MEFMI
Macroeconomic and Financial Management Institute of Eastern and Southern Africa

UPDATE

Third Quarter 2016

MEFMI Commended for Prioritizing Capacity Building in Development and Maintenance of Sound Public Debt Databases

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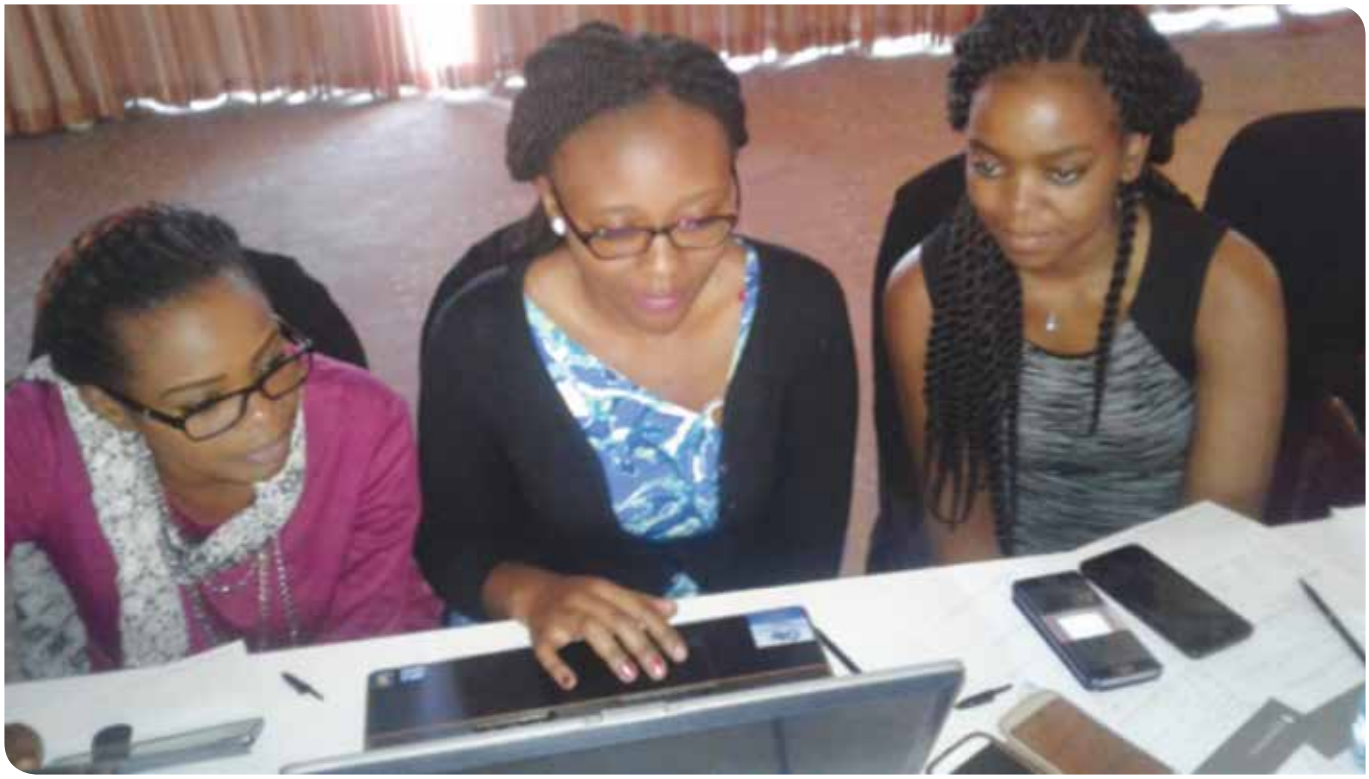
MEFMI, jointly organized a regional workshop for Users and IT Administrators of the Debt Management and Financial Analysis System (DMFAS) with the United Nations Conference on Trade and Development (UNCTAD), from 15th to 24th August 2016 at Intercontinental Hotel, Lusaka, Zambia. A total of 33 officials from four (4) DMFAS User member states were trained, with female participants representing 45 percent of the total.

The main objective of the workshop was to equip officials involved in the day-to-day operational functions of public debt management and database administration with the knowledge and skills to effectively use the DMFAS system, as well as provide technical support to the system.

The workshop was officially opened by Mrs. Pamela C. Kabamba, Permanent Secretary for Budgets and Economic Affairs at the Ministry of Finance, Zambia. In her opening remarks, Mrs. Kabamba commended MEFMI



for prioritizing capacity building in the development and maintenance of sound macroeconomic and financial information needed by member states for in order to for policymakers, financial markets and other relevant stakeholders to make informed decisions. She noted that MEFMI's collaboration with UNCTAD has empowered DMFAS user countries in the region to record and report on public debt and other sovereign contingent liabilities such as guarantees. As a result, governments are better able to measure, understand and manage sovereign debt cost and risks. She also commended UNCTAD for their continuous efforts in upgrading the system to ensure it keeps abreast of evolving public debt management practices, advances in technology and evolving user requirements.

UNCTAD's DMFAS Quality Assurance and User Support Team Leader, Mrs Roula Kartegi, described MEFMI's collaboration with UNCTAD as an example of a successful partnership in the development of human resources for sound public financial management in the region. She noted that MEFMI and UNCTAD have had a strong and longstanding relationship which facilitates coordinated interventions that contribute to the common goal of improving public debt management in the region.

As part of the programme design and to ensure that the workshop addressed evolving needs of client institutions, a pre-workshop survey was conducted to collect information directly from Users and Database/System Administrators of DMFAS on existing capacity gaps and training priorities for 2016. Results from this survey informed the design of a customized training programme and topics addressed during the workshop. This also assisted in ensuring that during the workshop participants upgraded their functional and technical skills in DMFAS. Those who attended the workshop are expected to effectively use the system in compiling, monitoring and analyzing public debt and other sovereign contingent liabilities such as guarantees in their respective offices and institutions.

During the workshop, Database Administrators learnt procedures for installing the oracle software, setting-up the database and application server, and the general technical support to the DMFAS. Participants shared their experiences in building up interfaces between DMFAS and other public financial management systems. Future development plans of DMFAS system was also discussed, with UNCTAD receiving feedback from user countries on their expectations/requirements in the new version. Finally, a number of participants proposed

and supported an initiative for the creation of a forum that would allow for better sharing of experiences across the DMFAS User countries in the region, on how to overcome challenges and to learn from each other's experiences.

One important lesson learnt is the need to conduct a pre-workshop survey to collect information directly from participating officials to inform the design of a customized training programme and topics to be addressed during the workshop. This will ensure that the workshop addresses evolving needs of client institutions and makes discussions very relevant to participants.

MEFMI Launches Financial Programming and Policy (FPP) Framework for Zimbabwe

On Friday, 26 August 2016, MEFMI launched the Financial Programming and Policy (FPP) Framework for Zimbabwe at Meikles Hotel in Harare.

The Framework was developed through a Technical Assistance (TA) project implemented by MEFMI upon request by the Reserve Bank of Zimbabwe (RBZ). Work on the project was initiated in October 2014. The project was planned to span over a period of two (2) years, and was structured in five (5) face-to-face phases, of one week each. In addition, there has been on-line technical assistance provided in-between the face-to-face workshops. The training was delivered on a hands-on, and step-by-step basis using Zimbabwe data. This mode of delivery was critical in guaranteeing skills transfer and ownership of the project by the participants who were drawn from the relevant key institutions.

A team of twelve (12) officials from the RBZ, Ministry of Finance and Economic Development, and the Zimbabwe National Statistics Agency (ZIMSTAT) was constituted as the Financial Programming Group (FPG) to receive the TA and establish the analytical tool. Dr. Anna Lennblad, a freelance expert from South Africa, has been facilitating the TA as the lead resource person. In the project, MEFMI has been working very closely with the USAID-Strategic Economic Research and Analysis (SERA) on funding, technical assistance, coordination and reporting.

An FPP framework is an accounting framework built around integration of the four macroeconomic accounts, namely the System of National Accounts (SNA), Balance of Payments (BOP), Government Finance Statistics (GFS), and Monetary and Financial Statistics (MFS). Existence of a financial program guarantees the availability of a consistent forecasting methodology across the four (4) macroeconomic accounts, which informs policy design, analysis and implementation.

The launch marked the end of the fourth phase, which has seen remarkable achievements by the FPG, some of which include completion of data entry of historical data for all the four accounts, substantial progress in elimination of inter-account data inconsistencies, and forecasting of a baseline scenario. The next step will be to use this Framework to construct a Flow of Funds Matrix and Alternative Forecasting Scenarios, and this will be done during the fifth phase in April 2017. In the meantime, online technical assistance will be provided to cover any data and policy issues identified up to this stage, which have influence on the framework.

The event was opened by the MEFMI Executive Director, Dr. Caleb M. Fundanga. Dr. Fundanga began by reaffirming MEFMI's commitment to capacity building as the Institute prepares for Phase V (2017-2021). The Executive Director further

went on to thank MEFMI's collaborative partners and member institutions for the outstanding achievements of Phase IV, the FPP Framework included. He urged the members of the FPG to make use of the valuable hands-on practical skills that they have acquired to assist their colleagues, and to be of benefit to their individual institutions, to Zimbabwe and other countries in the MEFMI region.

The Programming Framework was officially launched by the Deputy Governor of the RBZ, Dr. Kupukile Mlambo. In his remarks, the Deputy Governor, representing the Governor, highlighted the importance of the Framework in enhancing macroeconomic management in Zimbabwe and stated the Central Bank's continued commitment to improving the economic environment.

MEFMI Executive Committee members, including Mr. Charles Chuka, Governor of the Reserve Bank of Malawi, representatives - Mr. Peter Rotich, Central Bank of Kenya Director of Finance and Mr. Patrick Ocailap, Deputy Secretary to the Treasury, Ministry of Finance, Planning & Economic Development, Uganda also graced the occasion. Other guests included senior government officials from the Ministry of Finance and Economic Development, RBZ, ZIMSTAT, Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU), as well as representatives from USAID, and other key capacity building institutions.

The Vote of Thanks was delivered by Dr. Daniel Ndlela, Chief of Party, USAID-SERA Program. In his speech, Dr. Ndlela congratulated the participants on the success achieved, and outlined the strength of the relationships among USAID-SER MEFMI and RBZ. On a slightly more sombre note, Dr. Ndlela announced that the USAID-SERA Program was coming to an end in September 2016. Nevertheless, he remained upbeat and confident that USAID would continue its capacity building efforts in Zimbabwe.

MEFMI attends Seminar on Management of Wage Bill

The International Monetary Fund Afritac South (AFS) organised a four (4) day seminar from 20-23 June 2015 in Ebene, Mauritius. The objective of the seminar was for AFS countries to share practical experiences on approaches to wage bill management, and to explore potential options for institutional strengthening and improved monitoring and information systems as a means to address this pressing challenge.

The seminar was attended by Budget Directors, senior technical staff of Budget Departments, Macro-Fiscal Units and Public Service Agencies from AFS member countries. MEFMI was invited as part of the move to further strengthen the collaborative relationship with AFS, and was represented by Mr. Sayed Timuno - Programme Manager, Macroeconomic Management Programme.

Resource Persons at the Seminar were Ms. Teresa Curristine (IMF Fiscal Affairs Department); Mr. Franck Mordacq (IMF Short-Term Expert); Mr. Søren Langhoff; Ms. Anam Shahab (IMF Short-Term Expert) and Mr. Imran Aziz (AFS). The MEFMI Programme Manager also gave a short presentation on wage bill challenges in the region.

The seminar content was drawn from empirical research that was undertaken by the IMF as part of a Board Paper on "Wage Bill Management". The seminar used a mix of teaching methods and participant interaction modalities, including

lectures, case studies, working sessions and plenary discussions.

During the seminar, countries were requested to share their experiences on managing the wage bill. Botswana and Madagascar presented on the key challenges in fiscal management of the wage bill for their respective countries. Lesotho gave a presentation on key challenges and experience in data management and system issues. Mozambique, South Africa and Zambia presented on the measures that have been undertaken in their respective countries to promote competitive compensation, efficiency and flexibility.

Zimbabwe presented on the key reform measures that could be adopted in the region to manage the wage bill, while the MEFMI Programme Manager was requested to give a regional perspective on key challenges in fiscal management of the wage bill.

The Programme Manager highlighted some of the challenges as including trade union pressures and reforms. In this regard, he pointed out that strong trade unions may typically demand more than what is budgeted for, and thus their pressures could result in the need for Governments to identify savings to fund the additional requirements. He explained that reforms typically could lead to increases in the wage bill. The Programme Manager went further and briefed the seminar on the requirements of a good reform Program. He pointed out that the requirements included discipline; accountability and transparency, all of which require political will. He proposed that in order to manage the wage bill, countries could consider harmonization of their various systems (e.g. payroll, human resources and the budget), instil controls and ensure availability of the required data for reforms.

MEFMI Conducts a Regional Workshop on Monetary Policy Formulation and Analysis

MEFMI conducted a regional workshop on monetary policy formulation and analysis from 22 to 26 August 2016.

The workshop followed recommendations from various MEFMI activities such as the 2014 Needs and Impact Assessment Report, 2015 Mid-Term Review of MEFMI and the 2015 regional Heads of Research and Policy Units of Central Banks and Ministries of Finance, Planning and Economic Development. In the latter activity, participants acknowledged that this course was useful in developing fully fledged economists and recommended that in order for MEFMI to increase research capacity and analytical skills, and to enable Member States to significantly contribute to MEFMI publications, MEFMI needed to do the following;

- Offer the course on a regular basis;
- Consider offering in-country workshops on monetary policy formulation in order to cater for individual country peculiarities, and
- Provide an e-learning mode of delivery for the course.

It is in this regard that MEFMI conducted the workshop in response to the first recommendation. A follow up workshop is scheduled to be held in the next Phase (Phase V: 2017-2021). The follow up workshop is expected to go into more detail and focus more on exchange rates. In addition, other recommendations such as the provision of the

e-learning course and specific in-country activities will also be intensified during the next Phase.

The objective of the just completed regional course was to address the demand for training in the area of forward-looking, model-based monetary policy formulation, analysis and decision making. The formulation and analysis of monetary policy requires both a well-defined system of monetary policy goals, objectives, targets and a developed set of policy instruments. As such, it requires substantial capacity development in the region.

The course consisted of a series of topics and these were:

- Monetary Policy - Definitions and Concepts;
- Macroeconomic Framework for Monetary Policy Formulation;
- Monetary Policy Regimes;
- Monetary Policy Instruments;
- Monetary Policy Formulation Cycle;
- Monetary Transmission Mechanism;
- Measuring Inflation and Exchange Rate;
- Introduction to Small Macro Model for Monetary Policy Analysis;
- Approaches to Monetary Policy Analysis; and
- Monetary Policy and Capital Flows.

The workshop was attended by 30 participants (15 males and 15 females) from 8 of the 14 MEFMI member states. Burundi, Lesotho, Mozambique, Namibia, Tanzania and Zambia were not represented.

The main output from the mission

1. Participants were equipped with analytical skills to analyses monetary policy
2. Exchange of country experiences and challenges in monetary policy formulation and analysis.
3. Enhanced awareness on monetary policy formulation and analysis.

The MEFMI team members for the workshop were Mr. Sayed Timuno (Programme Manager - MEFMI Macroeconomic Management Programme) and Ms. Farirari Katongera - (Programme Assistant - MEFMI Macroeconomic Management Programme). Mr. Johnson Nyella, was the lead resource person and was supported by Mr. Austin Chiumia. Mr. Nyella is a MEFMI accredited fellow in financial programing and policy, as well as a Manager at the Bank of Tanzania, while Mr. Chiumia is MEFMI Graduate fellow in monetary policy and an economist with the Reserve Bank of Malawi.

Mozambique Receive Training on Public Debt Management

In recent years, the Ministry of Finance and Economy in Mozambique has made significant progress in building debt management capacity. This includes setting up a dedicated Public Debt Management Office organized in line with best practices as well as staff recruitment and training, and debt database validation. As part of the efforts to strengthen debt management capacity, the Ministry requested the MEFMI Secretariat for technical assistance in training officials on various aspects of public debt management. In response, a MEFMI mission visited Maputo, Mozambique, from 1st to 12th August 2016 to conduct back-to-back workshops on Foundations of Debt Management and Debt Management Performance Assessment (DeMPA). This was the first phase of debt management trainings scheduled for August and September 2016.

The training was officially was opened by the Permanent Secretary in the Ministry of Economy and Finance, Mr. Domingos Juliao Lambo. In his remarks, the PS commended MEFMI for providing capacity building support to Mozambique since

2005 when the country became a member of the Institute.

He said that a number of officials both in the Ministry of Finance and Bank of Mozambique attended the MEFMI activities, leading to improvements in the knowledge and skills of staff as well as adoption of best practices in the areas of macroeconomic and financial sector management, including public debt.

Speaking on behalf of MEFMI, the Programme Manager in the Debt Management Programme, Mr. Stanislas Nkhata, commended the Ministry for being committed to capacity building in debt management. He noted that the landscape for public debt has changed significantly over the last decade, citing the emerging sources of financing which are associated with high costs and risks. In this regard, he said that it is imperative for governments to build capacity to manage these costs and risks to avoid a recurrence of debt distress. He also thanked the Government of Mozambique for its strong support to MEFMI.

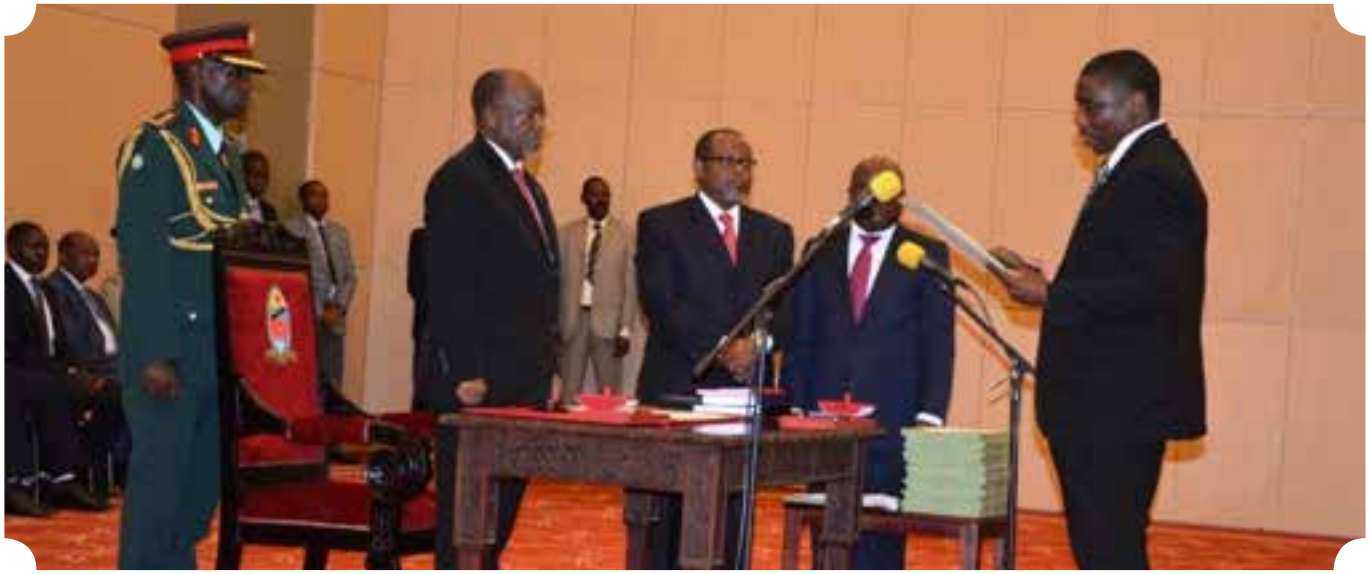
The training on Foundations of Debt Management aimed to nurture and equip participants with requisite skills to enhance their effectiveness in managing public sector debt in Mozambique. It covered the following topics: loan cycle; macroeconomic theory for borrowing and relationships between debt and the macroeconomic accounts; sources of external finance; external debt concepts and calculations; domestic debt concepts, issuance processes, instruments and calculations; debt restructuring; management of contingent liabilities; public debt sustainability; designing a Medium Term Debt Management Strategy (MTDS); debt records and reporting; and legal and institutional framework for public debt management.

The objective of the training on Debt Management Performance Assessment was to equip officials with knowledge on assessing debt management performance through application of the DeMPA methodology developed by the World Bank. Topics covered included: introduction to the DeMPA methodology, highlighting its evolution from 2007 to date; governance framework for debt management; coordination between public debt management and macroeconomic policies; external and domestic borrowing and related financing activities; and, debt records and operational risk management.

A total of 29 participants attended the training, of which 19 were female, representing 66 percent of the total. The training targeted to junior and middle level officials from the Ministry of Economy and Finance, Bank of Mozambique and the Mozambique Stock Exchange. Five resource persons facilitated the training, namely: Messrs Tiviniton Makuve, Lekinyi Mollel and Stanislas Nkhata of the MEFMI Secretariat and Mr. Leslie Mkandawire and Ms. Josephine Tito of the Ministries of Finance in Malawi and Zimbabwe, respectively.

The main outcome of the training was that it equipped participants with requisite skills to enhance their effectiveness and efficiency in managing public sector debt in Mozambique. The training also imparted practical skills required to conduct a debt management performance assessment as espoused in the DeMPA methodology as well as designing debt management reforms.

Doto James replaces Dr Likwelile as Treasury PS



PRESIDENT John Magufuli has appointed Doto M. James as a Permanent Secretary for Ministry of Finance and Planning. Before his appointment Mr James was Deputy PS dealing with policy. Mr James replaces Dr Servacius Likwelile who will be assigned other duties.

Nyusi appoints former IMF official Rogério Zandamela governor of the Central Bank of Mozambique

The President, Filipe Jacinto Nyusi, exercising the powers conferred by paragraph d) of Article No. 2160 of the Constitution, named Rogério Lucas Zandamela for the position of Governor of the Bank of Mozambique.

The appointment of Rogério Lucas Zandamela follows the end of the term of Ernesto Goveia Gove, who served as Governor of the Bank of Mozambique from July 25, 2006.

It should be noted that paragraph 3 of Article 45 of Law No. 1/92, of January 3, establishes the five-year period for the position in question and enables its renewal. Thus, Ernesto Gove was appointed by Presidential Order to the post on 25 July 2006 and the Head of State renewed his mandate on 27 July 2011.

Rogério Zandamela has been an official at the International Monetary Fund (IMF) since 1988, where he successively served as Resident Representative in Brazil, and Head of Mission to Armenia, Costa Rica, Gambia, Guatemala, Liberia, Malaysia, Nicaragua, Peru, Trinidad Tobago and Zimbabwe, in the Department of Monetary and Capital Markets.

With a PhD in Economics from the Johns Hopkins University, United States of America, Rogerio Zandamela, was currently Head of Mission to Djibouti and Somalia, in the IMF Department of Middle East and Central Asia.

Source: Presidency of the Republic of Mozambique

Rwanda Receives Training on the MEFMI Private Capital Monitoring System Version 3

Following a request from the National Bank of Rwanda (BNR), MEFMI conducted an In-country workshop in Rwanda on Foreign Private Capital (FPC) and the MEFMI Private Capital Monitoring System (PCMS). The workshop took place at the BNR premises in Kigali and Musanze over the period 6 to 17 June 2016. Thereafter, work continued to ensure stability of the system, which is now running.

The workshop was attended by 18 officials comprising two (2) IT personnel and nine (9) FPC business experts from BNR, five (5) staff from Rwanda Development Board, one (1) official from the Rwanda National Institute of Statistics and one (1) official from the Private Sector Foundation. In terms of gender participation, there were 13 males and five (5) females, translating into 72% and 28% male and female representation respectively.

The workshop had two key objectives. The first objective was to install the PCMS version 3 on the BNR's Local Area Network (LAN) and to assess its performance in the local environment. The PCMS Version 3 is the newest version of the system, which has been enhanced to enable shorter time for data entry and to produce reports that are fully compliant with Balance of Payments and International Investment Position (BPM6) reporting methodology. The set-up of the system on the LAN was driven by the need to address the limitation of weak internet connectivity that slows down the data processing speed of the system.

The second objective was to facilitate hands-on training on the functionalities of the new version of the system, and to provide refresher training on concepts of FPC compilation and reporting. Both objectives were successfully met and the system is now being used for the current FPC survey.

At the end of the workshop, the MEFMI team, led by Dr. Sehliselo Mpofu, Director - Macroeconomic Management Programme had a meeting with the Governor of BNR, Mr. John Rwangombwa, and other senior officials. The Governor thanked MEFMI for the continued and timely support that has been provided to BNR, whenever called upon to do so. In particular, he expressed his gratitude to MEFMI for PCMS, which has facilitated the country's FPC survey data capture and reporting. On behalf of MEFMI, Dr. Mpofu expressed the Institute's appreciation for the support being received from the Government of Rwanda and BNR towards implementation of its activities.

Rwanda becomes the second MEFMI member state to successfully set up and use the PCMS on the LAN. This arrangement is guided by a Memorandum of Understanding (MOU) between the country and MEFMI. In this regard, MEFMI would like to encourage other Member States to embrace the concept. This would go a long way in alleviating the internet connectivity challenges that are common in most countries in the region.

MEFMI Creates Awareness on Implications of Emerging Financing Options

Until the last decade, foreign grants and highly concessional loans were the main sources of financing development in most developing countries. However, these flows have been declining in the last decade, particularly after the global economic and financial crisis of 2008-2009. This is happening at a time when the scope for expanding domestic revenues is still limited in most developing countries. Consequently, governments are increasingly taking recourse to other sources of financing such as semi-concessional and commercial borrowing, including issuing international sovereign bonds.

Diaspora bonds, Public-Private Partnerships (PPPs) and domestic infrastructure bonds have also emerged as alternative sources of funding development priorities. Recognising the need to create awareness among the debt managers on these alternative financing options and their cost-risk implications, the MEFMI Secretariat organized a Debt Managers' Seminar from 12th to 14th September 2016 in Maputo, Mozambique.

The Seminar was officially opened, on behalf of the Permanent Secretary, by the Deputy Director of the National Treasury responsible for Public Debt Management in the Ministry of Economy and Finance in Mozambique, Mrs. Ester dos Santos José. In her remarks, the Deputy Director said that while the alternative sources of financing contribute significantly in bridging the resource shortfalls in developing countries, they can also be a source of high costs and risks for governments, including those arising from higher interest rates, exchange rate depreciation and poorly negotiated contracts. In this regard, Ms. José urged debt managers in the MEFMI region be to proactive by critically analyzing the potential financing options available to governments and provide professional advice to policy makers. She added that such analytical work is critical for governments to derive maximum benefits from such financing while ensuring long term debt sustainability.

Speaking on behalf of the MEFMI Secretariat, the Director of the Debt Management Programme, Mr. Raphael Otieno, said that this year's Seminar was designed deliberately to cover a wide range of topics to allow the debt managers to deliberate on the diverse new financing options relevant to Member States. In this regard, Mr. Otieno urged the participants to share their experiences and lessons of dealing with the challenges associated with these financing options.

The Seminar covered the following topics: current trends and key issues in public debt management; traditional sources of development financing such as multilateral and bilateral loans, and domestic borrowing; emerging financing sources including official creditors, and export credit agreements; international sovereign bonds; Public Private Partnerships; diaspora bonds; Islamic Financing Instruments, and, domestic infrastructure bonds.

Participants also shared experiences on the relevance, challenges, costs and risks associated with the emerging financing options as well as the proposed solutions. Some of the views that emerged from the seminar were:

a) Islamic Financing: Participants indicated that most countries have not embraced Islamic financing due to legal constraints, misconceptions about this type of funding as well as lack of capacity. In this regard, participants recommended that MEFMI and other partners should create awareness and build capacity among member states on Islamic financing. Capacity should be built on analyzing financing proposals or agreements as well as preparing projects that are eligible for Islamic financing.

b) International sovereign bonds: Participants indicated that the main challenges with international sovereign bonds are the high debt service costs particularly if local currencies depreciate, failure to access foreign markets because of high country risks, and diverting the proceeds of bonds to other activities. In this regard, participants recommended that governments in the MEFMI region should ensure they achieve and maintain macroeconomic stability and negotiate for amortizing sovereign bonds to reduce exchange rate and refinancing risk. In addition, countries should prepare thoroughly before accessing international capital markets.

c) Domestic infrastructure bonds: Participants observed that local currency bond markets are underdeveloped in most countries. In some cases, this is due to unfavorable macroeconomic conditions, which create uncertainties among investors about long term financing. In other cases, governments are not able to mobilize long term financing because investors perceive that proposed infrastructure projects are poorly designed by governments. In this regard, participants recommended that governments should be fully prepared before issuing infrastructure bonds. In addition, there is need for capacity building institutions such as MEFMI to provide technical assistance to member states on developing local currency bond markets.

d) Diaspora bonds: Participants noted that the diaspora community can play a critical role in financing development through participation in diaspora bonds. Countries that have successfully tapped on this financing include Ethiopia, Ghana, India and Israel. However, participants indicated that subscriptions have been poor for some African countries that have issued diaspora bonds. In addition, diaspora bonds can be a source of foreign exchange rate risk if they are not properly structured. In this regard, participants proposed that countries that are planning to issue diaspora bonds should prepare thoroughly prior to issuance, including creating the necessary incentives that promote participation, while emphasizing that infrastructure projects should be properly designed.

e) Public-Private Partnerships: Participants highlighted the lack of skills to design PPPs and weak legal and institutional frameworks for PPPs as some of the challenges. These challenges often lead to cost overruns, sub-standard PPP projects and corruption.

Participants recommended that governments should develop comprehensive policy and legal frameworks as well as strengthen the human resource capacities in order to derive maximum benefits from PPPs. Participants in the Seminar were drawn from relevant departments in the Ministries of Finance and Economic Development as well as from Central Banks of Angola, Lesotho, Mozambique, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The Seminar targeted the heads and deputies of debt management offices, PPP Units and other relevant officials. A total of thirty two (32) participants attended the Seminar, of which fourteen (14) were female, representing forty four (44) percent of the total. MEFMI partnered with Barclays Bank, South Africa, to facilitate the seminar.

There were five (5) resource persons, namely: namely Messrs Dev Useree (international consultant), Raphael Otieno and Stanislas Nkhata of the MEFMI Secretariat and George Asante and Theuns Ehlers of Barclays Bank of South Africa. The Bank's participation was necessitated by the need to provide participants with diverse perspectives and experiences of financing development projects in developing countries. The main outcome of the Seminar was that it raised awareness among debt managers on the alternative options for financing development projects as well as their cost and risk implications. It also accorded participants the opportunity to share experiences on debt management practices regarding the emerging sources of financing development.

E-Learning Course on Fundamentals of Payment and Securities, Clearing and Settlement Systems

Dates: **1 October – 4 November 2016**
Venue: **Online**
Duration: **5 Weeks**

Background

Financial infrastructure constitutes the foundation for a country's financial system and enables intermediation, lenders' evaluation of risk and borrowers access to credit, insurance and other financial products at competitive terms. It includes institutions, technologies, information, rules, standards, and its quality determines, to a large extent, the efficiency of the financial system. The development of robust elements of financial infrastructure, such as payment, remittances and securities settlement systems, collateral registries and credit bureaus, supported by a sound legal framework, is indeed fundamental for the attainment of financial stability.

Payment systems constitute one of the key elements of financial infrastructure, which are a key component in developing more inclusive financial systems and promoting access to finance. A weak payment system can become fertile ground for systemic crises and hamper economic development. Similarly, activities in the securities market usually consist of large values of transactions which are transmitted and settled through the payment system. The intricate linkage between these two elements therefore calls for greater safety and efficiency in their operations.

Objectives

The objective of this course is to introduce participants to key aspects of financial infrastructures, the role of payment systems in an economy, risks in payments systems and standards for financial infrastructures.

Course content

i. Payment, clearing and settlement systems basics
ii. Risks inherent in payment systems
iii. Securities Settlement Systems
iv. Clearing and settlement processes
v. International standards for Financial Infrastructures

Target Audience

This course is mainly targeting new staff responsible for the operation and oversight of Payment Systems and Securities Settlement Systems from the Central Bank, Ministry of Finance/Economic Planning and or Development, Capital Market regulators and the Securities Exchange. Officials from other stakeholder departments like Bank supervision, financial stability, legal, financial markets, banking and currency who may need training on payment systems are encouraged to enrol.

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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