MEFMI
Macroeconomic and Financial Management Institute of Eastern and Southern Africa

UPDATE

First Quarter 2016

MEFMI Launches Book on Hyper Inflation Period in Zimbabwe

MEFMI held an event to launch a book that chronicles the economic experience of Zimbabwe during the hyperinflation period. The book titled "***ECONOMIC MANAGEMENT IN A HYPERINFLATIONARY ENVIRONMENT: THE POLITICAL ECONOMY OF ZIMBABWE 1980 – 2008***" was launched on Friday, 18 March 2016 in Harare, Zimbabwe. The event was attended by some Ambassadors from the MEFMI region resident in Zimbabwe, MEFMI Executive Committee members comprising Governors of the Central Banks of Botswana, Kenya, Malawi, Permanent Secretary of the Uganda Ministry of Finance, Planning and Economic Development as well as the Deputy Governor of the Reserve Bank of Zimbabwe and Assistant Governor of the Bank of Swaziland, also in attendance were representatives of international and civic society. Some contributors to the book included senior Government officials, academics from universities and research institutions in Harare.

The book, published by the Oxford University Press, was co-authored by Zimbabwe and International renowned researchers, some of them had first-hand experience of the hyper-inflation period. The research was commissioned jointly by MEFMI and the African Capacity Building Foundation.

The book encapsulates authoritative thematic-cum-sectoral perspectives on economic management under severe shocks that Zimbabwe underwent. It cuts across all sectors of the economy including agriculture, manufacturing, banking and other financial services sectors such as insurance and pensions industry, tourism,

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monetary and fiscal policies, education and health, just to mention a few. Analysis of what transpired and coping mechanisms employed by economic agents have been well documented in this publication.

The issues covered in the book cut across most tenets of the Zimbabwean society, making the book an authoritative collection of knowledge and information on the hyper-inflation period. Comments by reviewers clearly show that this is a path-breaking piece of work that policy makers, researchers and students will find very useful. Policy makers, researchers and academicians will draw evidence gathered in the book to inform their policies, research work and for teaching at tertiary institutions, bequeathing the coming generations, within and outside Zimbabwe with a lot of relevant first-hand information which also covers the productive and social sectors.

Dr John Nhavira, a lecturer at the University of Zimbabwe who attended the book launch. noted that the book is a unique publication. "A people that forget the past are doomed to repeat their mistakes. This book will go a long way in retaining the memory of a terrible period in Zimbabwe's monetary history."

Gramsol Books (Zimbabwe) are authorised distributers of the Book in Zimbabwe. The book can also be purchased online at https://global.oup.com/academic/product/economic-management-in-a-hyperinflationary-environment-9780198747505?cc=zm&lang=en&#.

The Book Launch in Pictures

Calling on E-Learning Participants - Fundamentals of Financial Markets

Dates: 18 April – 20 May 2016

Venue: E-learning

Duration: 1 month

Background: Financial markets provide for the efficient allocation of resources within the economy. Through organized and regulated exchanges, people trade financial securities, commodities, and other fungible items of value at low transaction costs and at prices that reflect supply and demand. The financial markets provide businesses and governmental entities access to capital.

This course serves as an introduction to the financial system. It distils and describes the financial system into the financial institutions, financial markets, financial instruments and financial services. The components are given much attention because of the central theme they play – the different players, markets and instruments.

Objectives:

- Provide participants with the relevant knowledge on the financial system;
- Differentiate the different financial markets and their components;
- Equip participants on fundamental quantitative skills on pricing of different instruments in the different financial markets.

Course Content:

1. Financial system
   - Institutions,
   - Instruments,
   - Services,
   - Infrastructures.
2. Financial markets
   - Financial market players
   - Financial markets
   - Financial market instruments

Target Group: New officials responsible for domestic financial markets in the Central Bank, Ministry of Finance/Economic Planning and or Development, Capital Market regulators, Securities Exchange, Insurance regulators and Pension regulators. Officials from other stakeholder departments like Legal, Financial sector supervision, financial stability, research, and payment systems departments are encouraged to enrol.

Fees: Free for MEFMI Client Institutions.
$400 per delegate for non-MEFMI Client Institutions

Registration: To register please email michelle.mutinda@mefmi.org / yvonne.masimo@mefmi.org

MEFMI Provides Technical Assistance on the Operational Readiness of NAMRA

Since 2014, MEFMI has been advisor to the Government of Namibia, which has been working towards the establishment of a revenue agency. Namibia is the only MEFMI member state which is yet to establish an independent revenue authority.

In 2013 the Government of Namibia took steps to establish the Namibian Revenue Agency (NAMRA) to improve operational efficiency and provide a platform through which continued tax administration can be facilitated and accelerated. In March 2016 MEFMI was invited to Namibia to provide technical assistance to draft the policy framework and legislation for the revenue agency.

The mission to Namibia comprised of Mr. Dumisani Masilela, Commisioner General of the Swaziland Revenue Authority, Mr. Joseline Ogai, Deputy Commissioner for Research, Kenya Revenue Authority (KRA) and Mr. Amos Cheptoo, MEFMI Programme Manager - Fiscal Policy.

The mission conducted an assessment on the operational readiness for the establishment of a revenue agency. This was done in close collaboration with a task force chaired by Dr. Bernie Zaaruka from the Bank of Namibia who is also a MEFMI Fellow. The task force had been mandated with fast tracking the implementation of the Cabinet's decision to establish a revenue agency.

As part of the process of advising the Namibian authorities, the mission reviewed the draft NAMRA bill in the context of best practice as well as tapping on the experience of other countries that have set up Semi-Autonomous Revenue Agencies (SARA's). They also reviewed the activities leading towards the implementation of NAMRA bill. Policy advice as well as an assessment of the human resource, administration, ICT and related issues was also provided to the task force.

The mission also held consultations with implementing departments in the Namibia Ministry of Finance and relevant agencies to understand the context of their engagement with the process, their preparations for the transition and providing advice. A report with recommendations which can assist the task team in the implementation of the remaining transitional activities was also produced.

Informed by regional good practices, a number of considerations went into addressing several issues which included determination of the level of autonomy of the SARA, a governance framework, an accountability framework and the scope of revenue collection.

Determining the level of autonomy of the proposed revenue agency involved assessment of the Namibian Revenue Agency legal form, budget flexibility, financial framework, human resource policies and operational autonomy. The mission also worked with the task force to review the NAMRA bill, with some provisions within the bill recommended for revision.

With the formation of any new organisation, adequate resource planning is needed in key operational areas. The optimal structural set up of the revenue agency was reviewed and it was recommended that the structure of the new organisation should minimise changes and to the extent possible, incorporate Customs and Excise and Inland Revenue Departments as they are. With regards to the staffing needs of the agency, effective recruitment practices need to be in place and a strong induction program required before an officer is released to his/her duties. There is also a need for modular training once staff are working for the agency. E-learning opportunities and potential collaboration with countries that have training programs in place were discussed as options.

The information technology (IT) platforms which will be inherited by the new agency are impressive. The IT platforms are relatively new, the Customs and Excise Department has ASYCUDA World, while the Inland Revenue Department is in the latter stages of developing their Integrated Tax Administration System (ITAS). Emphasis was placed on the need to ensure that the processes are assigned owners who are going to continuously monitor adherence and produce non-conformance reports for purposes of taking decisions on corrective measures, which would include amending the process where necessary.

During the mission key stakeholders were engaged and sensitized as to the progress of and work required in moving toward the establishment of a revenue agency. The MEFMI team met with officials from the Namibia Ministry of Finance, the Bank of Namibia, the Government Treasury Department, the Auditor

General's Office, the Public Service Commission, the Customs and Excise Department and the Inland Revenue Department.

The activities conducted allowed the mission to compile a report which will be delivered to the task force to assist them to fast track the implementation of the Namibian Government's decision to establish a revenue agency.

MEFMI conducts a Second Follow-up Mission to the National Bank of Rwanda

MEFMI conducted a second follow-up mission to the National Bank of Rwanda (BNR) from the 14 to 18 March 2016. The objectives of this mission were to provide technical assistance to the Bank, on analysis and interpretation of data and report writing. The report was presented to and accepted by the BNR Board of Governors.

The MEFMI mission team members were Mr. Alphious Ncube (MEFMI Consultant) and Mr. Sayed Timuno (Programme Manager, Macroeconomic Management Programme).

The first mission was carried out from 9 to 13 November 2015. This mission focused on developing the right methodology to assess skills that exist in BNR to avoid deploying subjective evaluation or audit. The mission team comprised of Mr. Alphious Ncube (MEFMI Consultant), Mr. Raphael Otieno (MEFMI Director, Debt Management Programme), Mr, Amos Cheptoo (MEFMI Programme Manager, Macroeconomic Management Programme) and Ms Gertrude Mungolo (MEFMI Human Resources Manager). The mission generated templates for the skills audit exercise.

The second mission was conducted from 22 to 26 February 2016. It focused on reviewing and approving standardized forms at a functional level, to allow for comparative bank-wide analysis as earlier envisaged. The mission team was made up of Mr. Alphious Ncube (MEFMI Consultant) and Mr. Amos Cheptoo (Programme Manager, Macroeconomic Management Programme).

MEFMI holds Seminar on Risk Based Supervision Study

MEFMI conducted a seminar to discuss the draft **Risk Based Supervision Guidelines for Banks.** The seminar was held in Harare, Zimbabwe from the 30 to the 31st of March at the Rainbow Towers Hotel. The event provided useful comments that will enable MEFMI to finalise the document for publication.

Participants at the seminar included heads of bank supervision departments of MEFMI member states, heads of risk management from invited banks, nominees from accounting firms, industry experts, academics and representatives of international organisations that work with supervisory authorities.

The study that produced the draft guidelines for discussion at the seminar commenced in July 2015 and efforts have been made to capture some of the emerging issues such as Basel II/III, stress testing, macro-prudential surveillance and the Revised Core Principles of Effective Bank Supervision. In addition, to the emerging supervisory issues, the document is also expected to elaborate on the more granular rating system that countries can now choose to adopt as well as address common issues or concerns from MEFMI's experiences in assisting countries to implement RBS methodology.

MEFMI Joined the World to Celebrate International Women's Day

The 8th of March was International Women's Day. The day is honoured and celebrated throughout the world by progressive men and women who are working hard towards the achievement of gender parity. The world celebrated the social, economic, cultural and political achievement of women.

MEFMI joins the world in supporting the agenda of gender parity by taking action as champions of gender mainstreaming.

Below is information taken from International Women's Day web site;

IWD 2016 campaign theme #PledgeForParity

Worldwide, women continue to contribute to social, economic, cultural and political achievement.

And we have much to celebrate today. But progress towards gender parity has slowed in many places.

The World Economic Forum predicted in 2014 that it would take until 2095 to achieve global gender parity. Then one year later in 2015, they estimated that a slowdown in the already glacial pace of progress meant the gender gap wouldn't close entirely until 2133.

So how do we want to celebrate International Women's Day 2016?

We say by Pledging For Parity!

Everyone - men and women - can pledge to take a concrete step to help achieve gender parity more quickly - whether to help women and girls achieve their ambitions, call for gender-balanced leadership, respect and value difference, develop more inclusive and flexible cultures or root out workplace bias. Each of us can be a leader within our own spheres of influence and commit to take pragmatic action to accelerate gender parity.

Commit to take action to accelerate gender parity

Globally, with individuals pledging to move from talk to purposeful action - and with men and women joining forces - we can collectively help women advance equal to their numbers and realize the limitless potential they offer economies the world over. We have urgent work to do. Are you ready to accelerate gender parity?

For more information on IWD activities please visit;

http://www.internationalwomensday.com/Theme

Kenya Reviews its Medium Term Debt Management Strategy

Kenya's economy grew at a robust pace over the last decade (2004 – 2015) with real GDP growth averaging 5.5% per annum. The growth was supported by public investments in infrastructure projects particularly road construction and geothermal energy generation and distribution; buoyant private credit growth; and strong consumer demand. The public investments are to a large extent financed through both domestic and external borrowing. Consequently, Kenya's public debt increased to about US$28 billion, equivalent to about 49%of GDP as at end-June 2015. This development is associated with the increase in average cost of borrowing and exposure to risks as the country's access to concessional external financing is limited going forward following Kenya's reclassification into lower middle income status. Thus, strengthening capacity at the National Treasury's Debt Management Department is a priority.

In this regard and at the request of the National Treasury of Kenya, a joint World Bank-IMF-MEFMI mission visited Kenya during the period January 25 to 10 February 2016 to help build analytical capacity to execute a structured approach to debt management strategy formulation. The mission team comprised IMF officials Ms Eriko Togo, Ms. Perez and Mr. Robert Andreoli; officials from World Bank Ms. Lilia Razlog, Mr. Emre Balibek and Ms. Signe Zeikate; and MEFMI Programme Manager Lekinyi Mollel.

The objectives of the mission were to train officials on the formulation and implementation of a medium term debt management strategy (MTDS); and to assist the National Treasury develop the MTDS that would inform policymakers in their borrowing decisions for the period 2015/16 – 2018/19. The workshop participants were drawn from the Debt Management, and Budget, Fiscal & Economic Affairs departments in the National Treasury, as well as from Financial Markets and Research departments of the Central Bank of Kenya (CBK). A total of 15 officials attended the workshop, of which eight (8), representing 53% of the total were female.

The mission activities were in two key

segments: (i) training of officials on the development and implementation of the medium term debt management strategy using the MTDS - Analytical Tool (AT); and (ii) assisting officials to develop the country's debt management strategy for the period 2015/16 – 2017/18. The outcomes for the mission were as follows:

- Participants gained knowledge and practical skills for designing a debt management strategy using the MTDS-AT.
- A draft mission Aide Memoire was produced and shared with authorities for their preliminary comments.
- Kenya MTDS for the period 2015/16 – 2018/19 was developed and was approved by the Cabinet and thereafter submitted to the Parliament.

To facilitate effective implementation of the MTDS, the following were proposed:

- Development of an annual borrowing plan covering all financing.
- Implementation of liability management operations such as exchange auctions for new and longer-tenor benchmarks in position of debt instruments whose remaining time to maturity is less than 2 years.
- Development of investor relations and market communication strategy to facilitate general information and data dissemination to the investor base and the wider marketplace.
- Deepening of the domestic debt market to improve efficiency of the primary issuance process and price discovery in the secondary market.

Zimbabwe/Indonesia to Formalise Trade Relations

The Embassy of Indonesia in Zimbabwe invited members of Zimbabwe National Chamber of Commerce for a breakfast meeting at the Meikles Hotel on Tuesday 9th February 2016. The purpose of the meeting was to discuss trade and business relationships between the two countries.

The meeting was chaired by the Vice Minister of Indonesia Foreign Affairs, Mr. A.M Fachir, who is currently visiting Zimbabwe. The Indonesian Ambassador to Zimbabwe and other Embassy officials were in attendance. Zimbabwe and Indonesia enjoy cordial relationships as evidenced by the five visits to Indonesia by Zimbabwe's President in the recent past. MEFMI was represented at the meeting by Mr Amos Cheptoo, Programme Manager Macroeconomic Management Programme. Mr Cheptoo represents MEFMI on the ZNCC Macroeconomic Committee.

Trade between Zimbabwe and Indonesia currently stands at US$32.7 million, in favour of Zimbabwe. This was largely in the area of export of cotton and tobacco. Honourable Fachir said the key concerns for his country are certainty and protection of private investment and issues of double taxation.

Mr. D. Norupiri – President of ZNCC pointed out that the business environment in Zimbabwe has improved and stabilised significantly through the multicurrency exchange rate regime, which has provided certainty through elimination of exchange rate risks. Furthermore, critical economic milestones had been achieved recently including the resolution of the country's debt strategy following discussions in Lima, Peru in 2015, which will soon unlock engagement with many multilateral and bilateral financiers. Furthermore, Zimbabwe's import bill of US$6bn provides business opportunity for Indonesia.

It was highlighted that the chambers of commerce of the two countries should develop a Memorandum of Understanding (MOU) and a legal framework for engagement to initiate and promote trade and business. Such a formal arrangement will ensure that the US$2bn that is believed to be illicit flows between the two countries will be directed through formal channels.

World Bank, IMF and MEFMI train Officials on Debt Sustainability Analysis

World Bank, IMF and MEFMI train Officials on Debt Sustainability Analysis

Policy makers in most Sub-Saharan African (SSA) and other emerging markets continue to operate in a very challenging environment. Poverty remains wide spread, with about 48 percent of the population in SSA living on less than US$1.25 per day while the health and education indicators remain very poor and much lower compared to other regions. In addition, the infrastructure needs of the continent are vast and a lot of resources are required per year for public and private investment in order to bridge the infrastructure gap. In this regard, most governments have taken recourse to increased borrowing to meet the resource shortfall, leading to rapid accumulation of public sector debt in recent years. This has led to fresh concerns about public debt sustainability going forward.

In response, MEFMI in collaboration with the World Bank (WB) and International Monetary Fund (IMF) organized regional workshop on Debt Sustainability Analysis from 8 to 17 February 2016 at A'Zambezi River Lodge in Victoria Falls, Zimbabwe. The workshop aimed at imparting knowledge and skills on the use of Debt Sustainability Analysis tools, including the IMF/World Bank Debt Sustainability Framework (DSF) for Low Income Countries (LICs) and Market Access Countries (MACs).

The Permanent Secretary (PS) in the Ministry of Finance and Economic Planning in Zimbabwe, Mr. Willard Manungo, who officially opened the workshop, commended MEFMI, WB and IMF for organizing a workshop on debt sustainability analysis. In his remarks, the PS said that the problem of debt sustainability is exacerbated by the fact that the financing landscape has changed significantly, particularly with the emergence of new creditors which are providing loans on stricter terms compared to the traditional lenders. He noted that developing countries, including those in the MEFMI region, are increasingly tapping into the international capital market through issuance of international sovereign bonds, which attract relatively higher interest rates and have shorter maturities. He added that the debt related vulnerabilities are exacerbated by the increase in domestic debt which is also very costly. In this regard, Mr. Manungo urged governments in the MEFMI region to design appropriate debt management policies and strategies in order to ensure long term debt sustainability. He also urged governments to incorporate debt sustainability analyses into economic management processes by conducting DSAs regularly in order to detect any debt distress signals.

Participants in the workshop were drawn from relevant departments in the Ministries of Finance and Economic Development and Central Banks of Botswana, Burundi, Kenya, Lesotho, Mozambique, Swaziland, Uganda, Zambia and Zimbabwe. The training targeted officials responsible for debt and macroeconomic forecasting. A total of 27 participants attended the training, of which 12 were female, representing 44 percent of the total.

The workshop was facilitated by Tobias Haque, Mick Riordan and Greg Smith of the World Bank; Heiko Hesse and Joyce Saito of the IMF; Leslie Mkandawire (MEFMI Consultant from Malawi) and Stanislas Nkhata of MEFMI Secretariat.

The training covered the following topics:

Introduction to Debt Sustainability and the IMF/WB Debt Sustainability Framework (DSF) for Low Income Countries (LICs) and Market Access Countries (MACs);

Linkages between macroeconomic performance and debt sustainability;

Linkages between Debt Sustainability and IMF Debt Limit Policy and World Bank Non-Concessional Borrowing Policy;

Public and External Debt Dynamics;

The DSF Tool for LICs and MACs: General Structure and Inputs - Hands-On Exploration of the Templates;

Stress tests in debt sustainability analysis;

External and public debt thresholds, ratings and benchmarks;

Interpretation of the DSA results, and

Case Studies on DSA in LICs and MACs.

The main output of the workshop was that it enhanced the knowledge and skills of participants in the use of the IMF/World Bank analytical tools for debt sustainability in low income and market access countries.

Strengthening collaboration between MEFMI and Regional Economic Communities

In February 2016 the East African Community (EAC) concluded a workshop on Harmonising Balance of Payments Statistics for its Member States, in Dar-es-Salaam, Tanzania. Funded by the United Kingdom Department for International Development (DFID) under the Enhanced Data Dissemination Initiative (EDDI-2) project, and implemented by the International

Monetary Fund (IMF). The experts that facilitating the workshop included Ms. Cornelia Hammer and Ms. Rut Trisilowati from the IMF Statistics Department, and Mr. Kenneth Egesa, regional expert for External Sector Statistics from the Bank of Uganda. It was coordinated by Mr. Samuel Njuru, a statistics expert from the EAC.

The purpose of the project is to provide training through a series of workshops and technical assistance as required for harmonization of Balance of Payments in the EAC, which is expected to lead to the East Africa Monetary Union in 2025. All the five Member States of the EAC, namely Burundi, Kenya, Rwanda, Tanzania and Uganda, are members of MEFMI. It is envisioned that at the end of this five year project in 2020, all the five countries will be compiling and reporting Balance of Payments and International Investment Position Statistics (BOP/IIP), following the Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6) methodology, on a quarterly basis and with timeliness of one quarter's lag. In addition, it is expected that all these countries will be participating in the IMF's Coordinated Direct Investment Survey (CDIS) and Quarterly External Debt Statistics (QEDS) reporting initiatives.

MEFMI was represented at the workshop by Ms. Vivian Namugambe, Programme Manager responsible for capacity building activities in the area of External Sector and Regional Integration. MEFMI was invited to participate in this workshop by the IMF Statistics Department, following the long standing cooperation between the two institutions. Ms Namugambe made a presentation on the substantial amount of work that MEFMI has done towards the harmonisation of external sector statistics in the region, mainly through the MEFMI Foreign Private Capital Monitoring and Analysis Capacity Building Programme (MEFMI FPC-CBP).

The workshop specifically focused on the compilation of the goods and services account of the BOP. It involved breakout sessions where the IMF, MEFMI and EAC helped the countries to draw out work plans for closing existing gaps, which countries are expected to have fully implemented by July 2017. Through technical assistance to these countries where needed, MEFMI and IMF will work together to ensure that the countries fully implement these work plans. MEFMI's involvement in this harmonisation process of External Sector Statistics in the EAC region will go a long way in strengthening efforts of the Institution in mainstreaming regional integration in its activities.

Central Bank of Lesotho launches Maseru Securities Market Platform

The MEFMI Executive Director, Dr Caleb Fundanga delivered a speech to mark the inauguration of Maseru Securities Market (MSM). The event was attended by financial markets industry players in Lesotho and Senior Government Officials.

The MSM is a Central Bank of Lesotho project under the wider capital markets development initiative. It is a component in the Financial Sector Development Strategy whose purpose is to enhance capital markets depth and breadth by attracting new participants and by creating a conducive environment for floating and trading financial securities.

While the journey to the development of the MSM has been full of challenges, the Central bank of Lesotho is grateful to the critical role played by MEFMI as a key strategic partner, through a number of Missions towards this goal.

Call for Papers for the Annual Research and Policy Seminar

Theme: Financing Of Development

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) invites interested experts to submit proposals on policy-oriented discussion papers on diverse topics around the Institute's key priority areas of Macroeconomic Management, Financial

Sector Management and Sovereign Debt Management for the Annual Research and Policy Seminar scheduled for 20th October 2016 in Harare, Zimbabwe. While experts are free to suggest their topics, the proposed Papers should fall largely within the theme "***Financing of Development***" that has identified as specifically relevant. Examples of areas of focus may include (but are not limited to):

1. Domestic debt markets and external debt markets,
2. The role of Insurance, Pension and Capital markets,
3. Fostering competition in financial services
4. Regional integration
5. Monetary policy frameworks and growth
6. Financial inclusion, financial literacy and consumer protection

Any clarifications on these topics can be obtained from the Director of the Financial Sector Management Program through e-mail address capacity@mefmi.org, Telephone +263-4-745988/99/91-94

Motivation

As a capacity building institution, MEFMI is interested in supporting research and policy initiatives in the area of alternative financing and address the challenges countries face in mobilizing resources to achieve development goals.

Before the onset of the economic and financial crisis, the economies of sub-Saharan Africa had started growing steadily, sustained by relatively high commodity prices and stable macroeconomic and political environments. FDI flows and diaspora remittances grew, helping to support currencies despite deficits on the current account and higher inflation rates than in the OECD countries. Even with the onset of the global downturn, economic growth in sub Saharan Africa remained higher than many parts of the world, as its exports revenues grew on the back of commodities prices. Due to the expansionary monetary policy in OECD countries, Sub Saharan economies found it appealing to raise funds through Eurobonds. While the lessons from the crisis revealed an urgent need for countries to enhance their debt management programs, within the MEFMI region, debt levels continued to rise and provide an alternative to grants and cheap concessional loans as several countries in the region have tapped into international capital markets and issued Eurobonds.

More recent developments in the global markets include a prospect of rising rates led by the US Fed. At the same time there is a reduction in export volumes and revenues due to developments in major commodity markets. This presents a scenario of serious funding constraints for these countries. These challenges have been reflected in pressure on exchange rates. There is growing concern that the countries could face soaring debt repayments at a time when export revenues are not growing as originally projected.

For the terms of trade situation to change there is need to have significant export orientation. A diversity of sources of financing would be vital to economic transformation, and there is need to have a balance between several sources of funding. Constraints in public funding options can pose grave challenges in meeting development goals. The role of domestic institutional investors could be leveraged in mitigation. This is important because a vast percentage of the population of adults in sub-Saharan African is financially excluded. In developing countries, access to financial services is crucial to strengthening financial sectors and domestic resource mobilization and can, therefore, make a significant contribution to social and economic development. Recent years have also seen a marked increase in cooperation between the public and private sector for the development and operation of infrastructure for a wide range of economic activities.

These are some of the concepts and issues that have led to the need to explore alternative financing sources.

Objective Of The Seminar

The overarching goal of MEFMI is to improve macroeconomic and financial management and performance that supports economic growth and poverty reduction in the member states. The MEFMI

Research and Policy Seminar is an annual event organized with the aim of fostering dialogue and exchange of knowledge that contributes to search for solutions to emerging challenges confronting the region, with a view to preserve and improve prospects for sustaining high and inclusive growth.

Expected Outcomes

The Annual Research and Policy Seminars will culminate in the publication of accepted papers in a peer reviewed journal, the MEFMI Research Journal. In addition, the papers will be abridged into policy briefings to make them more relevant to decision makers. This is expected to strengthen the link between research and policy by translating research results into policy as well as transmitting policy priorities to researchers. The discussions are also expected to contribute to an understanding of the challenges facing sustainable development in the region and the policy options that exist for addressing these challenges.

Seminar Format

The seminar will feature parallel plenary sessions based on invited and contributed papers. The plenary sessions will feature presentations and discussions of papers by experts, moderated by a panel of experts made up of invited prominent academics, policy makers and practitioners, as well as representatives from development organizations who share a deep passion for the development of the region and have unique perspectives on how it can be achieved.

Compensation For The Cost Of Research

MEFMI will pay a fixed honorarium per Paper to the Authors of papers selected. This will be done after the Editors and Reviewers of each Paper are satisfied with the quality of the Paper (s) submitted.

Time Frame

One page abstracts of the proposals indicating the topic and methodology should be submitted together with CV not later than 14th April 2016. These can be sent by e-mail to capacity@mefmi.org or to the Director of Financial Sector Management Program, MEFMI, 9 Earls Road, Alexandra Park, P. O. Box 66016, Kopje, Harare, Zimbabwe. Telephone numbers +263 4 745988/91-94, Fax +263 4 745547.

Authors of the accepted abstracts will be notified by 8th June 2016 and they will be expected to submit final versions of their papers no later than 19th August 2016 to allow time for an expert review of the papers, web posting and inclusion in the seminar materials.

Editorial comments and contributions to MEFMI Update should be directed to: **The Public Relations Manager** Gladys Siwela

Our Values: ► Accountability ► Teamwork ► Responsiveness ► Integrity ► Professionalism ► Equality

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