

# West African Institute For Financial And Economic Management



**2020**  
**ANNUAL**  
**REPORT**

# 2020 ANNUAL REPORT

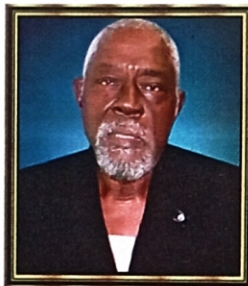


WEST AFRICAN INSTITUTE  
FOR FINANCIAL AND ECONOMIC  
MANAGEMENT

## BOARD OF GOVERNORS



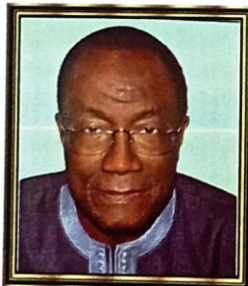
**Mr. Godwin I. Emeziele**  
Governor, Central Bank of Nigeria,  
and Chairman, Board of Governors



**Mr. Nathaniel R. Patray III**  
Executive Governor, Central Bank of Liberia



**Hon. Bakary Jammeh**  
Governor, Central Bank of The Gambia



**Prof. Kelfala M. Kallon**  
Governor, Bank of Sierra Leone



**Dr. Ernest Y. K. Addison**  
Governor, Bank of Ghana



**Dr. Baba Y. Musa**  
Director General, WAIFEM  
& Secretary, Board of Governors

## Message from the Chairman of the Board of Governors

I am delighted to present the 2020 Annual Report and Statement of Accounts of the West African Institute for Financial and Economic Management (WAIFEM) on behalf of the Board of Governors.

In the year 2020, the world faced a crises like no other (COVID-19 pandemic) which significantly impacted on global, regional and national health systems, economies, banking and finance, trade, transportation and social infrastructure, making businesses across the world to look for flexible mode of operation. The lockdown measures, travel restrictions, requirements for social distancing at work places and meeting venues hampered the delivery of WAIFEM training programmes. The Institute was only able to deliver face to face training from January to 23 March, 2020. However despite the constraints, WAIFEM proactively adopted virtual format at delivery of training programmes and delivered its mandate efficiently.



This report contains the training and capacity building activities of the institute and the audited financial statements of the institute for the period January 1 to December 31, 2020 as well as overviews of the economic performance of WAIFEM member countries, the West African sub-region, Africa and the world at large.

During the period under review WAIFEM organized and executed 13 programmes in the form of workshops, courses, capacity enhancement, seminars and missions. The programmes benefited a total of seven hundred and ninety-four (794) executive/senior/middle level officials from member central banks, core economic ministries, debt management offices and other public sector agencies. The seminars were timely as they focused on "The Impact of COVID-19 on the Economies of WAIFEM member countries"

I am pleased to point out that during that year, WAIFEM partnered with the Central Bank of Nigeria on the induction and capacity enhancement of newly recruited staff. To ensure that staff of the key institutions in the sub-region are adequately prepared to meet the challenges with the disruption of work because of the COVID-19 pandemic, WAIFEM equally organized seminars that focused on "The future of Work and implications for Public Sector Agencies and Learning Organisations" as well as "The future of Work and its Imperatives for Public Sector Organisations".

As can be seen from this Annual Report, WAIFEM management and staff are hard at work, serving member countries and helping them address capacity building challenges.

Let me use this opportunity to thank the International partners of WAIFEM, the Institute's donors and other stakeholders for their continued support to the Institute. I also express sincere thanks to the management and staff of WAIFEM for their hard work and commitment to the capacity building needs of the sub-region.

Mr. Godwin I. Emeziele (CON)

Governor, Central Bank of Nigeria and

Chairman, Board of Governors of WAIFEM

December, 2020

## OVERVIEW OF 2020 ACTIVITIES BY THE DIRECTOR GENERAL

The year 2020 was a peculiar one for the West African Institute of Financial and Economic Management (WAIFEM) given the effects of the corona virus pandemic which ravaged the whole world in general and the West African sub-region in particular. Despite the effects of COVID-19, the Institute made modest achievements.

As a result of the lockdown imposed by the Federal Government of Nigeria and the governments of other WAIFEM member countries in order to curb the spread of Covid-19, the Institute suspended all training programmes, and workshops with effect from March 23, 2020. All members of staff of the Institute therefore worked remotely from home from March 26, 2020, to May 5, 2020.

Effective 6th May 2020, members of staff in the category of Managers and above resumed duties in the office on Mondays, Wednesdays, and Fridays, while working from home on Tuesdays and Thursdays. From 8th June 2020, the other categories of staff joined the same work schedule as the Federal Government of Nigeria was yet to fully lift all Covid-19 restrictions.

Between January and March 2020, and before the declaration of travel restrictions coupled with the observance of protocols due to the COVID-19 pandemic, the institute had implemented four (4) capacity building activities. Thereafter, the institute adopted the use of virtual platforms to deliver capacity building programmes. The adoption of on-line programmes greatly alleviated the travel costs and time constraints faced by the participants and the Institute. However, the virtual technique of course delivery during the year presented challenges such as lack of and failure of internet facilities, adapting the training curricula to on-line format and provision of practical exercises on-line, among others.

During the year 2020, WAIFEM executed thirteen (13) training and capacity building programmes which benefitted seven hundred and ninety-four (794) executive/senior/middle level officials from member countries and beyond.

Moreover, the Institute maintained its international relations with strategic partners through meetings with IMF-Monetary and Capital Market Department; The Bank for International Settlement and the Basel Committee on Banking Supervision; United Nations Department of Economic and Social Affairs (UNDESA); Overseas Development Institute (ODA), International Monetary Fund (IMF) the World Bank, among others.

During the World Bank / IMF Annual meeting in October 2020, the Director General of WAIFEM was selected among the global expert's panelists, who

discussed about comprehensive solutions for rising public debt levels in the world.

WAIFEM had successful meetings with the World Bank Fiscal Policy and Sustainable Growth Department, during which discussions focused on the sum of five hundred thirty-eight thousand, one hundred and twelve United States Dollars (USD 538,112) 2-year Debt Management Facility III Grant to WAIFEM. The Grant was expected to support WAIFEM to implement the DMF III in result areas of improving governance and institutions, enhancing debt management strategy and policy as well as boosting debt transparency.

During the year, and in view of the prevailing COVID-19 pandemic, WAIFEM organised two online symposia on "The Effects of COVID-19 on the Economies of Member Countries". Two webinars were also organised on "The Future of Work and Implications for Public Sector Agencies and Learning Organisations" for staff of WAMA, WAMI and WAIFEM as well as "The Future of Work: Imperatives for Public Sector Organisations".

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

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

Dr. Baba Yusuf Musa  
Director-General  
West African Institute for Financial and Economic Management (WAIFEM) and Secretary, Board of Governors  
December 2020



# PRINCIPAL OFFICERS OF THE INSTITUTE



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



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



**Mr. Paul J. Mendy**  
Director, Financial Sector and Payment Systems Department



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



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



**Mr. Alvin G. Johnson**  
Director, Governance & Institutional Development Department



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



**Prof. Douglasson G. Omotor**  
Advisor, Bus. Dev. & Consult. Unit



**Dr. Okon J. Umoh**  
Principal Prog. Mgr. Research & Macroeconomic Mgt Dept.



**Mr. Ogonnaya Agu**  
Snr. Prog. Manager Governance & Institutional Devt Dept.



**Mr. Gabriel Y. Asante**  
Prog. Manager, Macroeconomic Mgt. Dept.



**Mr. Momodou L. Jarjue**  
Snr. Prog. Manager 2 - Fiscal Policy, Debt Mgt. & Regional Integration Dept



**Mr. Linus Gimoh**  
Principal Accountant



**Mr. Samuel J. Sepha**  
Head, Library and Publications Unit

# **OPERATIONS OF WAIFEM**

## 1.1 OVERVIEW OF PROGRAMME OF ACTIVITIES

**D**uring the year 2020 the Institute conducted thirteen (13) training and capacity building activities, which benefited a total of seven hundred and ninety-four (794) executive/senior/middle level officials from member central banks, core economic ministries, offices of accountant generals, debt management offices and other public sector agencies.

Moreover, of the thirteen capacity building programmes, four (4) were symposia/webinars with a total attendance of three hundred and ninety-one (391). The Research and Macroeconomic Management Department organized two on-line symposia which benefitted two hundred and sixty-three (263) officials while the Governance and Institutional Development Department hosted two Webinars which recorded an attendance of one hundred and twenty-eight (128) participants. There were some private sector managers who also benefited from WAIFEM activities during the period under review through participation at the training programmes organised under the Business Development and Consultancy Unit. The thirteen (13) programmes executed fell short of the thirty (30) courses earmarked to be executed during the period, due to the lockdown and other fall outs of the COVID-19 pandemic.

The Fiscal Policy, Debt Management and Regional Integration Department conducted three (3) of the thirteen executed programmes benefiting one

hundred and five (105) officials. The Research and Macroeconomic Management Department conducted four (4) programmes, benefiting four hundred and ten (410) officials. The Financial Sector and Payment Systems Department organised one (1) programme which benefited thirteen (13) officials, while the Governance and Institutional Development Department organised three (3) programmes which benefited one hundred and fifty-six (156) officials. The Business Development and Consultancy Unit (BD&CU) conducted two (2) training programmes which benefitted one hundred and ten (110) officials.

Research and Macroeconomic Management Department organized two (2) diagnostic symposia on the impact of COVID-19 on the economies of WAIFEM member countries. The Governance and Institutional Development Department organized Webinars on "The Future of Work: and Implications for Public Sector Agencies and Learning Organisations" for staff of Wama, WAMI and WAIFEM as well as "The Future of Work: Imperatives for Public Sector Organizations."

The new normal imposed on nations by the COVID-19 pandemic made it imperative to use virtual platforms to deliver capacity building programmes. The surge in the spread of COVID-19 and the associated lockdown and social distancing and travel restriction measures precluded WAIFEM from executing most of the planned programmes activities slated for execution in 2020.

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

### 1.2.0 INTRODUCTION

The Fiscal Policy, Debt Management and Regional Integration Department executed a total of three (3) capacity building programmes, which benefited 105 public sector officials from WAIFEM member countries. In terms of country breakdown, the participants came from The Gambia (41.9 per cent) and Liberia (41.9 per cent), followed by Sierra Leone (8.6 per cent), Nigeria (5.7 per cent,) and Ghana (1.9 per cent). The Gambia and Liberia registered the highest number of participation due to the conduct of debt management capacity building missions in those countries.

Regarding participation by gender, the number of males and females who attended the fiscal policy, debt management and regional integration courses were 76.2 and 23.8 per cent,

respectively. In terms of user institutions, 72.4 per cent of the participants were from the Ministries of Finance, which is the tier of government that deals with public debt management. Central Banks accounted for 14.3 per cent while other institutions accounted for 13.3 per cent of the participants.

Details of the programmes executed in 2020 are provided as follows:

### 1.2.1 WAIFEM REGIONAL COURSE ON PUBLIC FINANCIAL MANAGEMENT: DEBT, BUDGETING, PLANNING AND PERFORMANCE, BANJUL, THE GAMBIA, MARCH 09 – 13, 2020.

The Regional Course was organized for senior officials of Ministries of Finance, Central Banks, Budget Departments, Revenue Authorities, Debt



Management Department, etc. of WAIFEM member countries.

The course was attended by twenty-eight (28) participants from The Gambia (11), Ghana (2), Nigeria (6), and Sierra Leone (9), drawn from Central Banks, Ministries of Finance, Ministries of Commerce and Industry, Planning and Economic Development, Accountant General's Departments, National Revenue Institutions, Budget Offices, and Statistical offices.

The course was specifically designed to provide an understanding of relevant issues relating to Public Financial Management, Debt Management, Budgeting, Planning and Performance Management. It also looked at the various components of PFM systems with a view to improving economic and fiscal performance in the sub-region. The general expectation, therefore, was for the participants to be able to design and analyse the different stages of the PFM Cycle from the perspective of local conditions and political institutions. The course covered different topics on public financial management (PFM), debt administration, budget and budgetary controls, planning and performance management in the public sector. The specific topics included:

1. Overview of public financial management: Government budget cycle, etc
2. Programme and performance management
3. Designing credible and sound macroeconomic Policy framework
4. Planning, budgeting and expenditure control in the public sector - Case study of Nigeria
5. Managing expenditure: Public procurement, budget execution, cash planning and management
6. Planning, budgeting and financial management in the public sector
7. Public expenditure programme (PEP), concept, measurement, objectives of an effective PEP, sources of budget overruns
8. The Role of Fiscal Policy
9. The Medium-term expenditure framework (MTEF), programme and performance management
10. Government Budgeting, budget types and classification.

11. Budget coverage, fiscal coverage, and legal framework.
12. Annual Budget preparation process
13. Mainstreaming social protection programmes): Case study of Ghana
14. International standards: PEFA, Codes of Fiscal Transparency
15. Gender equality and public finance management: Issues and challenges
16. Public debt dynamics and financial management regulations
17. Debt management in developing countries: Case study of Ghana
18. Public expenditure and financial accountability assessment - Gauging Government PFM Systems
19. PEFA: Budget credibility, budget comprehensiveness, budget transparency

The participants indicated their appreciation of the training and expressed satisfaction with the method of delivery and competence of the facilitators from the academia, regional expert and public sector (practitioners) in the sub region. These include Mr. Aminu Ibrahim, former Permanent Secretary, Ministry of Budget and Economic Planning, Bauchi State, Nigeria; Mr. Bai Madi Ceesay, Director, Budget Department Ministry of Finance and Economic Planning, The Gambia; Dr. Mawuli Gaddah, Head, Fiscal Department, Ministry of Finance, Ghana, and Dr. Alhassan Idrissu, Director, Research Department, Ministry of Finance, Ghana.

In the communique presented, the participants made the following observations for consideration of the organisers and stakeholders:

1. The facilitators demonstrated reasonable knowledge on the subject matter. However, due to the short duration of the course the facilitators could not go deeply into the topics.
2. They opined that the participation of Parliamentary Budget Offices (PBOs) is low considering their critical role in government budget processes and macroeconomic management.

3. They observed that the overall course content is linked to their individual roles and responsibilities, and has provided useful information that will enhance their work.
4. It was also observed that debt management and proper budgeting are very key in the Public Financial management of a Country, as highlighted in the case studies of Gambia, Ghana and Nigeria.
5. It was also observed that public financial management (PFM) systems are essential for effective and sustainable economic management and public service delivery.
6. It was observed that the principles of a good PFM consider budget credibility, comprehensiveness and transparency, budget predictability, level of auditing and scrutiny and policy.
7. That effective cash planning and management is key for good PFM.
8. That a good budget must reflect macro-fiscal developments and consider transparent principles, as well as the inherent potential risks (macroeconomic and contingency risks) analysis;
9. That the process of public procurement begins with the identification of needs up to the level of delivering the goods.

Further to the lectures and subsequent interactive discussions, the following recommendations were noted by the participants on both the content of the course and the training sessions in general:

- i. More time should be allocated for such trainings in the future. This will help to improve the understanding of participants.
- ii. Group discussions should be encouraged so as to improve on the learning of practical experiences from different jurisdictions.
- iii. The participation of Parliamentary Budget Offices (PBOs) should be increased in future trainings due to their critical role in the government budget processes and macroeconomic analysis.
- iv. The top executive management of both the monetary and fiscal authorities in the WAIFEM member countries should introduce holding quarterly forum for coordination of

monetary and fiscal policies.

- v. Budget governance should be embraced by member countries in order to guarantee the transparency, inclusiveness, participatory and effective management of the budget.

Overall, the participants expressed their profound gratitude to their individual institutions, governments, management and staff of WAIFEM, and the authorities of the Republic of The Gambia, especially the Central Bank of The Gambia for the opportunity accorded them during the period of the course, and for the support provided. They were also grateful to the resource persons for sharing their vast knowledge and expertise.

### **1.2.2 WAIFEM/ALSF, THE GAMBIA NATIONAL DEBT SUSTAINABILITY ANALYSIS (DSA) AND MEDIUM-TERM DEBT MANAGEMENT STRATEGY (MTDS) TRAINING WORKSHOP, BANJUL, THE GAMBIA, MARCH 2 – 6, 2020 AND MARCH 16 – 20, 2020.**

To support The Gambia National Development Plan (NDP), the international community pledged significant financial assistance to The Gambia at a Donors' Conference held in Brussels, Belgium in May 2018. In this context, the Government of The Gambia received budget support from the Agence Française de Développement (the "AFD"). The assistance included support for SOE audit, health expenditures and financing for the engagement of international advisors to assist in the development and implementation of a negotiation strategy with external creditors.

An International Monetary Fund (IMF) delegation visited The Gambia from February 25 to March 8, 2019, during which time economic and financial policy commitments were discussed under a new Staff Monitored Programme (SMP) for 2019 as a first step towards transitioning The Gambia to an Extended Credit Facility (ECF). The ECF would unlock about USD 100.00 million in highly concessional finance.

A precondition to receiving an ECF from the IMF was to obtain "credible and specific" debt relief assurances from enough external creditors to ensure The Gambia's return to a debt

sustainable path.

With the support of the African Legal Support Facility (the ALSF), in 2019, the GoG succeeded in obtaining the necessary financing assurances from most creditors who agreed to restructure their debt. As at 31 December 2019, 70.1% of all participating creditors had either produced new debt schedules or agreed on a detailed loan-by-loan treatment of The Gambian debt profile. In this regard, approval of the ECF by the IMF was scheduled for the first quarter of 2020.

As a precondition to extending the ECF, the IMF requested the GoG to provide an updated Medium-Term Debt Strategy (MTDS) and Debt Sustainability Analysis (DSA). The project would help The Gambia to attain debt sustainability required to unlock much needed IMF funding to meet its developmental and infrastructure needs and goals. It would allow the Government of The Gambia to design and implement policies for future external and domestic debt issuance, which would ensure long-term debt sustainability.

The GoG approached the ALSF to obtain advisory services in support of its debt management needs. The ALSF engaged the services of the West African Institute for Financial and Economic Management (WAIFEM) in February 2020.

The ALSF provided emergency advisory services to assist the Government of The Gambia in the debt management needs. Specifically, (i) the development of MTDS; and (ii) the conduct of DSA, in each case, as a pre-condition to an IMF ECF for The Gambia Government.

The assistance requested by the Government is sub-divided into two work-streams:

**Work-stream 1: Assist the government of The Gambia in the preparation of its MTDS.**

**Objective:** The objective was to assist the GoG in the preparation of an updated MTDS in anticipation of the IMF ECF:

- in collaboration with the Directorate of Loans and Debt Management (DLDM), to prepare an updated MTDS reflecting the current debt restructurings to guide the debt policy of the GoG; and
- to provide hands-on capacity building training to the members of the DLDM and any other relevant government officials with

respect to developing and maintaining an updated MTDS.

The MTDS was to serve as a guide to design and implement a strategy that would help the Government; (i) to raise the required financing needs at the lowest possible cost, consistent with a prudent degree of risk, and, (ii) develop the domestic debt market. Given that The Gambia has almost successfully concluded with its major external creditors a debt restructuring programme, the MTDS would help in providing a debt strategy that would keep the public debt to be optimally cost-effective with a prudent degree of risk.

**Work-stream 2: Assist the GoG in conducting a DSA.**

**Objective:** The objective was to assist the GoG in conducting DSA in anticipation of the IMF ECF:

- in collaboration with the DLDM, conduct DSA to assess the sustainability of The Gambia's public debt; and
- to provide hands-on capacity building training to the members of the DLDM and any other relevant government officials with respect to conducting DSA.

The DSA input to fiscal policy and debt management strategies will also help GoG:

- Identify the key drivers of public and external debt.
- Evaluate safe debt levels in a world full of uncertainties.
- Assess costs and benefits of higher public investment in a country with development needs from the angle of debt sustainability.
- Use the standard Debt Sustainability Framework for Low- Income Countries (LIC DSF) tool to determine the risk of public and external debt distress in a country with concessional debt.

The DSA workshop took the form of interactive and syndicate sessions. The following themes were covered:

- Introduction to DSA in Low-Income Countries and new features of Debt Sustainability Framework (DSF);
- Inputs: Definitions and coverage of public

- debt, macroeconomic projections;
- Inputs: Financing assumptions;
- Macroeconomic linkages and debt dynamics;
- Realism Tools: Drivers of debt dynamics, realism of planned fiscal adjustment, fiscal adjustment and growth, and public investment and growth;
- Standardized stress tests;
- Contingent Liability Stress Test;
- Debt carrying capacity (composite indicator) and Thresholds;
- Risk Signals: External, total public debt, and market financing pressures;
- Use of Judgement: Short and marginal breaches, domestic debt and market financing vulnerabilities, external private debt, availability of liquid financial assets, long-term considerations, and other considerations;
- Final risk ratings; and
- Granularity: Moderate risk category (space to absorb shock), assessing sustainability.

The MTDS workshop was conducted in an interactive plenary and syndicate sessions. The workshop commenced with loan by loan data extraction from the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS), to a format that conforms to the MTDS Analytical Tool (AT) input requirements. The exercise involved aggregation of the loan by loan information into up to 20 representatives' debt instruments. Aggregation enabled the GoG officials to understand the main drivers of cost and risk of the debt portfolio.

Furthermore, eight steps were covered during the development of the MTDS.

During the workshop, participants were grouped into four technical teams and trained in the steps needed to prepare external and domestic debt strategy document, including:

- i. Identifying main objectives for public debt management and the scope of the MTDS;
- ii. Cost and risk of existing debt;
- iii. Identifying potential sources of finance, their financial characteristics including cost and risk parameters;
- iv. Identifying baseline projections for key fiscal and monetary policy variables, market rates, and the relevant constraints and implications for MTDS formulation;
- v. Reviewing structural factors that will potentially influence the desired direction of the MTDS over the longer-term;
- vi. Identifying and analysing possible debt management strategies, assess performance, and chose preferred debt management strategies; and,
- vii. Ensuring that relevant feedback from the strategies identified is provided by the fiscal and monetary policy authorities and reviewing the potential debt market implications of the strategies.

The Workshop and training commenced in February 2020 with the review the CS-DRMS debt database. The validation was undertaken to verify creditor statements against the debt data in the database and updated the database accordingly to reconcile with the statements. The validation exercise provided key inputs to both DSA and the MTDS and ensured that the data used were accurate and up to date. The DSA workshop commenced on March

2 - 6, 2020 at the Atlantic Hotel, Banjul, The Gambia. Upon completion of the DSA, the development of the Gambian MTDS immediately followed from March 16- 20, 2020, also held at the same venue.

Both the DSA and MTDS workshops were attended by thirty-three (33) officials comprising of twenty (20) males and thirteen (13) females from the Central Bank of The Gambia (CBG), Gambia Revenue Authority (GRA), Ministry of Finance and Economic Affairs (MOFEA) and, Accountant Generals Department (AGD).

The mission was led by Dr. Baba Yusuf Musa, Mr Gabriel Y. Asante and Mr. Momodu Lamin Jarjue from WAIFEM, and Mr. Charles Santigie Conteh, Mr. Karamo Jawara, Ms. Esinam Afua Dagadu, Mr. Joe Ugoala, and Ms. Doris Adzo Dzidzornu both WAIFEM Consultants/Faculty who facilitated the exercise. The reports of both the DSA and MTDS were submitted to ALSF and the Government of The Gambia.

### 1.2.3 TECHNICAL ASSISTANCE FOR LIBERIA'S 2021 MEDIUM-TERM DEBT SUSTAINABILITY (MTDS)

The Government of Liberia entered a four-year arrangement with the International Monetary Fund (IMF) under the Extended Credit Facility (ECF) in December 2019, to help the country restore macroeconomic stability and provide solid foundation for sustainable growth. In pursuance of this, the Government of Liberia has developed a Medium-Term Debt Management Strategy covering the period 2021 - 2023. This follows the expiration of the MTDS approved in December 2013, covering the period 2014 - 2016, which guided debt management policies and operations up to fiscal year 2019/2020.

The central objective of the 2021 – 2023 MTDS, was to guide debt management policies and support the Government of Liberia raise the required financing to implement the Pro-Poor Agenda for Prosperity and Development (PAPD). The PAPD articulates the development objectives and aspirations of the Government and people of Liberia through sound policies, programs, and projects for which both domestic and external financing are required to ensure its implementation. The medium-term macroeconomic framework takes into cognizance the continued impact of the Covid-19 pandemic on the global economy and its implications for Liberia, as well as the likely impact on the economy if the disease is sustained.

In the light of the above developments the government of Liberia requested WAIFEM to provide technical assistance towards the preparation of updated and medium term debt strategy (MTDS) for 2021-2023. The MTDS Workshop was conducted in two Liberian cities, Buchanan, Grand Bassa Count, and Monrovia over the period of October 19-30, 2020. It was attended by a total of forty-four (44) officials drawn from the Ministry of Finance and Development Planning (MFDP, Central Bank of Liberia (CBL) and the Liberian Revenue Authority (LRA).

The technical assistance mission was led by Mr. Yakubu Aliyu and Mr. Gabriel Asante from WAIFEM, and Mr. Santie C. Conte, Ms. Doris A. Dzidzordu and Ms. Esinam Afua both WAIFEM consultants/faculty who facilitated the exercise.

Specifically, the mission's objective include:

- Achieve a composition of the government's debt portfolio that captures the government's preferences with regards to the cost-risk tradeoff.
- Ensure that government financing needs and payments obligations are met at the lowest possible cost subject to a prudent balance between costs, risks; and
- Develop (and select) an appropriate strategy that maximizes the growth and development of the country's domestic securities market.

The scope of the MTDS covers total central government's debt (domestic and external) and explicit guarantees, including borrowing by State-Owned Enterprises (SOEs). This coverage also extends to the IMF-ECF programme which provides financing for balance of payments (BoP) support. The time horizon of the analysis is the medium-term, spanning three (3) years from 2021 through 2023.

Some of the activities covered during the mission included;

- Introduction and overview of the transition process;
- Liberia country presentation (current debt management strategy)
- cost and risk of existing debt portfolio
- macroeconomic linkages and debt dynamics;
- cost and risk indicators;
- introduction to the MTDS Analytical Tool (AT);
- sensitivity analysis (shock scenarios);
- market environment (exchange rate and interest rates);
- introduction to yield curve and forward curve;
- data aggregation;
- inputting data in MTDS AT;
- discussion on debt management strategies (formulating alternative strategies); and
- drafting the MTDS report.

In line with the MTDS AT, four (4) scenarios were developed and examined based on the medium-term macroeconomic framework (2021-2023) in discussion with the IMF: a baseline strategy,

which maintained the status quo, and assumed no significant change in external and domestic policies, plus three alternative strategies. The other three strategies were used to assess the costs and risks implications of shifting from the baseline. These strategies are discussed below.

### Strategy 1 (S1) - Baseline (Maintaining the Status quo)

S1 is the baseline scenario, anchored on existing policies and in-line with medium-term macroeconomic framework agreed with the IMF. This strategy prioritised highly concessional financing and grants with limited scope for domestic financing. This is reflective of the constraints posed by the non-existent domestic debt market in Liberia. A mix of highly concessional loans from both bilateral and multilateral creditors is being pursued.

### Strategy 2 (S2) – 50:50 Share between Concessional and Semi-concessional Loans

Given the challenges that could be posed by continued reliance on only concessional resources and grants, S2 assumes taking in some semi-concessional resources. A 50:50 percent share in concessional and semi-concessional financing is pursued. This takes into cognizance the shift in the global financial landscape, as less concessional financing is being made available to low-income and developing economies, due to the adverse impact of Covid-19 pandemic on

the global economy.

### Strategy 3 (S3) – Introduction of Treasury Bills in the Domestic Debt Market

This Strategy is a deliberate choice of the Liberian Government to initiate the process of developing the domestic debt market. As articulated above, Liberia has a non-existent domestic debt market. There is the need to commence the introduction of treasury bills (T-Bills) in the domestic debt market to help Government in meeting liquidity and cash management challenges. S3 assumes increased share of domestic financing unlike in S1 and S2.

### Strategy 4 (S4) – Market Development

Almost like S3, S4 accommodates the introduction of 2-year and 3-year bonds to support domestic debt market development. If sustained, it will deepen the domestic debt market and lead to the establishment of a domestic yield curve for Liberia. The financial sector will use the established yield curve to ultimately price their own lending instruments. Both Government and the private sector would fall back on the domestic financing in the event there is a significant scale down in external financing. This comes at a cost, as domestic financing is relatively costly compared to external financing, particularly in a shallow domestic debt markets.

**Table 1: Cost and Risks Indicators**

Risk Indicators		2020	As at end 2023			
		Current	S1	S2	S3	S4
Nominal debt as percent of GDP		50.81	56.90	56.85	57.53	57.51
Present value debt as percent of GDP		48.38	44.94	41.09	46.89	47.10
Interest payment as percent of GDP		1.04	0.90	0.86	1.34	1.32
Implied interest rate (percent)		2.05	1.69	1.58	2.63	2.58
Refinancing risk <sup>2</sup>	Debt maturing in 1yr (percent of tot)	2.98	2.41	2.44	6.76	5.66
	Debt maturing in 1yr (% of GDP)	1.90	1.37	1.39	3.89	3.26
	ATM External Portfolio (years)	16.93	17.22	16.51	17.24	17.22
	ATM Domestic Portfolio (years)	13.05	11.48	11.46	9.79	9.74
	ATM Total Portfolio (years)	15.70	16.02	15.26	15.41	15.36
Interest rate risk <sup>2</sup>	ATR (years)	15.70	16.02	15.26	15.41	15.36
	Debt re-fixing in 1yr (percent of tot)	2.98	2.41	16.64	6.76	5.66
	Fixed rate debt incl T-bills (percent)	99.65	100.00	85.80	100.00	100.00
	T-bills (percent of total)	-	-	-	4.36	2.79
FX risk	FX debt as % of total	60.25	75.55	75.49	71.42	71.09
	ST FX debt as % of reserves	5.71	6.78	6.78	6.78	6.78

### Selection of the feasible Strategy

It is observed that there is no one superior strategy compared to the others across all costs and risks indicators. The mode of financing determines the exposure to specific risks in the debt portfolio. Therefore, on the balance of costs and risks and Government's debt management objective of developing the domestic debt market on gradual basis, Strategy 3 is most preferred. Pursuing this Strategy will create an alternative financing source for the Government of Liberia to continue the implementation of its programme and policies in the event of a significant scale down of external resources.

The gradual development of the domestic debt market by pursuing Strategy 3 will result in the establishment for a domestic yield curve against which pricing of financial instrument would be benchmarked by the private sector. Caution should, however, be exercised by Government so as not to accentuate domestic debt burden and associated risks.

### Key Recommendations

The key recommendations from the mission included, but not limited to, the following:

The overarching need to develop the Liberia domestic debt market and support public investment initiatives that will minimize risks to debt sustainability.

Among some of the issues to consider in developing the domestic debt market may include:

- o To develop a domestic savings mobilisation strategy that is anchored on market and wider citizenry public relations campaign on the need to save and the benefits of savings. The role of the Central Bank of Liberia would be critical in this regard.
- o The Ministry of Finance and Development Planning in collaboration with relevant stakeholders should develop a market sensitisation strategy to engage the commercial banks, social security fund, and the wider citizenry on the investment in Government treasury securities. The campaign should articulate the win-win for holders, as well as Government, in terms of promoting savings and providing resources for Government to implement only self-liquidating projects in the energy and other

critical sectors.

- o Build the capacity of players in the financial sector ecosystem including the commercial banks and discount houses on the pricing of short to medium-term securities to support lending.
- o The need for the Central Bank of Liberia to strengthen trading among commercial bank to deepen secondary market activities.
- o A developed, and an active secondary market would lead to the establishment of a domestic yield curve with which pricing of bonds and debentures would be done by the private sector to raise resources for expansion. This would promote investment, employment, and increase tax revenue.
- o There should be market diagnosis to determine the binding constraints to savings mobilisation and domestic debt market development, and proffer evidenced based recommendations for removing these constraints.
- o The need to organize a separate mission on domestic debt market development and promoting public investment initiatives to further assess market situation and structural challenges.

### Conclusion and Appreciation

The Liberia's MTDS 2021-2023 offers a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the Government of Liberia 2021 budget. The cost-risk trade-off of alternative borrowing strategies under the framework was evaluated within a medium-term context. It complements the debt sustainability framework which is concerned with long-term debt sustainability. Additionally, the 2021 MTDS, considered both global and domestic market environment and related vulnerabilities, recommends a mix in the composition of debt towards concessional external debt and T-bills and bonds of domestic debt over the medium-term as reflected in the preferred financing strategy (S3). Finally, it was suggested that future MTDS be presented as part of the Government of Liberia budget process, to enhance the transparency of the borrowing process.

At the end of the mission, the WAIFEM team, together with the consultants, held a brief meeting with the Minister of Finance and Development Planning, Hon. Samuel D. Tweah, Jr., the Deputy Minister Hon. Augustus J. Flomo and other staff of MFDP. The consultants presented to the Minister the first draft of the MTDS report. In his remarks, the Minister

expressed the appreciation of Government and the people of Liberia to WAIFEM and the Director General for providing technical assistance to Liberia to develop the MTDS. He assured that the Government of Liberia is committed to implementing the key recommendations outlined in the mission's report.



## 1.3 FINANCIAL SECTOR AND PAYMENT SYSTEMS DEPARTMENT

### 1.3.0 INTRODUCTION

During the year 2020, the Financial Sector and Payment Systems Department organised one regional capacity building programme. A total of thirteen (13) participants from central banks, ministries of finance and other public and private sector agencies all from WAIFEM member countries attended the programme. In terms of distribution of participants by country, Ghana accounted for 38.5 percent of participants, followed by The Gambia and Liberia which accounted for 23.1 per cent each. Sierra Leone recorded 15.4 per cent.

A breakdown of the participation according to institutions showed that all the participants (100 percent) were from central banks. In terms of gender participation, there were 8 female participants accounting for 61.5 per cent, and 5 males accounting for 38.5 per cent of total participation.

The details of the course conducted by the Financial Sector and Payment Systems department are as follows:

#### 1.1.1 REGIONAL COURSE ON BANKING SUPERVISION AND RESOLUTION (LEVEL 1)

##### MARCH 2 - 13, 2020, LAGOS, NIGERIA

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the College of Supervisors of the West African Monetary Zone organized the regional course on Banking Supervision and Resolution (Level 1).

The opening ceremony was presided over by the Director General of WAIFEM, Dr. Baba Y. Musa. Also present were, Mr. Euracklyn Williams, Director, Administration and Finance, Mr. Paul Mendy, Director, Financial Sector and Payment Systems Department, Mr. Alvin Johnson, Director, Governance and Institutional Development Department, and a representative of the resource persons, Mr. Ousman Sowe.

In his Keynote address, the Director General of WAIFEM, Dr. Baba Y. Musa, gave a brief history of WAIFEM and its achievements over the years. He stressed the need for effective supervision of the banking system in order to inhibit excessive risk-

taking, and avert bank failures resulting from risks exposures. Finally, Dr. Musa stated that the course would expose supervisors to best practices relevant to the execution of their roles.

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

The following broad themes were covered:

- Bank licensing process;
- Bank Failure: causes, prevention and resolution;
- Fundamentals of bank operations;
- Consolidated supervision;
- On-site and off-site examination Process;
- Capital and capital verification;
- Bank accounting;
- Financial statement analysis;
- Forex operations and examination process;
- IFRS 9 principles;
- Corporate governance principles;
- Framework for prompt corrective action; and
- Anti-Money laundering, financial crimes and frauds.

The course was attended by thirteen (13) middle level staff of central banks from The Gambia, Ghana, Liberia, and Sierra Leone, and was facilitated by experienced resource persons and practitioners from the private and public sectors 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 considered adequate by more than 95 percent of the participants;
- 92.3 percent of the participants affirmed that the course has deepened their knowledge and understanding of the basics in banking

supervision and resolution;

- All the participants concurred that the topics covered at the course were appropriate;
- Majority of the participants claimed that the course would assist them in performing their job functions;
- 98.3 percent of the participants asserted that the quality of facilitation assisted them in understanding the concepts;
- About 85 percent of the participants strongly agreed that the course met their expectation;
- The participants unanimously concurred that the quality of training materials and documentation distributed were very useful;
- Over 99 percent of the participants found the overall administration and coordination of the course by WAIFEM to be very effective and;
- About 29 percent of the participants were of the opinion that the time allotment for the delivery of some of the sessions was inadequate.

In compliance with the directive of the Board and Management of WAIFEM, two sets of Quizzes were administered to the participants. The overall performance was very good, with all participants registering scores above the threshold of 50 percent.

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

- i. Banking regulation/supervision within the sub-region has similarities in certain areas whereas, it varies in other critical areas. Whilst variations may reflect country specific characteristics such as sophistication in financial sector among others, it does not facilitate comparability of deposit money banks and collaboration of central banks within the sub-region.
- ii. Countries within the sub-region are at various stages of adoption and implementation of international standards and principles in the banking sector such as the Basel Core Principles on banking supervision and the International Financial Reporting Standards.
- iii. Most countries in the sub-region operate a

cash-based economy which facilitates money laundering activities.

- iv. Most central banks in the sub-region are yet to establish deposit insurance schemes to safeguard depositors when a bank fails.
- v. The presentation revealed that some countries within the sub-region lack the needed expertise in certain critical areas in banking operations, especially in market risk assessment.
- vi. The global banking and financial system is becoming more sophisticated and competitive which is largely driven by technology and competition. This has heightened the level of innovation and risk appetite of banks, thus necessitates equally innovative and evolving regulatory and supervisory efforts.
- vii. Bank deposits facilitate financial intermediation via the movement of funds from the surplus to deficit segment of an economy. However, overall deposit mobilization within the sub-region is low. This is attributable to low financial literacy, relative lack of confidence in banking systems, and adherence to primitive savings habits. This is partly responsible for the slow pace of economic activities within the sub-region.
- viii. Time allotted for certain topics were inadequate making it only mechanical to complete certain aspects of the themes without the needed theoretical and practical touch.
- ix. Participants were concerned about the high focus on examinations as the principal means of evaluating participants' proficiency and understanding of the course. Whilst examination is crucial, evaluations should also include group work and presentations, as well as, other forms of assessments.
- x. Sessions were very intense and delivered by knowledgeable facilitators often beyond participants' expectations.

The following recommendations were made by the participants:

- i. Central banks in the sub-region should continue to make concerted efforts to harmonize bank regulation/supervision to

facilitate comparability of deposit money banks and collaboration of central banks within the sub-region.

- ii. Participants underscore the need for a concerted sub-regional approach to adopting and implementing the Basel II and III, IFRS 9 and other international standards on banking. This will enhance collaboration in the banking and financial sectors, cross-border supervision and also facilitate integrated economic development.
- iii. Countries within the sub-region should endeavour to move towards cashless economies in order to minimize money laundering activities.
- iv. In view of the many cases of bank failures experienced across the sub-region over the past few decades and the attendant difficulties in refunding depositors, member countries without deposit insurance schemes should fast track their establishment and implementation to safeguard depositors and improve overall confidence in the banking sector. For instance, Central Bank across our region could impose an annual charge on banks which could contribute to the deposit insurance fund.
- v. Financial literacy framework should be developed in the sub-region to promote deposit mobilization, as well as the utilization of banking/financial services.
- vi. The importance of well-trained regulators and supervisors can hardly be overemphasized. Participants noted the key role being played by WAIFEM in this regard. However, there is need for various central banks to adopt a systematic on-the-job training mechanisms for all staff especially those in supervisory departments to enable them keep abreast of technological changes in the global banking and financial system.

## 1.4 RESEARCH AND MACROECONOMIC MANAGEMENT DEPARTMENT

### 1.4.0 INTRODUCTION

The Research and Macroeconomic Management Department organised a total of 4 regional capacity building programmes during the year 2020. The total number of participants of those programmes were four hundred and ten (410) from central banks, ministries of finance and other public and private sector agencies, primarily from WAIFEM member countries. Nigeria accounted for 57.1 percent of the participants, Ghana 11.2 percent, Sierra Leone 8.8 percent, The Gambia 7.3 percent and Liberia accounted for 4.1 percent while others accounted for 11.5 percent. Institutional distribution of participation showed that Central Banks accounted for 206 participants (50.2 per cent), ministries of finance, budgeting and planning recorded 14 participants (3.4 per cent), while other public and private sector agencies recorded 190 participants (46.4 per cent). In terms of gender participation, there were 310 male participants accounting for 75.6 percent and 100 females accounting for 24.4 percent of participation.

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

#### 1.4.1 CBN AND WAIFEM INDUCTION AND CAPACITY ENHANCEMENT COURSE FOR ECONOMISTS AND STATISTICIANS, LAGOS, JANUARY 6 – FEBRUARY 14, 2020.

The Central Bank of Nigeria (CBN) in collaboration with the West African Institute for Financial and Economic Management (WAIFEM) organized an Induction and Capacity Enhancement Course for Economists and Statisticians at the Central Bank of Nigeria (CBN), Learning Centre, Lagos, Nigeria.

The programme was designed to properly integrate the newly recruited staff into the services of the Central Bank of Nigeria, to expose them to some of the standards required of them as employees and outline the policies, core values, and benefits available to them as employees. In addition, the course was also intended to give the participants a general overview of the Bank with concentration on behavioural competencies, work ethics and cultural values in addition to competency-based

training targeted at reshaping their skills, knowledge and attitudes to achieve the objective of Economic Policy Directorate and the Bank's mandate in general.

The opening ceremony, which took place on Monday 6th January, 2020 was chaired by Mrs. Dutse Umma Aminu - Director Human Resources, Central Bank of Nigeria. Also present at the opening session were Mrs. Aisha Abubakar Balewa – Director Capacity Development Department, Dr. Michael Adebisi – Director Research Department, Mr. Bello – Deputy Director Statistics, Dr. (Mrs.) Scholastica Nnaji – Director Trade & Exchange, Mrs. Duke Omolara – Deputy Director Monetary Policy Department all of the Central Bank of Nigeria (CBN), and Mr. Euracklyn William (Director, Admin & Finance of WAIFEM) who represented Dr. Baba Yusuf Musa - the Director General of WAIFEM. Other Directors and staff of WAIFEM were also present.

In his speech, The Director of Administration and Finance (WAIFEM) welcomed and congratulated the newly recruited staff of the Central Bank of Nigeria to the induction course. He expressed sincere gratitude to the Chairman, Board of Governors of WAIFEM and Honourable Governor of the Central Bank of Nigeria (CBN), Mr Godwin I. Emefiele (CON) for the confidence reposed in WAIFEM by choosing the Institute to partner with the Central Bank of Nigeria (CBN) to organize the course and also for the excellent support which CBN always provides to WAIFEM over the years.

Mrs. Dutse (Director Human Resources CBN), in her speech, welcomed participants and facilitators to the induction and also expressed appreciation to the leadership, management and staff of WAIFEM for co-hosting the event with the Central Bank of Nigeria (CBN). She highlighted the mandate and objectives of the Central Bank of Nigeria (CBN) of ensuring monetary and price stability; maintaining the external reserves and acting as Banker and financial adviser to the Government which are mostly within the purview of the Economic Policy Directorate. She noted that the course, which was designed to properly integrate the newly recruited Economists and Statisticians into the services of the Central Bank of Nigeria, would last for six weeks and would be intensive. Accordingly, the course would expose the

inductees to the standards expected of them as employees of the Bank, the policies and core values of the Bank, and benefits available to them as employees.

Moreover, she indicated that the newly recruited staff will be exposed to the general overview of the Bank with focus on behavioral competencies, work ethics and cultural values in addition to competency-based training. Mrs. Dutse noted that considering economic challenges faced by Nigeria in recent times, the CBN is expected to make significant contributions which are critical to the sustained economic growth and development of the nation.

She, therefore, urged the participants to take the induction serious, ask questions and get familiar with the information provided, as they were expected to take an examination at the end of the induction to ascertain their level of readiness for the tasks ahead.

Mrs. Dutse assured the participants that CBN would provide them with opportunities for self-improvement and self-realization. On that note, she declared the induction course open.

A broad range of topics were covered during the capacity enhancement course. These included, Overview of Talent Management in CBN; Overview of CBN Statutory Mandate: Organizational Structure, Governance System & HRPPM; Overview of Organizational Design & Change Management Process in CBN; Overview of Business Partner Process in CBN; CBN Cooperative Talk; Overview of Currency Issues & Management in Nigeria; The Concept of Central Banking in Nigeria and its Evolution in Nigeria; ISO 27001 Awareness & IT Service Desk; Issues in External Reserve Management in Nigeria; Recent CBN Developmental Initiative & Financial Inclusion; Anti-Money Laundering/Combating the Financing of Terrorism; Employee Rewards, Benefits & Pension; Understanding the Key Processes of Risk Management Department; CBN Branch Network & Operations; The role of CBN as a Regulator in the Nigerian Financial System etc.

The Course was facilitated by over fifty-two (52) experienced and knowledgeable resource persons drawn from the Central Bank of Nigeria (CBN), WAIFEM faculty and the West African sub-region. A total of one hundred and thirty-two (132) participants attended the induction course from thirty-six (36) states of Nigeria.

At the end of the six week course, participants observed that the facilitators demonstrated in-depth understanding of the themes, and the lectures created deep in-sight to the course with practical examples. They also acknowledged that the planning and logistics for participants were largely satisfactory, adding that the facilities/equipment and the learning environment for the programme were conducive and adequate. They stressed that the presentations allowed for interesting interaction between participants and the facilitators. The coordination and administration of the course by CBN and WAIFEM staff were excellent.

The participants sincerely thanked the Central Bank of Nigeria for the initiative and the opportunity afforded them to broaden their knowledge. The participants also expressed their gratitude to the facilitators, the Management and Staff of WAIFEM for their excellent contributions towards the success of their induction and capacity enhancement.

#### **1.4.2 REGIONAL COURSE ON INTRODUCTION TO ECONOMETRICS FOR POLICY ANALYSIS, LAGOS, NIGERIA, MARCH 9 - 20, 2020**

Due to the importance attached to econometric analysis as a means of transforming theoretical economic models into useful tools for economic policy making, the West African Institute for Financial and Economic Management (WAIFEM) organised a two (2) week regional Course on Introduction to Econometrics for Policy Analysis. Twenty-five persons had indicated interest to attend the course, but due to the initial threats of the Covid-19, the course was attended by fifteen (15) participants drawn from The Gambia, Ghana, Liberia, Nigeria and Sierra-Leone.

The course was declared open on the 9th of March 2020 by the Director General of WAIFEM, Dr. Baba Y. Musa, who was represented by the Director of Research and Macroeconomic Management, Mr. Emmanuel Owusu-Afriyie. Other directors, senior and junior staff of the Institute were in attendance.

The DG reiterated the mandate of WAIFEM, which is to strengthen capacity for improved macroeconomic and financial management among the member countries.

He maintained that WAIFEM collaborates with a

number of reputable institutions to ensure high and international standards in its programmes. These include among others; International Monetary Fund, the World Bank, the Commonwealth Secretariat, Debt Relief International, the United Nations Institute for Training and Research (UNITAR), African Capacity Building Foundation (ACBF) and the United Nations Economic Commission for Africa (UNECA).

He also informed the participants that The Institute had extended its operations to the private sector by establishing the Business Development and Consultancy Unit (BD&CU). Although the Unit targets the private sector in the sub-region, some of its programmes may also benefit the Central Banks and relevant public sector institutions.

Moreover, WAIFEM initiated e-learning programmes in Public Sector Debt Management and the French Language. The course in the French Language was, intended to bridge the language gap with the Francophone countries while at the same time deepening the regional integration process. The e-learning programme in banking supervision was, accredited by the Chartered Institute of Bankers of Nigeria.

The course in Econometrics was, intended to upscale the skills and competences of policy analysts involved in economic analysis and policy decisions for improved performance and understanding of the various economic relationships as they affect the performance and workings of the economy. Econometrics has been evolving to address the dynamics in economic developments. Therefore, the course was designed to upscale the scientific rigour that economic analysts apply to their work, through the use of statistical packages, introduction to advanced modelling techniques and access to a network of experts and resource centres to aid economic analysis.

The main themes covered during the course included, Overview of the Nature and Methodology of Econometric Modelling and Forecasting, Univariate Time Series Modelling and Forecasting, Estimation of ARMA/ARIMA models for forecasting, Multivariate Models: Vector Autoregressive Models, Modelling Monetary Policy Transmission, Quantile Regression, Modelling Long Run Relationships : Cointegration and Error Correction, Modelling

Demand for Money, Survey Research Methodology, Economic Confidence Surveys, Modelling and Forecasting Volatility, Modelling and Forecasting the Interbank Foreign Exchange Rate, Introduction to Panel Data Econometrics, Estimating a Model of Financial Development in Sub-Saharan Africa, Probit and Logit Models, CoVAR Models: Contributions to Systemic Risk, Regime Switching Modelling and Randomised Control Trails.

The course was facilitated by a team of competent expert practitioners from Central Banks and the academia in the sub-region and benefitted fifteen (15) officials comprising four (4) females and eleven (11) males from Central Banks, Ministries of Finance, Internal Audit Agency, Manufacturers Association and Ministry of Budget and National Planning.

During the evaluation of the course, the participants stated that the facilitators exhibited high level of professionalism, prodded adequate exercises, questions and answers throughout the learning process. The participants also appreciated the hospitality of WAIFEM regarding their accommodation, food, drinks and stewardship for the two week course.

From the communique presented at the end of the course, the participants expressed their sincere gratitude to the management of WAIFEM for organising the course. Moreover, they indicated satisfaction with the commitment and remarkable professionalism of the support staff.

They pointed out that it was an undeniable fact that the course was timely considering the challenges that are confronting most economies in the sub-region. They indicated that the knowledge gained from the programme would go a long way in enhancing and strengthening their technical skills in econometrics for policy analysis.

The course exposed the participants to the rudiments of Econometrics for policy analysis. Notwithstanding the uncertainties characterising the initial stages of Covid-19, the course afforded participants the opportunity to fraternise and share experiences with their colleagues from other countries in the sub-region. This, hopefully will go a long way to deepen the regional integration effort.

### 1.4.3 DIAGNOSTIC SYMPOSIUM ON THE IMPACT OF COVID-19 ON THE ECONOMIES OF WAIFEM MEMBER COUNTRIES, LAGOS, NIGERIA, JUNE 15, 2020.

The West African Institute for Financial and Economic Management (WAIFEM), organized a diagnostic symposium on the Impact of Covid-19 on the Economies of WAIFEM Member Countries (The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone) through a webinar.

The objective of the symposium was to examine the fall out and impact of covid-19 global pandemic on WAIFEM member countries and to receive feedback and gather inputs on the way forward.

The symposium was anchored by the Director General of WAIFEM, Dr. Baba Y. Musa. On behalf of management and staff of WAIFEM, Dr. Baba Musa welcomed the participants, Panelists and Discussant to the WAIFEM webinar series. He mentioned that this being the first of the series of symposia, focuses on the impact of COVID-19 on the economies of WAIFEM member countries. He maintained that the COVID-19 crisis is now widely seen as the greatest economic calamity since the Great Depression. He noted that in January 2020, the IMF expected global income to grow by 3 percent but was now forecast to fall by 3 percent, much worse than during the Great Recession of 2008-2009.

According to Dr. Baba Musa, the pandemic hit hard the economies of West African countries including WAIFEM countries namely, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. In these countries, domestic activities slowed sharply, with trade, transportation, hospitality & tourism, financial institutions, oil & gas sector, construction, and the health sectors heavily affected. There was also drastic reduction in FDI and FPIs, capital reversals, deterioration of export and imports. These factors have resulted into erosion of the livelihood of millions of West African families. Moreover, he noted that as a matter of fact, the COVID-19 crisis is inflicting pains on those who are already the most vulnerable. If past pandemics are of any guide, the toll on poorer and vulnerable segments of our society will be several times worse. He opined that this calamity could lead to a significant rise in income inequality and it could jeopardize development gains, from educational attainment to poverty reduction.

The Director General further espoused that the estimates, based on growth projections from the June 2020 of the World Bank Global Economic Prospects report, show that, when compared with pre-crisis forecasts, COVID-19 could push between 71 - 100 million people worldwide into extreme poverty in 2020, erasing all gains made in poverty reduction in the past three years.

He encouraged the participants and attendees to make useful contributions within the time frame permitted, as this will go a long way in exposing the region to pertinent issues on the Impact of Covid-19 on the economies of WAIFEM member countries.

To provide better insight into the effect of COVID-19 on our economies, 5 distinguished panelists who are Directors of Research of Central Banks of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone were selected to speak on the subject matter. They were Mr. Ebrima Wada, Director, Research Department, Central Bank of The Gambia; Dr. Philip Abradu-Otoo, Director, Research Department, Bank of Ghana; Mr. Jefferson S.N. Kambo, Director, Research Department, Central Bank of Liberia; Dr. Michael Adebayo Adebisi, Director, Research Department, Central Bank of Nigeria and Mr. Morlai Bangura, Director, Research Department, Bank of Sierra Leone. Also Dr. Hassan Mahmud, Director, Monetary Policy Department, Central Bank of Nigeria was the discussant of all the presentations. Each of the presenters explored the Impact of COVID-19 on the economy of his country.

The symposium was attended by 133 participants, over 100 respondents on YouTube platform, five presenters, a discussant and the moderator. The webinar was structured with five presentations, each followed by questions and answers, a panel discussion with the presenters, and a chat-based feedback from participants.

Further questions also emanated from the participants that time did not permit to be discussed. The moderator of the webinar, Dr. Baba Musa, however, assured participants that all the feedback from the participants would be collected through chat boxes. The feedback on these questions would also be evaluated and most recurrent and pertinent comments, questions and answers, panel discussion and the full list of the participants would be made available to all.

The following recommendations were thrown up from the diagnostic symposium:

- The slides from the various countries presentations should be converted into a manuscript and published as a book, so that posterity may learn from the outcome of the webinar.
- WAIFEM should make the webinar a continuous process, in order to continue to share experiences on what is happening in the different countries in the sub-region.
- Lessons and experience gathered from the webinar on covid-19 should be applied to the African Continental Free Trade Area (AfTA).
- African economies should develop their manufacturing and agricultural sectors.
- The symposium should be followed by a proper documentation of evidence and experience from the various countries' presentation.
- There is a need to develop a regional strategy with major objective to curtail the adverse effects of the covid-19 pandemic on WAIFEM member countries.
- There is a need for WAIFEM member countries to reposition their entire development paradigm to think within, and strengthen the underlining structure of their economies to make them more resilient, and more interconnected.

The participants received the symposium positively and appreciated the data and figures provided by the various presentations. The panelists also expressed deep appreciation to the moderator and organizer, Dr. Baba Y. Musa for successfully hosting the symposium. They maintained that the symposium will serve as a regional initiative to showcase how member countries share experience and learn from each other, and what they have been doing across countries to mitigate the impact of the covid-19 global crisis.

The Director General of WAIFEM and moderator of the symposium, Dr. Baba Y. Musa expressed profound gratitude to the panelists, the discussant, Professor Mike Obadan, and Professor Akpan H. Ekpo.

#### **1.4.4 DIAGNOSTIC SYMPOSIUM ON DISSECTING THE ECONOMIC EFFECTS OF COVID-19 ON THE ECONOMIES OF WAIFEM MEMBER COUNTRIES, NOVEMBER 16, 2020.**

Against the backdrop of the symposium held on June 15, 2020 and the issues that were thrown up, another symposium was organized on November 16, 2020 to dissect the economic effects of the pandemic on the economies of WAIFEM member countries (The Gambia, Ghana, Liberia, Nigeria and Sierra Leone). The objective of the symposium was to examine the fall out and impact of the Covid-19 global pandemic on WAIFEM member countries. The symposium also aimed at identifying the fiscal and monetary policies that member countries have implemented to minimize the negative impact of the pandemic. WAIFEM sought to receive feedback and gather inputs on the way forward. The symposium was anchored by the Director General of WAIFEM, Dr. Baba Y. Musa. Based on the presentations at the symposium, the common policies adopted by the member countries' central banks and government to curb the menace of the Covid-19 pandemic are mapped to identify areas of divergence.

Some commonalities were found among member countries with respect to monetary policies. Monetary policy easing has been the common key strategy among member countries. This includes lowering the Monetary Policy Rate (MPR), lowering the cash reserve requirement ratio for banks, creation of credit facilities for key industries, provision of moratorium on principal payments as well as forbearance of financial regulatory policies.

However, policy divergence exists among the member countries. It was only Nigeria that formulated and implemented exchange rate policies aimed at minimizing the negative impact of the pandemic on its Balance of Payment (BOP). These exchange rate policies included adjustment of the official exchange rate (by 15.0 per cent from N360/US\$ to N379/US\$) to discourage importation of goods, improvement of foreign exchange supply to the CBN by directing oil companies and oil service companies to sell foreign exchange to the bank rather than the NNPC and lastly, development of a Gold Purchase framework under the Presidential Artisanal Gold Mining Development Initiative (PAGMDI) to improve foreign exchange reserves. In the case of Sierra Leone, the uniqueness of its monetary stimulus lies in the



fact that it provided liquidity support to the banking sector through the extension of the reserves maintenance period from 14 days to 28 days and purchase of government securities in the secondary market. Liberia's monetary policy uniqueness lies in the areas of suspension of fees and charges for most electronic transfers and point-of-sales outlets used by merchants and mobile money operators as well as increment in the allowable daily and aggregate limits for mobile money transactions for a period of one month initially, which was later revised. In the case of Ghana, the Capital Conservation Buffer was reduced by 1.5 percentage points to 11.5 percent and providing capital relief of about GHS 1.1 billion for banks to boost lending to support the economy; provisioning requirements for the spectrum of loan categories was changed from 10 to 5 percent (this translates to about GHS 115.3 million in capital relief to banks and banks were restrained from paying dividends for 2019 to preserve capital and liquidity; working with banks to further lower interest rate on credit to private sector by about 200 basis points.

In terms of fiscal policy similarity, Ghana, Nigeria, Sierra Leone and Liberia established a Covid-19 relief fund to support business and vulnerable groups in society. The divergence lies in the nature of support given to these groups. For instance, in the case of Ghana, resources were directed towards the announced Coronavirus Alleviation Programmes (CAP 1&2) whereas in the case of Nigeria, a one-year Economic Sustainability Plan stimulus of N2.3 trillion was developed. In Sierra Leone, the government expanded on an existing cash transfer programme implemented by National commission for social Action (NACSA) and also provided food assistance to vulnerable groups. In Liberia, the government allocated US\$25 million to be supplemented by donors for food distribution in the country.

Furthermore, another fiscal policy commonality among the member countries (i.e. Ghana and Nigeria) is the increment of budgetary allocations to the health sector. The government of Nigeria established ₦500 Billion COVID-19 Intervention Fund to upgrade federal/states healthcare facilities and finance the Special Public Works Programme. The Nigerian government also enhanced financial support to the States for critical healthcare expenditure: US\$190 million World Bank Regional Disease Surveillance System (REDISSE) facility, to be

accessed by the Nigeria Centre for Disease Control (NCDC). In addition, the Federal Government provided N102.5 billion for direct intervention in the healthcare sector. In Ghana, the government provided additional spending towards the National Health Insurance Scheme to help the scheme deal with potential cases of Covid-19.

Another fiscal stimulus adopted by all member countries is assessment of loan facility from domestic and external borrowers. For instance, in Ghana, the government drew resources from the IMF Rapid Credit Facility (US\$1 billion), US\$219 million from the strategic reserves (Ghana Stabilization Fund), and currently working with the World Bank to secure the release US\$300 million. In the case of Nigeria, the government secured IMF support of US\$3.4 billion under the Fund's Rapid Financing Instrument as well as an AfDB support of US\$288.5 million to bolster the Federal Government's plans to improve surveillance and response to COVID-19 emergencies, ease the effect on workers and businesses, and strengthen the social protection system. In the case of Sierra Leone, the government assessed the IMF's Rapid Credit Facility of US\$143million, additional grant resources from other development partners and US\$100million from the World Bank. The Sierra Leonean government also benefited from debt relief from IMF under the Catastrophic Containment and Relief Trust of US\$13.8 million. It also benefited from additional grant resources from Bilateral partners and Multilateral Agencies, European Union and AfDB. However, in Liberia, the World Bank committed US\$40.00 million budget support whilst the IMF committed about US\$50 million as loan for budget support.

These fiscal and monetary policy responses by WIFEM member countries have had both negative and positive effects on both the domestic economy (inflation, GDP growth, Deficit and Debt) and the external sector (reserves, remittances, and exchange rate, trade deficit). These are highlighted below:

### Policy Impact on the Domestic Economy

Inflation was generally on the decline in most of the member countries (except Nigeria) due to the implementation of the fiscal and monetary policies. In Ghana, core inflation began trending downwards whereas in Sierra Leone, headline inflation moderated to 13.30 % in July 2020,

from 15.56% in March 2020 but picked up slightly to 13.71% in September 2020. In Liberia, inflation was expected to moderate at 18.5 per cent and 18.75 percent for the 2nd quarter and the year 2020, respectively. However, food prices have increased drastically. Nigeria's headline inflation increased to 13.71 per cent (Y-on-Y) in September 2020, from 13.22 per cent in August 2020 (largely due to increase in food component of the CPI basket). Inflation was expected to remain stable in The Gambia.

GDP growth steadily increased for some of the member countries but declined for others. For instance, Ghana and Nigeria experienced a gradual rebound in economic activities. In Sierra Leone, the domestic economy was projected to contract at 2.2 percent in 2020 and recover to 2.7 percent in 2021. Similarly, in Liberia, growth was expected to be further constrained by the Covid-19 pandemic, projected at -2.5 percent in 2020. The trend was similar in The Gambia, where real GDP is expected to decline in 2020/2021.

Some member countries also saw improvements in their fiscal stance as a result of the policy measures that were taken. For instance, in the case of Ghana, fiscal revenues have picked up strongly in October 2020 in response to increased economic activity and VAT was also on the rise. In Sierra Leone, government revenue expanded to Le1,612.68bn in 2020Q2, from Le1,493.46bn in 2020Q1, due to external grants but government expenditure contracted to Le2,098.07bn in 2020Q2 from Le2,178.5bn in 2020Q1. Thus, the fiscal deficit in Sierra Leone narrowed to Le485.5bn in 2020Q2, from Le694.1bn in 2020Q1. However, the fiscal stance of some member countries (Nigeria and Liberia) worsened as a result of the policy measures. For instance, Nigeria saw rising fiscal deficit, which was attributed to the government's efforts to reflate the economy in the face of looming economic recession. In the case of Liberia, compared to the pre-lock down period, revenue declined by 13.5% and nosedived by 12.5% in the post-lockdown period, although tax revenue improved marginally by 3.6%.

Furthermore, the debt trend was upward for most of the member countries, mainly due to the monetary and fiscal policy responses. Nigeria's external and domestic debts exacerbated (Total external debt rose to US\$31.48 billion, due to new concessionary loans from the IMF and World Bank Group), thus posing fiscal risks.

Sierra Leone was not an exception; both domestic and external debt rose as a result of the covid-19 policy responses. Ghana was also not an exception.

### Policy Impact on the External Sector

International reserves was greatly influenced by the policy responses of member countries. In Nigeria, external reserves increased from \$ 33.69 billion (in Q1 of 2020) to \$ 35.96 billion (in Q3 of 2020), whereas in Sierra Leone, the stock of reserves increased by 27.67% to US\$681.45mn in 2020Q2 from US\$533.77mn in 2020Q1, and was sufficient to cover about 4.3 months of import. Furthermore, in terms of months of import cover, Liberia's reserves was expected to increase to 2.7 months – below the ECOWAS or WAMZ threshold of 3 months. Ghana's foreign exchange reserves stood at US\$8.6 billion at the end of September 2020, providing cover for 4.0 months of imports.

Remittances flow was positively affected. Nigeria's remittances increased from \$ 3.38 billion to \$ 4.06 billion (Estimate) due to the easing of lock down across the globe. Similarly, remittances in Sierra Leone significantly increased between May and June. However, Liberia has seen a decline in remittances.

Exchange rate in member countries was also influenced significantly the policy measures adopted. For instance, in Ghana, the cedi depreciated by 2.9 percent against the US dollar in the year to October 2020. Comparative depreciation was 9.2 percent a year ago. In Nigeria, the Naira depreciated against the dollar from N385.87/US\$ (in Q2 of 2020) to N 386.59/US\$ (in Q3 of 2020). The purpose of that was to ensure sufficient forex buffer. In Sierra Leone, the exchange rate remained relatively stable in Q2 of 2020. Similarly, in Gambia, the exchange rate was expected to remain stable (supported by capital inflows).

Lastly, trade balance in most of the member countries deteriorated as a result of the policies undertaken to contain the pandemic. In Nigeria, the deficit worsened from \$ 1.33 billion (Q1 of 2020) to \$ 4.41 billion (Estimate of Q3, 2020). The experience was similar in Sierra Leone where trade deficit worsened to US\$318.19 million in 2020 (Q2), from US\$229.06 million in 2020 (Q1). In Liberia, the current account deficit in 2020 was projected to narrow to US\$594.55 million, from US\$674.42 million reported at end-2019.

## 1.5 GOVERNANCE AND INSTITUTIONAL DEVELOPMENT DEPARTMENT

### 1.5.0 INTRODUCTION

The Governance and Institutional Development Department organised a total of three (3) capacity building programmes during the year 2020. The total number of participants who benefitted from these programmes were one hundred and fifty-six (156) from central banks, ministries of finance, regional institutions and other public and private sector agencies primarily from WAIFEM member countries.

A breakdown of the participation according to institutions showed that regional institutions (WAIFEM, WAMI AND WAMA) accounted for 78 participants (50.0 percent), central banks accounted for 32 participants (20.5 per cent), ministries of finance and economic planning recorded 9 participants (5.8 per cent), other public and private sector agencies recorded 37 participants (23.7 per cent). In terms of gender participation, there were 88 male participants (56.4) percent and 68 females accounting for 43.6 percent of total participation.

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

#### **1.5.1 REGIONAL COURSE ON STRATEGIC PLANNING AND GOAL SETTING FOR HUMAN RESOURCE MANAGERS USING RESULT-BASED MANAGEMENT (RBM), ABUJA, NIGERIA, MARCH 9-13, 2020.**

The Regional Course on Strategic Planning and Goal Setting for Human Resource Managers using Result-Based Management (RBM) was organised by the West African Institute for Financial and Economic Management (WAIFEM) in Abuja, Nigeria.

**Background:** All organisations have people and these people constitute the human resources. Regardless of the size or the extents of its resources, an organisation survives and thrives because of the capabilities and performance of its employees. The activities involved in maximizing the capabilities and performances of the employees are necessary, regardless of whether the organizations refer to them as Human Resource Management (HRM), Human Resource Development (HRD), just Human Resources (HR), or no formal name for those

activities at all.

Human Resource functions can be used as pillars for creating national and sub-regional economic and social growth. The approach is based on the premise that organizational human resource policies can, if properly articulated, provide a direct and economically significant contribution to organisational performance. The focus, therefore, lies in improving organizational performance in order to contribute to national and subnational growth. In examining the challenges facing the sub-region, it is easy to determine that the pillar of economic development strategy rests with the workforce of the respective nations in the sub-region.

It is against this backdrop that WAIFEM organized the Regional Course Strategic Planning and Goal Setting for Human Resource Managers with emphasis on result-based management.

The opening ceremony was chaired by the Honourable Governor of the Central Bank of Nigeria (CBN), Mr. Godwin I. Emefiele, who was represented by Mr. Abba Mohamed, Head of the Central Bank of Nigeria International Training Institute (ITI). Also present were Mr. Alvin Johnson, Director, Governance and Institutional Development Department, Senior Officials of the CBN and WAIFEM staff.

In welcoming the participants, the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Y. Musa, represented by Mr. Alvin Johnson, expressed his heartfelt gratitude to the Honourable Governor of the Central Bank of Nigeria, Mr. Godwin I. Emefiele, the Management and Staff of the Bank for the logistical support accorded to WAIFEM and participants since their arrival in Abuja. He bid a particular welcome to those visiting Abuja and Nigeria for the first time and requested participants to feel at home and enjoy every minute of their stay. He reassured participants that Abuja is Coronavirus free and there was no need to panic. However, he urged them to observe the basic steps in preventing the virus.

In his keynote address, Governor Emefiele stated that intense competition and globalisation, complemented with new technologies, have converged to make organisational management

- especially human resource management - focus more deeply and accurately on making every internal work and job schedule/function achieve all the intended results. Management of organisations are demanding that the workforce should be managed with the type of programmes that will enable the organisation to thrive in the face of the ever-changing business environment.

Governor Emefiele went further to state that renewed interest in the field of human resources management is increasing as a result of the growing realisation that human resource issues are strategic and constitute the hub around which the success of an organisation revolves. Governments and organisations now understand that human resource is a key component of strategic planning. Typically, organisations project three to five years ahead when formulating strategic plans and the process results in a document that articulates their vision, mission, big-picture goals and the broad strategies they will use to achieve those goals. The strategic plan document is intended to guide leadership in its decision-making. A key part of a strategic plan is assessing the organisation's resources such as finance, technology and human resources, among others. The Governor indicated that it is easy for any organisation to dream big and be ambitious, but what the company can realistically achieve is limited by the number and type of resources it has at its disposal. Thus, human resources are integral part of any strategic plan. If the organisation does not have the right skills and talents in place to achieve its goals, then the strategic plan will fail on arrival due to lack of knowledge and manpower.

Governor Emefiele concluded by urging participants to tap into the knowledge and experience of the excellent facilitators placed at their disposal by WAIFEM and thereafter, declared the course open.

The main objective of the course was to examine the role efficient human resource management plays in organisational effectiveness and economic development. Specifically, the course was to prepare participants to appreciate the need for strategic planning and goal setting using RBM, change management, organizational culture and gender issues at workplace, among others. Also, the course will reel out strategic and policy issues in human resource management and their linkages to

national/regional economic development. The world of work is rapidly changing. As part of an Organisation, Human Resource Managers must be prepared to deal with the effects of the changing world of work. Human Resource Managers are expected to understand the implications of globalisation, work-force diversity, continuous improvement programmes, technological advancement, changing skill requirements, corporate downsizing, etc.

The broad themes covered included: Gaining and Maintaining Strategic Relevance: The Human Resource Agenda; Concept and Significance of Strategic Planning and Goal Setting using RBM; Outsourcing Approach-Implication for HRM; Diversity and Inclusion in Workplaces; Effective Communication Skills in Human Resource Management; Gender Issues at Workplaces: Effects of the African Culture and the way Forward; Recruitment/Resourcing and Talent Management: A key to Succession and Career Planning; Training and Development Strategy and Organisational Effectiveness; Overcoming the Challenges of Sub-Optimal Utilisation of Human Resources; and Planning and Management of Retirement and Retrenchment in an organisation.

During the course of delivery, formal presentations and discussions were deployed and were supplemented by group exercises, case studies, syndicate sessions and role-playing.

The course was facilitated by experienced consultants and practitioners from both the private and public sectors in the sub-region and WAIFEM faculty.

A total of twenty-eight (28) participants comprising thirteen (13) male and fifteen (15) female Directors of Administration and Human Resources, Chief Administrative/Executive Officers, Senior Secretaries and Accountants from central banks, core policy ministries and departments, national and ECOWAS Parliaments, and other public and private institutions attended the course. The participants came from The Gambia (4); Ghana (7); Liberia (1); Nigeria (9) and Sierra Leone (7).

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

- The course content was considered very

- appropriate by over 80 percent of the participants.
- In terms of its usefulness, about 70 percent of the participants affirmed that the course would enhance their job performance.
- Majority of the participants unanimously agreed that the course has increased their understanding of the roles, duties and responsibilities of human resource managers.
- Almost 90 percent of the participants asserted that the course has increased their understanding of strategic planning and goal setting for human resource managers.
- 84 percent of the participants concurred that the course has increased their awareness in applying result-based management to human resource management.
- About 92 percent of the participants affirmed that the course has improved their communication skills.
- Over 91 percent of the participants concurred that the course would assist them in the better performance of their functions at the workplace;
- More than 90 percent of the participants agreed that the topics covered at the course were appropriate.
- 75 percent of the participants agreed that the panel discussion session was effective.
- Overwhelming majority of the participants opined that the quality of the facilitation assisted them in understanding the concepts.
- About 88 percent of the participants believed that the documents (lecture materials, course directory, etc.) distributed were useful.
- Almost 90 percent of the participants agreed that the administration of the course was effective.
- Almost 92 percent of the participants affirmed that the course had met their expectations.

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

### Observations

- i. That the course contents and materials supplied were well structured, adequate, very useful and highly refreshing, which enhanced participants' knowledge on the use of Result Based Management (RBM) skills and techniques effectively and efficiently.
- ii. That participants recognised RBM as a powerful tool for effective HR planning and further equipped them with vital concepts for future career challenges. This will be of immense help in effective and efficient execution of their respective roles and responsibilities in their workplaces.
- iii. The participants consisted of experienced Human Resource practitioners who exhibited the highest degree of enthusiasm throughout their quest for further learning. Their participation and cooperation during the course were highly commendable.
- iv. That the exchange of ideas among participants from member states further enriched the discussions particularly on the use of RBM.
- v. That the course had afforded the participants the opportunity to interact and network in furtherance of the regional integration agenda.
- vi. That the duration of the course was inadequate. Most of the topics were rushed and the time allotted for group exercises was insufficient.
- vii. The internet facility was excellent which enabled participants to conduct further research during the course.

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

- i. That the course should continue to be offered to keep officials of the sub-region abreast with evolving techniques and skills using Result Based Management in Human Resource planning and goal setting.
- ii. The course should be extended to other non-Human Resource Managers in the central banks and Ministries, Departments and Agencies (MDAs) to enrich their knowledge so that they appreciate the roles and responsibilities of HR Managers.
- iii. The duration of the course should be

extended to at least ten (10) working days to enable participants acquire in-depth knowledge from the course.

### 1.5.2 A WEBINAR ON "THE FUTURE OF WORK" AND IMPLICATIONS FOR PUBLIC SECTOR AGENCIES AND LEARNING ORGANISATIONS FOR STAFF OF WAMA, WAMI AND WAIFEM. LAGOS, NIGERIA, AUGUST 12, 2020

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with Human Capital Consulting West Africa - Deloitte & Touché, organized its first Webinar series tagged "The Future of Work" and Implications for Public Sector Agencies and Learning Organizations for staff of WAMA, WAMI and WAIFEM.

**Background:** The ever-changing business landscape driven by digitalisation and globalisation have sparked radical shifts in how we live and work. The situation was exacerbated in 2020 following the outbreak of the COVID-19 pandemic. For any organisation to remain relevant, profitable and competitive today and in the future, it must scan the environment and identify the changes that are continuously evolving. These changes may come in the form of technological inventions/advancement, economic challenges, pandemic, etc.

With respect to the changing work environment and what organisations can do to keep pace, it is important to consider multiple converging trends and how they are already fundamentally changing all aspects of work and the implications it has for individuals, businesses and society. It is therefore in the light of the above that the Institute organised the webinar on the future of work for staff of WAIFEM, WAMI and WAMA.

The themes covered were anchored on three deeply connected dimensions or broad areas of an organisation; viz:

**Work** - what work can be automated? (i.e., done by smart machines).

**Workforce** - who can do the work. How do we leverage on the continuum of talents from full-time to managed services, freelancing, gig workers, and crowds?

**Workplace** - with new combinations of collaborative, teaming, and digital reality technologies, how are workplaces and work practices reshaping where and when work is

done?

The Webinar was declared open by The Director General of WAIFEM, Dr. Baba Y. Musa. In his opening remarks, Dr. Musa welcomed participants to the seminar and expressed his profound gratitude to the facilitators, Ms. Chizoba Mojekwu and Mr. Joseph Olofinsola for finding time from their busy schedule to share their wealth of knowledge and experience with the participants. He acknowledged the presence of the Director Generals of West African Monetary Institute (WAMI) and the West African Monetary Agency (WAMA). He thanked them for their presence and for permitting their staff to attend the Webinar.

Dr. Musa stated that the COVID-19 pandemic has caused tremendous shifts and deviation from the traditional work environment – organizations are required to adapt to new tools and techniques of working outside of offices using video conferencing, webinar, zoom, social messaging, and cloud file sharing, among others. He stressed that the pandemic is now considered the tipping point for remote working and going forward, the dynamics of the work environment would have to change drastically which would impact the type of personnel and management organizations would have. He advised participants to brace up to the 'new normal' as the situation may linger for some time. According to the Director General, the new normal would involve adhering to the newly implemented social-distancing rule which extends to the workplace. Dr. Musa emphasized that organisations will have to train their staff on new rules of doing business, explore new ways of working and strategise on how to retain employees.

The objective of the webinar was to share knowledge among participants on "The Future of Work and Implications for Public Sector Agencies and Learning Organizations". This would help them to redefine their workforce strategies and create a workforce composition plan to improve performance, maintain competitiveness and ensure stability and sustainability in the wake of the COVID-19 global pandemic.

The webinar, attended by 59 participants from WAIFEM, WAMI and WAMA, was facilitated by highly experience expert from Deloitte and Touch, Nigeria, Dr. Joseph Olofinsola. The session was moderated by Ms. Chizoba Mojekwu, Retired Director, Human Resources

and Capacity Building Department, Central Bank of Nigeria (CBN).

Participants expressed appreciation to WAIFEM for the timeliness of the webinar and for the relevance of the issues covered during the sessions. The Director Generals of WAMI and WAMA also commended the Director General of WAIFEM for the knowledge sharing session which they described as very useful in preparing their staff to face the challenges associated with the evolving future of work environment.

In his closing remarks, the Director General thanked participants for attending the webinar. He informed the audience that WAIFEM plans to organise a second run of the webinar later in the year for staff of WAIFEM member central banks, ministries of finance and economic planning and other user institutions.

### 1.5.3 WEBINAR ON: "THE FUTURE OF WORK: IMPERATIVES FOR PUBLIC SECTOR ORGANIZATIONS' DECEMBER 1, 2020

The Governance and Institutional Development Department (GIDD) of the West African Institute for Financial and Economic Management (WAIFEM) organized the second Webinar series titled "The Future of Work: Imperatives for Public Sector Organizations".

**Background:** The world of work is one of the areas being impacted by the forces shaping our world today. These forces include innovative technology such as artificial intelligence, automation, robotics and more recently, Covid-19 pandemic which largely distorted the world of work. Greater flexibility and more remote working were always expected from the future of work, but no one could have predicted the switch to happen overnight. Now that it has, the conversation has turned to finding a good balance, while maintaining the flexibility many workers currently have. Thus, forward thinking organisations all over the world agree that another revolution has come. It is expected that the future of work, just like the industrial revolution, and more recently the information age, would disrupt the system and bring about winners and losers. Smart organisations are already taking steps to adapt and align their businesses and workforce models to the future in order to be on the winning side.

The Webinar was declared open by The Director General of WAIFEM, Dr. Baba Y. Musa. In his brief opening remarks, Dr. Musa welcomed all

the participants and expressed his profound gratitude to the facilitators, led by Ms. Chizoba Mojekwu for finding time from their busy schedule to share their wealth of knowledge and experience with the participants. He also thanked the staff for their hardwork in ensuring the smooth commencement of the Webinar.

The Director General also informed the audience that the Webinar was the second run, noting that WAIFEM organised the first run on August 12, 2020 which targeted officials of The West African Monetary Agency (WAMA), West African Monetary Institute (WAMI) and WAIFEM. According to the Director General, considering the relevance of the Webinar topic in the light of the present realities and the positive feedback received from participants, it became imperative for the Institute to invite officials from WAIFEM's other user institutions for the second run of the Webinar.

At the end of Webinar, participants learnt the following:

1. Describe the key elements of the future of work and the drivers of change;
2. Discuss the implications of change in the nature of work, the workforce and the workplace for public organisations;
3. Explore the various ways public organisations can prepare for the future; and
4. Assess the future-readiness of their organisations.

The objective of the webinar was to assist participants understand the future of work and its components. The Webinar also helped participants explore the factors driving the changing nature of work and assess how this change would affect them and their organisations.

The following broad themes were covered:

#### Section one - OVERVIEW OF FUTURE OF WORK

- Programme Overview;
- Future of Work-What it Means and the Drivers of Change;
- Future of Work-Implications for Governments and Public Sector Organizations;
- Bridging the gap-a coordinated response.

## **Section Two: - FUTURE OF WORK- IMPLICATIONS FOR GOVERNMENTS AND PUBLIC SECTOR ORGANIZATIONS**

- Future of Work(FoW)-Implications for Governments;
- Impact of Future of Work for Governments;
- New Work: Imperatives for Responsible Governments;
- New Workforce and Workplace: Imperatives for Responsible government;
- FoW- Implications for Public Organizations;
- FoW in other organizations;
- FoW for public sector;
- Public sector Work: Automation;
- Public sector Future of Workforce;
- New staffing and Career Models.

Future of workforce: New staffing and career models

Example: Banking and Insurance Future of Work.

- Bank examination in the Future;
- Public Sector workplace of the Future;
- HR Function of the future (some implications);
- HR Function of the future.

## **Section Three :- BRIDGING THE GAP**

- From today to the future;
- Multi-Stakeholders Responsibility;
- What some governments are already doing;
- Responsibilities of governments;
- Responsibilities of Individuals.

## **Section Four: -WHAT PUBLIC ORGANIZATIONS MUST DO NOW**

- Reimagining organizations;
- Rethinking Work;
- Rethinking Workforce;
- Rethinking Workplace;
- A systematic Approach.

## **Section Five:- READINESS ASSESSMENT AND ACTION PLANNING**

- Sections Outcomes;
- Assessment on the Public Organizations;
- Self-Assessment

The delivery method included presentation by facilitators; poll questions and answers; syndicate/breakout sessions; and panel discussion.

The webinar was facilitated by highly experienced experts: adam Chizoba Mojekwu – Retired Director, Human Resources and Capacity Building Department, Central Bank of Nigeria (CBN) and Mr Seun Babalola an Organizational Development Expert.

The seminar was attended by 52 participants from the Central Banks, Ministries of Finance and Economic Planning, ECOWAS Commission, States Civil Service, Private Sector and other agencies from the West African Sub-region.

Based on presentations and the discussions that ensued, Participants were advised to:

- Improve the flexibility of work;
- Optimize costs and workforce;
- Focus more on employee welfare;
- Enhance digital collaboration;
- Identify areas of digital optimization;
- Ensure skill auditing/ analysis;
- Monitor volume of work;
- Set clear objectives;
- Source for resources to achieve the objectives set;
- Balance the risk of delivering the objectives;
- Provide the appropriate infrastructure;
- Study the divergent situations to make necessary planning;
- Allay fears and bottleneck;
- Adopt systematic approach in problem solving;
- Assess all the possibilities;
- Recognize the diversity of the people;
- Deploy of necessary technology;
- Engage the youth;



Adopt multi-stakeholders approach;

Identify the responsibilities of governments and individuals;

Make adequate provision for cyber-security;

Ensure strategic plans should be all encompassing.

Other outcome was a consensus by all participants that:

The political class and policy makers should be engaged to ensure the issues pertaining to the future of work are taken seriously;

Organisations should engage experts, such as GIG workers, when necessary, to ensure round peg is put in round holes;

Organisations should endeavour to build capacity for all categories of staff.

**WEBINAR ASSESSMENT**

- 71 percent of the participants strongly agreed that the seminar has added more on the

previous one conducted.

- 94 percent of the participants strongly agreed that the seminar had thrown a challenge on them to be more proactive on the "Future of Work"
- 94 percent of the participants had strongly agreed that the delivery of the course had met their expectations.

In his closing remarks, The Director General of WAIFEM, Dr. Baba Y. Musa thanked the facilitators for their wonderful presentations. He noted that the presentations were insightful. Dr. Musa underscored the fact that the future is now and advised every stakeholder to key into the new normal by being proactive. He also urged organisations to consistently build the capacity of their employees to equip them with requisite knowledge to face the challenges occasioned by the changing world of work. In conclusion, Dr. Musa said that the Webinar Report will be sent to all member Central Banks for their information. He thanked the attendees and urged everyone to keep safe and comply with all COVID-19 protocols.

## 1.6 BUSINESS DEVELOPMENT AND CONSULTANCY UNIT

### 1.6.0 INTRODUCTION

During the year 2020, the Business Development and Consultancy Unit organised two (2) capacity building programmes. The participants were drawn from various Ministries, Departments and Agencies of the Lagos State government in Nigeria. The total number of participants who benefitted from these programmes was 110, made up of fifty-one males (46.4 percent) and fifty-nine females (53.6 percent).

The details of the capacity building programmes conducted by the Business Development and Consultancy Unit are as follows:

#### 1.6.1 COURSE ON LEADERSHIP AND INTERMEDIATE COMPUTER APPRECIATION, JANUARY 22 – 25, 2020

The Business Development and Consultancy Unit of the West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Ministry of Finance (MoF) organized a Course on Leadership and Intermediate Computer Appreciation for staff of Ministry of Finance (MoF) Lagos, Nigeria, January 22 – 25, 2020. The opening session was handled by Professor Douglasson G. Omotor, Advisor, Business Development and Consultancy Unit WAIFEM who represented the Director General of WAIFEM, Dr. Baba Y. Musa. On behalf of management and staff of WAIFEM, Professor Douglasson welcomed the participants to the Institute. He also expressed appreciation to the Federal Ministry of Finance, Abuja for trusting in WAIFEM to use the Institutes' platform to organize the course. Continuing, Professor Douglasson Omotor, noted that though the period for the programme may be short, he encouraged the participants to find time within their busy schedule to explore the beauty of what the mega city of Lagos offers. Mrs. Vivian Nwosu, a Deputy Director at the Federal ministry of Finance, in her opening remarks welcomed the participants and resource persons to the training. She informed the participants that the Ministry has made great efforts and so much has been invested in terms of resource in organizing the training and as such, participants are expected to take the training seriously, as this will expose them to pertinent issues in Intermediate Computer Appreciation and e-

leadership. Mrs. Nwosu enjoined the participants to utilize the opportunity to freely interact with the facilitators and ask important questions to make the training more interesting as they enrich their knowledge.

The objective of the course was to acquaint participants with the knowledge, understanding and exposure to Intermediate Computer Appreciation and Leadership.

The broad themes covered during the course include:

- Introduction to the knowledge Society
- Leadership in the knowledge Age
- Education in the Knowledge Age
- Digital Economy for Nigeria
- New Strategies for Science, Technology and Innovation (STI)
- Telecommunications Infrastructure & Quality Internet Provision
- ICT Applications and the Role of Government
- The demand for E-leadership Institutions and Governance

The course was facilitated by highly experience experts in computer and Leadership Dr. David Jacho S. and Femi Numa.

Total of (45) participants drawn from various departments from the Federal Ministry of Finance (MoF) Abuja, attended the course.

At the end of the 3 day course, participants gave their evaluation of the training as revealed by the following outcomes:

- i. All participants agreed 100 percent the course met the objective.
- ii. 97 percent are of the opinion that the course upgraded knowledge on Leadership and Computer Appreciation.
- iii. 91 percent of the participants indicated that the Course enhanced their understanding in key technical issues in Leadership.
- iv. 97 percent of the participants concurred the substantive impact of the resource persons as a team, to be good.

- v. On the impact of Knowledge and skills on job performance, 97 percent indicated the course would improve job performance.
- vi. On the plenary session, 94 percent indicated this to be effective.
- vii. The quality of training materials and documentation was good, 97 percent indicated this to be correct.
- viii. Overall, 97 percent indicated the course met their expectations.
- ix. Administration and coordination of the course by WAIFEM, 97 percent of participants agreed this to be effective.

The following observations were made:

- Knowledge has always influenced the course of development in all societies, though, at varying degrees.
- In a knowledge society where the people are so aware, regular dialogue and consultation with the people, enables leadership know felt needs of people as well as their resources and constraints.
- The facilitators were on top of the course/topics matters.
- Participants shared knowledge and experiences in different perspective.
- WAIFEM executed their duties satisfactorily.
- The slides for presentation were clear and good for the presentation.

It was therefore recommended that:

- Participants would appreciate that the training be conducted on periodical basis for other staff of the Ministry to appreciate computer application and the role of leadership in government.
- Course duration should be extended for at least 1 week for broader understanding of some of the concepts.
- Advanced course on leadership should be organized to expose more staff to understand more on the key elements in the development of knowledge societies, with particular emphasis on new leadership approaches, and new skills for coherent policy development.

The participants expressed deep appreciation to

the Federal Ministry of Finance (MoF) for the opportunity offered and to the facilitators for the exposure to Intermediate Computer Appreciation and e-Leadership.

The participants also expressed appreciation to the Management and Staff of WAIFEM for the successful organization of the course and the excellent facilities provided during the training programme. The course was brought to an end by the Advisor, Business Development and Consultancy Unit Professor Douglasson G. Omotor.

### **1.6.2 ONLINE WORKSHOP ON STRATEGIC EXECUTION AND CHANGE MANAGEMENT FOR STAFF OF THE LAGOS STATE GOVERNMENT. NOVEMBER 3 - 6, 2020**

The Business Development and Consultancy Unit (BDCU) of the West African Institute for Financial and Economic Management (WAIFEM), organized a virtual workshop on "Strategic Execution and Change Management" for Staff of the Lagos State Government.

The virtual workshop conducted in two batches, November 3rd and 4th, and November 5th and 6th for sixty-five (65) staff the Lagos State Government was anchored by Professor Douglasson G. Omotor, Advisor, Business Development and Consultancy Unit, WAIFEM. In his opening remarks, he welcomed the participants and resource persons to the virtual workshop. As mark of commencement, Professor Douglasson stated the grand rules to be abided to by the participants during the workshop. He enjoined the participants to get their questions and comments ready, as these questions will be responded to, either at intervals or at the end of each presentation.

The Advisor, however, assured the participants that the Institute has assembled a team of highly experienced and proficient experts on the subject matter areas to facilitate the workshop, and enjoined the attendees to ask pertinent questions to enrich their knowledge. After introducing the first speaker/facilitator Professor Ali Garba of the Bayero University, Kano, Professor Douglasson declared the online "workshop on Strategic Execution and Change Management" for the staff of Lagos State government open.

The broad objectives of the workshop were to:

# **ADMINISTRATION AND FINANCE DEPARTMENT**

## 2.0 ADMINISTRATION AND FINANCE DEPARTMENT

### 2.1 ADMINISTRATION

#### 2.2.1 ADMINISTRATIVE DEVELOPMENTS

Effects of the COVID-19 Pandemic on The Institute's Operations

##### (a) Work Schedule

The following changes took place within the Institute as a result of the lockdown imposed by the Federal Government of Nigeria in order to curb the spread of Covid-19:

- All training programmes and workshops were suspended with effect from March 23, 2020.
- All members of staff of the Institute worked remotely from home, March 26, 2020 – May 5, 2020.
- As the Government began to ease lockdown restrictions, members of staff in the category of Manager and upwards began reporting for duty on Mondays, Wednesdays, and Fridays, while working from home on Tuesdays and Thursdays. Other categories of staff continued to work from home. This became effective on May 6, 2020.
- Beginning 8th June, 2020, the same work schedule as in bullet point (3) above was maintained but, for all members of staff, as the Federal Government of Nigeria was yet to fully lift all Covid-19 restrictions.

##### (b) Non-Assumption of Duty by Newly Recruited Staff.

The newly recruited Director, Fiscal Policy, Debt Management and Regional Integration Department, Mr. Yakubu Aliyu, the newly recruited Senior Manager, Information Technology Mr. Diakae A. Lewis, and the newly recruited Programme Manager, Research and Macroeconomic Management Department Mr. John Owusu-Afriyie, were unable to assume duties at the Institute on April 1, 2020 due to the COVID-19 lockdown. However, it was expected that they would report for duties as soon as the airports were opened and lockdown eased, hopefully in September 2020 or early October 2020.

##### © Assumption of Duty by Newly Recruited Staff.

The newly recruited Director, Fiscal Policy, Debt Management and Regional Integration Department, Mr. Yakubu Aliyu assumed duties on September 1, 2020 while the newly recruited Programme Manager, Research and Macroeconomic Management Department Mr. John Owusu-Afriyie assumed duties on September 21, 2020.

##### (d) Delayed Recruitment Exercise

The recruitment exercise for the eight (8) new positions which was scheduled to take place between January and June 2020 was also affected by the coronavirus pandemic, and therefore did not take place.

##### (d) Strategic Plan and Visiting Scholar Scheme.

The review of and finalisation of the Institute's strategic plan for re-submission to the Technical Committee of the Board of Governors was pending in view of the need to incorporate some of the emerging post-COVID-19 issues. The study on the effectiveness of the visiting scholar scheme was concluded and report submitted.

(e) As part of internal skills development and staff capacity building, WAIFEM organised training on the use of the Zoom platform and virtual training for all the staff of the Institute. This was critical for the planned rollout of virtual training programmes in 2021 and beyond. The training took place at various intervals during the month of November and was well received by staff who were considered fully prepared for the execution of on-line training courses. Staff were also trained to enable them provide guidance to facilitators who may not be familiar with the zoom platform.

##### (f) Acquisition of New Toyota Buses and Ford Edge Car For the Director, Fiscal Policy, Debt Management and Regional Integration

Following the Board's approval to purchase a 36-seater bus, the Institute was able to obtain a rebate from the supplier. The negotiated price for both the 36-seater and 18-seater Toyota buses was almost the same as the amount approved for the 36-seater bus. In addition, a new Ford Edge Utility Vehicle which was the official car for the Director, fiscal policy, debt management and

regional integration department was also purchased. The acquisition of the two utility buses have solved the problem of transportation for course participants attending the Institute programmes.

*(g) Non-Assumption of Duty of Senior Manager Information Technology (I.T)*

After a series of reminders to assume duty, Mr. Lewis A. Diakae who was recruited in February 2020 from Liberia as senior manager, I.T. unit wrote to indicate that he could not assume duty at the Institute.

*(h) Refurbishing of WAIFEM Hostel Accommodation and supply of furniture items for use in the hostel*

The Central Bank of Nigeria commenced the refurbishing of the 40 rooms provided to WAFEM for accommodation of course participants. Additionally, the Bank had earlier provided the Institute with some furniture items including mattresses and chairs for use in the Hostel.

(i) The ongoing second and third waves of COVID-19 from July 2020 into 2021, and the directives of the government of Nigeria further necessitated the institute to take measures to reduce the number of staff physically going to the office. About half of WAIFEM staff worked remotely. All staff were given access to various trainings in order to ensure that they took all the necessary precautions and safeguarded computing resources in their day-to-day work.

## **2.1.2 INTERNATIONAL RELATIONS**

### **2.1.2.1 Meeting with the IMF - Monetary and Capital Markets (MCM) Department - Abuja, Nigeria, 19th February 2020**

The Director General who was accompanied by the Director, Financial Sector and Payment Systems Department met with staff of the Monetary and Capital Markets (MCM) department of the International Monetary Fund (IMF) at the office of the IMF's representative at the Central Bank of Nigeria (CBN) on February 19, 2020. The meeting was convened to discuss areas of possible collaboration with the MCM department of IMF in capacity building in the areas of debt management, financial stability, anti-money laundering and other financial crimes, cyber security, etc. The meeting agreed

that the Director General would take up the issues with MCM during the Spring Meetings with a view to firming up some of the proposals. Unfortunately, these discussions were put on hold as the Spring Meetings were held virtually due to COVID-19 pandemic.

### **2.1.2.2 15th BCBS-FSI High Level Meeting for Africa on Strengthening Financial Sector Supervision and Current Regulatory Priorities, Cape, Town, January 30 - 31, 2020.**

The Bank for International Settlement and the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Institute (FSI) invited WAIFEM to participate at the high-level seminar and meeting of bank supervisors. The meeting was attended by the Director General and Director Financial Sector and Payment Systems Department. The purpose of the meeting was to discuss global and regional developments in banking supervision, latest work on operational resilience of banks, cyber security and supervisory challenges related to Pillar 2 implementation and the use of technology in supervision (suptech). In view of the expertise at the Basel Committee on issues of Basel II and III, and given the challenges faced by WAIFEM member states on the implementation of the standard, the Director General sought and obtained approval for Technical Assistance to be provided by the Basel Committee. It was agreed that the Technical Assistance would be in the form of provision of facilitators on Basel II and III during the High-level seminar of the college of supervisors of WAMZ.

### **2.1.2.3 Regional Conference on Public Debt Management and Sustainable Economic Growth in Sub-Saharan Africa**

The United Nations Department of Economic and Social Affairs (UNDESA), the Ministry of Foreign Affairs of the Netherlands, and the Overseas Development Institute (ODI) in collaboration with the Ministry of Finance, Planning and Economic Development of the Government of Uganda, invited WAIFEM to present a paper at the Regional Conference on Public Debt Management and Sustainable Economic Growth in Sub-Saharan Africa (SSA) from 26-28 February 2020, at the Serena Hotel, Munyonyo, Kampala, Uganda. The conference

brought together senior government officials from across sub-Saharan Africa and a wide range of experts and stakeholders, to untangle the complexity facing sovereign borrowers in SSA and focus on ways forward for getting the best deal for financing national development plans, including the sustainable development goals. The Director General represented WAIFEM. During the interactive three-day conference, participants discussed current challenges and trends with debt financing across SSA, exchanged ideas and perspectives and as well identified policy options and follow-up actions to tackle shared challenges and issues. WAIFEM was commended for its profound contribution at the conference.

#### 2.1.2.4 Report from IMF/World Bank Annual Meetings (Virtual), October 12-18, 2020

WAIFEM had successful meetings with the IMF Statistics Department and the Institute for Capacity Development and agreed on several programmes to be executed virtually in 2021. Specifically, three programmes on Cross Border Statistics, Quarterly GDP and Government Finance Statistics were agreed to be executed with the Statistics department in 2021 while Macroeconomic Diagnostic and Macro econometric Forecasting were agreed with the ICD. The IMF encouraged the Institute to foster its collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). The Institute should contact MEFMI for a collaborative meeting to facilitate joint execution of courses. The cooperation with AFRITAC West 2 also needed to be strengthened.

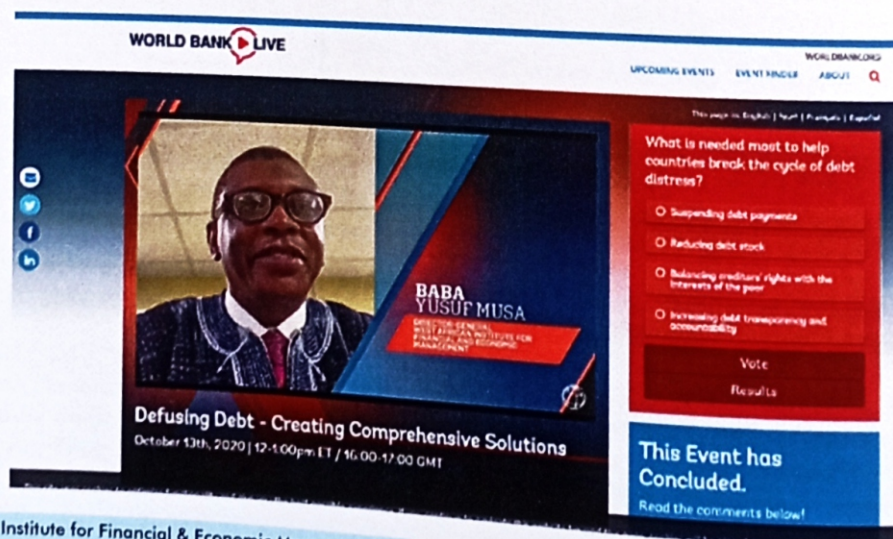
#### 2.1.2.5 WAIFEM had successful meetings with the World Bank Fiscal Policy and Sustainable Growth Department.

During the meeting, discussions centred on the sum of five hundred thirty - eight thousand, one hundred and twelve United States Dollars (USD 538,112), 2 - year Debt Management Facility III Grant to WAIFEM. The Grant is expected to support WAIFEM to implement the DMF III in result areas of: (i) Improving governance and institutions; (ii) Enhancing Debt Management Strategy and Policy; and (iii) Boosting debt transparency. The components include:

- Debt Management Technical Assistance
- Debt Management Training

#### 2.1.2.6 During the World Bank / IMF Annual meeting in October 2020

WAIFEM was among the global expert's panelists who discussed about comprehensive solutions for rising public debt levels in the world. The Institute made a presentation on Defusing Debt - Creating Solutions. A key topic raised at the event that many panelists agreed with is that developing countries will need a long-term solution to debt reduction or resolution in the face of COVID-19. The current debt suspension organized by the G20 does not give countries the certainty they need. Nor does it compel the private sector to work with developing countries on debt reduction or relief. Greater transparency around how much governments borrow, for what reasons and from whom is critical to getting to effective solutions.



### 2.1.3 Impact of COVID-19 on member countries, staff development and training

Global lockdown measures such as social distancing and confinement had impacted on the sub-region's human resources, especially training & development. It has affected the way we work and learn in unprecedented ways.

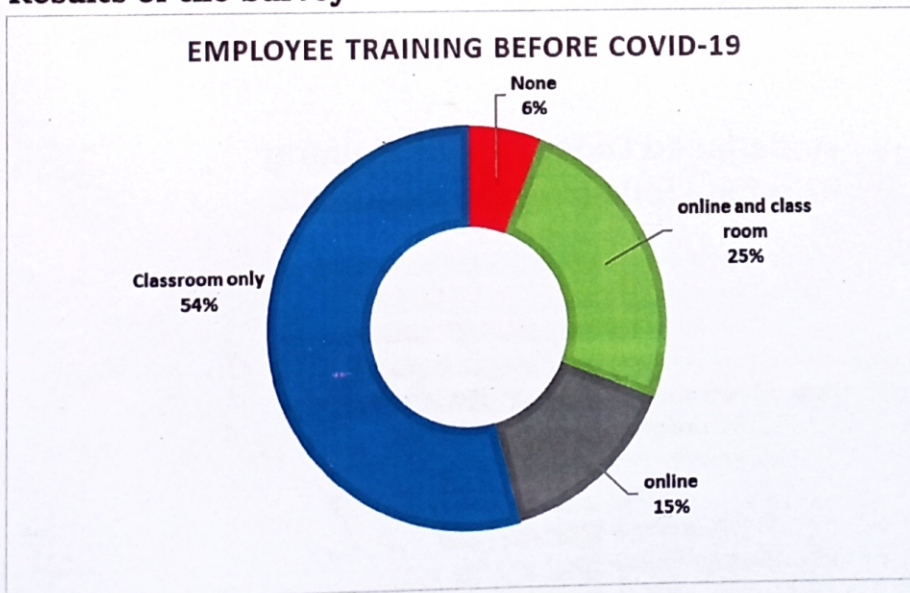
As a training organization, we did not adopt a "wait and see" attitude. In order to examine the impact of COVID-19 on training and development of employees, and to explore the current and future employee training plans as a result of the pandemic, WAIFEM participated at a global survey jointly launched by 10 key international and regional development partners, including the International Labour Organization (ILO), the Global Apprenticeship Network (GAN), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the European Commission (EC), the European

Training Foundation (ETF), the European Centre for the Development of Vocational Training (CEDEFOP), the Organisation for Economic Co-operation and Development (OECD), the African Development Bank, the Asian Development Bank and the World Bank.

The survey which was conducted from April – end June, 2020 targeted all types of organizations (Public and Private) in 110 countries across all regions of the world, focusing on the following areas, among others:

- The impact of the outbreak on the training and development of employees including apprentices and interns.
- Good practices and innovative solutions undertaken by various enterprises and organizations to mitigate the challenges.
- Policy recommendations to address such challenges after lifting of lock-down and in the future.

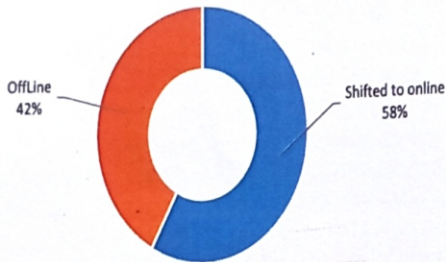
### Results of the Survey



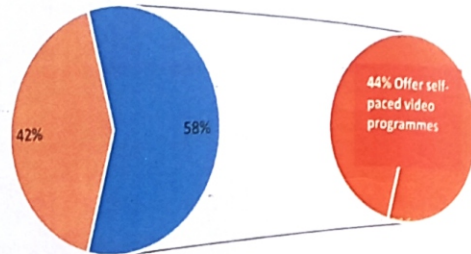


### During Covid-19

Shifting Classroom Training to Online because of COVID-19



### Shifting Classroom Training to Online because of COVID-19

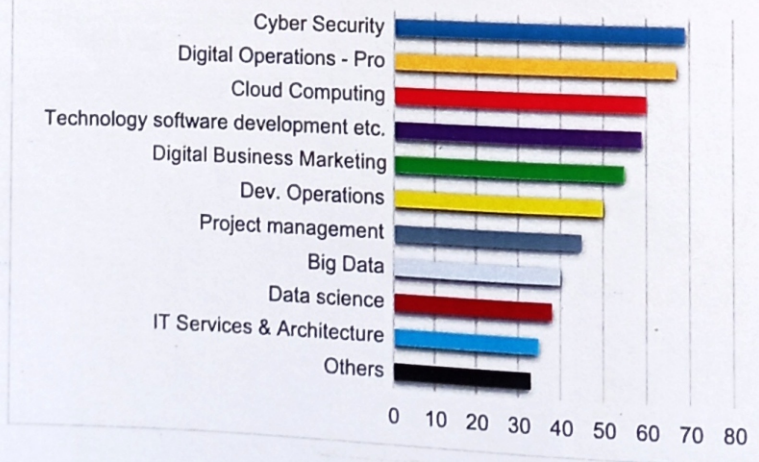


### Challenges to online learning

Many countries and organisations pointed out that they were encountering many challenges such as:

- Instructors not being properly trained to deliver online courses;
- Difficulties in adopting curricula to online format;
- Lack of access to the internet and ICT equipment to carry out training and learning;
- Many learners are unable to access the online training because, they were not familiar with the online platform;
- The provision of training involving practical exercises on-line.
- Beyond the COVID-19 Pandemic.
- The pandemic has accelerated the need to ensure that people around the globe have the necessary technology skills and access to do their jobs.
- 75% will make adjustment to training after the pandemic, such as:
  - Increase investment in distance learning, especially web conferencing, online courses, and podcasts
  - Introduce or intensify blended training methodologies

### Anticipated Digital Skills Training Priorities following the Pandemic



#### **2.1.4 OUTLOOK FOR THE NEXT SIX MONTHS OF 2021**

WAIFEM has already adopted virtual training as an alternative methodology of delivering capacity building activities to member countries to minimise the potential exposure of staff and country officials to COVID-19. Consequently, the implementation of activities during the year was through e-learning format. We introduced a series of webinars to support member countries' efforts to respond to the challenges posed by the COVID-19.

The Institute hopes to finalise negotiations with the World Bank and sign the five hundred and thirty-eight thousand one hundred and twelve United States Dollars (USD 538,112) DMFIII grant in the first quarter of 2021.

We are also in discussion with the African Capacity Building Foundation (ACBF) and the

African Development Bank for possible capacity building grants.

The Institute continues to execute its mandate of building capacity for governance and institution development, as well as macroeconomic and financial management among staff officials in the member countries and West Africa.

Since the Institute did not execute most of the 2020 training programmes, any unspent amount will be declared and factored into 2021 budget. WAIFEM remains committed to its core mandate of building capacity for member Central Banks and other relevant public institutions with economic responsibilities. The collaboration with relevant agencies such as the International Monetary Fund (IMF), the World Bank, Africa Capacity Building Foundation (ACBF), among others remains strong.

# **WAIFEM COUNTRIES ECONOMIC REPORTS**

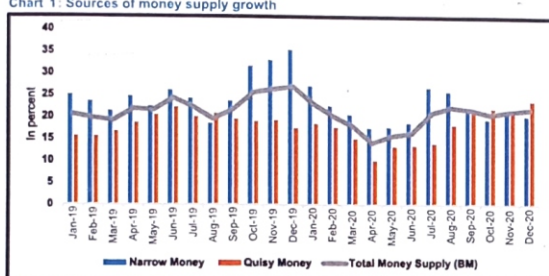
## WAIFEM COUNTRIES ECONOMIC REPORTS

### 3.1 THE GAMBIA

#### 3.1 Analysis of Monetary Aggregates

Money supply growth moderated and remained stable during the year, reflecting the decelerated growth in NFA and NDA of the banking system. The growth rate of Commercial banks' credit to the private sector declined significantly this explains the default risk leading to a drop in loan extended to the private sector.

Chart 1: Sources of money supply growth



Source: CBG

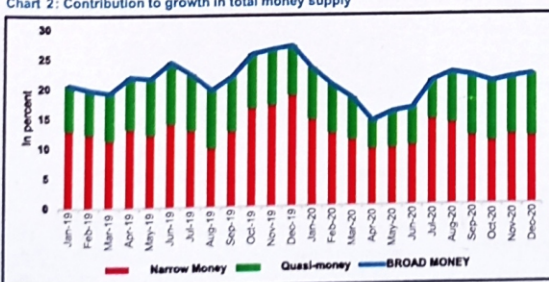
#### 3.1.1 Annual Money Supply Growth

The growth rate of broad money grew by 22.0 percent in end December 2020 compared to 27.1 percent registered in 2019. The growth in broad money was driven by the moderate growth in NFA and NDA of the banking system.

Narrow money (M1), which comprises demand deposit and currency outside banks grew by 20.4 percent to D29.1 billion as at end-December 2020, lower than the 35.4 percent a year earlier. Currency outside banks rose to D10.1 billion or by 28.4 percent at end-December 2020, while demand deposits grew by 16.6 percent to D19.1 billion at end-December 2019.

However, quasi money increased to D23.1 billion, or by 23.9 percent as at end-December 2020. Of the components of quasi-

Chart 2: Contribution to growth in total money supply



Source: CBG

money, savings deposits increased to D18.2 billion, or by 23.3 percent in 2020 compared to 19.1 percent in 2019. Time deposits also increased to D5.0 billion or by 26.4 percent in 2020 compared to a growth of 12.3 percent at end-December 2019.

#### 3.1.1.1 Net Foreign Assets

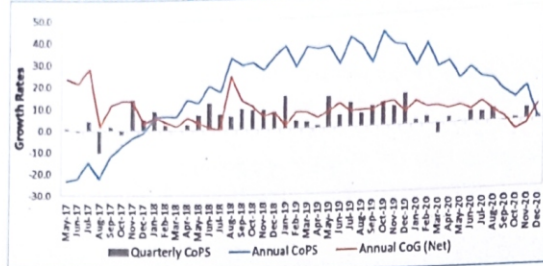
Net Foreign Assets (NFA) of the banking system, the main source of system wide liquidity rose to D24.3 billion (or by 45.0 percent) as at end December 2020 from D16.8 billion year ago. The growth in NFA reflects the increase in the NFA of both the Central Bank and Commercial Banks.

The NFA of Central Bank during the same period grew by 62.6 percent to stand at D13.8 billion compared to D8.5 million during the same period in 2019. This helps the Bank to build the external reserve buffer. Growth in the NFA of deposit money banks slowed (26.9 percent) to stand at D10.5 billion relative to the 41.0 percent growth registered during the same period last year.

#### 3.1.1.2 Net Domestic Assets

Net Domestic Assets (NDA) of the banking system slightly decelerated but remains stable. As at end December 2020, the banking system accumulated domestic assets to the tune of D28.0 billion or by 7.2 percent, compared to 11.8 percent recorded in the previous year. Similarly, quarter on quarter it grew by 5.9 percent. Total domestic credit rose to D33.3 billion or by 5.0 percent during the review period, from D31.7 billion in December 2019. The increase was partly attribute to the large government deficit (D4.2 billion) in the review period. Similarly, net claims on government by the banking system picked up to D25.4 billion or by 6.5 percent compared to D23.9 billion in December 2019 and accounted for about 90.9 percent of total domestic credit. Private sector credit growth declined significantly to 0.8 percent growth rate at end December 2020 compared to 35.8 percent a year ago. The weak growth rate could be partly attributed to the pandemic and the surge in government claims.

Chart 3. Growth in credit to government and the private sector

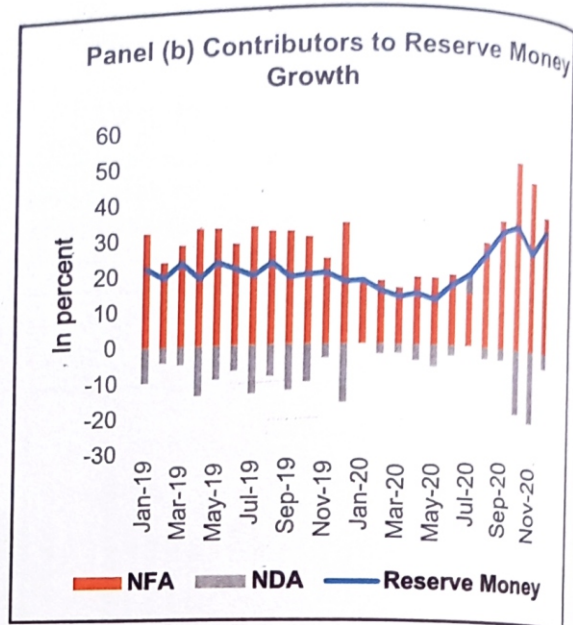


Source: CBG

### 3.1.2 Reserve Money

Annual reserve money growth continues to accelerate. It grew by 33.9 percent as at end December 2020 higher than 17.2 percent recorded in the same period last year, reflecting the strong growth in NFA of the Central Bank (62.6 percent). Currency in circulation rose by 28.9 percent and reserves of commercial banks grew by 41.9 percent in the review period relative to the same period last year.

The NFA of the Central Bank rose by 62.6 percent as at end-December 2020. In contrast, the NDA of the Bank contracted by 11.1 percent from a year ago. Furthermore, The Bank's net

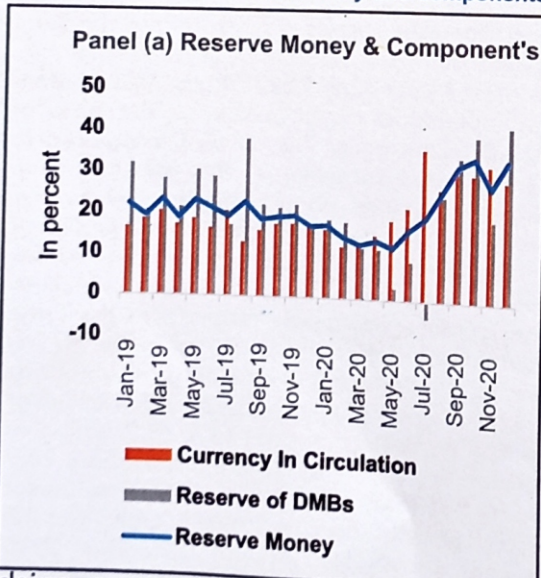


Source: CBG

### 3.2 Distribution of Commercial Bank Credit to the Private Sector

Outstanding credit by commercial banks to sectors of the economy as at end December 2020 stood at D7.402 billion, indicating an

Chart 4: Growth in reserve money and components



claims on government contracted by 13.2 percent from a year ago.

Table 1: Outstanding stock of commercial banks credit (in millions of GMD)

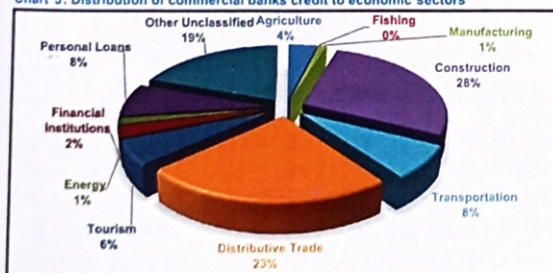
Sectors	2017	2018	2019	2020	Annual percent	Percent share
<b>Agriculture</b>	394,093.97	86,404.77	138,481.50	274,427.43	99.41	3.73
Production	242,378.94	20,707.00	12,592.00	3,235.00	-74.31	0.04
Processing	290.00		2,055.00	2,719.00		0.04
Marketing	131,425.01	45,897.77	123,834.50	270,473.43	118.42	3.64
<b>Fishing</b>	4,114.00	7,244.00	6,284.00	2,144.00	-45.89	0.03
<b>Manufacturing</b>	28,455.00	23,443.00	90,835.00	71,452.00	-21.12	0.97
<b>Construction</b>	654,148.82	1,091,079.79	1,454,825.65	2,041,422.37	40.35	27.58
<b>Companies &amp; Corporations</b>	607,422.40	1,044,713.82	1,292,147.04	1,783,519.34	38.03	24.09
Individuals & Partnerships	44,724.42	44,345.97	142,378.41	257,903.01	84.83	3.48
<b>Transportation</b>	343,020.52	340,894.37	555,553.81	648,014.80	1.70	7.43
Companies & Corporations	339,837.52	323,571.45	525,178.00	635,810.00	1.97	7.23
Individuals & Partnerships	3,183.00	37,322.92	30,375.81	29,504.80	-2.84	0.40
<b>Distributive Trade</b>	1,284,187.31	1,724,403.82	1,684,937.34	1,733,582.04	2.89	23.42
Companies & Corporations	1,091,903.31	1,484,427.82	1,409,471.24	1,374,064.04	-2.37	14.89
Individuals & Partnerships	192,284.00	40,174.00	275,464.00	357,518.00	29.79	4.53
<b>Tourism</b>	217,484.14	895,824.49	408,482.40	414,001.00	1.84	3.43
For Premises	119,442.14	490,124.00	199,288.00	223,195.00	12.00	3.03
For Capital equipment	6,841.00		12,879.00	9,848.00	-23.53	0.13
For working Capital	91,141.00	105,698.49	194,315.40	182,958.00	-4.80	2.47
<b>Financial institutions</b>	127,423.25	178,831.24	354,900.14	190,284.02	-44.48	2.57
<b>Energy</b>	80,834.41	44,228.91	107,617.00	104,925.44	-2.80	1.43
<b>Personal Loans</b>	401,461.05	443,175.32	540,475.49	549,849.14	1.44	7.70
<b>Other Unclassified</b>	748,190.74	905,580.37	1,984,018.29	1,430,913.00	-27.75	15.23
<b>Total Outstanding</b>	4,183,803.23	8,505,230.20	7,350,309.94	7,402,237.14	0.71	100

insignificant growth of about 0.7 percent compare to the previous year which is mainly due to the COVID-19 pandemic which halted most of the economic activities in most of the sectors. Specifically, construction, distributive trade and agriculture sector picked up significantly by 40.35 percent, 2.89 percent and 99.61 percent respectively. However, fishing, manufacturing and the energy sector on the other hand recorded a decline in growth of credit by 65.89 percent, 21.12 percent and 2.5 percent respectively during the same period.

Credit to the distributive trade has increased slightly, accounting for about 23.42 percent of the outstanding credit equivalent to D1.73 billion in 2020 compared to 22.92 percent of the outstanding credit, equivalent to D1.68 billion in December 2019. Credit to agriculture, a significant contributor to GDP and a leading employer has also improved and accounted for 4 percent of the total outstanding loans in 2020. This has been partly due to the adequate rainfall in the year 2020. Total loans to the sector stood at D276.43 million in December 2020 from D138.48 million in December 2019.

Credit to the manufacturing sector slightly declined to D71.65 million in 2020 from D90.84 million in 2019. This reflects the impact of the COVID-19 pandemic that led to the closure or massive slow down of activities in most of the manufacturing industries due to the limitation of the importation of materials needed for manufacturing. Also, most of the laborer's have been laid off due to the low economic activity during the period. It equally accounted for 0.97 percent of the total credit to the private sector from an initial record of 1.24 percent in 2019.

Chart 5: Distribution of commercial banks credit to economic sectors



Credit to the construction sector has accounted for 28 percent, which is the largest share of the total outstanding loans in 2020 equivalent to

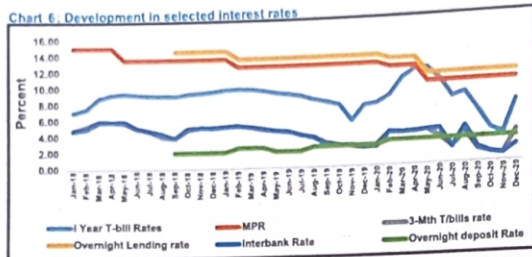
D2.04 billion compared to 19.79 percent of the outstanding credit, equivalent to D1.46 billion in 2019. During the pandemic, this sector was literally the only effective performing sector in the country. The high demand of the construction materials also led to quick and sharp rise in the prices of the materials which eventually led to the shortages of some fundamental materials for construction.

### 3.3 Interest Rates Developments

In February 2020, the MPC reduced the monetary policy rate (MPR) by 50 basis points from 12.5 percent to 12 percent on the back of subdued inflationary environment and supporting the economy. The MPR was further slashed by the MPC in its second meeting of the year in May 2020 by 200 basis points from 12 percent to 10 percent. In addition, the MPC lowered the statutory reserve requirement of commercial banks by 2 percent to 13 percent to improved liquidity conditions.

The money market interest rate which has been on a downward trend in 2019, slightly increased during the review period due to the rise in government borrowing. The yields on the 91-day, 182-day, and 364-day Treasury bills, which respectively stood at 2.06 percent, 5.14 percent and 7.47 percent in December, 2019 increased to 3.64 percent, 7.27 percent and 8.44 percent in the corresponding period in 2020. Similarly, interest on the 364-day Sukuk Al Salam bills increased on average from 5.52 percent to 7.96 percent. On the other hand, the 91-day and 182-day Sukuk Al-Salam bills declined from 2.24 percent and 4.88 percent in 2019 to 1.96 percent to 4.18 percent in 2020 respectively. The interbank lending rate likewise, decreased from 2.28 percent in December 2019 to 1.88 percent in December 2020.

The minimum and maximum interest rate on savings deposits declined from at 0.5 percent and 8.0 percent, in December 2019 to 0.3 percent and 3.0 percent in December 2020 respectively. However, the minimum rate and maximum rate on 3-month time deposits remained unchanged. The maximum rate on the same deposit type decreased from 16.0 percent in December 2019 to 9.0 percent in December 2020. The 6-month time deposit attracted a maximum rate of 12.0 percent in December



2020 compared to 16.1 percent in December 2019. Time deposit for a duration of 12 months attracted maximum interest rates of 16.0 percent, lower than 18.4 percent a year earlier.

As at end-December 2020, commercial banks were lending at a minimum interest rate of 10.0 percent, lower than a minimum rate of 12.0 percent a year ago. The maximum lending rate remained the same at 28.0 percent during the review period.

**3.4 Real Sector developments**

**3.4.1 Real GDP Growth**

The Gambian economy growth for 2020 was projected to contract by 1.8 percent at the beginning of the pandemic to zero growth for the rest of the year. The decline in economic growth in 2020 compared to 2019 is associated with the global COVID-19 pandemic which continues to impact economic activities around the globe. The COVID-19 pandemic had adversely affected all the sectors of the economy with small businesses, tourism, and hospitality industry as well as trade among the hardest hit. In The Gambia, the low number of reported cases for the majority of 2020, the increased government spending, the increase in private consumption and investment which were supported by foreign exchange inflows, rapid credit expansion and the accommodative monetary policy stance contributed to the softening of the slowdown in economic growth. The Fund expects growth to

Chart 7: Real GDP growth (in percent)

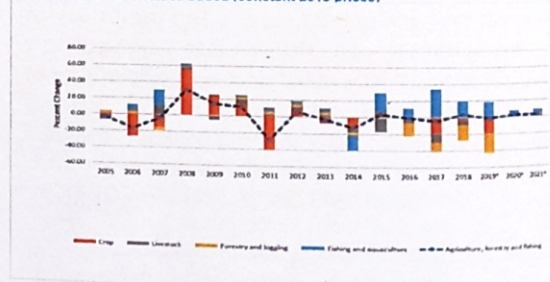


rebound to 6.0 percent in 2021, predicated on a return to normal economic activity with a vaccine on the horizon.

**3.4.1.1 Agricultural Sector**

The agriculture sector, the second-largest contributor to GDP, is estimated to have contracted by 1.3 percent in 2019 compared to a growth of 3.7 percent in 2018. The contraction in 2019 was owing to climate conditions – poor and late rains. The decline in growth was driven by poor crop and forestry & logging productions despite the strong growth in fishing & aquaculture. Crop production, and forestry & logging is estimated to contract by 16.7 and 24.3 percent in 2019 respectively. However, crop production estimates from the pre-harvest survey show an improvement of 49.9 percent in 2020, this fluctuation demonstrates how the agricultural sector continues to be vulnerable to exogenous shocks such as climatic factors. The projections for 2020 from the Ministry of Fisheries and Water Resources showed that the fishing industry has been remarkably resilient to the pandemic's effects. The total production and consumption of fish are expected to increase by 4.13 percent and 2.26 percent, respectively. Fish exportation and importation is expected to increase by 11.08 and 5.23 percent respectively in 2020.

Chart 8: Agriculture valued added (constant 2013 prices)



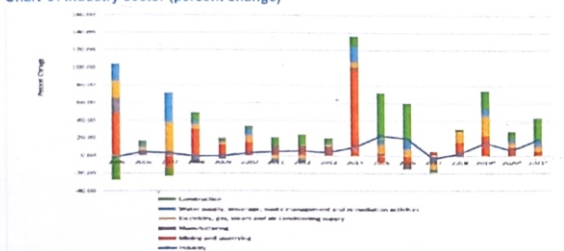
Source: GBoS and CBG staff estimates

**3.4.1.2 Industry Sector**

The industrial sector was projected to have grown robustly in 2019 by 14.3 percent compared to the revised growth of 2.0 percent in 2018. The estimated expansion of the industrial sector is broad base with growth in mining & quarrying estimated at 22.5 percent, electricity supplies 23.5 percent, water supply, sewerage & waste management 7.9 percent, and construction 19.9 percent. In contrast, activities

in manufacturing are projected to remain the same for 2019. The growth in the industrial sector is expected to decelerate to 5.83 percent in 2020 before picking up to 17.59 percent in 2021. The forecast for 2021 growth is predicated primarily on the growth in construction tripling from 2020 to 2021.

Chart 9: Industry sector (percent change)

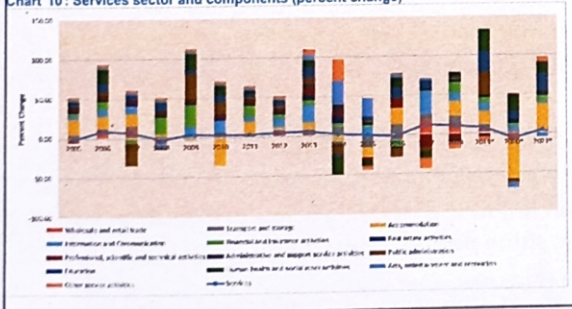


Source: GBoS and CBG staff estimates

### 3.4.1.3 Services Sector

Growth in the services sector is estimated to have declined by 6.8 percent in 2019 compared to 9.8 percent in 2018. The main drivers of growth were wholesale & retail trade, transportation and storage, information & communication, education, public administration, financial & insurance, accommodations & food service activities, and real estate. The sector contributes about 61.5 percent of real GDP in 2019.

Chart 10: Services sector and components (percent change)

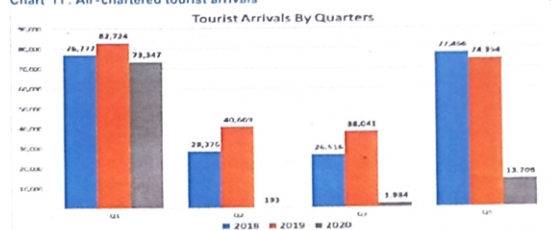


### 3.4.1.4 Tourism Industry

In the Gambia, during the 2020 lockdown, few to no tourist arrived in the country. The lifting of restrictions saw an uptick in tourist arrivals, while tourist arrivals in fourth quarter were slightly below third quarter projections, the trend indicates a slow recovery is feasible. This outlook however, remains fragile and continues to have a negative impact on the economy as the tourism sector is a significant contributor to GDP. The

tourism sector is hoping for a slow recovery in 2021 predicated on an improved crisis situation and the resumption of international travels as global vaccination progresses.

Chart 11: Air-chartered tourist arrivals



Source: Gambia Tourism Board and CBG staff estimates

Table 2: Monthly air -chartered tourist arrivals

	2016	2017	2018	2019	2020	2019 % change	2020 % change
January	21,789	13,399	28,305	30,176	31142	6.6	3.20
February	19,991	17,659	24,416	26,752	28862	9.6	7.89
March	17,787	16,339	23,326	25,796	13343	10.6	-48.27
April	11,023	11,110	12,068	17,540	0	35.3	-100.00
May	7,032	7,733	7,501	11,868	40	55.6	-99.66
June	6,510	7,263	8,432	11,399	153	35.2	-98.66
July	7,323	8,660	8,981	13,328	640	48.4	-95.20
August	6,650	8,163	9,230	13,274	360	43.8	-97.29
September	8,431	9,744	8,479	11,439	984	34.9	-91.40
October	10,837	11,385	13,309	16,586	1561	24.6	-90.59
November	19,305	22,807	27,153	25,543	4456	-5.9	-82.55
December	23,549	28,313	31,370	32,209	7691	2.7	-76.12
Total arrivals	161,127	162,075	203,470	235,710	89232	15.8	-62.14

Source: Gambia Tourism Board and CBG staff estimates

### 3.5 Price Developments

Available data from the Gambia Bureau of Statistics (GBoS) shows that headline inflation measured by the consumer price index (CPI) decelerated to 5.7 percent in end-December 2020, from 7.7 percent in the corresponding period of 2019. Both food and non-food inflation slowed during the reviewed period.

Inflationary pressures during the year 2020 moderated with headline inflation averaging 5.9 percent and a record low of 4.8 percent in July, largely attributed to the weak demand conditions and subdued global commodity prices reflecting the effects of the Covid-19 pandemic. Moreover, the stability of the exchange rate and prudent monetary policy have helped anchored inflationary expectations.

Generally, the outlook for inflation is projected to remain stable towards the medium term target of 5 percent. However, the potential risk to inflation may arise from the rising global commodity food