



MEFMI Holds Forum for Governors on Responsible Development Financing



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The annual MEFMI Governors Forum was held at the Bank for International Settlements in Basel, Switzerland on 23 June 2017. The theme was Responsible Development Financing. Two (2) presentations were made; Long-term Finance for a Sustainable Future and the other topic is Emerging Africa Infrastructure Fund: Developmental Impact.

Speaking during the official opening, MEFMI Executive Director Dr. Caleb Fundanga stated that with the shift in global financial order, there is need for the MEFMI to drive the dialogue on sustainable economic development. The same sentiments were echoed by Investec Managing Director Africa ex South Africa Mr. James Hatuikulipi. Mr. Hatuikulipi stated that the theme and topics for the Forum were timely as there is need for the MEFMI region to continuously focus on long term capital investment projects. He stated that the complexity of financing infrastructure projects particularly in Africa's emerging markets requires planning. He encouraged MEFMI member countries to into sustainable global partnerships to ensure coordination and implementation of global policies.

Speaking on the relationship between MEFMI and its financial and technical partners for the Forum, Dr. Fundanga stated that the

cordial relationships with BIS and Investec contribute greatly to the Institute's resolve to continue holding the Governors' Forum.

The two (2) presentations for the Forum were presented by Mr. Aniket Shar, who is a Programme Leader in Financing for Sustainable Development Initiative with the United Nations. The other presentation was made by Martijn Proos who is Director Emerging

Markets Fixed Income at Investec Asset Management.

The event was attended by officials comprising Central Bank Governors and officials from central banks in the MEFMI region and were moderated by the Governor of the Bank of Botswana, Mr Moses Pelaelo and Dr. Rogerio Lucas Zandamela, the Governor of Banco de Moçambique.



Auditing Public Debt Crucial In Ensuring Transparency & Accountability In Use Of Borrowed Funds



As part of efforts to enhance capacity for effective public debt management and related activities, MEFMI continues to design interventions that address the needs of its member countries. One of these areas is Public Debt Audit. Sound practice requires that governments should conduct financial, compliance and performance audits of debt management operations regularly as well as publish external audit reports. This is aimed at enhancing transparency and accountability for public debt operations. In addition, audits help in ensuring reliability and integrity of financial and operational information as well as promoting compliance with debt management objectives, governing laws and regulatory frameworks. However, most of the audit offices in the MEFMI region do not have capacity to undertake performance audits of public debt operations.

In order to address these capacity gaps, MEFMI organised a regional workshop on Public Debt Audit from 8th to 12th May 2017 at Galaxy Hotel in Kigali, Rwanda. The workshop aimed at equipping officials with practical knowledge and capacity to undertake more comprehensive and knowledgeable auditing of public debt management operations.

The workshop was officially opened, on behalf of Rwanda's Secretary to the Treasury, by the Chief Government Internal Auditor in the Ministry of Finance and Economic Planning, Mr. Alexis Kamuhire. In his remarks, Mr. Kamuhire commended MEFMI for the continued support to its member countries in building capacity in various areas of public debt management, including public debt audit. He noted that public debt audit is important in enhancing accountability and transparency in the use of borrowed resources. He however noted that most Supreme Audit Institutions and the internal audit departments of Central Banks and Ministries of Finance and Planning do not conduct performance audits of public debt due to the lack of capacity. He added that audits have mainly focused on audits of financial statements and performance audits of selected public sector activities with a few exceptions undertaking audits of public debt management. He said that the lack of performance audits is a major weakness because it could lead to a waste of public resources. He, therefore, urged MEFMI member countries to conduct financial, compliance and performance audits of public debt operations regularly.

Speaking earlier, the Director of Debt Management Programme at MEFMI, Mr. Raphael Otieno, said that MEFMI continues to keep abreast with current trends in public debt management and aims

at building capacity to meet gaps in light of changing trends. He noted with concern how public debt has been on the rise in the region whilst there is little to show in terms of projects implemented through the use of borrowed resources. In this regard, he commended the Government of Rwanda for adopting strong governance systems which have ensured transparency and accountability in the use of borrowed resources. He said that there is need for an increased role of auditors to enhance transparency and accountability in public debt management.



The workshop covered various aspects of public debt management, including: macroeconomic theory for borrowing, debt strategy formulation, debt sustainability analysis, legal and institutional frameworks governing debt management, loan cycle, key principles and practices in debt management, among other areas. These sessions aimed at imparting knowledge of the areas that participants would be auditing. In addition, participants conducted practical exercises on how to carry out public debt audits in line with sound practice. This aimed at reinforcing the knowledge gained during the lectures.

The workshop was attended by middle to senior auditors from the supreme audit institutions as well as internal auditors from the central banks and ministries of finance. In addition, the workshop drew participants from debt management offices of the ministries

of finance and central banks and this mix of participants provided a platform for interaction between auditors and debt managers. A total of 28 participants from 10 out of the 14 member countries attended the workshop.

The workshop was facilitated by five resource persons, namely Mr. Raphael Otieno, Mr. Stanislas Nkhata and Ms. Josephine Tito of the MEFMI Secretariat; Ms. Josephine Warega of the Auditor General's Office in Kenya, and Ms. Nikeziwe Khanyile of the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E).

The main outcome of the training was that it equipped participants with knowledge on public debt management as well as practical skills on auditing public debt.



MEFMI holds an Executive Forum for Deputy Governors and Deputy Principal / Permanent Secretaries

On a biennial basis, MEFMI holds an Executive Forum for Deputy Governors and Deputy Principal / Permanent Secretaries from the MEFMI Region. The main purpose of the event is to bring together the officials in order for them to dialogue and strategise on actions that can assist the MEFMI region on economic development issues.

The theme for the 2017 Forum, which was held on 8 and 9 May 2017 at the Avenida Hotel in Maputo in Moçambique was "Regional Integration". The theme was identified to provide a platform for focused discussions. Regional integration is a critical component of the African Union (AU)'s, Agenda 2063. As fiscal and monetary policy custodians, it is expected that central banks and ministries of finance ensure that the MEFMI region moves in tandem with the rest of the world in eradicating poverty and attaining global economic development goals.

The delegates were officially welcomed by MEFMI Executive Director, Dr. Caleb Fundanga. The Governor of Banco de Mocambique, Dr. Rogerio Lucas Zandamela officially opened the event.

Dr. Fundanga explained that the main objective of the event was

to provide a platform for Deputy Governors and Deputy Principal or Permanent Secretaries from the MEFMI region to discuss issues pertaining to economic policy management in the MEFMI region and to relate them to global economic developments. He stated that the Forum constitutes an opportunity for enriching the strategy for the MEFMI region to make regional integration, a reality. He said the Forum is also a platform for networking and strengthening relationships amongst peers through interaction and exchange of ideas amongst policy makers. Dr. Fundanga stated that a similar event for Governors would be held in Basel, Switzerland at the back of the Bank for International Settlements Annual General Meeting.

In his remarks, Dr. Zandamela commended MEFMI for holding the biennial Forum and for choosing the critical theme of regional integration. He stated that for a long time, many African economic pundits have advocated for integration among African countries, more especially at regional level. The lack of integration has been singled out as one of the major hindrances to the continent's economic growth and development. It is also argued by many development and economic experts that if Africa is to have a stronger voice on the global fora, there is need to strengthen its

economic position, and regional integration is the vehicle through which this can be achieved.

Governor Zandamela mentioned that Moçambique was a good example of how the MEFMI region can benefit from the many years of marine trade. He stated that in the past few years, East Africa has rapidly emerged as one of the hottest natural gas players in the world. The offshore region straddling north-east Moçambique and south-east Tanzania, has over 100 trillion cubic feet of recoverable natural gas, making it one of the largest gas finds in the world. Moçambique and East Africa can represent India's equivalent 'Gulf of Guinea' – a large natural gas source close to India, with countries open to international investment.

He stated that the maritime traffic in and around the Moçambique Channel will increase significantly as East Africa transforms itself into a hydrocarbon hub over the next decade. This development will also benefit the local population in the areas around the Rovuma Basin in Moçambique and Tanzania.

The event was officially closed on Tuesday 9 May 2017 by the Permanent Secretary of the Moçambique Ministry of Finance, Mr. Domingos Lambo. Mr. Lambo expressed great appreciation to MEFMI for choosing Moçambique as the venue for the Forum. He stated that the topic was relevant and timely as the MEFMI region

needed to enhance its efforts in regional integration. He thanked the financial partner CAIM for showing interest in working with the Institute. Mr. Lambo emphasised the need for the officials to continue dialogue and making sure that regional integration becomes a reality.

The event was attended by 34 officials. Four (4) resource persons were engaged for the event, namely: Dr. Francis Mangeni Director of Trade, Customs and Monetary Affairs, COMESA, Dr. Wanyama Masinde, Director Centre for Regional Integration, the Chief Executive of Crown Agents Bank, Mr. Ritesh Anand and Mr. Slawomir Soroczynski.

The topics were as follows:

- The Evolution of Regional Economic Integration in Africa by Dr. Francis Mangeni
- The Future of Regional Integration in Africa by Dr. Wanyama Masinde
- Lesson from the Asian Bond Fund by Messieurs Mr. Ritesh Anand and Mr. Slawomir Soroczynski.

Crown Agents Investment Management (CAIM) was the financial partner for the event.



MEFMI / EAST AFRITAC Conduct Workshop On Developing Agriculture Producer Price Index

MEFMI and EAST AFRITAC conducted a joint regional workshop on developing Agriculture Producer Price Index (APPI) from 20 to 24 February 2017 at Mount Meru Hotel, Arusha, Tanzania. Representing the MEFMI secretariat office were Dr. Sehliselo Mpofu - Director, Macroeconomic Management Programme (MMP), Mr. Senei Molapo - Programme Manager, MMP and Ms Margaret Mutyorauta - Programme Assistant, MMP while the East AFRITAC was represented by Ms. Pamela Audi, STA Advisor and Ms. Diana Makiko, Administrative Assistant. A total of 28 participants attended the workshop of which 8 were female, representing 29 percent of the total. The workshop was facilitated by IMF Resource Persons (2), Mr. Edwin St Catherine (West Indies, St Lucia –

STA Short term Expert) and Mr. Dale Smith (Farmington USA – STA Short term Expert).

The workshop was officially opened by Mrs. Generose Tabaro, Bank of Tanzania Branch Director, Arusha, on behalf of the Governor, Prof. Benno Ndulu. In her remarks, Mrs. Tabaro welcomed everyone to the workshop on the Agricultural Producer Price Index (APPI) and wished them all, fruitful discussions. She asked the participants to take time during their spare time to explore Tanzania as it is a

country with many tourist attractions. She mentioned that approximately 38 percent of Tanzania's land area is set aside in protected areas for conservation. There are 16 national parks, 29 game reserves, 40 controlled conservation areas including



the Ngorongoro Conservation Area and marine parks. She then said that Tanzania is also home to Mount Kilimanjaro, the highest point in Africa. She then commended MEFMI and East AFRITAC for realizing the need for the workshop as it constitute of the first steps in a journey that should be taken to build capacity in the region in APPI construction and analysis. She outlined that the region was most grateful for the sustained technical support and for the close collaboration between MEFMI and IMF EAST AFRITAC staff, which has strengthened capacity building efforts. She went on to say that the region has made the most out of this support and registered progress in refining capacity and skills in the quest to develop relevant and applicable methodologies for Member States. She then emphasized that there was a need for countries to compile statistics in harmonized and comparable ways so that they could make reliable international comparisons of economic performance and behaviour using the best international practices. Statisticians in each country should not have to decide on methodological issues entirely on their own, but, that they required support from of workshops like the APPI one.

Mr. Senei Molapo delivered the MEFMI remarks. He started by thanking Mrs. Generose Tabaro for the welcoming remarks and official opening of the workshop. He also thanked East AFRITAC, the IMF resource persons, the participants' principals and the participants themselves, all for making the workshop successful. He explained the concept of APPI and its importance after outlining that MEFMI and East AFRITAC will continue to scale-up delivery of capacity interventions in order to visibly contribute to the creation of sound and stable macroeconomic conditions in the region.

The workshop focused on developing improved and harmonised methodologies of collecting statistics for agricultural commodity prices and constructing Agriculture Price Index. It was designed to provide training in the Construction of an APPI, based on the conceptual framework of the IMF PPI Manual. Developing organisations endorsed the principles and recommendations contained in the Manual as good practice for statistical agencies in conducting a PPI program.

The APPI measures the rate of change in the prices of goods and services that are bought and sold by agricultural producers. Users need to be aware of the methods employed by statistical offices in collecting data and compiling the indices as well as the potential such indices have for errors and biases. This will assist users to properly interpret the results and contribute to informed evidence-based economic policy management.

The workshop introduction session covered the principles of the new PPI Manual, Uses of PPIs; overview of the PPI and its compilation; Concept of price and volume measures; PPI Concepts and classifications; Conceptual Issues and Data Requirements; sources of weights; sample design and implementation; calculation of Elementary Indexes; compilation of PPIs; calculation of Unweighted Elementary Indexes; aggregate Index Compilation; imputation for Missing Values; Adjustments for quality change; treatment of special products – Goods; and treatment of special products – Services.

Participants were also given practical exercises using case studies from the European Union (EU) and South Africa. This helped to reinforce concepts and methodologies covered during the presentations. Country delegations also presented their experiences in developing APPI. The participants included middle to senior officials responsible for National Accounts compilation and usage from statistics offices, Ministries of Finance and Planning and Central Banks.

The workshop was officially closed by Dr. Mpofu who also issued the participants' certificates. She thanked everyone and stressed that she was convinced that for the time spend, they have been able to share useful skills and knowledge in subject of APPI that will be useful in your country and the region as whole.



MEFMI Conducts a Regional Workshop on Gender-Responsive Economic Policy Management

Gender is a socially and culturally defined set of economic and political roles, responsibilities, rights, entitlements and obligations, as well as privileges and assumptions, associated with being female and male. The current gender emphasis on women is, however, to take account of the widely held view that women and girls have been prejudiced and disadvantaged for too long, compared to their male counterparts. There is, therefore, need to take deliberate actions to correct past injustices and discrimination, in order to bring women and the girl child to equality with men. The overriding objective,

however, is not to bring men down, as there are some men who have also been marginalized, disadvantaged and discriminated. There is empirical evidence to the effect that empowering women contributes immensely to the health and productivity of families and communities, which improves the prospects for, and prosperity of the next generations. Gender policy interventions are, therefore, deliberately aimed at uplifting the status of women, to bring it to some level of equity with that of men.

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MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

STRATEGIES FOR HEDGING FOREIGN EXCHANGE RISKS WORKSHOP

Volatilities in the foreign exchange markets have increased as financial markets grapple with unexpected political and economic developments globally. Foreign exchange risk is thus a topical issue for corporate management in exporting companies and those with a multinational outlook who operate within an environment of free flow of foreign capital and floating exchange rates. Businesses that rely on imported products and services are also indirectly exposed to foreign exchange risks. It is thus vital for businesses to adopt hedging strategies as they focus on managing the risks associated with their liabilities to maintain profitability.

WORKSHOP OBJECTIVES

MEFMI is holding a workshop on **STRATEGIES FOR HEDGING FOREIGN EXCHANGE RISKS**. This hands on practical workshop will equip participants with skills to develop and implement sustainable hedging strategies for their institutions. The workshop will also examine both the theoretical basis and practical approach to derivatives, risk management and relevant hedging strategies.

WHO SHOULD ATTEND?

Senior and middle level professionals from the Treasury Department in commercial banks; Derivatives Traders, Marketers, and Structurers; Corporate Treasury; Exporters & Importers, Broking firms; Institutional Investors; Corporate Finance; Business Development; Market Regulators.

WORKSHOP OVERVIEW

The workshop will be a combination of presentations and hands-on-practical exercises, with participants taking an active role through presentations, discussions and group work .

At the end of the workshop, participants are expected to:

1. Understand and describe the economic environment in which derivative instruments operate.
2. Develop and employ theoretical valuation methods to price these financial instruments.
3. Apply these instruments in managing financial risks at individual and corporate levels.
4. Appreciate the types of foreign exchange hedge programs typically utilised by corporations.
5. Understand how to establish objectives for a hedging program.
6. Design and implement hedging strategies to manage identified financial risks.

Venue:	Lusaka, ZAMBIA
Dates:	7 -11 August 2017
Language:	The course will be delivered in English
Fees:	USD850 per person (for conferencing and workshop materials)
Deadline for registration:	26 July 2017

For further details and registration contact Tafadzwa.Choto@mefmi.org or Caroline.Marck@mefmi.org

Twitter: @mefmiorg **Website:** www.mefmi.org



REGISTRATION FORM

Deadline for registration is Wednesday 26 July 2017

COURSE: STRATEGIES FOR HEDGING FOREIGN EXCHANGE RISKS

DATE

7 – 11 August 2017

VENUE

Lusaka, ZAMBIA

DELEGATE DETAILS

Surname	<input type="text"/>	Forenames	<input type="text"/>
Gender	<input type="text"/>	Country	<input type="text"/>
Job Title/Position	<input type="text"/>	Organisation	<input type="text"/>
Physical Address	<input type="text"/>	Phone	<input type="text"/>
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SPONSOR:

Name	<input type="text"/>	Signature	<input type="text"/>
Organisation	<input type="text"/>	Position	<input type="text"/>
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		Date	<input type="text"/> <input type="text"/> 2017
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THIS BOOKING IS INVALID WITHOUT A SIGNATURE

REGISTRATION FEES: USD850 (Eight Hundred & Fifty Dollars) per person (for conferencing and workshop materials)

Payments by Telegraphic or Direct Bank Transfer Only into the following banking account details:

Bank:	Stanbic Bank Zimbabwe	Account Name:	MEFMI Business Development Unit
Account Number:	9140000122997 (US Dollar) Account	Swift Code:	SBICZWHX
Branch Name:	Minerva		

TERMS & CONDITIONS

Payment Terms: Payment must be completed seven (7) days before the event. Admission to the event is dependent on proof of full payment.

Cancellations: All cancellations or postponements must be confirmed in writing and e-mailed to capacity@mefmi.org or tafadzwa.choto@mefmi.org. Cancellations five (5) to ten (10) business days prior to the event will attract a 25% cancellation fee. Cancellations received less than five (5) business days prior to the event will result in a 50% cancellation fee. No shows will attract a 100% cancellation fee. Delegates are however welcome to substitute attendance with an appropriately qualified colleague. Non-attendance without notification is treated as cancellation with no entitlement to any refund or credit.

GENERAL NOTES: In the event of unforeseen circumstances, MEFMI reserves the right to change the speakers, the venue or the date. Delegates will be notified of changes or cancellations of events no later than five (5) business days prior to the event and all paid-up invoices will be fully refunded in a case of cancellation or credited to another event within six (6) months. MEFMI is absolved from and indemnified against any loss or damage as a result of any cancellation, postponement, substitution or alteration arising from any cause whatsoever.

Upon completion please return to: 9 Earls Road, Alexander Park, Harare, Zimbabwe
Email: capacity@mefmi.org / tafadzwa.choto@mefmi.org / Caroline.Marck@mefmi.org



The workshop was officially opened by Dr. Sehliselo Mpfu. In her remarks, she informed participants that the workshop was part of the first steps towards addressing the objectives of MEFMI Phase V strategic plan, which emphasises mainstreaming of cross cutting issues such as regional integration, gender, anti-corruption and HIV/AIDS. She mentioned that during Phase V implementation, all MEFMI activities, including course curricular, would be gender mainstreamed. She thanked her co-facilitator, Mr. Samuel Tarinda, for accepting to assist MEFMI in this regard. She also extended appreciation to the participants for

In line with MEFMI's intensification of gender mainstreaming in Phase V (2017-2021), the Macroeconomic Management Programme (MMP) conducted a one week regional workshop on Gender-Responsive Economic Policy Management from 3 to 7 April 2017 at A-Zambezi Hotel, Victoria Falls, Zimbabwe. The objectives of the workshop were to improve competence of participants in identifying and addressing gender biases in economic policy; to equip participants with skills to identify and implement economic strategies that enhance gender equality; to facilitate sharing of country experiences among participants on formulation and implementation of economic policies with gender lenses; and to enhance understanding of the relevance of gender sensitivity as part of key criteria for evaluation of

economic policy. It was expected that after the workshop, participants would serve as gender focal persons in their respective institutions and countries. It was also envisaged that this would go a long way in enhancing countries in the MEFMI region, to engender economic policy making and implementation.

The workshop was attended by middle to senior level officials involved in policy formulation and analysis, drawn from the Central Banks, Ministries of Finance and Planning that deal with economic policy management. 9 out of 14 MEFMI countries were represented. A total of 32 participants attended the workshop, of which 24 (75%) were women and 8 (25%) men. Only Angola, Botswana, Rwanda, Burundi and Tanzania were not represented.

Present from the MEFMI Secretariat were Dr. Caleb Fundanga, Executive Director; Dr. Sehliselo Mpfu, Director of MMP (who was also a resource person); Mr Senei Molapo, Programme Manager (MMP) and Ms Margaret Mutyorauta, Programme Assistant (MMP).



attending the workshop, and most importantly, their Principals who released them.

Dr. Mpfu acknowledged that the workshop drew on a wide range of experiences and expertise from countries such as Malawi and Zambia, whose representatives indicated that they were already analysing official documents and national budgets for gender sensitivity. She pointed out that strong networking links were expected to emerge from the workshop, to foster long-run exchange of ideas and experiences among professionals in the region and that there was need to strengthen these synergies as countries build gender sensitive societies and achieve a more fairer allocation of resources in preparation for deepening economic inter-linkages in the region. She reminded the group that the workshop was a macroeconomic policy management workshop, which she expected, would bring new insights into their daily work routine.

In terms of content, the workshop focused on key issues as follows: concept of gender; gender terminology; gender and economic policy; gender and economic policy analysis; gender and unpaid care work; gender and statistics; gender responsive budgeting; gender and women empowerment indices and indicators; gender and poverty; gender and international trade; gender value chain analysis; gender and banking; gender and access to finance; gender and financial inclusion, among others. It was noted that gender dynamics at household level affected women and men differently

in labour markets, trade markets and other economic activities.

The official closing of the workshop was done by Dr. Caleb M. Fundanga. Dr. Fundanga thanked everybody for the honesty with which they addressed gender issues during the week. He pointed out that the workshop was the first activity financed by the African



Capacity Building Foundation (ACBF) grant under which MEFMI and ACBF agreed on an 18-month project Plan, scheduled to start in April 2017. He also highlighted that MEFMI activities aimed at improving macroeconomic and financial sector policy formulation and implementation, thereby supporting economic growth and sustainable development. He emphasised that economic goals could not be met without including all key stakeholders, women and men, girls and boys. He mentioned that MEFMI had realized the need for gender mainstreaming within the Institute, where currently, women employees dominated in numbers and that he was impressed by countries such as Lesotho where women occupied executive posts like that of the Central Bank governor. He was impressed by observation that women dominated attendance at this workshop,

something rare in MEFMI, but, however, fulfilling the objective of the workshop.

Dr. Fundanga pointed out that he was pleased that the workshop recognized the Equal Pay Day on April 2, which was started by the National Committee on Pay Equity (NCPE) in 1996 to highlight the gap between men and women's wages. However, he stressed that it was also important to note that while the empowerment of women was encouraged, there was a need to be able to assess when equality had been reached (turning point) to avoid creating another form of inequality. He expressed his expectation to see the group practising smart economics, which is "engendered economics". He also expressed his will to see participants focusing at policy issues with gender lenses and analysing economic policy from a gender perspective because economic policies that were not engendered were considered endangered. He indicated that the workshop was not the end, but the beginning of renewed interactions between MEFMI and its Member States to do gender mainstreaming for economic development. He indicated that it was up to the participants to maintain the momentum of sharing information, learning from each other and networking, so as to keep the concept of gender equality on the developmental agenda. Lastly, he urged the participants to continue attending MEFMI activities. He then declared the workshop, officially closed.



Financial Programming Framework for Zimbabwe

MEFMI conducted a follow-up in-country workshop on the Financial Programming Framework (FPF) for Zimbabwe, from 5 - 9 June 2017. This was conducted at the Kadoma Hotel and Conference Center, Kadoma, Zimbabwe. Building on the successes of interventions through implementation of demand-driven, tailor-made country specific capacity building activities initiated in Phase IV (2012-2016) has been a success story which saw the development of tangible capacity tools and frameworks across MEFMI client institutions. The experience in Phase IV showed that more proactive countries have benefitted the most from these in-country activities. In Phase V (2017-2021), the Institute will continue to broaden the delivery of more country specific activities by ring-fencing resources to meet the needs of Member Countries and Institutions. Furthermore, MEFMI will make efforts to proactively address institutional capacity challenges which are known to exist in client institutions so as to achieve equitable benefits for all the countries.

In line with the MEFMI Phase V Strategic Plan, the Macroeconomic Management Programme (MMP) conducted this activity at Kadoma Hotel and Conference Center in Kadoma, Zimbabwe. The training workshop commenced with the opening session procedures conducted by the Programme Manager, Mr. Senei Molapo. He thanked everyone and reminded the participants that the workshop was driven by, and designed to specifically address Zimbabwe's

country specific needs. He mentioned that MEFMI and the officials have thus far made significant progress and the workshop would establish an effective financial program for the country. Work on the FPF for Zimbabwe started with four phases in which the phase 1 workshop was held on 16-20 March 2015, the phase 2 workshop was held on 21-15, September 2015, and the Phase 3 workshop was held on 4-8 April, 2016. The phase 4 workshop was held from 22-26 August 2016, as well as the launch of the program. He further outlined that the success of the assignment depended on the financial programming group being able to work as a strong team. The team includes officials from the Reserve Bank of Zimbabwe (RBZ), the Zimbabwe National Statistics Agency (ZIMSTAT), the Ministry of Finance and Economic Development, and the Accountant General's Office.

To clarify that the key goal in the formulation of the FPF is to determine the policy decisions for maintaining macroeconomic stability, Mr. Molapo postulated that it can cover regulation of money supply aimed at both guiding the domestic aggregate demand and the maintenance of equilibrium in the balance of payments, minimization of unemployment and other macroeconomic goals through the monetary and fiscal policies. Analysis of events that occur in the economy and correctness of the adjusted economic policy significantly depend on economic data and statistical indicators

included to the financial programming process. Thus, the program should build upon functional interactions between macroeconomic indicators and the key macroeconomic equations dwelling in the national accounts system. He stressed that the inter-account interactions boost the quality of analysis of economic processes on the previous period and future, and hence, the need for a Flow of Funds. He then expressed the desire for successful outcomes of the workshop, and declared the training workshop opened.

The official closing of the workshop was done by Dr. Sehliselo Mporu, Director MMP, MEFMI. In her closing remarks, she thanked everybody for the hard work and commitment that they had so far

displayed. In particular, she thanked Dr. Anna Lennblad, the Lead Consultant for her continued acceptance to work with MEFMI, stressing the point that there was no doubt that her support will be indelible, as well as her general constructive impact on MEFMI's capacity building efforts. She then concluded by noting that there was still work outstanding in terms of economic sector distribution reconciliations in which there were discrepancies that needed to be investigated. In addition, the Flow of Funds revealed that there were still some underlying data gaps which warranted that more discussions among the Zimbabwean Principals in the respective key participating institutions, and MEFMI be done as an attempt to close the gap. She then officially closed the workshop.



MEFMI / IMF /World Bank Conduct Follow Up Joint Mission to Tanzania

In response to a request from the Tanzanian authorities, a joint MEFMI/IMF/World Bank technical assistance team visited Dar es Salaam, Tanzania, for a follow-up mission on government securities market development. The activities began with an official opening by the Deputy Governor of the Bank of Tanzania Dr. Natu E. Mwamba. Dr. Mwamba highlighted the significance of the mission in jumpstarting the Government securities market reform agenda.

The objective of the mission was to deliver a workshop on the December 2015 TA recommendations and jump start the reform strategy for developing the domestic debt market in Tanzania.

Through the workshop the mission sought to disseminate the main findings of the report from the 2015 TA mission, share the experiences of Uganda and Kenya in domestic debt markets development and jumpstart coordination of reforms among major stakeholders in the Tanzanian market.

The mission was a follow up to the joint IMF/World Bank TA mission of December 2015 that advised the Tanzanian authorities on how to improve debt management practices, develop the domestic debt market founded on government securities, and enhance overall capital market development. The mission of 2nd to 5th May 2017 focused on having a workshop to help the Tanzanian authorities to disseminate the findings and recommendations of the December 2015 TA mission. Both the Bank of Tanzania and the Ministry of Finance attached importance to the workshop as a modality for a wider dissemination of TA recommendations and broad discussion on ways to revitalize their reform program. The workshop was attended by all the major stakeholders in the Tanzanian market.

The authorities requested the participation of speakers from the East African Community countries to share their country

experiences on market development. In particular, they requested the participation of Ugandan representative to share experiences with primary dealership, auction procedures, the use of non-competitive bidding and capital account liberalization issues in the context of domestic debt market development. MEFMI was also asked to share experiences on the development of market infrastructure, the role of market intermediaries and the regulatory framework especially in Kenya and in the context of the East African Community integration.

The mission was led by Mr. Obert Nyawata of IMF's MCM Department and comprised Messrs. Marin Vasile Molosag (East Afritac), Arindam Roy (Consultant), Stephen Mulema (Bank of Uganda), Mr. Zsolt Bango of World Bank, Ms Jacqueline Irving of Milken Institute and Raphael Otieno, Director of the Debt Management Programme at MEFMI. This activity was undertaken within the context of the Debt Management Facility's Project on Strengthening Capacity to formulate a Medium-Term Debt Management Strategy and, therefore, funded by DMF-II. The workshop was attended by officials of the Bank of Tanzania, Ministry of Finance and Planning, Capital Markets and Securities Authority, Representatives of Commercial Banks, Brokers, Fund Managers, and Pension Funds. A total of 38 officials attended the workshop, of which fourteen (14) were female, representing 37 percent of the total.

Activities of the mission included:

- Presentation of the TA report's findings and key recommendations;
- Discussing coordination issues among the Bank of Tanzania, the Ministry of Finance, and the Capital Market and Securities Authority, especially given the fragmented institutional framework for public debt management and

Government securities market development;

- Discussing investor base diversification;
- Reviewing market infrastructure, institutional arrangements and regulatory frameworks drawing from East Africa Community (EAC) country experiences; and

- Presentation of EAC country cases i.e. Kenya and Uganda.

Following the successful collaboration during the mission, the IMF and World Bank observed that there is scope for more elaborate collaboration with MEFMI in addressing capacity issues in the area of domestic debt markets in the region. They urged MEFMI to look out for more opportunities to collaborate in this area.



MEFMI ED Presents at Fifth Emerging Markets Africa Forum

The Fifth Emerging Markets Africa Forum and the second to be hosted by Côte d'Ivoire on 26 and 27 March 2017. Côte d'Ivoire first hosted this Forum in 2013. Japan International Cooperation Agency (JICA) was the official sponsor of the Forum which was attended by the President, the Vice President and a large number of Ivorian ministers, officials and members of the private sector. Other participants were from a number of West African countries, Europe, Asia and the Americas. Also present at the event was the former Governor of the Bank of Botswana Ms. Linah Mohohlo. The theme of the forum was "Africa 40 Years from Now."

The event was officially opened by the President of the host country, His Excellence Alassane Ouattara. In his speech the President outlined the measures Côte d'Ivoire has put into place to achieve rapid growth. Côte d'Ivoire is one of the countries that are experiencing very rapid rates of annual economic growth. Current GDP growth stands at around 9%. Much of this growth has occurred since the end of political conflict and the coming into office of President Ouattara.

Some presentations were made during panel discussions. Notable

amongst the panel discussion presenters were Ms. Mohohlo and MEFMI Executive Director Dr. Caleb Fundanga.

Dr. Fundanga made a presentation centered on the challenges Zambia copper industry has faced. State ownership of the mining companies in the 1970s led to almost total collapse of the mines and by 2000 the state decided to privatize the industry. Although the period after privatisation has seen a recovery of the industry there are still a lot of controversies on the taxation of the mines, unlike Botswana and Chile; Zambia has not established a sovereign wealth fund and has failed to diversify the economy in spite of abundant resources like arable land and water.

In her presentation, Ms. Mohohlo outlined how Botswana has moved from one of the poorest countries in Africa at independence to a middle income country today. Much of this achievement has been due to proper management of its diamonds industry. Through the establishment of the Pula Fund, Botswana has managed to avoid the common problem of mismanaged resource wealth. Good public administration has ensured that corruption is not a big problem as in most natural resource rich countries.



Analysis of Public Expenditure Growth on Infrastructure in Lesotho By Senei Solomon Molapo, MEFMI Programme Manager - Fiscal Policy and Financial Programming

ABSTRACT

This study expanded the line of research in evaluating the effect of factors related to the growth of government expenditure on infrastructure with the use of the Engle and Granger (1987) approach using annual time series data from 1980 to 2014 in Lesotho. This approach provides a direct test of the economic theory and enables utilization of the estimated long-run parameters into the estimation of the short-run disequilibrium relation. The residual test showed that there is a stable long-run relationship among the variables. The government revenue, grants and loans play a significant role in determining growth of government spending in Lesotho. There is

no evidence of association between growth of government spending on infrastructure and external reserves both in the long –run and short-run. The absence of this trade off can lead to accumulation of reserves above the optimal level. An increase in the allocation of government resources to capital expenditure will boost the country's economic growth and development.

A full copy of the paper can be accessed on

www.mefmi.org

MEFMI / IMF /World Bank Conduct Follow Up Joint Mission to Tanzania on Government Securities Market Development

In response to a request from the Tanzanian authorities, a joint MEFMI/IMF/World Bank technical assistance team visited Dar es Salaam, Tanzania, from 2nd to 5th May 2017 for a mission on government securities market development. The main objective of the mission was to deliver a workshop on the previous mission's recommendations and jump start a reform strategy for developing the domestic debt market in Tanzania. The previous mission took place in December 2015 and made recommendations on improving debt management practices, domestic debt market development, and enhancing overall capital market development.

The mission activities began with an official opening by the Deputy Governor of the Bank of Tanzania Dr. Natu E. Mwamba. In her remarks, Dr. Mwamba commended the IMF, World Bank and MEFMI for timeously responding to the authorities request for technical assistance, adding that the mission was important for jumpstarting the Government securities market reform agenda in Tanzania. The Deputy Governor said that both the Bank of Tanzania and the Ministry of Finance attached importance to the mission as a modality for a wider dissemination of technical assistance (TA) recommendations and broad discussion on ways to revitalize their reform program.

Activities of the mission included a workshop to disseminate the TA mission's findings and recommendations. In addition, participants discussed coordination issues among the Bank of Tanzania, the Ministry of Finance, and the Capital Market and Securities Authority, especially given the fragmented institutional framework for public debt management and Government securities market development. The workshop also provided an avenue for reviewing the market infrastructure, institutional arrangements and regulatory frameworks drawing from East Africa Community (EAC) country

experiences. Specifically, a speaker from Uganda shared experiences on primary dealership, auction procedures, and the use of non-competitive bidding and capital account liberalization in the context of domestic debt market development. MEFMI shared experiences on the development of market infrastructure, the role of market intermediaries and the regulatory framework in Kenya and in the context of the East African Community integration.

The workshop was attended by all the major stakeholders in the Tanzanian market, including the Bank of Tanzania, Ministry of Finance and Planning, Capital Markets and Securities Authority, Representatives of Commercial Banks, Brokers, Fund Managers, and Pension Funds. A total of 38 officials attended the workshop, of which fourteen (14) were female, representing 37 percent of the total.

The mission was led by Mr. Obert Nyawata of the IMF and comprised Messrs. Marin Vasile Molosag (East Afritag), Arindam Roy (Consultant), Stephen Mulema (Bank of Uganda), Mr. Zsolt Bango of World Bank, Ms Jacqueline Irving of Milken Institute and Raphael Otieno, former Director of the Debt Management Programme at MEFMI.

The main output of the mission was that participants gained knowledge on government securities market development. In addition, a set of recommendations for developing a government securities market were prepared and it was expected these would be converted into an Action Plan by the Tanzanian authorities.

Following a successful collaboration during the mission, MEFMI shall strive to explore opportunities for more elaborate partnerships with the IMF and World Bank in addressing capacity gaps and issues in the area of domestic debt markets in the region.



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