



MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

UPDATE

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Secretariat on Drive to Develop Feasible MEFMI Phase V Strategic Plan



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The Secretariat has been implementing Phase IV since 2012 and the Phase is scheduled to end in December 2016. The preparation process for Phase V (2017-2021) commenced in November 2015 and will conclude in 2016. A major component of the planning process was the MEFMI Staff Strategic Planning Retreat which was held from 28 – 30 November 2015 in Harare. The objectives of the Retreat were:

- a) To enhance the skills of staff in strategic planning for capacity building organisations.
- b) To enhance awareness of staff about the theory of Change for capacity building programs, mainstreaming regional integration, gender, and corruption into MEFMI programs.
- c) To develop MEFMI's Theory of change as input for developing Phase V Strategy.
- d) To enhance awareness and agree to the standard template to use in developing the Phase V Strategic Plan.
- e) To gain consensus on the modus operandi for developing program specific plans as input into MEFMI phase V strategic Plan.



The retreat was facilitated by Distinctive Consultancy Services (DCS).

DCS administered a questionnaire to staff, which sought to solicit participants' views on the Vision, Mission & Values of MEFMI, the Strengths, Weaknesses, Opportunities and Threats, key external environmental factors and challenges facing MEFMI. The questionnaire also sought to solicit views on how internal change and strategy execution is handled in MEFMI. The responses were used to compile the SWOT analysis, PEST analysis, values, vision and mission reviews.

The approach to the retreat was one that promoted interaction and free expression of ideas. The facilitators' contributions:

- i. Imparted knowledge on theoretical aspects,
- ii. Guided participants in application of theoretical concepts
- iii. Presented and interpreted findings from preparatory activities
- iv. Provided guidance and advice on critical issues,
- v. Challenged participants to think strategically about the options available to MEFMI,
- vi. Guided discussions.

More specifically, the facilitators made presentations on Strategic Planning, Management of Change, Mainstreaming of Gender, Regional Integration and Anti-corruption, Competitive Environment.

The facilitators also introduced the concept of Disruptive Strategy to motivate "outside the box" and innovative thinking. Each department presented its performance over Phase IV in line with the targets set out in the Results measurement Framework. Thematic groups were also used for in-depth discussion of selected topics.

The facilitators guided the participants to develop proposed initiatives in respect of the various Strategic Pillars. The Strategic Pillars demonstrate a shift from a Program Based Strategy towards an Integrated and Outcome Based Strategy.

The Retreat managed to achieve of its objectives and it is left to MEFMI to take the Phase V Strategic Planning to completion in 2016. DCS is available to offer further technical support in further facilitation of the next phases of the planning process and compilation of the Strategic Plan should these be required.



Lesotho Receives MEFMI Training in Auditing of Public Debt

The Government of Lesotho has embarked on a Reform Programme to address challenges identified in different components of the Public Financial Management System. The reform is being partly financed by a grant from the African Development Bank (AfDB). External audit is one of the areas the reform is focusing on, to address institutional and technical capacity constraints facing the Office of the Auditor-General in performing its mandate.

It has become apparent that the country has capacity gap in auditing, and yet, public debt is one of the biggest budget expenditure items in Lesotho, hence the need to put adequate controls while enhancing accountability and transparency in its management. The Office of the Auditor General as a Supreme Audit Institution is mandated to promote public accountability by ensuring that the executive is accountable to it, Parliament and the public.

In recognition of the need to address this weakness and facilitate knowledgeable auditing of public debt, the Office of the Auditor General in Lesotho requested MEFMI for technical assistance in training its audit staff on auditing of Public Debt Management operations and procedures. MEFMI conducted the training in Maseru, Lesotho, from 30 November to 4 December 2015.

The workshop was officially opened by the Auditor-General, Mrs Lucy L. Liphafa. In her opening remarks, Mrs Liphafa commended MEFMI for accepting to partner the Government of Lesotho in its efforts to address challenges currently existing in Public Financial Management, particularly those focusing on addressing capacity constraints facing the Office of the Auditor-General in auditing public sector debt. She noted that the sheer size of public debt and the increasing level of sophistication in public debt management practices required the Office to enhance competence of auditors to prepare them for public debt audit. In this regard, she urged participants to use every opportunity to

tap from the vast experience and expertise that the workshop availed, to prepare themselves for the task of conducting both performance and regularity auditing of public sector debt. Such skills would help enhance audit independence and the credibility of audit processes and outcomes.

The training was designed to equip audit staff with practical skills required to conduct both financial and performance auditing of public sector debt. Participants were also introduced to conceptual issues in sovereign debt management procedures, performance standards and evolving international best practices in auditing public debt, based on the on-going international work to develop relevant guidelines within the network of supreme audit institutions. It is expected that the knowledge gained would enable participants to undertake more comprehensive and knowledgeable auditing of debt management in Lesotho.

Participants were mostly drawn from departments within the Office of the Auditor General of Lesotho, particularly Research and Development, Community Services and Statutory Boards, General Public Services, Economic Services, Corporate Services and Performance Audits. The Ministry of Finance's internal audit department was also represented by two officials. The workshop targeted middle and senior level audit officials. A total of forty two (42) participants attended the workshop, of which thirty one (31) were female, representing 74 percent of the total.

The training covered sessions on public debt management processes and procedures, as well as public debt audit, particularly compliance and performance auditing.

The training resulted in:

- A better understanding among participants of public debt management principles, processes, procedures and tools;
- A better understanding of the public debt management processes, particularly the

selection of public debt management audit topics, performance and regularity auditing, practical skills needed for effective auditing of public sector debt; and compilation and analysis of audit findings and formulating recommendations; and

- Increased awareness on evolving international best practice in auditing public debt, based on the on-going international work to develop

the relevant guidelines within the network of supreme audit institutions.

Participants recommended a follow-up training, particularly focusing on DeMPA tool to reinforce their understanding of the performance assessment methodology, as this would assist them when conducting public debt management audit.



MEFMI Holds a Successful Inaugural Research and Policy Seminar

As part of its endeavours to break new ground in capacity building and policy advisory work for its member countries MEFMI held a very successful inaugural Annual Research and Policy Seminar on 10th December 2015 at Rainbow Towers Hotel, Harare, Zimbabwe. The Seminar was necessitated by the need to strengthen MEFMI's research function to complement the Institute's advisory services by providing evidence based policy and technical advice to member states. The challenges that the member countries are currently facing require deep understanding of macroeconomic as well as the various socio-political dynamics that confront them. This makes research an integral part of instruments for supporting economic development as it facilitates deeper understanding of the interplay and impact of different factors on policy outcomes.

The seminar, whose main theme was **“Improving the Prospects for High and Inclusive Growth”**, was officially opened by Dr. Kupukile Mlambo, Deputy Governor of the Reserve Bank of Zimbabwe. In his opening remarks, Dr. Mlambo commended MEFMI for recognizing the important role that research plays in informing the policy-making process, by creating a platform where policy-relevant knowledge is generated, deliberated, and made available in an accessible and meaningful form to key decision makers. Although the Deputy Governor felt such an event was long overdue in the MEFMI calendar of events, he noted that the 2015 seminar came during very interesting times for Africa, as a new story of hope is emerging out of the continent. The continent has enjoyed impressive real GDP growth

rates over the last decade and half, both relative to its own historical performance as well as in terms of the average growth rates for the global economy. According to some scholars, Africa represents the next global economic growth frontier. The IMF's April 2015 Regional Economic Outlook also showed that the region was set to register another year of solid economic performance, projected at 4.5% in 2015, placing it among the world's fastest-growing continents.

Despite rapid the economic growth, the pace of poverty reduction in Africa has been painfully slow while inequalities between the rich and the poor people remain high and widespread. The United Nations Development Programme (UNDP) Human Development Report of 2015 indicates that there has been only a marginal reduction in poverty levels for most countries in Africa in recent years. In addition, most African countries are still vulnerable to shocks as characterised by the global financial and economic crisis of 2008 and 2009. The global financial crisis was a firm reminder that the modest socio-economic gains that the continent has made in recent years can easily be wiped off by external shocks. Hence, there is need for proper safeguards to preserve and improve prospects for sustaining high and inclusive growth in the face of global economic uncertainty. The Deputy Governor commended the MEFMI Secretariat for responding effectively to the region's needs by organising the Research and Policy Seminar to foster dialogue and exchange of knowledge in order to contribute to the search for solutions to challenges confronting the region, with a view to preserving and improving



the prospects for sustaining high and inclusive growth. He noted that timely dissemination of policy-relevant research would enable policymakers to make more constructive use of the results to inform policy. Evidence-based policy advice is critical for improving the effectiveness and relevance of the policies in member countries. He urged MEFMI to make the seminar a regular event as it will be very useful in shaping the policies that member countries can adopt.

The seminar was attended by researchers, academics and policy makers from the MEFMI region, as well as representatives of development organizations based in Harare. Among the institutions represented were MEFMI Secretariat, Bank of Uganda, Central Bank of Mozambique, Central Bank of Kenya, Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU), Botswana Institute for Development and Policy Analysis (BIDPA), Reserve Bank of Zimbabwe, The African Capacity Building Foundation (ACBF), IMF Resident Representative's office, UNDP, the Norwegian Embassy, Crown Agents, Ministry of Finance and Economic Development, Ministry

of Macroeconomic Planning and Investment Promotion, Kenyatta University in Kenya, University of Zimbabwe, Midlands State University, the Bankers Association of Zimbabwe and several media houses.

The papers presented focused on the Institute's key priority areas of Macroeconomic Management, Financial Sector and Sovereign Debt Management and were divided into 4 sub-themes namely, Growth, Poverty and Inequality; Public Debt, Growth and Poverty; Financial Inclusion and Impact on Economic Growth; and Mobilization of Resources to Finance Infrastructure and Pro-Growth.

A total of 16 papers covering diverse subjects within the 4 sub-themes were presented at the one day seminar.

It is expected that once finalized, the papers will be published in a new publication, the **MEFMI Research Journal**. The papers will also be abridged into policy briefings to make them more relevant to decision makers in MEFMI member countries.



Tanzania Receives MEFMI Technical Assistance in Designing a Medium Term Debt Management Strategy

Tanzania is one of the few countries in the MEFMI region with legislation that requires the Ministry of Finance to prepare a medium term debt management strategy annually. A debt strategy is a key element of sound practice in public debt management because it helps governments to execute debt management operations in a professional manner and thus facilitate attainment of debt management objectives of mobilizing financing at minimal cost and acceptable degree of risk. Lack of a comprehensive debt management strategy can lead to expensive mistakes, including failure to raise the desired amount of resources to fund government operations as well as higher funding costs.

Pursuant to the Government Loans, Guarantees and Grant Act (2003), the Ministry of Finance in Tanzania invited MEFMI Secretariat to assist in the design of a debt management strategy to guide debt management operations in the period 2016-2020. In response, a MEFMI mission visited Tanzania from 7 to 18 December 2015. The workshop to design a debt management strategy took place at the Ministry of Finance Board Room in Dodoma, Tanzania.

The objectives of the mission were to:

- Assist the Ministry of Finance in Tanzania to prepare Medium Term Debt Management Strategy (MTDS); and
- Impart knowledge and skills on the use of the IMF/World Bank MTDS Analytical Tool to formulate a debt management strategy.

Participants in the workshop were drawn from the relevant departments in the Ministry of Finance, including the Debt Management Department, Accountant General's Department, as well as from the Bank of Tanzania. The workshop targeted junior, middle to senior officials responsible for debt management and macroeconomic forecasting and analysis. A total of 24 participants attended

the workshop, of which 7 were female, representing 29% of the total.

The workshop was facilitated by Mr. Stanislas Nkhata, MEFMI Programme Manager in the Debt management Programme.

The participants were trained on how to develop a debt management strategy using the excel-based MTDS Analytical Tool. The workshop covered the following areas:

- o Introduction to the IMF/World Bank MTDS;
- o Debt data preparation and manipulation using excel;
- o Setting objectives and scope of debt management;
- o Assessment of the existing public debt portfolio, including the costs and risk characteristics;
- o Assessment of the potential sources of funding;
- o Determining the baseline macroeconomic projections;
- o Assessment of the main structural factors that may have a bearing on the chosen borrowing strategy; and
- o A plenary discussion on the Government future borrowing plans.

The main output of the workshop was a draft debt management strategy that was prepared by participants. In addition, participants gained knowledge and practical skills for designing and analyzing alternative debt management strategies using the MTDS Analytical Tool. It is envisaged that these skills would enable them to update Tanzania's debt management strategy going forward.



Government of Uganda Geared to Update MTDS

As in most former HIPCs, Uganda's public debt has been increasing both in nominal terms and as a percentage of GDP from about US\$3 billion (or about 20% of GDP) end of FY2008/09 to US\$7.4 billion (or about 31% of GDP) at the end of FY 2014/15. Both external and domestic borrowing to finance infrastructure projects contributed to this increase. Nevertheless, public debt has remained within the cost-risks thresholds set in the 2013 Public Debt Management Framework, largely due to the concessional nature of external debt.

Recognizing the growing debt and the need to modernize debt management functions, the Government initiated some reforms in public debt management. These include consolidation of public debt management functions within a newly established Debt and Cash Management Directorate (DCMD) in the Ministry of Finance, Planning and Economic Development (MoFPED) in 2014, and annual updates of the medium term debt management strategy.

In order to strengthen debt management capacity on designing debt management strategies, the Ministry of Finance, Planning and Economic Development of Uganda requested for a technical assistance from Bretton Woods Institutions. In response, a joint World Bank-IMF mission, in collaboration with MEFMI and UNCTAD, visited Kampala from 2 to 10 December 2015. The mission team comprised Messrs Lars Jessen (Team Leader) and William Battaile, both from the World Bank, Lekinyi Mollel of MEFMI, Peter Breuer of IMF and Gabor Piski of UNCTAD.

The main objectives of the training mission were:

- To train officials on the formulation of a medium term debt management strategy.
- To test and appreciate of the revised version of the MTDS Analytical Tool. The version was released in 2015 and Uganda was among the first countries to apply it.

In this regard, the mission team trained participants on how to develop a debt management strategy

using the revised excel-based MTDS Analytical Tool, covering the following:

- i. Introduction to the MTDS formulation and implementation process;
- ii. Introduction to the IMF/World Bank MTDS Analytical Tool and the Guide including the revisions of 2015;
- iii. Setting objectives and scope of debt management;
- iv. Assessment of the existing public debt portfolio, including the costs and risk characteristics;
- v. Assessment of the potential sources of funding;
- vi. Determining the baseline macroeconomic projections and assessment of the main structural factors that may have a bearing on the chosen borrowing strategy;
- vii. Assessment of the potential alternative debt management strategies for Uganda. This included designing and analyzing the performance of alternative debt management strategies over the next five years. The alternative four strategies were considered by differing in the mix of financing sources and terms.

Participants in the workshop were drawn from the Debt and Cash Management Directorate and Macroeconomic Policy Department in the Ministry of Finance, Planning and Economic Development, as well as from Financial Markets and Research departments of the Bank of Uganda. The workshop targeted junior, middle to senior officials responsible for public debt management and macroeconomic forecasting and analysis. A total of 20 participants attended the workshop, of which seven (7) were female, representing 35% of the total.

The trained officials gained knowledge and practical skills for designing a debt management strategy using the MTDS Analytical Tool. It is envisaged that these skills would enable them to update Uganda's debt strategy planned for early 2016.



MEFMI Programme Manager Represents the Institute at the Financial Infrastructure Week 2015

The Bank of International Settlements' Committee on Payments and Market Infrastructures (CPMI) together with the World Bank, held the 5th edition of the Retail Payments Forum (RPF) in Istanbul Turkey, on 1 September 2015. This event was organized as part of the Financial Infrastructure (FI) Week 2015 which run from 1st to 4th September 2015. The RPF was convened to deliberate on the contemporary topics in retail payments and offer a discussion platform for market participants and authorities. The Financial Infrastructure Week 2015 attracts experts, regulators, practitioners, and private sector representatives to discuss the topical issues in their respective areas and disseminate best practices and international standards. MEFMI was represented by Ms. Jackie Kitiibwa, a Programme Manager in the Financial Sector management Programme. The forum was attended by over 300 participants from 50 countries. Other participants were mainly from central banks, the international community, commercial banks, capital market authorities, credit bureaus, payment card services, market infrastructure developers, National Treasury and standard setting agencies.

The latest financial crisis led to large scale reforms in the regulation of Financial Infrastructures. Regulators around the world acknowledged the need for structural reforms in the financial systems and market infrastructures in particular. Due to the global dimension of the crisis, and the extent to which financial markets have been revealed to be closely interconnected, national regulators moved the policy debate to a supra national level. In this respect, the CPMI/IOSCO published the Principles for Financial Market Infrastructures (PFMIs) that have raised the bar substantially and have triggered large-scale reforms to the regulation of payment and settlement systems worldwide. Some of the issues that were discussed during the FI Week included Financial Market Infrastructure's readiness to withstand possible new sources of threats and the role of regulators in this respect. The event provided an opportunity to present best practices that have emerged in this context; that have spurred efficiency and innovation.

Delegates had the opportunity to participate in the discussions and contribute to finding solutions to increasing complexities in emerging market needs by exploring themes like:

- a. How innovation is reshaping architectures of payment and market infrastructures.
- b. How the risk profile of payment services is altered by technology changes and how new threats are identified and addressed.
- c. How card payment infrastructure can be leveraged by various innovative payment platforms such as mobile money.

The event combined both plenary and breakaways sessions based on the three major pillars of Financial Infrastructures:

- i. Payment, remittances and securities Systems
- ii. Credit reporting systems
- iii. Secured transactions, collateral registries and insolvency regimes

Main discussions included the following areas;

- Re-thinking the payment system architecture – trends and opportunities
- Remittances as a gateway to financial inclusion
- Security of retail payments: how to always be one step ahead of criminals
- Secured transactions and collateral registry reforms as a growth engine for micro, small and medium enterprises globally
- New models of payment system oversight
- Securities Settlement Systems

- Financial Market Infrastructures as an anchor for financial stability
- Implementing the General Principles for Credit Reporting

MEFMI will continue to re-examine its interventions in payment and settlement systems to cover the technology driven developments.



MEFMI Member States Urged to Design Integrated Assets and Liabilities Management Strategies

The drive by most developing countries to explore new sources of external funding has resulted in significant inflows of semi-concessional and commercial loans from emerging and advanced economies to African countries. These funding options have provided the much-needed resources for financing infrastructure projects while also boosting foreign reserves. However, these benefits can be severely inhibited by adverse changes in foreign interest rates and exchange rates, as well as commodity price shocks if there are no proper safeguards, including implementing integrated Assets and Liabilities Management (ALM) strategies.

As part of its efforts to address capacity gaps on management of sovereign assets and liabilities in its member states, MEFMI conducted a regional workshop on Assets and Liabilities Management (ALM) from 7 to 11 September 2015 at Cresta President Hotel in Gaborone, Botswana. The workshop aimed at imparting knowledge and skills on ALM techniques as a basis for formulating effective debt management strategies.

The workshop was officially opened by the acting Permanent Secretary for Budget and Development in the Ministry of Finance in Botswana, Mr. Boniface Mpethle. In his remarks, Mr. Mpethle noted that the workshop was both relevant and timely for the MEFMI region, adding that most governments have capacity gaps to move from an approach based on managing the country's liabilities only to a fully integrated Assets and Liability Management framework. He observed that the role of most debt management offices in the region is currently limited to managing financial liabilities only while assets are managed separately by either the Central Banks or other government departments, without taking into account their inter-linkages.

He said that this disconnect can lead to severe losses arising from exposure to turbulent markets as well as debt defaults. In this regard, the Acting Permanent Secretary urged MEFMI member states to implement integrated assets and liabilities management approaches in order to minimize the costs and risks associated with external funding and foreign exchange reserves management.

The workshop covered several topics in debt and reserves management including:

- Spreadsheet Applications for Portfolio Management;
- Asset-Liabilities Management Methodologies (Mean-Variance Approach, Value at Risk, Cost at Risk, and Budget at Risk);
- Yield Curve Development and Analysis; and
- Portfolio Management Strategies.

In addition, participants shared their country perspectives on the issues discussed as well as the experiences of implementing ALM frameworks in South Africa and Brazil.

A total 35 participants attended the workshop, of which 17 were female, representing 49 percent of the total. The participants were mainly officials responsible for debt and reserves management in Ministries of Finance and Economic Development, Accountant General's Departments, as well as from Central Banks, in 10 out of the 14 MEFMI member states, namely: Botswana, Kenya, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

MEFMI Programme Officer Attends High Level Workshop on Supervision of Non-Bank Financial Institutions


The pensions and insurance sectors operate in a complex, risky and interconnected environment. This creates challenges for both the regulated entities and their supervisors. The principal objective for the maintenance of a fair, safe and stable insurance and pensions sector for the benefit of its stakeholders cannot be over emphasised.

MEFMI Program Officer Financial Sector Management Program, Mrs Siphon Makamba recently attended the International Insurance and Pensions Program organized by the Toronto Centre in Montreal, Canada. The objective of the program was to provide participants with the opportunity to practice the roles that insurance and pensions supervisory/regulatory authorities, ministries of finance, deposit insurers and central banks, play in managing a crisis arising from problems in potentially systemically important insurance or pensions' institutions.

The international program was targeted at senior officials in the regulation and supervision of Insurance and Pensions from non-bank financial sector regulatory authorities, Deposit Insurance

and Ministry of Finance officials. There were 34 participants from 22 countries namely Bahamas, Barbados, Botswana, Brazil, Canada, Cayman Islands, Costa Rica, Guatemala, Kazakhstan, Macedonia, Malawi, Malaysia, Namibia, Nigeria, Oman, Peru, Slovenia, South Africa, Sweden, Tanzania, Uganda, United Kingdom and Zimbabwe.

One of the key learning tools was Simulation exercises which proved to be practical and effective. Regulators often have to deal with several sets of stakeholders. The skills sets of dealing with stakeholder and decision making were practiced in a realistic manner.

In addition to enhancing her technical skills in respect of insurance and pension's supervision, Mrs. Makamba developed an action plan that is likely to be used in developing the programme content for 2016 MEFMI regional workshops on the regulation and supervision of insurance and pension funds. This has been informed by demand to extend coverage to this area as some central Banks also have a responsibility for supervision of non-bank financial institutions. 

MEFMI / RAMP Hold Workshop on Active Portfolio Management


MEFMI member countries are fast moving into active management space in reserves management. In that respect, it is crucial that MEFMI stays ahead of the curve to ensure adequate training of staff in the front, middle and back offices.

Ms. Michelle Mutinda, MEFMI Programme Officer Financial Sector Management Programme represented the Institute at the workshop which was held in partnership with the World Bank Treasury under RAMP. . The workshop which was on Fundamentals of Active Management introduced the discipline of active portfolio management as well as specific low-risk active management techniques to add value to an indexed portfolio.

The target audience comprised portfolio managers with basic experience in portfolio management.

The workshop provided MEFMI with an opportunity to continue partnering with the World Bank Treasury staff in an effort to build and strengthen capacity building relationships.

Through case studies and interactive exercises, the workshop covered aspects such as risk and return of bonds, break even analysis and carry trades, principles for active management strategies for trading on yield curves and taking advantage of the shape and slope of the yield curves given a certain market view. Other sessions included the use of derivatives such as the Eurodollar futures.

The workshop demonstrated the need for logical thinking and a clear understanding of risks supported by numerical skills for proper execution of an active management strategy. 

Swaziland Finance Minister Calls for Better Taxes on Africa's Natural Resources

By: Neil Merrick

Countries in sub-Saharan Africa must respond to demands for better living standards by taxing natural resources more effectively, an international conference heard this week.

Opening the annual combined forum of MEFMI (Macroeconomic and Financial Management Institute of Eastern and Southern Africa), Martin Dlamini, minister of finance in Swaziland, said real progress was being made by countries in the region.

"In general, there is improved human and institutional capacity in macro-economic financial management," he told delegates meeting in Lima, Peru. "This has contributed to significant growth."

But with the call for change from their own populations growing ever stronger, he added, political leaders face a major challenge attaining shared goals such as reduced poverty and better infrastructure.

MEFMI's forum was held ahead of the IMF/World Bank annual meeting, also taking place in Lima this week, and was attended by finance and planning ministers, permanent secretaries and central bank governors from 14 countries.

The forum focused on the need to improve contract negotiation with investors and taxation of natural resources, as well as establish and manage sovereign wealth funds.

A report published by the World Bank on 4 October highlighted that, while poverty in sub-Saharan Africa has fallen significantly since 1990, the

region now accounts for half of all global poverty compared with 15% a quarter of a century ago.

One of the biggest problems is low tax revenues. An analysis for MEFMI by EY shows that, by 2020, government spending in the region will account for 22% of GDP while government revenue will be worth just 19.7%.

While many countries have discovered further natural resources in the past five years, such as oil, gas and diamonds, Dlamini told delegates it was also true that resource-rich countries were often marked by inequality, poverty, war insurgency and illiteracy.

He called on institutional investors to set aside pre-conceived perceptions of the region and give countries with sovereign credit ratings the opportunity to borrow on the international bond markets. "We live in an environment where the alternative to economic growth is debt," he added.

Arunma Oteh, treasurer and vice president at the World Bank, called on politicians to show more courageous leadership and focus on 'second generation reforms' such as education, health and infrastructure.

"At no point in time is it more important to focus on management of natural resources," she told the MEFMI forum.

"Our citizens are demanding. We have set the bar high. It's important that we reach the bar."
Neil Merrick is a freelance journalist



Building Sustainable Capacity

Fostering Best Practices

Raising Awareness: Opportunities & Challenges

New Staff at MEFMI



Mr Sayed Timuno

Mr Sayed Timuno is a Programme Manager in the Macroeconomic Management Programme responsible for Macroeconomic analysis, Modeling

and Forecasting. He joined the Institute in October 2015.

Prior to joining MEFMI, Mr Timuno was a Principal Economist in the Modelling and Research Unit at the Ministry of Finance and Development Planning (MFDP) in Botswana. During this period he was responsible for data and economic analysis as well as producing various forecasts such as quarterly GDP (both from the production and expenditure approach) projections, Quarterly Fiscal forecasts and Exchange Rates projections. He has hands-on-experience in building economic models. He co-led a team that constructed the Botswana Quarterly Econometric model (using E-Views); Botswana Financial Programming and Policy Framework (Excel); Botswana Medium Term Fiscal Framework (Excel) and was also part of a team responsible for the Botswana Computable General Equilibrium Model (GAMS).

Mr Timuno has received various performance awards including MFDP's Best Performer in 2014, MFDP's Best of Best Performer in 2014 and the Botswana's Public Service Excellence Award for 2013/14.

Mr Timuno holds a BA Economics degree from the University of Botswana, and an MA Economics degree from the University of the Western Cape, South Africa.



Editorial comments and contributions to MEFMI Update should be directed to: Gladys Siwela
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Our Values: ► Accountability ► Teamwork ► Responsiveness ► Integrity ► Professionalism



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