

# Mission

To build sustainable capacity and foster best practices in central banks, ministries of finance and of planning in Eastern and Southern Africa, while also helping them constantly to identify emerging challenges, risks and opportunities.

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# Abbreviations & Acronyms

ACBF	The African Capacity Building Foundation
ADF	The African Development Fund
AFDB	The African Development Bank
AFRITAC	Africa Regional Technical Assistance Centre
BIS	Bank of International Settlements
BoE	Bank of England
BoNY	Bank of New York
BoP	Balance of Payments
BoPSC	Balance of Payments Statistics Committee
CBP	Capacity Building Programme
CCBS	Centre for Central Bank Studies
CID	Centre for International Development
COMESA	Common Market for Eastern and Southern Africa
COMSEC	Commonwealth Secretariat
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CTP	Customised Training Programme
DeMPA	Debt Management Performance Assessment
DFI	Development Finance International
DLP	Distance Learning Programme
DRI	Debt Relief International
DMFAS	Debt Management and Financial Analysis System
FAL	Foreign Assets and Liabilities
FDI	Foreign Direct Investments
FPC CBP	Foreign Private Capital - Capacity Building Programme
FSI	Financial Stability Institute
HIPC-CBP	Heavily Indebted Poor Countries - Capacity Building Programme
HIV / AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
IIP	International Investment Position
IMF	International Monetary Fund
IMFI	International Monetary Fund Institute
IT	Information Technology
MoF	Ministry of Finance
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
PCMS	Private Capital Monitoring System
PEM	Public Expenditure Management
PS	Permanent / Principal Secretary
RAMP	Reserves Advisory Management Programme
RBZ	Reserve Bank of Zimbabwe
SADC	Southern Africa Development Community
TNC	Transnational Corporation
UNCTAD	United Nations Conference on Trade and Development
UNITAR	United Nations Institute for Training and Research
WB	The World Bank
WBI	World Bank Institute

# in brief

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is a regionally owned institute currently with 13 member countries: Angola, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

## Background

During the 1980s and 1990s, many countries in the Africa region faced entrenched problems in the capacity for debt and reserves management as well as macroeconomic management. In response, senior economic officials and financial managers in Eastern and Southern Africa launched the Eastern and Southern Africa Initiative in Debt and Reserves Management (ESAIDARM) in 1994, whose mandate was later broadened to cover macroeconomic and financial management issues and renamed the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in 1997.

## Values

Shared values are what engender trust and link MEFMI. These also provide a MEFMI specific identity. MEFMI upholds the following values:

- ◆ Honesty & Integrity
- ◆ Partnership/Teamwork
- ◆ Accountability and Transparency
- ◆ Excellence/Credibility
- ◆ Responsiveness to needs and aspirations of clientele

## Mission

To build sustainable capacity and foster best practices in central banks, ministries of finance and of planning in Eastern and Southern Africa, while also helping them constantly to identify emerging challenges, risks and opportunities.

## Vision

The Institute's vision is to continue to be a centre of excellence in sustainable capacity building in selected critical fields in central banks, ministries of finance and of planning in Eastern and Southern Africa.

## The Scope of MEFMI Activities

MEFMI activities put special focus on:

- ◆ Macroeconomic Management which deals with analysis of the economy, planning and forecasting.
- ◆ Financial Sector Management, which covers financial market development, foreign exchange reserves management, regulation and supervision of financial institutions, payment systems and monetary policy implementation.
- ◆ Sovereign Debt Management, which encompasses debt database development and management, institutional and legal aspects, analysis, policy and strategies.
- ◆ Fellows Development Programme which trains promising young professionals with the view to groom them into specialists / experts available to their countries and to the region.

The MEFMI client institutions are;

- ◆ Ministries of finance
- ◆ Ministries of economic development and planning or equivalent
- ◆ Central banks
- ◆ Other public institutions that interface with these core institutions.

The MEFMI target groups in all the beneficiary institutions are:

- ◆ Junior to senior professionals
- ◆ Heads of department / division, senior officials
- ◆ Top executives

## Mode of Delivery

MEFMI delivers its products and services through the following;

- ◆ Courses / workshops for professionals
- ◆ Seminars for senior professionals
- ◆ Country missions
- ◆ Retreats for heads of relevant departments / divisions / units
- ◆ Special policy related studies
- ◆ Preparation of manuals and guidelines



MEFMI also conducts Executive Forum Series for networking amongst the following category of decision makers;

- ◆ Ministers of finance and planning and economic development and equivalent
- ◆ Secretaries to the treasury and permanent secretaries for finance and equivalent and their deputies
- ◆ Central bank governors and their deputies
- ◆ Human resources managers

At these events top level policy makers have the opportunity to exchange ideas and experiences among themselves facilitated by world class experts availed by MEFMI.

### Cooperating Partners

MEFMI's cooperating partners fall into three categories namely, Financial Cooperating Partners, Technical Cooperating Partners and Networking Partners.

Financial Cooperating Partners currently fund MEFMI's capacity building activities to supplement member countries' contributions. The Financial Cooperating Partners are:

- ◆ The African Capacity Building Foundation (ACBF)
- ◆ The Netherlands
- ◆ Norway
- ◆ Sweden

In addition to the above, the following countries also contribute to MEFMI's activities through the Heavily Indebted Poor Countries Capacity Building Programme (HIPC-CBP) and the Foreign Private Capital Capacity Building Programme (FPC-CBP);

- ◆ Austria
- ◆ Canada
- ◆ Sweden
- ◆ Ireland
- ◆ Switzerland
- ◆ The United Kingdom

Technical Cooperating Partners provide gratis or subsidised expertise, attachments networking and course attendance to staff and Fellows and other in-kind support to the capacity building programmes. The technical cooperating partners are;

- ◆ The World Bank (WB) and its institute (WBI), the International Monetary Fund (IMF) and its institute (IMFI), the Commonwealth Secretariat (COMSEC)
- ◆ The Bank for International Settlements (BIS) and its Affiliate Committees, the African Development Bank (AfDB), the Centre for Central Banking Studies (CCBS) of the Bank of England Bank (BOE), UNDP - RSC
- ◆ The United Nations Conference on Trade and Development (UNCTAD), the Federal Reserves Bank of New York and the Federal Reserve Board, Financial Stability Institute (FSI), Africa Regional Technical Assistance Centre (AFRITAC)

In addition, some of the major international commercial banks such as the Bank of New York, State Street Global Advisors, Barclays Bank plc, the Standard Bank of South Africa, Bank of India and Reserve Bank of South Africa, have provided gratis expertise.

Networking Partners are organisations whose resource persons and other services are paid for by MEFMI. They include the African Economic Research Consortium (AERC), Centre for International Development (CID) at Harvard University, Crown Agents, Debt Relief International (DRI), United Nations Institute for Training and Research (UNITAR) and National Treasury of South Africa.

### MEFMI Secretariat

The MEFMI Secretariat is based in Harare, Zimbabwe. The Secretariat is the principal vehicle for the design, delivery and administration of MEFMI programmes. An Executive Director heads the Secretariat. MEFMI draws its staff mainly from related institutions in member countries on competitive recruitment basis.

# Statement

## by the Chair



**Prof. Njuguna Ndung'u** Chairman, MEFMI Board of Governors and Governor, Central Bank of Kenya

I am honoured to present the 2008 MEFMI Annual Report - the first that I am presenting since assuming the role of chair during the last quarter of 2008.

Allow me to commend the Executive Director and the whole Secretariat for ably managing the operations of the Institute and for consistently and timeously implementing all planned activities - even in the face of the socio-economic difficulties that the host country faced during 2008.

In many ways 2008 was a very difficult year for MEFMI. The economic challenges in the host country resulted in the Secretariat making the intricate decision of not holding events in Zimbabwe mainly due to compromised service delivery by the hospitality and telecommunications industries. At the same time, stakeholders made the bold decision to retain the Secretariat in Harare as they were optimistic of an imminent positive socio-political change.

This optimism which was displayed by member countries and all financial cooperating partners resulted in consistent financial and moral support for the Secretariat. To ensure continued smooth operations, the Secretariat sought and employed alternative approaches to sourcing supplies for office use, as well as ensuring that staff needs were also sufficiently catered for.

The Institute's mission is to build sustainable capacity in identified areas and to help develop mitigation strategies against emerging challenges and risks. In this regard, this report outlines the various activities that were undertaken during 2008. The Institute's annual work programme has also been closely monitored against planned activities, with progress reports being made regularly. I am glad to report that the Institute made deliberate efforts to reorient all programme activities in order to equip member states with the necessary information and strategies that are essential for addressing the dynamic global environment - in particular the unfolding global financial crisis.

As you will note in this report, the Secretariat was able to implement activities beyond those that had been planned for the year as well as launch additional activities. Among other activities was the launch of studies that were initiated in 2007 which provide interesting outcomes.

MEFMI programmes continue to be viewed as highly relevant and appropriate in addressing the needs of member countries. As we reflect on 2008 and indeed the mid-point of MEFMI Phase III, I am prompted to remind all stakeholders that a mid-term review is planned for 2009. This will entail independent reviews carried out in collaboration with all partners. I would like to appeal to all MEFMI cooperating partners to render their usual support in this endeavor.

As the Chair of the Board of Governors, I strongly believe that staff is a critical component of the assets the Institute has. Based on the results of a review of the structure of the Secretariat through a work-load analysis, the MEFMI Executive Committee and the Board requested the Secretariat to implement positive recommendations from the report.

I would like to extend my deep appreciation to all member countries, financial and technical cooperating partners for their continued support to the Institute. Their timeous payment of membership fees as well as disbursement of funds has resulted in MEFMI carrying out all planned activities.

Finally let me thank all the members of the Board of Governors and of the Executive Committee of MEFMI, the Executive Director and staff at the Secretariat for their dedication and continued commitment to ensuring that MEFMI remains relevant to the region. It is this spirit of commitment and ownership, which has contributed in large measure to the commendable results MEFMI recorded over the year under report.



**Prof. Njuguna Ndung'u**

Chairman, MEFMI Board of Governors  
and Governor, Central Bank of Kenya



**12<sup>th</sup> Board of Governors' Meeting, St Lucia, The Caribbean, October 2008**

Front row: T. Sitimawina, O. A. Motshidisi, M G Dlamini, the late K. Nkalamo, S. Kassami, N.Ndung'u (MEFMI Board Chair), M. Senoana (MEFMI Board Deputy Chair and Executive Committee Chair), J. K. Kinyua, B. J. Ndulu,

Back row: D. Chisenda, M. Shivute, D. Kihangire, R. Mwadiwa, V. Mbewe, M. Dzinotizei, G. Mwau, E. E. Ngalande (MEFMI Executive Director and ex-officio board member)

# The Executive

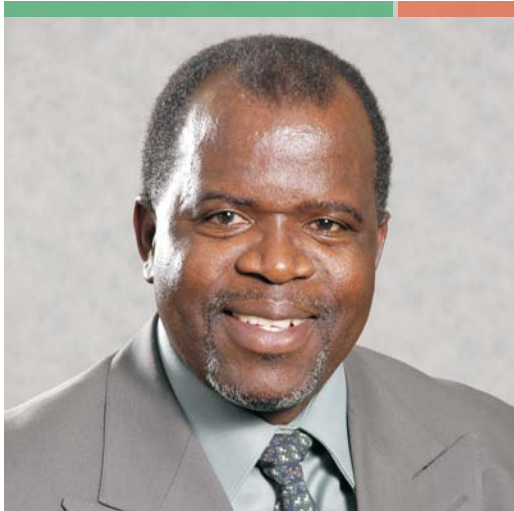
## Committee



**Some of the 2008 MEFMI Executive Committee Members** L- R: Mr. Rui Migueus de Oliveira, Deputy Governor, representing the Governor Banco Nacional de Angola; Dr Ellias Ngalande, Executive Director, non-voting ex-officio member; Dr Moeketsi Senaoana, Chairman of the Executive Committee and Governor, Central Bank of Lesotho; Dr Caleb Fundanga, Governor, Bank of Zambia; Mr Carl-Hermann Schlettwein, Permanent Secretary, Ministry of Finance, Namibia.

# Overview

## by the Executive Director



**Elias E. Ngalande** Executive Director

2008 marks the second year of the MEFMI Phase III which runs through to 2011. As was the case in the beginning of Phase III, member states continued to provide substantial support by availing both financial and human capital resources towards the implementation of MEFMI capacity building activities. This was adequately supplemented by the financial support from MEFMI financial cooperating partners and various networking partners.

Expenditure on capacity building activities described in this report amounted to about US\$ 6.7 million, against an income of the same amount. The delivery capacity was assisted by the full complement of Secretariat staff during the year.

The delivery of products and services continued through regional and in-country capacity building activities as well as country missions, which focused on client institutions' specific capacity building needs. Training maintained the usual hands-on approach

with a bias towards increased use of qualified MEFMI Fellows as trainers, which has translated into financial savings for the Institute and the region as a whole through reduced need to engage more costly overseas expertise.

In terms of overall outputs, MEFMI recorded a total of 96 capacity building activities out of the planned 70 activities during the period January to December 2008. There was also a marked positive variance in networking and staff capacity building activities. The positive variance for capacity building activities is to a great extent a reflection of the increased demand for MEFMI's capacity building products and services while for networking activities, it is a result of Secretariat staff attending relevant cooperating partner activities that had not been planned for 2008 but initiated by some partners.

As indicated in this report a number of products were developed during the year including the Private Capital Management System (PCMS) for the MEFMI region which is envisaged to facilitate the creation of real time data sharing for exchange of aggregate data among participating countries in the MEFMI region. The Public Expenditure and Financial Management Handbook (PEFM) is expected to provide countries in the MEFMI region with useful and relevant guidelines on public expenditure management. Similarly, a study that was conducted on the operations of Foreign Currency Accounts (FCA) in the region and the findings published in mid 2008 is expected to add value to the operations of member countries.

Efforts were made to ensure an increase in the number of female participants in all MEFMI activities to at least 50% as recommended by the Southern Africa Development Community (SADC) resolution on gender and development. As such 40% of those who attended MEFMI capacity building events were women, a 6 percentage point increase over the 34% registered in 2006 and 2007. The gender representation of participants in MEFMI events however, continues to be driven by the staffing patterns in client institutions, for the professional levels targeted by the Institute.

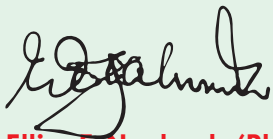
During the year, the Institute was also actively involved in HIV/AIDS information dissemination activities through workshops. The Institute developed its own HIV / AIDS Policy for the Secretariat during the year under review. Under the Fellows Development Programme significant progress was made during the year with a number of Candidate Fellows, within their respective programmes, participating at workshops as part of their Customised



Training Programmes (CTPs) in order to gain knowledge and skills. In addition, some Accredited and Graduate Fellows were engaged in MEFMI activities as resource persons at regional workshops and country missions. A total of eight new Candidate Fellows graduated, of whom four were female while three Graduate Fellows who were on apprenticeship were accredited. This adds to the list of experts trained and made available for use in the region.

The positive impact that MEFMI continues to make in the region is a result of team work by the staff at the Secretariat and the many stakeholders that facilitate MEFMI's work, for which I am personally grateful. I am quite certain that the Institute will continue to be recognised as a professional body that offers invaluable capacity building products and services to all its stakeholders.

Let me conclude by thanking the Executive Committee and the Board of MEFMI for the support and guidance provided to the Secretariat during the year 2008. At the Secretariat, our work was made easier by the cooperation received from our contacts at the Executing Agency, the Reserve Bank of Zimbabwe.



**Ellias E. Ngalande (PhD)**

Executive Director

# Introduction

The global financial crisis is a fast evolving phenomenon whose full extent and impact to the world economy is still to be clearly articulated. The impact of the crisis was initially felt in early 2008, a year that was marked by three major shocks;

- ◆ Increase in world oil prices
- ◆ Fall in commodity prices
- ◆ The financial crisis

As a result, the world economy is decelerating and many advanced economies as well as emerging and developing economies are facing the prospect of a deep recession. The latest estimates and forecasts by the International Monetary Fund (IMF) highlight a sharp decline in world economic growth rate from 3.4% in 2008 to 0.5% in 2009, against 5.2% recorded in 2007.

As the initial effects of the financial crisis started to emerge in major economies, the Eastern and Southern African economies assumed they were not directly affected by the crisis because of their low level of integration with the global financial system. Some authorities in the region jumped the gun and made some very bold statements to the effect that their countries would not be immediately affected and that they had made adequate arrangements to mitigate the negative impact.

Consequently, the region continued to experience relative growth - albeit at a slow rate. Investments, led by regional Foreign Direct Investments (FDI's), continued to flourish on account of high attractive interest rates. However, in terms of the general impact of the crisis the full picture is just emerging and many developing countries will feel the brunt from many fronts ranging from reduced capital flows, reduced demand for commodity exports, reduced remittances to reduced overseas development assistance (ODA).

It is against this background, that MEFMI felt it is imperative that its capacity building activities embrace global developments and allocate some sessions to allow detailed discussion of the global financial crisis and its impact in the MEFMI region. Thus, during the third quarter of 2008, participants in MEFMI events were given the opportunity to make diagnostic presentations of their economies that focused on identifying the areas with high risk exposure to the financial crisis. From the presentations made, the overall view is that the impact of the financial crisis and global recession in the MEFMI region would be three fold:

1. There could be some country specific effects due to the existing macro imbalances and the structure of the MEFMI member countries' economies. For example, fiscal policy challenges will vary depending on country context.
2. There could be direct effect on the financial sector for economies with foreign operating banks which are already affected by the crisis in their country of origin, for instance, British banks which are predominant in the MEFMI region. This second aspect is about bank capitalisation levels as there will be some difficulties for the financial sector to support banks where the majority of shares are owned by foreigners.
3. The strong impact of the global financial crisis might be felt on fiscal and external sectors. The fiscal imbalance will worsen as there will be reduction in Overseas Development Assistance (ODA) or in foreign aid and this is likely to result in higher domestic debt. As for the external sector, the decline in global demand has already affected commodity prices and hence caused setbacks to the economies of the region. Tourism and external remittances are two sectors which are being impacted by the fall in incomes associated with the crisis.

Recommendations on possible required policies which cater for both the existing deficiencies and the predicted effects of the financial crisis were also discussed.

Further, MEFMI's capacity building activities emphasised the issue of corporate governance and controls; sound risk management principles that include strong underwriting practices to avoid excessive leverage; which are areas requiring attention in the region.

The advent of the financial crisis also highlighted the need for strong oversight and regulation of financial institutions including government institutions in the developed and emerging economies. In the Eastern and Southern Africa region in particular, we have some institutions that have very weak regulation and supervision and therefore require enhancement of regulatory oversight. MEFMI will continue to improve capacity building activities in this area in order to ensure that they remain relevant to the environment.



## HIGHLIGHTS OF THE YEAR

- ◆ A total of eight Candidate Fellows graduated, of whom four were female. Three Graduate Fellows who were on apprenticeship were accredited.
- ◆ For the first time since the Fellows Development Programme was launched in 1995, the event was graced by the presence of Deputy Governors of Central Banks and Deputy Principal / Permanent Secretaries of Finance in the MEFMI region.
- ◆ The MEFMI Macroeconomic Management Programme has developed a Private Capital Management System (PCMS) for the MEFMI region which is envisaged to facilitate the creation of real time data sharing for exchange of aggregate data under the FPC-CBP among participating countries in the MEFMI region.
- ◆ A MEFMI Public Expenditure and Financial Management Handbook (PEFM) has been developed to provide countries in the MEFMI region with useful and relevant guidelines on public expenditure management in MEFMI member states.
- ◆ MEFMI conducted a study on the operations of Foreign Currency Accounts (FCA) in the region and the findings were published in mid 2008.
- ◆ In line with best practice and international organisations trends, MEFMI has developed its HIV/AIDS policy and is actively involved in information dissemination at its regional events.
- ◆ MEFMI reviewed the Phase III Logframe that now conforms to the requirements of best practices.

Table 1: Overview of MEFMI Activities

Activity	Actual 2007	Actual 2008
Regional Capacity Building Activities	25	31
In-Country Capacity Building Activities	8	6
Country Missions - Applied Situational Analysis	7	13
Fellows Development Activities	2	3
Networking activities	15	30
Retreats	3	3
Specialised Studies	2	5
Executive Fora	2	2
Governance Meetings	4	4
Total number of participants	855	875
Total number of Female participants	291	349
Total Number of MEFMI Fellows	77	77

## 1. QUANTITATIVE SUMMARY

### Overall Achievement

This report outlines achievements of MEFMI during the period January to December 2008, which are summarised in numerical terms as follows:

Table 2: Target vs Actual Activities

Activity	January to December 2008		
	Target	Actual	Variance
Regional Capacity Building Activities	26	31	+5
In-Country Capacity Building Activities	6	6	0
Country Missions - Applied Situational Analysis	12	13	+1
Executive Fora	2	2	0
Fellows Development Activities	3	3	0
Networking / Staff development	11	30	+19
Retreats	3	3	0
Specialised Studies	4	5	+1
Governance Meetings	4	4	0

The positive variances indicated in Table 2 above can be explained as follows:

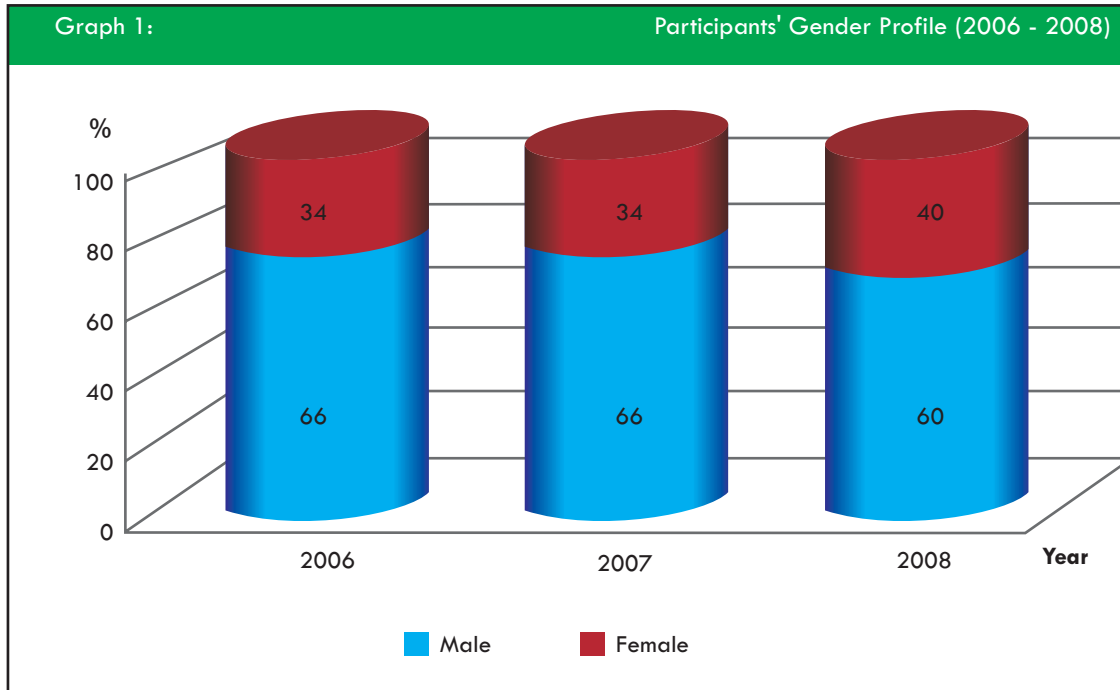
The variance in the regional capacity building activities is a result of the Secretariat engaging in some joint activities with technical cooperating partners which were not included in the 2008 work programme. Notable are the three activities with the World Bank's Reserves Advisory Management Programme under the RAMP-Africa Programme. The RAMP Africa Program is a joint venture between MEFMI and the World Bank, on Reserves Management catering mainly for small countries with below US\$1.5 billion reserves threshold. The Program started in early 2008 with four MEFMI member countries and has been expanding.

Under country missions, MEFMI responded to an additional request beyond what had been planned for and this explains the positive variance under this activity.

The variance indicated in the networking activities is a result of Secretariat staff attending relevant cooperating partner activities that had not been planned for 2008 but were initiated by some partners. These provided an opportunity for staff to enhance their skills and provide brand visibility for MEFMI at the various platforms. In addition, the Secretariat intensified its staff development programme especially following recruitment for the professional category during the year 2008.



The variance on specialised studies was due to a follow-up meeting of regional IT experts on the development of the Private Capital Management System (PCMS) for the MEFMI region, which was held in Dar es Salaam, Tanzania. The meeting was held in order to resolve the technical challenges that were identified during the retreat held earlier in Uganda.



## 1.1 Participation

Participants in the activities conducted during the period under review included officials from Ministries of Finance, Ministries of Economic Planning and Central Banks.

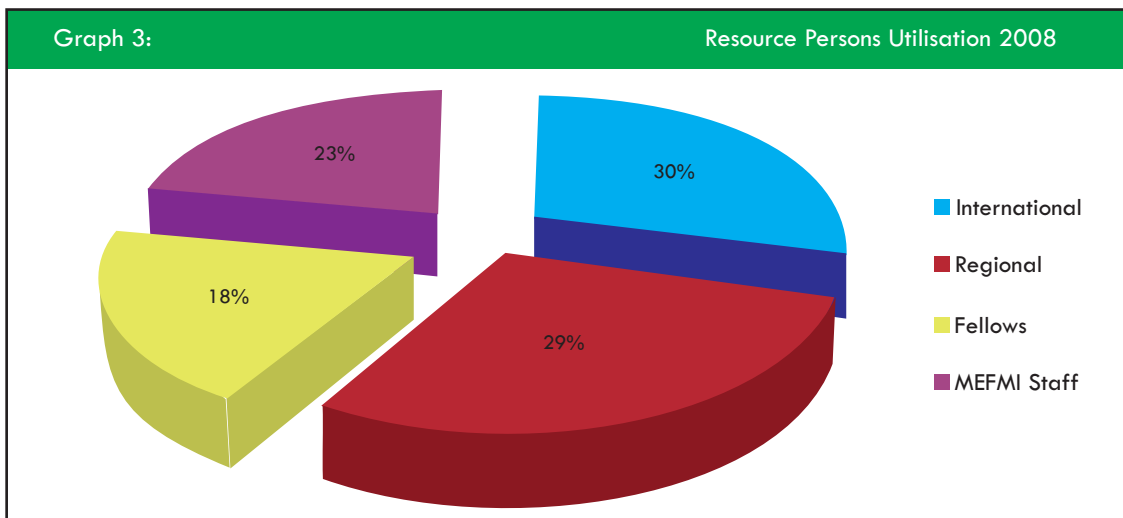
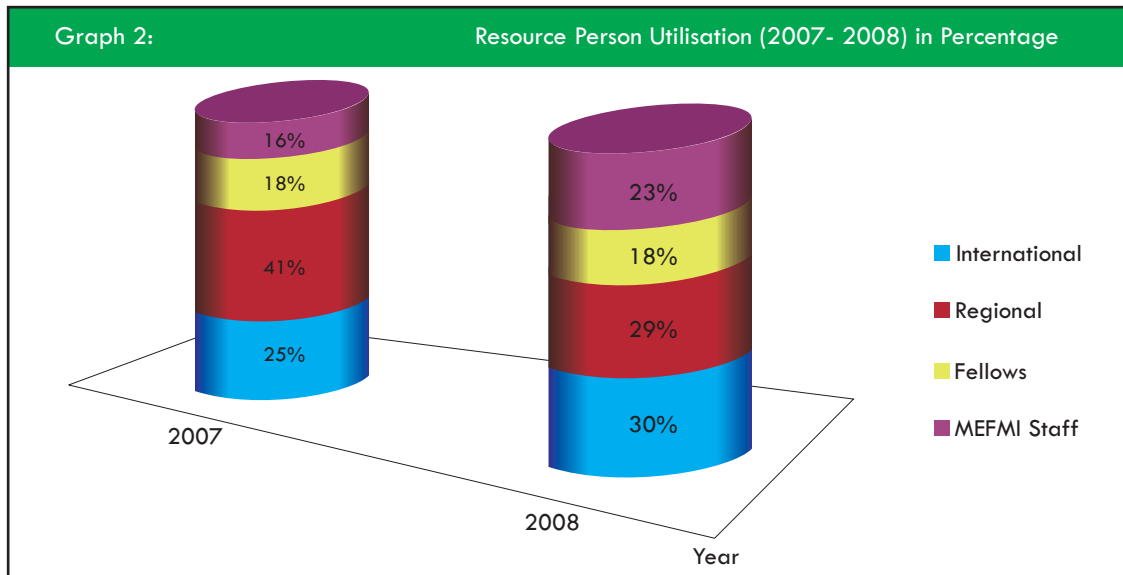
A total of 875 officials participated in MEFMI activities undertaken during 2008. Of the total, 349 participants or 40% were female, reflecting a 6 percentage point increase over the 34% registered in 2006 and 2007. The number of female participants in MEFMI capacity building activities and events is largely a reflection of the staffing patterns in client institutions, for the professional levels targeted by the Institute. Cognisant of the SADC resolution on gender and development, which stipulates female participation at 50%, MEFMI has encouraged increase of female participation through seminars of Heads of Departments.

## 1.2 Resource Persons Utilisation

The Institute continues to utilise a combination of regional and international resource persons, Fellows and Secretariat staff in facilitating capacity building activities. This combination promotes cross-pollination of ideas among participants and resource persons.

During the period under report, MEFMI engaged the services of 175 resource persons to facilitate the capacity building activities. Of the total, 53 resource persons utilised or 30% were international experts, reflecting a 5% point increase over the 25% registered in 2007. The use of international experts for capacity building remains high in certain specialist areas where the level of expertise in the region is still low.

MEFMI also embarked on a streamlining exercise that resulted in the apportionment of man hours in regional activities and resultantly optimum utilisation of resource persons. Regional resource persons accounted for 29% reflecting a 12 percentage point decrease over the 41% registered in 2007. This is a result of an increase in the utilisation of MEFMI staff as resource persons in some activities. MEFMI staff accounted for 23% reflecting a 7 percentage point increase over the 16% registered in 2007. MEFMI Fellows accounted for 18% reflecting a constant utilisation of 18% that was also registered in 2007.





## 2. CAPACITY BUILDING OUTPUTS

MEFMI delivers its products and services through capacity building activities that include courses, seminars, workshops, retreats and the executive fora. Activities are conducted to enable effective sharing of ideas and experiences, networking, promoting harmonisation and integration; the dissemination of new concepts, promotion of best practices and standards to a wider audience in the MEFMI network. This is a cost effective strategy for addressing capacity gaps that are common to most of the countries in the MEFMI region.

### 2.1 Regional Capacity Building Activities

Regional capacity building activities carried out in 2008 were aimed at addressing pertinent issues affecting the region on macroeconomic and financial management issues. There were 31 activities that were attended by a total of 704 officials of whom 278 were female, making up about 40% of the total participants.

Annex I provides details of venues, duration, objectives and outcomes, technical cooperating partners involved, number of resource persons used, their region of origin as well as the number, gender and professional levels of participants to each of the regional activities conducted during the period.

### 2.2 In-country Capacity Building Activities

In-country capacity building activities carried out in 2008 were designed to address country specific capacity gaps. Six In-country activities were carried out. The activities were attended by 171 officials of whom 67 or 39% were female.

Annex II provides details of venues, duration, objectives and outcomes, technical cooperating partners involved, number of resource persons used and their region of origin as well as the number, gender and professional levels of participants to each workshop.

### 2.3 Country Missions

Country missions were carried out for on-site problem solving and guidance, data gathering, and implementation of best practices and awareness-raising. Twelve country missions were conducted during 2008.

Annex III provides details of venues, duration, objectives and outcomes.

### 2.4 Fellows Development Activities

The objective of the Fellows Development Programme is to groom a cadre of experts, who will ensure sustainability and availability of adequate support in building and maintaining capacity in the region. This is an accelerated cost-effective expert development endeavor.

During the period under report a number of Candidate Fellows, within their respective programmes have participated at workshops as part of their Customised Training Programmes (CTPs) in order to gain knowledge and skills. In addition, some Accredited and Graduate Fellows were engaged in MEFMI activities as resource persons at regional workshops and country missions.



In addition 69 Fellows attended workshops/courses/retreats as part of capacity building, four Candidate Fellows were on attachments, 33 Fellows were engaged as resource persons at MEFMI workshops and six were engaged as consultants.

Some of the remaining Candidate Fellows from the 5th intake were assessed for graduation by a panel of experts during the period 2 to 3 December 2008, in Ezulwini, the Kingdom of Swaziland. A total of eight Candidate Fellows graduated, of whom four were female. During the same event, three Graduate Fellows who were on apprenticeship were accredited. For the first time since the Fellows Development Programme was launched in 1995, the event was graced by the presence of Deputy Governors of Central Banks and Deputy Principal / Permanent Secretaries of Finance in the MEFMI region.

As at 31 December 2008, MEFMI had recorded having a pool of 77 Fellows, about a third of whom were still under training.

Table 3 below shows the capacity building participation and utilisation of Fellows during 2008, by each Programme.

**Table 3: Fellows Capacity Building Participation and Utilisation (January to December 2008)**

Programme	Capacity Building Attendance		Utilization					
	Workshops	Attachment	Resource Persons at Workshops			Consultants at Missions		
			Type of Fellow			Type of Fellow		
			Candidate	Graduate	Accredited	Candidate	Graduate	Accredited
Debt	22	2	2	6	1	0	0	0
FSM	27	2	1	11	1	0	2	4
Macro	20	0	1	1	3	0	0	0
Total	69	4	4	18	5	0	2	4

#### 2.4.1: Distribution by Programme, Gender and Member States

Table 4 below shows the distribution of Fellows by programme, gender and the stage they are at in the Fellows Development Programme (FDP) as at 31 December 2008.

Of the 77 currently in the programme, 54 have graduated or have accredited while the rest are still under training.

**Table 4: Fellows by Programme, Gender and Stage in FDP as at 31 December 2008**

Programme	In-training	Graduated	Accredited	Total
Macroeconomic Management	6(3)	6(1)	4(0)	16(4)
Financial Sector Management	9(4)	12(2)	11(3)	32(9)
Debt Management	8(0)	15(5)	6(1)	29(6)
Total	23(7)	33(8)	21(4)	77(19)

*NB: Figures in brackets denote number of female Fellows*



Table 5 below shows the country distribution of Fellows by status following the December 2008 Fellows graduation and accreditation.

Table 5: Country Distribution of MEFMI Fellows by status as at 31 December 2008

Country	In-training	Graduated	Accredited	Total
Angola	0	1	0	1
Botswana	0	1	0	1
Kenya	4	5	0	9
Lesotho	1	2	3	6
Malawi	2	9	0	11
Mozambique	0	0	0	0
Namibia	1	3	1	5
Rwanda	2	0	0	2
Swaziland	2	1	1	4
Tanzania	4	3	3	10
Uganda	3	4	2	9
Zambia	3	2	4	9
Zimbabwe	1	2	7	10
<b>Total</b>	<b>23</b>	<b>33</b>	<b>21</b>	<b>77</b>

It is the desire of the Fellows Development Programme to ensure that there is a good spread of Fellows across disciplines, areas of specialisation and that they are available in all member states.

## 2.5 Private Capital Monitoring System Study

The MEFMI Macroeconomic Programme conducted regional retreats on the development of the Private Capital Monitoring System (PCMS) for the MEFMI region. A trial web-based version of the MEFMI-PCMS application has been developed and can be accessed (by invitation) from any location at [http://www.mefmipcis.org/new\\_pcms](http://www.mefmipcis.org/new_pcms)

Once completed, the MEFMI PCMS is expected to facilitate real-time processing of survey and non-survey information in line with Balance of Payments statistics requirements, investment promotion and macro-economic policy analysis in general. It is envisaged that the future versions of the system will be able to create a data sharing module for the exchange of aggregate data among participating countries in the MEFMI region.

### 2.5.1 Review of the Public Expenditure and Financial Management (PEFM) Handbook

The final draft of the PEFM Handbook which incorporates editorial work by an independent expert in public expenditure management was completed and submitted to MEFMI in December 2008.

The Handbook will be published by the end of the first quarter of 2009 and is expected to provide useful and relevant guidelines on public expenditure management in MEFMI member states.

## 2.6 Foreign Currency Accounts Study

The Financial Sector Management Programme engaged a consultant to carry out a study on the Foreign Currency Accounts (FCA) operations in the region. The study emanated from the request raised by the East African Community Monetary Affairs Committee. The consultants submitted their final report by mid-year 2008 and the same was distributed to member states.

The main objective of the study was to analyse the operations of the foreign currency deposits, the clearing of the locally issued foreign currency cheques, to ascertain the risks associated with the clearing and ultimate settlements of locally issued foreign currency cheques.

MEFMI considered it prudent to expand the study area from the East African community states that had requested the study, to include other members of MEFMI in order to give the study a MEFMI region perspective.

The main findings of the study included the following:

- i) All central banks allowed operation of FCAs for residents.
- ii) Few central banks had formal mechanisms for handling exchange of value between holders of FCAs. Only two countries had established automated systems (clearing and settlements conducted electronically) namely, Kenya and Zambia while others operated on a manual or semi manual environment.
- iii) No central bank offered Intra-day Liquidity Facility to facilitate Local Foreign Currency Clearing.
- iv) Central banks need to regulate the inter-bank foreign exchange markets (IFEM) operations as they may influence monetary policy stances to varying degrees depending on the mitigating measures deployed by the banks.
- v) Local Foreign Currency Clearing arrangements of Cheques are not causal factors nor do they exacerbate the depth of dollarisation in the domestic economy

## 2.7 Reserves Advisory and Management Program (RAMP)

RAMP is a program designed for member central banks and sovereign fund managers to help countries deploy national wealth and manage foreign currency reserves more efficiently. The Programme draws on World Bank Treasury's senior practitioners, advisory services and MEFMI regional experts to build customised training needs for high-level policy makers, investment managers and reserve management supporting functions within these institutions.

Going forward, MEFMI will greatly benefit out of this program. The pool of officers trained in various aspects of reserve management is expected to create solid regional skills and expertise personnel that can later be tapped as a ready and suitable base for training of trainers.



## 3. GOVERNANCE ACTIVITIES

The 12<sup>th</sup> Board of Governors meeting was held in St. Lucia on 3 October 2008. Among other resolutions passed at the meeting, Professor Njuguna Ndung'u Governor of the Central Bank of Kenya was elected Chairman of the Board of Governors and Dr. Moeketsi Senoana, Governor of the Central Bank of Lesotho, was elected as Vice Chairman of the Board and Chairman of the Executive Committee. The Governor of the Reserve Bank of Zimbabwe (RBZ) as Head of Executing Agency of MEFMI would continue as ex-officio member of the Executive Committee.

The Executive Committee is required by the MEFMI Constitution to meet at least three times a year in order to deliberate on operational issues of the Secretariat. Three Executive Committee meetings were held during the period under report - the first one for 2008 was held on 18 March 2008 at the MEFMI Secretariat. The second meeting was held on 25 July at the Central Bank of Kenya. The third meeting was held at Banco de Mozambique on 18 September 2008 and was chaired by the host governor on behalf of the Chair.

### 3.1 MEFMI Executive Fora

The MEFMI fora are high-level awareness raising activities targeting Ministers of Finance / Planning, Secretaries to the Treasury or their equivalent, Secretaries of Planning ministries and Central/Reserve Bank Governors. These events have, over the years, proved to be useful vehicles to engage top policy makers on emerging issues, implementation of best practices, and the management of change in the respective institutions. In addition, the executive forum series provide networking opportunities among top-level policy makers and eminent experts. Two events were undertaken as below:

#### 3.1.1 MEFMI Combined Forum

The MEFMI Combined Forum was held on 4 October 2008 in Castries, St Lucia. The Forum was officially opened by Honourable Stephenson King, Prime Minister and Minister of Finance, St Lucia. The focus of the forum was on:

- ◆ Anti-money Laundering and Implications on Developing Countries and
- ◆ Emerging Issues On Public Debt Management in Developing Countries

The Forum attracted three Ministers/Deputy Ministers, five Governors and five Principal/Permanent Secretaries and a number of other senior officials were also in attendance.

#### 3.1.2 Forum for Deputy Governors and Deputy Principal/Permanent Secretaries of Finance / Economic Planning

The 5<sup>th</sup> MEFMI Forum for Deputy Governors of Central Bank and Deputy Principal/Permanent Secretaries of Finance, focusing on human and financial capital, took place from 3 to 4 December 2008 in Ezulwini, Kingdom of Swaziland.

The Deputies Forum attracted a total of 18 participants of whom five were female. The participants were from eight MEFMI member states. These comprised nine Deputy Central Bank Governors, one Executive Director/Board Member; three Deputy Secretaries/Under-Secretaries; and five Directors/Deputy Directors. The Deputies Forum was also held back to back with the Fellows Graduation and Accreditation programme.



Some resource persons and participants at the 2008 Fellows Graduation and Accreditation workshop which was held in Swaziland

## 4. HUMAN RESOURCES

### 4.1 Staff Establishment

The Secretariat is operating at full staff capacity since the 30 established posts have all been filled. The staff members' gender distribution and positions are as follows:

Table 6: Staff Distribution at the Secretariat

Post	Male	Female
Executive Director	1	
Director	4	
Programme Officer /Equivalent	11	3
Senior Finance Assistant	1	
Finance Assistant		1
Admin Secretary		1
Programme Secretary /Equivalent		4
Receptionist		1
Driver	2	
Office Orderly		1
Total	19	11



### 4.1.1. Vacancy

The post of Accounts Officer (to be re-designated Accountant) will fall vacant from 16 March, 2009 following the notice of resignation of the incumbent submitted in mid-December 2008. The post has been advertised in the press of all member states. The Secretariat is hoping to short-list the applications received and hold interviews during the first quarter of 2009.

## 4.2 Review of the Logframe

MEFMI Directors and Programme Officers participated in in-house workshops that were held at the Secretariat, with the major aim of reviewing the Logframe and preparing a monitoring and evaluation framework.

## 4.3 Technical Cooperating Partners' Meeting

A Technical Cooperating Partners meeting was held at the Royal Norwegian Embassy in Harare, Zimbabwe on 7 February 2008. The meeting, which was attended by six (6) partners, all MEFMI Directors and two (2) Programme Officers, is a platform for MEFMI to inform the partners of work progress as well as strengthening the relationship with the partners.

## 4.4. Cooperating Partners Liaison Committee Meeting

The Cooperating Partners Liaison Committee held its annual meeting at the residence of the Ambassador of Sweden to Zimbabwe, on 18 November 2008. In addition to strengthening links with the partners, the purpose of the meeting was to brief financial partners on the Institute's past activities and discuss the 2009 work programme and budget.

The meeting which was chaired by the Swedish Ambassador, was attended by the Zimbabwe representatives of all financial partners, that is the Ambassadors of the Netherlands, Norway, the representative of Executive Secretary of the African Capacity Building Foundation, an Officer from the Ministry of Finance, the MEFMI Chair, the MEFMI executive Committee Chair, all MEFMI Directors and two (2) Programme Officers.

Issues discussed at the meeting related to the operations of the Institute. The meeting was also informed of the forthcoming Mid-Term Review (MTR) in which Cooperating Partners would be expected to play a leading role.

## 4.5. COMSEC / MEFMI Resident Advisor

The term of office for the COMSEC Advisor who was stationed at the Secretariat came to an end during the second quarter of 2008. The Advisor played a critical role on numerous MEFMI regional and in-country activities in debt management. The relationship with COMSEC is set to continue as the two institutions work closely in providing the required training and support to the MEFMI member states in order to ensure that they adopt expected standards and procedures in recording and reporting of the debt data with the aid of the Commonwealth Secretariat's Debt Recording and Management System (CS-DRMS).

## 5. ORGANISATION STRUCTURE AND WORKLOAD ANALYSIS

Proserve Consulting Services undertook the MEFMI Organisation Structure and Workload Analysis assignment. The Executive Committee adopted the final report and directed the Secretariat to implement the recommendations duly accepted by the Executive Committee from the report.

## 6. NETWORKING AND STAFF DEVELOPMENT

Members of staff at the Secretariat sharpen their skills and are kept abreast of new developments in their respective areas of specialisation and other related activities through staff development initiatives. Networking activities are undertaken, on the other hand, to develop, broaden and nurture MEFMI's global partnerships.

During the period under report MEFMI continued to broaden its worldwide alliances while at the same time developing the skills of its staff through their participation in other organisations' activities and vice versa as shown in Annex IV.

## 7. FINANCING ACTIVITIES

It is gratifying to report that all member states and cooperating partners fully disbursed their respective contributions during the first half of the year 2008. These resources were adequate to enable the Institute fully implement its capacity building activities.

The 2008 audited Financial Statements are on pages 17 - 33 of this report.

## 8. SUMMARY OF OUTCOMES FOR THE YEAR

MEFMI continues to play a critical role in improving policy formulation and implementation in the areas of macroeconomic, financial sector and debt management in its member states through the various activities implemented during the period under review. The impact falls into three categories - namely, improved individual skills of participants, enhancement of organisational efficiency and improved institutional capacity in policy formulation and implementation.

This section which will be expounded in the Annexure to this report, gives a summary indication by programme of outcomes for the period under report.

### 8.1 Macroeconomic Management Programme

The major objective of the activities conducted by the Macroeconomic Management Programme was to enhance participants' skills in financial programming, balance of payments, public expenditure management, economic growth and poverty reduction, revenue policy and administration as well as foreign private capital flows. Some of the activities were conducted in collaboration with partners with mutual interest in these areas. These included joint events with the IMF Statistics Department on International Investment Position (IIP) and the World Bank Institute on Public Expenditure Management and Economic Growth and Poverty Reduction.



One of the achievements for the Programme was in the area of revenue policy and administration, where the Programme was able to reach out and enhance capacity for revenue authorities. Revenue policy and administration has a critical place in overall resource allocation and economic performance in the context of prevailing macroeconomic circumstances in MEFMI member states.

The Programme also conducted regional training for trainers (TfT) workshops. These workshops have assisted in strengthening experts' existing methodological and analytical skills particularly in the FPC-CBP. The skills gained are to enable them to write better country analytical reports. Through this training, MEFMI was also able to identify potential experts to act as national and regional trainers, who will be required to conduct future activities on a cost effective basis.

To address the emerging issues of the effects of the world economic meltdown in MEFMI countries, the programme introduced deliberate sessions during the regional courses it conducted in the last quarter of 2008. These sessions introduced the subject of the global financial crisis to participants, which enhanced their knowledge on the problem.

The Programme continued with its efforts to develop tools and frameworks to address issues of quality and timeliness of data for macroeconomic management and its analytical methodology. This included training on International Investment position (IIP) and debt statistics and development of the Private Capital Monitoring System (PCMS). Development of the PCMS has reached advanced and final stage and is expected to be launched for use by countries during the first half of 2009.

The Programme also facilitated two in-country workshops and one data methodology mission as well as finalising development of a handbook in public expenditure and financial management (PEFM) for MEFMI countries. The PEFM handbook will act as a reference document to officials responsible for all aspects of PEFM in the MEFMI region including practical suggestions for strengthening PEFM systems and implementing reforms.



*MEFMI staff, Principals of UWG institutions, some resource persons and participants at the PCIS workshop that was held in Mukono, Uganda*



## 8.2 Financial Sector Management Programme

The regional capacity building activities conducted by the Financial Sector Management Programme have been effective in disseminating best practices and standards for financial sector management in the region. Topical issues at the regional and global level were discussed and appropriate recommendations proposed. The overall impact has been the enhancement of skills with respect to financial management practices in the member states.

Of the 12 regional capacity building activities, three were jointly conducted with the World Bank Treasury Department under the RAMP Africa programme. The workshops addressed issues with respect to strategic asset allocation, portfolio indexation and accounting for reserves management. Going forward, the programme intends to create a pool of solid regional experts, who will later be utilised as trainers of trainers.

The regional workshops also addressed topical issues in the broad area of financial management. These included financial sector supervision, E-banking, Microfinance and other Non Banking Financial Institution. In the implementation of monetary policy, the issue of inflation targeting featured prominently as most countries in the region are in the planning process of implementing inflation targeting. In the payment and settlement systems, issues of emerging instruments in retail systems such as mobile payment were topical and will still be significant in the coming years particularly on regulating such systems.

In the area of financial markets development, the level of public awareness was made a necessary condition for developing financial markets. Reserves management tackled issues on middle office operations and risk modeling techniques which were seen to be critical in addressing the risk-return profile of the growing reserve levels of the member countries.

The Programme also conducted two in-country workshops and three country missions. These activities had a direct impact in the areas of risk management and implementation of risk based supervision. The Programme was able to effectively reach out to the central banks of the countries visited particularly in the area focusing on the review of the risk management function. This resulted in recommending appropriate actions that will enhance the bank-wide risk management functions. The Programme was also able to introduce other central banks to the adoption of risk based supervision approaches. One central bank was assisted in the implementation of the risk based supervision approach.

In most cases, the Programme continued to work closely with strategic partners in carrying out regional activities. Some of the key partners who participated include the World Bank Treasury, the African Development Bank, the Bank for International Settlements (BIS) and some international commercial and investment banks.



*Some participants at the Retreat for Heads of Payments which was held in Windhoek, Namibia*

### 8.3 Debt Management Programme

Following the restoration of external debt sustainability mainly in the former MEFMI HIPC, the Debt Management Programme continuously seeks to strengthen country capacities to prevent any future resurgence to unsustainable debt levels. In this regard, the Programme, in collaboration with key technical partners, regional experts and MEFMI Fellows, placed emphasis on raising awareness on pertinent developments and reforms necessary to foster the adoption of best practice in debt management. The Programme's regional, in-country and distance learning activities also sought to strengthen countries' middle office capacities to design new financing strategies, preceded by incisive analyses of robust domestic and external debt information, taking into account any associated sovereign liability risks. Country capacities to expertly negotiate new financing, including from non-traditional donors, also needed re-aligning and sharpening, in the post debt crisis era.

The 2008 Debt Management Programme activities ensured that regional events were designed to introduce new frameworks, methodologies and tools for the region, with some needs-based country-specific interventions to maximise impact.

Thus the Programme was able to enhance the quality and ensure maintenance of public debt databases, partly facilitated by regional and in-country training on, and adoption of modern versions of international computer systems - in particular the CS-DRMS 2000+ and UNCTAD-DMFAS 5.3. The Programme's thrust was also to ensure effective country application of analytical skills developed with the assistance of MEFMI in conducting or updating domestic and external debt sustainability analyses (DSAs).

National Debt Strategies, were developed on the basis of the DSAs that drew from improved debt databases and the related macroeconomic projections. Pilot-testing of risk analysis and modeling at the country level, was done in order to facilitate gradual institutionalisation of the skills developed through the Programme's regional training on sovereign Assets/Liabilities Management (ALM).

The Programme also places a lot of importance in conducting activities with strategic partners which include the World Bank, Debt Relief International, UNCTAD and COMSEC.



Some participants at the regional workshop on e-banking Supervision held in Maputo, Mozambique

## 9. CONSTRAINTS & CHALLENGES

While MEFMI has achieved tremendous milestones during the period under report, activities were carried out under certain constraints some of which are outlined below;

- ◆ Entry visa requirements for staff in some member states created inconveniences which resulted in staff travel delays and sometimes increased air fares.
- ◆ In a few cases the Secretariat continues to experience problems with some Customs officials of host countries as they detain workshop materials demanding duty payment.
- ◆ The Secretariat together with its members of staff continued to experience difficulties due to the difficult economic situation that prevailed in the host country. However, towards the end of the year there were signs of imminent improvement in the situation particularly with respect to supply of basic requirements.

## 10. OPPORTUNITIES

- ◆ MEFMI continued to enjoy stable and cordial relationships with all its key stakeholders and especially with the member countries.
- ◆ MEFMI programmes continue to be viewed as highly relevant and appropriate in addressing the needs of member countries.
- ◆ The growing number of regional experts from Fellows and Trained Trainers who offer tremendous opportunity for cost containment is another opportunity the Institute continued to enjoy.
- ◆ Retreats create an opportunity for strategic planning for high level decision makers in macroeconomic and financial management for the MEFMI region.
- ◆ Output from some workshops indicated a need for MEFMI to conduct assessment missions which will assist in enhancing workshop deliverables.



- ◆ The relationship created during workshops with client institution staff, especially Central Banks can be enhanced through the development of regional attachment programmes for specialist areas.

## 11. LESSONS LEARNT

Among lessons learnt in implementing activities during the period were:

- ◆ MEFMI needs to ensure that it continues to be viewed as a center of excellence by its stakeholders through among other things proactively pronouncing its familiarity with global trends in its area of operations i.e. global economic crisis.
- ◆ The Institute needs to continuously re-align programme activities - within the realms of the work programme - so that they are in tandem with any changes and developments taking place during a particular period.
- ◆ There is need for MEFMI to continuously pronounce and demonstrate its capability to provide appropriate strategies on specific country needs in order to be viewed as the organisation of first choice for designing in-country diagnostic processes.
- ◆ Due to the staff turnover in some client institutions, there is need for MEFMI to organise more activities at country level in order to boost capacity in client institutions.
- ◆ Executive forum events are a good vehicle to bring critical issues raised at heads of department retreats to the attention of senior executives.
- ◆ To ensure effective implementation of developments and innovations raised in MEFMI activities, there is need to conduct more follow up country missions.
- ◆ MEFMI learnt that lack of skills and knowledge on Debt Sustainability Framework (DSF) by many countries prohibits them from effectively participating in tripartite debt sustainability forums conducted by or during the IMF/World Bank country missions.

## 12. INTERVENTIONS

The following are some mitigating / intervention strategies that will be used to address some of the above mentioned constraints and lessons learnt:

- ◆ MEFMI will endeavor to enhance networking with member states' embassies hosted in Zimbabwe to facilitate staff visa matters and customs issues.
- ◆ The Institute will explore the possibility of investing in the production of promotional materials to enhance its presence and image in member states.
- ◆ At the governance level, MEFMI will explore the possibility of formalising its official recognition and accreditation in countries other than the host country.

## EXECUTIVE COMMITTEE'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Executive committee on behalf of the Board of Governors is required by the Institute's Constitution to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statement fairly presents the state of affairs of the Institute as at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Members of the Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the members of the committee to meet this responsibility, the board sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibility within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain high ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior, are applied and managed within predetermined procedures and constraints.

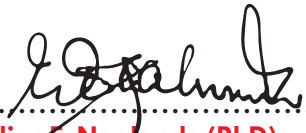
The Executive Committee is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatements or loss.

The Executive Committee has reviewed the Institute's cashflow forecast for the year to 31 December 2009 and, in the light of this review and the current financial position, they are satisfied that the Institute has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Institute's financial statements. The Institute's external auditors have examined the financial statements and their report is presented on page 18.

The financial statements set out on page 19 to 33 which have been prepared on the ongoing concern basis were approved by the Board of Governors on 18 June 2009 and were signed on its behalf by:

  
 .....  
**Prof. Njuguna Ndung'u**  
 Chairman, Board of Governors

  
 .....  
**Elias E. Ngalande (PhD)**  
 Executive Director

# Independent

## Auditors Report

### TO MEMBERS OF MEFMI

#### Report on the financial statements

We have audited the accompanying financial statements of the **Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)** set out on pages 19 to 33, which comprise the balance sheet as at 31 December 2008, the income and expenditure statement, statement of changes in reserves and cashflow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Unqualified Opinion

In our opinion, the financial statements, in all material respects give a true and fair view of the financial position of Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) as at 31 December 2008, and of its financial performance and its cash flows for the year ended in conformity with International Financial Reporting Standards.




**BDO Kudenga & Co.**  
Chartered Accountants (Zimbabwe)

**HARARE**  
18 June 2009

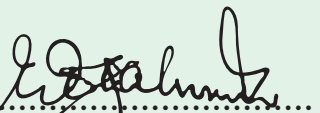
**BALANCE SHEET**

as at 31 December 2008

	NOTES	2008 US\$	2007 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<u>146,658</u>	<u>190,335</u>
<b>Current assets</b>			
Accounts receivable	4	144,069	272,897
Short term investments	5	1,106,554	1,000,000
Cash at bank and on hand	6	<u>1,187,010</u>	<u>653,140</u>
		<u><b>2,437,633</b></u>	<u><b>1,926,037</b></u>
<b>TOTAL ASSETS</b>		<u><b>2,584,291</b></u>	<u><b>2,116,372</b></u>
<b>FUNDS AND LIABILITIES</b>			
<b>Reserves and funds</b>			
Accumulated fund		<u>1,489,935</u>	<u>1,612,919</u>
<b>Current liabilities</b>			
Accounts payable	7	424,489	169,088
Provisions	8	<u>669,867</u>	<u>334,365</u>
		<u><b>1,094,356</b></u>	<u><b>503,453</b></u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><b>2,584,291</b></u>	<u><b>2,116,372</b></u>



PROFESSOR NJUGUNA NDUNG'U  
Chairman, Board of Governors



ELLIAS E. NGALANDE (PHD)  
Executive Director

**INCOME AND EXPENDITURE STATEMENT**

for the year ended 31 December 2008

	NOTES	2008 US\$	2007 US\$
<b>INCOME</b>			
Cooperating partner funding	9	3,100,714	2,765,064
Member state contributions	10	3,018,331	3,126,764
In-kind contributions	11	663,484	399,030
Interest receivable	12	40,650	50,954
Exchange gain		-	37,635
Profit on disposal of fixed assets		11,057	1,276
<b>TOTAL INCOME</b>		<b>6,834,236</b>	<b>6,380,723</b>
<b>EXPENDITURE</b>			
Accommodation and subsistence		1,779,349	1,506,007
Audit fees		4,140	6,037
Bank charges		42,431	39,484
Depreciation		119,270	109,007
Facilities and materials		490,928	398,356
Office expenses	13	664,769	732,172
Professional fees	14	441,004	494,412
Salaries and wages		1,417,811	1,285,707
Staff benefits	15	640,093	641,168
Training and tuition fees		66,750	13,007
Travel expenses		1,290,674	984,471
<b>TOTAL EXPENDITURE</b>		<b>6,957,220</b>	<b>6,209,828</b>
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>		<b>(122,984)</b>	<b>170,895</b>



**STATEMENT OF CHANGES IN RESERVES**  
**for the year ended 31 December 2008**

	<b>2008 US\$</b>	<b>2007 US\$</b>
Accumulated fund at 31 December 2007	1,612,919	1,442,024
(Deficit) Surplus for the year	(122,984)	170,895
Accumulated fund at 31 December 2008	<u><u>1,489,935</u></u>	<u><u>1,612,919</u></u>

**CASHFLOW STATEMENT**  
for the year ended 31 December 2008

	NOTES	2008 US\$	2007 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit) Surplus of income over expenditure		(122,984)	170,895
Adjustment for:			
Depreciation		119,270	109,007
Interest receivable		(40,650)	(50,954)
Profit on disposal of fixed assets		(11,057)	(1,276)
<b>Operating (deficit) surplus before working capital changes</b>		<b>(55,420)</b>	<b>227,672</b>
Decrease (increase) in receivables		128,826	(125,994)
Increase in payables and provisions		590,904	161,208
<b>Net cash generated by operating activities</b>		<b>664,310</b>	<b>262,886</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of fixed assets		11,057	1,276
Acquisition of fixed assets		(75,593)	(141,693)
Interest receivable		40,650	50,954
<b>Net cash generated (used) by investing activities</b>		<b>(23,886)</b>	<b>(89,463)</b>
<b>Net increase in cash and cash equivalents</b>		<b>640,424</b>	<b>173,423</b>
<b>Cash and cash equivalents at 31/12/2007</b>		<b>1,653,140</b>	<b>1,479,717</b>
<b>Cash and cash equivalents at 31/12/2008</b>	<b>16</b>	<b>2,293,564</b>	<b>1,653,140</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 1. ENTITY INFORMATION

The main activity of the Institute, which is constituted in Zimbabwe, is to advise and assist member countries in the Eastern and Southern African region to develop their capacity to manage their debt and reserves and to provide training in macroeconomic and financial management.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in United States dollars (US\$). The US\$ is both the functional and presentation currency of the Institute.

#### 2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

#### 2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

#### 2.4 Significant accounting estimates

In the process of applying the Institute's accounting policies, management has made the following estimates, which have the most significant effect on these amounts recognized in the financial statements;

##### Estimation of property, plant and equipment useful life

The determination of estimated useful life is done by a competent and qualified member of staff.

##### Estimation of property, plant and equipment residual value

Motor vehicles	-	Net book values higher than residual value
Furniture and fittings	-	Nil – no intention to sell
Computers	-	Nil – no intention to sell

#### 2.5 Hyperinflation

No procedures are adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices. Whilst the Head Office is based in Zimbabwe which has a hyperinflationary environment as defined by International Financial Reporting Standards, the operations of the Institute are regional and the financial statements are stated in a stable currency.

#### 2.6 Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.



## **Co-operating partner funding**

Co-operating partner funds are recognized on a receipt basis. The contributions from co-operating partners are pooled together for use by the Institute.

## **Member state contributions**

Revenue from member states is recognized on an accrual basis. Contributions from member states for a particular Phase are determined beforehand by the Board of Governors. Revenue is therefore recognized over the Phase on an accrual basis.

## **Interest**

Interest income is recognized on a time proportionate basis using the effective interest rate.

## **2.7 Foreign currency translation**

The financial statements are expressed in United States dollars (US\$) which is the Institute's functional and reporting currency.

Transactions in foreign currencies are translated into US\$ at rates of exchange ruling at the time of the transaction. Exchange gains or losses arising on the settlement of foreign currency transactions are dealt with in the income and expenditure account.

Assets and liabilities in foreign currencies are translated to US\$ at rates of exchange approximating those ruling at the balance sheet date.

## **2.8 Cash and cash equivalents**

Cash on hand and in banks and short term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of change.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

## **2.9 Provisions**

Provisions are recognized when the Institute has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

## **2.10 Retirement benefit cost**

The Institute does not have a retirement fund. Instead, provision is made in the financial statements for gratuity payments over the period of employees' employment contract. All employees are paid a gratuity of twenty five (25) percent of their contract period earnings in terms of the Institute's employment policy.

## **2.11 Property, plant and equipment and depreciation**

Property, plant and equipment is shown at cost, excluding cost of day to day servicing, less accumulated

depreciation and impairment in value. The Institute's policy is to depreciate fixed assets evenly over the expected life of each asset.

The expected useful lives of the fixed assets are as follows:

Motor vehicles	-	5 years
Furniture and fittings	-	3 years
Computers	-	5 years

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amounts, assets are written down to their recoverable amounts.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

The Institute has made the following estimations.

All property, plant and equipment have no residual value as the Institute has no intention of disposing of the assets before the end of their useful lives.

## 2.12 Impairment of assets

At each balance sheet date the Institute reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment losses are recognized as an expense.

When an Impairment loss subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

for the year ended 31 December 2008

**3 PROPERTY, PLANT AND EQUIPMENT**

	Motor Vehicles  US\$	Computer Equipment  US\$	Office Furniture & Equipment US\$	Total US\$
Carrying amount at 1.1.2007	23,911	95,615	38,122	157,648
Gross carrying amount	110,602	273,492	233,415	617,509
Accumulated depreciation	(86,691)	(177,877)	(195,293)	(459,861)
Additions	-	110,040	31,653	141,693
Disposals	-	-	-	-
Cost	-	-	1,458	1,458
Accumulated depreciation	-	-	(1,458)	(1,458)
Depreciation Charge	(11,955)	65,153	31,898	(109,006)
Carrying amount at 1.1.2008	11,956	140,502	37,877	190,335
Gross carrying amount	110,602	383,532	263,610	757,744
Accumulated depreciation	(98,646)	(243,030)	(225,733)	(567,409)
Additions	26,321	-	49,272	75,593
Disposals	-	-	-	-
Cost	-	71,652	16,167	87,819
Accumulated Depreciation	-	(71,652)	(16,167)	(87,819)
Depreciation Charge	(17,220)	(58,309)	(43,741)	(119,270)
Carrying amount at 31.12.2008	21,057	82,193	43,408	146,658
Gross carrying amount	136,923	311,880	296,715	745,518
Accumulated depreciation	(115,866)	(229,687)	(253,307)	(598,860)

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

for the year ended 31 December 2008

	2008 US\$	2007 US\$		
<b>4 ACCOUNTS RECEIVABLE</b>				
Member state contribution-Kenya	-	27,855		
Staff loans and advances	126,165	151,519		
Prepayments	6,125	73,973		
Other	11,779	19,550		
	<u>144,069</u>	<u>272,897</u>		
<b>5 SHORT TERM INVESTMENTS</b>				
Fixed deposits, treasury bills and negotiable certificates of deposits	<u>1,106,554</u>	<u>1,000,000</u>		
<b>6 CASH AT BANK AND ON HAND</b>				
ACBF funds account	541	1,606		
MEFMI joint account	1,184,469	650,034		
Cash on hand	2,000	1,500		
	<u>1,187,010</u>	<u>653,140</u>		
An amount of ZW Dollar 280 000 000 was written off because it was worth nil using the UN year end exchange rate.				
<b>7 ACCOUNTS PAYABLE</b>				
Contribution in advance - Angola	266,208	-		
Accrued expenses	124,234	167,054		
Other	34,047	2,034		
	<u>424,489</u>	<u>169,088</u>		
<b>8 PROVISIONS</b>				
	<b>Leave pay US\$</b>	<b>Terminal Gratuity US\$</b>		
Opening balance at 01 January 2008	20,963	313,403	334,366	18,116
Accrued during the year	1,219	372,695	373,914	349,762
Utilised	-	(38,413)	(38,413)	(33,513)
Closing balance at 31 December 2008	<u>22,182</u>	<u>647,685</u>	<u>669,867</u>	<u>334,365</u>

The Institute provides for gratuity payments to staff members on expiry of their contracts.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
for the year ended 31 December 2008

	2008 US\$	2007 US\$
<b>9 CO-OPERATING PARTNER FUNDING</b>		
Netherlands Government	880,000	860,765
Netherlands Government - prior year contribution	19,235	-
Norwegian Government	737,327	585,000
Swedish Government	586,508	593,600
African Capacity Building Foundation (ACBF)	398,481	399,993
Foreign Private Capital (FPC) Capacity Building Project	57,500	61,000
Highly Indebted Poor Countries (HIPC)		
Capacity Building Project	217,150	146,000
International Monetary Fund (IMF)	-	70,000
ACBF/AFRITAC	177,658	-
World Bank	26,855	48,706
	<u>3,100,714</u>	<u>2,765,064</u>
<b>10 MEMBER STATE CONTRIBUTIONS</b>		
Angola	266,269	246,087
Botswana	223,052	241,692
Kenya	252,887	248,274
Lesotho	202,381	210,880
Malawi	219,053	208,744
Mozambique	214,936	217,568
Namibia	208,135	217,568
Rwanda	205,233	210,937
Swaziland	205,722	213,180
Tanzania	235,532	245,497
Uganda	235,118	230,730
Zambia	217,212	217,886
Zimbabwe		
- annual contribution	237,977	228,544
- office rent subsidy	50,000	26,394
- reimbursement of capacity building activities expenses	44,824	162,783
	<u>3,018,331</u>	<u>3,126,764</u>

With effect from August 2006, the host country, Zimbabwe, provides the Institute with office rent subsidy equal to US\$50 000 per annum and reimbursement of expenses for capacity building activities held in Zimbabwe.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

for the year ended 31 December 2008

	2008 US\$	2007 US\$
<b>11 IN-KIND CONTRIBUTIONS</b>		
Member States	464,507	346,266
Co-operating Partners	198,977	52,764
	<b>663,484</b>	<b>399,030</b>
<b>12 INTEREST RECEIVABLE</b>		
MEFMI Joint Account	40,213	50,629
ACBF Funds	437	325
	<b>40,650</b>	<b>50,954</b>
<b>13 OFFICE EXPENSES</b>		
Advertising	8,665	16,033
Air Courier Mail	21,777	45,146
E-Communication Charges	32,219	78,228
Equipment Maintenance	127,062	153,823
General Expenses	63,865	48,562
Office Maintenance	46,479	37,898
Printing and Stationery	54,504	54,259
Publications	85,004	34,999
Recruitment and Relocation Expenses	73,639	139,518
Rentals-Office	126,818	110,318
Telephone and Postage	24,737	13,388
	<b>664,769</b>	<b>732,172</b>
<b>14 PROFESSIONAL FEES</b>		
<b>Macroeconomic Management Programme</b>		
Regional Workshops	104,090	115,100
In-Country Workshops	-	13,000
Studies	15,500	(19,040)
	<b>119,590</b>	<b>109,060</b>
<b>Financial Sector Management Programme</b>		
Regional Workshops	59,480	51,152
In-Country Workshops	4,980	10,800
Missions	-	-
Studies	15,000	21,800
	<b>79,460</b>	<b>83,752</b>
<b>Debt Management Programme</b>		
Regional Workshops	31,214	40,193
In-Country Workshops	46,550	14,000
Missions	-	-
Studies	-	-
	<b>77,764</b>	<b>54,193</b>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

for the year ended 31 December 2008

	2008 US\$	2007 US\$
<b>Multi-Disciplinary Activities</b>		
Executive Fora	2,480	3,928
Professional fees for Fellows	48,786	45,850
Fellow Activities	73,495	131,430
	<b>124,761</b>	<b>181,208</b>
<b>Secretariat Capacity Building</b>		
Planning Activities	-	25,250
Recruitment	3,600	6,520
Secretariat Support	35,829	25,402
Other	-	9,027
	<b>39,429</b>	<b>66,199</b>
<b>Total</b>	<b>441,004</b>	<b>494,412</b>
<b>15 STAFF BENEFITS</b>		
Terminal Gratuity and Leave Pay	351,080	341,776
Medical Aid Contribution	39,651	79,604
House Allowance	96,600	87,194
House Rent and Maintenance	55,507	54,646
School fees subsidy	45,495	43,560
Other	51,760	34,388
	<b>640,093</b>	<b>641,168</b>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash resources	1,187,010	653,140
Short term investments	1,106,554	1,000,000
	<b>2,293,564</b>	<b>1,653,140</b>
<b>17 RELATED PARTY DISCLOSURES</b>		
<b>Compensation to key management personnel of the organisation</b>		
Short term employee benefits	509,686	499,970
Gratuity	127,421	128,603
	<b>637,107</b>	<b>628,573</b>
<b>18 TAX</b>		
In terms of the Headquarters Agreement with the Government of Zimbabwe, the Institute is exempt from income tax.		
<b>19 CONTINGENT LIABILITIES</b>		
There are no contingent liabilities		

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### for the year ended 31 December 2008

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#### 20. CAPITAL COMMITMENTS

There are no capital commitments.

#### 21. RISK ASSESSMENT

##### Liquidity Risk Management

The Executive Committee considers that the Institute has adequate liquidity as shown by cash resources and near cash investments.

##### Interest rate risk

The Institute's exposure to the risk of changes in market interest rates relates primarily to short term money markets investments with financial institutions. The Institute's interest risk exposure is mitigated by investing funds in United States dollar denominated instruments. The investments rates for United States dollar denominated instruments are stable.

##### Foreign Currency Risk

As a result of operating in Zimbabwe the Institute's financial results can be affected significantly by movements in the United States dollar and Zimbabwe dollar exchange rates. The exposure to foreign currency risk is high when the Institute incurs significant expenditure and acquires assets using the Zimbabwe dollar. The risk is minimized because most financial expenses are held and transacted in United States dollars (USD).

#### 22. SUBSEQUENT EVENTS

##### 22.1 Approval of financial statements

The meeting of the Executive Committee approved the financial statements on 18 June 2009.

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

for the year ended 31 December 2008

	2008 US\$	2007 US\$
<b>INCOME</b>		
Member state contributions	3,018,331	3,126,764
Netherlands Government	899,235	860,765
Norwegian Government	737,327	585,000
African Capacity Building Foundation (ACBF)	398,481	399,993
ACBF/ AFRITAC	177,657	-
FPC Capacity Building Project	57,500	61,000
HIPC Capacity Building Project	217,150	146,000
International Monetary Fund	-	70,000
Swedish Government	586,508	593,600
World Bank	26,856	48,706
In-kind contributions	663,484	399,030
Interest receivable	40,650	50,954
Exchange gain	-	37,635
Profit on disposal of fixed assets	11,057	1,276
	<b>6,834,236</b>	<b>6,380,723</b>
<b>EXPENDITURE</b>		
<b>Macroeconomic Management Programme</b>		
FPC Capacity Building Project	190,364	132,321
In-country workshops	25,537	17,389
Missions	10,983	1,391
Operating expenses	150,521	137,517
Programme delivery- staff	526,403	422,765
Regional Workshops	1,162,461	1,102,522
Studies	49,711	(6,316)
<b>Total</b>	<b>2,115,980</b>	<b>1,807,589</b>
<b>Financial Sector Management Programme</b>		
In-country workshops	18,484	18,381
Missions	22,100	7,012
Operating expenses	135,095	142,495
Programme delivery- staff	432,416	414,471
Regional workshops	890,220	824,265
Studies	15,000	42,361
<b>Total</b>	<b>1,513,315</b>	<b>1,448,985</b>

## STATEMENT OF INCOME AND EXPENDITURE (Cont'd)

for the year ended 31 December 2008

	2008 US\$	2007 US\$
<b>Debt Management Programme</b>		
HIPC Capacity Building Project	116,178	142,685
In- country workshops	77,684	47,812
Missions	10,983	14,655
Operating expenses	150,523	155,455
Programme delivery- staff	521,812	465,497
Regional workshops	507,496	434,861
Studies	2,500	-
<b>Total</b>	<b>1,387,176</b>	<b>1,260,965</b>
<b>Multi disciplinary activities</b>		
Executive Fora	190,727	118,492
Fellows Development Programme	396,541	299,362
Operating expenses	34,075	28,649
Programme delivery- staff	108,299	103,493
<b>Total</b>	<b>729,642</b>	<b>549,996</b>
<b>Secretariat Capacity Building</b>		
Capital expenditure (depreciation)	119,270	109,007
Networking	124,023	69,031
Operating expenses	26,683	24,039
Publications	94,042	79,527
Planning and mid-term review	-	46,870
Programme delivery- staff	80,116	79,305
Staff development	104,020	22,259
Staff recruitment and relocation	76,503	153,423
<b>Total</b>	<b>624,657</b>	<b>583,461</b>
<b>Administration</b>		
Governing bodies	89,523	43,319
Operating expenses	106,280	75,166
Salaries, wages and benefits	390,647	440,347
<b>Total</b>	<b>586,450</b>	<b>558,832</b>
<b>TOTAL EXPENDITURE</b>	<b>6,957,220</b>	<b>6,209,828</b>
<b>(DEFICIT) SURPLUS OF INCOME OVER EXPENDITURE</b>	<b>(122,984)</b>	<b>170,895</b>



### Regional capacity building activities conducted during the period January to December 2008 Courses / seminars / workshops and / or retreats

#### Macroeconomic Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants			Target (J, M, Snr, D)			
				International Paid	International Gratis	Regional	MEFMI Fellows	MEFMI Staff	S	C		M	F	
1 Regional Retreat for Development of Private Capital (PC) Monitoring System for MEFMI Region (MEFMI-PCMS) 21 January to 01 February 2008 Uganda	Review consultant's report on requirements and designs for development of MEFMI-PCMS	Received comments on the system requirements report for finalisation by MEFMI. Trained two regional IT experts in computer web-driven application	-	1	0	0	0	0	0	2	6	9	3	M, Snr
2 Private Capital Monitoring System Programming 7 to 24 February 2008 Tanzania	To set up a platform for exchanging best practices in monitoring and analysing Private Capital in MEFMI region.	PCMS web site set up ( <a href="http://www.mefmipcis.org">www.mefmipcis.org</a> ) PCMS database uploaded, and user interface drafted.	-	0	1	0	0	0	0	1	2	2	1	M
3 Financial Programming and Policies Workshop 7 to 18 April 2008 Botswana	To provide participants with an understanding of the key analytical concepts and frameworks essential in the design and implementation of macroeconomic and structural adjustment policies relative to country financial programmes.	Enhanced participants' analytical capacity in financial programming by using a developing country case study to design a financial programme using alternative policy scenarios.	-	0	0	0	0	3	0	3	11	21	14	M, Snr
4 Private Capital Monitoring System (PCMS) Technical Retreat 27 May to 7 June 2008 Malawi	To review the PCMS database structure and logical flow. To develop graphical user interface and initial system setting and testing.	Developed the first version of the PCMS system in order to capture, process and produce standard and user defined reports on private capital survey data for MEFMI countries.	-	1	0	0	0	1	1	3	3	3	1	Snr
5 Joint MEFMI/World Bank Public Expenditure Analysis & Management Workshop 28 July to 8 August 2008 Mozambique	To pronounce the role of Public Expenditure Management in the macroeconomic framework.	Improved participants' analytical capacity for pertinent public expenditure management frameworks. Enhanced participants' appreciation of the current best practices in the area of public expenditure management relevant to the MEFMI region.	World bank	0	2	2	0	0	0	3	13	22	12	M, Snr

TCP = Technical Cooperating Partner  
Snr = Senior Manager

S = Secretariat  
D = Director

C = MEFMI Countries Participating  
M = Middle Manager

M = Male  
J = Junior Manager

F = Female

Courses / seminars / workshops and / or retreats

Macroeconomic Management Programme Activities (continued)

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person					Participants			Target (J, M, Snr, D)		
				International Paid	Regional Grants	MEFMI Fellows	MEFMI Staff	S	C	M	F			
6 MEFMI Private Capital Monitoring System Workshop 11 to 15 August 2008 Kenya	To review the concept-based approach to the development of MEFMI-PCMS. To under-take the initial testing process of the MEFMI-PCMS.	Tested the PCMS functionalities and identified areas for improvement. Reviewed and agreed on a work-plan and milestones towards finalisation of the system.	-	1	0	2	0	1	2	6	17	6	M, Snr	
7 Joint MEFMI/IMF Statistics Department Workshop On Data Requirements for Economic Management - Balance of Payments 29 September to 10 October 2008 Uganda	To build statistical capacity in external sector statistics, with particular focus on data on cross-border positions.	Provided an in-depth understanding of the main changes reflected to the BPM6 on BOP/IFP/External Debt Statistics collection and compilation techniques. Strengthened participants' knowledge of methodologies, concepts and definitions versus compilation practices on those statistics	IMF	0	2	0	0	1	0	3	9	17	10	M, Snr
8 Revenue Policy and Administration Course 20 to 31 October 2008 Malawi	To expose participants to the effects of revenue policy and administration on macroeconomic management.	Provided review and refinement on appropriate systems, tools and best practices in revenue mobilisation and administration.	-	0	0	4	0	0	3	12	16	6	J, M, Snr	
9 Regional Training for Trainers (TFT) Workshop on Best Practices in Monitoring and Analysing Foreign Private Capital 3 to 14 November 2008 Tanzania	To build sustainable methodological and analytical skills amongst regional experts in private capital issues.	Imparted data analysing skills in order for participants to be able to write effective country reports relating to Foreign Private Capital. Identified a pool of experts for use in future training at country and regional level. Produced seven country analytical reports based on actual data available in the countries.	DFI	1	1	2	0	1	2	8	19	11	M, Snr	
10 Joint MEFMI/World Bank Institute Seminar On Economic Growth and Poverty Reduction 24 to 28 November 2008 Rwanda	To discuss the sources of growth; assess the appropriateness of design and effectiveness of implementation of member countries' Poverty Reduction Strategies.	Equipped participants with analytical tools and frameworks for designing effective poverty reduction strategies. Provided participants with an overview of contours of Poverty Reduction Strategy Papers (PRSP) and the underlying principles of an Effective PRSP process.	World Bank	0	2	1	0	0	3	9	16	12	J, M, Snr	
11 Regional Retreat on MEFMI Private Capital Monitoring System (MEFMI-PCMS) 8 to 20 December 2008 Tanzania	To test PCMS functionality by the business experts. To review PCMS data processes and report requirements.	Tested PCMS Functionalities and recommended areas for improvement. IT Experts implemented recommendations and uploaded the system now available at <a href="http://www.mefmipcls.org/new_pcms">http://www.mefmipcls.org/new_pcms</a> Reviewed and agreed on work-plan and milestones towards finalisation of the system and commissioning by mid 2009.	-	1	0	0	0	0	2	4	4	1	M, Snr	

TCP = Technical Cooperating Partner  
Snr = Senior Manager

S = Secretariat  
D = Director

C = MEFMI Countries Participating  
M = Middle Manager

M = Male  
J = Junior Manager

F = Female



Courses / seminars / workshops and / or retreats

Financial Sector Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person					Participants			Target (J, M, Snr, D)	
				International Paid	Regional Grants	MEFMI Fellows	MEFMI Staff	S	C	M	F		
12 Joint MEFMI/World Bank - RAMP Workshop on Strategic Asset Allocation and Benchmarking 18 to 22 February 2008 Namibia	To develop and enhance skills in strategic asset allocation for reserve management.	Practical / hands on skills enhanced in the use of benchmarks in analysing and allocating the risk return profile for management and investments of reserves.	World Bank Department of Treasury	0	5	1	0	1	1	7	16	6	M, Snr, D
13 Regional Workshop on E-banking and IT Solutions 10 to 14 March 2008 Mozambique	To Raise awareness and knowledge on supervisory concerns related to a banks' application of information technology and e-banking.	Enhanced knowledge on supervision of banks' application of information technology and e-banking.	US Department of Treasury	0	1	2	2	0	3	11	16	13	J, M
14 Intermediate Portfolio Management 21 to 25 April 2008 Zambia	To enhance participants' skills in reserves management and trading skills for the front office.	Enhanced participants' skills in reserves management and trading skills for the front office.	AfDB	1	1	0	1	1	2	10	17	8	J, M
15 Retreat for Heads of Payment Systems 19 to 21 May 2008 Namibia	To highlight pertinent issues for effective regulation of payment systems and enhance knowledge on new and complex products introduced in the markets.	Highlighted pertinent issues for effective regulation of payment systems and enhanced knowledge on new and complex products introduced in the markets.	-	1	1	1	0	0	3	13	15	7	Snr, D
16 Supervision of Microfinance and other NBFIs 30 June to 11 July 2008 Swaziland	To enhance participants' knowledge in MFI and NBFIs.	Enhanced participants' knowledge in MFIs and NBFIs Supervision.	-	0	0	3	2	0	4	11	15	10	J, M
17 Financial Markets Development - Institutional Investor Base, Legal Framework & Skills Base 28 July to 01 August 2008 Lesotho	To equip officials with skills to develop appropriate financial sector reform strategies.	Equipped officials with skills to develop appropriate financial sector reform strategies.	AfDB, BIS RBI	0	2	1	2	1	3	12	16	19	M, Snr

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Courses / seminars / workshops and / or retreats

Financial Sector Management Programme Activities continued

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants			Target (J, M, Snr, D)		
				International Paid	Regional Grants	MEFMI Fellows	MEFMI Staff	S	C	M		F	
18 Joint MEFMI/World Bank - RAMP Portfolio Indexation Workshop 11 to 15 August 2008 Lesotho	To enhance participants' skills in the area of indexation and its application in reserves management.	Provided participants with practical skills in the application of benchmarks in portfolio management.	World Bank Treasury	0	2	1	0	0	3	4	17	6	J, M
19 Middle Office Operations & Risk Modeling 25 August to 5 September 2008 Botswana	To provide participants with comprehensive analytical skills for middle office operations.	Provided participants with comprehensive analytical skills for middle office operations.	BIS, BNY	0	2	1	1	0	3	12	18	13	J, M, Snr
20 Workshop on Retail Payment Systems 13 to 17 October 2008 Rwanda	To equip central bank officials with practical tools that will assist in supervising retail payment systems.	Equipped participants with practical tools for overseeing retail payment systems.	-	0	0	1	2	1	1	9	13	20	J, M
21 Joint MEFMI/World Bank - RAMP Workshop on Investment Accounting Controls 3 to 7 November 2008 Rwanda	To enhance participants' skills in accounting for investments.	Provided participants with practical exercises to enhance their skills in accounting for reserves and the interpretation and relevancy of the IFRS	World Bank Treasury	0	2	0	0	0	3	5	13	5	M, Snr
22 Workshop on Choice of Monetary Policy Framework: Inflation Targeting Vis a Vis Monetary Base 3 to 7 November 2008 Tanzania	To enhance skills and knowledge on implementing monetary and inflation targeting.	Enhanced participants' skills and knowledge on implementing monetary and inflation targeting.	-	0	0	1	2	0	4	10	10	8	J, M
23 Retreat for Heads of Financial Markets 24 to 26 November 2008 Zimbabwe	To equip senior central bank and ministry officials with skills to develop appropriate pension fund reform strategies for the development of the domestic financial market.	Equipped officials with skills to develop pension fund reform strategies for the development of the domestic financial market.	AFDB, BNY	0	3	1	0	1	2	9	9	5	Snr, D

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Courses / seminars / workshops and / or retreats

Debt Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants			Target (J, M, Snr, D)		
				International Paid	Regional Grants	MEFMI Fellows	MEFMI Staff	S	C	M		F	
24 Retreat for Heads of Debt Management in the MEFMI region 18 to 21 February 2008 Rwanda	To analyse recent developments in debt management. To determine reforms required to contribute to the implementation of best practices in debt management.	Created awareness amongst senior management on the key principles and best practices and standards for debt management operations. Enhanced knowledge on new developments in debt management in the MEFMI region.	World Bank	0	1	2	0	3	1	12	13	8	D
25 Management Tools in CS-DRMS 2000+ 10 to 19 March 2008 Lesotho	To train debt management officials who use CS DRMS on the new analytical features of the system: Management Tools in CS DRMS 2000+.	Enhanced knowledge and skills of officials in the new facility in CS DRMS 2000+ management tools for carrying out analyses.	COMSEC	0	2	0	1	1	1	7	10	14	J, M
26 Joint UNCTAD/MEFMI Regional DMFAS 5.3 Training for Trainers Workshop 19 to 30 May 2008 Uganda	To train debt management officials in the UNCTAD DMFAS 5.3 system as Trainers.	Enhanced DMFAS operational and consultancy skills of the officials with Seven (7) of the workshop participants identified as potential trainers to be enrolled for further training, testing and certification into DMFAS trainers.	UNCTAD	0	2	2	1	1	1	5	18	9	J, M,
27 Loan Negotiations Workshop 18 to 27 August 2008 Mozambique	To train debt management officials and lawyers on Loan Negotiations Strategies and Legal Aspects of Public Debt Management.	Enhanced negotiations and strategy formulations skills and public debt knowledge of the participants	COMSEC	1	1	1	0	3	1	9	19	12	M, Snr
28 Joint World Bank / MEFMI regional Training on Debt Management Performance Assessment 8 to 9 December 2008 Kenya	To introduce regional debt managers to the DeMPA tool developed by the World Bank.	Raised awareness on the DeMPA Tool, its objective and applications in the participants' countries in assessing a country's debt management performance.	World Bank	0	3	0	0	0	3	11	19	12	J, M, Snr

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Courses / seminars / workshops and / or retreats

Multi Disciplinary Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants			Target (J, M, Snr, D)		
				International Paid	International Grants	Regional	MEFMI Fellows	MEFMI Staff	S	C		M	F
29 MEFMI Candidate Fellows Orientation, Research Methodology And Report Writing Skills Workshop 21 January to 5 February 2008 Zimbabwe	To identify skills gaps and prepare customised training plans for 'Candidate Fellows' areas of specialisation.	Developed clear understanding of the procedures, policies of the Fellows Development Programme. Draft Customised Training Plans (CTP) for each Candidate Fellow.	-	0	0	2	1	1	10	9	8	6	M, Snr
30 Seminar for Heads of Human Resources Departments / Divisions 25 to 27 February 2008 Namibia	To develop strategies on how to align human resource strategies to organisation strategy.	Enhanced participants' appreciation of the current human resource issues that are impacting negatively on organisations' performance. Increased participants' understanding of the approaches to the development and management of functional policies and programmes for an organisation.	-	0	0	4	0	1	3	10	11	16	M, Snr, D
31 Advanced MEFMI Fellows Facilitation and consulting skills Workshop 20 to 31 October 2008 Lesotho	To impart workshop facilitation concepts and techniques. To provide participants with consulting approaches skills.	Increased participants' understanding of interpersonal factors and their importance to work or tasks that require interactions with others Equipped participants with skills for an effective approach to planning and preparing a consulting assignment.	-	0	0	3	0	0	2	12	16	6	M

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### In - country capacity building activities conducted during the period January to December 2008

Courses / seminars / workshops and / or retreats

#### Macroeconomic Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants		Target (J, M, Snr, D)			
				International Paid	Regional Gratiss	MEFMI Fellows	MEFMI Staff	S	M		F		
1 Foreign Private Capital and Investor Perception Sensitisation and Training Workshop 17 to 20 March 2008 Zambia	Sensitise Zambia private sector on the importance of collecting and monitoring of Foreign Private Capital Data.	Improved understanding of members of the private sector on the importance of their role and support in the organisation of Foreign Private Capital Investment Survey.	DFI, UNCTAD COMESA	0	4	3	0	1	2				M, Snr
2 FPC-CBP In-Country Workshop 27 to 31 May 2008 Uganda	To disseminate PSIS 2007 closing results.	The Private Sector accepted the results presented. The questionnaire was reviewed drawing on lessons from the previous FPC surveys in the country and the region and a Policy Action Strategy Matrix prepared. Trained 35 participants on methodology and practical survey skills.	DFI	0	1	1	0	1	0				J, Snr

#### Financial Sector Management Programme Activities

3 In-country Workshop on the Implementation of Risk Based Supervision 21 to 25 July 2008 Namibia	To create a forum to explain and offer guidance on the implementation of Risk-Based Supervision.	MEFMI guided Bank of Namibia on the implementation of Risk-Based Supervision.	-	0	0	1	0	1	1	9	9		J, M, Snr
4 In-country Workshop on Risk Management 2 to 6 October 2008 Malawi	To provide guidance, and share experiences on risk management principles with the participants.	Guided Reserve Bank of Malawi officials on best practices and implementation of risk management and its link with risk-based supervision and Basel II.	-	0	0	1	1	0	2	27	6		M, Snr

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Courses / seminars / workshops and / or retreats

Debt Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Participants		Target (J, M, Snr, D)	
				International Paid	International Grants	Regional	MEFMI Fellows	MEFMI Staff	S		M
5 Malawi National Debt Sustainability Analysis Update Workshop 1.4 to 25 April 2008 Malawi	To review external resource mobilisation, update the external aid and debt policy and analyse domestic debt issuance strategies.	Drafted Debt Sustainability Analysis report, capacity building needs and training programme and recommendation on the formalisation of DSA team.	HIPC, CBP, (DRI)	1	0	2	1	1	12	5	J, M, Snr, D
6 Uganda Debt Sustainability Analysis Workshop 21 July to 01 August 2008 Uganda	To provide an update of Uganda debt sustainability analysis using the new Debt Sustainability Framework (DSF) and Update the Uganda Debt Strategy.	Produced a revised national debt and financing strategy document. Created awareness through a sensitisation seminar of DSA results and a plan to entrench capacity for DSA and strategy formulation.	HIPC, CBP / DRI	1	0	6	4	2	11	14	J, M, Snr

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### Country Missions conducted during the period January to December 2008

#### Macroeconomic Management Programme Activity

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Target (J, M, Snr, D)		
				International		Regional	MEFMI Fellows		MEFMI Staff	
				Paid	Gratis					
1 Tanzania Private Capital Follow-Up Mission 17 to 28 November 2008 Tanzania	To assess inter-institutional coordination, review data and analytical reports, and advance on policy action plans.	Participants assessed inter-institutional coordination, reviewed data and analytical reports, and advanced on policy action plans.	-	0	0	2	0	1	1	Snr

#### Financial Sector Management Programme Activities

2 Swaziland Implementation of Risk Based Supervision (Phase I) 21 to 25 April 2008 Swaziland	To provide the Central Bank of Swaziland through the process of implementing Risk Based Supervision.	Provided the Central Bank of Swaziland with training for supervision staff on risk-based supervision principles and developed a risk-based supervision policy paper which was presented to the board of directors of the bank.  Developed Risk Management Guidelines for the Central Bank of Swaziland.	-	0	0	0	2	0	1	J, M, Snr, D
3 Swaziland Implementation of Risk Based Supervision (Phase II) 17 to 21 November 2008 Swaziland	To provide guidance to the Central Bank of Swaziland through the process of implementing Risk Based Supervision.	Assisted the Central Bank of Swaziland to develop Risk Based Supervision Policy Framework.  Assisted the Central Bank of Swaziland to develop manuals and guidelines for Risk Based Supervision.	-	0	0	0	2	0	1	J, M, Snr, D
4 Swaziland Implementation of Risk Based Supervision (Phase II) 15 to 19 December 2008 Swaziland	To review activities of the risk management department at the Central Bank of Swaziland.	Provided the bank with recommendations for the enhancement of the risk management function.	-	0	0	0	1	0	1	Snr, D

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## Country Missions

### Debt Management Programme Activities

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person					Target (J, M, Snr, D)	
				International		Regional	MEFMI Fellows	MEFMI Staff		
				Paid	Grants					
5 HIPC-CBP Distance Learning Student selection and Capacity Building Plans follow-up mission to Zambia 28 to 29 January 2008 Zambia	To identify suitable students for the distance learning course under the HIPC-CBP and get information on the capacity building needs and plans for Zambia for the period 2008 and 2009.	Four officials were nominated for the distance learning programme. Indication of the capacity gaps and plans for 2008/09 were developed.	-	1	0	0	0	0	2	M, Snr
6 HIPC-CBP Distance Learning Student selection mission and Capacity Building Plans follow-up mission to Uganda 25 to 26 February 2008 Uganda	To identify suitable students for the distance learning course under the HIPC-CBP and get information on the capacity building needs and plans for Uganda for the period 2008 and 2009.	Ten officials were nominated for the distance learning programme. Indication of the capacity gaps and plans for 2008/09 were developed.	-	1	0	0	0	0	1	Snr, D M, J
7 HIPC-CBP Capacity Building plans follow-up Mission to Tanzania 25 to 26 February 2008 Tanzania	To discuss the capacity building needs and plans for Tanzania for 2008/09.	Meetings held with senior officials. Indications of country capacity needs and plans for 2008/09 developed.	-	0	0	0	0	1	0	Snr, D
8 Malawi National Debt and New Financing Strategy Workshop Preparatory Mission 7 to 12 April 2008 Malawi	To review and update CS-DRMS debt database. To create macroeconomic projections and prepare the case scenario for macro-analysis during DSA/DSF national workshop.	Updated Debt and macro databases as per DSA/DSF format. Participants identified constraints to data updating and appropriate solutions recommended.	-	0	0	0	0	1	0	J, M, Snr, D
9 Uganda Risk Analysis Phase III Project Mission 16 June to 4 July 2008 Uganda	To develop a risk model and produce a report with risk indicators.	Partially developed risk model (work in progress). Produced a report with risk indicators.	-	2	0	0	0	2	0	-
10 Uganda Needs Assessment Mission. 2 to 4 July 2008 Uganda	To Assess Uganda's (country) needs in debt management.	Produced a report on country needs. Drafted an outline of indicative future MEFMI interventions in Uganda.	-	0	0	0	0	1	0	-

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Country Missions

Debt Management Programme Activities continued

Activity Date Venue	Objective(s)	Outcome(s)	TCP	Resource Person				Target (J, M, Snr, D)		
				International Paid	Regional Gratis	MEFMI Fellows	MEFMI Staff			
11 Rwanda Debt Strategy Project Mission 14 to 26 July 2008 Rwanda	To develop a debt strategy for Rwanda.	Produced Debt Strategy and Debt Policy documents for Rwanda.	-	1	0	2	1	2	0	-
12 Mozambique DSA Update and Debt Strategy Mission 11 to 22 August 2008 Mozambique	To update the country debt sustainability analysis and draft country debt strategy.	Drafted a Debt Strategy Report which was presented to Mozambican authorities for comments.	-	2	0	0	0	2	0	-
13 Tanzania DSA Update and Debt Strategy Mission 10 to 21 November 2008 Tanzania	To update country debt sustainability. To draft country debt strategy.	Enhanced capacity for DSA updating and strategy formulation. Developed a revised national debt and financing strategy.	DRI	1	0	2	4	2	2	M, Snr

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# Annex iv:

## Staff Development & Networking

	Date	No. of staff	Type Of Activity		Institute / Organisation	Theme
			Staff Development	Networking		
1	28 - 29 January 2008	1		*	FSI	High Level Meeting on the Implementation of Basel II in Africa
2	28 January 2008	8		*	ACBF	Enhancing the visiting journalists' understanding of MEFMI activities
3	28 - 30 January 2008	1	*		Women's Action Group	Capacity development and enhancement of appreciation of gender mainstreaming by professional women and men
4	5 - 13 March 2008	1	*		World Bank and the IMF	Debt Management Stakeholders' Conference
5	5 - 7 March 2008	1		*	Centre Africain d'Etudes Supérieures de Gestion (CESAG)	BIS-run component of the Master of Banking and Finance (MBF) programme
6	7 March 2008	1		*	Africa University, Zimbabwe	Presentation of paper to Faculty of Management and Administration Honours students
7	7 - 11 April 2008	3		*	COMSEC	Insurance of Government Securities
8	22 - 24 April 2008	1		*	GDDS	GDDS Phase II Project Meeting for NSO Directors
9	29 - 30 May 2008	14		*	MEFMI	Consultative meeting with Bank of Mozambique Human Resources Department officials
10	26 May - 6 June 2008	1		*	WORLD BANK	DeMPA Country mission to Swaziland
11	9 - 11 June 2008	1		*	OECD	2nd Regional Workshop on African Debt Management and Bond Markets
12	11 - 13 June 2008	1		*	ACBF / World Bank Institute	ACBF/WBI Regional Workshop On Capacity Development Needs Assessment
13	26 - 27 June 2008	1		*	COMSEC	Commonwealth Secretariat Debt Management Forum
14	5 - 7 June 2008	1		*	IMF	Regional Seminar on the Coordinated Direct Investment Survey
15	27 July - 15 August 2008	1	*		Duke Centre for International Development - Duke University, North Carolina, USA	Capacity building training in Budgeting and Financial Management in the Public Sector



	Date	No. of staff	Type Of Activity		Institute / Organisation	Theme
			Staff Development	Networking		
16	3 - 8 August 2008	1	*		International AIDS Society	XVII International AIDS Conference - AIDS 2008
17	5 - 7 August 2008	1		*	IMF	The Pretoria IMF Network Event on CDIS
18	8 - 9 September 2008	1		*	COMSEC	COMSEC Seminar on Domestic Debt Management
19	10 - 16 September 2008	1		*	Debt Relief International (DRI)	Coordinating HIPC CBP activities within the MEFMI region.
20	20 to 24 October	3	*		-	Facilitation and Consulting skills workshop
21	27 to 31 October	1	*		-	Facilitation and Consulting skills workshop
22	22 September to 3 October 2008	1		*	RIPA International, United Kingdom	Modernising the Human Resources Function
23	27 - 29 October 2008	1	*		World Bank / IMF Washington DC, USA	World Bank Sovereign Debt Management Forum
24	30 - 31 October 2008	2	*		World Bank / IMF Washington DC, USA	Conference on Debt & Development
25	3 to 14 November 2008	1	*		Mananga Training Centre, Ezulwini, Swaziland	Finance Management Course
26	10 - 21 November 2008	1		*	IMA International, Bangkok, Thailand	Project Planning & Effective Management Course
27	24 to 28 November 2008	1	*		IMA International, Bangkok, Thailand	Advanced monitoring and evaluation workshop
28	1 December 2008	1		*	African Development Bank, Tunis, Tunisia	Presenting the draft study on Regional Financial Integration in African countries & solicit constructive discussion and identification of issues in the regional financial integration agenda of the three Regional Economic Co-operations (RECs)
29	1 to 3 December 2008	1		*	COMSEC, London, UK	Commonwealth Secretariat seminar on external debt reporting and GDDS/QEDS
30	3 to 5 December 2008	1		*	OECD, Paris	3rd Regional Workshop on African Debt Management and Bond Markets

# Annex V:

## Governance Bodies (As at 31 December 2008)

### Board of Governors

The MEFMI Board of Governors is made up of either a central bank governor or a treasury secretary / permanent secretary of finance of each of the 13 member states. Where a governor is a substantive member then the treasury secretary/permanent secretary is an alternate or vice versa.

### Angola

Dr. A. J. C. Mauricio, Governor, Banco Nacional de Angola  
Mr E Severim De Morais, Deputy Minister, Ministry of Finance

### Botswana

Mrs L. Mohohlo, Governor, Bank of Botswana  
Mr S. Tumelo, Permanent Secretary, Ministry of Finance and Development Planning

### Lesotho

Dr. M. Senoana, Governor, Central Bank of Lesotho (Vice Chair)  
Dr. M. Majoro, Principal Secretary, Ministry of Finance

### Kenya

Prof. Njuguna Ndung'u, Governor, Central Bank of Kenya (Chair)  
Mr J. Kinyua, Permanent Secretary, Ministry of Finance

### Malawi

Mr V. Mbewe, Governor, Reserve Bank of Malawi  
Mr R. P. Mwadiwa, Secretary to the Treasury, Ministry of Finance

### Mozambique

Dr. E. G. Gove, Governor, Banco de Mozambique  
Mr P. B. Manhique, Permanent Secretary, Ministry of Finance

### Namibia

Mr T. K. Alweendo, Governor, Bank of Namibia  
Mr C. Schlettwein, Permanent Secretary, Ministry of Finance

### Rwanda

Mr F. Kanimba, Governor, National Bank of Rwanda  
Mr J. Rwangombwa, Secretary General/ Secretary to the Treasury, Ministry of Finance and Economic Development

### Swaziland

Mr M.G. Dlamini, Governor Central Bank of Swaziland  
Mr M. Shongwe, Acting Principal Secretary, Ministry of Finance

### Tanzania

Prof. Benno Ndulu, Bank of Tanzania  
Mr G. S. Mgonja, Senior Permanent Secretary, Ministry of Finance

### Uganda

Prof. E. Tumusiime-Mutebile, Governor, Bank of Uganda  
Mr C. Kassami, Permanent Secretary/ Secretary to the Treasury, Ministry of Finance

### Zambia

Dr. C. M. Fundanga, Governor, Bank of Zambia  
Mr C.E. Chibiliti, Secretary to the Treasury, Ministry of Finance and National Planning

### Zimbabwe

Dr. G. Gono, Governor, Reserve Bank of Zimbabwe  
Mr W. L. Manungo, Permanent Secretary, Ministry of Finance



## Members of the Executive Committee

Dr M. Senaoana, Governor, Central Bank of Lesotho (Chair)  
Dr A.J.C. Mauricio, Governor, Banco Nacional de Angola  
Mr M. C. Schlettwein, Permanent Secretary, Ministry of Finance, Namibia  
Mr J. Rwangombwa, Secretary General/Secretary to the Treasury, Ministry of Finance and Economic Development, Rwanda  
Dr C. Fundanga, Governor, Bank of Zambia  
Dr. G. Gono, Governor, Reserve Bank of Zimbabwe  
Dr. E. E. Ngalande, Executive Director (ex-officio) - Secretary

## MEFMI Management

Dr. E. E. Ngalande, Executive Director  
Dr. E. C. Kaunga, Director, Macroeconomic Management Programme  
Mr A. M. Ncube, Director, Financial Sector Management Programme  
Mr R. O. Otieno, Director, Debt Management Programme  
Mr S. C. Mkandawire, Director, Finance and Administration

## MEFMI 2008 Management Committee



### 2008 Management Committee

Seated: Dr. Ephraim C. Kaunga, Director, Macroeconomic Management Programme; Dr Elias E. Ngalande, Executive Director;  
Standing: Mr Raphael O. Otieno, Director, Debt Management Programme; Mr Steve C. Mkandawire, Director, Finance and Administration;  
Mr Alphious M. Ncube, Director, Financial Sector Management Programme.