



# WAIFEM News

Vol. 14 - 2010

A Quarterly Newsletter of the West African Institute for Financial and Economic Management

## DG, WAIFEM Emphasizes the Importance of the Mass Media in Economic and Financial Management

The West African Institute for Financial and Economic Management (WAIFEM) organized a **Regional Workshop on Economic and Financial Analysis for Journalists** at its Headquarters in Lagos, Nigeria, from February 15-19, 2010. The main objective of this workshop was to update the knowledge and upgrade the skills of editors, journalists, news producers, anchor personnel and other media practitioners in economic and financial policy formulation, analysis, performance, monitoring and reporting. Specifically, the workshop was expected to increase the “economic quotient” of participants to enable them use their job functions to cultivate a more enlightened electorate that will engender greater popular participation in the national economic and financial agenda.

In his keynote address, the Director General of WAIFEM, Prof. Akpan Ekpo expressed regret over the inability of member countries to meet the required quantitative and qualitative criteria for the commencement of the monetary union despite of the efforts made by many West African countries to improve macroeconomic management and forge regional integration through the West African Monetary Zone (WAMZ), established in December 2000. He noted that the rising trend of globalization strongly underscored the urgent need for WAMZ member states to harmonize their macroeconomic policies through cooperation. The WAIFEM Director General charged participants, many of who constitute the fourth estate of the realm, to inform the masses in their various countries to embrace

the process of regional economic integration through the WAMZ project.

The broad themes covered included the following: the role of statistics in economic management; sources of financial and



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DIRECTOR GENERAL

economic statistics; structure of financial market instruments, introduction to macroeconomic structure of the economy; fiscal and monetary policies management and coordination of both policies; interpretation of financial and economic indicators; money laundering and financial crimes; regional economic integration in West Africa; hands-on analysis and reporting on a budget speech and on a quoted firm's annual report accounts, and practical exercises on money and capital markets.

The workshop was attended by thirty four (34) middle/senior/executive level officials involved in editing, reporting and producing macroeconomic and financial news and drawn from the public

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# Developments in Debt Management in West Africa

## **LIBERIA QUALIFIES FOR COMPLETE DEBT RELIEF UNDER HIPC INITIATIVE, JUNE 29, 2010.**

The International Monetary Fund (IMF) and the World Bank's International Development Association (IDA) have decided to support US\$4.6 billion of debt relief for Liberia, of which US\$1.5 billion is to be delivered by multilateral creditors and the remainder by bilateral and commercial creditors. This was made possible in part by the exceptional efforts of members of the international community to finance debt relief for Liberia. Debt relief under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative from all Liberia's creditors was estimated at US\$ 2.7 billion in end-June 2007 present value terms. Debt relief from the IMF would total US\$730 million - the IMF's biggest ever HIPC contribution for a single country and from the World Bank's IDA, US\$374 million. After reaching the HIPC completion point, Liberia also becomes eligible for further nominal debt reduction from

IDA (US\$66.9 million) and the African Development Bank (US\$17.2 million) under the Multilateral Debt Relief Initiative (MDRI) and beyond-HIPC assistance from the IMF (SDR117.4 million or US\$173 million) and the EU Special Debt Relief Initiative (US\$0.9 million).

As a result of this relief, Liberia will no longer face a heavy debt service burden in relation to its revenue and foreign exchange resources.

The Boards of World Bank and IMF determined that Liberia has taken the necessary policy actions to reach the completion point, and therefore debt relief from both the HIPC Initiative and MDRI becomes irrevocable. Liberia has successfully implemented its poverty reduction strategy and maintained a stable macroeconomic environment, despite the global economic crisis. Liberia becomes the 29<sup>th</sup> country to reach the completion point under the HIPC Initiative and the 5<sup>th</sup> WAIFEM member country to reach completion point. The completion point marks the end of the HIPC

process, which started in 2008 when the Executive Boards of the IMF and the World Bank agreed that Liberia had met requirements for reaching the decision point, when countries start receiving debt relief on an interim basis.

## **THE GAMBIA NATIONAL DEBT AND NEW FINANCING ANALYSIS WORKSHOP - AUG. 26-SEPT. 7, 2009**

The Gambia National Debt and New Financing Analysis Workshop, held at the Kairaba Hotel, Banjul, The Gambia from August 26 September 8, 2009. The workshop was funded by HIPC-CBP and was organized by WAIFEM in collaboration with The Gambian Government. The DSA was conducted using World Bank IMF Debt Sustainability Framework for Low-Income Countries (DSF-LIC) template. The framework put together global scenarios from debt, macro and new financing technical groups inputs and generates key debt indicators.

The DSA was designed to update and review the 2007 IMF DSA findings, Provide inputs to the designing of a medium-term debt strategy (MTDS), a debt mgt. Performance bench-mark and Assess the impact of the global financial crisis on The Gambia's debt sustainability and upscale the capacity of Government officials on the new DSA framework (DSF-LIC) methodology

Two scenarios were used to assess the impact of different shocks



- **PRGF:** *Consistent with govt. assessment of macroeconomic performance projections.* Used to test debt indicators if macroeconomic situation remains as it projected.
- **PRSP2:** *Increased aid flows to accelerate spending on Poverty.* Testing the impact of additional borrowing at less concessional terms on long-term debt sustainability.

The Gambia's total public debt stock fell from US\$760.7 million in 2000 to US\$575.5 million in 2008 reflecting a fall in External debt from 77% of total debt to 61% in 2008 as the country benefit from HIPC initiative as it reached

Completion Point under the HIPC Initiative and an increase in domestic debt contribution from 23% of total in 2001 to 39% in 2008 triggered by materialisation of loan guarantees and revaluation losses of CBG

The results of the DSA analysis indicate the following:

#### **The PV-Debt to GDP Ratio**

The Gambia is sustainable under the baseline scenario except when subjected to the most extreme shock combination, particularly from 2015 to 2020.

#### **PV of Debt to Exports**

Under the baseline, the Gambia

will be sustainable throughout the projected period even in most extreme shock combination. Under the alternative scenario it indicates unsustainability in the initial stage due to huge investment required to combat poverty.

#### **PV of debt-to-GDP ratio**

Under the baseline sustainability is feasible for the Gambia considering a threshold of 200.

#### **Debt Service to Exports**

Under the baseline the economy is sustainable but it will be unsustainable under extreme shock combination by 2020 and beyond.

## **WAIFEM CONDUCTS INSTITUTIONAL MANAGEMENT MISSION TO THE REPUBLIC OF LIBERIA, SEPTEMBER 14 18, 2009**

From September 14 to 18, 2009, Institutional Management Mission to Liberia was undertaken by WAIFEM in Monrovia, Liberia. The Mission was undertaken by Baba Y. Musa, Director, debt management department WAIFEM. The objective was to undertake a comprehensive assessment of debt management functions in Liberia with a view to design appropriate capacity building plan for debt management as an input strategic plan of WAIFEM 2010-2014. As part of the assessment, the mission met with officials from the Ministry of Finance specifically, from the Debt Management Unit, the Office of the Comptroller General, the Bureau of General Accounting (all within the Expenditure and Debt Management Department), from the Bureau of the Budget, and from Revenue and Administration Departments as well as officials from the Central Bank of Liberia, the Ministry of Justice, the General Auditing Commission, and Ecobank. The mission met also with the World Bank's Country Manager and the Resident Representative of the IMF.

The mission found that Liberia has clearly an established institutional arrangement for borrowing i.e. authority to borrow (from constitution to PFM Act), however the country will need to:

- pass all the necessary supporting regulations;

instructions

- To adhere to the newly developed legal and regulatory framework.
- Debt management capacity is low and fragmented as follows:
- Fragmentation: - i.e. responsibilities is share and sometimes duplicated within MOF, CBL and office of the President
- There is low capacity Middle office function (risk analysis)
- There is no Clearer separation between political decisions and technical implementation of debt management operations
- There is no conduct of external and internal performance audits of DeM activities
- There is no capacity for performance audits (control environment, risk assessment, control activities, information and communication, and monitoring.

The country's capacity to borrow likely to change after debt relief, therefore the country requires an adequate debt management strategy which would minimize the costs and risks of public borrowing over the medium term. It Help government increase fiscal space for poverty reducing expenditure and Improve coordination of conduct of fiscal and monetary policy.

### 2 DEBT EXPERTS IN WAIFEM REGION ON DEBT MANAGEMENT ATTACHMENT PROGRAMME TO MADRID & LONDON, FROM NOVEMBER 9 20, 2009

In order to strengthen the recent progress made in developing regional expert at WAIFEM region and recommendations made by HIPC CBP monitor Universalia for WAIFEM to continue strengthening the development of regional expertise and given the importance that the new Debt Sustainability Framework for low Income Countries (DSF-LIC) and the need for the countries in WAIFEM region to continue to conduct the debt sustainability exercise on annual basis on their own, the above programme has been designed to strengthen the existing capacities of regional experts. In this regard, one WAIFEM staff (Baba Musa) and one regional expert (Mr. Sahr L. Jusu head of debt management department Min of Finance Sierra Leone) were sent on attachments to Madrid and London

The main objectives of the debt expert attachment was to develop and consolidate a sustainable capacity for conduct DSAs in WAIFEM region using a pool of trained regional experts; to undertake practical hands-on Debt Sustainability Framework (DSF) exercises such as debt and macro data preparation, designing alternative scenarios, analysing sustainability indicators and results and preparation of

strategy report and recommendations for policies and to Acquire additional skills on methodology of reaching out to donors for post HIPC CBP funding of WAIFEM capacity building programmes and strengthen existing skills in the preparation of project documents for donor assistance.

At the end of the attachments the WAIFEM Staff and the regional expert became fully conversant with the DSF template. In addition, the experts would developed a prototype workprogramme which would be used by WAIFEM and the constituent countries when they are going to conduct future DSA's

### WAIFEM FACILITATES MEETING OF 13 HIPC AND NON-HIPC DEBT MANAGERS, DECEMBER 8 10, 2009, ACCRA GHANA

Following the implementation of Heavily Indebted Poor Countries (HIPC) Relief, Multilateral Debt Relief Initiative (MDRI), the issue of new borrowing was now the subject of intense discussions in international fora. Indeed, both the borrowing needs of low income countries and the recovery of their financial situation mean that an increase in new debt flows can be expected. Against this backdrop, the risks posed to developing economies by some countries' current policy of new borrowing calls for mitigation to avert the spectre of debt overhang. In addition, recent development arising from the global financial crises has

given bold relief to the risk element identified above. Considering that the decline in ODA flows is already forcing countries to go for borrowing from non traditional lenders whose lending policies are hardly consistent with the objective of maintaining the long-term debt sustainability of low income borrowing poor countries.

Consequently, thirteen (13) HIPC and Non-HIPC debt managers in WAIFEM countries met through the platform of WAIFEM to get together co-ordinate strategies that will assist the countries to chart a way forward.

The main objectives of the debt manager's forum were to discuss their country's medium term debt management strategies in the after mark of global financial crises; and to have a concerted view about sharing best practices targeted at maintaining debt sustainability in the prevailing environment characterized by sluggish inflow of aid and new financing challenges. And to discuss the way forward beyond HIPC CBP phase 4 which will end in December 2009 and update each country's debt situation profile and evaluation of capacity assessment for final report of phase 4 of the HIPC CBP which ended in December 2009.

The themes to be covered included **Changing Debt Situation in Africa, Uncertainties in debt & new financing issues in Current Environment and Implications for Debt Management, Debt Management Capacity Building in WAIFEM region beyond HIPC CBP phase 4 and Cooperation and Information**

## Sharing way forward.

At the end of the seminar, the countries identified their current capacity building needs and future plans for Debt management in WAIFEM Member countries, and updated self assessment evaluation which was to be incorporated of the final report of Phase 4 of HIPCCBP.

### THE GAMBIA DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DEMPA) JANUARY 11-20, 2010

WAIFEM in collaboration with the World Bank conducted an assessment of the government's debt management capacity and institutions using the Debt Management Performance Assessment Tool (DeMPA) from January 11-20, 2010. This tool provides a methodology for assessing government debt management performance through a comprehensive set of dimensions spanning the full range of DeM functions. The first time the tool was applied In Gambia was in 2007, when a pilot study was carried out. The mission team is composed of Baba Musa (Director Debt Management Department, WAIFEM), Elizabeth Currie (Lead Financial Officer, World Bank ) and Ian Storkey (consultant from World Bank).

The mission met with the Minister of Finance and Economic Affairs, the Permanent Secretary and his Deputy, as well as staff from entities involved in government debt management, including, among others, officials from the Ministry of Finance, the

Central Bank of The Gambia, The National Audit Office, the Ministry of Justice, the Social Security Housing Fund and two commercial banks . A total of 63 officials were met at the mission. The DeMPA methodology has evolved since 2007, when the last report was made, and therefore it is not possible to carry out a strict comparison of the two DeMPA reports in terms of individual indicators, given that the detailed dimensions are no longer aggregated; instead, each one is given a specific score. It is clear however that debt management had progressed substantially in some dimensions during these three years (the first mission was carried out in 2006), although there are still remaining issues that require reform and institutional capacity-building. Gambia has progressed in the following important areas, among others:

- There is now a medium-term debt management strategy in place, which is an essential pillar to sound practice; ideally it will be reviewed annually by staff of the Directorate of Debt Management (DDM) to analyse if there is a need for modifications given changes in the macroeconomic and market environment;
- There is a stronger institutionalized coordination between the Ministry of Finance and Economic Affairs (MoFEA) and the Central Bank of Gambia (CBG) through the Memorandum of Understanding of 2007, which clearly established coordination mechanisms as well as roles and functions related to debt management. This MOU should be reviewed periodically, to examine the implications of a more active role for MoFEA in the development of the domestic market, including a closer approximation to local investors.

The MOU should also include the function for MoFEA of updating the design of the MTDM strategy and monitoring its implementation, as it provides the guidelines for the CBG in its functions related to government debt management.

- The Government of Gambia (GoG) organized and carried out two Debt Sustainability Analyses, in 2007 and then again in 2009. This reflects greater in-house technical capacity, and provides stronger coordination between debt management and fiscal policy implementation.

- MoFEA is promoting greater transparency and better accountability, through the Quarterly Report supplied by the Directorate of Debt Management (DDM), which should be continued and strengthened through time., in particular with risk indicators

### WAIFEM / WORLD BANK/IMF MEDIUM TERM DEBT MANAGEMENT STRATEGY WORKSHOP, FEBRUARY 8 18, 2010

At the request of Nigerian Government, The World Bank, IMF and WAIFEM conducted a Medium term debt strategy in Abuja from February 8 18, 2010 workshop The mission worked closely with the staff of the Debt Management Office (DMO) and Central Bank of Nigeria and share the new framework for debt management strategy formulation developed by the IMF and the World Bank. The framework was applied to the Nigerian context to assess the relative costs and risks of various debt management strategies and their debt sustainability

implications. The consistency of candidate debt management strategies with mitigating key vulnerabilities in the economy taking into account the current macroeconomic and financial market environment was also discussed. A total of 25 officials were trained from DMO, CBN, National Planning commission and Ministry of Finance.

The MTDS framework involves key steps to develop a debt management strategy that is consistent with the country's stated debt management objectives, their macroeconomic framework, and identified constraints. It specifically involves: defining the objectives and scope of the MTDS; analyzing the cost and risk profile of existing debt to monitor its characteristics, highlighting where they should be altered if necessary; reviewing the fiscal/monetary/market environment that impact strategy formulation; reviewing structural and risk factors that will impact country debt strategy preferences; identifying potential sources of financing, available instruments, and their cost/risk characteristics; and assessing the cost/risk performance of various strategies and their implications for debt sustainability, monetary and fiscal policy, and market development. Constraints to effective debt management are also identified.

**WAIFEM/DMO REGIONAL COURSE ON SUB-NATIONAL DEBT AND MANAGEMENT OF CONTINGENT LIABILITIES AND GUARANTEED ON-LENDING HELD IN LAGOS, MAY 3 7, 2010**

A Sub-National Debt and Management of Contingent



Liabilities and Guaranteed on Lending was organized by the West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Debt Management Office (DMO), Nigeria held at the WAIFEM premises, Satellite town, Lagos from May 3 7, 2010.

The course was designed to provide participants

- i. with foundation training, particularly in operational debt management i.e. the recording, the analytical and controlling functions at Sub National debt management in line with the sub national debt management template developed by DMO Nigeria.
- ii. To address the management of contingent liabilities and guaranteed on lending.

The course which was attended by forty-eight (48) executive/senior/middle level officials drawn from central banks, ministries of finance and economic planning, debt management offices, state's ministry of finance and economic planning from The Gambia, Ghana, Nigeria and Sierra Leone, was facilitated by resource persons from the WAIFEM faculty and DMO

Nigeria

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

- § That WAIFEM and DMO should a two to three days course targeted at commissioners of finance and permanent secretaries in the states or sub-national governments to educate them on the need to have good debt management practice in the sub-region.
- § That DMO should sensitize the sub-national heads of governments on the need to build debt management capacity of sub-national governments and to strengthen the DMD's. In this regard, states should make adequate provision for staff motivation, provision of infrastructures such as IT equipments and adequate office space. Provision of these enabling environment would reduce high staff turnover.
- § That The DMO should come up with a policy on the establishing and restructuring of the State's DMDs in terms of :-
  - i. Appropriate location of the DMDs either in the Ministry of Finance or the

Governor's office

ii. Minimum budgetary allocations for the DMDs for both Capital and Recurrent expenditure.

iii. Transparency in handling loans servicing and repayment with the DMDs participating activities

§ That CS-DRMS Debt software should be introduced to DMDs operations through a two week workshop by WAIFEM and

§ That Member countries of WAIFEM member banks should continue to adopt best practices in all aspects of debt management consequently; maintenance of debt sustainability should be encouraged under the West African Monetary Zone (WAMZ) convergence criteria.

as well as the methodology for updating the country's debt strategy on regular basis.

The broad themes covered included: The World Bank/IMF Debt Sustainability Framework (DSF) for LICs: the "why" and the "how", conceptual issues including assessing both external and public debt **sustainability under baseline Scenario, IMF debt limits Policy, Stress testing including application of Shocks in the template**, view of debt sustainability framework, external and public debt sustainability baseline and practical exercises and interpretation of on DSA results using DSF LICs template.

The workshop was facilitated by a team of resource persons from the World Bank and IMF and was attended by eighteen (18) senior level officials from the central banks, ministries of finance and economic planning in The Gambia, Ghana, Liberia, Nigeria, Sierra Leone and Sudan.

At the end of the workshop, the participants made the following recommendation:

i. This tripartite arrangement

between WAIFEM/World Bank and IMF in capacity building for debt management should continue as it enhances capacity building in debt management in West African sub-region.

ii. That participating countries are urged to collaborate with one another in sharing of information and best practices

iii. That the workshop duration should be extended to two (2) weeks to enhance the understanding and application of the DSF framework.

IV Member countries of WAIFEM should continue to adopt best practices in all aspects of debt management, consequently; maintenance of debt sustainability should be encouraged under the West African Monetary Zone (WAMZ) convergence criteria

V Training on World Bank/IMF Debt Sustainability framework should be an annual event in the work programme of WAIFEM to ensure sustainability of capacity.

**JOINT WAIFEM/WORLD BANK/IMF DEBT SUSTAINABILITY FRAMEWORK WORKSHOP FOR ANGLOPHONE WEST AFRICAN COUNTRIES, HELD IN LAGOS, NIGERIA, JUNE 14 18, 2010**

A Joint WAIFEM/World Bank & IMF Debt Sustainability Framework Workshop for Anglophone West African Countries was organized at WAIFEM headquarters in Lagos, Nigeria, from June 14 18, 2010.

The objective of the workshop was to provide hands-on training on debt sustainability analysis based on debt sustainability framework for low income countries template developed by the World Bank and IMF. It also provided the participants greater insight the evolution and theoretical nexus underpinnings of debt sustainability framework



## Economic Development through International Remittances

March 9 - 13, 2009, Banjul, The Gambia

The Institute organized a Regional Seminar on International Remittance for Economic Development in Banjul, The Gambia from March 9 - 13, 2009. The seminar deepened participants' understanding of remittances and their economic value. Specifically, it provided a platform for identifying a policymaker's framework, within which to manage inflow of remittances for economic development.

The following themes were discussed:

- migration in West Africa: patterns, issues and challenges;
- international initiatives in migration;



- the economics of remittance: theories and issues;
- impact of remittances on economic development;
- formal and informal remittances systems;
- models of remittances for national development;
- patterns and trends of remittances in West Africa;
- risk in remittances;
- money transfers: experience of practitioners; and
- regulatory environment of remittances.

The above themes were delivered by experts drawn from the sub-region. Delivery modalities included

plenary lectures and syndicate group discussions.

The seminar was attended by a total of twenty-one (21) executive/senior/middle level officials drawn from central banks, core economic ministries, deposit money banks, and other public and private organizations in The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

At the end of the course, participants made the following recommendations in a communiqué:

- there was need to build a good database of all financial flows including remittances;
- policy makers should embark on designing appropriate frameworks for incorporating remittances into national economic models;
- deposit money banks should use the opportunity presented by remittances to develop products and services for all segments of the population including the poor;
- governments should focus on building capacity of institutions charged with responsibility for statistical data collection, compilation and dissemination;
- regulatory authorities, especially the central banks, within sub-Saharan Africa, should review the "exclusivity clause" in Money Transfer Organizations agreements to remove its adverse implications for the economic growth of the countries;
- there should be extensive review of the current strict regulations of the formal remittance market that could eventually trigger the continuous growth of the informal market;
- the abrogation of exclusivity clause, as had been done in Ghana and Nigeria, should provide a conducive financial landscape for increased remittances. The abrogation should be done in all countries across the sub-region; and
- measures should be adopted to reduce commission charge on remittance transfers into the sub-region.



# Income Generation through Optimizing Reserves and Foreign Exchange Management

Against the backdrop of the global financial crises and the consequential weakening of financial systems, loss of confidence in financial markets, collapse of commodity prices, pressures on exchange rates and de-accumulation of reserves, WAIFEM organized a Regional Course on Optimizing Reserves and Foreign Exchange Management for Income Generation. The course provided a special focus on international reserves and its effective management. It was designed to equip participants with the relevant techniques and skills needed for managing investment in fixed income instruments. In particular, it imparted the principles of liquidity, security and return profitability in reserves management by central banks and other related institutions.

The following broad themes were covered:

- reserves and foreign exchange in the macroeconomic context;
- portfolio theories;
- financial mathematics; bond yields, valuation and indices;
- valuation fixed income instruments;
- derivatives;
- foreign exchange markets and products;
- international securities markets: analysis of market information and movements;
- technical and fundamental analysis;
- liquidity analysis and reserves tranching;
- investment policy and guidelines;

- risk management in portfolio management;
- strategic asset allocation, currency mix and benchmark design; and
- Solving typical portfolio management problems with spreadsheets.

The course was attended by seventeen (17) senior/middle level officials of central banks, core economic ministries, deposit money banks, sub-regional institutions and other public agencies in The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

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

- there was need for investment bankers to employ investment strategies that would guarantee safety and where necessary enhance returns;
- foreign exchange intervention programmes that would guarantee the narrowing of the gap between the official market rates and the parallel market rates be continually pursued by central banks in the sub-region;
- follow-up activities should be aggressively undertaken by WAIFEM to track the application of knowledge acquired to the job situation; and
- Attachment programmes for financial institutions of member countries should be encouraged in order to transfer practical knowledge from more experienced banks to other less experienced ones.

## Enhancing Accounting, Auditing and Financial Management Functions with Computer Applications

Information technology and information systems have become more powerful and popular in the business setting. The increasing adoption of computer technology in accounting, auditing, and financial management provided the backdrop for the organization of the Regional Course on Computer Applications in Accounting, Auditing and Financial Management in Lagos, Nigeria, from July 13 20, 2009.

This course was designed to acquaint attendees with modern information technology tools applied in accounting, auditing and financial management. Specifically, it was designed to enable participants to:

- i) analyse the framework and standards in accounting and auditing practices;
- ii) understand the various approaches to financial management and control;
- iii) use specific computer software

for accounting, auditing and financial management; and  
iv) learn how to use computer assisted audit techniques.

The following broad themes were covered:

- analyzing financial statements;
- financial and management accounting;
- financial control and performance management;
- types of audit, audit standards, and institutional framework for internal audit in an

- organization;
- Computer application packages in accounting and auditing;
- overview of financial management;
- computer in financial decision-making;
- internal controls and auditing in IT environment;
- computer auditing / information system auditing;
- IT security and controls, and computer fraud; and
- practical simulation exercises.

In his keynote address, the Director General of WAIFEM, Prof. Akpan H. Ekpo noted the importance of information management in general and the vital and pervasive role it plays in an organization. He averred that

with the advent of computers and information technology, the job of information management had shifted away from files and paper-based file maintenance to electronic means and computer networks.

The course was attended by thirty-seven (37) officials made up of eight (8) from The Gambia, nine (9) from Ghana, ten (10) from Liberia, six (6) from Nigeria, and four (4) from Sierra Leone. Participants cut across institutions such as central banks, ministries of finance and economic planning, accountant general's offices, deposit money banks, national parliaments and other public and private institutions from the sub-region.

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

- ▶ that capacity building in IT accounting and auditing should be given priority by institutions in the sub-region;
- ▶ that there was need to put in place practical contingency or disaster recovery plans to ensure that vital financial information are secured;
- ▶ that consideration should be given to extending the duration of the course to provide more time for the course; and
- ▶ that more attention should be given to the implementation of strategic financial plans by public sector institutions.

## Regulators and Operators of Capital Markets in the Sub-region Meet in Accra

**W**AIFEM organized the Regional Course on Operations and Regulation of Capital Market in Accra, Ghana, from July 27 - 31, 2009. The course was in furtherance of the development of the domestic capital markets in the sub-region, accorded high priority by the authorities of the West Africa Monetary Zone.

The objective of the course was to deepen participants' knowledge and understanding of the roles and operations of capital markets in economic development and the modalities for their regulation and supervision. It aimed at enhancing the operational capabilities of participants in the capital markets of the sub-region.

The course was declared open by the Governor of the Bank of Ghana, Dr. Paul A. Acquah represented by the Director, Research Department, Bank of Ghana, Dr. Ernest Addison. In his keynote address, the Governor noted that the course was timely coming in the wake of the global financial crises which had presented African countries with new financing challenges for development. The challenges included the collapse in global demand and commodity prices, fall in export revenue, decline and reversal in capital flows and increased volatility of foreign exchange

markets. He affirmed that the course would strengthen and enhance the competencies and skills of professionals in the Sub-region towards an effective response to the crisis.

On capital market development in the Sub-region, the Governor indicated that the three major capital markets in the area Cote d' Ivoire, Ghana and Nigeria, were still evolving. Thus he emphasized the need for accelerated reforms and strong regulatory frameworks that should promote good corporate governance and transparency.

The broad themes covered at the course included:

- ◆ role of financial markets in economic growth;
- ◆ microstructure of capital market in West Africa: issues and challenges;
- ◆ capital market: operations: players, products, efficiency, stability; etc;
- ◆ capital market development in a post-conflict economy: The Sierra Leonean experience;
- ◆ the operations of a typical stockbroker and an issuing house;
- ◆ derivatives;
- ◆ trading, clearing and settlement systems in the capital market;
- ◆ risk management systems in capital market;

- ◆ market liquidity and strategies for improving liquidity in the capital market;
- ◆ regulatory and supervisory framework for capital market operations; and
- ◆ Impact of global financial crisis on capital markets: lessons for West Africa.
- ◆
- ◆ The course was attended by twenty-five (25) officials composed of six (6) from The Gambia, four (4) Ghana, five (5) Liberia, five (5) Nigeria, and five (5) from Sierra Leone. The participants were drawn from central banks, ministries of finance and economic planning, securities and exchange commissions, deposit money banks, national social security and insurance trusts, and other public sector institutions in those countries.
- ◆
- ◆ At the end of the course, participants made the following recommendations:
- ◆ appropriate and consistent macroeconomic policies should be formulated and implemented to encourage the active participation of

- indigenous companies on the capital markets of the sub-region;
- ◆ there was need to put in place relevant legal and regulatory frameworks that foster vibrant, stable and efficient capital markets;
- ◆ governments should adopt and implement policies that would encourage foreign investment inflows and provide adequate information to potential foreign investors on investment opportunities available;
- ◆ market operators needed to develop systems, rules and regulations, accounting standards and codes of conduct which were of internationally acceptable standards for effective operations in the market and protection of investors;
- ◆ intensification of public sensitization to create the needed awareness of the benefits of the capital market; and
- ◆ Bankruptcy and insolvency laws should be enacted to encourage or attract investors.

## Strengthening Competencies in Bank Supervision

The West African Institute for Financial and Economic Management (WAIFEM) organized a one-week course on Advanced Banking Supervision at its Headquarters in Lagos, Nigeria in the period October 12 - 16, 2009. The aim was to mitigate against the risk of toxic assets that might lead to a financial crisis, with the contagion effects on the economy. In addition, evolving trends in international banking focused on risk profiling and management. Regulators, supervisors and the operators of banking industry must keep abreast of these developments as well as the risks and challenges they posed.

The course was designed to enhance the competencies of attendees to implement risk-focused banking supervision. It provided opportunity for participants to appreciate a risk-focused supervisory approach, thereby strengthening their competences for enhanced supervisory responsibilities.

Specifically, the course sought to enable participants to:

- improve their capacities for sound professional judgment and critical analysis on risk

assessment; and

- acquaint themselves with key issues, tools and techniques of risk-focused operations and supervision.

It was attended by twenty-three (23) officials made up of four (4) from The Gambia, five (5) Liberia, five (5) Nigeria, and five (5) Sierra Leone and four (4) Ghana. Participants were drawn from institutions such as central banks, Deposit Insurance Corporation, deposit money banks, West African Monetary Institute (WAMI), West African Monetary Agency (WAMA) and other financial institutions in the sub-region.

The course was declared open by the Director General of WAIFEM, Prof. Akpan H. Ekpo. In his keynote address, Prof. Ekpo recalled the events of the recent global financial crisis. He noted that the scene for the crisis was set by international macroeconomic imbalances, low interest rates, rapid credit expansion and much greater use of complex financial instruments, securitizations and derivatives in search for better returns, thereby making markets too complex to understand. He noted further that little heed was paid to the interest

and burgeoning risk. Prof. Ekpo identified weak and ineffective risk management in the sub-prime mortgage, securitization practices, credit default swaps, speculation etc, as major causative factors in the financial crisis. Consequently, he advised that Risk Management should be an important pre-occupation both for government and the private sector in the management of their assets and liabilities.

In view of the above observations, participants made the following recommendations for implementation by relevant authorities:

- i. regulators and supervisors in the sub-region should conceive prudent contingency plan framework that would help in preparing for worst case scenarios and put in place systems to address any impending banking systemic crises;
- ii. all necessary requirements needed to implement RBS should be put in place by those members of the sub-region who were yet to do so. Those who had done so should ensure effective implementation;
- iii. effective regulation, enabling legal framework and Memorandum of Understanding (MoU) should be devised for the effective implementation of CS in the sub-region;
- iv. regulators/supervisors and operators in the sub-region should ensure strict adherence to code of good corporate governance where available. Where such codes were non-existent, supervisors and regulators concerned should formulate the codes and

- v. ensure compliance;
- v. supervisory authorities in the sub-region should have adequate enforcement powers to enable the full implementation of the requirement of their regulatory framework;
- vi. supervisors and regulators in the sub-region should vigorously engage in capacity building of their relevant staff for effective conduct of RBS and CS in financial institutions;
- vii. effective collaboration among Regulatory/Supervisory Authorities and



- viii. Law Enforcement Agencies in the sub-region should be evolved by entering into MoUs to fast track the sharing of information including test for fit and proper persons. Efforts should be made to ward off undesirable persons from the banking industry as once they enter, it would be a herculean task to flush them out; and
- viii. all countries should endeavour to have explicit deposit insurance scheme where it is non-existent as one of the three aspects of a financial safety net for a sustainable financial stability.

# Efforts toward Developing Payment Systems in Liberia and Sierra Leone

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the African Capacity Building Foundation (ACBF) organized a one-week Sub-Regional Course on Payments System Development for a Post-Conflict Economy in Monrovia, Liberia from November 23-27, 2009. The aim of course was to give participants an appreciable understanding of payments systems in general including an elucidation of policy and risk issues.

The course was designed to deepen participants' understanding of payment systems in general including policy and risk issues. It also provided participants with an understanding of RTGS and a platform for a review of the harmonization programme of the payment systems for the member countries of WAMZ.

The covered the following thematic areas:

- payment, clearing and settlement systems: the role of Central Bank and the process of clearing and settlement.
- national payment systems: the Nigerian and Ghanaian experiences.
- payment and risk management reform: implementation process.
- large-value payment systems and real time gross settlement (RTGS): processing, control, administration and future development.

- developing RTGS in post-conflict economies: issues and challenges.
- cheque clearing and settlement framework: issues and challenges.
- regional harmonization of payments in the West African sub-region.
- cards overview: history, types, technology, players and roles, third party processors, transaction flows, card risk management; etc.

The course was attended by twenty-two (22) officials composed of sixteen (16) from Liberia and six (6) Sierra Leone. Participants were drawn from the central banks, core economic ministries and other public and private institutions from Liberia and Sierra Leone.

In view of the above observations, the participants at the course wish to make the following recommendations:

- i. efforts should be made by our government to develop payment system in our countries;
- ii. efforts should be geared towards automation of payment system;
- iii. the necessary infrastructure (electricity, roads, communication technology

etc) should be put in place for efficient and efficient payment system;

- iv. there is need to put in necessary legislation for efficient payment system, which will be subject to review when necessary. Additionally, rigorous enforcement should be put into place to ensure that legislation is fully implemented;
- v. capacity building for key stakeholders (central and commercial bank staff, government institutions,



accounting general office, auditor general office, etc);

- vi. regular review of legislation and enforcement of laws
- vii. creation of public education/awareness on the payment system to increase proper understanding of public confidence;
- viii. introduction and development of money markets in post-conflict economies; and infrastructural development to promote trade/economic activities within and across.

# MACROECONOMIC MANAGEMENT DEPARTMENT

## Promoting Research For Economic Development Through Information Technology

The West African Institute for Financial and Economic Management (WAIFEM) organized a regional workshop on **Research, Survey Methods, Data Management and Information Technology** in its headquarters in Lagos, Nigeria from February 16 - 27, 2009.

The two week course was designed to upgrade the knowledge and analytical skills of the participants whose responsibilities include policy advice on economic management, provide a framework for participants to revise the basic computational techniques underpinning economic analysis and expose them to modern data analysis software. In addition, the course served as a foundation course for the Institute's other higher level courses such as Macroeconomic Modeling for Inflation Targeting, Liquidity Forecasting and Policy analysis, Financial Programming and Demand for Money Estimation Models.

The broad themes covered included: research methodology; statistical methods and data management; sampling theory and sample survey techniques; introduction to econometric methods; stationary time series models; Analytical presentation of macroeconomic data; Information technology system for macroeconomic data; research report writing; micro computing in econometric e-views.

The course was attended by twenty-eight (28) middle/senior/executive level officials from central banks, debt management officers, statistical offices, internal revenue services, ministry of finance and economic planning and regional cooperation and also the universities in The Gambia, Ghana, Nigeria and Sierra Leone. It was facilitated by an expert team drawn from the academia, experienced practitioners and private consultants from the private and public sectors in the sub-region as well as WAIFEM staff.

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

### Observations

- that the lack of accurate, reliable, and timely statistics was a major constraint to effective and national ownership of economic policy making in the West African sub-region;
- that the statistics offices in the sub-region required enhanced human and institutional capacities to produce timely, accurate and reliable data;
- that in the West African sub-region, there was a lack of capacity for modeling and use of econometric software which are essential in modern macroeconomic management;
- that results of research and development (RD) were usually the basis on which public policy initiatives in advanced countries were taken, but this approach to policy had yet to take root in economic management in the sub-region;
- that most countries in the sub-region have signed on to the General Data Dissemination System (GDDS) promoted by the International Monetary Fund (IMF); however, no country was fully compliant with its standards and codes;
- that member countries of the WAMZ were yet to meet the full convergence criteria intended to usher in a common currency and common central bank; and
- that in participants' respective institutions, staff did not have access to most of the econometric software packages to which participants were exposed during the course; also in some of these institutions, the requisite hardware was not available.



## Recommendations

- that the authorities in the sub-region should treat as a matter of national priority, the generation of accurate, reliable and timely statistics for economic policy making;
- that there was overarching need for the Authorities in the sub-region to provide adequate resources to empower Statistical agencies through enhanced human and institutional capacity building to enable the latter meet the international data standards and codes;
- that governments in countries of the sub-region should desist from planning without facts, urging them to embrace modern quantitative techniques as best practices in economic policy formulation and management;
- that countries which had signed on to the General Data Dissemination System (GDSS) should redouble efforts to satisfy the standards, while countries that were yet to sign on were urged to do so in the interest of sound and transparent economic management;
- that the process of statistical harmonization in the sub-region being spearheaded by ECOWAS in collaboration with WAIFEM should be fast-tracked by countries to enable them keep track of international standards and best practices;
- that as a crucial step to meeting the economic and financial convergence criteria under the West African Monetary Zone (WAMZ), member countries should integrate these criteria in their national economic and financial goals; and
- That economic and financial management and other relevant institutions should make available to their staff the hardware and modern econometric software packages, to enable them use the knowledge and skills acquired during the course for better economic and financial policy management in the sub-region.

# 2010 STAFF RETREAT IN PICTURES





# Enhancing Capacity For Project Appraisal, Monitoring And Evaluation In Waifem Member Countries

**A** regional course on **Project Appraisal, Monitoring and Evaluation Techniques** was organized by the West African Institute for Financial and Economic Management at its Headquarters in Lagos, Nigeria from April 20 - 30, 2009. The main objective of the two-week course was to upgrade the knowledge and skills of participants in public project appraisal, monitoring and evaluation techniques. Twenty-five (25) middle/senior/executive level officials from central banks, ministries of finance and planning, statistics offices, budget and revenue offices, and national parliament, in Ghana, The Gambia, Liberia, Nigeria and Sierra Leone attended the course.

The main themes covered during the course included: fundamentals of public sector investments; construction of Financial Profiles for Projects; financial, technical and environmental analysis of projects; measurement of costs and benefits in distorted markets; economic prices for traded goods and foreign exchange; public private partnership in project financing and implementation; ECOWAS project initiatives; project planning on Microsoft project; and legislative oversight in monitoring and evaluation of public projects.

Following the issues raised in the course of the lectures and discussions, the participants, made the following observations:

- that the West African sub-region was plagued with a large number of failed public projects, reflecting poor appraisal, monitoring and implementation, and culminating in the waste of scarce economic resources meant to alleviate poverty and improve the quality of life of the people;
- that the time allocated to the Microsoft Project was inadequate;
- that the issue of sustainability was not considered in the appraisal stage of many public projects executed in the sub-region. This oversight aggravated the problem of white elephant projects, abandoned projects or those with poor quality services on completion;
- that the effort of the West African Monetary Zone in fast tracking regional integration in the sub-region was commendable, but the pace of the integration process was slow due to lack of commitment by national authorities, and;
- That a critical mass of officials with knowledge and skills in project appraisal and management is

required in the sub-region in order to ensure proper implementation of projects that will contribute to poverty alleviation.

In view of the above observations, the participant proffered these recommendations:

- that member countries should put in place policy framework that will emphasize international best practices in guidelines for project planning, analysis and appraisal to ensure the realization of the intended socio-economic returns on public projects;
- that the Microsoft Project should be considered in the future as a stand - alone course to enable us internalize the concepts in order to enhance our job performances.
- that projects should only be embarked upon where the issue of sustainability has been properly dealt with during the appraisal stage so as to forestall the mismanagement and waste of scarce national resources;
- that independent monitoring institution should be established in member countries to ensure that, the problem of “white elephant projects” was reduced to the barest minimum;
- that corrupt officials who mismanaged public projects by pilfering the resources should face the full force of the anti-corruption laws under due process;
- that member countries of the West African Monetary Zone (WAMZ) should show strong commitment to the regional integration project by incorporating the economic and financial convergence criteria in their national economic goals;
- that it was in line with international best practice to involve all stakeholders including the beneficiaries in the design, appraisal and monitoring of public projects. This participatory approach should be safeguarded by National Parliaments in their oversight functions over public projects; and
- That WAIFEM should redouble its efforts in building capacity for better management of projects in countries of the sub-region by organizing more courses on project planning, analysis and implementation. The training could be enhanced further by the Institute's organizing in-house training programmes for relevant public sector institutions in the various member countries.

# The Imperatives of Using Financial Programming In Macroeconomic Management

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the International Monetary Fund (IMF) Institute organized a **Regional Course on Financial Programming and Policies** at the Erata Hotel in Accra, Ghana, from July 6th 17th, 2009. The course was targeted at equipping participants with the relevant tools and techniques for the formulation and implementation of macroeconomic and financial policies. The course covered the following:

- brief review of the key macroeconomic accounts: national accounts, balance of payments and government finance statistics, monetary aggregates and forecasting techniques, interrelations among macroeconomic accounts, an overview of macroeconomic adjustments and structural reforms.
- A review of policies and issues associated with each sector, namely economic growth for the real sector, exchange rate regimes and policies for the external factor, fiscal and monetary policies, and economic policy coordination.
- Macroeconomic adjustment and macroeconomic management of aid flows and economic policy, and inflation targeting in Ghana; and
- Formulation and presentation of a hypothetical financial program for

Zambia as a case study.

The course was attended by twenty-nine (29) middle/senior/executive level officers drawn from the central banks, ministries of finance and economic planning, statistics offices, national planning commissions, WAMI and other public sector agencies in member countries. The number of participants from the respective member countries were as follows: The Gambia five (5) participants, Ghana six (6), Liberia three (3), Nigeria eight (8), Sierra Leone six (6) and one (1) from the West Africa Monetary Institute (WAMI).

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

- that institutions in member countries should facilitate the exchange of ideas and best practices in macroeconomic management issues in order to promote economic recovery in the sub-region, ensure poverty reduction, and improve the wellbeing of all citizens;
- that the governments in the sub-region should endeavour to use financial programming in the macroeconomic management of their respective economies;
- that the countries in the sub-region should ensure that adequate human and material resources were committed to economic management through capacity building and the exposure of officials to best practices in all sectors concerned.
- that the case study should be of the sub-region. This will deepen the learning process of participants and at the same time enable them to better reflect on their work, skills learnt so as to enhance their performance through adopting best practices derived from situations with similar socio-economic and cultural realities.
- that WAIFEM and the IMF Institute should redouble their efforts in building capacity needed for effective financial programming for sound macroeconomic management.
- that the duration of the course should be extended to three (3) weeks, and the number of participants per country should be increased; and
- That provision of course materials in both hard and electronic copies by the Institute was commendable; however, in future, it would be beneficial to send the electronic copies to participants in advance for thorough reading before the course starts to facilitate understanding of the concepts.

# Regional Legislators Urged To Enact Laws To Strengthen Regulatory Authorities For Effective Financial System

The West African Institute for Financial and Economic Management (WAIFEM) with financial support from the African Capacity Building Foundation (ACBF) organized a **Regional Forum on the Global Financial Crisis for Legislators** in Accra, Ghana, from July 20-24, 2009. The principal objective of the Forum was to enhance the knowledge and skills of legislators to appreciate causes and effects of the global financial crisis on domestic economies in order to be well informed on the policy options to meet the challenges brought by the crisis. It was also aimed at strengthening the capacity of legislators to play their role more effectively in enacting appropriate legislations geared towards the realization of national and regional development goals in the globalized economic environment. Specifically, the Forum objectives were to:

- i. acquaint participants with fundamental causes of the global financial crisis and its effects on the economies in the sub-region;
- ii. build and strengthen the capacity of legislators to assess, monitor and evaluate stimulus packages in the annual budgets;
- iii. deepen participants' understanding of monetary and fiscal policy options to insulate African economies from harsh effects of the global financial crisis; and
- iv. provide a regional forum for the exchange of ideas and sharing of experiences on management of national

economies by legislators from the participating countries during these difficult times.

The broad themes covered during the Forum included the following: an overview of the 2008 global financial and economic crisis; challenges facing the legislator under the global financial crisis; impact of the global crisis on commodities,

framework and the annual budget.

In his welcoming address, the Director General thanked the Governor of the Bank of Ghana for his logistics support and gave a brief overview of WAIFEM's activities from its inception to date. In particular, he noted that the maiden Regional Forum for Financial and Economic Management for Legislators was held in 2001 at Abuja, Nigeria



remittances, foreign direct investment (FDI) and aids; impact of global fiscal crisis on financial space and debt sustainability; international initiatives to combat the global financial crisis; impact of the GFC on financial markets in Nigeria; West African monetary integration; role of monetary policy in ameliorating the effects of the crisis; and anchoring government spending plans in the medium term expenditures

with twenty four (24) participants. He also pointed out that to date WAIFEM had executed five regional fora on financial and economic management including the role of the legislators vis-à-vis the Millennium Development Goals (MDGs) which benefited over 117 Honourable Members from the National Assemblies in WAIFEM constituent countries.

In delivering the opening

remarks on behalf of the Rt. Hon. Speaker of Ghana Parliament, Hon. James Klutse Avedzi emphasized the timeliness and relevance of understanding the causes and impact of the evolving global crisis on the economies of WAIFEM constituent countries and averred that the knowledge and skills acquired from the forum would help enrich debates in the National Assemblies in the Sub-region.

In his keynote address, the Governor of the Bank of Ghana, Dr. Paul A. Acquah noted that the West African Sub-region in recent years had enjoyed strong growth performance and low inflation supported by a significant degree of macroeconomic stability, and increasing good governance before the inception of the evolving global crisis. He went on to explain the key transmission channels of global crisis which included the trade, foreign direct investment (FDI), remittance inflows, terms of trade and foreign credit channels. He went on further, to dilate on the impact of the crisis on the economies in the Sub-region. While noting that the impact of the crisis on the financial sector had been insignificant, the Central Bank boss, however, underscored the second-round adverse effects on export revenues, FDI, foreign assistance, remittances from abroad, currency depreciation, fiscal and balance of payments deficits and stock exchange markets. He proffered some broad policy recommendations including the need to maintain macroeconomic stability, provision of social safety net to the vulnerable segments of society, and encouraging investments that would diversify the economy. Others included

adherence to supervisory guidelines, improved information flows between banks and the central bank, and improved central bank's risk management capacities.

The Forum was attended by twenty-seven (27) legislators and executive level officials from the public sector in The Gambia, Ghana, Liberia, Nigeria, Sierra Leone and the West African Monetary Institute. Of this figure, seventeen (17) were Honourable Members of Parliament and ten (10), executive level officials. In terms of country-wise breakdown, five (5) came from The Gambia; nine (9) from Ghana; two (2) from Liberia; seven (7) from Nigeria and four (4) from Sierra Leone. On the basis of gender distribution, twenty-three (23) were males and only 4 females. The Forum was facilitated by experts from the public sector, academia and international organizations in the sub-region. The delivery methodology was a combination of lectures, discussions and country presentations.

**At the end of the course, the participants recommended as follows:**

that both National Parliament and ECOWAS Parliament should take a long-term view of how to equip national Parliaments and ECOWAS Parliament with material, human and financial resources in order to perform their oversight functions more effectively;

- that national and the sub-regional parliaments should enact laws that would encourage south-south trade and collaboration in order to increase African influence in the World Trade

Organisations;

- that Parliamentarians in the sub-region should jointly take ownership of the West African Second Monetary Zone project. The ECOWAS Parliament should be encouraged to examine ways of extending its oversight functions to cover these regional institutions;
- that national Parliaments should enact laws that would further strengthen central banks and other regulatory authorities to supervise financial markets so that the issue of toxic assets would not arise in the banking systems in the sub-region;
- that national assemblies together with the executives should encourage investment that would help diversify the economies of WAIFEM constituent countries;
- that the public hearing by the Public Accounts Committees in Ghana and Sierra Leone should enhance transparency and accountability in the use of scarce public resources and other Parliaments in the sub-region should do so;
- National Parliaments and Assemblies of WAMZ should ratify all protocols relating to the establishment of WAMZ;
- The ECOWAS Parliament should move from an advisory role to that of legislative and oversight functions with a view to ensuring that all protocols and decisions were binding on member countries; and
- Nigeria and Ghana should take the lead to actualize the integration project of the Sub-region.

# Governor, Bank Of Sierra Leone Underscores the Importance Of Inflation Targeting In MacroEconomic Management

The West African Institute for Financial and Economic Management (WAIFEM) in collaboration with the Centre for Central Banking Studies (CCBS) of the Bank of England organized a seminar on **Econometric Modelling and Forecasting for Inflation Targeting** in Freetown, Sierra Leone, September 14-17, 2009.

In his keynote address, Hon. Mr. Sheku Sambadeen Sesay, Governor, Bank of Sierra Leone, noted that the seminar would continue to be in high demand in the West African sub-region as more countries embrace inflation targeting and enjoined WAIFEM and CCBS to continue their collaborative efforts in order to meet this challenge. **The seminar was designed to upgrade the knowledge and analytical skills of officials with operational responsibility for preparing policy papers, statistical data, forecasts and other inputs into the policy making process through intensive training in techniques for developing econometric modeling and forecasting for inflation targeting. The main objective of the course is to upgrade participants' skills in the following:**

- § Inflation targeting: Designing and Communicating an Inflation target;
- § State-Space Models and the Kalman Filter;
- § Fan Charts for Forecasting Inflation and GDP
- § Vector Autocorrelation Models (VARs and SVARs); and
- § Monetary Policy Frameworks;

Accordingly, the broad themes covered included the overview of inflation targeting twenty years on: international experience, challenges for monetary policy, market intelligence at the Bank of England, development, methodology and evaluation of DSGE models, financial stability and macro prudential regulation, designing and communicating an inflation target, VAR and SVAR, State-Space models and the Kalman Filter, Fan charts, and hands-on exercises.

A total of twenty three (23) participants attended the seminar from The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. The institutions represented were central banks, ministries of finance and economic planning, policy analysis unit, revenue Offices and the West African Monetary Institute (WAMI). The facilitators were drawn from the CCBS and the Central Bank of Sierra Leone.

In a communiqué issued at the end of the seminar, the participants made the following observations:

- that the theoretical and practical underpinning of the programme was strong, and the quality of facilitators was excellent; however, the time allotted to some lectures given the volume of issues to be covered was rather short;
- that in the countries of the sub-region, there was a dearth of reliable and timely statistical data for sound economic and short-

term monetary management;

- that application of economic models in policy formulation in the sub-region was underwhelming, regardless of the effectiveness of econometric modelling techniques were for economic management in other parts of the world;
- that this unsatisfactory situation was attributed to a number of factors including inadequate supply of econometricians and other economists that were versed in the techniques of econometric modeling. In particular, the regional universities suffered from inadequate material resources to develop the required level of expertise in macroeconomic modelling and forecasting;
- that non-computerization of institutions responsible for economic management and also the inadequate supply of appropriate statistical and econometric software packages had impeded the use of econometric modelling in policy making and analysis in most countries in the sub-region; and
- that the economic modelling knowledge and skills acquired during this course were a necessary part of the tool kit of officials associated with monetary policy formulation and implementation.
- 
- In the light of the observations made above, the participants recommended as follows:
- that there was need for governments to focus on building

- capacity of institutions charged with the responsibility of statistical data collection, compilation and dissemination;
- that agencies charged with the responsibility for data collection and dissemination in the sub-region should be strengthened with the requisite human and material resources to enable them provide reliable and timely data for macroeconomic analysis, particularly monetary policy formulation and implementation;
- that policy makers in the sub-region should embrace econometric modelling as an effective tool for sound monetary policy management;
- that economic and financial management institutions in countries of the sub-region should be fully computerized and adequately equipped with appropriate and up-to-date statistical and econometric software packages to facilitate application of the econometric modelling process;
- that countries in the sub-region should undertake feasibility studies to review the possibility of adopting inflation targeting as a monetary policy framework;
- that the universities in the sub-region should restructure their economics curriculum, putting emphasis on econometric modeling so as to broaden the available pool of experts with such skills to work on macroeconomic policy analysis; and
- That WAIFEM and the CCBS should accelerate their joint training programmes on the techniques of econometric modelling for monetary policy analysis and formulation in the sub-region.

## WAIFEM MEETS NEW CHALLENGES IN CAPACITY BUILDING FOR CBN STAFF

The West African Institute for Financial and Economic Management (WAIFEM), in collaboration with the Central Bank of Nigeria, organized a four-week in-plant course on **Econometric Modelling and Forecasting** for Staff of the Research Department, at Minna, Nigeria, from October 5 - 30, 2009. This course was designed to upgrade the skills and knowledge of the staff of the Research Department of the Central Bank of Nigeria (CBN) in macroeconomic modeling for effective monetary policy formulation and implementation. Specifically, the course was aimed at enhancing the participants' skills in:

- simulating alternative policy options;
- estimating efficient and consistent structural parameters for evaluation of monetary policy effectiveness; and
- forecasting monetary aggregates for policy formulation and management.

The specific themes covered during the course included: overview of basic concepts in macroeconomics; econometric modelling and empirical research; review of basic statistical methods for economic analysis; modelling the demand for money on E-views (VAR); co-integration, causality and error correction model;

data manipulation and time series models; forecasting and simulation techniques for policy making; matrix algebra and application to econometric modelling; and hands on exercises in the application of quantitative techniques.

The course was conducted in two runs of thirty (30) participants, totaling sixty (60) drawn from the Research and Statistics Departments of the Central Bank of Nigeria (CBN). It was facilitated by an expert team from the academia, private consultants and Research Department staff.

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

- that the organization of this in-plant course should be repeated regularly, to allow benefiting staff keep abreast of evolving knowledge and skills in econometric modeling practice;
- that the CBN's project of developing a robust macroeconomic model should be given accelerated implementation;
- that the CBN should continue the collaboration with the National Bureau of Statistics (NBS) to address the problems of

- data quality and timeliness;
- iv. that a follow up course on advanced econometric methodology and interpretation was necessary;
  - v. that there was need for more practical exercises based on the CBN data to afford staff practical application of theory to practice;
  - vi. that WAIFEM should make available to all facilitators one consistent data set for all exercises;
  - vii. that the skills imparted during this course should be made accessible to other relevant Departments of the Directorate of the CBN, in order to engender a level playing field during management discussions on monetary policy in the Bank; and
  - viii. that the time period allotted for the course should be extended to at least three weeks, to give more rooms for hands-on exercises and interpretation of estimation results.

In another development, the Institute also organized an in-plant course on **Analytical Tools for the staff of Currency and Banking Operations Department**, in Minna, Nigeria, from November 9 -13, 2009. The principal objective of the course was to deepen the knowledge and upgrade the analytical skills of staff of the Currency and Banking Operations Department of the CBN in explaining movements in currency in circulation. It was also aimed at exposing the participants to research methodology and micro-computing on E-views, and also intended to give them a broader view of the role of currency managers in monetary policy and macroeconomic management.

The specific themes covered in the course included: Review of the basic concepts in microeconomics and macroeconomics; theories of money and implications for the Nigerian economy; movements in currency in circulation and its relevance to monetary policy formulation; systems of national accounts and interrelationships among economic sectors; applications of basic statistics in economic analysis measures of central tendency and dispersions; introduction to E-views and micro-computing; and introduction to research methodology.

A total of twenty-seven (27) staff from the Currency and Banking Operations Department of the Central Bank of Nigeria attended the course. A team of seasoned experts from the academia, private and public institutions facilitated the course.

## Challenges Of Macroeconomic Management and Regional Integration In West Africa

The West African Institute for Financial and Economic Management (WAIFEM) organized a **Regional Course on Macroeconomic Management and Regional Integration** at the Erata Hotel, Accra, Ghana, from March 8 - 19, 2010. The course was designed to expose participants to an advanced knowledge of macroeconomic theory and practice, and enhance their skills with the relevant techniques (econometrics, etc) for analyzing economic phenomena, as well as the relationship between macroeconomic management and regional integration.

The sub-themes covered in the course included: micro foundation of macroeconomics; national accounts; open macroeconomics; elements of international trade; monetary and fiscal policies, and government budget constraints; elements of regional integration; basic statistics for economic analysis; research methodology and its applications; excel and micro-computing on E-views; introduction to econometric methods; time series analysis; co-integration and error correction model; report writing; and hands-on exercises in the application of quantitative techniques.

The course was attended by twenty-six (26) participants drawn from the central banks, ministries of finance and economic planning, other government agencies of WAIFEM member countries, including West African Monetary Institute (WAMI) and the West African Monetary Agency (WAMA). The course was facilitated by an expert team from the academia in the sub-region and WAIFEM staff.

At the end of the course, the participants issued a communiqué with the following observations and recommendations:

### *Observations:*

The topics covered and the reading materials provided enhanced participants' knowledge of

macroeconomic management and regional integration;

- the success of regional integration depended critically on member countries pursuing convergent macroeconomic policies in the areas of tariffs, inflation rates, exchange rates, debt-GDP ratios, monetary growth and other important macroeconomic variables;



- capital movement was dependent on interest rate differentials between countries;
- fiscal dominance predominated in most countries of the West African sub-region;
- in the WAIFEM member countries, there was lack of reliable and timely data which was a prerequisite for sound macroeconomic management;
- The sources of data were varied and uncoordinated in most of the WAMZ countries. As a result, researchers, prospective investors and policy makers spent much time and resources examining the reliability of statistics generated by various agencies in charge of data;
- there was acute capacity constraint among policy analysis and relevant government functionaries in macroeconomic management policy formulation;
- the training enhanced understanding of econometric modeling as well as the use of E-views;
- the skills imparted during the course were a necessary part of the tool kit of any professional researcher associated with macroeconomic policy formulation, management and implementation; and
- The knowledge and skills as well as software used in econometric modelling were constantly being upgraded and enhanced, thus participants

required continuous training.

#### ***Recommendations:***

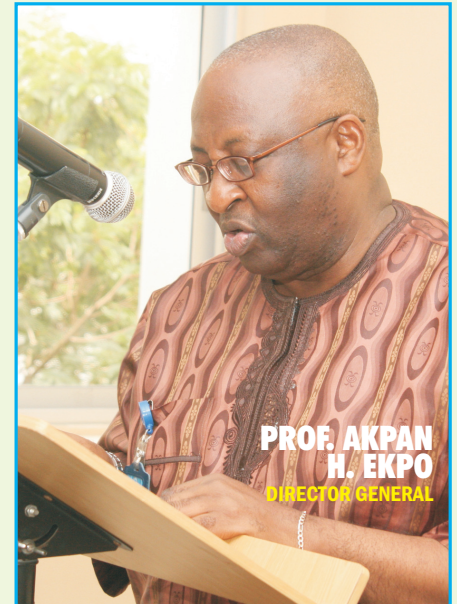
- macroeconomic management should be given priority in member countries in order to accelerate the achievement of regional integration in the sub-region;
- government institutions/agencies should motivate economists with adequate incentives in order to stem the high turnover rate affecting the operational and managerial capacity of these institutions;
- adequate funding should be made available for data generation and comparability in all the relevant institutions of government;
- governments of member countries of WAIFEM should put the private sector at the centre of the integration agenda;
- Countries in the sub-region should ensure compatibility among regional integration schemes aimed at the goals of the African Economic Community and the African Union which also implied eliminating inconsistencies from overlapping membership; and
- africa's integration efforts should be made compatible with external obligations to international organizations, such as the World Trade Organization (WTO) and Economic Partnership Agreements (EPA).



# WAIFEM's Director General Participates In The Fiftieth Executive Session Of UNCTAD's Trade And Development Board

July 8, 2010, Geneva, Switzerland

Professor Akpan H Ekpo, Director General of WAIFEM participated in the fiftieth executive session of the Trade and Development Board of UNCTAD, which took place on July 8, 2010, in Geneva, Switzerland, and was chaired by H. E. Ambassador Jean Feyder, President of the Trade and Development Board. Among the issues discussed were the activities undertaken by UNCTAD in favour of Africa.



One of the important highpoints of the conference was an interactive panel session on the theme: *Financial Crisis, Macroeconomic Policy and the Challenge of Development in Africa*. Following the opening remarks delivered by UNCTAD Secretary General, Mr. Supachai Panitchpakdi, the following Panelists took turns to make their contributions:

- Ms Linah Mohole, Governor, Bank of Botswana, Gabarone, Botswana
- Professor Akpan H. Ekpo, Director General, West African Institute for Financial and Economic Management (WAIFEM), Lagos, Nigeria
- Professor Olu Ajakaiye, Director of Research, African Economic Research Consortium (AERC), Nairobi, Kenya

The focus of the discussions was centered on the following key issues:

- What are the lessons for Africa from the global financial and economic crisis?
- How can African countries make more effective use of macroeconomic policies for development?
- What is the role of the State in Africa's economic development? What should be the focus of Africa's agricultural and industrial policies in the post-crisis period?
- How should African countries prepare themselves for post-crises recovery and how can development partners and the international community contribute to this effort?

## DG, WAIFEM Emphasizes The Importance of The Mass Media In Economic And Financial Management *Continued from page 1*

and private sectors of The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. The workshop was facilitated by a team of experienced practitioners drawn from the sub-region and WAIFEM faculty.

*At the end of the course, the participants recommend as follows:*

- i. Efforts should be made by governments of member countries to make information readily available by removing bureaucratic bottle-neck and speedily enacting the freedom of information act.
- ii. The agenda of regional integration should occupy a pride of place in member countries.
- iii. Good governance underpinned by the rule of law must be aggressively pursued by member countries to propel economic growth to reduce poverty.
- iv. Effective laws should be put in place to stem the

- v. increasingly incidents of child trafficking, and culprits should be severely punished.
- v. Monitoring and evaluation of policies must be a grave concern to member countries with the necessary structures put in place to achieve target goals.
- vi. Governments in the sub-region and development partners should collaborate with WAIFEM to build the capacity of journalists and other economic analysts to better inform the masses on economic and financial issues.
- vii. Member countries should actively reutilize their citizenry to the immense benefits of regional economic integration so as to carry the people along in the process.
- viii. WAIFEM should be properly funded and empowered by governments in the sub-region to expand its services beyond the current domain.

# OTHER NEWS, EXPERIENCES, STORIES, JOKES,

## 2010 STAFF RETREAT: A REVIEW OF THE EVENT

The Management of the West African Institute for Financial & Economic Management (WAIFEM) organized a three day retreat from February 26 - 28, 2010, at the Conference Hotel Ijebu-Ode, Ogun state, Nigeria. The retreat was facilitated by a team of professionals from African Development Solutions International (ADSI) led by Professor Osita Ogbu, a seasoned consultant and former Minister of National Planning of the Federal Republic of Nigeria.

The purpose of the retreat was to provide a platform for staff to interact and discuss pertinent issues relating to the institute and work productivity. The broad themes covered included:

- building character, values, attitudes, and work ethics;
- goal setting and goal achievement procedures;
- leadership skills, team building and team dynamics;
- stress and health management;
- managing of results, managing and motivating employees, performance evaluation, incentives and rewards;
- appreciation enquiry;
- Physical exercise and body care.

In his opening remarks, the Director General, Prof. Akpan Ekpo thanked the consultants for coming to Ijebu Ode to raise awareness about enhancing staff productivity. He urged staff to take full advantage of the occasion to get oriented to contribute more effectively towards the realization of the mission of the Institute.

Prof. Ogbu, the lead facilitator implored staff to note the following issues as they will trigger realization of efficiency, increment in productivity and work effectiveness:

- the need for open communication among staff;
- development of a follow-up skill in the execution of duties;
- the need for what he termed “Bottom power” (i.e) sitting for a long period in one place to do effective work;
- information on the fundamental steps in effecting a change and ways of sustaining it;
- the need for organization of communication, report writing and computer workshops, on a regular basis for staff improvement;
- goals must not be copied but set, staff should first seek to set goals;
- examination should not be used as the basis for promotion, instead pride of place should be given to productivity and work effectiveness of staff;
- goal setting to ensure relevance to personal development and organizational progress;
- in house seminar to be organized on an intermittent basis to update staff on new developments;
- the need for planning ahead of time and execution on schedule;
- recognition of appreciation for work done well;
- the need to obey the rules guiding the Institute;
- promotion to be based on capacity to perform at a higher level

# MOTIVATION

## Self Worth

A well-known speaker started off his seminar by holding up a \$20.00 bill. In the room of 200 he asked, "Who would like this \$20 bill?"

Hands started going up. He said, "I am going to give this \$20 to one of you but first, let me do this." He proceeded to crumple up the \$20 dollar bill. He then asked, "Who still wants it?"

Still the hands were up in the air. "Well," he replied, "What if I do this?" And he dropped it on the floor and started to grind it into the floor with the heel of his shoe. He picked it up, now crumpled and dirty. "Now, who still wants it?" Still the hands went into the air.

"My friends, he continued, we have all learned a very valuable lesson. No matter what I did to the money, you still wanted it because it did not decrease in value. It was still worth \$20. Many times in our lives, we are dropped, crumpled, and ground into the dirt by the decisions we make and the circumstances that come our way. We feel as though we are worthless. But no matter what has happened or what will happen, you will never lose your value. Dirty or clean, crumpled or finely creased, you are still priceless to those who do love you. The worth of our lives comes not in what we do or who we know, but by who we are. You are special, don't ever forget it."

## Thoughts on Leaders...

**L**eaders must have courage to take decisions, and followers must have the courage to do as they are told.

Disagreement is not disloyalty. Disobeying is. A Leader is disloyal to his followers if he does not back them up to his fullest ability. A person that has another view should be allowed to explain it.

Indeed leaders and followers should listen. Neither should show any bias, even if the explanation is unusual and seems unsound. Attempts should be made to understand the divergent view.

Leaders should be able to manage their own emotions and those of their followers. If a leader is devastated by a failed deadline or target, he is not inspiring enough to energise his followers to perform better the next time around.

A leader should feel for the individuals in his

care. By doing so, he ensures loyalty from his followers.

A leader should lead by personal example. Only an energetic leader can enthuse a group of followers to be energetic. An energetic group of followers is a dynamic, productive and result-oriented group of followers.

A successful leader is one that does well when things are going well and does better when things get rough. Persistence in the face of difficulty is essential.

A good follower performs well because he has been well lead. He performs badly because he has been badly lead. Giving all the credit to the follower is as bad as blaming him for the failure of the team. In the final analysis, the leader is responsible for the success or failure of his group. Above all ...A Leader should ... LEAD....

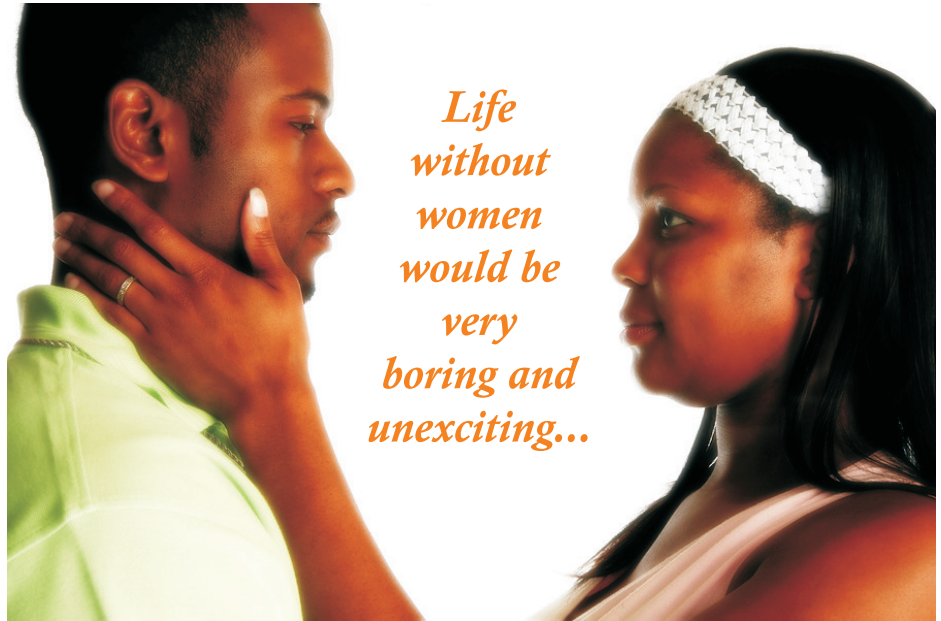
# Women Are Wonderful

(Prepared by Mr Ogbonna Agu)

**W**hat would the world be like without women? Very boring and unexciting, I must say! For those of us who are happily married, we are “reaping” the benefits of married life which includes among others, enjoying delicious dishes, peaceful and reasonably well kept homes, in some cases, having our stockings, ties and shoes removed of course, by our beloved wives when we return home from work or a trip very tired.

Some women also happily take up the responsibility of packing their spouses' clothes and toiletries to prepare them for journeys.

Talking about preparing for journeys, recently I was in Accra, Ghana with my colleagues at WAIFEM to organize a joint WAIFEM/IMF Regional Outreach Seminar on Balance of Payments and International Investment Manual, Sixth Edition (BPM6). On the opening day of the Seminar, one of the participants from a southern African Country approached my colleague and asked him, rather unusually, if he was married. My young colleague, wondering what the motive for such a question was answered in the negative. The participant shook his head and said “women are interesting”. He then narrated the story of how his wife assisted him to pack his clothing



*Life without women would be very boring and unexciting...*



*life will be very boring and drab without women.*

for the trip to Accra and mistakenly packed the right leg of one of his shoes and the left leg of another as one pair of shoes. He only discovered the mix up in Accra. What did he do? Since it was the only pair of shoes he came with and luckily for him they were both black, he had no choice than to wear them for the opening ceremony of the seminar!

The question now is what could have happened? Was there no electricity when our friend's wife was packing? If he was a Nigerian, I would have concluded that there was no electricity: but no; the guy was from a country where electrical energy supply is taken for granted.

In any case an innocent mistake such as the one narrated above does not remove the fact that life will be very boring and drab without women. Long live our women!

## A Politically Correct Joke Worth The Attention Of Africa's Political Leaders

While walking down the street one day a "Member of Parliament from an unidentified West African country" is tragically hit by a truck and dies. His soul arrives in heaven and is met by St. Peter at the entrance. 'Welcome to heaven,' says St. Peter. 'Before you settle in, it seems there is a problem. We seldom see a high official around these parts, you see, so we're not sure what to do with you.' 'No problem, just let me in,' says the late Parliamentarian. 'Well, I'd like to, but I have orders from higher up. What we'll do is have you spend one day in hell and one in heaven. then you can choose where to spend eternity.'

'Really, I've made up my mind. I want to be in heaven,' says the former MP. 'I'm sorry, but we have our rules.' And with that, St. Peter escorts him to the elevator and he goes down, down, down to hell. the doors open and he finds himself in the middle of a green golf course. In the distance is a clubhouse and standing in front of it are all his friends and other politicians who had worked with him. Everyone is very happy and in evening dress. They run to greet him, shake his hand, and reminisce about the good times they had while getting rich at the expense of their people. They play a friendly game of golf and then dine on lobster, caviar and champagne.

Also present is the devil, who, on this occasion turns out to be a very friendly & nice guy who has a good time dancing and telling jokes. They are having such a good time that before he realizes it, it is time to go. Everyone gives him a hearty farewell and waves while the

elevator rises....The elevator goes up, up, up and the door reopens on heaven where St. Peter is waiting for him. 'Now it's time to visit heaven.'

So, 24 hours pass with the MP joining a group of contented souls moving from cloud to cloud, playing the harp and singing. They have a good time and, before he realizes it, the 24 hours have gone by and St. Peter returns.

'Well, then, you've spent a day in hell and another in heaven. Now choose your eternity.' The MP reflects for a minute, then he answers: "Well, I would never have said it before, I mean heaven has been delightful, but I think I would be better off in hell.' So St. Peter escorts him to the elevator and he goes down, down, down to hell.

Now the doors of the elevator open and he's in the middle of a barren land covered with waste and garbage. He sees all his friends, dressed in rags, picking up the trash and putting it in black bags as more trash falls from above.

The devil comes over to him and puts his arm around his shoulder. 'I don't understand,' stammers the MP. 'Yesterday I was here and there was a golf course and clubhouse, and we ate lobster and caviar, drank champagne, and danced and had a great time.. Now there's just a wasteland full of garbage and my friends look miserable. What happened?' The devil looks at him, smiles and says, " \*\*Yesterday we were campaigning...Today you voted. " \*\*

## Legal Advice

A doctor and a lawyer were talking at a party. Their conversation was constantly interrupted by people describing their ailments and asking the doctor for free medical advice. After an hour of this, the exasperated doctor asked the lawyer, "What do you do to stop people from asking you for legal advice when you're out of the office?" "I give it to them," replied the lawyer, "and then I send them a bill." The doctor was shocked, but agreed to give it a try. The next day, still feeling slightly guilty, the doctor prepared the bills. When he went to place them in his mailbox, he found a bill from the lawyer.

## Management & Engineers

**A** woman in a hot air balloon realized she was lost. She reduced altitude and spotted a man below. She descended a bit more and shouted, "Excuse me, can you help me? I promised a friend I would meet him an hour ago but I don't know where I am."

The man below replied "You're in a hot air balloon hovering approximately 30 feet above the ground. You're between 40 and 41 degrees north latitude and between 59 and 60 degrees west longitude."

"You must be an engineer," said the balloonist. "I am", replied the man. "How did you know?" "Well", answered the balloonist,

"everything you told me is technically correct, but I've no idea what to make of your information, and the fact is I'm still lost. Frankly, you've not been much help at all. If anything, you've delayed my trip even more."

The man below responded, "You must be in management." "I am," replied the balloonist, "but how did you know?"

"Well," said the man, "You don't know where you are or where you're going. You have risen to where you are due to a large quantity of hot air. You made a promise which you've no idea how to keep, and you expect people beneath you to solve your problems?!!!"

## The Sleeping Juror:

**A** lawyer in Sierra Leone was well into a lengthy cross-examination of a witness in a simple case of domestic assault when he stopped and said, "Your honor, a juror is asleep." The judge ruled, "You put him to sleep; you wake him up."

## Why God Made Lawyers

**S**atan was complaining bitterly to God, "You made the world so that it was not fair, and you made it so that most people would have to struggle every day, fight against their innate wishes and desires, and deal with all sorts of losses, grief, disasters, and catastrophes. Yet people worship and adore you. People fight, get arrested, and cheat each other, and I get blamed, even when it is not my fault. Sure, I'm not perfect, but give me a break. Can't you do something to make them stop blaming me?" In response to Satan's incessant pleas, God created lawyers.

## The Job Test

**T**wo young engineers with similar qualifications and job experience applied for a single vacant position at an IT Company. In order to determine which individual to hire, the applicants were asked to take a test by the Managing Director.

Upon completion of the test, both men missed only one of the questions. The MD went to the first applicant and said, "Thank you for your interest, but we've decided to give the job to the other applicant." "And why would you be doing that? We both got 9 questions correct," asked the rejected applicant. "We have based our decision not on the correct answers, but on the question you missed," said the MD. "And just how would one incorrect answer be better than the other?" the rejected applicant inquired. "Simple," said the Department manager, "Your fellow applicant put down on question #5, 'I don't know.' You put down, 'Neither do I.'"

## STAYING HEALTHY

# STAYING HEALTHY WITH WATERMELON

**W**atermelon, a fruit native to Southern Africa, is today cultivated in almost all the countries with a tropical or temperate climate. It has a very thick and hard rind, with a fleshy center. There are five different varieties of watermelons, including Yellow Watermelon, Orangeglo, Moon and Stars, Cream of Saskatchewan and Melitopolski, differing in their colors as well as sizes. Water melons have a very high water content, which makes them extremely refreshing, especially during summers. At the same time, they are low in calories and have almost no fats, making them one of the healthiest fruits.



### Nutritional Components of Watermelon

Watermelon contains about 92% water. It contains Vitamin A and C, thiamine and betacarotene. It contains nutritive minerals: Iron, Zinc, Potassium, Sodium, Magnesium, Phosphorus, and Calcium amongst others which are highly beneficial to our health. It is also a rich source of Lycopene and contains other carotenoids.

### Health Benefits of Eating Watermelons

- Watermelons, being rich in potassium, help keep salt from raising blood pressure and might diminish the risk of kidney stones also.
- Consumption of water melons has been found to result in alleviation of some of the symptoms of osteoarthritis and rheumatoid arthritis.
- Watermelon is rich in some of the most important

antioxidants and helps the body in neutralizing free radicals and thus, diminishes the risk of colon cancer.

- Watermelon is very low in calories, making it the perfect snack for those who are trying to lose weight.
- Watermelons have been associated with reducing the airway spasm that occurs in asthma.
- The beta carotene present in water melon helps keeps your vision

sharp, especially at night and prevents eye related diseases.

- Contains Lycopene, a very potent antioxidant and anti-cancer agent. Also beneficial in prostate cancer
- The antioxidants enhance the performance of the heart, strengthen the immune system and act as an anti-aging and anti-wrinkling agent for the skin.
- Improves Insulin sensitivity
- Prevents or even treat erectile dysfunction in men [a function of the high citrulline content, an amino acid required to produce Arginine which is beneficial in the prevention of the dysfunction]. Arginine does the same function as Viagra-it boosts nitric oxide, which relaxes blood vessels.



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