in the course were appropriate;
- vi. 92 percent of the participants agreed that the case studies and exercises provided were relevant and effective in further reinforcing some of the topics discussed;
- vii. All the participants agreed that the quality of facilitation assisted them in understanding the HR Analytics concepts;
- viii. Over 96 percent of the participants strongly agreed that the documents distributed (lecture materials, exercises, etc.) were useful;
- ix. Participants strongly agreed that the administration of the course was effective;
- x. The course had met their expectations.
- xi. The participants suggested the following themes be added to the content of the course in the future:
  - Reward and Recognition.
  - Role of Gender in HR.
  - HR Models.
  - Organizational Development.

After five days of intensive presentations and discussions on Human Resource Analytics: Tools and Techniques for Effective Human Resource Decision Making, the following observations and recommendations were recorded by the participants:

### Observations

- i. Accommodation arrangements were made

for all participants in a secured environment.

- ii. The participants found the course well-coordinated and the facilities adequate.
- iii. The course has created awareness, and relevance and deepened their knowledge and understanding of HR Analytics.
- iv. Even though the time allocated was not sufficient, the sessions and presentations were engaging and well-delivered by knowledgeable facilitators.
- v. Not much has been done by the various institutions represented in terms of investments in the area of HR Analytics.
- vi. Most participants have little or no training in HR Analytics tools and decision models.
- vii. The time allocated for the component of practical sessions was inadequate and it did not offer participants the opportunity to adequately appreciate practical sessions.

### Recommendations

Given the observations and consideration that the course is a novelty, the participants hereby recommend the following:

- i. The presentations be recorded and distributed to participants to keep them reminded of the discussions.
- ii. That the management of WAIFEM develops the programme in modules/levels so that participants will graduate from one module to the other to further enhance their skills in HR analytics.
- iii. Institutions be encouraged to invest in the area of HR analytics with adequate infrastructure and technical know-how. This can be done by highlighting the benefits of HR analytics and how it can help organizations make informed data-driven decisions to achieve their strategic objectives.
- iv. Individual institutions provide more training opportunities in HR analytics for their staff who have little or no training in this area. This can be done through in-person and online courses, certifications, and workshops.
- v. WAIFEM organizes a conference for the top-level management team to sensitize them on the need to support and invest in Human Resource Analytics.

## **WAIFEM COLLABORATES WITH THE WORLD BANK AND IMF TO ORGANISE TRAINING ON MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS) AND THE ANNUAL BORROWING PLAN (ABP)**



The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint World Bank/IMF Regional Training on Medium-Term Debt Management Strategy (MTDS) and Annual Borrowing Plan (ABP). The training was conducted at Paradise Suites Hotel, Kololi, Banjul, The Gambia, from May 8 - 12, 2023, for staff of Central Banks, Ministries of Finance and Economic Planning, Debt Management Offices, and other public sector institutions in the West African sub-region. The training was aimed to enhance participants' knowledge and skills in designing and implementing medium-term debt management strategies and annual borrowing

plans for public debt managers in WAIFEM member countries. The course was structured to refresh participants' knowledge of MTDS framework and MTDS analytical tool. It was also designed to equip participants with knowledge of institutional and legal arrangements that underpin the preparation of the DMS and the ABP and the relationship between the DMS, the ABP, and the securities issuance calendar, using the ABP Tool.

The opening ceremony was attended by the Director-General of WAIFEM, Dr. Baba Y. Musa, the Honourable Governor of the Central Bank of The Gambia (CBG), Mr. Buah Saidy,

who was ably represented by Mr. Sheriff Touray, Deputy Director, Economic Research Department, CBG, distinguished resource persons from the World Bank, the IMF and other WAIFEM officials.

In his welcoming remark, the Director-General warmly welcomed the Representative of the Honourable Governor of the Central Bank of The Gambia, Honourable Buah Saïdy, the distinguished facilitators from the World Bank and the IMF, and distinguished participants for the course. He expressed WAIFEM's deep appreciation to the Government of The Gambia and the Honourable Governor, Mr. Buah Saïdy through his representative, Mr. Sheriff Touray. He commended the Honourable Governor for his unwavering support and continuous collaborations with WAIFEM in delivering smoothly its mandate within the sub-region. The Director-General also applauded the esteemed officials and experts from the World Bank and the IMF including Lilia Razlog (World Bank), Juan Carlos Vilanova (Public Debt Expert), Irakli Katcharava, (IMF - Public Debt Expert), and Gabriel Presciuttini (Debt Expert). He expressed his utmost appreciation and commendation to the World Bank and IMF team for their invaluable contribution towards this training by providing the necessary resources and expert facilitators. He sincerely acknowledged the firm commitments of the World Bank and the IMF towards building the capacity of public officers in the West African sub-region.

The keynote address delivered by the representative of the Honourable Governor of CBG, Mr. Sheriff Touray, commended the World Bank, IMF, and WAIFEM for jointly organizing the course on MTDS and ABP. Mr. Touray noted that this training came at a critical time as many

developing countries were facing complex macroeconomic and public debt management challenges. He also applauded the Director-General of WAIFEM, the entire staff of WAIFEM, and WAIFEM's long-standing partners (the World Bank and the IMF) for their firm commitment to capacity building in our sub-region. Mr. Touray highlighted that the globe was faced with episodes of risk and uncertainty that led to complex macroeconomic and public debt management challenges. As such, developing countries, including those in our sub-region, were faced with new financial vulnerabilities due to the recent pandemic, geopolitical conflicts, and multifaceted external and domestic shocks. The sub-region was witnessing a deterioration in fiscal balance and public debt-to-GDP ratios, putting enormous pressure on public-debt managers in their debt management roles. Recent statistics by the World Bank/IMF showed that of the 69 Poverty Reduction and Growth Trust (PRGT)-eligible countries, 9 were in debt distress, 27 were at high risk, 26 were at moderate risk, and 7 were at low risk of debt distress.

Lilia Razlog, the representative of the World Bank and the IMF team also made a brief remark. She thanked the Director-General of WAIFEM and the staff of the Department of Fiscal Policy, Debt Management and Regional Integration (FPDMRID) for the outstanding coordination of the training. Lilia also expressed the team's gratitude for the opportunity to share their knowledge & experience and encouraged participants to take full advantage of the training to enhance their knowledge and understanding of how to formulate DMS and develop ABP through the MTDS-ABP framework.

The training covered key areas such as:

- Introduction to the MTDS Analytical Toolkit,

- Interest and Exchange Rates, Financing strategies, Cost-Risk Indicators (Definition, calculation, etc.),
- Identifying the Cost-Risk Indicators of the different strategies, and discussion on the DMS. Consideration on how to choose the right one,
- Reviewing the various outputs in the MTDS AT, Role and preparation of the DMS, the ABP, and their relationship, and
- The securities issuance calendar, Current practices, and challenges in implementing the DMS/ABP in WAIFEM region.

The course program was also structured to allow group and country teamwork and presentations to deepen participants' understanding of the formulation of DMS and the development of ABP processes as well as share country experiences.

The course was facilitated by five (5) highly experienced resource persons/experts from the World Bank, IMF, and WAIFEM in the persons of, Lilia Razlog (World Bank), Juan Carlos Vilanova (Public Debt Expert), Irakli Katcharava (IMF expert/Public Debt Expert), Gabriel Presciuttini (Debt Expert) and Mr. Yakubu Aliyu (Director, FPDMRI, WAIFEM).

The course was attended by thirty-two (32) participants consisting of fifteen (15) females and seventeen (17) males drawn from all WAIFEM member countries namely, The Gambia (10), Ghana (6), Liberia (6), Nigeria (4), and Sierra Leone (6).

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 Medium-Term Debt Management Strategy (MTDS) is a framework that guides the government's borrowing decisions. Its secondary objective is to develop the domestic bond market.
- The MTDS Analytical Toolkit allows Debt

Managers to look at borrowing from a cost and risk perspective.

- The Annual Borrowing Plan (ABP) is built on the MTDS and implements the strategy for 12 months.
- The Middle Office leads in the preparation of the MTDS while the Front Office leads in the implementation.
- Cash buffer is the cash level or amount of cash set aside at the end of the year and it is used as an input in the MTDS Toolkit.

### **Observations**

- The training period was short but the course materials were adequately covered given the experienced team of facilitators from the IMF and World Bank.
- The sessions were very interactive with shared experiences from participants:
- The participants were generally unsatisfied with the training venue. The primary issues included poor internet connectivity, uncleaned bathrooms, defective door locking system, limited varieties of food, etc.
- Staff turnover is an issue across WAIFEM member countries.

### **Recommendations**

#### ***To Member Countries:***

- Member countries should retain resourced staff and build or support a national MTDS Team to ensure that capacity is retained.

#### ***To WAIFEM:***

- In the future, a minimum of two weeks should be scheduled for training in the DMS and ABP.
- WAIFEM should consider changing the training venue to a more convenient hotel.
- Although the course was relevant and impactful, WAIFEM should undertake a follow-up in-person training.

#### ***To Participants:***

Participants should replicate knowledge gained from the training to ensure sound debt management practices in their respective countries.

# WAIFEM COLLABORATES WITH THE IMF, THE WORLD BANK, AND THE COMMONWEALTH SECRETARIAT TO ORGANISE A REGIONAL COURSE ON GOVERNMENT FINANCE STATISTICS/PUBLIC SECTOR DEBT STATISTICS



The West African Institute for Financial and Economic Management (WAIFEM) organised a 10- day Regional Course on Government Finance Statistics/Public Sector Debt Statistics in collaboration with the Statistics Department of the International Monetary Fund (IMF), The World Bank, and the Commonwealth Secretariat for the period, May 15-26, 2023 at Banjul, the Gambia.

The course was organised for senior officials from the Central Banks, Ministries of Finance, Public Account Offices, Statistics Offices as well as other central government agencies involved with government finance statistics. The course was specifically structured to expose participants to

the basic concepts, definitions, and accounting principles in the integrated GFS/PSDS framework. It was also designed to help participants to classify basic government flows and stock positions as per the GFSM 2014; apply GFS principles to classify an entity in the public sector and relevant subsectors, such as the general government and public corporations; record the fiscal flows and stocks associated with the activities of public sector entities, following the GFSM 2014 guidelines and classifications; explain how the main GFS/PSDS aggregates and analytical balances are calculated, and what they show about the government's impact on the economy; develop a migration plan to adopt the GFSM 2014 methodology and PSDS guide and

compile and disseminate GFS/PSDS following international guidelines; recognize the value of comprehensive, consistent, and internationally comparable GFS/PSDS, and the use of the key GFS/PSDS indicators in the design, monitoring and evaluation of fiscal policy.

The course commenced with a brief ceremony anchored by Dr. John Owusu-Afriyie, Programme Manager of the Research and Macroeconomic Management Department (WAIFEM). After an introduction of the dignitaries on the high table, the host director, Dr. Emmanuel Owusu-Afriyie, read the welcome address on behalf of the Director General of WAIFEM, Dr. Baba Y. Musa. He applauded the IMF for its impact and contributions towards the achievement of WAIFEM's mandate. He proceeded to give a brief background of WAIFEM and its activities for the benefit of participants encountering WAIFEM for the first time. He concluded his remarks by urging participants to freely interact with the facilitators and one another to deepen their professional network to advance the course of integration in the sub-region.

Subsequently, Mr. Noriaki Kinoshita (the leader of the IMF Facilitation Team) was invited to deliver brief opening remarks. He explained the core functions of the Statistics Department of the IMF and introduced the team of facilitators to the participants. He ended his remarks by urging participants to pay serious attention to relevant issues about their work that would be discussed during the workshop. This was then followed by the keynote address by Hon. Buah Saidy, Governor, Central Bank of The Gambia, which was read on his behalf by Mr. Shekou Touray (Director of Risk Analysis Department, Central Bank of The Gambia).

In the keynote address, Hon. Buah Saidy highlighted some global macroeconomic and domestic developments that influenced the recent monetary policy decision of the Monetary Policy Committee (MPC) of the Central Bank of the Gambia (CBG). The Governor pointed out that recession concerns were surfacing as Russia's invasion of Ukraine persisted and the adverse effects of the COVID-19 pandemic lingered. On the domestic front, the Governor stated that there was a steep contraction of 0.2% in 2020 due to the COVID-19 pandemic. He, however, revealed that economic growth rebounded to 5.5% in 2021, which was supported by supply-side factors such as construction, trade, and tourism. Mr. Saidy further remarked that given current global and domestic developments, the MPC of CBG increased the Monetary Policy Rate (MPR) by 1.0 percentage point to 14 percent, maintained the Required Reserve (RR) and interest on the standing deposit facility at 13 percent and 3 percent, respectively as well as increased standing lending facility to 15 percent (MPR plus 1 percentage point). After these brief remarks, he formally declared the workshop open.

The topics covered included:

- GFS and PSDS for fiscal policy and debt sustainability analyses;
- GFS Analytical Framework (GFSM 2014, Chapter 4);
- Institutional Units and Sectors (GFSM 2014, Chapter 2);
- Economic Flows, Stock Positions and Accounting Rules (GFSM 2014, Chapter 4);
- The Balance Sheets (GFSM 2014, Chapter 7);
- Revenue (GFSM 2014, Chapter 5);
- Expenditure (GFSM 2014, Chapter 6);
- Transactions in Nonfinancial Assets (GFSM 2014, Chapter 8);

- Transactions in Financial Assets and Liabilities (GFSM 2014, Chapter 9);
- Other Economic Flows (GFSM 2014, Chapter 10);
- PSDS Statistical Framework and Debt Transparency;
- PSDS: Definitions and Accounting Principles (PSDSG 2013, Chapter 2);
- PSDS: Identification of Debt Instruments and Institutional Sectors (PSDSG 2013, Chapter 3);
- Selected Issues in Public Sector Debt (PSDSG 2013, Chapter 4) and
- Use of a Debt Management System for Reporting of PSDS: The Case of The Meridian and World Bank Debt Reporting System.

The course was mainly facilitated by three (3) professionals; two (2) from the Statistics Department of the IMF and one (1) from The World Bank Group. Specifically, the facilitators were Mr. Noriaki Kinoshita (Senior Economist, Statistics Department of the IMF), Mr. Obadiah Turinawe (Economist, Statistics Department of the IMF), and Mrs. Rubena Sukaj (Chief Economist, The World Bank Group). In addition, two (2) professionals were invited from the Commonwealth Secretariat to make presentations on 'Using a Debt Management System for Reporting of PSDS: The Case of the Meridian. They were Ms. Joanne Alin and Ms. Difie Boakye-Mensah. The course consisted of presentations, group assignments, and pre- and post-quizzes. It was very practical, interactive, and engaging.

The course was attended by a total of twenty-four (24) professionals from WAIFEM member countries. Out of this number, ten (10) were from The Gambia, eight (8) from Ghana, two (2) from Nigeria and four (4) were from Sierra Leone. In terms of gender, 14 of the participants were male

whilst 10 were female. The institutional distribution of participants indicated that 13 were from Central Banks, 7 from Ministries, Department and Agencies, and 4 from Other public sector agencies.

At the end of the course, the analysis of the completed evaluation questionnaire by the participants revealed the following:

- The training would be useful for their jobs and professional development.
- The content of the training would help them produce better quality, and/or better understanding of macroeconomic statistics.
- The participants were very satisfied with the training.
- The exercises covered during the workshop sessions were useful.
- The method of presentation was very effective.
- The participants were very satisfied with the administrative/logistical arrangements for the training.
- The length of the training was enough to cover all the materials.
- Finally, the participants were satisfied with the environment within which the training was conducted.

Furthermore, on the course evaluation questionnaire, the participants made the following recommendations:

- The time allotted to the practical sessions should be improved
- Internet connectivity at the course venue, Paradise Suites Hotel, should be improved
- More hands-on exercises should be given
- The reading material, manual, and course overview, should ideally be shared a day or two before the course

# JOINT WORLD BANK-WAIFEM TRAINING ON SUBNATIONAL DEBT MANAGEMENT PERFORMANCE ASSESSMENT (SN-DeMPA) METHODOLOGY



The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint World Bank Training on Subnational Debt Management Performance Assessment (DeMPA) Methodology. The training was conducted at Bolton White Hotel, Abuja, Nigeria, from May 29 – June 2, 2023, for staff of States' Debt Management Offices from selected States in Nigeria.

The opening ceremony was attended by the Director General of WAIFEM, Dr. Baba Y. Musa, the Honourable Governor of the Central Bank of Nigeria (CBN), Honourable Godwin I. Emefiele,

CON., who was ably represented by Dr. Hassan Mahmud, Director, Monetary Policy Department, CBN, and other WAIFEM officials.

In his welcoming remark, the Director-General warmly welcomed the Representative of the Honourable Governor of the Central Bank of Nigeria, Honourable Godwin I. Emefiele, CON., the distinguished participants and the press. He extended his sincere gratitude to the Honourable Governor, Godwin I. Emefiele, CON. through his representative, Dr. Hassan Mahmud. He applauded the Honourable Governor for his unwavering commitment and invaluable contributions which had played a pivotal role in

the development of WAIFEM and the successful accomplishment of its mandate within the sub-region. The Director General also extended his deepest appreciation to the World Bank for their collaboration with WAIFEM in conducting this remarkable training programme for Nigerian state-level government officials. Specifically, the Director General commended Jose Franco Medeiros DeMorais and Ying Li, who led the training from Washington, DC, noting that their expertise and guidance would undoubtedly enrich the learning experience. He stressed that developing countries were faced with countless challenges in the area of policy, institutions, and operations due to weak debt management capacity and the absence of efficient debt markets. However, there had been drastic transformations in the financial landscape owing to the recent development of new markets and creditors, rapid global financing flows, and a blurring of financial boundaries. Consequently, the need for Debt Managers in developing countries to undergo such training to strengthen their debt management capacity remained vital to ensure that government funds were raised in line with fiscal and debt management objectives.

In his keynote address, the Honourable Governor of CBN, represented by Dr. Hassan Mahmud, expressed his appreciation to the World Bank and WAIFEM for jointly organizing the course on Subnational DeMPA Methodology for State Governments in Nigeria. He also acknowledged the World Bank for its longstanding support in the areas of public financial and debt management in Nigeria. The World Bank's efforts at the time to extend this assistance to state governments to enhance their debt management and maximize the benefits of public borrowing through capacity building would allow the country to reach even

greater heights in embracing sound practices in public debt management. He further noted with great appreciation that Nigeria had benefitted tremendously from capacity-building assistance from the World Bank in the past and this was expected to continue. The Governor highlighted that since 2007, significant progress had been registered in enhancing state-level debt management institutions and practices, particularly with the establishment of Debt Management Units (DMUs) in all the state governments and FCT. Nevertheless, there remained considerable challenges in terms of the management of borrowing, debt recording, public financial management reform, and the development of debt management capacity. Moreover, the legal, regulatory, and procedural frameworks for state borrowing were incomplete, and capacity limitations impeded the efficacy and efficiency of public debt management. State government legislation in Nigeria did not adequately define the purposes of subnational borrowing or regulate the issuance of sovereign guarantees, posing substantial fiscal risks.

The Governor emphasized that the Federal authorities and development partners had a crucial role to play as valuable partners in building subnational capacity for debt management in Nigerian states. Accordingly, this workshop came at an opportune moment to reinforce the capacity-building agenda for state-level debt management, which was essential to achieving an overall sustainable national debt portfolio. To end the address, the Governor expressed his heartfelt appreciation to the World Bank and its Macroeconomics, Trade, and Investment (MTI) Global Practice staff for their ongoing support to WAIFEM and its member

countries through the Debt Management Facility (DMF). He also once again extended his sincere gratitude to the Director General of WAIFEM for his diligent implementation of DMF-funded programmes.

The training was designed to equip participants with the necessary knowledge to effectively apply the SN-DeMPA tool in assessing comprehensive debt management functions at the subnational level. The SN-DeMPA tool provides a comprehensive set of indicators for evaluating the debt management performance of sub-national entities. The course was structured to provide participants with a thorough understanding of the scope, coverage, and rationale behind the SN-DeMPA debt performance indicators (DPIs), recognize the interconnections between the indicators, and gain familiarity with the DeMPA scoring methodology.

The training covered five (5) core areas of Public Debt Management, namely; Governance and strategy development; Coordination with macroeconomic policies; Borrowing and related financing activities; Cash flow forecasting and cash balance management; and Debt recording and operational risk management.

These Debt Performance Indicators (DPIs) are rooted in the Public Expenditure and Financial Accountability (PEFA) methodology for public financial management and sound practices in Government Debt Management. They serve as an internationally recognized and comprehensive methodology for assessing debt management performance in comparison to peer countries and for monitoring progress over time. In addition to the presentations on these five key areas, there were also case studies, quizzes group work, and presentations to deepen participants' understanding

of the SN-DeMPA methodology.

The course was facilitated by two (2) highly seasoned experts from the World Bank in the persons of Jose Franco Medeiros DeMoraes (World Bank) and Ying Li (World Bank) during the afternoon sessions (virtually) while WAIFEM took charge during the morning sessions (in-person).

The course was attended by thirty-two (32) executives and senior officials drawn from Debt Management Offices of the Subnational Government Ministries of Finance from fifteen (15) selected States plus two (2) from the Federal Capital Territory (FCT), making it a total of thirty-four (34) participants consisting of six (6) female and twenty-eight (28) males.

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

#### **Observations**

- SN-DeMPA Tool provides an excellent guide for sound debt management.
- Synergy between the World Bank and regional capacity-building institutions in Africa, especially Nigeria, has been highly effective and should be maintained.
- Governments are often faced with challenges of capacity-building (especially at subnational levels) which inhibit the sharing of vital debt-related information.
- In many States, there still exist capacity-building gaps for front, middle, and back-office functions.
- Major stakeholders at the subnational level (Executive Council Members) who are involved in government debt management require capacity building on the rudimentary basics of debt management.

- There is a lack of standard debt recording tool mechanisms such as the Commonwealth Secretariat Debt Recording and Management System (CSDRMS) in almost all the States' Debt Management Offices that are involved in debt management and in the very few States where the CSDRMS is installed. Lack of capacity building did not allow for the system to be used. The result is that there are few records of external debts in all the States of the Federation and FCT, hence all the States still depend on Federal DMO, Abuja for their biannual and year-end external debt records and balances.
- The World Bank/WAIFEM conducts subnational DeMPA on States only on request.

### **Recommendations**

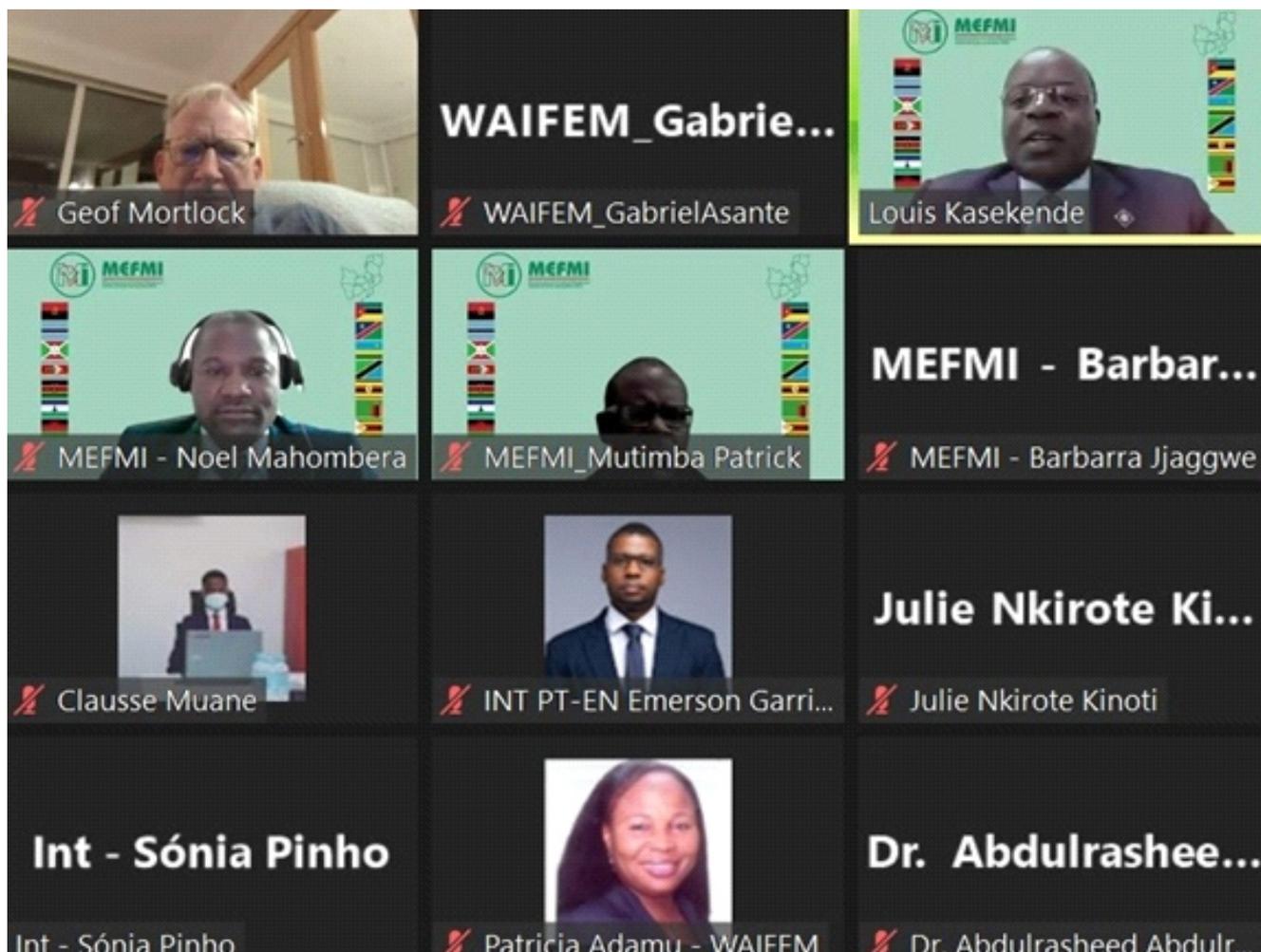
- The World Bank/WAIFEM should consider organizing a special capacity-building forum for all the State Commissioners of Finance and Commissioners in charge of Budget where their critical roles in subnational DeMPA would be exhaustively discussed e.g. achieving the implementation of Debt Performance Indicators (DPIs), inter-relationship with the State DMO, staffing of the state DMO, provision of adequate resources for continuous in-house training of staff to ensure that knowledge gained from previous training is not lost through retirement and transfer of staff within the State.
- The World Bank/WAIFEM should consider more Technical Assistance (TA) and capacity- building programmes for Debt Managers of State DMOs, considering the increasing roles debt managers are expected to play as a result of increasing decentralization. In this regard, and in the medium term, the participants called on the World Bank and WAIFEM to organize similar training every year to develop a pool of experts to ensure the sustainability of capacity.
- The World Bank/WAIFEM, in the medium term, should conduct subnational DeMPA periodically for all the States instead of the present practice whereby the exercise is conducted only on request. This is the only way the implementation of the DPIs would be guaranteed as the State would always attempt to maintain the previous status attained or take actions to improve in future assessments.
- Debt Managers should encourage decision-makers to initiate reforms, especially in the area of the legal framework for debt management policies and procedures to incorporate the key elements of DPIs.
- There is a need to sustain synergy between the World Bank and regional capacity-building institutions such as WAIFEM, as that would guarantee the sustenance of capacity at the regional level and ensure effective debt management.
- All DMDs/DMOs should be allowed to be part of the loan negotiation process at the state level and should be given adequate support to carry out their operational functions.
- All participants irrespective of their states, be housed during the DeMPA workshops. This would enable all the participants to work on assignments late into the evening without disruption.

### **Appreciation**

The participants expressed their sincere appreciation to the World Bank and WAIFEM for organizing and funding this important training. They further commended the expert facilitators for the excellent delivery of the lectures. They also showed gratitude to the Director-General and the staff of the Debt Department, WAIFEM for the excellent logistics and support given to them during the training.

Finally, they applauded their fellow participants for their contributions and demonstration of commitment during the entire training sessions.

# WAIFEM AND MEFMI ORGANISE A VIRTUAL REGIONAL WORKSHOP ON STRENGTHENING THE ROLE OF DEPOSIT INSURERS IN SUPPORTING FINANCIAL STABILITY



To enhance the capacity of Deposit Insurers in the sub-region to achieve their intended objectives, the West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) conducted a virtual workshop on Strengthening the Role of Deposit Insurers in Supporting Financial Stability from 5 – 8 June 2023. The workshop was conducted in English and Portuguese, with the support of the Toronto Centre.

The workshop was officially opened by Dr Louis Kasekende, MEFMI Executive Director, and Mr Amadou Koora, WAIFEM Director for Financial Sector and Payment Systems Department, who represented the WAIFEM Director-General, Dr. Baba Musa.

The workshop aimed at enhancing the participant's understanding of the important role played by Deposit Insurers in the Financial Safety Net Framework and the measures that may be implemented to make deposit insurance schemes

more effective. It targeted junior, and middle-level officials from deposit protection authorities, resolution authorities and supervisory authorities, Central Banks, and Ministries of Finance and/or Economic Planning of WAIFEM/MEFMI member countries.

The broad themes covered included the following:

- Overview of IADI Core Principles for Effective Deposit Insurance Systems;
- Mandates, Governance Structures, Risk Management, Funding Structures, and Investment Portfolios of Deposit Insurance Schemes in the WAIFEM/MEFMI Regions;
- The Key Activities of a Deposit Insurer (premium rates, cover level, target fund, resolution tools, and investment management);
- Long-term Sustainability of Deposit Insurance Schemes;
- Early Warning Systems: stress testing banking system resilience, deposit insurance scheme funding, liquidity and operational capabilities;
- Navigating the Investment Universe in a Low-yield, Shallow Market, and/or High-inflation Jurisdiction; and
- Emerging Challenges Arising from the Ongoing Digital Revolution.

A total of 95 officials from nine (9) MEFMI member countries and four (4) WAIFEM countries participated in the workshop. Forty-three (45%) of the participants were female while the remaining 52 participants (55%) were male. Sixty-nine (69) of the participants were from MEFMI member countries whereas the rest were from WAIFEM member countries.

Five resource persons namely: Ms. Julie Nkirote Kinoti from Kenya Deposit Insurance Corporation (KDIC), Mr Geoffrey Mortlock, an international consultant, and Dr Abdulkareem Abdulkareem, Dr Kabir Katata, as well as Dr Salisu Garba all from Nigeria Deposit Insurance Corporation (NDIC), facilitated at the workshop.

The workshop covered several topics on Deposit Insurance and Bank Resolution. In line with the theme, the topics focused on the need to nurture robust and sustainable deposit insurance schemes that can play a key role in crisis management and resolution of weak banks. The workshop was designed such that two sessions of one and a half hours each were conducted each day between 09:00 AM and 1:00 PM Central Africa Time. Each presentation was led by one or two of the resource persons and ended with a question-and-answer (Q&A) segment.

A survey conducted at the end of the workshop to obtain feedback from the participants revealed that the workshop was well organized and effective in imparting new knowledge that has practical value and relevance to the participants and their institutions.

Below is a list of the topics that participants recommended for consideration by the Institute in its future capacity-building activities:

- Investment of deposit insurance scheme funds including risk analysis and hedging strategies
- Bank recovery planning
- Board processes, governance, and funding of deposit insurance funds
- Stress testing and early warning systems modelling
- Payout management

- Resolution planning and processes (including resolution tools in detail, resolution of DSIBS, group resolution processes, and how to do a resolvability assessment)
- Premium assessment
- Banking system resilience
- Emerging risks (climate and cybersecurity)
- Challenges of setting up a Deposit Protection Scheme in small economies.
- Inclusion of case studies and breakout sessions to do practical exercises.
- Review of the workshop times to accommodate countries on different time zones. The commencement time of 07:00 a.m. (GMT) for the West African subregion except for Nigeria which is 08:00 a.m. was rather too early.

Concerning areas for improvement, the participants raised some issues which had been duly noted for consideration in future activities. The issues can be summarised into the following themes:

- Considering in-person sessions for effective participation.
- Allocating longer time to discuss the IADI Principles and more time for each presentation.

# A JOINT WORLD BANK/IMF/WAIFEM TEAM SEEKS TO STRENGTHEN GAMBIA'S DEBT MONITORING AND REPORTING SYSTEMS



**A** Joint World Bank/IMF/WAIFEM Team embarked on a mission over the period, June 5 -9, 2023, to strengthen Gambia's Debt Monitoring and Reporting Systems. The main objective of the Technical Assistance Mission was to assist the Government of The Gambia in taking stock of public debt reporting practices, including their coverage, scope, and modalities of dissemination. Twenty-one (21) senior and middle officials were drawn from the Directorate of Loans and Debt Management (DLDM) under the Ministry of Finance and Economic Affairs (MoFEA), Accountant General's Department (AGD), Central Bank of The Gambia (CBG) and National Audit Office (NAO), to aid the activities of the mission. All the pre-mission activities including data validation and coordination between the

government of The Gambia and the World Bank as well as the IMF were undertaken by WAIFEM (IP). In addition, during the mission, the World Bank and IMF officials facilitated virtually, while WAIFEM officials were present, coordinating the teleconferencing facilities and other logistics and hands-on. The post-mission evaluation was also conducted by WAIFEM.

The activity guided the staff of the Directorate of Loans and Debt Management (DLDM) Office at the Ministry of Finance and Economic Affairs (MoFEA), in the operations of the Government of The Gambia. It also provided the benchmark for key recommendations and steps forward.

# WAIFEM ORGANISES A REGIONAL COURSE ON COMMUNICATION SKILLS AND TEAM BUILDING FOR EFFECTIVE ORGANIZATIONAL DEVELOPMENT



**T**he West African Institute for Financial and Economic Management (WAIFEM) organised a Regional Course on Communication Skills and Team Building for Effective Organizational Development in Lagos, Nigeria, from 19<sup>th</sup> - 23<sup>rd</sup> June 2023.

The main objective of the course was to train participants on communication skills and team building, geared towards fostering a stronger relationship and cohesiveness in the workplace; igniting the spirit of achievement; enhancing performance and excellence; and identifying the components and strengths of a winning team.

Specifically, the course was designed to enhance participants' competencies in:

a. Written and verbal communication;

- b. Non-verbal and visual communication;
- c. Team leadership and understanding of team dynamics;
- d. Team communication processes and relationships; and
- e. Addressing issues of corporate values, among others.

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

In his keynote address, the Director-General welcomed all participants to the training and expressed his deepest appreciation to all esteemed Facilitators for accepting the Institute's invitation to lead and facilitate the training. He

also extolled the various institutions for nominating participants for the course. He indicated that for organizations to thrive in a competitive environment, they must foster strong communication and collaboration efforts among employees, which are not only vital for smooth internal operations but also reflect on the organization's engagements with external stakeholders.

Dr. Musa highlighted that effective communication, whether verbal or non-verbal, could break down barriers that existed within the workplace and allow employees to build stronger bonds with each other, their direct Managers, and Supervisors. He further noted that good and competent employees were essential for the success of any organization and team building was the most important investment that organizations could make for their employees. The Director General maintained that efficiency, conflict mitigation, and effective and increased collaboration were some benefits that could be derived from team building. He added that effective team building meant more engagement with employees, which would improve organizational culture and development which in turn boosts productivity from the bottom line.

Dr. Musa concluded his keynote address by expressing optimism that the course would provide the right forum for the exchange of ideas on effective communication skills and team building from organizational development perspectives and encouraged participants to make their participation rewarding by making use of the opportunity to tap into the knowledge and experience of the carefully selected and excellent faculty placed at their disposal.

Key topics covered during the training included:

- Essential components of communication;
- Effective communication skills: verbal and non-verbal;
- Team communication process, types, and relationships;
- Communication skills and teamwork;
- Communication and interpersonal skills;
- Team leadership and team building;
- Team dynamics, mentoring, and coaching; and
- Conflict and crisis management and resolution, among others.

The course was attended by thirty-four (34) participants from various institutions from The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. There were also participants from the ECOWAS Commission and ECOWAS Parliament.

The course was facilitated by a pool of knowledgeable and experienced resource persons made up of human resource and communication experts drawn from the West African sub-region, including Ema Clark, Consultant, Lagos School of English & Mathematics (LASEM), Nigeria; Dr. Ibrahim Tulu, Former Director, Central Bank of Nigeria; Dr. Samuel Tengey, Strategist and Policy Officer, HRCCD, Bank of Ghana; Dolley Laryea – Director, Aseda Consult, Ghana; Chizoba Mojekwu Consultant & Retired HR Director, Central Bank of Nigeria; Dr. Larry Abasiakan, Consultant & Retired Deputy Director, Central Bank of Nigeria; and WAIFEM Faculty.

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

- i. All the participants strongly agreed that the course enhanced their understanding of

different techniques for enhancing communication skills and team building.

- ii. More than 96 percent of the participants strongly agreed that the course increased their knowledge on addressing issues of corporate values and improving team communication effectively.
- iii. Over 96 percent of the participants strongly agreed that the course has improved their competence in written, visual, verbal, and non-verbal communication.
- iv. All the participants strongly acknowledged that the course would assist them to improve on team leadership and understanding of team dynamics.
- v. All the participants strongly agreed that the topics covered in the course were appropriate.
- vi. About 93.4 percent of the participants strongly agreed that the practical exercise sessions were effective in helping them understand the topics discussed.
- vii. More than 96 percent of the participants strongly acknowledged that the quality of facilitation assisted them in understanding how to address issues of effective communication and team building.
- viii. All the participants strongly agreed that the documents (lecture materials, exercises, etc.) that were distributed were useful.
- ix. The participants also strongly agreed that the administration of the course was effective.
- x. The participants overwhelmingly agreed that the course had met their expectations.

In addition, participants suggested the following themes be added to the content of the course in the future:

- How to develop a communication strategy for a team.
- Art of public and professional speaking
- Building team excellence.

### **Observations**

After five days of intensive training, which included presentations, teamwork, and discussions on Communication Skills and Team Building for Effective Organizational Development, the following observations were recorded by participants:

- a. The Facilitators displayed expert knowledge and mastery of their respective disciplines and delivered their assigned topics with utmost precision and authority.
- b. Most participants related to the issues discussed and shared practical experiences that enhanced a good appreciation of the course content.
- c. Participants found the topics to be highly relevant to their respective professional duties and affirmed to deploy the knowledge acquired to make a difference.
- d. While team-building activities proved to be extremely relevant to advancing the course objectives, time allocation for those activities was limited.
- e. The five days allocated for the training were inadequate to allow for a comprehensive presentation of all course materials by the Facilitators.

### **Recommendations**

Given the observations, the participants recommended the following:

- a. Considering the relevance of the topics, WAIFEM should endeavor to develop and implement a rigorous training plan that will provide similar training

opportunities for other institutions across the Sub-region.

- b. Provide training materials to participants on the day of the commencement of the training to facilitate further research before the commencement of lectures to enhance active participation.
- c. Ensure that sufficient time is allocated for the training to facilitate hands-on demonstration and full coverage of the course outline. A minimum of eight (8) days would be required for the full coverage of the topics.
- d. Develop a mechanism to conduct training on communication skills and team building at the institutional level to allow for the participation of more employees.
- e. Assemble certified trainers with the capacity to transfer knowledge to colleagues through institutional-level training.
- f. Develop a follow-up mechanism to assess the impact of the training on participants.

### **Appreciation and Conclusion**

The participants expressed their sincere gratitude to WAIFEM for providing them the opportunity to attend the training course on Communication Skills and team building for Effective Organizational Development. The training, according to them, was invaluable in increasing their knowledge of communication and team building, which would enable them to reposition their organizations to face workplace challenges with hope and optimism.

The course participants were also grateful to their various institutions for the sponsorship. Furthermore, they extended their heartfelt thanks and appreciation to the able and experienced facilitators who imparted sufficient knowledge in a relatively short period.

# MODELLERS IN THE SUB-REGION RECEIVE WAIFEM'S TRAINING ON ECONOMETRIC METHODS FOR POLICY ANALYSIS



The West African Institute for Financial and Economic Management (WAIFEM) organised a 10-day Regional Course on Econometric Methods for Policy Analysis at the Rock-View Hotel (Lagos) for the period, June 19-30, 2023. The course was very effective and beneficial to the participants.

At the opening session, the Director-General of WAIFEM, Dr Baba Yusuf Musa, welcomed all the participants to the course and expressed appreciation for the commitment of the Facilitators, who agreed to share their vast knowledge and experience with the participants. Furthermore, he explained the rationale for the course and mentioned that the course would help the participants understand econometric methods to effectively manage their respective economies. The escalating sovereign debt of member countries creating less fiscal space for

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governments to spend on the social sectors was highlighted. He, therefore, called for prudent management of sovereign debt in the sub-region to ensure sustainable growth and development. He also lamented how climate change was most likely to increase the debt burden of countries in the sub-region. To this end, he enjoined the participants to tap into the knowledge of the Econometricians assigned to facilitate the course and seize the opportunity to enhance their respective knowledge and skills in Econometrics. Participants were equally encouraged to freely interact with the Facilitators and build strong professional relationships with their fellow participants to deepen the regional integration agenda. Subsequently, the course was declared open by the Director-General.

The course on Econometric Methods for Policy Analysis was designed to enable participants to

conduct basic statistical and econometric analyses and forecasting. Specifically, the course was structured to enable participants to, among others, derive multiple regression parameter estimates and perform statistical inference on regression parameters. It was also set up to enable participants to understand basic research methods and the use of econometric software (such as Eviews, R-studio, and STATA among others) for data analysis and forecasting.

The main topics discussed during the course included:

- Overview of the Nature and Methodology of Econometric Modelling;
- Forecasting; Univariate Time Series Modelling and Forecasting;
- Estimation of ARMA/ARIMA models for Forecasting (Example: Inflation and Exchange Rates);
- Multivariate Models: Vector Autoregression Models;
- Quantile Regression;
- Modelling Long Run Relationships: Cointegration and Error Correction;
- Nonlinear Econometric Model;
- Modelling and Forecasting Volatility;
- Probit, Logit and Ordered Logistic Models and
- Introduction to Panel Data Analysis.

The course was facilitated by five (5) resource persons namely Prof. William Baah-Boateng (Head of Department of Economics, University of Ghana), Dr Jamaladeen Abubakar (Central Bank of Nigeria), Dr. Nafiu Bashir Abdussalam (Monetary Policy Department, Central Bank of Nigeria), Dr. Frank Agyire-Tetteh (Senior Lecturer, Department of Economics, University of Ghana) and Prof. Afees Adebare Salisu (Director, Centre for Econometrics and Applied Research, Ibadan, Nigeria). The language of instruction of the course was English. The course's mode of delivery involved face-to-face lectures, group assignments and presentations, interactions as well as in-depth discussions.

The course was attended by nineteen (19) participants from WAIFEM Member countries. Specifically, two (2) participants were from The Gambia, six (6) from Ghana, seven (7) from Nigeria, two (2) from Liberia and two (2) from Sierra Leone. In terms of gender, 13 of the participants were male whilst 6 were female. Also, the institutional distribution of participants indicated that 15 of the participants were from the central banks and 4 were from other public sector agencies.

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

- The general objective of the course was achieved;
- The course equipped them with an understanding of pertinent information regarding econometric methods for policy analysis;
- 90 percent of the participants agreed that the course provided adequate capacity in econometric analyses and forecasting;
- The substantive impact of the resource persons as a team was very good.
- The knowledge and skills acquired from this course would improve their job performance;
- The blend of plenary and group exercises was effective;
- About 97.8 percent of the participants rated the presentations as good;
- Similarly, 97.8 percent of the participants rated the contents of the course as good;
- 80 percent of the participants indicated that the course was useful to their work;
- However, a relatively smaller proportion, representing 37.8 percent of the participants stated that the time allotted to the course was enough;
- The overall expectations about the course were met;
- The overall administration and coordination of the course by WAIFEM were efficient and effective.

# WAIFEM OFFERS REGIONAL TRAINING ON RESERVES MANAGEMENT LEVEL II



The West African Institute for Financial and Economic Management (WAIFEM) organised a regional course on Reserves Management Level II in Lagos, Nigeria, from June 26 – 30, 2023.

The opening ceremony was presided over by the Director-General of WAIFEM, Dr. Baba Y. Musa. Also present were Mr. Amadou Koora, Director of the Financial Sector and Payment Systems Department, Mr. Euracklyn V. Williams, Director of Administration and Finance, Dr. Alvin Johnson, Director of Governance and Institutional Development Department, all of WAIFEM, and Mr. Babangida Alhaji Sabo, the lead resource person.

In his keynote address, Dr. Musa echoed that the importance of prudent reserves management could

not be overstated, especially in a democratic setting where prudence, accountability, and transparency were legitimate expectations of the public. He additionally emphasized that good reserves management would build confidence and support for macroeconomic policy management. Specifically, efficient management of reserves could result in significant foreign exchange earnings by way of interest on investments without impairing the liquidity and safety of such reserves.

Dr. Musa indicated to participants that, monetary authorities, at times, intervened in the foreign exchange markets to manage the domestic economy. Therefore, improving capacity for international reserves management in the sub-region was accorded due recognition in the Institute's Capacity Building

Programmes. This seminar was, therefore, designed to build on the progress that had been made and open new vistas of emerging issues in reserves and foreign exchange market operations

The course was designed to acquaint participants with critical skills required to effectively play their roles in treasury/foreign reserves management. Specifically, the course would improve participants' understanding and skills in analysing market information and be able to review portfolios and make decisions on which specific instruments to use, when, and with whom.

The following broad themes were covered:

- Overview of Reserves Management;
- Reserves Management Framework; Risk in External Reserves Management and Risk Management Framework;
- Risk Management Applications of Derivative Instruments (Futures, Swaps, Options, etc.);
- Strategic Asset Allocation Process;
- Managing Reserves through External Asset Managers;
- Active versus Passive Management in Reserve Management;
- Fixed Income Portfolio Management;
- Money Market Trading Strategies;
- Gold as a Reserve Asset;
- Understanding the Balance of Payments and its Links with Reserve Management;
- Reserves Pooling Mechanisms (Regional Perspective).

A total of sixteen (16) senior and middle-level staff from four (4) WAIFEM member countries (The Gambia, Ghana, Nigeria, and Sierra Leone) participated in the course. Eight (50%) of the participants were male the remainder (Eight participants; 50%) were female.

Six resource persons namely Mr. Jordan Ekow Sackey from the Bank of Ghana, Mr. Molai Bangura from the Bank of Sierra Leone, as well as Mr. Babangida Alhaji Sabo, Mr. Farouk Mujtaba, Mr. Bashir Ahmad and Mr. Musa Bagudu all from Nigeria, facilitated the course.

In a written evaluation administered at the end of the course, the participants affirmed the following:

- All the participants were of the view that the course deepened their knowledge and understanding of the basics of Banking Supervision and Resolution;
- Over 88 percent of the participants agreed that the course content in terms of the topics covered was appropriate;
- 92 percent of the participants affirmed that the course would assist them in performing their job functions;
- 83 percent of the participants believed that the quality of facilitation assisted them in understanding the concepts;
- The course materials were found to be very useful by 93 percent of the participants;
- The overall administration and coordination of the course were rated as 'very effective' by 82 percent of the participants;
- Overall, the participants unanimously concurred that the course met their expectations.

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

#### **Observations**

- i. The course was educative and interactive, and the Facilitators delivered excellent presentations on their respective topics.
- ii. Given the importance of Reserves

Management to an economy, a week-long training was not enough to comprehensively cover the topics.

- iii. The majority of member countries laid more emphasis on Liquidity Management than long-term investment of reserves, given the varying levels of reserves and rise in interest rates.
- iv. More attention has been devoted to theoretical issues during the course than the practices in the member countries.
- v. Some member countries have investment guidelines but without comprehensive investment policies.
- vi. The training in Specialized Treasury Management among some central banks was deemed inadequate.
- vii. Development in financial markets remains shallow and trading of derivatives is absent in some countries.
- viii. The sources of generating inflow to boost reserves were few and therefore vulnerable to external shocks.
- ix. Persistent current account deficit in most of the member countries was becoming unsustainable, and this requires urgent policy consideration

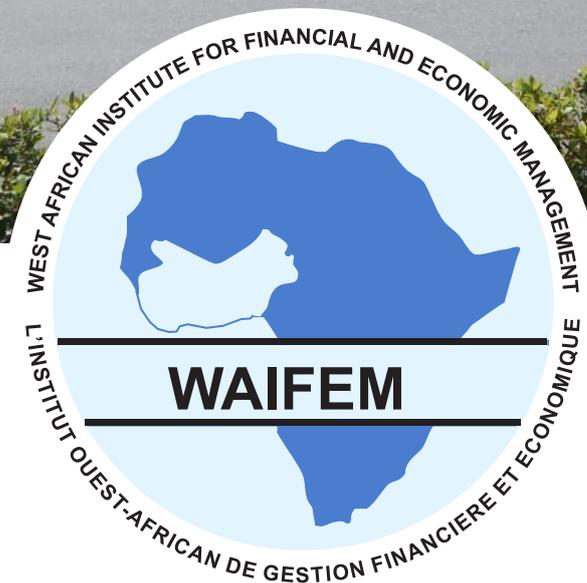
### **Recommendations**

Concerning areas for improvement, the participants raised some issues which have been duly noted for consideration in future activities. The issues can be summarised into the following recommendations:

- i. WAIFEM to consider public holidays, particularly in the host country so that the week earmarked for the program would fully be utilized.
- ii. Lectures and relevant course materials be sent to participants before the arrival or

commencement of each lecture. This would enable participants to acquaint themselves with the materials for effective class discussions.

- iii. Need to adopt stress testing in Reserve Management.
- iv. Since countries are at different levels of market sophistication, country experience would be essential as part of the program.
- v. The training should be extended to two weeks to be able to cover the extensive but relevant materials.
- vi. Central Banks within the region should adopt more transparent and appropriate ways of reporting levels of international reserve adequacy, reflecting the true external sector vulnerabilities.
- vii. There is a need to adopt investment strategies that will guarantee safety and where necessary, enhance returns.
- viii. Central Banks should exercise caution in adopting the views of the rating agencies considering recent experiences.
- ix. Member countries should have investment policies as a supplement to investment guidelines to authorize investment of reserves within the approved risk parameters.
- x. Continuous training and refresher courses in Reserve Management for central bank officials should be encouraged.
- xi. There is a need to intensify efforts on the regional integration process which could assist in pooling resources in terms of reserves to become stronger.



## **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)