

WELCOME ADDRESS BY DR KAIFALA MARAH
GOVERNOR
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AT THE 34TH MEETING OF THE COMMITTEE OF GOVERNORS OF
CENTRAL BANKS OF THE WEST AFRICAN MONETARY ZONE (WAMZ),
FREETOWN, SIERRA LEONE
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Mr Chairman,
Honourable Governors,
DG, WAMI,
DG, WAMA,
DG, WAIFEM,
Distinguished Delegates,
Ladies and Gentlemen.

It is my pleasure to warmly welcome you all to the historic city of Freetown. Mr Chairman, allow me to convey the fraternal salutation of His Excellency the President, Dr Ernest Bai Koroma, the Government and People of the Republic of Sierra Leone to my colleague Honourable Governors and the distinguished delegates here present.

Distinguished Delegates, Ladies and Gentlemen, let me also seize this opportunity to congratulate Dr Lounceny Nabe, Governor of the Central Bank of the Republic of Guinea, the outgoing Chairman of the Committee of Governors for steering the affairs of the West African Monetary Zone (WAMZ) over the last six months. Dr Nabe deserves special commendation for his exemplary leadership and commitment for successfully managing the affairs of the WAMZ during his tenure.

Honourable Governors, Ladies and Gentlemen, Sierra Leone remains committed to the ECOWAS/WAMZ integration agenda. On the domestic front, we are contending with hike in prices resulting from exchange rate depreciation and domestic food supply shocks. Further, the recent upward adjustment of domestic prices of petroleum products also brought in its wake additional pressure on domestic prices of goods. However, we are determined to get inflation under control whilst we are nearly at the point of reaching exchange rate stability.

Mr Chairman, regarding Sierra Leone's performance on the WAMZ macroeconomic convergence scale, the country has been consistent in achieving at least 3 of the primary convergence criteria during the last three years. From compliance of one in 2011, the country's performance improved steadily to compliance with all four primary criteria in 2013, before slipping to three in 2014 and 2015. However, you will agree with me that 2016 was fraught with challenges, both globally and domestically for our countries, especially lower international commodity prices, among others. As a result, the country's performance on the primary convergence criteria deteriorated at the end of June 2016, by satisfying only one of the four primary convergence criteria. Nevertheless, we will continue to pursue policies that will enable us re-establish compliance with all four primary criteria, while improving performance on the secondary convergence scale.

Mr Chairman, Ladies and Gentlemen, Sierra Leone is also actively improving its financial infrastructure and building robust institutions for effective policy harmonisation. The Bank of Sierra Leone (BSL) continues to implement key reforms to deepen financial markets and strengthen stability, in collaboration with stakeholders on the National Payments Systems Committee (NPSC). We have intensified oversight of the National Payment System (NPS) by monitoring payments facilities with specific reference to the interbank payment platforms Real Time Gross Settlement (RTGS), Central Securities Depository (CSD) and

Automated Clearing House (ACH). Acting in collaboration with the Sierra Leone Association of Commercial Banks (SLACB), Bank of Sierra Leone is concluding preparations for the implementation of the National Switch, that will interconnect the existing ATMs with new ones. Mobile money transfer service by Mobile Network Operators has also increased significantly. The country remained committed to the implementation of policy harmonisation benchmarks and regional institutional arrangements. The implementation of the ECOWAS Trade Liberalisation Scheme (ETLS) continued and necessary measures are being put in place to commence implementation of the Common External Tariff (CET). The National Quality Policy and Infrastructure projects are being implemented within the framework of the ECOWAS Standards Harmonisation Model (ECOSHAM).

Mr Chairman, Honourable Governors, as we discuss the reports before us, let us not lose sight of the lessons learnt from the euro zone crisis including the Brexit, which is threatening the foundations of regional integration across the globe. Let us be confident that we can emulate what the European Union has already achieved and note that cooperation and integration among African countries in the economic, social and other areas is indispensable to accelerated transformation and sustained development of the region. Considering the current challenges of satisfying the convergence criteria and the lessons emanating from the euro zone including the Brexit, we must intensify our efforts as Member States in ensuring that we establish a monetary union and common market that can endure the test of time.

Mr Chairman, let me assure Colleague Governors, that we are committed to the proposal for the establishment of a WAMZ Commission. We will be holding broad consultations with the relevant stakeholders to discuss the study done by WAMI and make known to you our considerations.

Mr Chairman, our countries face numerous common challenges and it is imperative that we address them collectively. In particular, the prevalence of

weak infrastructure and the attendant financing gap for infrastructure development across our member states. It is a reality that the zone is deprived of safe, reliable, efficient, affordable and sustainable physical infrastructure to support common activities and to provide basic social services, especially for the poor. One of the ways we can tackle the infrastructure financing gap is the use of pension funds of the Member States of the WAMZ which I believe has worked in other economies.

Colleague Governors, Ladies and Gentlemen, I cannot end my remarks without taking the opportunity to thank all of you for your presence and unflinching commitment to the WAMZ Agenda. Let me also applaud the Technical Committee for deliberating on the reports presented by the various institutions and for putting together, excellent reports for consideration by the Committee of Governors.

I wish you all successful deliberations and thank you for your kind attention. Please take time off your busy schedule to enjoy the numerous attractions of our beloved city, Freetown.

Thank you for your attention.