

**WELCOME STATEMENT BY THE OUTGOING CHAIRMAN OF THE
CONVERGENCE COUNCIL, THE HONOURABLE MINISTER OF STATE
FOR FINANCE, NIGERIA, DR YERIMA LAWAN NGAMA**

Your Excellency, Fellow Ministers, Governors of the Central Bank of the WAMZ, Distinguished Participants, Ladies and Gentlemen, I warmly welcome you all to the 32nd Meeting of the Convergence Council of Ministers and Governors of Central Banks of the West African Monetary Zone (WAMZ) in Accra, the capital city of Ghana.

2. On behalf of the Convergence Council and myself, I will like to extend our sincere gratitude to the Government and People of the Republic of Ghana for hosting the meetings of the West African Monetary Zone (WAMZ).

3. It need not be over emphasized that over the years, we have expended so much resources and time into the WAMZ project. A lot has been achieved but a lot more still need to be done. If there is any message that needs to be re-echoed in this august meeting, it should be that we have an abiding faith in the WAMZ project.

4. Fellow Ministers, Ladies and Gentlemen, in spite of the benefits of a single currency, the challenges of creating a monetary union are daunting. Let me therefore emphasize that in order for our monetary union to be successfully launched, it is of utmost importance that a high degree of

consistent macroeconomic convergence, complemented by financial sector integration, trade integration, as well as the modernization of payments system infrastructure be attained by member countries.

5. In the area of convergence, a key challenge facing the zone is the attainment of sustained compliance with the macroeconomic convergence criteria, specifically with respect to the inflation and fiscal deficit targets. Although performance has improved over the years, they both remain a challenge. This constitute a genuine cause for concern, especially, as observed in the Euro Zone, unsustainable fiscal position in one country may have negative repercussions on the other members of the union. This highlights the need for closer fiscal and monetary policy co-ordination towards the growth and stability objectives.

6. I am pleased to note that giant strides are being made in the integration of the financial system, including the banking sector, microfinance, capital markets, and insurance, which is critical for the Union. The Charter for the West African Capital Markets Integration Council (WACMIC) has been signed, following the inauguration of the Council in Abuja by the President of the ECOWAS Commission. A three-phased approach to capital market integration in West Africa, as recommended by the Technical Committee earlier, is currently awaiting WACMIC review and approval.

7. The College of Supervisors of the West African Monetary Zone (CSWAMZ) continues to play a pivotal role in ensuring financial stability within our banking system, especially through the joint (parent–host) bank examination programme, and the signing of bilateral MoUs between member Central Banks of the WAMZ and Commission Bancaire of UEMOA.

8. WAMI, in collaboration with the West African Insurance Companies Association (WAICA) is working tirelessly towards the integration of the WAMZ insurance sector. To this end, a Stakeholders' meeting jointly sponsored by the ECOWAS Commission and the National Insurance Commission (NAICOM) for the integration of the insurance sector is scheduled to hold in Abuja, Nigeria, from 30–31, July 2013.

9. In order to facilitate the implementation of the common monetary policy and to provide sound and efficient mechanisms to settle cross-border payments on a real time basis, the modernization and harmonization of the payment systems infrastructure is essential.

10. Fellow Ministers, I am pleased to report that following the intervention of the Committee of Governors of the WAMZ, the Payments System Development Project is back on track and is expected to be completed on schedule and within budget. Claims by the Solution Providers were successfully negotiated and settled.

11. The global financial crisis laid bare policy mistakes in individual countries and an insufficient institutional framework. Essentially what I call

Exchange Rate Mechanism

"Four lines of defence" in the Enterprise Risk Management (ERM) that must be in place to mitigate any crisis are:

- Sound domestic policies,
- Change in domestic policy rate,
- Proper use of own reserves, and
- Interventions with mutual support – realignment

Fiscal policy is the anchor to macroeconomic stability and on-going structural reforms are necessary to be globally competitive.

12. As much as the achievements to date are impressive, they are however, not sufficient for the launch of a Monetary Union. As we endeavor to put the project on a firmer footing, we should look at the future not with trepidation, but with optimism and the audacity to believe that if we resolve to turn the challenges into an opportunity, work harder together and adhere to the precepts of sound economic management, we can and must establish an enduring Monetary Union.

13. In conclusion, I wish to express my appreciation to the members of the Council, Governors, Technical Committee members and all WAMI staff for their support during my tenure and hope you will extend same to my successor on this bumpy long road to our Monetary Union. I wish us all fruitful deliberation and pleasurable stay in Accra.

Thank You.