MEFMI

Macroeconomic and Financial Management Institute of Eastern and Southern Africa

Building Sustainable Capacity

2010 ANNUAL REPORT

Macroeconomic and Financial Management Institute of Eastern and Southern Africa

2010 annual report

contents

GOVERNANCE BODIES IN 2010

Board of Governors

The MEFMI Board of Governors is made up of a central bank governor or a treasury secretary / permanent secretary of finance / planning 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. The following were the members of the Board of Governors in 2010.

Angola
Mr. Jose de Lima Massano, Governor, Banco Nacional de Angola
Mr. Manuel Neto da costa, Secretary of State for Treasury, Ministry of Finance

Botswana
Mrs. Linah Mohohlo, Governor, Bank of Botswana
Mr. Solomon M. Sekwakwa, Permanent Secretary, Ministry of Finance and Development Planning

Kenya
Prof. Njuguna Ndung'u, Governor, Central Bank of Kenya (out-going board chairman)
Mr. Joseph Kinyua, Permanent Secretary, Ministry of Finance

Lesotho
Dr. Moeketsi Senaoana, Governor, Central Bank of Lesotho (in-coming board chairman)
Mr. Mosito Khethisa, Principal Secretary, Ministry of Finance

Malawi
Dr. Perks Ligoya, Governor, Reserve Bank of Malawi
Mr. Joseph Mwanamvekha, Secretary to the Treasury, Ministry of Finance

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

Namibia
Mr. Ipumbu W. Shiimi, Governor, Bank of Namibia
Ms. Ericah B. Shafudah , Permanent Secretary, Ministry of Finance

Rwanda
Mr. Francois Kanimba, Governor, National Bank of Rwanda
Mrs. Kampeta Sayinzoga Pichette, Secretary General/ Secretary to the Treasury, Ministry of Finance and Economic Development

Swaziland
Mr. Martin G. Dlamini, Governor Central Bank of Swaziland
Ms. Khabonina B. Mabuza, Principal Secretary, Ministry of Finance

Tanzania
Prof. Benno Ndulu, Governor, Bank of Tanzania
Mr. Ramadhan M Khijjah, Permanent Secretary, Ministry of Finance

Uganda
Prof. E. Tumusiime-Mutebile, Governor, Bank of Uganda (in-coming board vice chairman)
Mr. Chris Kassami, Permanent Secretary/ Secretary to the Treasury, Ministry of Finance

Zambia
Dr. Caleb M. Fundanga, Governor, Bank of Zambia
Mr. Likolo Ndalamei, Secretary to the Treasury, Ministry of Finance and National Planning

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

Members of the Executive Committee

Dr. Moeketsi Senaoana, Governor, Central Bank of Lesotho (out-going chairman)

Prof. E. Tumusiime-Mutebile, Governor, Bank of (in-coming chairman)

Mrs. Linah Mohohlo, Governor, Bank of Botswana

Dr. Perks Ligoya, Governor, Reserve Bank of Malawi

Prof. Benno Ndulu, Bank of Tanzania

Dr. Caleb Fundanga, Bank of Zambia (out-going)

Mr. Martin G. Dlamini, Governor Central Bank of Swaziland (in-coming)

Dr. Gideon Gono, Reserve Bank of Zimbabwe (ex-officio)

Dr. Ellias E. Ngalande, Executive Director (ex-officio, Secretary)

MEFMI Management

Dr. Ellias E. Ngalande , Executive Director

Mrs. Nomusa Tibane, Director, Macroeconomic Management Programme

Mr. Alphious M. Ncube, Director, Financial Sector Management Programme

Mr. Raphael O. Otieno, Director, Debt management Programme

Mrs. Rose Phiri, Director, Finance and Administration

ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
BIS	Bank for International Settlements
BOP	Balance of Payments
CESAG	Centre Africain d'Etudes Supérieures de Gestion (West Africa)
CBL	Central Bank of Lesotho
CBS	Central Bank of Swaziland
CBP	Capacity Building Programme
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CTP	Customised Training Programme
DeMPA	Debt Management Performance Assessment
DMP	Debt Management Programme
DLP	Distance Learning Programme
DRI	Debt Relief International
DMFAS	Debt Management and Financial Analysis System
FPC-CBP	Foreign Private Capital - Capacity Building Programme
FSI	Financial Stability Institute
FSM	Financial Sector Management Programme
IMF	The International Monetary Fund
JPM	Joint Performance Management
MMP	Macroeconomic Management Programme
MoF	Ministry of Finance
MoEP&D	Ministry of Economic Planning & Development
MEFMI	Macro-Economic and Financial Management Institute of Eastern and Southern Africa
MTR	Mid-Term Review
PCMS	Private Capital Monitoring System
PS	Permanent Secretary
RAMP	Reserves Advisory and Management Programme
SADC	Southern African Development Community
UNCTAD	United Nations Conference on Trade and Development
WB	World Bank

MEFMI 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 to the 1990s, many countries in Africa 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 in 1997 to cover macroeconomic and financial sector management issues and renamed the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

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 economic planning in Eastern and Southern Africa.

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.

Values

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

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

THE SCOPE OF MEFMI ACTIVITIES

MEFMI activities focus on:

- Macro-economic management which deals with analysis of the economy, planning and forecasting.
- Financial Sector Management, which covers financial markets 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
- Senior officials such as Heads of department / division
- Executives

MODE OF DELIVERY

MEFMI delivers its products and services through the following;

- Regional and Country specific courses / workshops for professionals
- Seminars for senior professionals
- Country missions
- Retreats for heads of relevant departments / divisions
- Special policy related studies
- E-Learning
- 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 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 co-fund MEFMI's capacity building activities to supplement member countries' contributions. The current Financial Cooperating Partners are:

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

Technical Cooperating Partners provide gratis or subsidised expertise, attachments 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 and Financial Stability Institute (FSI) the African Development Bank (AfDB), the Centre for Central Banking Studies (CCBS) of the Bank of England (BOE)
- The United Nations Conference on Trade and Development (UNCTAD), the Federal Reserve Bank of New York and the Federal Reserve Board, Africa Regional Technical Assistance Centre (AFRITAC) of the IMF

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, the Reserve Bank of India and of South African Reserve Bank, 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 CHAIRMAN OF THE BOARD OF GOVERNORS

The world was just emerging from the global financial crisis in 2010. Many institutions therefore continued to face potential challenges arising from the impact of the crisis. I am pleased to report that MEFMI was able to undertake most of the planned activities for 2010. The Board of Governors of MEFMI remains grateful to all financial cooperating partners and member states for fulfilling their financial commitments in 2010. We are also greatly indebted to our technical cooperating partners for their positive responses and support as we conducted our activities during the year.

The year 2010 was important in MEFMI's phase III cycle of activities. The Institute's financial cooperating partners undertook an independent MEFMI-wide Mid Term Review (MTR) in order to evaluate not only the effectiveness of the Institute's products and services but also assessing efficiency of its operations as well as financial sustainability. The review also endorsed the changes being undertaken at the Secretariat to enhance effective operation and execution of capacity building initiatives.

In line with objectives set at the inception of Phase III, the MTR report also emphasized the need for MEFMI activities to be inclined towards addressing client specific needs. Whereas regional workshops were employed in addition to the country specific activities in order to bridge the knowledge gap amongst client institutions, we took on board recommendations from the Impact and Needs Assessment report of 2009 which indicated the need to increase the number of country missions and in-country workshops. As evidenced by the MTR report, the needs of our stakeholders are changing rapidly and are reshaping the macroeconomic landscape of the MEFMI region; in response to policy changes in developed economies that also impact on countries in the MEFMI region. MEFMI can only be successful if it puts priority on responding positively to the changing needs of its stakeholders. It is my firm belief that by offering more in-country workshops and country missions, combined with demand driven regional activities, MEFMI will be able to meet its stakeholder expectations.

The 2009 Impact and Needs Assessment and the 2010 MTR revealed that MEFMI still has a significant role to play in the economic development of the 13 member countries. As the Institute pursues this role, we will continuously seek to meet the highest levels of sound business ethics and corporate governance to guide the daily business activities of the Secretariat. The MTR report recommendations on corporate governance are being fully implemented and we are working to further strengthen compliance and risk management functions to sustain our center of excellence vision. As part of this, the Board established an Audit Committee to improve controls and oversight. Effective January 2011, the Audit Committee will meet once every quarter.

The Board has also made concerted efforts to ensure that the Secretariat is in constant communication with the Institute's financial cooperating partners through set meetings. In addition to the scheduled Executive Committee Meetings (EXCOM), the Secretariat increased the frequency of Management Committee and staff meetings. In 2010, the EXCOM met five times instead of four times to consider current issues. The additional EXCOM meeting was called at short notice to review and approve the 2011 budget. These meetings have undoubtedly improved communication within MEFMI and have enabled full and detailed consideration of high priority issues.

As a regional capacity building institution, I am sure we are effectively serving our constituency to their satisfaction; providing them with appropriate products and services that proffer home grown solutions that directly meet their needs and expectations. As a world-class knowledge based organisation we have a track record for building innovative, client driven platforms illustrated best by the creation of a strong pool of regional experts. This report clearly demonstrates that MEFMI staff together with our pool of regional experts are increasingly being utilised in MEFMI activities. In 2010 MEFMI staff utilisation accounted for 32%, Fellows 15%, regional resource persons 22% while international resource persons accounted for 31%.

It is our intention to continuously grow this pool of experts in order to ensure that client institutions have easily accessible and affordable expert advice locally. We will invest more in the Fellows Development Programme in order to reinforce our product offerings in our expert areas of macroeconomic management, debt management and financial sector management. It is clear that we can fulfil our strategic objectives only with a highly skilled and dedicated work force that is willing to go the extra mile for our clients. We put a lot of effort into attracting and retaining the best people and we are proud that our stakeholders recognise MEFMI as a center of excellence.

It is my pleasure to report that the Institute has again received an unqualified audit of its 2010 financial statements, contained in this report. I would like to report that following the successful audit report of 2009, BDO Zimbabwe were reappointed at the board meeting held in Washington DC in October 2010, to undertake the 2010 Audit.

I wish to acknowledge the dedication of the MEFMI Board of Governors who despite their busy schedules were able to have a quorum for all planned governance meetings including the extra-ordinary Executive Committee meeting which was held in December 2010. I would like to thank them for their continued wise counsel through-out the year. I also want to acknowledge the dedication and expertise demonstrated by MEFMI management and staff throughout the year in the execution of their duties.

As this is my first report after the traditional rotation, I would like to take this opportunity to thank the outgoing Chairman of the MEFMI Board of Governors Prof. Njuguna Ndung'u and the members of the Executive Committee whose term of office ended in October 2010, for their team work, commitment and dedication to MEFMI. I welcome the new Executive Committee appointed at the last board meeting, which will be under the stewardship of Prof. E. Tumusiime-Mutebile, Governor, Bank of Uganda (Board vice-Chairman). The committee members will be Mrs Linah Mohohlo, Governor, Bank of Botswana, Dr Perks Ligoya, Governor, Reserve Bank of Malawi, Prof. Benno Ndulu, Governor, Bank of Tanzania, Mr Martin Dlamini, Governor, Central Bank of Swaziland, Dr Gideon Gono, Governor, Reserve Bank of Zimbabwe (ex-officio) and Dr Ellias E. Ngalande, Executive Director (ex-officio, Secretary). I wish them well in the execution of their duties.

Dr. Moeketsi Senaoana
Chairman, MEFMI Board of Governors
Governor, Central Bank of Lesotho

December 2010

OVERVIEW BY THE EXECUTIVE DIRECTOR

This report comes at a time that MEFMI is coming closer to the conclusion of the Phase III funding cycle. MEFMI's activities are organised in five-year cycles, known as phases for budgeting, financing and strategic planning purposes. The current phase (Phase III) spanned a five-year period running from 2007 to 2011. This reporting period is therefore pivotal for MEFMI, as the Institute is in the process of assessing the impact of its products and services during the current phase and at the same time strategising for enhancing regional impact for the commencement of Phase IV.

In 2010, the Institute continued to register positive impact on the member states, through its capacity building initiatives in the areas of sovereign debt, macroeconomic and financial sector management.

The Institute's programmes continued to be carefully structured to address pertinent capacity challenges and institutional inadequacies facing the region. This was done through regional activities that included workshops, seminars, retreats and courses as well as hands-on in-country workshops and country missions.

In spite of the relatively indeterminate time lag between MEFMI interventions and their translation into outcomes in the client institutions, and also the challenges of separating outcomes emanating from MEFMI interventions from those of other capacity building providers, member states have confirmed the realisation of positive outcomes as a result of MEFMI's capacity building activities. These outcomes are summarised in section 8 of this report.

Concerted efforts were made to ensure that a pool of regional resource persons is enhanced and utilised at most of these activities. This has seen an increase in the deployment of regional experts and MEFMI Secretariat staff in the capacity building activities thus achieving the desired objective of relying more on regional experts, including MEFMI Fellows and staff.

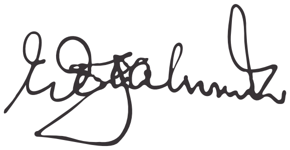
We are grateful to MEFMI's financial cooperating partners who conducted an independent Mid Term Review of Phase III. The review revealed that the Institute is on the right track in fulfilling its mandate of enhancing capacity for macroeconomic and financial management in the region. The report also indicates that MEFMI is highly regarded as an important player in capacity building by the member states. Recommendations of the Mid Term Review have been very helpful in orienting the Institute's plan under the final leg of Phase III and in developing strategies for Phase IV.

The Institute commenced preparations for Phase IV by conducting brainstorming, curriculum review and strategic planning meetings. A Phase IV draft plan was produced and shared with the Institute's stakeholders. The plan received broad-based reviews and, provides the roadmap for Phase IV.

The year 2010 was therefore an important period for the institute, as it continued to register positive impact on the annual work programme. The achievements of 2010 would not have been possible without the support and guidance the Secretariat received from the Executive Committee as well as the Board. I therefore wish to pay tribute to our governance bodies for their able leadership. I also wish to acknowledge the dedication of staff at the Secretariat who planned and executed the programmes. They did this with the utmost dedication and I applaud them.

The host country, through the Executing Agency, also played a requisite role both as host and overseer in the course of the year and I wish to register the appreciation of the MEFMI Secretariat for the support received.

It is my hope that this report will provide a better appreciation of the common financial and economic concerns of the region as well as provide valuable information to the Institute's stakeholders and other interested parties. MEFMI shall continue to serve its members and enhance the existing cordial relationship with its stakeholders in capacity building.



Ellias E. Ngalande (PhD)
EXECUTIVE DIRECTOR

INTRODUCTION

The year 2010 witnessed global economic recovery, with most economic blocks moving from negative to positive real GDP growth rates. According to the World Economic Outlook (October 2010) published by the IMF, the estimated global GDP rose to 3.3% in 2010 up from -2.1 percent in 2009. The Asian economies led the global recovery registering an estimated real GDP growth of 7.9% compared to 3.6% in 2009. This growth was mainly on account of increased private domestic demand driven by China, India and Japan. The three countries performed very well and had an estimated real GDP growth of 10.5%, 9.7% and 2.8% respectively.

In the United States, real GDP growth for 2010 was estimated at 2.6% up from -2,6% in 2009 while in Euro-Zone, growth was estimated at 3.3%, 1.6% and 1.7% up from -4.7%, -2.5% and -4.9% in Germany, France and the United Kingdom respectively. Growth in the Sub-Saharan Africa rebounded and real GDP rose to an estimated 5% from 2.6% in 2009, buoyed by the improvement in commodity prices, export recovery and continued foreign inflows.

The outlook for the global economy is positive. This upward trend is expected to continue in 2011 with a projected global real GDP growth rate of 3.3%. Strong demand for minerals and oil by Asia (mainly China and India) will ensure continued and sustained investment in mineral rich and oil producing sub-Saharan African countries. This will finally result in increased fixed investment and a big shift in the inventory cycle which will also greatly contribute to growth in some Sub-Saharan African countries.

Inflation is also projected to remain low amid continued excess capacity and high unemployment. Though the recovery of commodity prices has raised the level of consumer prices, market indicators suggest that commodity prices should remain stable, with downward pressure on wages. Headline and core inflation in advanced economies is expected to converge to about 1¼ % in 2011 and, in emerging economies to about 5%.

With respect to the MEFMI region, the average projected real GDP growth rate in 2010 was estimated above 5% (IMF, World Economic Outlook, October 2010). Most of the economies performed relatively well and growth is expected to further rise to an estimated average projected real GDP of 5.2 % in 2011. However some selected country specific performances deserve to be singled out. In Angola, for instance, the government's adjustment program, supported by an IMF stand-by arrangement, largely succeeded in restoring macroeconomic stability, following the destabilizing effects of the 2009 oil price and collapse of mineral prices (namely diamonds). Real GDP growth rate rose to an estimated 5.9% up from a modest 0.7% in 2009. This was largely supported by the pickup in global demand and strong oil prices.

Notwithstanding substantial monetary easing, Angola's economic growth is expected to receive a strong boost in 2011 on account of increased oil production which will boost both exports and industrial output. Output growth – helped by growing oil production - is expected to reach 7.1% in 2011 up from 5.9% in 2010.

In Botswana, real GDP growth rose to 8.4% up from -3.7% in 2009. The pickup in growth, despite a fall in the demand for diamonds caused by the global financial crisis was largely on account of prudent countercyclical policies. The authorities were able to ease fiscal and monetary policies promptly. With an expected rebound in the diamond sector and the strong business environment, Botswana is expected to attract more foreign investment inflows which should, going forward, provide the country more growth in 2011.

In Kenya, growth moved to 4.1% up from 2.4% in 2009 underpinned by a recovery in the tourism sector and improvements in the rainfall during 2010. GDP is expected to rise to 5.8% in 2011.

In Zimbabwe, after a cumulative output decline over the last decade of more than 40 percent by 2008, and inflation spiraling out of control, strengthened economic policies, higher commodity prices, and good agricultural seasons underpinned economic recovery since 2009. The International Monetary Fund (IMF) revised its projections for the Zimbabwe economy to 5.9% up from 2.2 % estimated in April 2010. The IMF indicated that strong impulses in Sub –Saharan Africa, robust domestic demand, foreign currency remittances and Asian demand for minerals helped boost growth in Zimbabwe. Real GDP growth rate was estimated to be at 5.9% up from 5.7% in 2009. Maintaining this growth momentum will require continued fiscal discipline and an investment friendly environment.

The capacity building programmes that MEFMI initiated in the past several years continued very well in 2010. The programmes that were aimed at disseminating practically oriented skills and practices to the member states impacted positively on the performance and awareness in the member states. MEFMI will continue to focus on fulfilling the outstanding objectives for phase III while also incorporating recommendations arising from the 2009 Impact and Needs Assessment and the 2010 Mid Term Review to ensure that the capacity building needs of the member states are met.

HIGHLIGHTS OF THE YEAR

In 2010, MEFMI:

- Successfully conducted the Mid Term Review for Phase III.
- Renovated the existing building and built an annex on the MEFMI property in Alexandra Park in Harare, Zimbabwe.
- Reintroduced the E-learning programme that was conducted jointly with UNITAR.
- Conducted a study on the Impact of Debt Relief Mechanisms in the MEFMI region.
- Finalised the Sovereign Liability Risk Model Development in Uganda.
- Private Capital Monitoring System (PCMS) officially handed over to MEFMI.
- Partnered with UNCTAD to raise high-level regional awareness and seek MEFMI countries' support for the Project on Promoting Responsible Sovereign Lending and Borrowing.
- Assisted Lesotho to implement the Risk-Based Supervision policy framework for its supervisory activities.
- Assisted Rwanda to establish a risk function and implement a Bank-wide risk management framework.
- Assisted the government of Lesotho (CBL and Ministry of Finance) to successfully issue their maiden government bond.
- Commenced the study on modelling and forecasting manual.
- Held a strategic planning retreat, a curriculum review and brainstorming meetings in preparation for the drafting of the Phase IV project Plan (2012 – 2016).
- Implemented a Joint Performance Management (JPM) appraisal system.
- Held a Staff Team Building Retreat.

1. SUMMARY OF MEFMI ACTIVITIES 2007-2010

As MEFMI continues to take the lead in providing capacity building interventions to ensure resilience amongst its member states based on sound economic policy implementation, the Institute has witnessed authorities in member countries implementing policies that assist to hedge against and absorb the adverse effects arising from the shocks in world trade, prices, and financial flows. Table 1 below provides an overview of capacity building initiatives that the Institute conducted from 2007 to 2010.

Table 1: Overview of MEFMI Capacity Building Activities, 2007 to 2010

Activity	2007	2008	2009	2010
Regional Activities	27	31	36	30
In-Country Workshops	8	6	13	13
Country Missions	7	13	12	28
Fellows Development Activities	2	3	3	1
Executive Forum Series	1	1	1	1
SUBTOTAL	45	54	65	73
Networking & Staff Development	15	30	28	23
Specialised Studies	0	5	6	4
Governance Meetings	4	4	4	5
GRAND TOTAL	64	93	103	105

Source: MEFMI Data Base 2010

Building Sustainable Capacity
Fostering Best Practices
Raising awareness: Opportunities & Challenges

2. ACTIVITIES SUMMARY

Table 2: Summary of the 2010 Activities

Activity	January to December 2010		
	Target	Actual	Variance
Regional Activities	34	30	-4
In-Country Workshops	10	13	+3
Country Missions	11	28	+17
Executive Forum Series	2	1	-1
Fellows Development Activities	4	1	-3
Sub-total Regional & In-country Activities	61	73	+12
Networking & Staff Development	8	23	+15
Specialised Studies / Reviews	2	4	+2
Governance Meetings	4	5	+1
Sub-total Other Activities	14	32	+18
Grand Total All Activities	75	105	30

Source: MEFMI Data Base 2010

The Institute conducted a total of 73 capacity building activities which was above the 61 targeted. The increase in the number of activities was in response to the demand for country missions and in-country workshops. In-country missions and workshops are demand-driven and much cheaper to conduct than regional workshops. In addition, in-country activities are more effective as they address the identified training needs of a country and reach out to more participants per country than in a regional workshop. The move to respond to more in-country requests was in line with the recommendations of the 2010 MTR report, where stakeholders indicated the need for the Institute to conduct more of such capacity building interventions.

During the year thirty regional workshops were conducted against a target of 34, resulting in a negative variance of 4. Due to low cash flows towards the end of the third quarter, management took a decision to postpone some of the regional activities until such a time the cash flow would have improved. The main reason for the low cash flow was that one of the major donors' agreement had lapsed and negotiations for renewal were still on-going at the time. An agreement was eventually concluded but disbursements were going to take some time to process. One member state had also delayed disbursement of its annual membership contributions. As a result, the Institute was able to conduct most but not all of the activities that had been planned for the period January to December 2010. The Institute revisited its work programme for the last quarter of 2010 and postponed 4 workshops, 1 executive forum and three Fellows' activities.

A total of 28 country missions were conducted, which is 17 more than the planned eleven activities. The positive variance of 17 includes specialist follow-up activities that had to be undertaken after the planned initial missions. In most cases implementation missions require such follow ups in-order to achieve the expected outcomes and to complete the missions cycle.

Under networking and staff development, the Institute was involved in 23 activities. The number of networking activities is usually high due to the fact that the institute continues to receive invitations from collaborating partners and agencies that are relevant and pertinent to its areas of operations and expertise. Most of the networking invitations revolve around the issues of unfolding global developments.

During 2010 MEFMI conducted four specialized studies and reviews. The Institute launched a specialised study on Macroeconomic Modeling and Forecasting for the MEFMI Region as part of implementation of MTR recommendations. The study is scheduled to be completed by November 2011 and the key expected output is the Modeling and Forecasting Manual.

Under reviews, a Mid Term Review (MTR) of the Phase III project was conducted during the period 25 January to 15 March 2010. This was a follow up to the Impact and Needs Assessment conducted the previous year. The MTR focused in particular, on the relevance, effectiveness, impact sustainability and institutional efficiency of MEFMI's operations in the current phase. The report indicates that MEFMI's capacity building activities have led to a substantial number of positive outcomes in macroeconomic, financial sector and debt management.

In preparation for the compilation of the Phase IV project plan (2012 – 2016) the Institute held a strategic planning retreat from 5 to 7 May 2010, in Harare Zimbabwe. The retreat was attended by Directors and Programme Officers. The key issues covered during the retreat focused on a situation analysis of the Institute, setting up focus goals for Phase IV as well as developing an implementation plan. The retreat also enabled staff to refine the Institute's Vision, Mission and Value statements. The strategy document was presented to the Executive Committee at the beginning of the fourth quarter of 2010.

MEFMI also conducted Programme specific brainstorming retreats during the first half of 2010. The objective of the retreats was to critically re-examine and, where necessary, adjust or redefine the content, approach, objectives and expected outcomes of the Programmes' existing capacity building curriculum. The retreats brought together eminent experts from the MEFMI region with strong knowledge in the respective areas of MEFMI's programmes. The retreats were a critical aspect in the curricular review and improvement of the Institute's activities as the 2012 to 2016 project plan was being consolidated.

During the same period, a staff team building retreat was conducted. The event provided MEFMI staff the opportunity to meet outside the office setting in order to understand and appreciate each other as members of a cohesive team and to discuss strategic issues for the Institute.

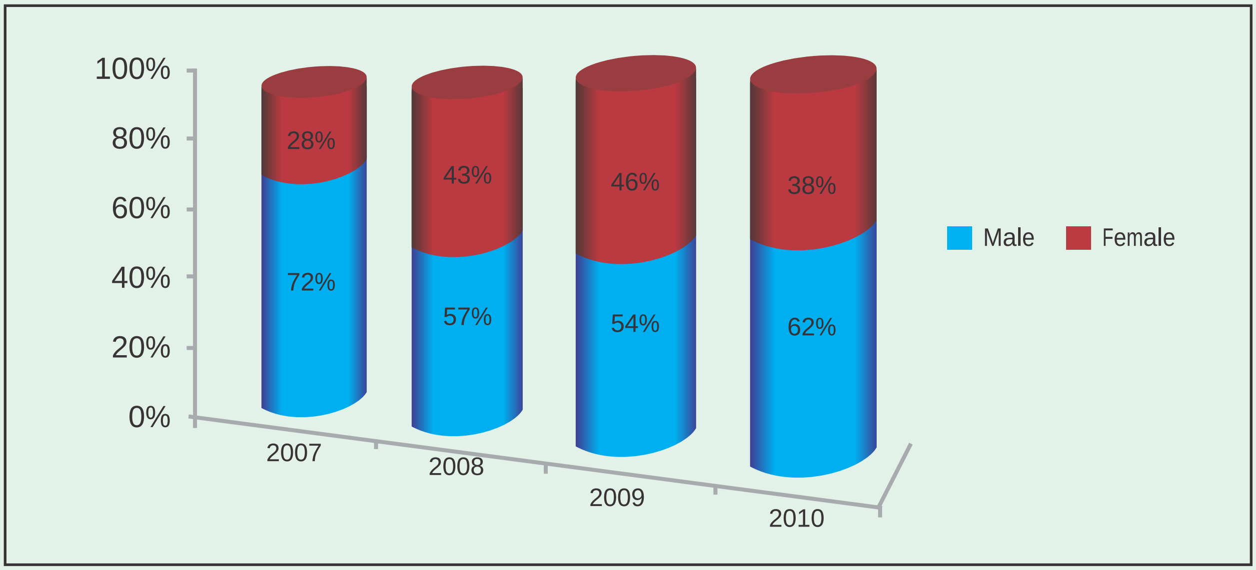
The Institute continued to enjoy the unwavering support of its Executive Committee (EXCOM). During the period under report, the EXCOM held five meetings. The first Executive Committee Meeting for 2010 was held at the Secretariat on 25 March 2010. The second meeting was held on June 25 2010, the third meeting on 30 September 2010 and the fourth meeting on 5 October 2010 in Washington DC. An extra-ordinary Executive Committee Meeting to approve the 2011 work programme and budget was held on 13 December 2010.

2.1 Participation

Participation at all MEFMI activities continues to be high. The total number of officials in all capacity building activities (regional workshops, in-country workshops and country missions) undertaken in 2010 was 1260 officials, compared to 1068 officials who attended the 2009 activities, an increase of about 18%. Of the total participants in 2010, 38% were female.

Chart 1 below indicates the participants' distribution by gender for the period under review.

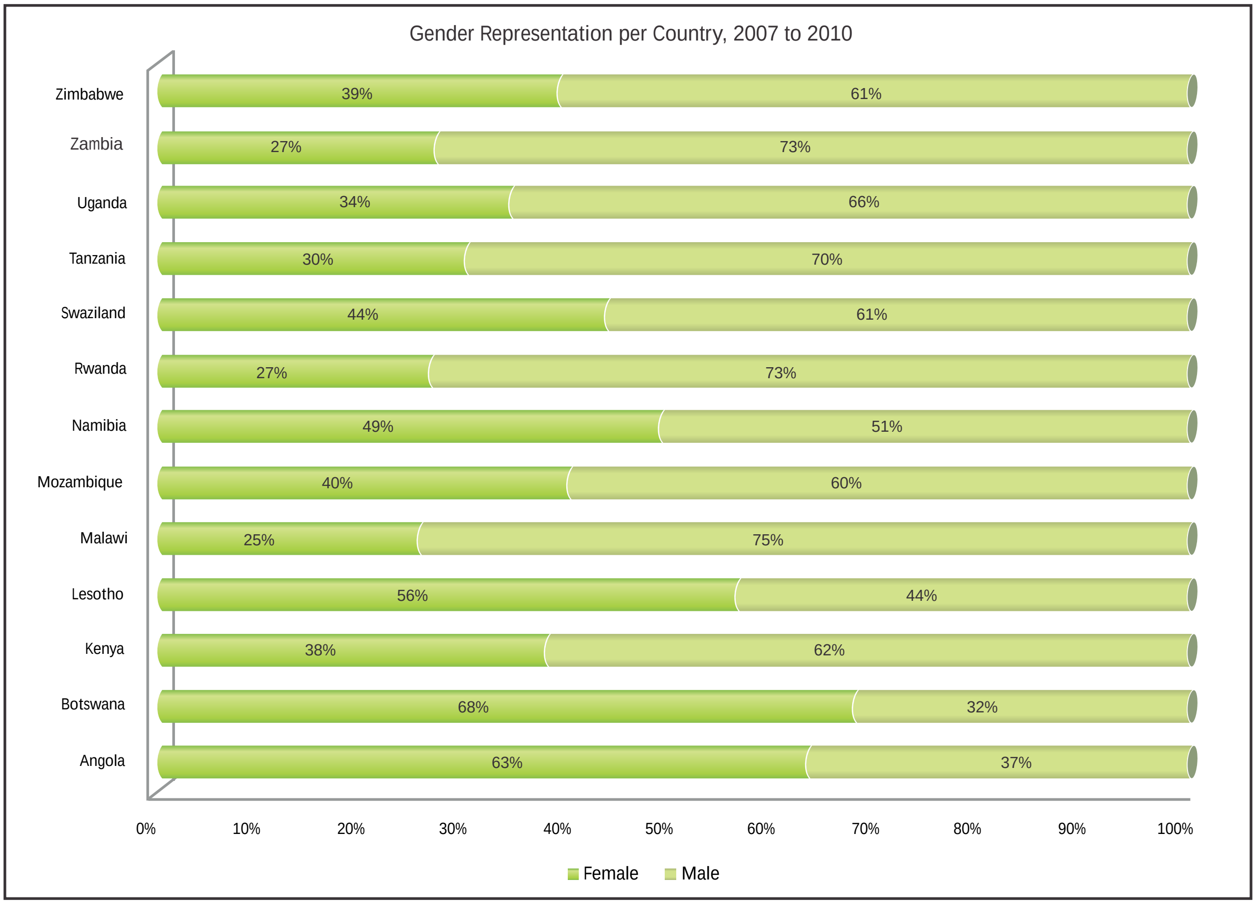
Chart 1: Participants Gender Profile, 2007 to 2010



Source: MEFMI Data Base 2010

While it is in line with the Institute's objective to promote the ethos for equal opportunity, the number of female officials in MEFMI capacity building activities and events appears to have reached its peak. The number of female officials at all events largely reflects the staffing patterns in MEFMI client institutions. Therefore, despite MEFMI's push for increased female participation, their ratio in MEFMI activities remained conspicuously below the 50% bench mark of the SADC gender protocol. Chart 2 below provides an outline of gender participation at MEFMI capacity building activities per country for the period 2007 to 2010.

Chart 2: Gender Participation at MEFMI Capacity Building Activities per Country, 2007 to 2010



Source: MEFMI Data Base 2010

The proportion of female participants in MEFMI's activities moved from 28% in 2007 to 46% in 2009 before declining to 38% in 2010. The Institute observed that during the year under report, fewer activities that tend to attract more female participation were held.

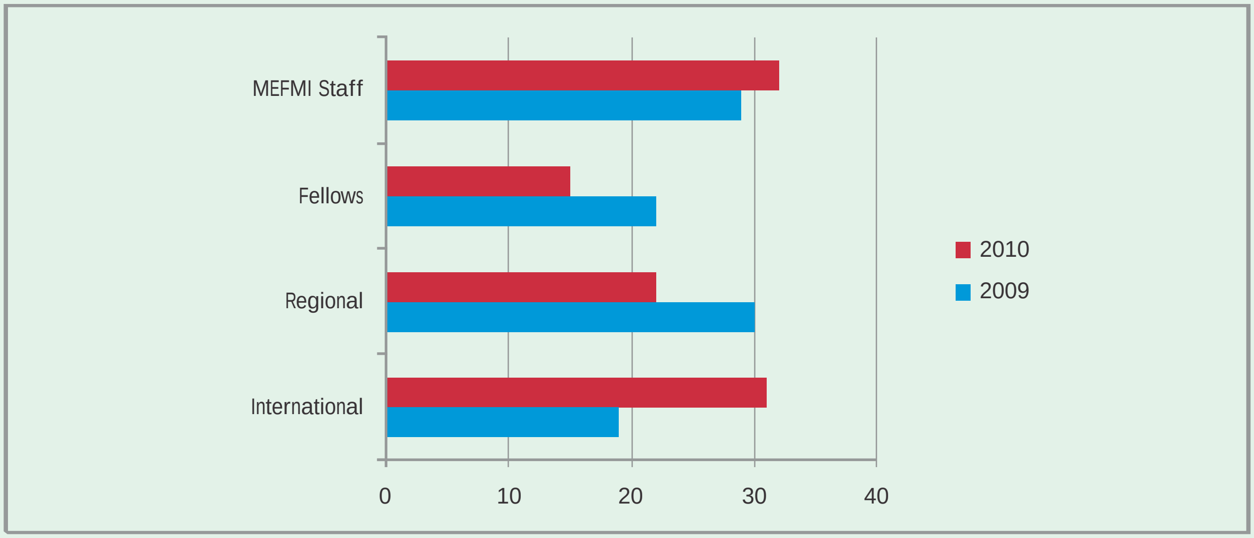
Participation is also influenced by the type of courses on offer at any particular time as some tend to attract relatively more female participants than males. Examples are courses in monetary policy formulation and payments systems.

2.2 Resource Persons Utilisation

Over the years, MEFMI has developed a rich pool of credible regional resource persons. The resource persons are the main vehicle through which skills transfer in priority capacity building areas of client institutions is done. The pool is complemented by a critical component of international experts. The combination of regional and international experts promotes cross-pollination of ideas among resource persons, thus allowing MEFMI to remain at the cutting edge of latest developments in all its programmes.

During the period January to December 2010, the Institute utilised the services of 204 resource persons, compared to 193 utilised in 2009. This indicates an increase of about 6% on the total number of resource persons utilised during the same period in 2009. The increase is attributed to the increase in in-country and mission activities undertaken in 2010 compared to 2009. Chart 3 below provides an indication of the trend in resource persons utilisation during 2009 and 2010.

Chart 3: Proportion of Resource Persons Utilised in 2009 and 2010



Source: MEFMI Data Base 2010

The utilization of international resource persons increased by 12 percentage points in 2010. The increase in the utilisation of international resource persons is as a result of more MEFMI countries participating in such activities as the RAMP Africa Programme in 2010. RAMP Africa was initiated in 2008 as a joint partnership between MEFMI and the World Bank Treasury Department. Whereas in 2008 RAMP had four MEFMI regional central banks, to date the number has steadily grown to ten.

RAMP Africa programmes draw heavily on World Bank Treasury's senior practitioners, advisory services and MEFMI regional experts to build customised training for high-level policy makers, investment managers and central bank reserve management supporting functions.

Given the overlap in capacity building activities between MEFMI and the RAMP Africa training activities, a Memorandum of Understanding (MOU) was drawn recently. The MOU was mainly to capitalize on the capacity building synergies, avoid duplication and also allow the MEFMI non-RAMP Africa member states to participate in RAMP Africa activities.

Going forward, the MEFMI region will greatly benefit out of this program. The pool of officials trained in various aspects of reserves management will create a solid regional skills and expertise that will later be tapped as a suitable base for training of trainers.

Across programmes, there was also an increase in activities that require participation of technical cooperating partners, resulting in increased utilisation of international resource persons.

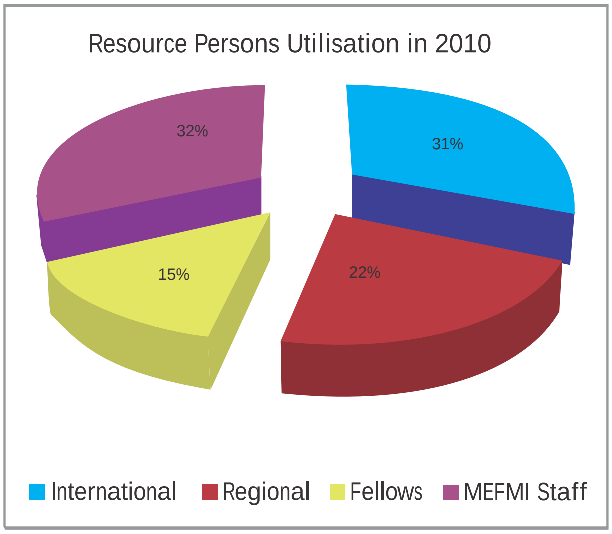
These include activities such as Debt Management Performance Assessment (DeMPA), Medium Term Debt Strategy (MTDS) training and missions, Regional Integration and the Debt Statistics training that used resource persons from World Bank, IMF, UNECA, COMSEC and UNCTAD. Some of these activities are usually partly financed by the technical partners. They also offer their professional services *gratis in* certain specialist areas where the level of expertise in the region is still low. Thus the proportion of resource persons' utilisation in these areas is inclined more towards international resource persons.

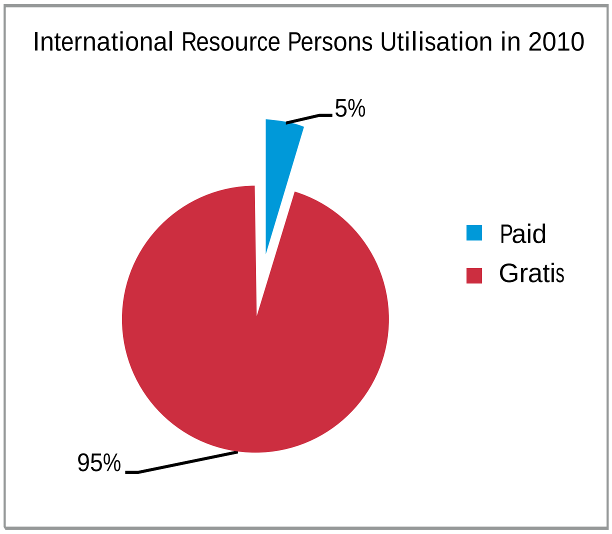
As indicated in Chart 4 below, the ratio of international resource persons to the total number of resource persons during 2010 was 31% of whom 95% were on gratis. In 2010 concerted efforts were made to target areas requiring such expertise for the recruitment of Fellows and the training of trainers.

Over the years, MEFMI has also witnessed an increased interest by international financial institutions to partner in capacity building as a strategy for eventually establishing a presence in the MEFMI region. Such institutions have been willing to provide resource persons gratis thereby pushing up the ratio of international resource persons relative to the regional.

Chart 4 below shows the ratio of paid international resource persons to gratis international resource persons used in 2010.

Chart 4: Percentage of Resource Persons Utilisation in 2010





Source: MEFMI Data Base 2010

The Institute is increasingly relying on MEFMI Programme Directors as well as MEFMI Programme Officers to facilitate at its regional activities. This approach is in line with the Institute's strategy to ensure its long term development and sustainability through utilisation of own resource persons. Table 3 below indicates that MEFMI Fellows, MEFMI staff and regional resource persons accounted for 69% of the total number of resource persons utilised during the period January to December 2010.

Table 3: Comparison of Resource Persons Utilisation (2008-2010)

Resource Persons Category	2007	2008	2009	2010
Regional Experts	41%	29%	30%	22%
MEFMI Fellows	16%	18%	22%	15%
MEFMI Staff	18%	23%	29%	32%
International Experts	25%	30%	19%	31%
	100%	100%	100%	100%

Source: MEFMI Data Base 2010

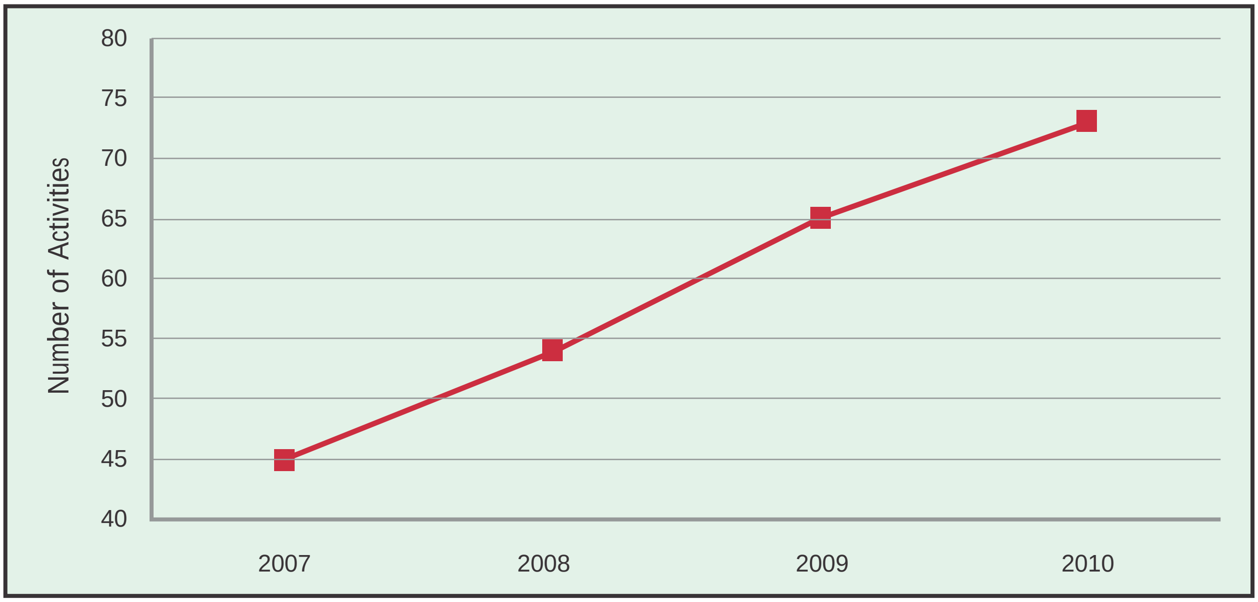
3. CAPACITY BUILDING OUTPUTS

MEFMI capacity building activities that were conducted in 2010 continued to address the needs of the member states in the areas of macroeconomic and financial management. The capacity building activities addressed pertinent issues affecting the region as a whole (section 3.1) and country specific needs (section 3.2). Some of the topics covered in regional activities included, modeling and forecasting, financial programming, regional integration, debt reporting and statistics, debt management performance assessment supervision of non-banks, oversight of payment systems and portfolio management.

Interventions at country level covered specific needs of the recipient country both on human and institutional capacity. Some of the interventions in this regard include, assisting in establishing enterprise wide risk management function, risk based supervision, bond issuance, utilisation of PCMS, financial programming, debt sustainability analysis and debt strategy formulation. Annexes I to III in this report provide details of the capacity building outputs for the reporting period.

The trend in the output of combined capacity building activities from 2007 to 2010 was upward showing an average increase of 17.25% per annum. Chart 4 below provides a comparison of regional capacity building activities (regional activities, in-country workshops, country missions) from 2007 to 2010.

Chart 4: Total Number of Capacity Building Activities from 2007 to 2010



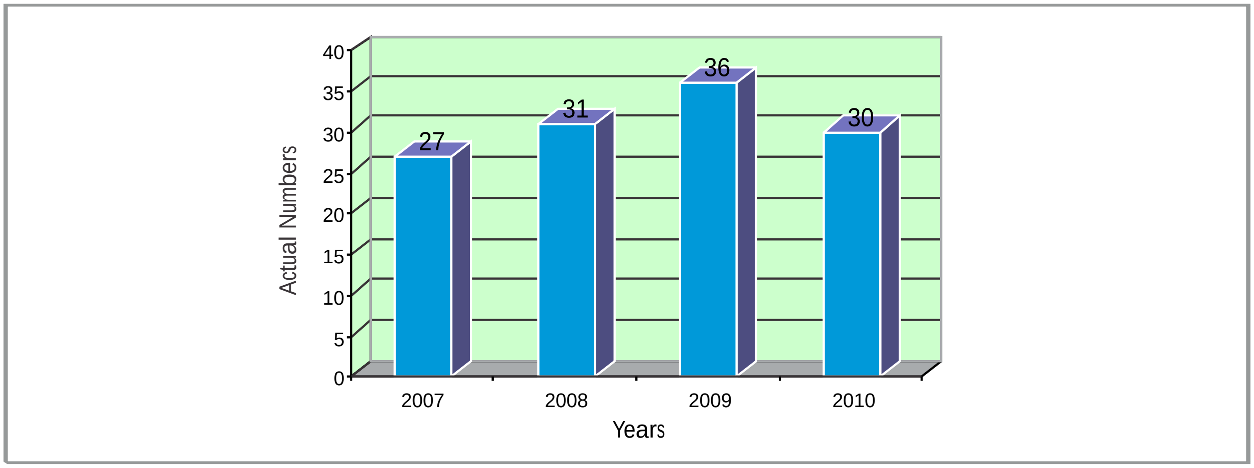
Source: MEFMI Data Base 2010

3.1 Regional Capacity Building Activities

In the period under report the Institute conducted 30 regional workshops, retreats and seminars compared to 36 in 2009 which is a decrease of -17%. This decrease resulted from the postponement of 8 regional activities caused by low cash flow challenges due to late receipt of contributions from one financial partner and one member country.

Chart 5 below provides a comparison of regional capacity building activities from 2007 to 2010 and Annex I to this report provides details of the regional capacity building activities.

Chart 5: Comparison of Regional Capacity Building Activities; 2007 to 2010



Source: MEFMI Data Base 2010

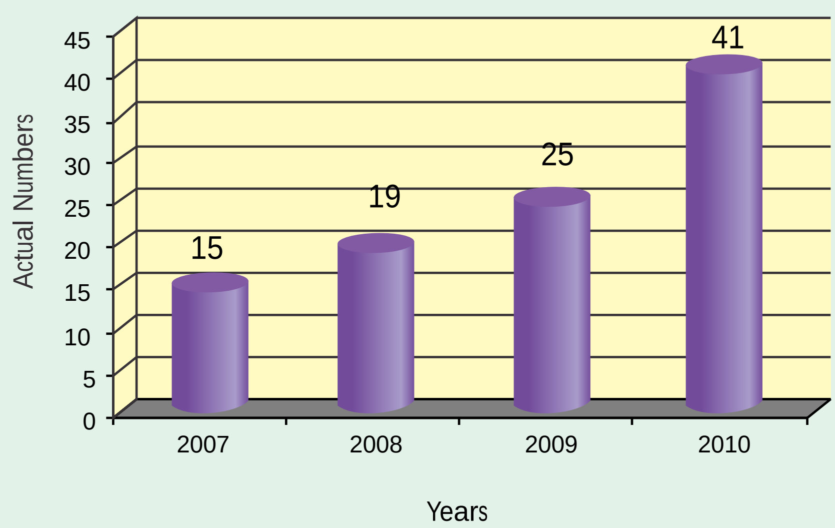
3.2 In-country Activities

In the reporting period the Institute conducted 41 in-country workshops and missions compared to 25 in 2009 which is a 64% increase. The increase is attributed to the rising demand by member states for capacity building activities that address their specific needs and the Institutes intervention strategy to increase more in-country capacity building activities. Chart 6 below provides a comparison of in-country capacity building activities from 2007 to 2010.

Over the four years of the current phase (Phase III), MEFMI has been able to successfully register a significant increase in the In-country activities, from 15 activities in 2007 to 41 in 2010 which is 173% increase. The huge increase is attributed to MEFMI's strategic emphasis to increase in-country activities since they have an effective impact on addressing country specific capacity needs and also they offer a cost effective capacity building delivery method.

Chart 6 below provides a comparison of in country capacity building activities from 2007 to 2010.

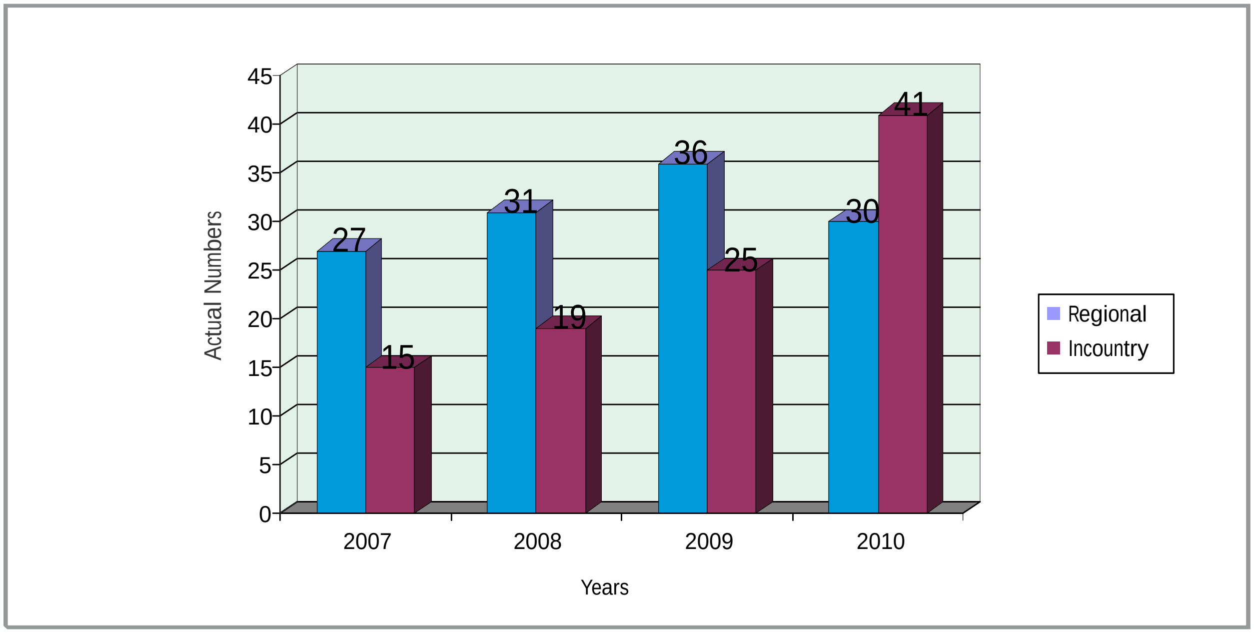
Chart 6 Comparison of In-Country Activities - 2007 to 2010



Source: MEFMI Data Base 2010

Chart 7 below provides a comparison of regional and in country capacity building activities from 2007 to 2010. The chart reveals a major shift towards in-country activities especially in 2010, which is consistent with the current objectives.

Chart 7 : Comparison of Regional and In-country Capacity Building Activities 2007 to 2010



Source: MEFMI Data Base 2010

3.3 Fellows Development Activities

The Fellows Development Programme continues to be a relevant capacity building initiative to member countries. 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 their home institution and the region. This is an accelerated cost-effective expert development endeavor.

The Fellows facilitate skills transfer in priority capacity building areas of member countries through in-house training, production of analytical reports to underpin quality policy decisions, and supporting introduction of frameworks, systems and instruments. MEFMI is increasingly relying on the Fellows to facilitate its regional activities, thereby reducing its reliance on expensive external resource persons.

In 2010, a number of Candidate Fellows, within their respective programmes participated at workshops as part of their Customised Training Plans (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.

Table 4 below shows the capacity building participation and utilization of Fellows by each programme during the period under review. As the table below shows, 32 Fellows attended workshops / courses / retreats as part of their capacity building, three had an attachment, and 20 Fellows were engaged as resource persons at MEFMI workshops and three were engaged as consultants at country missions.

Table 4: Fellows Capacity Building and utilisation in 2010

Programme	Capacity Building Attendance		Utilisation			
	Workshops	Attachment	Resource Persons at Workshops		Consultants at Missions	
			Type of Fellow		Type of Fellow	
			Graduate	Accredited	Accredited	Graduate
Debt	8	1	2	4	1	0
FSM	13	1	5	2	1	1
Macro	9	1	1	6	0	0
Total	30	3	8	12	2	1

Source: MEFMI Data Base 2010

4. STUDIES AND REVIEWS

4.1 Mid-Term Review

The Mid-Term Review (MTR) for Phase III was conducted by an independent team of consultants on behalf of MEFMI and its financial cooperating partners - the African Capacity Building Foundation (ACBF), The Netherlands, Sweden and Norway. The MTR is an external assessment of the relevance, effectiveness, impact and sustainability of MEFMI's capacity building programmes in its member countries as well as an examination of its efficiency as an Institute.

The overall purpose of the evaluation was to assess if MEFMI contributes effectively towards building sustainable human and institutional capacity in client institutions. The review also looked at long term financial sustainability of MEFMI and came up with some valuable suggestions on the way forward.

The specific objectives of the MTR were to establish:

- To what extent MEFMI has implemented the recommendations of MTR II and establish MEFMI's achievements in relation to its objectives, the impact it has made and the relevance of its activities in relation to capacity building in the macroeconomic management, financial sector management, sovereign debt management as well as the multi-disciplinary sector.
- To evaluate the institutional efficiency of MEFMI.

The report has been presented to the Institute and its financial cooperating partners. Some of the conclusions of the Report were that;

- MEFMI has contributed to capacity building in client institutions and is regarded as an important player in capacity building by its client institutions.

- MEFMI is seen as a general provider of training rather than a provider of tailored 'on-the-job' training. Regional workshops are perceived to cater for generic needs.
- MEFMI's programmes use different formats to monitor client institutions' needs.
- Cooperation with international organisations is essential for quality of activities. The Programme Secretariat staff has to cover a wide range of subjects and keep up with developments in their area of expertise.
- Non-homogeneous participant groups attending MEFMI's workshops may hinder progress in capacity building. Participant groups vary in level and experience since member countries are at different levels of development, but also if nomination of participants by client institutions is based on criteria other than technical skills and level, e.g. on rotation and / or issues of welfare.

The Institute has drawn up a Programme of Action to addresss some of the shortcomings identified in the report. Priority areas will be addressed during the current Phase while most of the recommendations will be incorporated in the Phase IV programme of activities. The Institute has also drawn up a list of data indicators to be used to collect information to measure progress.

4.2 Macroeconomic Modeling and Forecasting for the MEFMI Region:

- During 2010 MEFMI launched a study on Macroeconomic Modeling and Forecasting for the MEFMI Region as part of implementation of MTR recommendations. The study is scheduled to be completed by November 2011 and the key expected output is the Modeling and Forecasting Manual.

4.3 The Debt management Programme conducted a study to quantify and analyse the costs and benefits associated with the various debt relief mechanisms instituted by international organizations and bilateral lenders. The study reviewed existing wide literature on international debt relief, with a focus on seven MEFMI member states that benefited from the Highly Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative. Surveys were also undertaken in the seven countries to ascertain details of key facts and obtain official views and perceptions on the costs and benefits of debt relief. The study concluded that while the traditional debt relief mechanisms such as rescheduling offered some relief to heavily indebted countries, it was only the HIPC and MDRI initiatives that had a discernible impact on debt sustainability of countries. Furthermore, the study revealed that the benefits of debt relief far outweighed the costs incurred by countries in negotiating for and accessing the debt relief.

5. GOVERNANCE ACTIVITIES

Five Executive Committee meetings were held during the period under review. The number of Executive Committee meetings was one more than the planned. The policy organ had to meet on 13 December 2010 in order to approve the 2011 budget and work-plan.

The meetings, all of which had a full quorum deliberated and passed a number of major resolutions amongst which are:

- Adoption of the 2009 annual report and audited financial statement.
- Approval to seek experts to develop a proposal for a MEFMI Endowment Fund
- Approval of the procurement of a new accounting system
- Adoption of the MTR report
- Approval of No. 9 Earls Road Office rehabilitation and extension
- Approval of terms of reference for and appointment of the Audit Committee
- Approval to outsource the internal audit function
- Approval of the 2011 budget and work plan

5.1 Networking

During the period under review, MEFMI continued to broaden and strengthen its networking with technical cooperating partners and other relevant institutions. Some of the networking activities included:

5.1.1 Meetings With Some Member Countries' Officials

- Ministry of Finance – Zimbabwe
  Following a series of meetings held with officials from Ministries of Finance and Public Works in Harare, Zimbabwe, the Institute moved to the temporary offices at 21 Joshua Nkomo Road (former 21 Airport Road) in Hatfield in Harare, before the Institute moves to its permanent office in Alexandra Park in Harare. This was done in an effort to assist the Secretariat to manage the prohibitive rental that it was paying for office space in Harare Central Business District. The Zimbabwe Ministry of Finance facilitated the move to the temporary office.

- The Executive Director and Programme Directors also held several meetings with different country officials to discuss issues pertaining to the capacity building needs, and possible interventions from MEFMI. Most of such meetings were held back to back with either In-country or regional training activities. Among the countries where such meetings were held include Mozambique, Tanzania, Namibia, Zimbabwe, Rwanda and Uganda

- FSM Meeting with Bank of Namibia

  FSM held a meeting with Bank of Namibia's Assistant Governor and Director of Bank Supervision department on the 2 September 2010. During the meeting, the Bank of Namibia updated FSM on the progress and steps they had taken to implement Risk-Based Supervision and Basel II following the in-country workshop MEFMI had conducted for the Bank of Namibia in 2008. The meeting also discussed possible ways the Bank of Namibia and FSM could help each other with skills to ensure the efficient roll out of Basel II in the region.

5.1.2 BIS / CESAG Lecture Series

- As part of its networking and strengthening of relationships with BIS which has resulted in gratis resource persons and partnering in regional activities, MEFMI was invited by the Bank for International Settlements (BIS) to partner in conducting lectures for its students in the Masters of Banking and

Finance programme. The lecture series for this year were held from 25 January to 5 February 2010 at the *Centre Africain d'Études Supérieures en Gestion* (CESAG) for Western African Countries in Dakar, Senegal.

- The focus of the lectures was on money, financial systems, and monetary policy, banking system and capital markets. MEFMI was represented by one Programme Officer from the Financial Sector Management Programme.

5.1.3 World Bank Conference On Sovereign Debt And The Financial Crisis

- MEFMI attended the World Bank Conference on Sovereign Debt and the Financial Crisis which was held in Tunisia from 29 to 30 March 2010. The Institute was represented by the Director, Debt Management Programme. While at the conference, the Director participated in a Debt Management Facility Implementing Partners meeting which was attended by World Bank, IMF, Commonwealth Secretariat, UNCTAD, WAIFEM and CEMLA. He also held meetings with AfDB officials, who indicated that they are keen to see MEFMI taking a more prominent role in the technical assistance on debt issues in Zimbabwe. The Director also took the meeting as an opportunity to meet officials of the governments of The Netherlands, Canada and Belgium in order to get indications on the likely direction of their future financial support for capacity building in low income countries.

5.1.4 Zimbabwe High Level Debt Forum

- MEFMI was invited to attend the Zimbabwe High Level Debt Forum which was organized by the country's Ministry of Finance held on 15 March 2010 in Harare, Zimbabwe. The Director, Debt management Programme made a presentation highlighting the different debt relief options that have been pursued by countries in Eastern and Southern Africa. The presentation showed the benefits that countries received from traditional debt relief mechanisms, HIPC initiative and Multilateral Debt Relief Initiative (MDRI).

6. FINANCIAL PERFORMANCE

The Institute opened 2010 with a positive cash balance of US$808,837. This amount fell short of the funding needed for the first quarter of the year. However, member contributions were received early in the year under report and the first quarter gap was fully covered. Twelve member states had paid up their subscriptions by 31 December 2010.

The Institute is grateful for the timeous contributions made thus far by both member states and cooperating partners. However, some adjustments were made on the timing of the programme activities during the year in line with cash-flow developments since part of the flows came very close to the end of the year. 50% of the funding from Sweden amounting to $ 565,482.92, received in the fourth quarter of 2010 relates to the year 2011. Angola also made an advance payment in 2010 for its 2011 contribution.

6.1 Revenue

The Institute realized revenue totaling to US$6,883,977 during the financial year 2010.This consisted of US$3,125,306 as funding from Cooperating partners, US$2,924,690 as funding from Member states and US$822,671 as in-kind contribution, 59% of which was from Member countries. Considering only the recurrent incomes, there was a reduction of 4% in 2010 from the US$7,171,930 received during the financial year 2009. This is largely attributed to the fact that the funding agreement which MEFMI had with DRI ended in 2009 and DRI contributed 13% of the 2009 MEFMI total funds.

Member Countries contributed an additional US$39,000 each, totaling US$507,000. This was however, treated as deferred income in the financial statements and does not form part of the US$6,883,796 indicated above.

Angola and Sweden paid their 2011 contribution to MEFMI in advance, which has resulted in, the institute recording a surplus of US$816,227 at the close of the year

Table 5 outlines the revenue comparison for 2009 and 2010.

Table 5 Revenue Comparison for 2009 and 2010

Receipts for the years 2009 and 2010

2009 Receipts	Cash US$	In – kind US$	Total US$	%
Member States	3,233,994	522,000	3,756,000	52
Cooperating Partners	3,089,549	293,000	3,383,000	47
Interest and other	33,179	-	33,179	1
Total	6,356,930	815,000	7,171,930	100
2010 Receipts				
Member States	2,924,690	483,690	3,408,380	46
Cooperating Partners	3,125,306	338,981	3,464,287	47
Interest and other	11,310	-	11,310	0
Total	6,061,306	822,671	[1]6,883,977	93
Deferred Income	507,000		507,000	7

6.2 Expenditure

The expenses for 2010 went down by 26% from US $ 8,204,677 to US $ 6,067,750. This resulted from scaling down of some of the regional activities as well as tight budgetary controls.

6.3 Budgetary Performance

There was 101% realisation of the budgeted inflows. US $ 7,390,796 was realised as compared to the budgeted US $ 7,337,062. This was also attributed to the advance contributions from Angola and Sweden.

6.4 Office Extension

Following acquisition of the MEFMI property located at 9 Earls Road in Alexandra Park, Harare, MEFMI took ownership of the property at the end of January 2010. An assessment of the space available indicated the need for additional offices to be created by constructing an annex. The Executing Agency provided an Officer to assist with the process of customising the building. The Secretariat contracted a firm of architects (Pearce McComish Tarabuku) and a quantity surveyor (Mahachi, Gwaze and Partners) to prepare drawings and the estimated budget, respectively. Tenders were floated and following the tender adjudication the successful contractor, Elevate Construction commenced construction in August 2010. The annex and renovations are expected to be completed by January 2011.

[1] The 2010 total is inclusive of the $507,000.00 capital contributions from member countries.

7. HUMAN RESOURCES AND ADMINISTRATION

7.1 Staff Establishment

The Secretariat commenced the year 2010 with a staff complement of 31 after the new Director, Macroeconomic Management Programme, Mrs Nomusa Tibane and the Driver assigned to the Executive Director, Mr Kelton Taruvinga both assumed duty on 5 January, 2010. The post of Programme Officer- Foreign Private Capital in the Macroeconomic Management Programme fell vacant in January 2010. The preliminary and final interviews for the post were conducted on 12 and 18 January, 2010 respectively. The successful candidate Mr Evarist Adolf Mgangaluma from the Bank of Tanzania accepted the offer on secondment from the Bank and joined the Institute on 20 March 2010.

The former Director of the Macroeconomic Management Programme, Dr Ephraim Kaunga carried out handover of duties to the new Director during the period 5 to12 January 2010 and 4 to 26 February 2010. This included accompanying Mrs Tibane on two regional activities. The former Director of Finance and Administration Mr Stevenson Mkandawire also completed his handover to Mrs Rose Phiri during the periods 6 to 8 January 2010 and 15 February to 12 March 2010. The last part of the handover was to prepare for the 2009 Audit.

In addition to the established positions, a temporary gardener was employed in order to tend the surroundings at 21 Joshua Nkomo Rd during the period 30 June, 2010 to 31 December, 2010.

As at 31 December 2010 the staff compliment was 30 following the resignation of the Director – Macroeconomic Management Programme Mrs Nomusa Tibane. Mrs Tibane was seconded to the

African Development Banking Group by the Government of Swaziland. The post was advertised in all member states and interviews will be held during the first quarter of 2011.

During 2010, the gender distribution at the Secretariat was as depicted in Table 6 below:

Table 6: Staff Distribution at the Secretariat

POST	MALE	FEMALE
Executive Director	1	
Programme Directors	2	2
Programme Officers /Equivalent	10	4
Assistant Accountant	1	
Accounts Assistant		1
Programme Secretaries /Equivalent		5
Receptionist		1
Drivers	2	
Office Orderly		1
Gardner	1	
Total	17	14

Source: MEFMI Data Base 2010

7.2 Joint Performance Management (JPM)

The Institute implemented for the first time the Joint Performance Management (JPM) which was adopted after the workload analysis and remuneration survey that was carried out in 2008. New staff members attended a two day workshop in January 2010 to familiarise themselves with the JPM. A briefing with staff which was facilitated by Proserve Consultants on how to complete the JPM contracts was held at the Secretariat on 24 February, 2010. To facilitate the full implementation of the JPM system, the Institute engaged all staff and performance contracts for the year 2010 were signed by the end of the first quarter.

Midyear performance appraisals were conducted and completed by the end of the third quarter. The end of year appraisals have commenced and are due by14 February, 2011. A report of the half year appraisal was done and will be combined with the end of year report. The object of the report is to assess the effectiveness of the new system and identify areas of improvement.

7.3 Staff Team Building Retreat

In an effort to retain its position as a center of excellence, the Institute held a MEFMI Staff Team Building retreat which was attended by 25 staff members. The workshop provided staff a channel through which they could meet informally and find ways on how best to harness their diverse skills in order to continue to execute their duties successfully as a cohesive team. As part of the team building exercise, all MEFMI staff received individual DISC reports which revealed individual personality traits. The staff also actively participated in re-crafting the Institute's Vision, Mission and Value statements. These will be presented to the Executive Committee for approval.

8. SOME OBSERVED OUTCOMES IN 2010

Consistent with the findings of the independent assessment of the MEFMI Mid-Term Review undertaken in early 2010, the capacity building activities of MEFMI in the areas of macroeconomic, financial sector and debt management yielded a substantial number of outcomes. This resulted from the progress MEFMI made in the member states in terms of improved client awareness, networking to share experiences, decision making, and acquisition of relevant knowledge, skills and tools. These in turn facilitated the development, adoption, implementation or reform of macroeconomic, financial and debt data systems, procedures, policies and strategies. Flowing from this, some of the noticeable outcomes realised at the Programme level in the year under report include:

8.1 Macroeconomic Management Programme

- Modeling and Forecasting.
- In this area, the focus was to address cross cutting regional and country specific needs. The Programme developed two models for the Bank of Namibia; namely the Quarterly GDP Model and the Core Inflation Model. The two models which have since been adopted are key to forecasting GDP and inflation for the Bank. Cross-cutting modeling and forecasting skill gaps were addressed through regional initiatives.

- Public Expenditure Management. Under this area of focus, two key outcomes were delivered and adopted during the year, namely the Public Finance Management System for Zimbabwe and the Public Expenditure and Financial Management Manual (PEFM) customized to regional needs. The two products have been rolled out for use in Zimbabwe and the region, respectively. In addition, skills on compilation of Government Finance Statistics (GFS) required by institutions to migrate from GFSM 1986 to GFSM 2001 were rolled out.

- Macroeconomic Management and Analysis. As in other areas, capacity building in this area focused on country specific and regional needs. At the country level, the programme conducted a study on the currency options for Zimbabwe to help guide exchange rate policy for the Government of Zimbabwe which had experienced a currency collapse. Zimbabwe adopted the use of multiple currencies.

- Foreign Private Capital Capacity Building Programme. Under this area of capacity building, the focus was on data quality, analysis, building institutional structures for administering capital flows and software support. Three major outcomes were registered:
  - Adoption of PCMS by seven member states namely; Zambia, Botswana, Rwanda Kenya, Malawi, Tanzania-Zanzibar and Swaziland. Except for

Zanzibar and Swaziland which are still capturing data, all of the listed countries were able to process, analyze and prepare quality FPC reports using PCMS.

- Significant improvement in FPC survey methodology and application of the best practices by countries such as Tanzania, Uganda and Zambia. Consequently, data quality has been improved and is currently adopted for reporting countries' BOP, IIP and the IMF's Coordinated Direct Investment Survey (CDIS).

- Enhanced investors' confidence on FPC surveys as evidenced by supply of robust statistics supported with audited financial statements and high response rates (averaging at over 90 percent).

8.2 Financial Sector Management Programme

- Issuance of the government bond

  Following a number of MEFMI interventions in terms of awareness, training, and interactions with staff from the Central Bank of Lesotho (CBL), the Ministry of Finance (MOF) and other stake holders, several milestones with specific outcomes were achieved:

  - The government of Lesotho amended the Bill of Exchange Act to allow for the issuance of government bonds;

  - CBL and the MOF worked together and produced the policy framework regarding the issuance, management and monitoring of the government bond issuances. The framework was approved by Cabinet.

  - The government of Lesotho successfully issued the maiden government Treasury bond on 20 October 2010.

- Reforms in the legal and regulatory environment for the domestic financial market

  Following years of awareness raising, training and advising on the development of the domestic financial market through regional workshops, retreats for heads of financial departments and country missions, a number of countries embarked on the programme to reform their regulatory regimes. The most notable outcomes during the period under report are:

  - The Malawi draft legislation which was presented to parliament for approval and gazetting.
  - Uganda drafted the Retirement Benefit Sector Liberalisation Bill that seeks to end the monopoly of the National Social Security Fund (NSSF). The bill is still pending, awaiting parliamentary approval.
  - Lesotho is currently conducting a study/survey on retirement benefit and pension funds schemes to enable them to commence the process of drafting a bill.

- Establishment of the institution-wide risk management offices / departments

  In the area of Risk Management and Internal Controls, MEFMI assisted client institutions with:

  - The development of a Risk Management Policy Framework for the National Bank of Rwanda and the Central Bank of Swaziland. In both cases, the Policy Framework was adopted by Senior Management and the Board.
  - The establishment of a fully fledged bank-wide Risk Management Function for the National Bank of Rwanda and the Central Bank of Swaziland.

- Adoption of the Risk- Based Supervision Framework

As part of MEFMI's efforts to assist its member countries to implement Risk-Based Supervision (RBS) and Basel II and the subsequent workshops it conducted on risk-based supervision, the Central Bank of Lesotho and Central Bank of Swaziland adopted a paradigm shift in their bank supervision department from the traditional rules-based style of bank supervision to risk based supervision methodology in line with international developments. Risk-based supervision is a supervisory methodology that places great emphasis on the assessment of risk and evaluation of banking institutions' risk management systems.

In partnership with MEFMI, the two central banks conducted a number of activities directed towards the achievement of the above objective that included:

- o Supervisory processes reviews;
- o Development of risk management guidelines;
- o Development of risk-based supervision policy frameworks for adoption by senior management and the board of directors; and
- o Conducting workshops for staff of client institutions as well as market awareness workshops on the impending paradigm shift.

These activities culminated in the two banks adopting the risk-based supervision methodology. The process has improved their supervisory oversight on banks.

- Implementation of the Risk-Based Supervision Methodology

With the assistance of MEFMI, the Central Banks of Swaziland and Lesotho successfully carried out the pilot on-site examinations of commercial banks in their jurisdiction using the new approach of risk-based supervision. The pilot examinations marked the implementation of risk-based supervision and were carried out successfully. Reports produced from the pilot examinations were presented to senior management and the board of directors of both the commercial banks and the central banks. The results and feedback from the Pilot Examinations helped to inform the issuance of a final Risk-Based Supervision Policy Framework as well as the development of Risk-Based Supervision manuals in due course.

8.3 Debt Management Programme

- Legal and Institutional Frameworks. Following years of awareness-raising, training and advising on legal and institutional arrangements including through the MEFMI Debt Management Seminar series and also interactions with country authorities and senior management on best practice;
    - o Zimbabwe moved in 2010 to centralize debt management through the creation of the Zimbabwe Aid and Debt Management Office (ZADMO).
    - o Angola authorities strengthened the centrality of the Ministry of Finance in public debt management, particularly in relation to debt strategy formulation and implementation.
    - o Other member states continue to adjust and reform their institutional arrangements and procedures for debt management, in response also to the findings of reviews undertaken by MEFMI in collaboration with the World Bank through Debt Management Performance Assessment workshops and country missions. This has helped to further foster not only the ongoing adoption of best practice, but also harmonization that is necessary for regional integration from macroeconomic convergence point of view.
- Front Office. Following MEFMI's interventions on the cost and risks associated with issuing sovereign bonds in international markets, entering into private-public partnerships or borrowing indiscriminately from non-traditional lenders, countries concerned have adopted a more cautious and gradual approach in contracting loans.

Countries are also pursuing domestic debt issuance and market development to diversify their sources of government financing.

- Middle Office. Through awareness raised and knowledge and skills imparted the majority of MEFMI countries;
  - Have improved policies to incorporate cost and risk considerations in debt management.

  In respect of one of our member countries
  - Uganda has completed and adopted a sovereign liability risk model.
  - Other member countries have been assisted to develop medium term debt strategies (MTDS) that are risk based.
  - Students who enrolled and completed a MEFMI e-learning course applied the skills learnt by undertaking research in their respective countries using official country data culminating in policy recommendations.

- Back Office. MEFMI continued to provide maintenance level support to member states as well as impart knowledge and skills in new areas in the area of back office operations in public debt management. As a result back offices:
  - Have improved operations based on best practice as well as the quality of debt information.
  - Have more comprehensive debt monitoring and accurate and timely debt servicing
  - Have adopted international standards in debt reporting, notably under Debt Reporting System (DRS), Quarterly External Debt Statistics (QEDS) and General Data Dissemination System (GDDS).

8.4 Multi-Disciplinary Activities

MEFMI's Fellows have been used in their own countries to build internal capacity and to carry out tasks that were previously carried out by Consultants. An example is Uganda, where staff trained by MEFMI including Fellows now can undertake debt sustainability and risk analyses exercises with minimal support from MEFMI and Consultants.

9. CHALLENGES, LESSONS LEARNT AND OPPORTUNITIES

9.1 Challenges

In the course of executing the capacity building programs the Institute faced a few challenges/ constraints, to which intervention strategies were devised. Table 7 below provides a snap-shot of the challenges identified in 2009 and the interventions undertaken to address them in 2010.

Table 7 – Status of the Challenges Reported in 2009

Challenge	Status
Lack of clear segregation of duties in some departments within member states	Institutional review m issions were con ducted in 2010 that emphasized segregation of duties. Retreats for heads of departments and regional courses were run to emphasize segregation of duties Institutions are continuously encouraged to adopt manuals on best institutional practices.
Limited de partmental use of appropriate and effective operational manuals and guidelines	Questionnaire distributed across member states to assess the use of Public Expenditure and Financial Management Manual
Lack of uniform data classification across countries, a ffecting effective regional analysis	Data requirement for Economic Management and Government Financial Statistics, Modeling and Forecasting Retreat, Financial Programming and Policy, and PCM customization and Public Expenditure and Financial Management Manual.
Ineffective attendance by local participants in venues close to their offices	Human Resource Seminar was used to lay emphasis on participation on the activities and where appropriate cost effective venues that are not within the proximity of the offi ces were used.

Table 8 below highlights the challenges and the intervention strategies for the reporting period.

Challenge	Intervention Strategy
• Inadequate regulatory frameworks, in some countr ies, due to delays in enacting laws which hinder implementation of best practices.	Continue to raise awareness on the need for adequate and appropriate regulatory reforms.
• Insufficient preparations for in-country missions by recipient countries which hinder the smooth delivery of scope of work by the mission team.	Enhance engagement of country in preparation of in -country capacity building activities.
• Inadequate internal expertise to cater for critical emerging issues.	Strategic alliance with international and regional cooperating partners. Staff development and networking.
• High staff turn-over in client institutions	Continue enhancing capacity building programmes to restore the lost expertise. Encouraging client institutions to improve the working conditions and to create a conducive environment
• Lack of economic and social indicators for measuring the informal sector.	Conduct a specialized study to develop economic and social indicators.

9.2 Lessons Learnt

- Following a number of workshops in reserves management, payment and settlement systems, monetary policy implementation, sovereign liabilities management and supervision, it has been realised that issues with respect to risk management, governance and oversight cut across all the five specialised areas. As an intervention strategy, MEFMI would consider holding at least one annual event that brings together participants in the specialised areas to jointly brainstorm on the cross-cutting issues and the way forward and thereafter follow up with in-country missions

- MEFMI in collaboration with UNITAR re-run the e-Learning course in Domestic Debt Sustainability during 2010. The high number of applications for the course from the MEFMI region and beyond continued to show e-Learning is increasingly becoming a popular and preferred mode of capacity building for professionals who may not be released to attend residential training. The lessons drawn by MEFMI for future consideration include the need to invest in its own portal and broaden coverage of courses offered via e-learning.

- The aftermath of the recent global financial crisis provided clear indications that MEFMI needs to develop tools and products to assist member countries in compilation of statistics, monitoring private

capital flows, improving public expenditure and financial management as well as modeling and forecasting.

- Some member countries are not aware of the full range of services offered by MEFMI, particularly the services that are country specific. MEFMI will continue to create awareness among member states through retreats and seminars on the range of services available.

9.3 Opportunities

- ? MEFMI continues to broaden collaboration and networking with traditional and non-traditional technical cooperating partners. This offers opportunity for MEFMI to broaden and enhance its range of capacity building activities as well as to improve its financial and technical sustainability.

- ? Partnership with Institutions of higher learning gives MEFMI an opportunity to partner with those institutions in consideration of certification to select Fellows trained by MEFMI.

- ? The existence of countries without membership to any regional capacity building organization offers MEFMI an opportunity to increase its membership or explore offering its services at a fee.

The growing number of regional experts in the form of Fellows and Trained Trainers offers opportunity for cost containment.

FINANCIAL REPORT

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 cash flows 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 cash flow forecast for the year to 31 December 2011 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 pages 31 and 32.

The financial statements set out on page 33 to 51 which have been prepared on the going concern basis were approved by the board of Governors on 25 March 2011 and were signed on its behalf by:

....	....
Prof. E. Tumusiime Mutebile	**Ellias E. Ngalande (PhD)**
In-coming Board Vice Chairman	Executive Director

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MEFMI

We have audited the accompanying financial statements of the MACROECONOMIC AND FINANCIAL MANAGEMENT INSTITUTE OF EASTERN AND SOUTHERN AFRICA (MEFMI) set out on pages 33 to 51, which comprise the statement of financial position as at 31 December 2010, the statement of income and expenditure, statement of changes in reserves and the statement of cash flow 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.

Qualification

Limitation of scope on in-kind donations
The entity derives a portion of its income from inkind donations by member states and cooperating partners. The contributions to be received cannot be ascertained in advance and except for airfares, any other contributions are voluntary and MEFMI is only advised after the contribution has already been made. As a result the organisation can only account for contributions which would have been communicated by member countries and cooperating partners. Accordingly, our examination did not extend beyond the contributions that were recorded, however, we are not aware of any circumstances which would indicate that any contributions have not been brought into account.

Opinion

In our opinion, *except for the matter described in the preceding paragraph,* 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 2010, and of its financial performance and its cash flows for the year then ended in conformity with International Financial Reporting Standards.

BDO Zimbabwe
Chartered Accountants

HARARE
25 March 2011

STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

	Notes	2010 US$	2009 US$
ASSETS			
Non-current assets			
Property and equipment	3	722,234	450,260
Current assets			
Inventory	4	35,785	24,354
Accounts receivable	5	648,460	52,870
Cash and cash equivalents	6	1,134,349	807,837
		1,818,595	885,061
TOTAL ASSETS		2,540,829	1,335,320
RESERVES AND LIABILITIES			
Reserves			
Accumulated fund		1,106,956	457,188
		1,106,956	457,188
Current liabilities			
Short term borrowings	7	-	349,000
Accounts payable	8	140,024	181,706
Provisions	9	435,883	347,426
Deferred income	10	857,966	-
		1,433,873	878,132
TOTAL RESERVES AND LIABILITIES		2,540,829	1,335,320

.... Chairman, Board of Governors

.... Executive Director

STATEMENT OF INCOME AND EXPENDITURE

for the year ended 31 December 2010

	Notes	2010 US$	2009 US$
INCOME			
Cooperating partner funding	11	3,125,306	3,089,549
Member state contributions	12	2,924,690	3,233,994
In-kind contributions	13	822,671	815,208
Interest income	14	11,129	20,636
Exchange gain		-	2,508
Profit on disposal of property and equipment		181	10,035
TOTAL INCOME		6,883,977	7,171,930
EXPENDITURE			
Accommodation and subsistence		1,240,610	2,294,272
Audit fees (Internal and external audit)		20,442	13,645
Bank charges		29,696	45,060
Depreciation		84,740	98,408
Facilities and materials		224,524	479,457
Office expenses	15	484,110	693,044
Professional fees	16	546,015	721,176
Salaries and wages		1,590,940	1,534,356
Staff benefits	17	767,012	898,242
Training and tuition fees		22,604	44,548
Travel expenses		1,057,057	1,382,468
TOTAL EXPENDITURE		6,067,750	8,204,677
SURPLUS/(DEFICIT) FOR THE YEAR		816,227	(1,032,747)

STATEMENT OF CHANGES IN RESERVES

for the year ended 31 December 2010

	Accumulated fund US$
At 1 January 2009	1,489,935
Deficit for the year	(1,032,747)
At 31 December 2009	457,188
Refund to Highly Indebted Poor Countries (HIPC)	(166,459)
Surplus for the year	816,227
At 31 December 2010	1,106,956

STATEMENT OF CASHFLOWS

for the year ended 31 December 2010

	Note	2010 US$	2009 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) of income over expenditure		816,227	(1,032,747)
Adjustment for:			
Depreciation of property and equipment		84,740	98,408
Interest income		(11,129)	(20,636)
Profit on disposal of equipment		(181)	(10,035)
Operating surplus /(deficit) before working capital changes		889,567	(965,009)
Increase in inventories		(11,431)	(24,354)
(Increase)/decrease in receivables		(595,590)	91,199
Increase in payables		(41,683)	(242,783)
Increase/(decrease) in provisions		88,458	(322,441)
Net cash outflows from operating activities		329,411	(1,463,388)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property and equipment		181	10,035
Acquisition of property and equipment		(356,714)	(402,010)
Interest income		11,129	20,636
Net cash used by investing activities		(345,404)	(371,339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement on short-term borrowings		(349,000)	349,000
Refund to HIPC capacity building project		(166,459)	-
Advance disbursements		350,964	-
Capital contributions		507,000	-
Net cash flows from financing activities		342,505	349,000
Net increase/(decrease) in cash and cash equivalents		326,512	(1,485,727)
Cash and cash equivalents at 1 January 2010		807,837	2,293,564
Cash and cash equivalents at 31 December 2010	6	1,134,349	807,837

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

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 principal accounting policies adopted in the preparation of financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are based on the historical cost convention.

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

Estimation of property and equipment residual value

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

2.4 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 net 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.

2.5 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 United States Dollars at rates of exchange ruling at the time of the transaction. Exchange gains or loses 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 United States Dollars at rates of exchange approximating those ruling at the balance sheet date.

2.6 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.

2.7 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.

2.8 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.

2.9 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
Buildings	-	25 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.

2.10 Impairment of assets

At each statement of financial position 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.

2.11 Inventories

The carrying amount of inventory is measured at the lower of cost or net realizable value, less impairment. Valuation is determined on a first in first out basis. The cost of inventory is recognized in the statement of income and expenditure as it is drawn down.

2.12 Financial Instruments

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated as at fair value through profit or loss at inception. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short term profit-taking, or if so designated by management in terms of the company's long term investment strategy. Financial assets designated as at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair basis to the company's key accounting policies of financial assets in which there is evidence of short profit-taking, or if so designated by management in terms of the company's long term investment strategy.

Changes in the fair value of the financial assets at fair value through profit or loss category are included in the statement of income and expenditure in the finance income or expense line item in the period in which they arise. The fair values of quoted investments are based on current bid prices.

If the market for a financial asset is not active or if they are unquoted, the company establishes fair value by using valuation techniques. These include discounted cash flow analysis, use of recent arm's length transactions, and reference to other instruments that are substantially the same, discounted cash flow analysis, price earnings valuations and net asset values basis. Financial assets at fair value through profit or loss are subsequently carried at fair value.

(ii) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

(iii) Financial liabilities

The institute classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

This category comprises only out-of-the money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of income and expenditure.

Other financial liabilities

Other financial liabilities include the following items:

(a) The institute's borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

(b) Trade payables and short-term monetary liabilities, which are initially recognized at fair value and subsequently are carried at amortized cost using the effective interest method.

De-recognition of financial assets

Investments are derecognized when the rights to receive cash flows from the investments have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership. Gains and losses are recognized in statement of income and expenditure when the financial assets are derecognized or impaired, as well as through the amortization process.

Impairment of financial assets

A financial asset is deemed to be impaired when its carrying amount is greater than its estimated receivable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements.

2.13 Deferred Income

Contributions by member countries in the form of assets are recognised as deferred income and are recognized in the statement of income and expenditure over the useful life of the related asset.

2.14 Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions.

3. PROPERTY AND EQUIPMENT

	Land & Building US$	Motor Vehicles US$	Computer Equipment US$	Office Furniture US$	Total US$
At 1.1.2009					
Cost or valuation	-	136,923	311,880	296,715	745,518
Accumulated depreciation	-	(115,866)	(229,687)	(253,307)	(598,860)
Carrying amount	-	21,057	82,193	43,408	146,658
Year ended 31.12.2009					
Opening carrying amount	-	21,057	82,193	43,408	146,658
Additions	374,535	-	14,492	12,983	402,010
Disposals	-	-	-	-	-
Depreciation charge	-	(5,264)	(62,009)	(31,135)	(98,408)
Closing carrying amount	374,535	15,793	34,676	25,256	450,260
At 31.12.2009					
Cost or valuation	374,535	86,097	326,372	309,698	1,096,702
Accumulated depreciation	-	(70,304)	(291,696)	(284,442)	(646,442)
Net carrying amount	374,535	15,793	34,673	25,256	450,260
Year ended 31.12.2010	-	-	-	-	-
Opening carrying amount	374,535	15,793	34,673	25,256	450,260
Additions	335,322	-	-	21,392	356,714
Disposals	-	-	-	(113)	(113)
Depreciation on disposals	-	-	-	113	113
Depreciation charge	(28,394)	(5,264)	(28,539)	(22,543)	(84,740)
Closing carrying amount	681,463	10,529	6,137	24,105	722,234
At 31.12.10					
Cost or valuation	709,857	86,097	326,372	330,977	1,453,303
Accumulated Depreciation	(28,394)	(75,568)	(320,235)	(306,872)	(731,069)
Net carrying amount	681,463	10,529	6,137	24,105	722,234

		2010 US$	2009 US$
4	INVENTORY		
	Stationery	35,785	24,354
5	ACCOUNTS RECEIVABLE		
	Workshop advances	183,840	3,375
	Staff loans and advances	112,686	38,025
	Prepayments	38,044	9,462
	Contributions due - Swaziland	245,605	2,008
	- Zimbabwe	14,381	-
	VAT Claims	53,904	-
		648,460	52,870
6	CASH AND CASH EQUIVALENTS		
	Bank and cash balances	731,568	807,837
	Gratuity account	402,781	-
		1,134,349	807,837

Included in bank and cash is an advance disbursement of USD565,843, for 2011 activities, received from the Swedish Government.

		2010 US$	2009 US$
7	SHORT TERM LIABILITY		
	Government of Zimbabwe - Ministry of Finance	-	349,000

The loan was repaid during the year.

		2010 US$	2009 US$
8	ACCOUNTS PAYABLE		
	Angola	-	37,361
	Professional fees	68,981	-
	Accrued expenses	56,843	133,580
	Other payables	14,200	10,764
		140,024	181,705

9. PROVISIONS

	Leave pay	Terminal Gratuity	Totals	2009
	US$	US$	US$	US$
Opening balance at 01 January 2010	16,599	330,827	347,426	669,867
Accrued during the year	21,746	390,734	412,480	538,631
Utilised / written off	(5,244)	(318,780)	(324,023)	(861,071)
Closing balance at 31 December 2010	33,101	402,781	435,883	347,426

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

	2010	2009
	US$	US$
10. DEFERRED INCOME		
Balance at the beginning of the year	-	-
Contributions received in advance-Angola	350,966	-
Asset contribution from member countries	507,000	-
Balance at end of the year	857,966	-
11 CO-OPERATING PARTNER FUNDING		
Netherlands Government	880,000	880,000
Norwegian Government	623,053	631,912
Swedish Government	1,130,966	551,808
African Capacity Building Foundation (ACBF)	331,982	399,546
Foreign Private Capital (FPC) Capacity Building project	-	27,000
Highly Indebted Poor Countries (HIPC)	-	390,177
International Monetary Fund (IMF)	-	70,000
World Bank	159,305	131,701
COMSEC	-	1,406
UNCTAD	-	6,000
	3,125,306	3,089,549

		2010 US$	2009 US$
12	MEMBER STATE CONTRIBUTIONS		
	Angola	274,605	303,615
	Botswana	221,955	234,293
	Kenya	241,699	263,689
	Lesotho	213,131	227,222
	Malawi	219,712	240,824
	Mozambique	215,375	240,872
	Namibia	215,375	232,537
	Rwanda	217,517	234,462
	Swaziland	206,605	231,002
	Tanzania	241,675	259,715
	Uganda	219,762	262,592
	Zambia	221,898	242,377
	Zimbabwe -annual contribution	215,381	234,519
	-office rent subsidy	-	12,500
	-reimbursement of capacity building activities	-	13,775
		2,924,690	3,233,994

		2010 US$	2009 US$
13	IN-KIND CONTRIBUTIONS		
	Member states	483,690	521,700
	Co-operating partners	338,981	293,508
		822,671	815,208
14	INTEREST RECEIVABLE		
	MEFMI Joint Account	11,129	17,443
	Other	-	3,193
		11,129	20,636

		2010 USD	2009 USD
15	OFFICE EXPENSES		
	Advertising	35,224	50,800
	Air Courier Mail	3,787	48,895
	E-Communication Charges	65,714	35,547
	Equipment Maintenance	14,449	15,826
	General Expenses	36,197	44,072
	Office Maintenance	86,868	10,727
	Printing and Stationery	39,679	17,630
	Publications	53,965	110,567
	Recruitment and Relocation Expenses	22,490	117,512
	Rentals-Office	77,158	194,540
	Telephone and Postage	45,579	46,927
		484,110	693,044
16	PROFESSIONAL FEES		
	Macroeconomic Management Programme		
	Regional Workshops	103,312	179,606
	In-Country Workshops	13,920	5,760
	Missions	35,511	21,840
	Studies	12,500	65,980
		165,243	**273,186**
	Financial Sector Management Programme		
	Regional Workshops	46,381	79,620
	In-Country Workshops	10,590	23,660
	Missions	35,301	11,160
		92,272	**114,440**
	Debt Management Programme		
	Regional Workshops	49,720	28,080
	In-Country Workshops	17,670	18,800
	Missions	50,520	8,400
	Studies	14,324	-
		132,234	**55,280**

		2010	2009
16	Continued	US$	US$
	Multi-Disciplinary Activities		
	Executive Fora	8,890	10,830
	Professional fees for Fellows	12,000	18,320
	Fellow Activities	61,856	122,412
		82,746	151,562
	Secretariat Capacity Building		
	Recruitment	4,800	-
	Secretariat Support	50,480	29,733
	Impact needs assessment	18,240	96,975
		73,520	126,708
	Total	546,015	721,176
17	STAFF BENEFITS		
	Terminal Gratuity	411,787	375,063
	Medical Aid Contribution	55,061	83,094
	House Allowance	107,241	215,148
	House Rent and Maintenance	44,428	25,137
	School fees subsidy	46,443	159,691
	Other	102,052	40,108
		767,012	898,242

18 RELATED PARTY DISCLOSURES

Compensation to key management personnel of the organization		
Short term employee benefits	570,502	535,061
Gratuity	127,797	133,708
	698,299	668,769

19. TAX

In terms of the Headquarters Agreement with the Government of Zimbabwe the Institute is exempt from tax.

20. FINANCIAL INSTRUMENTS

The Institute is exposed through its operations to the following financial risks:
Liquidity and cash flow risk
Interest rate risk

Principal Financial Instruments

The principal financial instruments used by the Institute, from which financial instrument risk arises, are as follows:

(i) Other receivables
(ii) Cash at bank
(iii) Payables

Interest rate risk

The Institute's exposure to the risk of changes in market interest rates relates primarily to short-term money market investments with financial institutions. This is the risk that arises from adverse movement in the value of future interest receipts resulting from movements in interest rates.

Liquidity and cash flow risk

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the Institute faces, the Institute's policy has been throughout the year ended 31 December 2010, to maintain substantial liquid resources.

21. Financial Instruments (Cont'd)

Financial assets

	Financial Assets at Fair value through profit or loss	Loans and receivables	Available for sale
	2010	2010	2010
	USD	USD	USD
Cash and cash equivalents	-	1,134,349	-
Other receivables	-	648,560	-
Total financial assets	-	1,782,909	-

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
	2010	2010
	USD	USD
Trade and other payables	-	140,024

22. EVENTS AFTER THE REPORTING DATE

These financial statements were approved by the Executive Committee on 25 March 2010.

DETAILED STATEMENT OF INCOME AND EXPENDITURE
for the year ended 31 December 2010

	2010	2009
	US$	US$
INCOME		
Member state contributions	2,924,690	3,233,994
Netherlands Government	880,000	880,000
Norwegian Government	623,053	631,912
African Capacity Building Foundation (ACBF)	331,982	399,546
FPC Capacity Building Project	-	27,000
HIPC Capacity Building Project	-	390,177
International Monetary Fund	-	70,000
Swedish Government	1,130,966	551,808
World Bank	159,305	131,701
COMSEC	-	1,406
UNCTAD	-	6,000
In-kind contributions	822,671	815,208
Interest income	11,129	20,636
Exchange gain	-	2,508
Profit on disposal of fixed assets	181	10,035
	6,883,977	7,171,930
EXPENDITURE		
Macroeconomic Management Programme		
FPC Capacity Building Project	-	294,676
In-country workshops	63,535	5,579
Missions	70,628	33,939
Operating expenses	114,036	125,534
Programme delivery- staff	548,991	635,015
Regional Workshops	844,899	1,219,622
Studies	14,945	94,655
Total	1,657,034	2,409,020
Financial Sector Management Programme		
In-country workshops	12,072	81,153
Missions	93,634	34,065
Operating expenses	99,813	110,765
Programme delivery- staff	553,133	579,049
Regional workshops	666,693	1,168,570
Total	1,425,345	1,973,602

DETAILED STATEMENT OF INCOME AND EXPENDITURE
for the year ended 31 December 2010

	2010	2009
	US$	US$
Debt Management Programme		
HIPC Capacity Building Project	-	105,366
In- country workshops	66,293	43,048
Missions	81,195	44,549
Operating expenses	103,389	115,688
Programme delivery- staff	560,367	591,927
Regional workshops	543,423	700,833
Studies	23,673	-
Total	1,378,340	1,601,411
Multi disciplinary activities		
Executive Fora	192,258	173,866
Fellows Development Programme	144,016	442,682
Operating expenses	17,600	22,150
Programme delivery- staff	115,583	133,000
Total	469,457	771,698
Secretariat Capacity Building		
Capital expenditure (depreciation)	84,740	98,408
Impact assessment	-	164,512
Networking	25,543	110,871
Operating expenses	51,473	19,692
Publications	27,910	119,947
Planning and mid-term review	32,276	-
Programme delivery- staff	107,853	102,841
Staff development	95,569	86,801
Staff recruitment and relocation	43,130	185,566
Total	468,494	888,638
Administration		
Governing bodies	47,082	65,051
Operating expenses	147,086	90,624
Salaries, wages and benefits	474,912	404,633
Total	669,080	560,308
TOTAL EXPENDITURE	6,067,750	8,204,677
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	816,227	(1,032,747)

ANNEXURE

Annex I: Regional capacity building activities conducted during January to December 2010
Courses / Retreats / Seminars / Workshops

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons: International Paid	Resource Persons: International Gratis	Resource Persons: Regional	Resource Persons: MEFMI Fellow	Resource Persons: MEFMI Staff	S	Participants: C	Participants: M	Participants: F	Target (J,MM, Snr, D)
MACROECONOMIC MANAGEMENT PROGRAMME														
1.	Regional Brainstorming Retreat on the Modelling and Forecasting Manual 8 -12 February 2010 Kigali, Rwanda	To draft a comprehensive outline of the content of the manual. To develop a clear and consistent approach for its development including TORs for consultants.	Drafted a comprehensive outline of the content of an effective modelling and forecasting reference manual for the region. Developed a clear and consistent approach for the development of the manual including TORs for consultants.	-	0	0	2	0	3	1	9	6	7	Snr, D
2.	Financial Programming and Policy 1-12 March 2010 Lilongwe, Malawi	To sharpen participants' understanding of the sectoral linkages and their impact on policy design. To improve capacity in forecasting and projection and applications to policy formulation.	Introduced participants to the latest concepts of data capture under BOP, Monetary and Financial Statistics, Government Financial Statistics and System of National Accounts. Sharpened understanding of the essential sectoral linkages and their impact on policy design. Improved capacity in forecasting and projection and applications for policy formulation.	-	0	0	0	4	0	3	12	15	10	MM
3.	Heads of Departments / Units Responsible for FPC 22 – 26 March 2010 Mbabane, Swaziland	To review the progress made by member countries during 2009 in implementing a harmonised methodology for monitoring and analysing PC and agree on an action plan for 2011.	Country progress reports and Regional PC Action plans for 2010/2011 developed. Developed first intra and extra MEFMI member countries' PC flows and position data tables.	-	0	0	2	0	1	4	10	16	6	MM, Snr, D

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
4.	Joint IMF/MEFMI Course on Data Requirements for Economic Management –Government Finance Statistics (GFS) 12 - 23 April 2010 Livingstone, Zambia	To equip participants with full understanding of the reasons for the revision of GFSM 1986 to GFSM 2001 and the major changes. To create a generic migration path for member countries to follow in moving from GFSM 1986 to GFSM 2001.	Created an in-depth understanding of the reasons for the revision of GFSM 1986 to GFSM 2001 and the major changes. Created a generic migration path for member countries to follow in moving from GFSM 1986 to GFSM 2001.	-	0	2	0	0	0	3	11	12	15	J, MM
5.	Seminar on Private Capital Monitoring System (PCMS) 14 -18 June 2010 Arusha, Tanzania	Hands-on seminar for existing and potential users as well as IT experts on MEFMI PCMS functionalities.	Successfully tested PCMS using real data from all participating countries except Rwanda and Zimbabwe.	-	0	0	1	0	1	4	9	23	7	J,MM
6.	Trade Policy and Regional Integration Mombasa, Kenya 2-6 August 2010	To provide participants with a general knowledge of regional integration and international trade policy issues	Officials of MEFMI M/S were equipped with knowledge of regional integration and trade policy issues. It also promoted active interactions of trade policy makers from M/S of EAC, SACU, SADC and COMESA on EPAs.	-	0	2	0	0	0	3	11	14	9	MM, Snr
7.	PCMS Handing Over Workshop 13 -17 September 2010 Harare, Zimbabwe	To facilitate official handing over of PCMS To review software documentation To draft PCMS policy for software sustainability	PCMS Policy developed Acceptance test report developed Software risk profile, its sustainability plan software documentation reviewed	-	0	0	1	0	2	7	5	9	0	J,M, Snr, D

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
8.	Monetary and Exchange Rate Policies Course 4 – 15 October 2010 Kampala, Uganda	To introduce participants to the different types of monetary policy strategies and exchange rate arrangements that countries may choose from, emphasising the policy mix that is mutually consistent. To outline the nature of the monetary policy transmission mechanism; the implications of financial globalisation and capital flows and other factors that influence the effectiveness of monetary policy; and the roles of expectations, policy credibility, and transparency.	Enhanced participants' skills on monetary policy transmission mechanism; implications of financial globalization and capital flows and other factors that influence the effectiveness of monetary policy; and the roles of expectations, policy credibility, and transparency was imparted to participants. Imparted knowledge on the different types of monetary policy strategies and exchange rate arrangements that countries may choose.	IMF Institut e	0	3	0	0	0	3	9	6	21	MM, Snr
9.	Public Expenditure and Management Workshop 18 – 22 October 2011 Kampala, Uganda	To discuss the questionnaire results with other member states To develop a set of joint findings on PEM and MTEF experiences To present the strengths and weaknesses of MTEF implementation by MEFMI member governments	Identified strengths and weakness of the PEM and MTEF reforms from individual country's perspectives and the group. Identified capacity building needs appropriate for individual countries Deepened understanding and requirements for effective PEM and MTEF	-	0	0	1	0	0	3	8	10	14	MM, 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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
DEBT MANAGEMENT PROGRAMME														
10.	Debt Managers Seminar 2-5 March 2010 Victoria Falls, Zimbabwe	To discuss the current issues and challenges in Debt Management in the post- Financial Crisis era. To raise awareness on best practices and on new instruments and approaches developed in the debt management field, specifically on DeMPA, MTDS and DSF. To raise awareness on Debt Portfolio Analytical Techniques and Tools by highlighting the Use of Computer Based Debt Management Systems such as CS DRMS 2000+.	Experiences shared and awareness raised on current issues and challenges in Debt Management in the post- Financial Crisis era. Country debt reforms reviewed, including country capacity building needs and challenges encountered. Awareness raised on objectives, approaches and progress of the new UNCTAD initiative on 'Responsible Borrowing and Lending'	Comsec/UNCTAD/World Bank	0	4	0	0	1	3	9	11	8	MM, Snr, D
11.	Public Debt Sustainability Analysis Methodologies Workshop. 8-17 March 2010 Gaborone, Botswana	To develop skills of the selected officials in the use of the HIPC-CBP Methodology and the Debt Sustainability Framework (DSF) tool in conducting DSAs. To ensure that MEFMI member countries have the capacity to independently determine the levels of public and publicly guaranteed debt that is sustainable.	Trained officials in conducting DSA using recommended tools. Country DSA results presented.	-	0	0	0	2	2	2	12	21	11	Jnr, MM, 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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
12.	CS DRMS I.T. Administrators Training 12 – 16 April 2010 Mbabane, Swaziland	To install CS-DRMS 2000+ and CS-DRMS 2000+ Server Tools To upgrade CS-DRMS 2000+ DB To Introduce Participants to Report Writer	Enhanced participant's awareness on CS-DRMS architecture. Enhanced participants' Knowledge of installing CS DRMS 2000+. Enhanced participants' skills in configuring and customising reports and knowledge on general system administration.	COMSEC	0	2	0	1	1	1	7	15	4	MM, Snr
13.	Debt Reports and Statistics 19 - 28 July 2010 Arusha, Tanzania	To train compilers of debt statistics on the practical application of and compliance with the guide for compilers of debt statistics and pertinent IMF / World Bank statistical reporting frameworks; To train participants on the key reports from computer-based debt management systems of COMSEC and UNCTAD that relate to the statistics guide	Enhanced participants' debt statistics compilation and reporting skills, including role of debt systems in this regard. Provided participants with exposure to international reporting standards and initiatives. Identified gaps in debt reporting and statistics and recommended the necessary follow up.	IMF COMSEC UNCTAD	0	3	0	0	2	3	12	17	15	J,M,S
14.	Public Domestic Debt Recording, Reporting and DMFAS 6.0 Training 16-25 August 2010 Kampala, Uganda	To train DMFAS users and potential trainers, including IT support staff, on the new features of the system, notably the new module for recording public domestic debt	Participants gained DMFAS 6.0 operational and IT skills Participants were exposed to relevant debt management concepts and modules DMFAS IT staff were trained on relevant technical skills for DMFAS 6.0	UNCTAD	0	2	0	0	1	3	5	11	9	J,MM

TCP = Technical Cooperating Partner S = Secretariat C = MEFMI Countries Participating M = Male F = Female
Snr = Senior Manager D = Director M = Middle Manager J = Junior Manager

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
15.	CS DRMS Users Training on new features 1-11 September 2010 Nairobi, Kenya	To unveil new features in CS DRMS To disseminate information on new Securities Auction Module To impart knowledge on management tools in Analytical work in Debt Management	Enhanced awareness on new features in CS- DRMS Knowledge of Securities Auction Module Ability to undertake analytical work using management tools. Knowledge on the type of reports available in CS DRMS and filtering reports	COMS EC	0	2	1	1	1	1	6	10	8	MM, Snr
16.	DeMPA Tool Training 15 -19 November 2010 Windhoek, Namibia	To introduction to DeMPA and governance and strategy development	Enhanced participants knowledge of the DeMPA tool and practical skills on administering the DeMPA tool Designed and developed a debt Reform Plan.	World Bank	0	3	0	0	1	4	12	14	12	MM, Snr
17.	Public Domestic Debt Sustainability Analysis E-Learning Course 13 September to 10 December 2010	To develop middle office analytical skills in the use of domestic debt sustainability analysis methodology	Equipped EDDSA graduates with analytical skills required for middle office functions. Produced EDDSA country research papers with recommendations for improving domestic debt policies and strategies	NA	0	0	4	1	2	2	9	33	15	J, MM

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	(J,MM, Snr, D)
					Paid	Gratis								
FINANCIAL SECTOR MANAGEMENT PROGRAMME														
18.	RAMP Africa: Regional Workshop on Benchmarking and Indexation 18 – 22 January 2010 Maseru, Lesotho	To equip participants with portfolio management skills in benchmarking and indexation.	Enhanced skills in portfolio in benchmarking and indexation	World Bank Treasu ry Dept	0	2	0		2	2	6	16	8	J,MM,S nr
19.	RAMP Africa Workshop on Risk Performance and Reporting 22 – 26 March 2010 Kigali, Rwanda	To support the implementation of strong analytical capacity risk reporting, management and performance measurement for fixed income portfolios.	Enhanced skills in risk reporting and measurement for fixed portfolios.	WB treasur y Depart ment	0	4	0	0	0	1	8	15	16	J,MM,S nr
20.	Advanced Risk Management and Modeling 19-29 April 2010 Kampala, Uganda	To enhance the understanding risk management and practical implementation of risk modeling techniques for reserve management operations	Enhanced risk management and modeling techniques	-	1	2	1	2	1	3	8	17	8	J, MM, Snr
21.	RAMP Africa Workshop on Credit Risk and Legal Issues 10 – 14 May 2010 Maputo, Mozambique	To set credit limits and monitor exposure breaches. To assist participants understand basic legal principles as they relate to investment management especially principles underlying agency and counterparty relationships, central bank immunities and use of outside counsels, and the business and legal aspects of custody and securities lending.	Enhanced participants' credit risk management and entering into enforceable contracts with external service providers.	WB	0	4	0	0	0	3	8	19	11	J, MM, 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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
22.	Supervision of Non Bank Financial Institutions and Microfinance 21 – 25 June 2010 Namibia	To discuss the unique features of NBFIS and MFIs and explain some of the risks associated with NBFIs and MFIs as well as discuss international best practices for regulating and supervising NBFIs and MFIs	Got participants to think about the practical contributions they can make when they return to their countries, and what steps would need to be put in place to achieve the desired outcomes. This was done through the use of the log frame.	-	0	1	2	1	0	2	8	15	15	J,MM,Snr
23.	Regional Workshop on Advanced Portfolio Management 31 May to 4 June 2010 Malawi	To enhance the participants understanding of key issues and practical aspects of portfolio management.	Provided clear demonstration and enhanced understanding of practical aspects in portfolio management		0	2	1	1	1	2	8	17	10	MM, Snr
24.	Regional Workshop on Advanced Payment Systems Oversight Skills and Management 12 -16 July 2010 Zambia	To provide in-depth training on technical skills for oversight of payment systems and strengthen analytical capacity to evaluate and manage risks inherent payment systems	Enhanced knowledge in payment systems and practical implementation of oversight activity	-	1	1	1	1	1	2	13	19	13	J,MM,Snr
25.	Consolidated Supervision (Conglomerate Issues and Cross boarder Supervision) 30 August – 3 September 2010	To provide participants with a comprehensive view of the consolidated supervision framework, including accounting consolidation and supervision of large financial groups in the domestic and cross-border contexts.	Country specific action plans for the Implementation of Consolidated Supervision.	-	0	1	0	2	0	3	13	25	9	J, MM, 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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
26.	Accounting, Settlement and Internal Controls 18-22 October 2010 Windhoek, Namibia	To equip participants with deeper understanding of the role of back and middle office professionals, To enhance and expand skills and knowledge on best market practise, and To develop a network of peers.	Enhanced participants' knowledge in New Accounting Standards (IFRS vs IAS) Enhanced participants' skills in Leveraging external managers and global custodians Provided participants with insight into operational risk management in settlement of trades and compliance issue.	World Bank	0	5	0	0	1	2	7	17	9	MM, Snr
27.	Fundamentals of Asset Allocation for Reserves Managers 9 -13 August 2010 Mbabane, Swaziland	Enhance participants understanding of the traditional techniques of SAA and determination of risk tolerance for central banks.	Clear demonstration and enhanced understanding of practical aspects of SAA and determination of portfolio target duration		0	2	1	0	0	0	2	12	6	MS
28.	Retreat for Heads of Financial Markets 2 - 4 August 2010 Kenya	To highlight the necessary reforms required to be undertaken in the pension and insurance industry, and equip the senior officials with skills to develop appropriate reform strategies for the development of the domestic financial market	Enhanced knowledge to develop appropriate reform strategies for the development of the domestic financial market		0	3	1	0	1	3	8	9	2	Snr,D
29.	Retreat for Heads of Payment Systems 13-15 September 2010 Tanzania	To provide a platform to deliberate on effective strategies to regulate innovative retail payment systems and to raise awareness on the current trends of oversight and regulation of retail payment systems.	Provided a platform for deliberating on effective strategies to regulate innovative retail payment systems and raised awareness on the current trends of oversight and regulation of retail payment systems.		0	3	1	0	0	3	12	13	10	Snr,D

TCP = Technical Cooperating Partner S = Secretariat C = MEFMI Countries Participating M = Male F = Female
Snr = Senior Manager D = Director M = Middle Manager J = Junior Manager

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
	MULTIDISCIPLINARY ACTIVITIES													
30.	Human Resources managers workshop 15 – 19 February 2010 Kampala, Uganda	To provide discussion forum on performance management; strategic management, culture and performance in organisations To provide awareness on implementation of balanced scorecard in performance management	Increased officials' understanding of the strategic significance of human resource management. Enhanced awareness on the features and effectiveness of balanced scorecards as a performance management tool. Increased networking amongst peers on emerging human resources issues confronting member states.	-	0	0	2	0	0	5	12	10	10	MM, Snr
31.	MEFMI Training of Trainers workshop 12-22 July 2010 Lilongwe, Malawi	To impart knowledge and skills in approaches to designing training programmes and modules; To equip participants with knowledge and skills in planning and delivering presentations for training and development purposes; To equip participants with skills to impart learning to adults	Increased understanding of adult learning; Participants acquired knowledge on curriculum development Increased participants' knowledge in presentation and facilitation at learning events.	-	0		2	0	0	2	8	8	2	MM

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

ANNEX II: IN-COUNTRY WORKSHOPS, SEMINARS AND RETREATS CONDUCTED DURING JANUARY TO DECEMBER 2010

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	(J,MM, Snr, D)
					Paid	Gratis								
MACROECONOMIC MANAGEMENT PROGRAMME														
1.	In-Country PCMS Initial Training and Customization Workshop for Swaziland 27 – 31 March 2010 Mbabane, Swaziland	PCMS training to system administrators and enumerators. To customize PCMS using Swaziland real data.	Trained 8 enumerators; CBS (6), CSO (1) and SIPA (1). Registered 67 companies in PCMS and loaded data for 25 companies.	-	0	0	1	0	4	0	1	6	2	J,MM
2.	In-Country Workshop for East African Community Central Banks on Modeling and Forecasting Using E-Views and PCGIVE Software. 26 April - 7 May 2010 Kigali, Rwanda	To train monetary and financial analysts of East African Community Central Banks with E-views and PCGIVE econometric software To improve their analytical skills using E-views and PCGive for reliable economic analysis and forecasts.	Participants achieved a high level of mastery of EViews and PCGive. Improved participants' analytical skills on using E-views and PCGive software for reliable economic analysis and forecasts.	-	0	0	2	0	1	1	5	13	10	J, MM
3.	In-Country PCMS Training and Customization Workshop for Kenya 21 -25 June 2010 Nairobi, Kenya	PCMS training to system administrators and enumerators. To customize PCMS using Kenya real data.	Trained 15 enumerators; KNBS (13), CBK (2). Registered 400 enterprises in PCMS and loaded data for 50 enterprises with Foreign Assets and Liabilities (FAL).	-	0	0	2	0	2	0	1	8	7	J,MM

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

	Activity Date Venue	Objective	Ouputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
4.	In-Country Training of Enumerators on Foreign Private Capital Survey. 28 June -2 July 2010 Gisenyi, Rwanda	To equip enumerators with skills on FPC survey management, - Data editing and up rating and basic knowledge on the link between FPC surveys and BOP.		-	0	0	1	0	0	2	1	11	3	J,MM
5.	In-Country Course on Financial Programming and Policies for Zimbabwe 9 – 20 August 2010 Kariba, Zimbabwe	To provide initial training to a broad group of Zimbabwe government officials in the basics of the conceptual framework underpinning a financial programme	Participants equipped to construct a forecasting framework	AfDB & UNDP	0	1	0	2	0	3	1	22	10	MM, Snr
6.	In-Country Mission on Foreign Investment Survey Data Cleaning, Analysis & Report Writing Retreat 23 August – 6 September 2010 Nairobi, Kenya	To analyse the data captured using the MEFMI PCMS and generate a report which captures data on foreign private capital flows and stocks	Generated credible data outputs which were used for report writing. Produced a detailed draft Foreign Enterprise Report to be shared with MEFMI as soon as it is cleared by the Kenya Authorities.	-	0	0	1	0	1	0	1	9	4	MM, Snr
7.	Rwanda in-country Workshop on Customization of PCMS and Initial Training 6-11 September 2010 Ruhengeri, Rwanda	To customize PCMS software and train participants from the Rwanda FPC Working Group (RWG) on the usage of PCMS. To input data in the software and data integrity checking and drafting of various reports with the required accuracy.	Technicians from member institutions of the RWG were trained on the usage of PCMS and recorded 93 companies with Foreign Assets and Liabilities (FAL) out of 123 which were surveyed and registered into the system. They checked data integrity and drafted various reports with the required accuracy.	-	0	0	1	0	2	0	1	14	1	J,M,Snr,D

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
	DEBT MANAGEMENT PROGRAMME													
8.	Uganda In-Country Debt Sustainability Analysis (DSA) Workshop 22 – 27 February 2010 Entebbe, Uganda	To undertake a DSA using the Debt Sustainability for Low Income Countries methodology. To provide government officials an opportunity to be exposed to the DSA exercise using the DSF	Produced a DSA report with results of the DSA exercise and recommendations on the way forward to be shared with senior Government officials such as the Director of Economic Affairs and the Secretary to the Treasury.	-	0	0	0	2	1	0	1	16	9	J,MM, Snr
9.	Lesotho Debt Sustainability Analysis In Country Workshop 10-21 May 2010 Maseru, Lesotho	To review current debt portfolio, macroeconomic environment and prospects, expected budget financing profile and determines the debt sustainability prospects for Lesotho. To provide comprehensive training to Government and Central Bank of Lesotho officials in the analysis of debt sustainability analysis issues	Drafted DSA Report Trained staff Establishment of a DSA country team	-	0	0	0	2	2	2	1	5	11	J, MM, Snr.
10.	Uganda Sovereign Liability Risk Analysis Project Phase III 26 July –13 August 2010 Uganda	To train officials in the use of the SLRAM using ALM To run the ALM in order to conduct MTDS for Uganda	Finalised and launched the Sovereign Liability Risk Analysis Model. Held sensitisation seminar and Model launch for Senior Management Trained officials that are able to run the model and produce MTDS	N/A	2		0	0	0	2	2	12	7	MM,D

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
11.	Mozambique National Debt Sustainability Analysis Workshop 23 August–3 September 2010 Mozambique	To train officials in the use of the DSF To run the DSA simulations using DSF and to produce the DSA report	Trained officials in conducting DSA using the DSF. Produced the DSA report Formed a national DSA team	IMF	1		1	0	1	1	1	8	12	M,D
12.	Tanzania National Debt Sustainability Analysis Workshop, 1-11 September 2010 Dar es Salaam, Tanzania	To conduct National DSA for Tanzania & train officials in the use of the DSF To run the DSA simulations using DSF To produce the DSA report	Trained officials in conducting DSA using the DSF. Production of the DSA report	-	1		0	0	2	2	1	27	7	M,D
FINANCIAL SECTOR MANAGEMENT PROGRAMME														
13.	In-country Workshop Implementation of Risk Management Function 14 to 18 June 2010 Rwanda	To assist Bank of Rwanda implement and bench mark risk management functions.	Produced a report and recommended on the best way forward	-	0	0	1	0	2	0	1	33	17	J, MM, Snr, D

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

ANNEX III: IN-COUNTRY MISSIONS CONDUCTED DURING JANUARY TO DECEMBER 2010

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	(J,MM, Snr, D)
					Paid	Gratis								
DEBT MANAGEMENT PROGRAMME														
1.	MEFMI / UNCTAD Mission on Promoting Responsible Sovereign Lending and Borrowing (Zambia, Malawi, Mozambique, Zimbabwe, Botswana, Namibia, Swaziland) 17 February - 19 March 2010	To raise awareness of, and obtain feedback from governments, legislature and civil society as stakeholders to the UNCTAD initiative for promoting responsible sovereign lending and borrowing. To encourage participation in the Expert and Advisory Groups of the Initiative, to provide input into the development of rules for lending and borrowing under the initiative.	Raised awareness amongst stakeholders, which is expected to lead to greater participation and ultimately global consensus, ownership and commitment to the rules for responsible lending and borrowing	UNCTAD	0	1	0	0	2	2	7	22	10	Snr, D, Permanent Secretary
2.	Debt management Mission to Zambia 15 - 19 March 2010 Zambia	To assess the debt management institutional arrangements and practices in Zambia and the extent to which they are functionally consistent with the “best practice”. To assess the existing debt management capacity in terms of institutional coordination and human resources;	Recommended aligning the debt management office along functional lines. Agreed that debt data recording be assigned to economist from IT personnel to reduce data errors. Proposed organisation restructuring along functional levels and the requisite job descriptions.	-	0	0	0	1	1	0	1	15	6	D, Snr, MM

TCP = Technical Cooperating Partner   S = Secretariat   C = MEFMI Countries Participating   M = Male   F = Female
Snr = Senior Manager   D = Director   M = Middle Manager   J = Junior Manager

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
4.	Joint MEFMI/World Bank Debt Management Performance Assessment (DeMPA) Mission to Tanzania 12 - 21 April 2010 Tanzania	To Assess debt management performance in Tanzania using the DeMPA methodology, To Share the results of this assessment with the authorities, To Draft a detailed evaluation report, and To Undertake other tasks to facilitate the fielding of further World Bank supported technical assistance missions in support of debt management.	Assessment scores for all 15 DeMPA indicators in debt management areas Strengths and weaknesses identified in country's debt management functions DeMPA country report draft done for peer reviewing by World Bank e Expert Group of the Initiative	World Bank	0	3	0	0	1	1	1	15	5	D, Snr, MM
5.	Joint World Bank/IMF/MEFMI MTDS: Mission to Mozambique 14 - 25 June 2010 Maputo, Mozambique.	To assess capacity to formulate debt strategies; To assist with gaining an understanding of options and risks of the various forms of borrowing and trade-offs.	Assessment shows need for further capacity building as staff got exposed to MTDS methodology DeMPA country report draft done for peer reviewing by World Bank e Expert Group of the Initiative	World Bank, IMF	0	3	0	0	1	1	1	15	5	D, Snr, MM
6.	National Debt Management Strategy Preparation Mission to Mozambique 8 - 12 November 2010 Maputo, Mozambique.	To assist country officials in the interpretation of the MTDS results and translation of the MTDS recommendations to specific strategies of debt management; To assist country officials in drafting the National Debt Management Strategy and build the capacity in Debt Strategy formulation.	Produced the first draft of the National Debt Management Strategy Trained staff in Debt Management Strategy formulation	-	0	0	0	0	2	2	1	4	6	D, Snr, MM

TCP = Technical Cooperating Partner **S = Secretariat** **C = MEFMI Countries Participating** **M = Male** **F = Female**
Snr = Senior Manager **D = Director** **M = Middle Manager** **J = Junior Manager**

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
FINANCIAL SECTOR MANAGEMENT PROGRAMME														
6.	Country Mission on Implementation of Risk-Based Supervision 1 – 12 February 2010 Mbabane, Swaziland	To assist the Central Bank of Swaziland bank supervision department conduct a pilot on-site risk-based supervision examination of Standard Bank Swaziland Limited.	Completed all scheduled on-site assessments within the designated timeframe. Intensive practical on the job training of CBS staff conducted.	-	0	0	1	1	1	0	1	8	12	J, MM
7.	Country Mission on Implementation of Risk-Based Supervision 22 - 24 March 2010 Maseru, Lesotho	To conduct a review of the current bank supervision function processes at the CBL	Produced a report and recommended on the best way forward	-	0	0	2	0	1	0	1	10	5	J, MM, Snr, D
8.	Country Mission on Implementation of Risk-Based Supervision –Phase 1 31 May to 4 June 2010 Maseru, Lesotho	To review and finalise risk based supervision policy frame work, risk management guidelines and risk based supervision tool.	Matrix reconciliation adopted by CBL	-	0	0	2	0	1	0	1	2	5	J, MM, Snr, D
9.	Country Mission on Reserves Management Operation 7 – 9 June 2010 Malawi	To find out how reserves management operations are being conducted at RBM.	Produced a report and recommended on the best way forward	-	0	0	1	1	1	0	1	9	8	J, MM

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

	Activity Date Venue	Objective	Outputs	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
10.	Implementation of Risk Management Function Phase I 22 Nov to 3 Dec 2010 Rwanda	To assist Bank of Rwanda implement and bench mark risk management functions.	Produced a report and recommended on the best way forward	-	1	0	0	0	2	0	1	16	3	J, MM, Snr, D
11.	Country Mission on Implementation of Risk-Based Supervision –Phase II 6 -10 September 2010	To train bank examiners on pre-examination planning processes and techniques.	Finalisation of pre-examination documents namely Insitutional Profile, Scope Memorandum and conduct of prudential meetings	-	0	0	1	0	2	0	1	3	7	J, MM, Snr, D
12.	Country Mission on Implementation of Risk-Based Supervision –Phase III 5 – 15 October 2010	Conduct the pilot examination of Standard Lesotho Bank using RBS principles	On-site examination reports.		0	0	2	0	1		1	3	7	J, MM, Snr, D
13.	Joint RAMP/MEFMI Mission to Zambia on Strategic Asset Allocation 15 – 19 Nov 2010 Lusaka, Zambia	To provide technical assistance to Bank of Zambia on Strategic Asset Allocation (SAA) and Portfolio Analytics Tool (PAT)	Reviewed the Investment Policy, Investment Guidelines and Strategic Asset Allocation (SAA); Trained officials on Fixed Income Modeling and on Asset Allocation Workbench provided by RAMP; Conducted a one day workshop for the Board and Reserves Management Committee; and Reviewed the use of the Portfolio Analytics Tool (PAT) and resolve any issues regarding its usage.	1	0	3	0	0	0	1	0	-	-	J, MM, Snr, D

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

	Activity Date Venue	Objective	Out puts	TCP	Resource Persons					S	Participants			Target (J,MM, Snr, D)
					International		Regional	MEFMI Fellow	MEFMI Staff		C	M	F	
					Paid	Gratis								
14.	Mission on Risk Based Supervision Implementation : Phase III , Exit meetings 16 – 19 November 2010 Maseru, Lesotho	To provide technical assistance to CBL on implementation of RBS for future supervisory methodologies and processes, as well as the strategies for implementation of Basel II	Finalised Management Guidelines for Risk Based Supervision Policy Framework Trained Examiners and senior management of CBL on RBS principles Pilot examination of Standard Lesotho Bank Ltd using risk based supervision principles and presented report to senior management of Standard Lesotho Bank and the executive committee of CBL	-	0	0	1	0	2		1	3	7	
15.	Joint RAMP/MEFMI Mission to Bank of Mozambique on risk and portfolio management 22 & 23 November, 2010. Maputo, Mozambique	To assist Bank of Mozambique with risk and portfolio management	Advised Bank of Mozambique on risk and portfolio management.	1	0	1	0	0	1	0	0	-	-	

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

ANNEX V: NETWORKING & STAFF DEVELOPMENT JANUARY TO DECEMBER 2010

	Date	No. of staff	Institute/Organization	Main Theme
1.	25 January to 5 February 2010	1	Centre Africain d'Études Supérieures en Gestion (CESAG) Dakar, Senegal	Lecture series - Masters of Banking and Finance Programme for West African Countries
2.	15 to 26 March 2010	1	Trade and Industry Policy Strategies, National Treasury of South Africa, Pretoria, South Africa	Economy Wide Impact Analysis and Modeling Workshop
3.	29 to 30 March 2010	1	World Bank	World Bank Conference "Sovereign Debt And The Financial Crisis: Will This Time Be Different
4.	29 to 30 March 2010	25	MEFMI	MEFMI Team Building Retreat
5.	26 to 29 April 2010	5	MEFMI	DEBT Management Programme Curriculum Review & Design Retreat
6.	5 to 7 May 2010	15	MEFMI	MEFMI Strategic Planning Retreat
7.	5 to 7 May 2010	1	OECD / National Treasury of South Africa / Johannesburg Stock Exchange (JSE) / the Government of Iceland	4th OECD Regional Workshop on African Debt Management and Bond Markets
8.	10 to 14 May 2010	1	Bank of England / CCBS	Introduction to Modeling
9.	3 to 14 May 2010	2	IMA International, Cape Town South Africa	Monitoring and Evaluation
10.	17 to 20 May 2010	1	UNDP Regional Center for Eastern and Southern Africa	Statistical Literacy Workshop On Indicators For Development: MDG Indicators
11.	26 to 27 May 2010	1	ACBF	The World Economy Faces New Challenges
12.	7 to 9 June 2010	1	WB/ National Treasury of South Africa Conference on the Economics of Climate Change	Modeling Economics of Climate Change

13.	7 to 18 June 2010	1	Institute of Capacity Development	Corporate Planning and Strategic Management for Managers
14.	21 June to 2 July 2010	1	Institute of Capacity Development	Financial Management and Budgetary Control
15.	5 to 9 July 2010	1	ACBF	ACBF WORKSHOP ON MONITORING AND EVALUATION DEVELOPMENT
16.	7 – 16 July 2010	1	Sovereign Investment Partnership (SIP) Department of the World Bank Treasury	Hands-on experience of RAMP Operations on How Their Team Work
17.	30 July 2010	2	Uganda 8th Private Sector Investment Survey - PSIS	Dissemination of Uganda Private Sector Investment Survey (PSIS) 2009 and Launch of PSIS 2010
18.	9 – 20 August 2010	1	Mananga Center	Report Writing Skills
19.	18 – 29 October 2010	1	The IMF jointly with The World Bank and The Federal Reserve System	Seminar for Senior Bank Supervisors from Emerging Economies
20.	21 October 2010		MEFMI	MEFMI Technical Cooperating Partners' Meeting
21.	18 – 19 Nov 2010	1	African Network on Debt and Development (AFRODAD) and Kenya Debt Relief Network (KENDREN)	Multi-Stakeholders' Workshop on Domestic Debt Development al Impact and Management in Selected Countries – A Regional Perspective
22.	14 December 2010		MEFMI	MEFMI Cooperating Partners' Meeting
23.	15 – 16 December 2010	1	Commonwealth Secretariat	Re-Engineering of CS DRMS –Debt Expert Group meeting

9 Earls Road, Alexandra Park, P. O. Box 66016, Kopje, Harare, Zimbabwe
Tel: +263 4 745988/89/91-4 Fax: +263 4 745547-8 Email: capacity@mefmi.org Web: www.mefmi.org