

“APPROPRIATE EXCHANGE RATE REGIMES AND POLICIES NECESSARY TO ACHIEVE REGIONAL INTEGRATION IN TRADE”

----- DG WAIFEM



The Director General of WAIFEM, Dr. Baba Musa has reiterated the need to share insights on exchange rate policy in view of the ongoing effort by the sub-region to achieve regional integration in trade, which can be facilitated with appropriate exchange rate regimes and policies. Dr. Musa said this at the opening session of the five (5) day Regional Course on Exchange Rate Regimes and Policies at the Central Bank of Nigeria International Training Institute (Abuja) for the period, June 27-July 1, 2022. It was the first in-person regional course organized by the Research and Macroeconomic Management of WAIFEM since the onset of the COVID-19 pandemic in 2020.

The occasion was graced by Dr. Baba Y. Musa (the

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

In his welcome address the Director General welcomed all the participants to the course. He expressed his appreciation for the commitment of the facilitators to provide short- and long-term technical support to participants.

Furthermore, as part of his welcome remarks, the Director General of WAIFEM emphasized the significance of the course in the light of the COVID-19 pandemic and the ongoing Russia-Ukraine war that have simultaneously introduced

uncertainty in the commodities market.

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

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

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

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

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

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

Rate Policies and Foreign Exchange Rate Market Operations in Nigeria; Evolution of Foreign Exchange (FX) Intervention in Ghana: Objectives, Modalities, Effectiveness, and Ways to Assess the Adequacy of Foreign Exchange Reserves, and their Management as well as Recent Developments in Exchange Rate Policies and Foreign Exchange Rate Market Operations in Ghana.

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

The course was attended by twenty-seven (27) participants from five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, five (5) from Ghana, twelve (12) from Nigeria, three (3) from Liberia and four (4) from Sierra Leone. Moreover, 21 male and 6 female participants attended the course.

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

following:

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

In attendance at the closing ceremony were the following dignitaries: Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management Department),

who represented the Director General of WAIFEM, Dr. Baba Y. Musa; Mr. Samuel Opata (Director of Financial Markets Department and Monetary Policy Committee Member of the Bank of Ghana); Dr. Okon Joseph Umoh (Principal Programme Manager, Research and Macroeconomic Management Department, WAIFEM); Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM) and Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM).

Dr. Emmanuel Owusu-Afriyie (the Host Director), in his remarks, briefly summarized the concepts regarding exchange rate regimes and policies and urged the participants to apply the knowledge gained to address the challenge of rapid depreciation of the exchange rate in WAIFEM member countries. Dr. Owusu-Afriyie ended his remarks by commending the participants for their excellent dedication and commitment, which made the programme a success in a face-to-face environment.

This was followed by presentation of the 'communique' by the Class Governor, Mr. Andrew A. Tellewoyan (Assistant Director of Liberia Institute of Statistics and Geo-Information Services. Following the presentation of the 'communique', Dr. Owusu-Afriyie responded to the observations and recommendations by assuring the participants that management of WAIFEM would take them into consideration in shaping future courses. He also thanked all the six (6) facilitators of the course for the excellent delivery and declared the course close. The vote of thanks was offered by Mrs. Olufunmilayo Sekinat Tajudeen (Central Bank of Nigeria).

The course was greatly beneficial to the participants. It exposed the participants to exchange rate concepts and terminologies as well as various exchange rate regimes and policies in WAIFEM member countries.

The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested that some form of modelling and forecasting by highly skilled experts be introduced into the course for empirical analysis of exchange rate dynamics and forecasting.

MODELLERS, FORECASTERS, SENIOR ECONOMISTS AND DIRECTORS OF RESEARCH IN THE WAIFEM MEMBER COUNTRIES UNDERGO VIRTUAL COURSE ON ADVANCED MODELLING AND FORECASTING FOR POLICY ANALYSIS



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

The course commenced with a brief opening ceremony that was moderated by Dr. Okon Joseph Umoh, Principal Programme Manager of Research and Macroeconomic Management Department, WAIFEM. The dignitaries present during the opening session of the course were i were Dr. Baba Y. Musa (the Director General of WAIFEM and the Chairperson of the Opening Ceremony), Dr. Emmanuel Owusu-Afriyie (Host Director, Research and Macroeconomic Management Department, WAIFEM), Mr. Euracklyn Williams (Director of Administration and Finance Department, WAIFEM), Dr. Alvin Johnson (Director of Governance and Institutional Development Department, WAIFEM), Mr. Amadou Koora (Director, Financial Sector and Payment Systems Department, WAIFEM), Mr. Yakubu Aliyu

(Director, Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM), Dr. Mrs. Patricia Adamu (Assistant Director, Financial Sector and Payment Systems Department, WAIFEM) and Dr. Okon J. Umoh (Principal Programme Manager, Research and Macroeconomic Management Department). Others were Prof. Afees A. Salisu (Course Facilitator from the Centre for Econometrics & Applied Research, University of Ibadan), Prof. OlaOluwa Simon Yaya (Course Facilitator from the Department of Statistics, Faculty of Science, University of Ibadan), Dr. Jamaladeen Abubakar (Course Facilitator from the Central Bank of Nigeria), Mr. Ogbonnaya Agu (Senior Programme Manager, Governance and Institutional Development Department, WAIFEM), Mr. Gabriel Asante (Senior Programme Manager of Fiscal Policy, Debt Management and Regional Integration Department, WAIFEM) Mrs. Helen Anjorin (Administrative Assistant, Research and Macroeconomic Management Department, WAIFEM) and Mr. John Owusu-Afriyie (Programme Manager, Research and Macroeconomic Management Department, WAIFEM).

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

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

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

Introduction of Dynamic Stochastic General Equilibrium (DSGE) Models; Writing a DSGE in a Solvable Form; Identification Issues in DSGE; DSGE Modelling; Introduction to Linear/Linearized DSGE Model; Identification Problems in Linear DSGE Model; Introduction to New Keynesian Model; Introduction to Nonlinear New Classical Real Business Cycle (RBC) DSGEs; DSGE Model with Financial Frictions; Open Economy in DSGE Models; Special Considerations in DSGE Models, (including a Lag of a Control Variable and Including an Observed Exogenous Variable).

In addition, participants were tasked to apply the knowledge gained to develop and present publishable papers on how real, monetary and financial shocks are analysed with their respective country specific data. Representatives from the five (5) WAIFEM Member Countries successfully presented their respective draft papers. To further deepen the link between capacity building and research activity at WAIFEM, the final draft of the manuscripts would be subjected to the normal peer review processes and considered for publication in the WAIFEM Journal (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. Jamaladeen Abubakar (Central Bank of Nigeria). The language of instruction of the course was English. The course's mode of delivery involved virtual lectures, interactions and discussions, workshops, as well as group presentations.

The course was attended by twenty-six (26) participants from the five (5) WAIFEM Member countries. Specifically, three (3) participants were from The Gambia, two (2) from Ghana, five (5) from Liberia, eleven (11) from Nigeria and five (5) from Sierra Leone. 23 male and 3 female participants attended the course,

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

- A significant proportion of the participants (83.34 per cent) agreed that the general objective of the course was achieved.
- About 83.3 per cent of the participants fall within the category of strongly agreed that the course provided them with an understanding of pertinent issues relating to Advanced Modelling and Forecasting (Dynamic Stochastic General Equilibrium Model).

All the participants confirmed that the course provided enough capacity for the formulation and implementation of good forecasting and policy analysis that would yield maximum benefit for their organizations.

- All the participants maintained that the substantive impact of the resource persons as a team was achieved.
- About 83.3 per cent of the participants confirmed that the knowledge and skills acquired from this course would improve their job performance.
- All the participants indicated that the blend of plenary and group exercises was effectively executed.
- All the participants rated the training materials and documentation to be of high quality.
- All the participants stated that their overall expectations about the course were met;
- About 99.1 per cent of the participants rated the presentations as substantially acceptable.
- The number of participants that rated the contents of the course as good was an overwhelming 98.3 percent.
- All the participants indicated that the course was useful to their work.
- About 85.4 per cent of the participants indicated that the time allotted to the course was enough.
- Finally, all the participants indicated that the administrative arrangements and the coordination of the course by WAIFEM was efficient and effective.

At the closing session of the course, the Director General of WAIFEM, Dr. Baba Yusuf Musa, expressed profound gratitude to the facilitators of the course for ensuring effective execution of the course and encouraging the participants to draft empirical papers using the Bayesian DSGE Model that would be reviewed and published in the institute's journal. He also applauded the participants for their punctuality throughout the course duration and urged them to continue writing research papers.

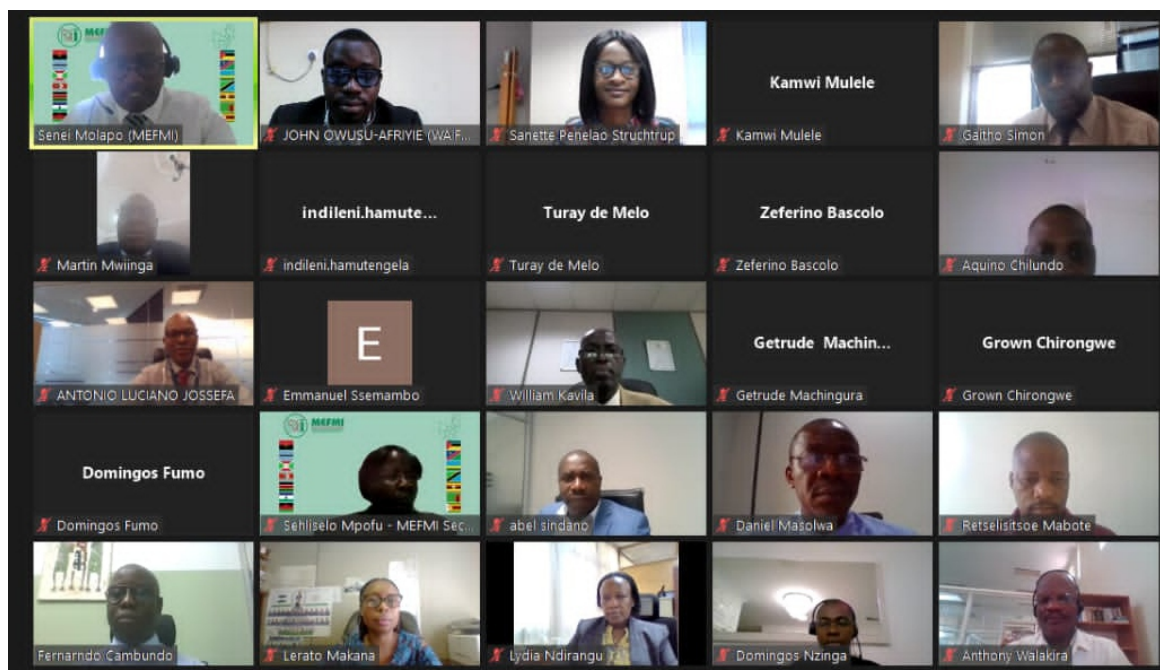
The communique was presented on behalf of the class by Mr. Philip George (the Class Governor), from the Parliament of Sierra Leone.

Following the presentation of the communique', the Director General of WAIFEM responded to the recommendations and observations outlined in the communique'. He assured the participants that WAIFEM would soon implement a blended learning approach to capacity building that would address some of the challenges with virtual mode of delivering courses, such as stable internet connectivity, office disruptions and virtual fatigue. He ended his response by expressing optimism that face-to-face training programmes would largely resume from the second half of 2022.

The Director of Research and Macroeconomic Management Department, Dr. Emmanuel Owusu-Afriyie, thanked the participants for their active participation and urged them to apply the knowledge gained to enhance their work. The Closing Ceremony ended with group photography.

The course was greatly beneficial to the participants in terms of forecasting the effects of demand, productivity and monetary policy shocks on inflation, monetary policy rate and output gap. The course exposed participants to the practical challenges and broadened their knowledge on how to estimate a Bayesian Dynamic Stochastic General Equilibrium Model of an open economy. The course evaluation suggested that the participants were very satisfied with the contents of the course as well as its mode of delivery. Thus, as part of their recommendations, the participants suggested to the Institute to make provision for a face-to-face training session with the facilitators to ensure better understanding of the course.

WAIFEM PARTICIPATES IN THE VIRTUAL RETREAT FOR HEADS OF STATISTICS DEPARTMENTS IN THE MEFMI REGION



A virtual retreat was held for heads of statistics departments in the MEFMI region from 23rd to 25th February, 2022. The theme for the retreat was “Enhancing Capacity Building in Macroeconomic Statistics under Innovation and Disruption”. Specifically, the objective of the retreat was to discuss the status of various focus areas of macroeconomic statistics in the MEFMI region, existing challenges and opportunities, with the aim of identifying critical capacity building needs in the region and shaping capacity interventions for MEFMI Phase VI Strategic Plan (2022-2026). The welcome remark was given by Dr. Sehliso Mpofu (Director of Macroeconomic Management Programme, MEFMI), which set the 'tone' for the retreat.

During the retreat, the Programme Manager of Research and Macroeconomic Management Department (WAIFEM), Mr. John Owusu-Afriyie, made a 15-minute presentation on what WAIFEM does in the area of Macroeconomic Statistics; how it contributes to policy advice, formulation and implementation in the member states; opportunities and challenges that COVID-

19 pandemic has presented to the operations of WAIFEM and potential areas of collaboration with MEFMI, going forward. Other topics that were presented and discussed included Compilation, Analysis and Reporting on Monetary and Financial Statistics (MFS); Compilation, Analysis and Reporting on National Accounts ; Compilation, Analysis and Reporting on the Statement of Government Operations (SGO); Leveraging on Data Platform Initiatives- IMF Statistics Department; Emerging Areas in Macroeconomic Statistics; Gender Mainstreaming Macroeconomic Statistics; Uganda Country Experience: Focus on Compilation of High Frequency Data; Summary of Capacity Building Needs related to Macroeconomic Statistics for COMESA and Scope for Collaboration with MEFMI and Update on the Status of the MEFMI Private Capital Monitoring System (PCMS) and the Related Capacity Building Programme. The retreat ended with a wrap-up session with Mr. Senei Molapo, Programme Manager of MEFMI

WAIFEM COLLABORATES WITH THE COLLEGE OF SUPERVISORS OF THE WEST AFRICAN MONETARY ZONE TO HOLD A REGIONAL ONLINE COURSE ON BANKING SUPERVISION AND RESOLUTION (LEVEL 1)

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

The opening ceremony was presided over by the Director General of WAIFEM, Dr. Baba Y. Musa, and present were, Mr. Euracklyn Williams, Director, Administration and Finance, Mr. Amadou S. Koora, Director, Financial Sector and Payment Systems Department, Dr. Alvin Johnson, Director, Governance and Institutional Development Department, Dr. Emmanuel Owusu-Afriyie, Director, Research and Macroeconomic Management, and some of the resource persons, Mr. Ousman Sowe and Mr. Emmanuel Owajulu.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, reiterated the need for effective supervision of the banking system in order to prevent excessive risk-taking, and forestall bank failures resulting from risks exposures.

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

The following broad themes were covered in the course:

- Bank licensing process;
- Bank Failure: causes, prevention and resolution;

- On-site and off-site examination Process;
- Capital and capital verification;
- Bank accounting;
- Financial statement analysis;
- Corporate governance principles;
- Framework for prompt corrective action; and
- Anti-Money laundering, financial crimes and frauds.

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

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

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

- The course content was rated 'excellent' by 78 percent and 'good' by 22 percent of the participants;
- About 98 percent of the participants affirmed that the course has deepened their knowledge and understanding of the basics in banking supervision and resolution;
- Over 97 percent the participants concurred

that the topics covered at the course were appropriate;

- In terms of the course usefulness, more than 93 percent of the participants claimed that the course would assist them in performing their job functions more adequately;
- 97 percent of the participants asserted that the quality of facilitation assisted them in understanding the concepts;
- 96 percent of the participants strongly agreed that the course met their expectation;
- More than 97 percent of the participants concurred that the training materials and documentation distributed were very useful;
- Over 92 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective;
- About 25 percent of the participants were of the opinion that the time allotment for the delivery of some of the sessions was inadequate; and
- In the wrap-up session, the participants requested for the face-to-face training programmes, as there were incessant network disruptions during the online programme.

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

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

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

of the capital requirement and the Liquidity Coverage Ratio.

- ii. Financial Institutions within the sub-region have experienced rapid gains in applying disruptive digital technologies and innovative financial products and services, which has improved banks' process efficiency, increased consumer confidence, reduced operational cost, and service expansion. These opportunities have also brought about security risks such as IT and Cyber security risks and data breaches, which are of great concern to regulators.
- iii. Participants agreed that bank regulators and supervisors within the sub-region must ensure that banks do not fail regardless of whether they are systemically important banks or not. This is because the failure of any bank within the region has systemic effects on the economy due to the high illiteracy level, fragile economy, low level of financial inclusion, etc., thereby leading to lost confidence in banking.
- iv. Approaches to the supervisory process are standard across the jurisdiction even though some jurisdictions have a separate onsite and offsite arrangement whilst others maintain a joint arrangement.
- v. The regulatory authorities and financial institutions' enforcement and recovery of loans from debtors are usually stalled due to never-ending court cases and litigations.
- vi. Member countries made concerted efforts in fighting money laundering and terrorism financing through strengthened cooperation, suitable policies, regional surveillance, and financial information sharing. However, cross-border cash

smuggling still poses a huge challenge for member countries.

- vii. The urgency, frequency, and timing of onsite examination differed significantly across jurisdictions based on the institutional policies or country-specific laws. For most Central Banks in the sub-region, Bank examinations are performed once a year.
- viii. Financial transactions within the sub-region are predominantly cash-based, and as such economies are vulnerable to money laundering.
- ix. The sessions and presentations were in-depth, engaging, and well delivered with knowledgeable facilitators and participants' full attention.
- x. Some participants experienced a series of network (internet) failures during sessions and were going in and out of the call.

Recommendations:

- i. Supervisors in the sub-region should cooperate with other relevant supervisors in other jurisdictions regarding the supervision of corporate governance policies and practices. The tools for cooperation can include a memorandum of understanding, supervisory colleges, and periodic meetings among supervisors.
- ii. Supervisors should determine whether the bank has adopted and effectively implemented sound corporate governance (CG) policies and practices by ensuring that CG policies are written, well understood, and executed.
- iii. In line with Basel II/ Pillar II Principle 4: Supervisors should seek to intervene early to prevent capital from falling below the minimum levels required to support the

risk characteristics of a particular bank and should require rapid remedial action if capital is not maintained or restored.

- iv. Countries within the sub-region should endeavour to have effective Prompt Corrective Action (PCA) Framework, to enhance the stability of its banking system, which is fundamental for economic growth.
- v. As a result of the various technological advances in the financial sector, regulators and authorities should develop more capacity in IT, cybersecurity, and artificial intelligence to create and formulate the appropriate frameworks and policies to address IT security risks.
- vi. Regulatory and supervisory authorities should consider using supervisory technology (SupTech) to help in the efficient monitoring of risk and compliance to regulatory requirements by financial institutions.
- vii. Central Banks in the jurisdiction should form national and regional alliances and strengthen partnerships and collaboration with security agencies, border controls, and inter-governmental agencies to effectively implement AML/CFT regime and curb the illicit flow of funds within the region.

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

WAIFEM ORGANISES COURSE ON PROJECT APPRAISAL AND FINANCIAL ANALYSIS USING THE BLENDED LEARNING FORMAT



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

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

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

Dr. Baba Musa indicated that capital expenditure on projects often consumes significant amount of organizations' resources and that it is important for project decision makers to develop proposals that will have the best result and this project decision-making process requires adequate skills to effectively assess an organization's capabilities and opportunities using various methods.

The Director General further stated that a rigorous project identification system acts as the first screening mechanism to prevent inappropriate and inefficient projects from getting into the project life cycle and gaining the momentum that could make it difficult to halt execution at the later stages.

Dr. Baba concluded his address by encouraging participants to enrich their participation in the

course by taking every available opportunity to tap into the knowledge and experience of the various facilitators who have assembled to deliver the various topics lined up.

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

The main themes covered during the course included:

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

The course was attended by forty-nine (49) participants from various institutions from The Gambia (10), Ghana (9), Liberia (10), Nigeria (12), and Sierra Leone (8). In terms of institutional representation, 14 (28.6%) came from the central banks; 15 (30.6%) from the ministry of finance and economic planning; 16 (32.6%) from other public sector institutions and 4 (8.2%) from the private sector. When gender is considered, 28 (57.1%) of

the attendees were males while 21 (42.9%) were females.

The course was facilitated by a team of experienced Project Executors and Financial Experts drawn from professional institutions in the private and public sectors from the sub-region. They use lecture notes, role playing and case studies in the course delivery.

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

1. 72.5 percent of the participants averred that the course enhanced their understanding of the project identification, planning and appraisal process.
2. 72.5 percent of the participants agreed that the course increased their knowledge on the practical application of financial analysis in project planning and appraisal.
3. 82.5 percent of the participants were of the opinion that the course increased their understanding in risk identification, assessment and management techniques in project appraisal.
4. 65 percent of the participants agreed that the case studies provided practical illustrations of project conception, planning, appraisal and financial analysis.
5. On the topics covered, 82.5 percent of the participants agreed that they were contemporary, appropriate and relevant.
6. Up to 67.5 percent of the participants agreed that the quality of facilitation assisted them in understanding the different concepts and methods of project appraisal and financial analysis.
7. Over 90 percent of the participants strongly agreed that the documents (lecture materials, case studies, further readings, etc.) provided were useful.
8. 80 percent agreed that the administration of the course was effective.

9. Overall, 75 percent of the participants strongly agreed that the course has met their expectations.

10. Additional themes suggested by the participants for the course in future:

- i) Auditing process of a projects
- ii) Procurement processes for projects
- iii) How budget and equations truly work

The following observations and recommendations were recorded by the participants:

Observations

- Facilitators were all good and presented their materials with utmost precision and authority.
- Internet disruption was a challenge for presenters and participants at some point during the presentation.
- Stationeries were not issued to participants for the course unlike in the past.

Recommendations

In view of the aforementioned observations, the participants strongly recommend the following:

- That WAIFEM consider reverting to in-person training amidst the relaxation of COVID 19 restrictions.
- That Participant be given lecture materials beforehand prior to the commencement of the course.
- That emphasis be placed on more practical demonstration of project conception and implementation.
- That more time be allocated to facilitators to allow for hands-on demonstration and coverage of course outline.

In addition, participants also Identified the following as major hindrances to project implementation in Africa:

1. Improper planning, political instability, bureaucratic bottlenecks, deliberate policy imposition, project plan alterations by implementers or civil servants saddled with the responsibility to implement.
2. Faulty forecasting of project duration influenced by the desire to win a contract at all costs under competitive bidding (due process). The result-contractors, after giving very optimistic time estimate to win the contract, face the reality of project implementation ending up in delayed project completion.
3. Delayed payments for completed projects,

variations in contract negotiations due to inflation, interest rate, fiscal measures, and other political exigencies, take tolls on contract implementation.

4. Faulty costing also arise which brings about untold logistic complications in the system.

5. Wrong choice of staff to handle key positions; wrong choice of method of implementation; arrangement of sourcing of funds and guarantee of cash flow; framework for control and evaluation of work process/progress, with special reference to information flow, labor problems, and installed safety gadgets/procedures.

6. Inability to involve the target beneficiaries in the planning process (social, political, economic, and administrative environment) hinders project implementation and results to project failure.

7. Ignorance of project life cycle cost, and lack of financial resources.

8. Lack of government policies/support, and lack of building codes on sustainability.

9. Lack of leadership, lack of market segmentation, lack of motivation and aspiration values of managers, and delay in decision making. Lack of good management and leadership hinders effective project implementation.

10. Lack of environmentally sustainable materials, lack of sustainability measurement tools, lack of easily accessible guidance, lack of technical ability, and chronic skills and labor shortages.

11. Lack of demand for sustainable products and cultural change resistance.

12. Lack of awareness of professionals, lack of professional knowledge, lack of awareness of clients, lack of awareness of benefits, ignorance or misunderstanding about sustainability and lack of education and knowledge in sustainable design.

13. Financial barriers: Fear of higher investment costs, long pay-back periods, and profitability. Lack of financial resources is major barrier to the implementation of sustainable construction.

14. Political barriers: lack of government commitment, and lack of legislation. Stakeholders, especially government should put in place legislation that will require corporate sustainability policies and also develop various policy documents to enforce sustainability in all aspects of project development.

The participants thanked the West African Institute for Financial and Economic Management (WAIFEM) for the training opportunity. They averred that the training increased their knowledge on project appraisal and financial analysis for the benefits of their various institutions.

WAIFEM DG EXPRESSES CONCERNS ABOUT CONSTRAINED FISCAL SPACE, INCREASED FISCAL RISKS, AND FISCAL VULNERABILITIES FACING MEMBER COUNTRIES



The Director General of WAIFEM has expressed concerns about constrained fiscal space, increased fiscal risks, and fiscal vulnerabilities facing member countries as largely due to the adverse effects of the COVID-19 pandemic on the economies. He said this when the Institute organised a Regional Online Course on Strengthening Public Expenditure Management (PEM) and Domestic Resource Mobilization (DRM) for Economic Development. The training was conducted virtually on the Zoom platform from March 21 to April 1, 2022, for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

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

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

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

- Strengthening fiscal discipline and economic governance at the aggregate level;
- Boosting domestic resource mobilization through innovation and the use of technology platform to tap domestic revenues;
- Improving the allocative and operational effectiveness and efficiency of public service delivery;
- Identifying and addressing leakages, such as illicit financial flows and transactions;
- Establishing priorities and sound practices for PEM and DRM; and
- Bolstering institutional and technical capacities for measuring revenue potential.
- In his concluding remarks, the Director-General implored all participants to take the training seriously, communicate freely with the resource persons, and strengthen their professional network by building relationships with counterpart participants.

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

The training covered key areas such as: An Overview of Issues, Prospective, and Approaches to Public Expenditure Management and Domestic Resource Mobilization; Impact of COVID-19 Pandemic on Public Expenditure Management/ Domestic Resource Mobilization System of WAIFEM Member Countries; Public Budget Execution and Monitoring; Linking Policy, Planning, and Budgeting; Case Studies and Sound Practices in Public Expenditure Management and Domestic Resource Mobilization; Public Expenditure, Budget Deficits, and the Macroeconomic Framework; Fiscal Risks, Fiscal Rules, and Fiscal Sustainability; Public Expenditure Targeting for Inclusive Development and Poverty Reduction; Issues in Inter-Government Fiscal Relations; Issues in Public

Spending and Public Services Delivery; Fiscal Transparency: Legal and Institutional Framework and Sound Practices; Arears Accumulation: Public Expenditure Management for Emergency Responses; The Fiscal Framework for Domestic Resource Mobilization; Tax and Tax Revenue: Policy Formulation and Implementation; Measuring Revenue Potential and Tax Effort: Tax Revenue Forecasting; The Role of Financial Markets in Domestic Resource Mobilization; Emerging Tax issues in Digital Economy; Remittances, Diaspora Bonds, and Public-Private Partnerships; Taxation of Natural Resources and Multinational Corporations; and Reforms and Innovations for Efficient Revenue Mobilization: Legal and Regulatory Pre-requisites.

The course was facilitated by six (6) highly seasoned and experienced professionals from The Gambia, Nigeria, Ghana, and Sierra Leone. They included: Mr. Seth Terkper (former Minister of Finance of Ghana); Dr. Abdallah Ali-Nakyea (an accomplished expert in tax policy and administration); Mrs. Haja Kallah-Kamara (former Commissioner General of the National Revenue Authority, NRA of Sierra Leone); Mr. Yahya Manneh (Director, Technical Services, The Gambia Revenue Authority); Mr. Mathew Sandy (Director, Public Debt Management Division, Ministry of Finance, Sierra Leone); and Mr. Abdullahi Usman Musa (Assistant Director, Research Department, Central Bank of Nigeria).

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

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

Key Lessons

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

Observations

- Participants emphasized the timeliness of this training, given the need for countries to increase domestic resource mobilization in response to the challenges posed by the post COVID-19 pandemic economic recovery challenges.
- Internet connectivity was a challenge for some participants during the training.
- However, the participants found the training programme very relevant to their countries and their works and the course was well organised.

- Given the difference in the economic and socio-political landscapes of our member countries, development practices should not adopt a one-size-fits-all approach to policy formulation and implementation. Countries should be able to pursue policies that are beneficial to them to ensure sustainability and effectiveness.
- The training objectives were achieved, as participants now understand and better appreciate the tools and techniques for domestic resource mobilization and look forward to applying the knowledge acquired in the productive and efficient ways in their respective countries.

Recommendations

To Member Countries:

- Participants recommend that our member countries should learn from the challenges posed by the Covid-19 shocks and its adverse fall outs and recalibrate fiscal, monetary and financial policies that will reduce excessive reliance on external flows, while simultaneously building buffers in the form of Sovereign Wealth Funds (SWFs) to their economies from future external and domestic shocks.
- Participants recommend that tax administration must work to tackle tax evasion, especially in the extractive industry, through early detection, i.e. smarter audit effective investigation and prosecution.
- Revenue administrators must be equipped with the requisite knowledge, skills, and technological platforms to collect revenues in difficult-to-tax sectors, such as the digital sector and the extractive sector, petroleum, mining, and forest industries.
- Participants also recommend that the effective taxation of natural resources is critically important for developing countries, hence, governments need to pay attention to building technical and administrative capacity in this regard.

WAIFEM

- Although the course was relevant and impactful, WAIFEM would need to increase the time allocated for the training for maximum benefit.
- Involvement of political office holders and other policymakers to educate them on the vital role governance plays in domestic revenue mobilization, is also an imperative to secure stakeholder buy-in of policy reforms.
- WAIFEM should re-open their training centres across the region to allow face-to-face training, cultural interaction and exchange, and full concentration by participants during the Course period.
- Participants should be given a day off to properly work on the communique and their Group Presentations to ensure quality work.

To Participants

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

The participants expressed their sincere appreciation to the Director-General and the entire management staff of WAIFEM for successfully organizing such an important, resourceful, and practical online training course. They specifically thanked the able facilitators for freely sharing their knowledge expertise and best practices on varieties of PEM & DRM related issues.

WAIFEM BUILDS CAPACITY ON FINANCIAL TECHNOLOGY (FINTECH), ARTIFICIAL INTELLIGENCE, AND DISRUPTIVE TECHNOLOGIES.



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

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

In his Keynote address, Dr. Baba Y. Musa highlighted the role of Financial Technology (FinTech) and Artificial Intelligence (AI) in an organisation. He further threw more light on the potential benefits of Fintech in our ecosystem. Dr.

Musa also explained the potential risks that came along with the emergence of Fintech and the relationship between Artificial Intelligence and FinTech.

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

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

- Enhance participants understanding of the concepts of FinTech, AI;

- Explain the current applications of technology in our financial systems;
- Explore the various methods of adoption of FinTech and AI, as well as cost implications; and
- Equip participants with knowledge of the key concepts and procedures required for combining technology and finance for the benefit of consumers.

The broad themes covered included the following:

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

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

The course was facilitated by experienced resource person from Deloitte and Touché, Nigeria.

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

- Over 91 percent of the participants affirmed that the objectives of the course were achieved;
- 91.4 percent of the participants concurred that the course has enhanced their understanding of the concepts of Fintech, artificial intelligence and disruptive technologies;
- About 94 percent of the participants averred that the course has equipped them with the knowledge and procedures required for melding technology and finance for the benefit of consumers;
- More than 74 percent of the participants strongly agreed that the skills acquired from the course would improve their job performance;
- 80 percent of the participants affirmed that the blend of plenary sessions and group exercises was effective;
- 86 percent of the participants strongly agreed that the course met their expectations; and
- Over 94 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective;
- About 89 percent of the participants concurred that the time allocated for each session was adequate;
- 91.4 percent of the participants averred that the course content was relevant;
- More than 88 percent of the participants agreed that the course was effectively delivered.

Communiqué

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

Observations:

- Most countries in West Africa do not have regulations in place to control Fintech operations.
 - Crypto currencies cannot be regulated outside the interface from which they are initiated and received.
 - There is little or no regulation on disruptive technologies from an ethical and risk point of view.
 - Most African countries are sceptical to invest in modern technologies but rather wait to consume what has been already created in the western world.
 - There is a substantial amount of fear of technology taking over jobs in the next few decades.
 - Concerns have been raised about data breaches and data security with respect to Big Data and cloud storage.
 - We are not doing much in Africa in storing and unlocking intelligence and deriving insight from Big Data. Data is available; however, it is not being captured and utilised as it should.
 - There is inadequate capacity in regulating Fintech.
 - Although, the online training is cost effective in bringing larger number of participants, it is not very effective in terms of personal interactions and contributions. It is also prone to connectivity failures and other forms of distractions.
- requisite infrastructure and training resources to diffuse the knowledge of Information Technology.
- Trainings such as these, organized by WAIFEM should be encouraged further, to enlighten and broaden the scope of knowledge in Fintech, and other emerging disruptive technologies.
 - Further knowledge dissipation on cyber security and the adoption of the ISO 270001 frameworks should be encouraged to allay fears on the breach of data and data security regarding big data and cloud storage.
 - Traditional banks in our sub-region should be entreated to look beyond the traditional ways of providing services, and begin to adapt to more modern approaches like the use of AI to enhance customer service provision and relations.
 - Banks and Fintech companies should be encouraged to leverage on each other's strengths to provide the best services in the financial sector.
 - In-person training should be resumed.
 - There should be continuous collaboration among member states in the harmonization of Fintech and emerging disruptive technologies.

Recommendations:

- Policy makers should be sensitized to set up strategic policy frameworks for the acquisition and use of disruptive technology for social and economic growth.
- Government bodies should be briefed on the need to bridge the gap of providing the

WAIFEM BUSINESS DEVELOPMENT AND CONSULTANCY UNIT (BD & CU) PARTNERS WITH CBN ON THE ONLINE COURSE ON FINANCIAL SOUNDNESS INDICATORS (FSI),



The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Central Bank of Nigeria (CBN) organized an online course on Financial Soundness Indicators (FSI) for staff of the Central Bank of Nigeria, Abuja. The course was delivered online from April 4 - 8, 2022.

The opening commenced with a brief announcement by Mrs. Marcia Idisere Lapang of the Central Bank of Nigeria International Training Centre (ITI). Professor Douglasson G. Omotor, Advisor, Business Development and Consultancy Unit (BDCU) WAIFEM, on behalf of the Director General of WAIFEM, Dr. Baba Y. Musa, welcomed participants to the online course. Present at the opening session were the facilitators Dr. Gabriel G. Udendeh, and Mr. Jibrin Musa. Also present were Mr. Aniekan James. Mrs. Marcia Lapang and other staff of the CBN.

The objective of the course was to enable participants:

- Compile FSIs in accordance with the methodology of FSI Guide, using source data obtainable from sectoral financial statements and supervisory report forms.
- Calculate FSIs using different consolidation bases and interpret the different results obtained.
- Analyze and interpret FSIs compiled for the financial sector and their use in financial sector supervision and macroprudential policy.

The themes covered during the course include the following:

- Overview and Introduction to FSIs
- Institutional Sectors and the Financial System

- Consolidation Basis and Consolidation Adjustments
- Regulatory and Accounting Framework for Deposit Takers (Dts)
- Sectoral Financing Statements for FSIs
- Core FSIs for Deposit Takers
- Additional FSIs for Deposit Takers
- Additional FSIs for Other Financial Corporations, Nonfinancial Sectors, and Markets
- Interpretation of FSIs
- Workshop: Interpretation of FSIs
- Financial Sector Surveillance and FSIs
- Workshop: Interpretation of FSIs reported by participants and discussions
- The virtual course was facilitated by Dr. Gabriel G. Udendeh and Mr. Jibrin Musa.
- About Forty-two (40) participants drawn from various departments of the Central Bank of Nigeria (CBN), Abuja attended the course.
- These comprised 26 males and 14 females.

The participants expressed thanks and appreciation to the Central Bank of Nigeria (CBN) for the opportunity. They expressed gratitude to West African Institute for Financial and Economic Management (WAIFEM) and the International Training Centre (ITI) and their entire staff for the unique manner in which the course was structured and delivered.

WAIFEM COLLABORATES WITH IMF AND AFW2 ON REGIONAL ONLINE COURSE ON PRICE STATISTICS, APRIL 4-8, 2022.

The West African Institute for Financial and Economic Management (WAIFEM) and AFRITAC West 2 (AFW2) in collaboration with the International Monetary Fund (IMF) organised a five (5) day Regional Online Course on Price Statistics, from April 4 – 8, 2022.

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

The ceremony began with a welcome address by Mrs. Elirjeta Pepaj, after which she invited the Director General of WAIFEM, Dr. Baba Yusuf Musa, to give his opening remarks. In his remarks, Dr. Musa appreciated the 'healthy' and mutually beneficial collaboration between AFRITAC West 2 and WAIFEM. He then briefly elucidated the importance of Consumer Price Index (CPI). Specifically, he stated that the CPI is one of the bedrock measures for assessing improvement or otherwise of the economic wellbeing of a society.

He further reiterated in his remarks that good measurement of the CPI gives a better sense of the underlying inflationary pressures that can be effectively controlled with appropriate policy instruments. Dr. Musa ended his remarks by entreating the participants to utilize the opportunity to deepen professional networking relationships with their fellow participants in order to further the course of regional integration. After the remarks by Dr. Musa, Ms. Eva Jenkner was invited to present her opening remarks. In her remarks, she expressed her gratitude to WAIFEM and the team of IMF Facilitators for their continuous support and collaboration. She then declared the course open. Virtual group photography was taken. Ms. Eugenia Bamfo ended the opening ceremony with an administrative brief.

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

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

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

The course was attended by twenty-seven (27) participants from six (6) West African countries. The countries were Cabo Verde, The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. 18 Male and 9 Female participants participated in the course.

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

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

The closing ceremony began with a presentation of an overview of the course by Mrs. Elirjeta Pepaj. She urged the participants to form a network in order to improve CPI compilation in the region. She then warmly invited the Director of Research and Macroeconomic Management Department of WAIFEM, Dr. Emmanuel Owusu-Afriyie, to deliver the closing remarks on behalf of the Director General of WAIFEM, Dr. Baba Yusuf Musa. Dr. Owusu-Afriyie expressed his

appreciation to the AFRITAC West 2 team and the IMF Facilitator for their technical support and collaboration. He also highlighted the need for interdependency among CPI compilers in building synergy to improve CPI compilation in the region. Dr. Owusu-Afriyie ended the closing remarks by thanking the two facilitators of the course, Mrs. Elirjeta Pepaj and Mr. Graf Brian E. After the closing remarks by Dr. Owusu-Afriyie, Mrs. Pepaj called on the Centre Director of AFRITAC West 2, Ms. Eva Jenkner, to deliver her remarks as well. In her remarks, Ms. Jenkner congratulated all for their active participation and successful completion of the course. She ended her remarks by thanking the WAIFEM team, AFRITAC West 2 team, participants and colleagues from the IMF.

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

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

WAIFEM ENHANCES KNOWLEDGE ON STRATEGIC HUMAN RESOURCE POLICIES AND TALENT MANAGEMENT SKILLS TO TRANSFORM ORGANIZATIONS



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

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

In his keynote address, the Director General welcomed participants to the course and informed them that the course on strategic human resource management was being held virtually for the second consecutive time due to COVID-19 pandemic and its attendant restrictions. He

expressed his optimism that in-person training would resume sooner than later as COVID-19 eases around the globe. Dr. Baba also appreciated the various institutions that nominated participants and indicated that the large attendance is evident that institutions are paying more attention to developing human resource capacity in the respective organisations.

Regarding the course on Strategic Human Resource Policies, Talent Management Skills and Human Resource Transformation, the Director General indicated that organisations are now focused more on employee-related issues and how they can transform modern business processes. Organisations have transformed their human resource functions from being merely administrative decades ago, to one that is more policy oriented nowadays. He further noted that human resource transformation and change management have become topical issues globally

and across various organisations. In addition, Dr. Musa stated that to adapt to changing business environment, specialist in human resource management needs to develop effective communication, strategic plans, and problem-solving abilities, among others.

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

The main objective of the course was to produce competent and confident Human Resource Managers and officials who are policy oriented to drive the growth of their organisations through strategic human resource policy orientations and strategic talent management. The training specifically aimed at enhancing participant's competencies in the following areas:

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

The main themes covered in the course included:

- Strategic HR Policy orientation and reforms;
- Strategic HR Leadership and competence development;
- Knowledge management in Strategic HR policies;
- Employee empowerment and engagement;
- Innovation and talent identification;
- Developing strategic plan and targeted grading structures;

- Strategic talent management for organizational effectiveness; and
- Managing succession planning and strategy, among others.

The course was attended by twenty-eight (28) participants from various institutions from The Gambia (5), Ghana (5), Liberia (12), Nigeria (1), and Sierra Leone (5). In terms of institutional representation, 19 (67.9%) came from the central banks; 2 (7.1%) from the ministry of finance and economic planning; and 7 (25.0%) from other public sector institutions. When gender is considered, 10 (35.7%) of the attendees were males while 18 (64.3%) were females.

The course was facilitated by a team of experienced human resource experts drawn from Professional Institutions, including Bank of Ghana and WAIFEM Faculty.

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

1. 90 percent of the participants strongly agreed that the course enhanced their understanding of Human Resource Policy Initiatives and Strategic Talent Management.
2. More than 83 percent strongly agreed that the course increased their Knowledge on the role of Strategic Talent Management for achieving organisational success.
3. 85 percent of the participants affirmed that the course improved their knowledge on the characteristics of organisational structure that drives growth.
4. 93.4 percent of the participants indicated that the course will assist them to improve on workforce planning within their organisations.
5. Above 88 percent of the participants strongly agreed that the topics covered at the course were appropriate.
6. More than 91 percent of the participants

strongly agreed that the group presentation session was effective in showcasing their understanding of the topics discussed.

7. 80 percent of the participants strongly agreed that the quality of facilitation assisted them in understanding the different concepts in SHRM.

8. Over 86 percent of the participants strongly agreed that the documents (lecture materials, etc.) that were distributed were useful, administration of the course was effective and the course has met their expectations.

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

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

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

Observations

- Facilitators were all good and presented their materials with utmost precision.
- That Internet connectivity was a challenge from both presenters and participants. Some speakers sounded very low because of network connectivity.
- That most public sector institutions do not practice the Reward and Recognition system as revealed through the interactive discussions.
- That most institutions require new employees

to undergo medical screening as part of the recruitment process.

Recommendations

In view of the aforementioned observations, the participants recommended the following:

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

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

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

JOINT IMF-WORLD BANK WORKSHOP FOR WAIFEM COUNTRIES ON IMPLEMENTING THE DEBT MANAGEMENT STRATEGY (DMS) AND ANNUAL BORROWING PLAN DEVELOPMENT (ABP) HELD USING THE BLENDED FORMAT



The blended format of learning on the zoom platform was adopted for the Joint IMF-World Bank Workshop for WAIFEM Countries on Implementing the Debt Management Strategy (DMS) and Annual Borrowing Plan (ABP). The training was conducted from May 9 - 13, 2022, for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

The opening ceremony was attended by the Director General of WAIFEM, Dr. Baba Y. Musa, Directors of WAIFEM, and distinguished resource persons from World Bank and IMF. In his keynote address, the Director-General warmly welcomed all the participants for the course and thanked the officials from World Bank and IMF and other experts for the coordination with WAIFEM and accepting to share their wealth of knowledge on the subjects within a short time of notice.

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

On the course, the Director General expressed concerns about the need for governments to strengthen their debt management strategies to ensure debt sustainability and minimise the high risk of debt distress mainly due to the twin shocks of covid-19 pandemic and the on-going Russia-Ukraine conflict. As such, debt managers had to act quickly, following as much as possible the debt management strategy on the one hand but

also adjusting the pace and direction of its implementation on the other hand. He mentioned that though many of our member countries have made significant progress in building and strengthening public debt management capacity, more work is still needed to ensure that a clear debt management strategy guides government debt management activity.

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

The Director General mentioned that it is in this regards WAIFEM is collaborating with the World Bank and IMF to organise this workshop on Implementing Debt Management Strategy (DMS) and Annual Borrowing Plan (ABP) on a regional level. The training is meant to improve participants' expertise in developing and implementing the ABP, specifically the domestic debt issuance calendar.

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

and facilitating domestic debt market development.

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

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

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

The course was attended by fifty-three (53) participants consisting of thirteen (13) females and twenty (20) males drawn from all member countries namely; The Gambia (11), Ghana (10), Liberia (12), Nigeria (9) and Sierra Leone (11).

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WAIFEM CONDUCTS REGIONAL ONLINE COURSE ON COMBATING MONEY LAUNDERING AND OTHER FINANCIAL CRIMES



The West African Institute for Financial and Economic Management (WAIFEM) organized a Regional Online Course on Combating Money Laundering and other Financial Crimes, from May 16 - 20, 2022. In his keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, who was represented by the Director, Governance and Institutional Development, Dr. Alvin Johnson, welcomed participants to the virtual opening ceremony of the regional course. Dr. Musa also extended his appreciation to the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) for its technical support towards the course and unfettered collaboration with WAIFEM in the fight against money laundering in the sub-region. The Director General highlighted a whole range of issues on money laundering, terrorism financing, financial crimes, and their threats to the integrity of the financial system. He also noted the new challenges created with the advent of Fintech and cryptocurrencies which have great impact on the global financial system, characterized by huge

mobility of funds and rapid development of new technologies.

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

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

- enable participants understand the concept and techniques of money laundering;
- provide insight in understanding the various typologies of AML/CFT

- enable participants appreciate International frameworks that govern the area of AML/CFT Framework (Global Responses, FATF Recommendations).
- provide insights in techniques in Cybercrime and its related activities and the impact on economies.
- expose participants to AML/CFT regulations in Cryptocurrency and Fintech Space.

The following broad themes were covered:

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

The course was attended by twenty-nine (29) senior/middle level officials from the central banks, financial intelligence units, security and law enforcement agencies, specialized units for combating financial crimes and other security and

related agencies from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

Experienced professional financial and security experts from GIABA, WAIFEM, NFIU, CBN and BOG facilitated the course.

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

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

Communiqué

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

Observations

- The nature of the course, in terms of the volume and the concentration needed to absorb the course contents or materials, requires participants' presence for such training at the center.
- Time allotted for the course was limited.
- Some presentations were more theoretical than practical.

Some participants faced network challenges.

There were weak connectivity and unstable internet challenges for some facilitators.

Lots of distractions from office for some participants while training was in session.

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

The course further highlighted the emergence of Fintech and Crypto-currency and its impact on financial institutions.

Recommendations

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

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

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

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

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

Course materials should be sent at least a week before the programme commences for better

- understanding of the materials.

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

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

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

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

WAIFEM DIRECTOR GENERAL LEADS TWO OTHER DIRECTORS TO REPRESENT THE INSTITUTE AT THE 57TH ANNUAL MEETING OF THE AFRICAN DEVELOPMENT BANK AND 48TH ANNUAL MEETING OF THE AFRICAN DEVELOPMENT FUND



The 57th Annual Meeting of the African Development Bank and 48th Annual Meeting of the African Development Fund has been held. WAIFEM was represented by Dr. Baba Yusuf Musa (Director General of WAIFEM), Mr. Euracklyn Williams (Director of Administration and Finance, WAIFEM) and Dr. Emmanuel Owusu-Afriyie (Director of Research and Macroeconomic Management, WAIFEM) at the 57th Annual Meeting of the African Development Bank and the 48th Annual Meeting of the African Development Fund, which were jointly held from 23rd to 27th May, 2022 at the Accra International Conference Centre (AICC), Accra, Ghana. The dignitaries present included His Excellency, Nana Addo Dankwa Akuffo-Addo (President of the Republic of Ghana), Her Excellency Samia Suluhu Hassan (President of Tanzania), His Excellency Filipe Nyusi (President of Mozambique), His Excellency Azali Assoumani (President of the Union of the Comoros), His Excellency Tiemoko Meyliet Kone (Vice President of Ivory Coast), His Excellency Edouard Ngirente (Prime Minister of Rwanda), Her Excellency Monique Nsanzabaganwa (Deputy Chairperson of the African Union Commission), His Excellency Dr. Akinwumi A. Adesina (President of the African Development Bank), Honourable Kenneth Nana Yaw Ofori-Atta (Minister for Finance and Economic Planning, Ghana) and Dr. Ernest Kwamina Yedu Addison (Governor of the Bank of Ghana).

The theme of the twin-meeting was 'Achieving Climate Resilience and a Just Energy Transition

for Africa'. The opening remarks was given by His Excellency, Nana Addo Dankwa Akuffo-Addo, President of the Republic of Ghana. In the spirit of the 'Ghanaian hospitality', the president warmly welcomed all the participants to the twin-meeting with great pleasure and declared the meetings open. During the open press event, Dr. Akinwumi A. Adesina, President of the African Development Bank, expressed his delight about the opportunity to meet physically after over 2 years of COVID-19 pandemic and thanked the participants for honouring the invitation. Topics discussed under the theme included Tax Efficiency for Domestic Resource Mobilization in Africa; Africa's Development Challenges and Opportunities; Key Actions to Drive Inclusive Growth and Sustainable Development in Africa; Building Resilient Digital Economies for Africa: Delivering Effective Infrastructure and Services for Green Economic Growth; Supporting Climate Resilience in African Agri-Food Systems: Building Resilient Rural Economies for a Food Secure and Prosperous Africa and Green Jobs for Youth and Women in Post-COVID-19 Africa.

At the meeting, the 2022 African Economic Outlook (AEO) was launched under the same theme. Other events that took place included the African Banker Awards and Spouse Programme at Kempinski Hotel (Accra), ADF @ Fifty at the main hall of the AICC, AADFI Annual Workshop and General Assembly at Labadi Beach Hotel (Accra). The meeting ended with Dr. Samuel Tengey of the Bank of Ghana donating a book on leadership to the Director General of WAIFEM, Dr. Baba Yusuf Musa.

WORLD BANK, IMF AND WAIFEM CONDUCTS TRAINING ON LIBERIA MEDIUM TERM DEBT MANAGEMENT STRATEGY (MTDS)



The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the World Bank (WB) and the International Monetary Fund (IMF) conducted Liberia Medium Term Debt Sustainability Strategy (MTDS) virtually at the request of the Government of the Republic of Liberia, from May 23 – June 3, 2022. The workshop was attended by 30 participants.

The mission members were:

- i. Kay Chung (IMF Senior Research Officer and Team Lead),
- ii. José Franco Medeiros (WB Senior Debt Specialist),
- iii. Michel Vaugeois (WB consultant)
- iv. Alessandro Scipione, and
- v. WAIFEM team.

Liberia DeMPA Mission Objectives includes:

- i. Assess DEM performance in Liberia
- ii. Monitor progress over the last 5 years (last DeMPA in 2016)
- iii. Record progress made in implementing the reform plan (2019)
- iv. Identify strength and areas for further improvements
- v. Set new baseline for reforms

The training provided a comprehensive training to Government officials in Liberia, in the analysis of domestic and external debt strategy issues, and to establish a sustainable Government team capable of updating domestic and total debt strategy analysis regularly, for the foreseeable future, and with minimal external assistance. It was aimed at

enabling Government of Liberia, to design and implement policies for future external and domestic debt issuance, which ensure long-term debt sustainability.

The workshop covered the following topics:

- Discussion on the current organization of debt management in Liberia (current debt management challenges, debt management strategy, borrowing practices, debt reporting, legal framework etc.);
- Data aggregation (existing debt); Extracting loan by loan data from database, and preparing data for the model;
- Calculation of cost/risk indicators of the existing debt;
- Overview of DMS and its Document;
- Introduction to the AT;
- Cost and Risk Indicators: Case study: Liberia;
- Macro-fiscal Scenario;
- Market inputs/building the yield curve;
- Shock considerations;
- MTDS AT;
- Connecting MTDS with ABP;

The Technical Assistance Mission covered the entire range of the MTDS framework at the technical level. The mission objective was to equip participants to understand the importance of MTDS within the context of domestic macroeconomic conditions and also identify the linkages between the debt portfolio and the characteristics of new financing. It was also expected that participants would be able to formulate and evaluate alternative strategies, including proposing the preferred strategy for the approval of the authorities.

WAIFEM PARTNERS WITH IMF AND WORLD BANK ON VIRTUAL REGIONAL WORKSHOP ON FUNDAMENTALS OF DEBT REPORTING AND MONITORING (FDRM)



The West African Institute for Financial and Economic Management (WAIFEM) organised a Joint IMF-World Bank Regional Workshop on Fundamentals of Debt Reporting and Monitoring (FDRM). The training was conducted virtual on the Zoom platform from June 6 - 10, 2022, for staff of Central Banks, Ministries of Finance and Economic Planning, and other public sector institutions in the West African sub-region.

The opening ceremony was attended by the Director General of WAIFEM, Dr. Baba Y. Musa, who was ably represented by the Director of administration and finance, Mr. Euracklyn Williams, with the top management of WAIFEM, and distinguished resource persons from World Bank and International Monetary Fund.

In his welcome remarks, Mr. James Knight stated that Debt recording, reporting, and monitoring are fundamental to Public Debt management. Mr.

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

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

The Director General also seized the opportunity

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

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

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

and inclusive recovery.

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

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

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

The course was facilitated by five (5) highly seasoned and experienced experts from World Bank, IMF and WAIFEM faculty. They included: James Knight - (IMF); Lars Jessen - World Bank; Sanga Sangarabalan - Independent Debt Management Expert; Mr. Yakubu Aliyu - WAIFEM; and Mr. Gabriel Y. Asante - WAIFEM. The course was attended by fifty-three (53) participants comprising twenty (20) females and thirty-three (33) males drawn from all WAIFEM member countries namely; The Gambia (19), Ghana (10), Liberia (1), Nigeria (10 and Sierra Leone (13).

Communiqué

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

Key Lessons

- Good reporting depends on the quality of the records created and monitored by the staff.
- The number and capacity of back-office staff

will determine their ability to produce reports on a timely basis.

- Debt Reporting and monitoring operations can have significant implication in Government cash mobilization, budgetary and fiscal planning, design and implementation of debt strategy and annual borrowing plan.
- While the Back Office is responsible for debt recording, debt monitoring, financial execution and reporting, other segment of the DMU should constantly interact with each other and share information about ongoing activities and processes.
- Separate staff with responsibility for undertaking transactions from those with responsibility for recording these transactions.
- Depending on the size of the portfolio, each process should have at least two staff members responsible for managing operational risk.
- The Debt Recording System (DRS) used should accommodate both external and domestic debt data.
- Debt management activities should be supported by accurate and comprehensive information technology system that is properly safeguarded.
- Recording and reporting on debt data is different from accounting.
- Published debt reports must be easy to find, understand and use. Accompanying data should always be in excel or csv formats (not pdf).

Observations

- The training was highly educative and well organized.
- The presenters/facilitators were very knowledgeable on the subject matter and course delivery was excellent.
- The participants found the training very relevant.
- The training objectives were achieved, as participants now understand the principle of recording, monitoring, and reporting public debt effectively to ensure debt transparency.
- Time keeping was an issue on some days. Some participants logged in late.
- Delivery medium posed some challenges due to internet connectivity fluctuations and participants engagement in office activities

during training period.

- Some participant had issues with accessing the e-learning portal for the training materials
- Most of the participants appreciated the daily quiz sessions.
- The country case presentations at the beginning of the training were useful to participants.
- The facilitators allowed questions from participants right through their presentations.

Recommendations

To Member Countries:

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

To WAIFEM

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

To Participants

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

The participants expressed sincere appreciation to the Director General and the entire management staff of WAIFEM, World Bank and IMF for successfully organizing this significant training. They also thanked the Facilitators for sharing their knowledge and best practices in debt recording, monitoring, and reporting.

WAIFEM COLLABORATES WITH IMF–WORLD BANK ON WORKSHOP FOR WAIFEM COUNTRIES ON LOCAL CURRENCY BOND MARKET (LCBM) DEVELOPMENT



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

The Director General also took the opportunity to express his appreciation and commendation to the World Bank and IMF for their continued commitment and generous support to WAIFEM's

capacity-building efforts. The DMF, in particular, has significantly improved public debt management, as evidenced by our member countries' remarkable strides in policies, systems, and human capacities.

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

He therefore emphasized the important roles of a

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

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

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

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

The training covered key areas such as: Introduction to LCBM development (Importance, benefits, and recent developments) and Overview of the LCBM framework; Money Market; Introducing the tool; Primary Market; Secondary Market; Investor Base; Financial Market Infrastructure; Legal and regulatory framework; Reform sequencing, interlinkages across building blocks; Issuance Framework; Auction Format;

Primary Dealers/Market-makers arrangements; and, Coordination between debt, cash management and monetary policies. There were also country case studies and guided hands-on exercises to familiarise participants with the Diagnostic Framework which were presented as a team.

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

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

Communiqué

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

Key Lessons

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

Observations

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

Recommendations

To Member Countries:

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

To WAIFEM

- Although the course was relevant and impactful, WAIFEM would need to undertake a follow up in person training and country-specific support, to address

challenges unique to each market in the process of implementing the interventions required for LCBM development.

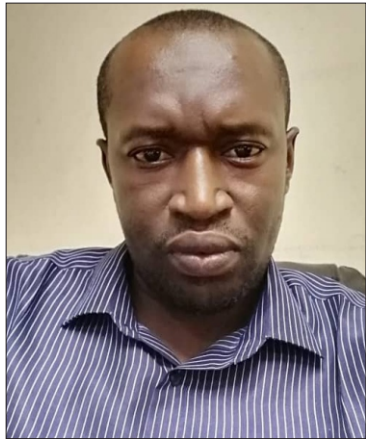
- WAIFEM should ensure that key policy makers and politicians participate in the course, or a modified version thereof, to include matters relevant for their non-technical perspectives and responsibilities.
- WAIFEM should re-open their training centres across the region to allow face-to-face training, cultural interaction and exchange, and full concentration by participants during the Course period.

To Participants

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

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

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MR. EDIONG-ABASI ANWANANE
JANUARY 6



MRS VERONICA INOFE
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MR. ANDY OGIOGIO
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MAY 19



GANIYU AKINDELE
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