



MEFMI
Macroeconomic and Financial Management
Institute of Eastern and Southern Africa



Annual Report 2014



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Institute of Eastern and Southern Africa



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2014



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Abbreviations

ACBF	African Capacity Building Foundation
BOP	Balance of Payments
CBP	Capacity Building Programme
CPSS	Committee on Payment and Settlement Systems
CSDRMS	Commonwealth Secretariat Debt Recording and Management System
DeMPA	Debt Management Performance Assessment
DMP	Debt Management Programme
DMFAS	Debt Management and Financial Analysis System
EXCOM	Executive Committee
FSI	Financial Stability Institute
FSM	Financial Sector Management Programme
IDEP	African Institute for Economic Development and Planning
IMF	The International Monetary Fund
IOSCO	Technical Committee of the International Organization of Securities Commissions
MDA	Multi-Disciplinary Activities
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
PCMS	Private Capital Monitoring System
RAMP	Reserves Advisory and Management Programme
UNCTAD	United Nations Conference on Trade and Development





Governance Structures in 2014

Board of Governors

The MEFMI Board of Governors is made up of a Central Bank Governor or a Treasury Secretary/ Permanent Secretary of Finance of each of the 13 member states. Where a Governor is a substantive member, then the Treasury Secretary/Permanent Secretary is an alternate, and vice versa. The following were the members of the Board of Governors as at December 2014:

Angola

Mr. Jose de Lima Massano, Governor, Banco Nacional de Angola (Board Vice-Chairman and Chairman of Executive Committee)
Mrs Valentina Matias de Sousa Filipe, State Secretary of Finance, 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
Dr. Kamau Thugge, Principal Secretary, the National Treasury

Lesotho

Dr. Adelaide R. Matlanyane, Governor, Central Bank of Lesotho
Mr. Khosi Letsie, Acting Principal Secretary, Ministry of Finance
Mr. Lerotholi Pheko, Principal Secretary, Ministry of Development Planning

Malawi

Mr. Charles Chuka, Governor, Reserve Bank of Malawi
Dr. Ronald Mangani Secretary to the Treasury, Ministry of Finance, Economic Planning & Development
Mr. Yona Kamphale, Acting Secretary for Economic Planning & Development, Ministry of Finance, Economic Planning & Development

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

Swaziland

Mr. Majoji Sithole, Governor, Central Bank of Swaziland
Ms Khabonina B. Mabuza, Principal Secretary, Ministry of Finance

Tanzania

Prof. Benno Ndulu, Governor, Bank of Tanzania
Dr. Servacius B. Likwelile, Permanent Secretary, Ministry of Finance

Uganda

Prof. E. Tumusiime-Mutebile, Governor, Bank of Uganda (Board Chairman)
Mr. Keith Muhakanizi, Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Economic Planning and Development

Zambia

Dr. Michael Gondwe, Governor, Bank of Zambia (alternate EXCOM Chair)
Mr. Fredson Yamba, Secretary to the Treasury, Ministry of Finance and National Planning

Zimbabwe

Dr. John Mangudya, Governor, Reserve Bank of Zimbabwe
Mr. Willard L. Manungo, Secretary for Finance and Economic Development, Ministry of Finance and Economic Development

Members of the Executive Committee

The Institute operates under the direction of an Executive Committee (EXCOM) which consists of the Vice- Chairman of the Board of Governors and four other voting members nominated by the Board of Governors from the Board. The MEFMI Executive Director and the Head of the Executing Agency of MEFMI – the Reserve Bank of Zimbabwe - are ex-officio members of the Executive Committee. The Committee is chaired by the Vice-Chairman of the Board of Governors of the Institute and is allowed to elect an Alternate Chairman, who can preside over meetings in the absence of the Chairman. Each member of the Executive Committee serves for two years. During 2014, the following were members of the Executive Committee:

- **Mr. Jose de Lima Massano** – Governor, Banco Nacional de Angola (EXCOM Chairman)
- **Mr. Ipumbu W. Shiimi** – Governor, Bank of Namibia
- **Dr. Adelaide Matlanyane** – Governor, Central Bank of Lesotho
- **Prof. Benno Ndulu** – Governor, Bank of Tanzania
- **Mr. Felix Nkulukusa** – Permanent Secretary for Economic Management & Finance, Ministry of Finance, Zambia (Representing Zambia Secretary to the Treasury, Ministry of Finance and National Planning) (EXCOM Alternate Chair)
- **Dr. John Mangudya** – Governor, Reserve Bank of Zimbabwe (Executing Agency)
- **Dr. Elias E. Ngalande** – Executive Director (up to 30 June 2014 ex-officio, Secretary)
- **Dr. Caleb Fundanga** – Executive Director (from 1 July 2014 – ex-officio, Secretary)



MEFMI Management

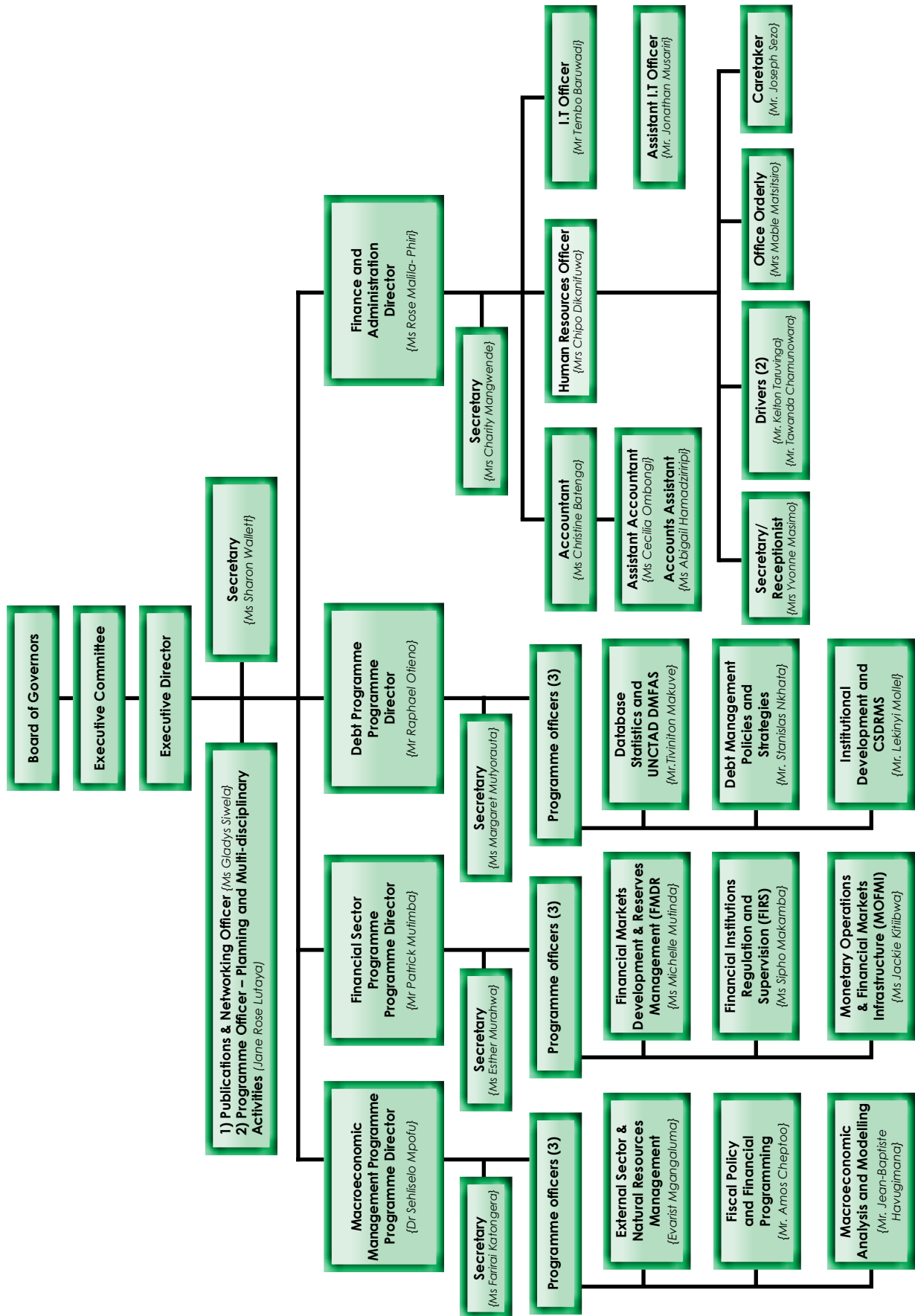
The Executive Director is responsible for conducting the business of the Institute and for ensuring that its policies and programmes are properly developed and implemented. This is done with the assistance of a Management team comprising Programme Directors.

As at end of 2014, the following Directors were in post:

- **Dr. Caleb M. Fundanga** – Executive Director
- **Mr. Raphael O. Otieno** – Director, Debt Management Programme
- **Mr. Patrick Mutimba** – Director, Financial Sector Management Programme
- **Dr. Sehliselo Mpofo** – Director, Macroeconomic Management Programme
- **Mrs Rose G. K. M. Phiri** – Director, Finance and Administration



MEFMI Organisational Structure





Statement by The Chairman of The MEFMI Board of Governors

On behalf of the MEFMI Board of Governors I wish to present the 2014 Annual Report.

The year 2014 was very significant in the history of MEFMI. It was a year of deep reflection, reviewing, evaluating and assessing progress of MEFMI's Phase IV strategic goals, while at the same time marking the Institute's 20th Anniversary.

It was also the mid-term period in the implementation of MEFMI's Phase IV which runs from 2012 through to 2016. Half way into the year, we also bid farewell to Dr. Elias Ngalande, who served as Executive Director of the Institute from 2007 until the end of his tour of duty on 30 June 2014. We are grateful to Dr Ngalande for his service and on behalf of the Board of Governors I wish him the best in his new endeavours.

It was also my great pleasure to welcome the new Executive Director, Dr Caleb Fundanga, who joined the MEFMI team on 1 July 2014. Furthermore, the Institute welcomed two other members to the Management team; Mr Patrick Mutimba and Dr Sehliselo Mpofu - Directors of the Financial Sector Management Programme and Macroeconomic Management Programme respectively. Their experience, expertise and fresh ideas are expected to propel the Institute to even greater heights.

Over the past two decades, MEFMI's interventions have tremendously improved technical and analytical skills in client institutions in the areas of macroeconomic management, debt management and financial sector management. This has led to promotion of new ideas and best practice in policy formulation and operations in the MEFMI region. I wish to congratulate Management for such great success. The success has attracted interest from non-member states who continue to request for MEFMI's technical assistance. To this end, the Board of Governors approved Burundi's application to join MEFMI. This has brought the total number of MEFMI member states to 14. I believe that the success has also established MEFMI as a solid institution



both regionally and internationally.

I wish to express special gratitude to our Financial Cooperating Partners; the Royal Norwegian Government, the Swedish Government and the African Capacity Building Foundation for their continued financial support that has enabled MEFMI to reach this far. We also recognise the unrelenting support from all technical partners whose collaborations strengthen MEFMI's capacity to deliver on its mandate not only financially but technically.

I applaud all MEFMI member states for their continued support. The stable income flows

in 2014 enabled the Institute to conduct all planned activities in accordance with the annual work plan. Timely remittances of annual contributions always ensure MEFMI's financial sustainability and smooth delivery of its products and services. I also commend Management at the Institute for continuing to steer the Institute in the right direction.

I also wish to acknowledge and register great appreciation for the continued support and hospitality that the Government of Zimbabwe and the Executing Agency, the Reserve Bank of Zimbabwe (RBZ) provide to MEFMI. Through the RBZ, MEFMI continues to enjoy numerous services including free legal services as well as a recovery site to backup the Institute's IT data as well as hosting of Governance Meetings.

Finally, as the year 2014 marks the end of my term of office as the Chairman of the MEFMI Board of Governors, I wish to express my sincere gratitude to the Board of Governors for their incredible support, skill and dedication during my term of office. Allow me to take this opportunity to wish the in-coming Chairman of the Board of Governors, the Governor of Banco Nacional de Angola all the best as he steers MEFMI in pursuit of maintaining its status as a centre of excellence in capacity building in the region.

Prof. E. Tumusiime-Mutebile
GOVERNOR, BANK OF UGANDA
CHAIR - MEFMI BOARD OF GOVERNORS



Overview by the Executive Director

The year 2014 was indeed a distinct one for MEFMI in many respects. We not only celebrated our 20th anniversary but we also implemented the strategic imperatives arising from Phase IV Strategic Plan. These imperatives, which are expected to continue consolidating our brand, include strengthening and expanding stakeholder relations for mutual benefit as well as providing tailor made, cost effective and excellent capacity building and development products.

Through building capacity in macroeconomic and financial management for sustained economic growth, MEFMI has firmly stamped its footprint in member states and has become a highly acknowledged and sought after capacity building brand. This stature was achieved mainly because the Institute has been able to transform its capacity building initiatives in line with the evolving needs and dynamic changes that continue to take place in member states.

I am also pleased to report that the Institute continues to receive numerous attestations and acknowledgement from member states for contributing extensively in the improved state of macroeconomic and financial management amongst many of its beneficiaries. Acknowledgement of the quality of the MEFMI brand is also evident from numerous requests the Institute receives for technical assistance by both member and non-member states.

The Impact and Needs Assessment (INA) exercise conducted in 2014 revealed some important milestones that the Institute has achieved but also exposed great capacity gaps that still exist in MEFMI member states. As stated in the INA and this annual report, MEFMI success would not have been possible without the unwavering support given by key stakeholders, particularly member states and cooperating partners. In 2014, member states contribution, including in-kind contributions amounted to US\$4,817,949 or 66% of the total budget, while Financial Cooperating partners provided US\$1,995,728 or 28% of the budget. We are also grateful to our Technical Cooperating Partners for providing support in a number of our capacity building activities, which allowed the Institute to meet the target of planned activities for 2014.



As indicated in this report, the Institute implemented 114 activities which is more than the 110 activities planned for the year, benefiting 1,614 government and central bank officials through regional and in-country workshops, seminars and missions. The activities were attended by 671 female and 943 male participants, representing a 42% and 58% gender distribution. Of the 114 activities implemented, 46 or 40% were country specific activities, which is 10% higher than the planned target of 42 for 2014. This achievement is due to the high demand for technical assistance by both member and non-member states, and in line with MEFMI's goal of increasing the proportion of country specific capacity building activities.

The Institute continues to develop customised tools to support member countries in adopting sound practices and policies. In 2014, MEFMI unveiled three (3) studies, namely: Study on Natural Resources Management; Gains from Foreign Direct Investment in Natural Resources in the MEFMI region and Foreign Private

Capital Enumerators' Handbook. In addition, the Guidelines for Government Securities Issuance was finalised and published during the year. The editing of the manuscript on "Economic Management in Hyperinflationary Environment: Lessons from Zimbabwe for the period 2000-2010", commissioned jointly by MEFMI and ACBF, continued during the period under review and is expected to be finalised for publication by Oxford University Press in 2015. Good progress is also recorded in the study on Management of Contingent Liabilities in the MEFMI Region.

The Fellows Development Programme continues to develop and sustain a critical mass of regional experts to strengthen the capacity of client institutions within the region. I am pleased to report that some of the Fellows have attested to the benefits of the Programme as they have been promoted to higher ranks or transferred to other departments to provide technical support in their organisations. In terms of utilisation, I am happy to report that the Institute is on course and strategically positioned to meet the 2016 target utilisation of Fellows to 23% in all its activities.

As part of the Institute's effort to expand its capacity building outreach and reduce the overall cost of delivery, MEFMI entered into a collaborative arrangement with United Nations Institute for Training and Research (UNITAR) at the end of 2014, to establish an independent online Learning Management System (LMS), as well as strengthening internal capacity to develop and deliver e-learning courses. The need for e-learning has been widely expressed by most client institutions as captured in MEFMI reports over the years.

The Institute has also started making strides in supporting the regional integration agenda. Going forward, the Institute will focus its attention on supporting the initiatives of Regional Economic Communities (RECs), notably COMESA, EAC and SADC; and their member states to strengthen capacity for successful implementation of regional integration protocols. In this regard, MEFMI will develop regionally oriented capacity building interventions to push forward the regional integration agenda, and ensure inclusive regional integration policies and measures are pursued at member country level.

I would like to express my gratitude to MEFMI management and staff for their hard work,

dedication and commitment to the ideals for which MEFMI was established.

I wish to acknowledge the sterling work that was done by my predecessor – Dr. Ellias Ngalande. Dr Ngalande handed over a solid organisation which I am very proud to be part of. It is important to recognise that Dr Ngalande came to MEFMI during a difficult time in 2006, when the host country was experiencing hyperinflation and other adverse economic developments. This made it difficult for the Institute to smoothly conduct much of its business. However, due to his commitment to work, he skilfully navigated the difficulties and kept staff motivated. He was also instrumental in providing policy guidance and advice to the Government of Zimbabwe to mitigate some of the challenges during and after the hyper inflationary period.

As Phase III ended, Dr Ngalande provided critical guidance that led to the development and execution of the Phase IV (2012-2016) Strategic Plan which has a specific focus on in-country activities as well as emphasis on training on the job. This transition has been a big success as evidenced by the Impact and Needs Assessment that was conducted in April 2014 just before his tour of duty came to an end. Furthermore, he left MEFMI with a total of 108 Fellows, 30 female and 78 male.

The Institute greatly appreciates Dr Ngalande's endeavours to reduce high cost areas. He facilitated the acquisition and further improvement of MEFMI office premises. The acquisition and subsequent relocation in 2010 has saved the Secretariat from rentals previously incurred. It is also with great pride that MEFMI member countries can confidently say they own immovable property.

The relationships that MEFMI currently enjoys with the private sector were cemented by Dr Ngalande. He brought on-board EY and Investec, who have sponsored some aspects of the Combined Forum. Investec has also been a strong technical partner in the discharge of some FSM activities. Thus the Institute will always be grateful for these and other achievements not outlined here.

Lastly, I would like to thank the MEFMI Board of Governors for their confidence in me to carry forward the Institute's mandate.

Caleb M. Fundanga
Executive Director



Executive Summary

In 2014, the Institute continued to develop capacity in member countries by providing demand-led capacity building activities and policy advice in line with the seven key strategies enshrined in the MEFMI Phase IV document. Overall, it was a year of growth as MEFMI member states continued to register improved macroeconomic performance. Real GDP growth for the region averaged 5.4% in 2014 compared to 5.7% in the previous year while inflation generally remained within single digit in all MEFMI member countries. The regional current account position generally improved during the period under review as countries continue to recover from the adverse impact of the global economic crisis and the Eurozone crisis. There has also been notable progress on financial development, with several member states registering growth in the use of mobile financial services and products.

While the macroeconomic prospects for 2015 look promising, the continued widening fiscal deficits and rising debt levels in some member states suggest the existence of fiscal vulnerabilities that may hamper potential growth. In this regard, the Institute will continue assisting member states to implement sound economic policies as well as strengthen their economic management capacities.

Throughout 2014, the Institute worked closely with both financial and technical cooperating partners to conduct high quality training courses, seminars, and retreats and provided policy advice in key macroeconomic areas and cross-cutting macroeconomic policy issues. As reported in Section 3 of this report, the Institute met its planned target of 110 activities for the year, with very good progress towards achievement of targeted medium to long term outcomes. This was achieved against a background of increased demand for capacity building services by member states while the Institute's resource envelope increased relative to 2013.

The Macroeconomic Management Programme 2014 interventions focussed on building and strengthening capacity of member states on the use of the Private Capital Monitoring System (PCMS). Other areas of focus were implementation of the latest harmonized Balance of Payments and International Investment Position framework, the financial programming frameworks, key policy issues in regional integration as well as the dissemination and roll out of the modelling and forecasting manual for building models and simulations. Interventions by the Financial Sector Management Programme focused on strengthening financial sector legal and institutional frameworks as well as improving corporate

governance structures. The Programme also facilitated the adoption of guidelines on payment systems, bank supervision, reserves management and deepening domestic financial markets. With regards to the Debt Management Programme, activities aimed at strengthening implementation of sustainable debt management policies and strategies. Focus was also on adoption of modern legislation and institutional frameworks in line with best practices.

During 2014, MEFMI Secretariat also expanded its outreach to provide support to Governments in non-member states owing to excellent collaboration with its technical cooperating partners. The countries that benefited from MEFMI expertise include Ethiopia which received assistance on formulation of a medium term debt management strategy. Capacity building assistance to Burundi focused on assessment of capacity gaps at the Central Bank of Burundi. The results of these interventions highlight the fact that MEFMI is contributing significantly to building and strengthening capacities of member states with increased relevance and visibility even beyond its usual jurisdiction.

Further to the capacity building training that was conducted in Burundi, the country expressed interest in becoming a member of

the Institute. An eligibility fact finding mission to Burundi was conducted in Bujumbura. Following a MEFMI Board of Governors resolution on 6 October 2014, Burundi was admitted as the 14th member of MEFMI.

MEFMI also conducted the Impact and Needs Assessment for Phase IV in April 2014. The assessment focused on establishing the extent to which MEFMI had attained the stipulated results under the current Phase of implementation. Findings from this exercise reveal that there is strengthened human and institutional capacity, evidenced by formulation and implementation of sound policies, use of computer based systems, adoption of sound legal and institutional frameworks and evidence based technical briefs.

The assessment revealed that capacity needs for institutions varied across the MEFMI member countries and client institutions, depending on their level of development. The countries highlighted the following areas of need for MEFMI to address in its future interventions:

- a. Escalate in-country training in the following areas;
 - i. *Financial Programming and Policies Framework (FPP)*
 - ii. *Modelling and Forecasting tools (M&F)*
 - iii. *Balance of Payments (BOP) and International investment position manuals; and*
 - iv. *Reserves Management.*
- b. Enhance capacity building in new and emerging areas that include; debt analysis and reporting, Public Private Partnerships (PPP) financing arrangements and contingent liabilities, cost and risk analysis, Basel III, CPSS-IOSCO Principles, Risk Based Supervision, implementation of monetary policy based on two pillars, custodianship and multiple currency investments, consumer protection and public sensitization, Islamic banking.
- c. Offer technical assistance in fostering coordination and systems interfacing between the debt management

functions at Central Banks and the Ministries of Finance and Planning, in view of the fragmented nature of debt capturing and management systems across the Institutions.

- d. Train the supervisors of non-bank institutions such as pension funds, insurance and equities markets that are not part of the Central Banks.
- e. Assist countries to diversify their reserves into alternative investments given the current trend of asset yields declining due to factors such as Euro Zone Sovereign Debt and Global Financial Crises.
- f. Support countries with weak legislation in the financial sector by facilitating experts to help them develop the appropriate legislation.
- g. Assist in building and lengthening the bond yield curve beyond ten (10) years for most of the countries that have short dated papers.
- h. Conduct Human Resources Seminars addressing the following topics;
 - i. *Performance and evaluation*
 - ii. *Project management*
 - iii. *Performance management*
 - iv. *Women resource competence*
 - v. *Succession planning*
 - vi. *Human resource competence model and assessment tools.*

In keeping with emerging global economic issues and in order for MEFMI to increase its relevance and visibility, the Institute introduced quarterly MEFMI Policy Seminar Series. The first was held in September 2014 and the presentation was on Debt Sustainability in Post HIPC's. The Policy Seminar Series was attended and appreciated by policy makers, media and technical staff of partner organisations in Harare. Three (3) new initiatives were also considered for introduction during the period under review; Capacity Building for the Private Sector; Natural Resources Management Capacity Building Programme and E-learning Capacity Building Programme.



As part of its mandate to develop a critical mass of expertise in the various fields of economic management, the Institute engaged mentors for Candidate Fellows for its 8th cohort. A total of 19 officials who were recruited in 2013 underwent specialised training in macroeconomic, debt

and financial sector management either organised by MEFMI or elsewhere.

The above mentioned 2014 milestones are discussed in greater detail in Chapters 2 to 4 of this report.





1

Recent Economic Developments in the MEFMI region and beyond



1. Recent Economic Developments

1.1. Global Developments

Global economic growth accelerated marginally in 2014, largely due to improved growth momentum in some of the advanced economies. Economic activity in the United States of America (USA) and the United Kingdom (UK) improved. Growth in USA exceeded expectations as monetary policy remained largely accommodative. In other economies, growth was lower-than-expected.

Growth recovery has been sluggish in the Euro-Area and Japan, largely due to negative effects of the financial crisis and structural bottlenecks in their respective economies. Economic activity was negatively affected by the intense geopolitical tensions between the Russian Federation and Ukraine, political instability in the Middle East and North Africa, and low international oil prices in the first and the second quarters of 2014.

Growth in China slowed

down but continued trending upwards in India. Signals from China continue to be mixed, amid a sharp slowdown in industrial production in the last two quarters of 2014. Latin American economies also face a challenging outlook, particularly in Argentina, Brazil and Venezuela, which are currently experiencing technical recession.

Against a mixed economic outlook, global growth remained at 3.3% in 2014, as in 2013. Growth in the global economy is expected to improve to 3.5% and 3.7% in 2015 and 2016, respectively as indicated in **Chart 1** below.

In terms of prospects, positive growth is expected in the USA. Projections are a modest 3.5% in 2015, compared to 3.3% in 2014. The strength of the US in technological progress is expected to anchor this prospect.

In the Euro-Area, growth has been set back by persisting downside risks. However, despite the latter, the Euro-Area is projected to grow at 1.4% in 2015, compared

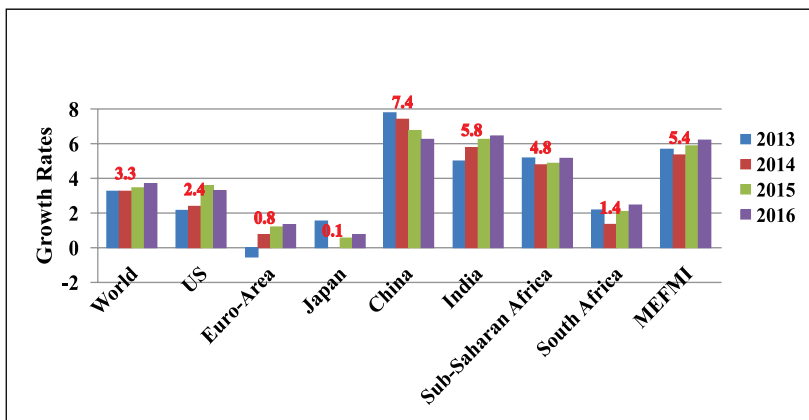
to 0.8% achieved in 2014. The substantial Quantitative Easing program implemented by the European Central Bank could have a positive effect on sentiment, but whether that will produce significant effects to boost growth is uncertain. A predicted recovery in domestic consumption could be a source of growth as labour markets improve. However, possible deflation could still have a negative effect on growth.

For the Asia-Pacific region, growth prospects are a bit challenging in China after a sustained slowdown over the last two years, but are predicted to be largely positive elsewhere in Asia and the Pacific. Despite the diminishing growth rates, the Asia-Pacific region remains in the lead for global growth and Southeast Asia will continue strengthening to become a global production hub.

Economic conditions in Latin America are unlikely to improve significantly in 2015, with regional growth forecast at 1.6%. Declining international commodity prices and energy exports constitute a significant downside risk for the region.

In Africa, growth prospects are considered positive, but uncertain. In 2015, GDP growth in Africa is projected at 4.4%. Nigeria is expected to be the strongest performer, with growth projected at 6.7% in 2015. However, Nigeria is heavily dependent on natural resources (particularly oil), which are vulnerable to global demand and

Chart 1: Global Economic Growth (%)



Source: World Economic Outlook, December 2014

supply conditions. A positive growth outlook for Africa is also strongly dependent on improved institutional performance and better governance.

1.2. Sub-Saharan Africa

In Sub-Saharan Africa (SSA), growth prospects were negatively affected by downside risks arising from the Ebola epidemic, violent insurgencies, lower international commodity prices and volatile global financial conditions. Growth in SSA declined from 5.2% in 2013 to 4.8% in 2014, but is projected to increase to 5.8% and 5.2% by 2015 and 2016, respectively. Growth is expected to be steered by infrastructure development, investment in extractive industries, increased agriculture production and buoyant services. The region is projected to register stronger growth, largely driven by growth in advanced countries. However, on the downside, commodity producers and exporters may be adversely affected by lower international commodity prices if the decline in international prices persists, and projected weak economic performance in Brazil, China and India. SSA has also become more sensitive to external, real and financial shocks, given its increasing global linkages with Eurobond markets. Thus, a sudden reversal in risk premiums and volatility compression in global financial markets could affect SSA countries that rely heavily on external market funding.

1.3. Economic Developments in MEFMI Region

1.3.1. Real GDP

The MEFMI region grew by 5.3% in 2013, is estimated to grow by 5.1% in 2014, and thereafter, projected to grow by 5.1% and 5.6% in 2015 and 2019, respectively. Average real per capita GDP growth is estimated at 3.2% in 2015, from 2.9% in 2013 and 2014, respectively. Economic growth in the region has been associated with low and stable inflation, with most countries reporting single-digit inflation, which is encouraging.

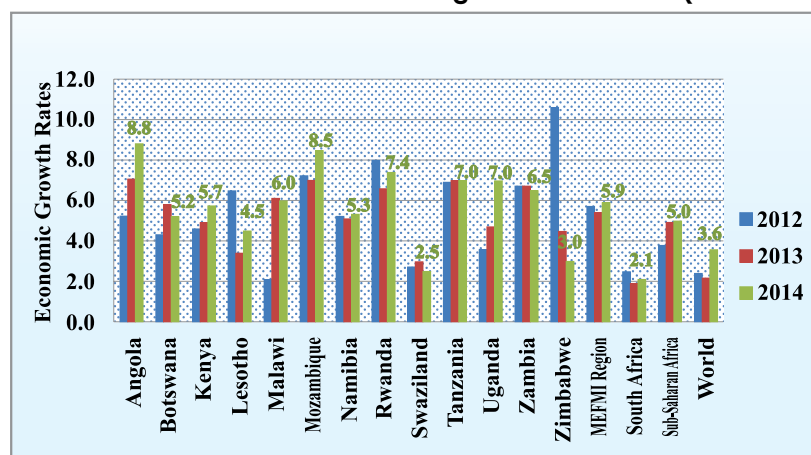
As indicated in **Chart 2**, sustained economic performance in the region was driven by higher growth rates reported in Angola (8.8%), Mozambique (8.5%), Rwanda (7.4%), Tanzania (7.0%), Uganda (7.0%) and Zambia (6.5). However, growth in Zimbabwe has been declining since 2012, from above 10% in 2011.

Key factors driving economic growth in the region include extraction of natural resources

and the associated increased foreign direct investment (FDI) inflows into the extractive industries, huge infrastructure projects, prudent fiscal policies that have provided scope for monetary policy to reduce interest rates and stability in the macroeconomic environment, among other factors.

Barriers to economic growth in the region include, among others, high import costs of production inputs, power shortages, infrastructure deficits and unfavourable "Ease of Doing Business" conditions. The volatile global financial environment, lack of irrigation facilities, effects of HIV/AIDS and low value addition on primary commodity exports are also among major setbacks to economic growth in the region. High poverty levels, slow reduction in poverty in some of the countries, unemployment and income inequality are some of the challenges still facing the region. Economic growth in most MEFMI countries is considerably not inclusive. These outcomes suggest a need for deliberate policies to fight poverty, inequality

Chart 2: Growth Rates in the MEFMI Region and the World (2012-2014)



Source: IMF and Member Countries Data Base (Accessed through focal person)



and lack of growth inclusivity in the region.

In the outlook, there are good prospects for improved financial inclusion and efficiency in payment systems in East Africa as well as in some of the Southern African countries such as Malawi, Mozambique and Zimbabwe. This will be mainly through exploitation of new technologies such as mobile banking. Furthermore, high global liquidity and increases in capital flows to developing nations have allowed some countries such as Zambia and Rwanda, and more recently, Kenya, to issue international sovereign bonds for the first time. Favourable external financial conditions, as well as reduced financial transaction costs are expected to further bolster regional economic growth.

In terms of future prospects, economic growth in the MEFMI region is expected to be enhanced in the medium-term. Factors underpinning the positive economic growth prospects include improved macroeconomic fundamentals, increased investment in natural resources, enhanced financial inclusion, exploitation of new technologies, improvements in access to external financing that include issuance of Euro bonds in some countries, inflows of international remittances, low and stable inflation, expected increase in FDI, expansion in infrastructure expenditure, on-going regional integration initiatives, expected cheaper energy from gas discoveries, increase in demand associated with the increasing size of the middle class in some of the

countries, among other factors.

However, despite the positive prospects, there are some risks that could stall economic growth in the region. These include delays in mineral exploitation after discoveries have been made, fluctuations in international commodity prices, volatile global financial markets, reduction in aid flows, slow pace in economic diversification, risks if economic growth in China and the United States is less than expected, spread of the Ebola disease, shocks to food and oil prices, and effects of climate change on agricultural production, among other factors. Furthermore, security conditions in South Sudan, Somalia and Democratic Republic of Congo are exerting a heavy toll on some neighbouring countries, hence impacting negatively on economic growth.

1.3.2. Price Developments

The MEFMI region experienced a slight decline in inflationary pressures, though inflation continued trending above that of SSA. Inflationary pressures have

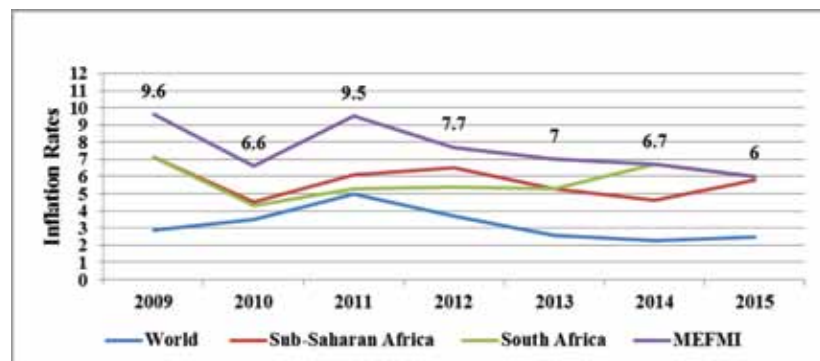
eased in many countries as energy prices have stopped rising and food prices have declined. Annual inflation in the MEFMI region decreased to an average of 6.7% in 2014, compared to 7.0% in 2013. Going forward, moderate food and oil prices, coupled with prudent monetary and fiscal policies, should enable a further decline in inflation in most countries in the MEFMI region as indicated in **Chart 3** below.

Chart 4 on next page indicates that with the exception of Malawi, which continued to record relatively high inflation since 2012, other MEFMI member countries registered single digit inflation over the period under review. These developments happened in spite of the weather-related crop damage in some parts of the MEFMI region. The most affected countries are those in the Southern part of Africa. Favourable inflation outcomes are expected to provide conducive macroeconomic environment for economic growth and poverty reduction.

(i) Food and other Commodity Prices

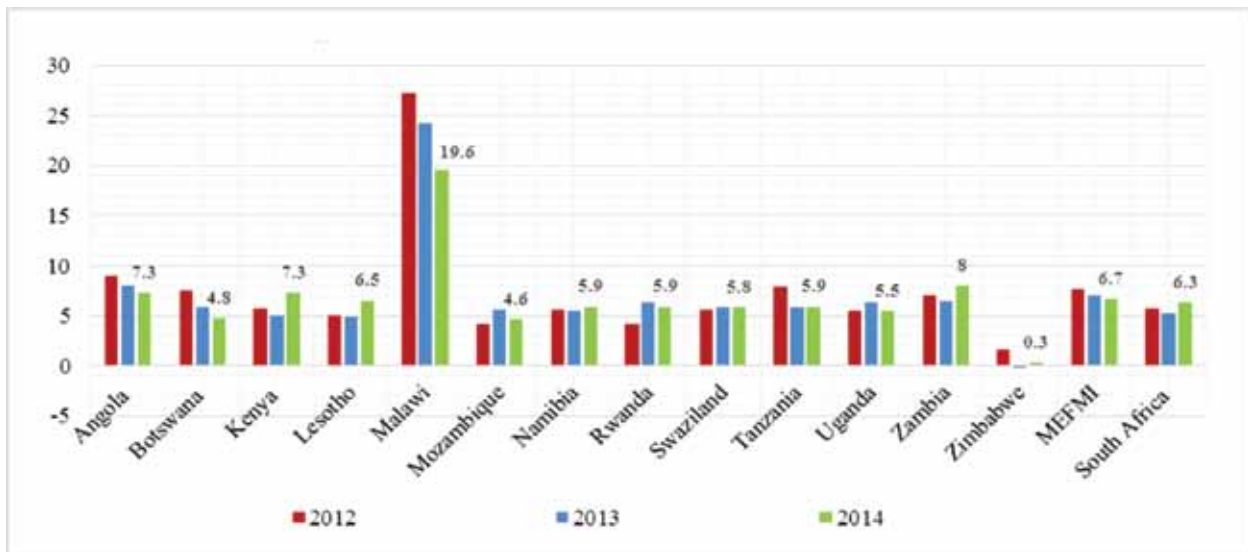
Declining international oil and food prices, along with a

Chart 3: Inflation Rates



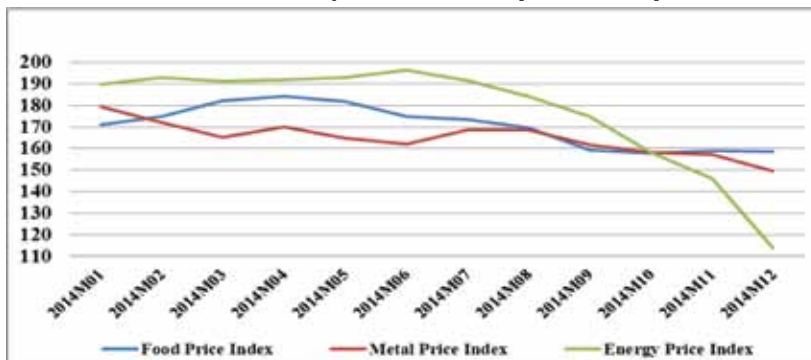
Source: World Economic Outlook, December 2014

Chart 4: Inflation Rate (%) in the MEFMI Region



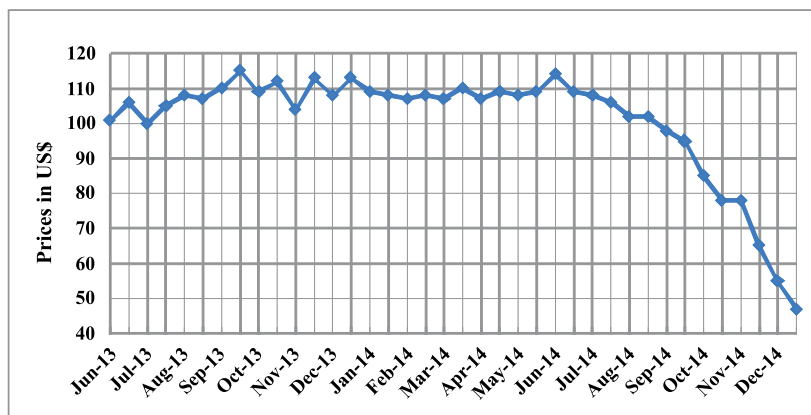
Source: IMF and Member Countries' Data Bases

Chart 5: Global Commodity Price Indices (2005 = 100)



Source: IMF Commodity Price System, 2014

Chart 6: International Crude Oil Prices



Source: IMF Commodity Price System, 2014

number of other commodity prices (**Chart 5**), are expected to reinforce the current benign global inflation environment.

(ii) Oil Prices

From the beginning of the second half of 2014, global oil

prices declined significantly. World oil prices that had been fairly stable at around US\$110 per barrel had more than halved to US\$47 per barrel as at end of 2014 (**Chart 6**). The sharp fall in oil prices is expected to spur global growth, but may not be adequate to offset other negative factors. Increased oil supplies may boost global growth, although with important distributional differences between oil importers and exporters. Global economic impact of the oil price decline depends largely on how large and persistent the oil supply shifts are expected to be. In addition, lower oil prices tend to conceal uneven effects across countries. While oil importers are likely to benefit from higher real income of consumers and lower cost in the production of final goods, for many of them, the boost from lower oil prices will somewhat be offset by the recent depreciation of the local currencies against the US dollar, which implies a smaller oil price decline in domestic currency. Historically, in most



MEFMI countries in the region, domestic prices of fuel have not changed significantly, following declining international oil prices. Domestic prices have tended to be sticky downwards, but slippery upwards.

For oil exporters, real income and profit will generally decrease. However, the impact may be felt differently, given the income management frameworks in use in the different countries. MEFMI countries such as Angola, which are oil producers and exporters, and natural gas exporters such as Mozambique, will bear the biggest brunt. In countries with buffers, spending adjustment could be gradual, which could limit the negative impact on income and activity. However, recent developments in Russia illustrate the potential for greater impact on oil exporters where macroeconomic policies cannot afford to mitigate the negative growth impact.

1.3.3. External Economic Developments

(i) Balance of Payments

Chart 7 below indicates that the average current account

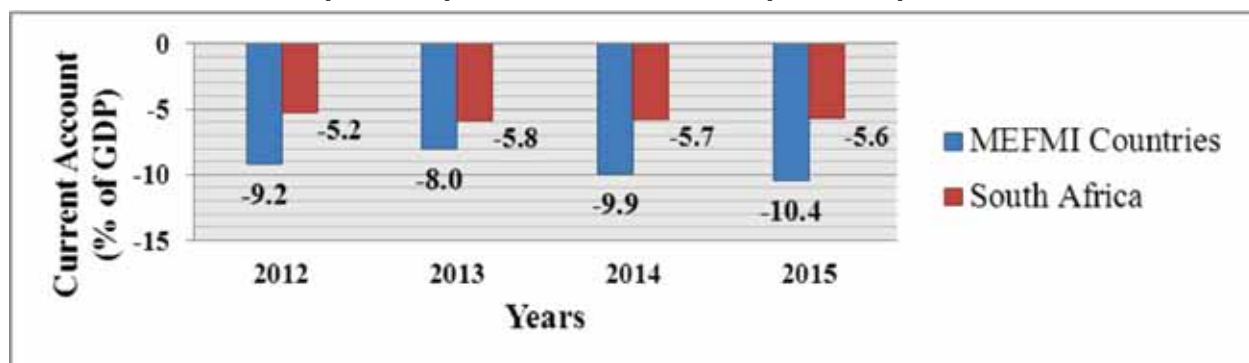
Table 1: International US Dollar Cross (Mid-Market) Rates (2008-2014)

Date	2008	2009	2010	2011	2012	2013	2014
US Dollar /Euro	1.4	1.4	1.3	1.3	1.3	1.4	1.2
US Dollar/British Pound	1.5	1.6	1.6	1.6	1.6	1.7	1.6
Japanese Yen /US Dollar	90.8	93.1	81.1	77.1	86.6	105.3	119.8
Chinese Yuan /US Dollar	6.8	6.8	6.6	6.3	6.2	6.1	6.2
Rand /US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Angolan Kwanza/US Dollar	75.2	89.4	92.4	94.9	95.8	97.6	102.9
Botswana Pula/US Dollar	7.6	6.7	6.5	7.5	7.8	8.7	9.5
Burundi Franc/US\$ Dollar	1,236.0	1,215.0	1,207.0	1,282.0	1,533.7	1,540.0	1,555.3
Kenyan Shillings/US Dollar	78.1	75.9	80.7	85.0	86.1	86.5	90.5
Basotho Loti/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Malawian Kwacha/US Dollar	138.5	144.5	150.0	162.1	334.6	429.5	465.8
Mozambican Meticals/US Dollar	25.2	30.6	32.2	26.5	29.9	29.9	34.0
Namibian \$/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Rwandan Franc/US Dollar	557.0	567.0	585.0	595.0	630.8	676.0	689.0
Swazi Emalangeni/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Tanzanian Shillings/US Dollar	1,317.5	1,339.5	1,480.0	1,575.0	1,582.1	1,585.5	1,734.2
Ugandan Shillings/US Dollar	1,942.5	1,900.0	2,342.0	2,475.0	2,695.0	2,524.9	2,764.9
Zambia Kwacha/US Dollar	4,832.3	4,653.3	4,796.1	5,117.0	5,146.6	5.5	6.4
Zimbabwe \$/US Dollar	--	--	--	--	--	--	--

Source: Web Sites of Central Banks in the MEFMI Region - Historical Series of Exchange Rates

balance (% of GDP) for MEFMI countries remained unfavourable since 2012 at 9.2% of GDP and is projected to worsen in 2015 to 10.4% of GDP. Increased imports

Chart 7: Current Account (% of GDP): MEFMI and South Africa (2012-2015)



Sources: MEFMI Member Countries and IMF Database

due to rising Foreign Direct Investment (FDI) for projects in the extractive sectors, coupled with infrastructure development, explains much of the trajectory in the current account deficit balance. On the other hand, the decrease in primary commodity prices has also worsened the regional external performance. Nevertheless, the current account balances for the region are still vulnerable to risks associated with the decline in exports, remittances and Overseas Development Assistance (ODA).

To address worsening external performance, MEFMI countries need to reduce the "Cost of Doing Business" by cutting supply side bottlenecks and strengthening industrialisation. This will go a long way in assisting the region to gain a stronger foothold in global value. South Africa, one of the major trading partners to MEFMI countries, with a high level of industrialisation, has

performed relatively well in this regard (Chart 7). Looking ahead, there is need for policy priorities to include budget restraint in some countries in the region and a shift in spending towards productive industries.

(ii) Exchange Rates Developments

The year under review saw the US dollar trading stronger than in the previous year. The US currency strengthened particularly against the Euro, after the implementation of the QE framework by the European Central Bank which further drew negative public expectations about the Euro. The table below shows the US dollar cross rates against a basket of major international and regional currencies.

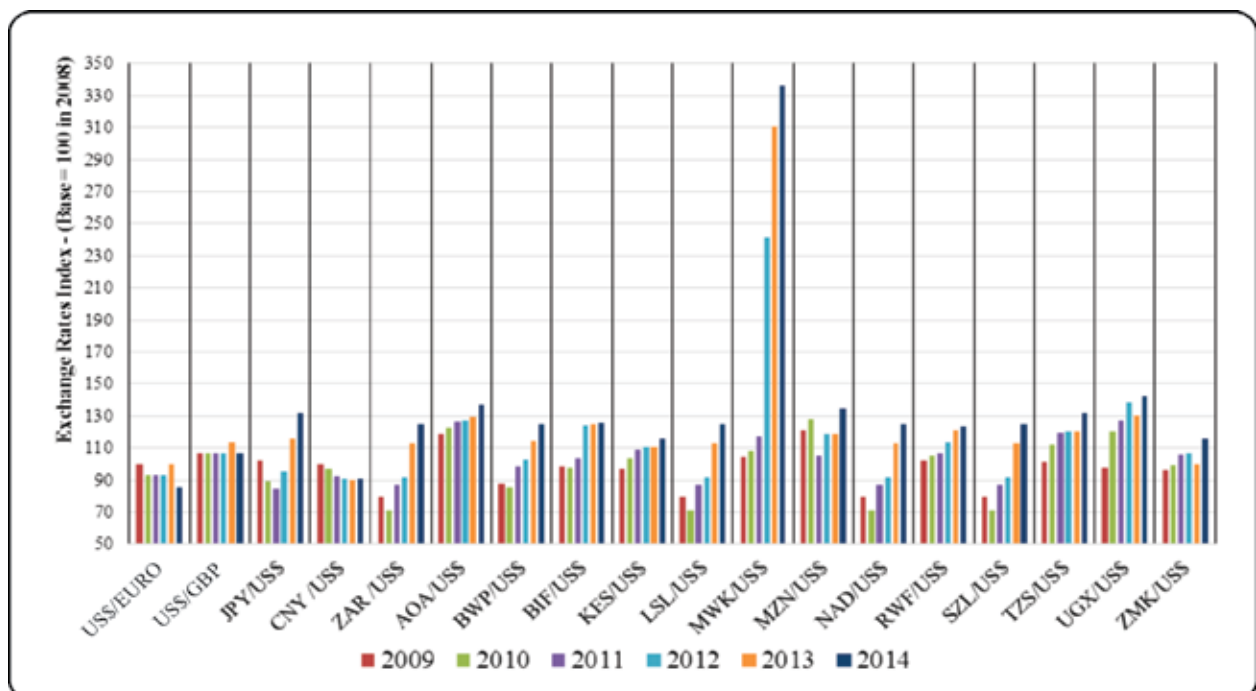
In the **Table 1** to the left, the Euro and the British Pound Sterling show the quantities of US\$(Indirect method) while others show the quantity of

the particular currency to the US\$(Direct Method).

Chart 8 below was constructed on the basis of the international US\$ cross rates index computed from **Table 7** above depicts the US\$ market dynamics over the last seven years (2009-2014).

As at end 2014, the US dollar finished broadly stronger against a basket of major international and regional currencies. It strengthened by 14.3% against the Euro, by 6.7% against the British Pound, by 16.0% against the Japanese Yen, and by a marginal gain of 1.5% against the Chinese Yuan. Compared to regional currencies, the US dollar strengthened against all regional currencies. It strengthened by 26.2% against the Malawi Kwacha, by 16.3% against the Mozambican Meticalis, by 16.0% against the Zambian Kwacha, by 12.4% against the Ugandan Shillings, by

Chart 8: International US Dollar Cross Rates Index 2009 - 2014





11.8% against the South Africa Rand and all other currencies pegged to the Rand (Lesotho, Swaziland and Namibia dollar), by 11.3% against the Tanzanian Shillings, by 10.5% against the Botswana Pula, by 7.0% against the Angolan Kwanza, by 5.1% against the Kenyan Shilling, by 2.3% against the Rwanda Franc, and by 1.2% against the Burundian Franc.

1.3.4. Public Debt Developments

Public debt of MEFMI member states has increased significantly in recent years, both in nominal terms and as a proportion of GDP. The increase has been more pronounced in the countries that received debt relief under the Heavily Indebted Poor Countries (HIPC) and Multilateral

Debt Relief Initiative (MDRI). These countries include Tanzania, Zambia, Malawi, Mozambique, Uganda and Rwanda. For instance, Tanzania's external debt was estimated at US\$12.4 billion (or 31.2% of GDP) as at end 2013/14 financial year compared to 19% of GDP in 2006/07FY. Zambia's public debt was US\$8.0 billion (or 30.6% of GDP) as at end 2014, of which external debt was US\$4.5 billion (or 17.1% of GDP) while the remainder was domestic debt. External debt in Zambia has increased partly due to the international sovereign bond issuances amounting to US\$750 million and US\$1.0 billion in 2012 and 2014, respectively. The Government of Rwanda also issued a sovereign bond in 2013, thus increasing its external debt stock to 23% of GDP in 2013 compared

to 14% of GDP in 2006 when it benefited from debt relief under HIPC and MDRI. The other post HIPCs such as Malawi, Mozambique and Uganda have also recorded increased external debt levels.

Domestic debt has also been increasing largely due to declining concessional foreign financing as well as the need to fund infrastructure projects. These trends and levels are raising concerns about debt sustainability going forward. The main consolation is that most MEFMI member states have recorded impressive economic growth in recent years such that the debt ratios remain within sustainability thresholds. However, there is need for member states to be vigilant in order to keep the cost and risks of debt at manageable levels.



1.3.5. Financial Sector Developments

Countries in the MEFMI region continue to address factors of depth and width which drive the effective and efficient functioning of financial markets. This is done through improvements to the regulatory framework and enforcing laws affecting the financial markets. Also addressed is the intermediation role of the banking sector; establishing sound fiscal and monetary policies; and developing innovative products to name but a few. These improvements have the desired effect of fostering confidence in investors. It is also intended to open sectors for competition and spurring innovation, attracting long-term financing and reaching a larger population. In Phase IV MEFMI has continued to work hand in hand with member countries towards further development of the regional domestic financial markets.

On the international financial markets, the lasting challenges associated with the financial crisis have been the low yield, risk-averse environment which has affected the management of official foreign exchange reserves of MEFMI member countries. Countries must now employ portfolio management strategies towards non-traditional investment instruments and currencies in the search for yield. Sub-Saharan African as a whole has experienced substantial growth in the accumulation of reserves with mineral-rich countries experiencing the bulk of the increase. It must be stated though, that other countries have also built-up their share

of reserves. Balanced fiscal and monetary policies as well as economic stability are some of the factors that have increased investor confidence. This has in-turn attracted foreign direct investment (FDI) and contributed to the foreign exchange reserve growth.

Since the global financial crisis, a lot of changes have been made in financial sector regulations. The changes include the enhancements to the Basel Committee's Core Principles for Effective Banking Supervision, the Basel III Package as well as the emphasis on macro-prudential supervision and stress testing. In view of the significant changes to the regulatory framework, changes continue to dominate capacity building activities that are being conducted during MEFMI Phase IV. At the same time, projects on supervisory practices that were on-going such as risk-based supervision and consolidated supervision continued as planned. At the end of the Phase, MEFMI will work with countries to conduct assessments of compliance to the revised core principles and carry out implementation missions thereof.

Financial sector reforms in the region are increasingly focused on initiatives targeted at unlocking the economic and social potential of the 'unbanked'. While recognising the importance of financial inclusion is increasing, financial inclusion strategy formulation and implementation has not been fully achieved. Most countries in the region do not have clear or comprehensive strategies for promoting their financial inclusion agenda. In the absence of a coordinated

approach, financial inclusion in the region will continue to evolve as the uncertain result of separate efforts by different stakeholders trying to enhance their product offering and extending their networks without reference to the overall national interest. Some countries have attempted to develop strategies, but these are not comprehensive enough. Most strategies are not all-encompassing and fail to include key aspects like financial literacy and awareness. Others have embedded their financial inclusion strategies within a broader financial sector development strategy. This, if not properly monitored, may impede the advancement of financial inclusion as salient issues may not be adequately addressed within such a broad spectrum. In that respect, the Financial Sector Management Programme aims to work with countries in developing a generic model framework for reviewing existing or formulating new financial inclusion strategies. This is aimed at enabling countries to design and implement their financial inclusion strategies or strengthen their existing policies following a more guided approach and to strengthen their capacity to draw up action plans that will provide direction to achieving set objectives and goals.

1.4. South Africa Economic Developments and its Implications to the MEFMI Region

South Africa, the MEFMI region's largest neighbouring economy and major trading partner (accounting for over



60% of total GDP and 40% of total trade in the region) registered a slowdown in real GDP growth to 1.9% in 2014 from 2.5% in 2012. The growth remained well below the average in the MEFMI region. Relatively slow growth in South Africa reflects lower potential growth than other countries in the region. This is mainly due to the relative maturity of South Africa's industrial, extractive, and services sectors, in addition to binding structural bottlenecks

as well as cyclical factors. The current slowdown in particular is a result of tense industrial relations in the mining industry, limited electricity supplies, anaemic private investment, weak consumer and investor confidence.

Spill overs from the slow growth in South Africa into the MEFMI region are expected to affect most MEFMI countries in the Southern African Customs Union (SACU) block (Botswana, Lesotho,

Namibia and Swaziland), where financial and trade linkages are concentrated. On the other hand, adverse domestic conditions in South Africa could be a fortune to some MEFMI countries as some South African companies step up their investment abroad in the neighbouring economies. MEFMI member states with significant trade linkages and inflows of FDI from South Africa include Mozambique, Zambia and Zimbabwe.





2

MEFMI Activities for 2014



2. MEFMI Activities for 2014

2.1. Regional and In-Country Activities¹

The Institute re-introduced activities that had been suspended at the beginning of Phase IV after signing a two year grant with the African Capacity Building Foundation (ACBF).

In **Table 2** below are some key highlights on capacity building activities that were conducted by the Institute in 2014.

a) Regional Capacity Building Activities Conducted in 2014

The Secretariat conducted 30 regional workshops during 2014. The workshops addressed some capacity

gaps that are common across member countries. The subject areas covered include economic issues in regional integration, macroeconomic modelling and forecasting, compilation and dissemination of external sector statistics, introduction to macroeconomic management, regional integration, financial programming and policy, revenue policy and administration, remittances statistics, managing public debt using CSDRMS Version 2, advanced features of DMFAS Version 6.0, management of contingent liabilities, fundamentals of fixed income risk management, debt sustainability analysis, intermediate bank supervision, foundations of public debt management,

public debt auditing, international sovereign bond issuance, enterprise-wide risk management, as well as human resources management.

In addition, the regional workshops covered areas on financial inclusion, monitoring foreign private capital, credit risk management, and consolidated bank supervision and cross border investments, indirect tools of monetary policy implementation, reserves management, domestic debt management and financial market operations and management. The Institute also conducted Fellows' consulting and facilitation skills workshop which targeted the candidate fellows and some MEFMI staff.

Table 2: Capacity Building Activities from 2012 – 2014

ACTIVITY	2012	2013	2014 Planned	2014 Out-turn	Variance 2014 (%)
In-Country capacity building activities	37	50	42	46	10%
(a) In-country Workshops	14	30	21	19	-10%
(b) Country Missions	23	20	21	27	29%
Total Regional Capacity Building Activities	29	21	24	30	25%
Fellows Development Programme Activities	2	4	4	1	-75%
Specialised Studies	3	1	1	3	200%
Sub-total of Capacity Building Activities	71	76	71	80	13%
Governance Meetings	6	7	7	5	-29%
Networking & Staff Development	27	27	32	29	-9%
Sub-total	33	34	39	30	-23%
Grand Total (All Activities)	104	110	110	114	4%

(*): This excludes Management Meetings.

Source: MEFMI Data Base 2014

¹ See Annexes IV - VI for detailed information on activities conducted in the period January – December 2014



Annex III provides details of the regional activities conducted during the period under review, including the venues, duration, objectives, outcomes, technical cooperating partners involved, resource persons used, gender and professional levels of participants.

b) In-country Capacity Building Activities

Notwithstanding some challenges associated with scheduling in-country activities due to the need for greater flexibility and more preparatory lead time in some cases, in-country interventions have continued to grow in significance over time. A total of 46 in-country capacity building activities were conducted for most MEFMI member states, covering various areas of need. These included:-

- Public Expenditure Analysis and Management, Excel Based Macroeconomic Model Building and Simulations, as well as Modeling and

Forecasting Using E-views Software for Zimbabwe;

- Macroeconomic Modelling and Forecasting and Macro-prudential Supervision Implementation for Swaziland;
- Debt Sustainability Analysis for Zambia, Lesotho and Malawi;
- Debt Management Performance Assessment (DeMPA) for Kenya as well as Rebasing and Revisions of Kenya's National Accounts data;
- National Accounts for Office of the Chief Government Statistician, Tanzania;
- In-Country Mission on data Collection for the Study on Natural Resources to Botswana and Assessment and Evaluation of Financial Programming Framework in Botswana;
- Follow Up Mission on the Validation of the Methodological Framework for the Collection, Compilation and Analysis of International Remittances Statistics in Rwanda as

well as National Accounts for National Institute of Statistics Rwanda (NIRS);

- RBS review mission for Zambia;
- Financial Markets Development and Monetary Policy Implementation for Angola;
- Debt Data Validation for Zimbabwe and Mozambique and CS-DRMS Version 2.0 installation and training for Mozambique
- Capacity Building Needs Assessment for the Bank of the Republic of Burundi;
- Medium term debt management strategy (MTDS) for Zambia, Mozambique and Ethiopia;
- Domestic debt management, and legal and institutional framework review for Malawi;
- Money and Capital Markets Mission, Uganda
- In-country mission on stress testing requirements of Bank Supervision for the National Bank of Angola

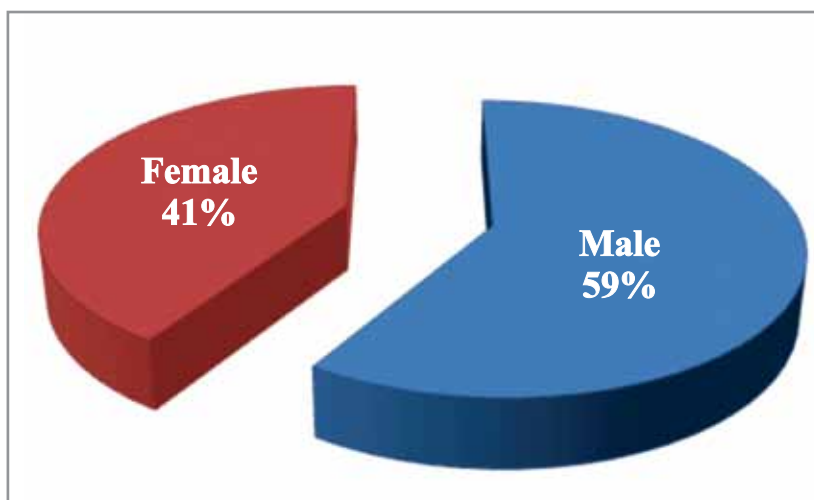


The above mentioned in-country capacity building activities and others detailed in **Annex III** included customized country workshops and missions conducted in response to specific country requests. They are designed to assess, advise, assist and foster reform and implementation of sound practice in client institutions and thus, address institution-specific needs. The negative variance in Table 2 above is as a result of few in-country workshops and more in-country missions requested by member states.

2.2. Participation in Capacity Building Activities

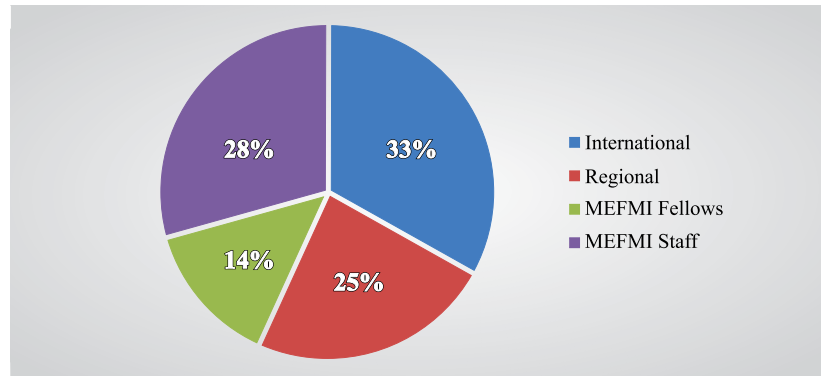
The total enrolment in all regional and in-country capacity building activities undertaken during the period under review was 1,614 participants. The activities were attended by 671 female and 943 male participants, representing a 42% and 58% gender distribution, respectively, as depicted in **Chart 9**. This composition largely reflects

Chart 9: Enrolment by Gender in 2014



Source: MEFMI Data Base 2014

Chart 10: Resource Persons' Utilisation - 2014



Source: MEFMI Data Base 2014

the staffing patterns in client institutions, especially for the professional officials that the Institute targets. Nevertheless, female participation during the period under review is an improvement compared to the corresponding period in 2013 when female participants were 37% of the total enrolment.

2.3. Resource Persons Utilisation by Category and Gender

The Institute utilises services of international and regional experts as well as MEFMI staff and Fellows to deliver its services and products. During

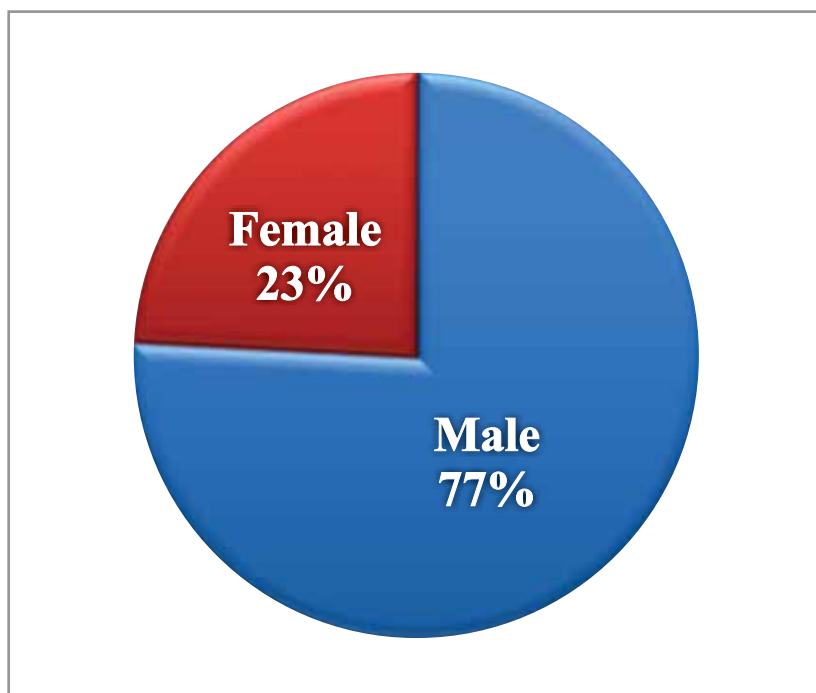
2014, the Institute utilised the services of resource persons in 282 sessions. Of these, 33% were international experts, 25% were regional resource persons, MEFMI staff were resource persons in 28%, while 14% were MEFMI Fellows as indicated in **Chart 10** above.

Out of the 33% international resource persons, 92% were on gratis. This represents a large portion of international experts engaged on gratis basis as a result of MEFMI's strong collaboration with its technical cooperating partners.

Based on gender classification, 64 (or 23%) of the resource persons utilised during the period under review were female while male resource persons were 218 (or 77%) as indicated in **Chart 11**. Given this gender imbalance, MEFMI will endeavour to narrow the gender gap in its sourcing process between the resources persons utilised specifically for regional activities.

2.4. Fellows Development Programme

The Fellows Development Programme (FDP) aims at

Chart 11: Resource Persons' Utilisation by Gender - 2014

Source: MEFMI Data Base 2014

building a sustainable pool of experts in the region to complement MEFMI's capacity building efforts in its client institutions.

The strategic direction for improving the Programme during Phase IV is geared towards sustaining competitive recruitment of Fellows. During the period

under review, MEFMI Fellows participated in 53 capacity building activities as part of their Customised Training Plans (CTPs).

As at December 2014, MEFMI had enrolled a total of 136 Fellows. Of these, only 30 (or 28%) were female. 24 (or 18%) were Candidate Fellows, 71 (or 52%) were Graduate

Fellows while 41 (or 30%) were Accredited Fellows.

The resource persons utilisation indicates that 14% or 40 of the resource persons used were Fellows. Of this number, 20 were Graduate Fellows and 20 were Accredited Fellows. The utilization of Fellows was low during the period January to March 2014. However, utilization increased progressively from 9% in the first quarter to 15% as at end 2014. The low rate of utilization at the beginning of the year was a result of the activities conducted during that period that entailed new and upcoming areas where capacity of Fellows was still low compared to that of international and regional experts.

With regards to skills development, three (3) Candidate Fellows went for attachments at the University of Michigan and the South African Reserve Bank. Furthermore, the work programmes for the current crop of Candidate and Graduate Fellows were developed and shared with

Table 3: Fellows Capacity Building and Utilization - 2014

Pro-gramme	Attendance of Capacity Building Activities		Fellows Utilisation as Resource Persons						General Utilisation				
	Work-shops	Attachment	Resource Persons at Workshops			Consultants at Missions			Type of Resource Person				
			Type of Fellow			Type of Fellow			International	Regional	Fellows	MEFMI Staff	Total
			Candi-date	Gradu-ate	Accred-ited	Candi-date	Gradu-ate	Accred-ited					
Macro	14	1	0	9	4	0	2	0	15	32	15	30	92
Debt	12	1	0	5	2	0	1	0	41	14	8	30	93
FSM	27	0	0	1	7	0	2	7	35	20	17	20	92
MDA	0	0	0	0	0	0	0	0	0	5	0	0	5
Total	53	2	0	15	13	0	5	7	91	71	40	80	282
								Percentage	32%	25%	14%	28%	100%

Source: MEFMI Data Base and Reports, December 2014


Table 4: Fellows Status by Programme and Gender: As at December 2014

COUNTRY	MACROECONOMIC MANAGEMENT			FINANCIAL SECTOR MANAGEMENT			DEBT MANAGEMENT			% of Females	Total
	Candi-date	Gradu-ate	Accred-ited	Candi-date	Gradu-ate	Accred-ited	Candi-date	Gradu-ate	Accred-ited		
Angola	0	0	0	0	0	0	0	1(0)	0	0%	1(0)
Botswana	0	0	0	0	1(0)	0	0	0	0	0%	1(0)
Kenya	1(0)	2(2)	1(0)	1(0)	4(3)	2(0)	1(0)	3(1)	0	40%	15(6)
Lesotho	0	1(1)	0	0	1(1)	2(1)	0	1(1)	1(0)	67%	6(4)
Malawi	2(0)	0	2(1)	1(0)	2(1)	2(0)	2(1)	3(1)	1(0)	27%	15(4)
Mozambique	0	0	0	1(0)	1(0)	0	0	0	0	0%	2(0)
Namibia	0	1(0)	0	0	1(0)	1(0)	0	2(1)	0	20%	5(1)
Rwanda	0	0	0	1(1)	1(0)	0	0	1(0)	0	33%	3(1)
Swaziland	0	0	1(0)	0	0	0	0	3(0)	0	0%	4(0)
Tanzania	1(0)	1(0)	1(0)	1(1)	1(1)	3(0)	1(0)	3(1)	1(0)	23%	13(3)
Uganda	0	2(0)	0	1(1)	3(2)	2(0)	1(0)	2(0)	3(0)	21%	14(3)
Zambia	0	3(1)	0	2(1)	1(0)	3(0)	0	1(1)	2(0)	25%	12(3)
Zimbabwe	1(1)	1(0)	2(0)	0	2(1)	5(2)	0	3(0)	1(1)	31%	16(5)
% of Females	20%	36%	14%	50%	50%	15%	20%	26%	11%	28%	
Total	5(1)	11(4)	7(1)	8(4)	18(9)	20(3)	5(1)	23(6)	9(1)		106(30)

Note: Figures in brackets denote number of female Fellows

Source: MEFMI Database

the respective Fellows to guide them during their training and apprenticeship.

15 Candidate Fellows were trained on how to facilitate training as well as how to manage consultancy assignments. This took place during a workshop organised in Dar es Salaam, Tanzania. The workshop is part of the compulsory training that Candidate Fellows undergo in preparation for graduation.

2.5. Studies and Publications

As part of institutional capacity building, MEFMI has developed guidelines and conducted studies to support policy development and implementation in the region. Below are some of the initiatives that were conducted during 2014:

- The editing of the manuscript on “*Economic Management in Hyperinflationary Environment: lessons from Zimbabwe for the period 1980-2008*”, commissioned jointly by MEFMI and ACBF, continued during the period under review. The purpose of the study is to document and provide lessons to the region on the economic conditions that prevailed in Zimbabwe during 1980 to 2008. The Oxford University Press was selected as the publisher of the book and a tripartite Editor’s Agreement was signed by all parties in mid-December 2014.
- The study on Guidelines for Government Securities Issuance was finalised

and published. Good progress is also recorded in the study on Management of Contingent Liabilities in the MEFMI Region.

- A study on Natural Resources Management in the MEFMI region is at report writing stage. It will be published during the first quarter of 2015, together with the Foreign Private Capital Enumerators’ Handbook, which has already been completed.
- The MEFMI Quarterly Macroeconomic Bulletin which includes estimates for 2014 and Quarter 1 2015 and annual forecasts for 2015 was updated in November and December 2014 and will be accessed from the MEFMI Website in First Quarter 2015.



3

Key Results and Outputs Of MEFMI's Capacity Building Activities



3. Key Results and Outputs of MEFMI's Capacity Building Activities

3.1. Overview

MEFMI is currently implementing its Phase IV Strategic Plan that covers the period 2012-2016. The year 2014, therefore, marks the mid-term of implementing Phase IV.

The overall objective of the Institute is to build individual and institutional capacity in macroeconomic management thereby improving performance in terms of economic growth and poverty reduction in the MEFMI member countries.

The Institute is focusing on four specific objectives to achieve the above goal:

- (i) To build human and institutional capacity in macroeconomic and financial management of MEFMI member countries;
- (ii) To facilitate the development and implementation of sound and stable macroeconomic and financial management policies, systems and databases;
- (iii) To create awareness among officials of member states and other stakeholders of latest developments in macroeconomic and financial management; and
- (iv) To establish MEFMI as a sustainable center of excellence in capacity building.

The following is the status on attainment of outcomes in 2014 by programme:

3.2. Macroeconomic Management Programme

In 2014, the Macroeconomic Management Programme (MMP) continued to implement capacity building activities based on MEFMI Phase IV strategic plan that seeks to meet the capacity challenges in the region.

The key capacity challenges in the region included;

- Roll out of the MEFMI modelling and forecasting manual and developing functional macroeconomic models for at least 38% of MEFMI countries in 2014, up from 31% in 2013;
- Increase the percentage of countries using the MEFMI Private Capital Monitoring System (PCMS) to 77% in 2014 from 69% in 2013;
- Increase the percentage of countries using Financial Programming Framework (FPP) to at least 38% in 2014 up from 31% in 2013;
- Increase the percentage of countries using the latest harmonized IMF's Balance of Payments and International

Investment Position (BOP/IIP) manual (BPM6) to 38% in 2014 up from 24% in 2013;

- Roll out Government Financial Statistics (GFS, 2001) from 8% in 2013 to 16% in 2014;
- Roll out the System of National Accounts (SNA, 2008) from 8% in 2013 to 24% in 2014; and
- Increase the number of research studies and publications to 14 in 2014 from ten (10) in 2013.

In line with the RMF targets for MMP, emphasis was therefore placed on tailor-made country specific capacity building needs that accelerated in the first two years of Phase IV with increased awareness in member states. The areas that have witnessed increased demand for technical assistance include modelling and forecasting, financial programming and data capture methodologies as well as other specific areas that require on-the-job training.

The roll out and consolidation of software, manuals, systems and frameworks developed by the Programme, such as the Private Capital Monitoring System (PCMS) software and modelling and forecasting manual also gained momentum. To further advance studies and research work on topical issues of policy significance in the region, the Programme conducted one

study on Natural Resources during the year.

To allow for synergy and cross pollination of ideas, the Programme implemented joint activities with its technical cooperating partners.

Overall, the Programme implemented ten (10) regional activities and 21 country specific interventions were executed; of which 14 were country-specific missions and seven (7) were in-country workshops.

The ten (10) regional activities included an introductory course on Macroeconomic Management and Analysis; a course on Economic Issues and Regional Integration, which was conducted jointly with the International Monetary Fund Institute for Capacity Development (IMF ICD) and the Southern Africa Development Community (SADC); Retreat for Heads of Departments responsible for monitoring foreign private capital (FPC); Course on External Sector Position Statistics; Training of Trainers in Modelling and Forecasting; Financial Programming and Policies, which was conducted jointly with the IMF ICD; Joint MEFMI/IDEP workshop on Deeper Regional Integration for Africa, Revenue Policy and Administration, Joint MEFMI/IMF-Statistics Department workshop on Data Requirements for Economic Management; Government Finance Statistics; and a Regional Workshop on Remittances Statistics. Three (3) of the 14 in-country missions are work in progress from previous years. These missions led to the completion of the Economic Activity Index

(EAI) for the Central Bank of Lesotho; advancement of work on revision and rebasing national accounts for the Kenya National Bureau of Statistics and review of the financial programming framework for Botswana. The other missions were on MEFMI PCMS software at the Bank of Namibia and Reserve Bank of Zimbabwe, the BOP/IIP Data Migration from BOP/IIP Manual 5 to 6 for the Kenya National Bureau of Statistics and Bank of Namibia, and on Natural Resources Management study. The seven (7) in-country workshops were as follows: a joint offering by the Programme and the Netherlands Fellowship Programme (NUFFIC) on Public Expenditure Management to the Ministry of Finance Zimbabwe, an AfDB sponsored in-country workshop on Excel-Based Macroeconomic Model Building and Simulations for the Ministry of Finance and Economic Development of Zimbabwe; an in-country workshop on modelling and forecasting using the MEFMI macroeconomic modelling and forecasting manual for the Central Bank of Swaziland and Ministry of Finance, Zimbabwe, and two in-country workshops on national accounts for Zanzibar (Tanzania) and Rwanda.

At the request of ACBF, and in collaboration with the Debt and Financial Sector Management Programmes, the Macroeconomic Management Programme initiated, designed and successfully conducted a capacity needs assessment study for the Bank of the Republic of Burundi. Burundi is now a 14th MEFMI member

country. Expert service has also been offered to the Republic of Sudan. The other country that benefited from similar expertise in previous years through AfDB funding is Ethiopia. Such requests are a reflection of the high level of confidence that partners and other stakeholders have with regards to the quality of expertise resident in MEFMI.

Some of the Tangible outcomes from MMP interventions as at end 2014 are summarized as follows:

- Completion of the Economic Activity Index (EAI) for measuring the country's economic performance for the Bank of Lesotho;
- Revised national accounts statistics for Kenya, in line with international harmonization requirements of National Accounts Compilation methodologies in the EAC;
- Improved evidence based policy making and enhanced modelling and forecasting skills for Rwanda, Swaziland and Zimbabwe modelling and forecasting units and increased usage of the MEFMI Macroeconomic Modelling & Forecasting Manual;
- Improved sound macroeconomic management in Botswana following use of the financial programming analytical tool by the Ministry of Finance and Development Planning;



- Improved compilation and analysis of international remittances statistics in Rwanda following development of new collection methodology and framework by MEFMI;
- Following migration by Kenya and Namibia to BOP/IIP Manual 6, data quality, comprehensiveness and compliance to international best practice in BOP/IIP data compilation improved with MEFMI support;
- Enhanced awareness to various global initiatives for compiling foreign private capital (FPC) position statistics namely; Coordinated Direct Investment Surveys (CDIS) and Coordinated Portfolio Investment Surveys (CPIS)

in member states. This is expected to stimulate countries participation for improved FPC data credibility,

- Improved FPC data collection, recording and analysis in Namibia following roll out of MEFMI PCMS to the Bank of Namibia.
- Upgraded skills of officials participating in key Regional Economic Communities (RECs) committees to analyse, formulate and management of policies and programmes for deepening and accelerating regional integration. This included exposure to recurrent tools and methodologies. Going forward, this is expected to improve negotiation skills and capacity to design, implement, coordinate,

and monitor regional integration policies and programmes/projects.

3.3. Debt Management Programme

The Debt Management Programme (DMP) implemented ten (10) regional and ten (10) in-country activities in 2014. The Programme has made notable progress during the period under review by assisting member countries to adopt the latest versions of the computer-based debt management systems for debt recording and management. Steps towards adoption of CS-DRMS Version 2 by member countries started with a regional training organized jointly with COMSEC in February 2014. A total of 31



officials were trained during that workshop. Installation of CS-DRMS Version 2 and subsequent training were held in Namibia and Mozambique. Similar activities planned for Tanzania, Lesotho and Malawi were rescheduled by the CS-DRMS developers – the Commonwealth Secretariat. By end of December 2014, 25% of the member countries using CS_DRMS had installed Version 2.0, which is half way the target for the year. Zambia upgraded its DMFAS to Version 6.0 in March 2014, bringing the total number of member countries using the latest version to four (4), out of the five (5) DMFAS user countries in the region. Following enhancements to DMFAS Version 6.0, the DMP collaborated with UNCTAD in September 2014 to upgrade the functional and technical skills of staff in debt offices. Future development plans of the DMFAS were discussed and country delegations shared issues to be considered for future improvements in the system.

In line with the objective of keeping debt managers abreast of emerging issues in debt management, the Programme organized a workshop on Management of Contingent Liabilities and a High Level Seminar on Sovereign Bond Issuance. Contingent liabilities have become a major item in the sovereign balance sheets of most MEFMI member states, hence the need to design methodologies for monitoring these liabilities as well as putting in place appropriate legal and institutional frameworks for minimizing their occurrence and managing the associated

fiscal risks. The high level seminar on sovereign bond issuance was held against the backdrop of the growing impetus by a number of countries in the region to tap into the international capital markets for development finance; Hence the need to raise awareness among debt managers on opportunities, challenges and key considerations in issuance of these bonds in the international market.

As part of efforts to enhance transparency and accountability in debt management, the Programme conducted a regional training on Public Debt Auditing. The training equipped participants with practical knowledge on public debt management processes and procedures, as well as imparting practical skills needed for effective auditing of public sector debt. The training also covered evolving international best practice in auditing public debt, based on the on-going international work to develop the relevant guidelines within the network of supreme audit institutions.

A seminar was also organised for members of Parliamentary Committees dealing with Finance, Planning and Economic affairs in the East African Community (EAC) to raise awareness on sound practices in public debt management. The seminar was also aimed at providing a forum for Parliamentarians to share experiences on public debt management legislation and oversight in their respective countries. This seminar is the first that MEFMI has offered targeting

members of Parliament, as part of the Institute's efforts to build capacity in this critical arm of Government and enhance transparency and accountability in debt management. The seminar was relevant and timely for the region as countries are implementing substantial infrastructure development projects such as roads, railways, airports, seaport expansions and power generation. These projects are financed mostly through borrowing, hence the need to enlighten parliamentarians on whether such borrowing is appropriate and if there are alternative financing mechanisms.

Other regional courses conducted during the year include:

- **Foundations of Debt Management** which equipped officials with requisite skills to enhance their effectiveness in managing public sector debt;
- **Domestic Debt and Financial Markets Operations** provided participants with practical skills needed to manage public domestic debt and drive reforms in the domestic debt markets.
- **The Quantitative Methods and Analysis for Debt and Reserves Management workshop** enhanced officials' understanding of quantitative methods and the application of Asset-Liability Management technique for strategic decision making.



The Debt Management Programme provided technical assistance to the Ministries of Finance in Lesotho, Malawi and Zambia by conducting Debt Sustainability Analysis exercises. The Lesotho DSA exercise was to assess how the planned borrowing by the Government of Lesotho to finance major infrastructure projects, would impact the country's debt sustainability. In Zambia and Malawi, the exercises were aimed at updating findings of DSAs conducted in 2012. This increased the percentage of countries conducting DSAs and using the exercise outputs in the fiscal and monetary policies to 55% and 60%, respectively which is in line with the targets for the year. MEFMI further assisted Malawi in reviewing the legal framework for public debt management, and consolidation of domestic debt.

MEFMI also partnered with the World Bank, IMF and UNCTAD in building capacity in Mozambique, Ethiopia and Zambia through in-country workshops on the formulation and implementation of the medium term debt management strategy. Consequently, the percentage of countries with documented MTDS reached 77%, against the target of 75% for the year. The focus was on ensuring that the financing needs of governments are met at the lowest cost, subject to a prudent degree of risk, while taking account of the macroeconomic framework and market constraints. The Programme also partnered World Bank in briefing debt

practitioners in the region on how to prepare a Debt Management Strategy from Aide Memoires produced at the end of country missions. Towards the end of the year, MEFMI partnered the World Bank on a mission to Kenya to conduct a Debt Management Performance Assessment (DeMPA). The mission identified public debt management strengths and areas requiring improvements. Capacity building in debt sustainability analysis also responds to the regional integration agenda where countries are required to maintain certain thresholds of public debt to conform to the convergence criteria.

3.4. Financial Sector Management Programme (FSM)

In 2014, Financial Sector Management Programme (FSM) aimed to reinforce and sustain the momentum built since the beginning of Phase IV. The 2014 work plan was deliberately designed to incorporate most of the activities planned for Phase IV as well as those areas identified during continuous needs assessments and feedback received from member countries during prior workshops and missions.

During the period under review the Financial Sector Management Programme (FSM) held ten (10) regional activities and 13 country specific interventions. Of the 13, five (5) were in-country workshops and eight (8) were in-country missions. To address various generic financial sector considerations

and to raise awareness on emerging issues, global regulatory requirements and to aid the on-going regional efforts for financial integration, the programme conducted a number of regional workshops. Two joint MEFMI/RAMP workshops aimed at building a solid foundation for fixed income risk management and credit risk management. The Programme also conducted a workshop on intermediate bank supervision as it set out to introduce new bank examiners to bank supervision principles, processes and corporate governance. A workshop on enterprise-wide risk management whose main objective was to build knowledge and understanding of the key risks in central bank business operation processes was also conducted. Another activity was a retreat for heads of payment systems which underscored payment systems as enablers of financial inclusion. The retreat addressed current issues and challenges facing central banks and other regulatory authorities promoting financial inclusion.

Furthermore, the Programme conducted workshops on In-direct Tools of Monetary Policy and Consolidated Supervision and Cross Border Investments. The latter aimed to provide bank supervisors with comprehensive appreciation of the basic concepts of consolidated supervision. It also made them familiarize with the essential implementation toolkits, to ensure competent formulation of a consolidated supervisory regulatory framework for their respective countries. At the same time, the former helped



to enhance knowledge, skills and analysis for designing and implementing monetary policy through open market operations. The training also aimed to improve participants' understanding, appreciation and application of indirect monetary policy tools. The Retreat for Heads of Financial Markets provided invaluable knowledge and critical guidance in influencing the direction of financial market integration through the contributions of policy makers. It also helped authorities to discuss policy proposals and legal reforms that would encourage financial market integration.

The Programme also conducted a regional seminar in collaboration with the BIS's Financial Stability Institute (FSI) and Toronto Centre on Basel III and Macro-prudential Surveillance. This was the first time MEFMI had collaboration with Toronto Centre. The seminar raised awareness on the new global regulatory developments post the global financial crisis as well as created an environment where senior supervisors and financial stability staff could share ideas. Key topics that

were discussed in the seminar included the new additions to the Basel III accord on: micro-prudential and macro-prudential elements; effective implementation of Basel III; Basel Committee's policy work on systemically important banks; Institutional Arrangements for Macro-prudential Policy and Macro Stress Tests.

In order to address some of the issues and challenges facing central banks, market authorities and regulators as they operate, supervise and oversee innovative payment systems, the Programme conducted a workshop on Developments and Innovation in Payment Systems. This workshop helped to raise awareness in key issues on consumer protection, financial inclusion and payment systems regional integration.

3.5. Multi-Disciplinary Activities

The Multi-Disciplinary Activities Department (MDA) held a Heads of Human Resources Workshop from 3 to 7 March 2014 in Nairobi, Kenya. The

focus of the workshop was on strategic human resources management. The topics presented included key strategic trends that are changing human resources management in organisations. Also presented were key strategic human resources issues, human resources role as a strategic business partner and issues of ethics in human resources management. Although the workshop was targeted at heads of human resources, due to its focus on strategic issues, only 20% of the participants were heads of human resources. Notwithstanding this setback, the topics generated a lot of interest and participants were willing to implement the knowledge and skills gained.

3.5.1. Planning, Monitoring and Evaluation

The Institute undertook the 2014 Impact and Needs Assessment study in its 13 member states. The exercise was welcomed by the client institutions as it provided a platform to discuss the lessons learnt during implementation of capacity building programmes as well



as an opportunity to highlight the key needs for capacity building within their institutions.

The Institute updated the Monitoring and Evaluation Plan highlighted in Annex II, and also produced the draft 2015 Work programme for the Executive Committee's approval.

3.5.2. MEFMI Combined Forum

The 2014 MEFMI Combined Forum took place on Monday 6th October 2014 at the Hamilton Crowne Plaza, Washington DC, USA. The Combined Forum is normally held back to back with the Commonwealth Finance Ministers meeting and the World Bank/IMF Annual meetings. The theme for the

2014 Combined Forum was "*Stimulating Opportunities for Growth and Development in Eastern and Southern Africa*".

The Forum was attended by 106 delegates from all the 13 member countries, some cooperating partners, private sector officials and some Secretariat staff members. The delegates comprised Ministers of Finance, Planning and Economic Development, Governors of Central Banks, Permanent Secretaries and Secretaries to the Treasury from the member states.

The Forum aimed at sensitising the policy makers about infrastructure development, Foreign Direct Investment (FDI), Bond Issuance and their corresponding opportunities as stimulants for economic growth.

Five topics were presented and discussed in line with the theme. These included:-

- (i) Re-orienting Public Expenditure Priorities;
- (ii) Mobilising domestic Institutional Savings to Catalyse Infrastructure Development;
- (iii) Policies for Attracting and Managing Foreign Direct Investment;
- (iv) Cross Border Infrastructure Development: Opportunities and Constraints; and
- (v) Sovereign International Bond Issuance.





4

Governance Activities



4. Governance Activities

MEFMI held all the required Governance activities in 2014. The following are the governance meetings which were held;

4.1. Technical Meeting of the Cooperating Partners Liaison Committee

The technical meeting of the Cooperating Partners Liaison Committee was held at the Secretariat on 27 February 2014. Chaired by the Embassy of Sweden, the meeting was also attended by a representative from the Norwegian Embassy as well as MEFMI Management. Among other reports that the Secretariat presented were the Fourth Quarter 2013 progress report. Norway and Sweden commended the Secretariat for the comprehensive report which was constructed with reference to the MEFMI Results

Measurement Framework. Other issues that were discussed during the meeting were the funding position for MEFMI Phase IV. This was also in view of the available resource envelope for conducting planned activities as well as progress on filling vacancies as a result of three staff members coming to the end of their tour of duty. The planning for the 2014 Impact and Needs Assessment, Mid-Term Review as well as the MEFMI 20th anniversary celebrations were also discussed during the meeting.

The Secretariat held a meeting at the Swedish Embassy in Nairobi on 18th December 2014 to follow up on a number of issue that were raised during the Cooperating Partners' Meeting. MEFMI was represented by two staff members – Director Debt Management Programme and Programme Officer Macroeconomic Management Programme.

The meeting also provided the Secretariat an opportunity to further expound on its main mandate and the major areas of operation, to the new Programme Officer responsible for MEFMI.

4.2. Finance and Audit Committee

The 7th and 8th Finance and Audit Committee meetings were held as planned on 26 March and 24 July 2014, respectively. The Committee reviewed the Cumulative Report for the second quarter 2014 and the audited financial statements for the year ended 31 December 2013. They also reviewed the 2013 Fourth Quarter Management Accounts. They recommended the revised Human Resources Policies and Procedures Manual as well as the Risk Management Register to the Executive Committee for approval.



4.3. Executive Committee

The 37th, 38th and 39th Executive Committee Meetings were held as planned on 27th March, 25th July and 7th October 2014, respectively. Among other items that EXCOM approved was the Management letter produced by External Auditors for 2013. The Committee also approved the audited financial statements for the year ended 31 December 2013 and the draft 2013 Annual Report. The Executive Committee commended MEFMI Management for the clean audit report. The EXCOM also found the draft Annual Report generally well structured. They welcomed the section on financial inclusion in the report as the subject had become a topical issue in the MEFMI region. They encouraged the Institute to be in the forefront of creating a platform to enhance discussion on financial inclusion. The meeting recommended that strong alliances needed to be forged with Alliance for Financial Inclusion (AFI) and the African Economic Research Consortium (AERC). The Committee also reviewed the application for MEFMI membership by the Republic of Sudan and the Republic of Burundi.

The Executive Committee reviewed a summary report on the 2014 Impact and Needs Assessment that was conducted in the 13 MEFMI member states. The Committee also discussed the membership signing of the MEFMI Memorandum of Understanding (MOU), and resolved that Management

organise a side session at the Board meeting in October 2014 where Rwanda and Zambia would sign the MOU. The Executive Committee also discussed a proposal by the Secretariat to establish a Business Development Unit and a proposal to introduce E-learning as a mode of delivery by MEFMI, reviewed the quarterly progress reports, 2015 Annual Work Programme and Budget as well as the Risk Register. The Committee also addressed some HR issues regarding recruitment of the new Executive Director, two new Directors and two Programme Officers, and also extended the appointment of Deloitte and Touche as internal Auditors.

4.4. Board of Governors Meeting

The 18th Board of Governors meeting was held on 7th October, 2014 in Washington DC, USA. The Board discussed the detailed report of the Executive Committee during the year.

The Board also made the following key resolutions;

- Unanimously approved that Burundi be admitted as the 14th member of MEFMI;
- Unanimously approved that the Vice Chairman of the Board (Angola) be appointed the Board Chairman from 1 January 2015 to 31 December 2016;
- Botswana was unanimously elected as Vice Chairperson of the Board;

- The Board appointed Botswana and Malawi to serve as members of the MEFMI Executive Committee for the two years from January 2015 to 31 December 2016;
- Ratified the 2015 Work Programme and Budget and the Anti-Fraud and Anti-Corruption Policy; and
- Approved the Concept Note for E-Learning for immediate implementation.

4.5. Secretariat Meetings

As part of corporate governance, MEFMI conducts meetings as follows;

4.5.1. Management Meetings

Management meets at least once every month. The Management Meetings, which are chaired by the Executive Director, are attended by MEFMI Directors. The meetings are a strategic platform for Management to appraise each other on the implementation of work plans as well as to ensure that focus on the Institute's co-business of capacity building is adhered to. In this regard, seven (7) Management meetings were held during the period under review. Among other issues, the Management meetings reviewed operational issues in order to ensure that staff discharge their duties in accordance with the plan for the year. The meetings also reviewed preparations for the Combined Forum and



20th anniversary celebrations. Also reviewed in the meetings were documents for the Executive Committee and the Finance and Audit Committee meetings that were held.

4.5.2. Programme/ Departmental Meetings

In an effort to complement Management Meetings, Programmes and Departments each hold meetings at least quarterly. The meetings form the basis not only for staff members in the Programme or Department to monitor work progress. The meetings are also used as platform to provide staff with feedback from Management as well as preparing for upcoming events. Some of the key issues discussed in some of the meetings during the year include:

Reviewing the key challenges encountered during implementation of regional and in-country activities;

- Strategies for increasing

MEFMI brand visibility and outreach

- Plans for enhancing the progress of MEFMI Candidate Fellows to ensure adherence to the Customised Training Programme;
- Planning for implementation of activities that were to be funded by the Africa Capacity Building Foundation;
- Brainstorming on delivery of support to member states that requested for MEFMI assistance; Planning for the 2015 MEFMI activities, including budgeting and assignment of tasks to the Programme Officers.

4.5.3. Staff Meetings

Three (3) staff meetings were held during the period under review. Staff members were briefed on pertinent issues arising from both the

2013 Board Meeting and subsequent Management Meetings. A staff meeting which was held in June 2014 was also the last one to be chaired by Dr. Elias Ngalande, as his end of tour of duty coincided with the end of the second quarter. A farewell luncheon with staff was held for him, as well as a farewell dinner which was attended by Cooperating Partners, some Zimbabwe Government officials and other stakeholders based in Harare, Zimbabwe.

4.6. Networking Activities

In delivering its products and services, MEFMI actively collaborates with various regional and international organisations in order to broaden and strengthen its worldwide alliances. During the period under review, the Institute participated in twenty five (25) networking activities listed in **Annex VII**.





5

**Financial Performance
for the year ended
31 December 2014**



5. Financial Performance for the year ended 31 December 2014

The Institute opened the year 2014 with a positive cash and bank balance of US\$4,361,138. This amount is broken down as follows:

- Staff gratuity US\$835,343;
- Member states' contributions for purchase of the Executive Director's house US\$145,930;
- Interest income for the years 2012 and 2013 US\$420,655;
- Advance payment by the Swedish Government

for the period January to July 2014 US\$526,316;

- Member states' 2014 advance contributions US\$1,160,957; and
- The balance represents the savings that the Secretariat has made over the years.

The Secretariat is grateful to member countries that pay their contributions in advance, as this has allowed the Secretariat to invest the funds for a few months before they are required for MEFMI activities. This has resulted in

significant interest income, as can be seen from the income statement in **Table 5** below.

5.1. Income

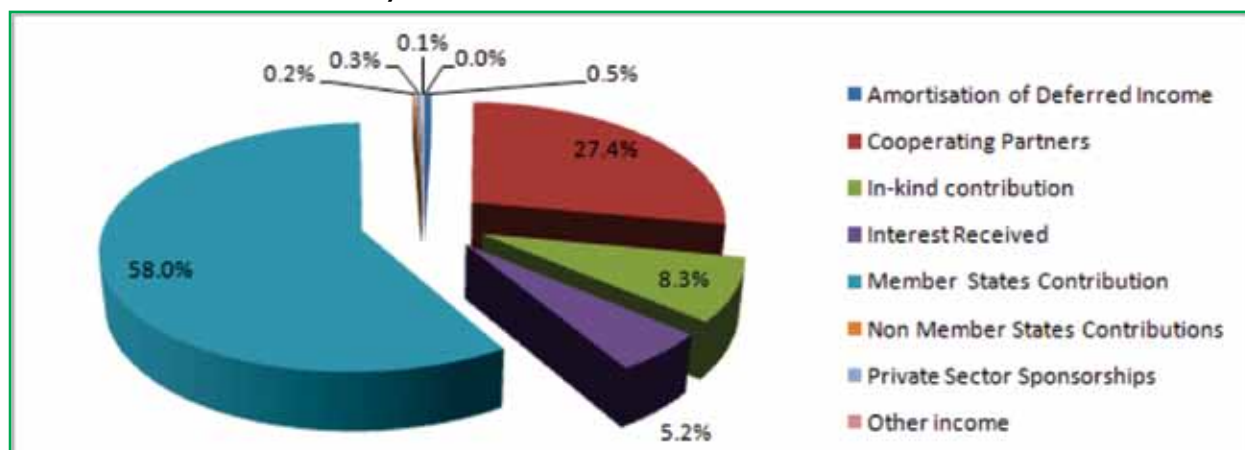
The Institute received total income of US\$7,275,914 in the year 2014 (**Table 5**). This resulted in a 17% increase compared to the budgeted income for the year. The positive variance is attributed to in-kind contributions, an increase in interest income and exchange gains in contributions from cooperating partners. The 11% positive variance

Table 5: Statement of Income & Expenditure for the Year Ended 31 December 2014

	2014	2013	2014	2014 / 2013	2014	Note
	Actual	Actual	Budget	Variance	Budget Variance	
	US\$	US\$	US\$	%	US\$	
INCOME:						
Cooperating Partners	1,995,728	1,593,831	1,896,481	25%	5%	5.1(b)
Interest Received	378,813	330,342	120,000	15%	216%	5.1(c)
Member States Contribution	4,217,062	4,016,175	4,217,063	5%	0%	5.1(a)
Other	684,314	591,256	-	-73%	100%	5.1(d)
Total Income	7,275,917	6,531,604	6,233,544	11%	17%	5.1
EXPENDITURE:						
Programme Delivery	5,314,490	4,715,877	6,058,313	-13%	12%	5.2(a)
Secretariat Administration	1,189,717	1,050,785	1,252,446	-13%	5%	5.2(b)
Total Expenditure	6,504,209	5,766,662	7,310,759	-13%	11%	5.2
Surplus for the period	771,708	764,942	(1,077,215)	1%	171%	

Source: MEFMI Financial Statements

Chart 12: Income distribution by source - 2014



Source: MEFMI Financial Statements 2014

Table 6: Cooperating Partners Contributions

Partner	Receipts	2014 Budget	Variance	Note
	US \$	US \$	US \$	
Norway	453,757	392,314	61,443	(i)
Sweden	824,176	886,293	(62,117)	(i)
World Bank	97,312	57,874	39,438	(ii)
IMF	40,000	20,000	20,000	(ii)
ACBF	580,484	500,000	80,484	(iii)
Totals	1,995,728	1,856,481	139,247	

as compared to 2013 is attributed to an approved 5% increase in member countries contributions in 2014 as well as ACBF having come on board in 2014, which boosted Cooperating Partners contributions.

a) Member Country Contributions

Member states contributions and in-kind contributions make up 66% of the total income for the year, as

illustrated in Chart 12 above.

b) Cooperating Partners

Cooperating Partners contributed 28% of the total income for the year, as illustrated in **Chart 12**. The increase in the contributions came from ACBF, who came on board in July 2014, following delayed approval of funding for Phase IV.

- The difference arises from the rate of exchange

- used at budget time differing from that prevailing at date of receipt of contribution.
- World Bank and IMF contributions are not fixed and variations from the budget will occur.
- While the ACBF Contribution works on a re-impbursement basis, the 2014 contribution includes an initial advance of \$300,000.

c) Interest income

Interest income contributed 5% of the total income received in 2014. The Institute has continued with its strategy of investing all funds that are not immediately required for use as well as advance contributions made by member states. The Board approved the MEFMI investment policy which guides the Secretariat.

d) Other

Other income included in-kind contributions from member countries and private sector partnerships. The Secretariat has continued to receive in-kind contributions from member countries in the form

**Table 7: Expenditure per Programme**

Expenditure item	2014 Budget US\$	2014 Actual US\$	2014 Actual %
MMP	1,518,736	1,639,530	25%
FSMP	1,556,768	1,533,932	24%
DMP	1,874,734	1,672,475	26%
MDA	873,974	597,889	9%
SECB	1,076,906	678,771	10%
Administration	409,641	381,610	6%
Totals	7,310,759	6,504,207	100%

Source: MEFMI Financial Statements 2014

of air tickets for participants in MEFMI activities as well as meeting other expenses for in-country activities. EY and Investec partnered with the Secretariat to finance the MEFMI Combined Forum and 20th Anniversary celebrations in Washington DC.

5.2. Expenditure

The total expenditure for the year 2014 amounted to US\$6,504,207. This reflects a 13% negative variance compared to 2013, and 11% positive variance against the budget. The variance are explained as follows:

a) Programme Delivery

The Expenditure on Programme delivery is within budget. It makes up 82% of the total expenditure. The 13% negative variance as compared to 2013 is due to an increase in the level of activities, and is in line with the increase in income.

b) Secretariat administration

Expenditure on Secretariat administration is within budget. The negative variance as compared to 2013 is largely attributed to staff repatriation and recruitment expenses. Three senior positions of Executive Director, Programme Director Macroeconomic Management Programme and Programme Director Financial Sector Management Programme were filled within 2014. In addition two (2) Programme officer positions were filled at the beginning of 2014. The Board also awarded a 5% salary increment to Secretariat with effect from 1 January 2014.

The Debt Management Programme makes up 26%, the Financial Sector Management Programme (FSM) 24% and the Macroeconomic Management Programme (MMP) 25% of the total expenditure for the year

2014. This reflects the thrust of activities for each Programme. The Debt Management Programme carried out more regional activities while the other two (2) Programmes carried out more in-country activities, which cost less. A portion of the MMP expenses were also taken up by the IMF for one (1) of the activities that was undertaken in the year under review.

5.3. Anti-Fraud and Anti-Corruption

The MEFMI Secretariat is committed to protecting public funds and places the highest emphasis on the proper conduct of MEFMI activities as set out in the Anti-Fraud and Anti-Corruption policy.

The Secretariat made the following progress in 2014 in its effort to prevent fraud and corruption:

- The Secretariat introduced a policy on anti-fraud and anti-corruption, which was approved by the Board in October 2014. The policy has since been distributed to all staff and MEFMI suppliers of goods and services
- Management ensured that all MEFMI procurement of goods and services and recruitment were in compliance with the anti-fraud and anti-corruption policy
- Staff did not accept any gifts which were valued above US\$50.



6

Human Resources and Administration



6. Human Resources and Administration

6.1. Staff Establishment

The Institute has an establishment of 32 posts and of that figure, over 50% is female staff. All positions are filled as indicated in Table 8 below following the assumption of duty by two (2) Programme Directors and two (2) Programme Officers in March and the Executive Director in July 2014.

6.2. Policies and Procedures

To ensure overall guidance, consistency and clarity in its day to day operations, the Institute reviewed and updated the Human Resources Policies and Procedures Manual and the Asset Management Manual. The Remuneration Policy was also updated following changes in the salary structure. A new manual was introduced, the Anti- Fraud and Anti - Corruption Policy. All these manuals were approved at the 18th Board of Governors meeting.

6.3. Recruitment and Selection

In order to meet the Institutes' human capital requirements, the following positions which will fall vacant in January 2015 were advertised in all member states, in September 2014;

- Programme Officer (External Sector and Natural Resources Management)
- Information Technology Officer
- Human Resources Officer

Interviews were held in November and December 2014 respectively. Suitable candidates were identified for all the positions. The recruitment process will be completed in January 2015.

6.4. Performance Management

Members of staff were trained in setting of performance objectives and indicators/ standards in February 2014, which has resulted in an improvement in the way annual staff performance contracts, are formulated. Consequently, performance reviews for the period 1 January to June 2014 were based on key competencies

and performance indicators. Performance reviews for the period 1 January 2014 to 30 June 2014 continued on the electronic performance management system, a faster and more efficient way of managing performance. Reviews for the period July to December 2014 will be completed within the first quarter of 2015.

6.5. Staff Relations

A positive industrial relations environment is critical for productivity and success of an organization. To this end, a Staff Association was launched in 2014 to deal with some common employment related and social issues that affect MEFMI staff. The Committee drafted a Workers Association Constitution which was adopted by its members. Membership is open to all staff below Management level. A team of staff representatives of the Association was put in place to work with Management on staff issues. The Committee has successfully presented issues relating to staff during staff meetings.

6.6. Staff Development and Learning

In line with the staff development plan and in an effort to keep staff up-to-date with emerging issues and enhance their skills, MEFMI undertook some staff development and learning activities in 2014. **Annex VII** below provides a synopsis of the staff development activities that took place during the year.

Table 8: Staff Composition as at end 2014

Category	Established Posts	Male	Female	Total in Post
Executive Director	1	1	-	1
Programme Director	3	2	1	3
Director Finance and Administration	1	-	1	1
Programme Officer	10	6	4	10
Publications and Networking Officer	1	-	1	1
IT Officer	1	1	-	1
Accountant	1	-	1	1
HR Officer	1	-	1	1
Assistant IT Officer	1	1	-	1
Assistant Accountant	1	-	1	1
Accounts Assistant	1	-	1	1
Secretary	6	-	6	6
Driver	2	2	-	2
Office Orderly	1	-	1	1
Gardener	1	1	-	1
Total	32	15	17	32

Source: MEFMI data base 2014



7

Challenges and Lessons Learnt



7. Challenges and Lessons Learnt

Challenge	Proposed Intervention
<p>1. Low participation in MEFMI capacity building activities by some member states. Example of countries with low participation are Angola and Rwanda in Debt Management</p>	<ul style="list-style-type: none"> • Need for visits to countries by the Executive Director and Programme Directors; • Schedule meetings with senior officials of host countries during regional workshops to identify and discuss capacity gaps that can be addressed through in-country activities. • Use Executive Fora and other high level events to discuss with heads of departments areas that may require assistance.
<p>2. Poor attendance by participants during non-residential in-country capacity building activities in some member states</p>	<ul style="list-style-type: none"> • Advise the authorities to consider residential workshops, particularly in member states where the problem is serious.
<p>3. Some member states have data challenges, particularly in preparing long term macroeconomic projections used in debt sustainability analysis</p>	<ul style="list-style-type: none"> • Need for MEFMI to intensify capacity building support to member states on macroeconomic forecasting. • Advise the authorities to submit data to MEFMI in advance of missions. Alternatively, MEFMI should send a macroeconomic resource person to member states to validate data in advance of missions on DSA.
<p>4. The MEFMI region has serious lack of capacity in the management of natural resources in the region. If this position is left unattended, it may continue to undermine the ascension to economic prosperity. Weak capacity in this area is one of the main factors behind the low budgetary receipts from natural resources in some countries, largely due to weaknesses in tax audit capacity compared to that of multinational corporations - the main players in the natural resources industry.</p>	<ul style="list-style-type: none"> • MEFMI and a number of its technical and financial cooperating partners have identified these challenges and have been providing some technical assistance. A more formally and structured approach will be implemented during the course of Phase IV.



8

Emerging Issues



8. Emerging Issues

Over the last five years, some MEFMI countries have made discoveries of substantial natural resources. It is projected that the Africa continent will expand its metal and mineral production by 78% between 2010 and 2017. With these developments, the region is poised to become the new world's resource-based growth and economic frontier, in the medium to long-term. However there is serious lack of capacity in the management of natural resources in the region. There is need for accelerated capacity in this area.

As the region moves towards regional integration particularly the establishment of supra-regional institutions, there is increased pressure to meet the requisite macroeconomic convergence criteria. In this regard, MEFMI countries will require specific capacity building that will support these initiatives.

External shocks which continue to impact on the region's economies such as oil price changes and exchange rate movements have brought both positive and negative impact on the macroeconomic environment in the MEFMI region and Africa at large. Specific policy formulation

needs to be developed and supported by member countries in order to mitigate against the negative effects of the shocks.

Towards the end of the last decade, countries have been borrowing to finance infrastructure projects leading to accelerated growth in public debt. This happened at a time when the landscape for debt management changed considerably creating new challenges for developing countries, including those in the MEFMI region. For instance, the recent build-up in public debt has been associated with changes in the debt structures, significant exposure to relatively high cost and risky debt. This is mainly because governments are increasingly turning to non-concessional borrowing to bridge the financing gap created by the decline in foreign grants and concessional loans. Some member states have also tapped onto the international capital markets through sovereign bond issuances in order to meet their large infrastructure financing needs. Such financing is contracted on commercial terms, with shorter repayment periods, huge rollover risk and higher interest rates.

Domestic debt has also been

increasing in the region due to several factors. These include the decline in foreign concessional financing, the need to finance infrastructure projects, concerns about debt sustainability after HIPC, loose fiscal policies as well as high and volatile domestic interest rates. However, the domestic debt market conditions and the resultant domestic debt portfolios are unfavourable in some cases, thus exposing the governments to refinancing and interest rate risks. In addition, most member states have registered significant increases in contingent liabilities arising from government guarantees, Public Private Partnerships, and accumulation of arrears by ministries and departments. These have led to increased fiscal risks for governments in the region.

The recent developments in the financial sector have resulted in new innovations and products on financial inclusion that also come with their own challenges. Prudential requirements need to be strengthened in order to address this emerging development.

In view of the above, assistance to member states in developing frameworks for managing the costs and risks of debt will be a key component of MEFMI's capacity building plan over the medium term.



9

Conclusion



9. Conclusion

Implementation of the work programme for 2014 was in line with the set targets. This was among others, attributable to favourable financial position of the Institute following timely submission of

member states contributions and disbursements by development partners.

Member states' requests were overwhelming; some of the activities had to be

conducted up to the MEFMI year-end close of business. This had also culminated into postponement of some of the Institute's internal activities such as the staff retreat.





**Macroeconomic and
Financial Management
Institute of Eastern and
Southern Africa (MEFMI)**

**Annual Financial
Statements
31 December 2014**



NATURE OF BUSINESS:

To advise and assist member countries in the Eastern and Southern African region to develop sustainable capacity in macroeconomic and financial management, and debt and reserves management; and to foster best practices for prudent macroeconomic and financial management in central banks and ministries of finance and planning.

EXECUTIVE COMMITTEE

Mr José de Lima Massano	(Chairperson)-outgoing
Mrs. Linah K. Mohohlo	(Chairperson)-incoming
Dr. Adelaide Rets'elisitsoe Matlanyane	
Mr. Ipumbu W. Shiimi	
Mr. Felix Nkulukusa	
Prof. Benno Ndulu	
Dr. John Mangudya	(Executing Agency - ex-officio)
Dr. Caleb M. Fundanga	(Executive Director – ex-officio)

REGISTERED OFFICE:

9 Earls Road
Alexandra Park
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Camelsa Business Park
135 Enterprise Road
Highlands
HARARE

BANKERS:

Stanbic Bank
SSC Building
Corner Julius Nyerere Way/Sam Nujoma Street.
HARARE

Standard Chartered Bank
Africa Unity Square
Nelson Mandela road
HARARE

LAWYERS:

Coghlan, Welsh and Guest
Executive Chambers
P. O. Box 53
HARARE

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These financial statements are expressed in United States Dollars (USD)



Executive Committee's responsibility and approval of financial statements for the year ended 31 December 2014

To the Executive Committee of Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)

It is the Executive Committee's responsibility to ensure that the financial statements fairly present the state of affairs of the Institute. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Executive Committee has assessed the ability of the Institute to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Executive Committee believe that under the current economic environment a continuous assessment of the ability of the Institute to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The statements are based on appropriate accounting policies which are supported by reasonable and prudent judgements and estimates.

The Institute's internal and accounting control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the entity's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Executive Committee have been addressed and the Executive Committee confirm that the system of internal and accounting control is operating in a satisfactory manner.

In light of the current financial position, the Executive Committee is satisfied that the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The Institute's financial statements which are set out below on pages 4 to 21 were, in accordance with their responsibilities, approved by the Executive Committee on 2015 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Linah K. Mohohlo', written over a dotted line.

Mrs. Linah K. Mohohlo
Chairman

A handwritten signature in black ink, appearing to read 'Caleb M. Fundanga', written over a dotted line.

Dr. Caleb M. Fundanga
Executive Director

Auditors' Report

To the Executive Committee of Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)

We have audited the financial statements of MEFMI, set out on pages 4 to 21, which comprise the statement of financial position as at 31 December 2014, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows 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 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.

Auditors' 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 judgement, including the assessment of risks of material misstatements 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 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Grant Thornton

Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

.....2015



Statement of financial position as at 31 December 2014

		2014	2013
ASSETS			
Non-current assets			
Property and equipment	12	952 124	921 242
Current assets			
Consumables	13	42 057	53 959
Trade and other receivables	14	1 041 314	321 258
Cash and cash equivalents	15	3 573 480	4 361 136
		4 656 851	4 736 353
Total assets		5 608 975	5 657 595
FUNDS AND LIABILITIES			
Funds			
Accumulated funds		3 369 421	2 597 714
Non-current liabilities			
Deferred income	18	898 766	937 046
Current liabilities			
Trade and other payables	16	917 616	1 275 956
Provisions	17	384 892	808 599
Deferred income	18	38 280	38 280
		1 340 788	2 122 835
Total funds and liabilities		5 608 975	5 657 595

Linah K. Mohohlo
Chairperson

Dr. Caleb M. Fundanga
Executive Director

Statement of changes in funds for the year ended 31 December 2014

	Accumulated Funds
Balance at 1 January 2013	1 832 772
Surplus for the year	764 942
Balance at 31 December 2013	2 597 714
Balance at 1 January 2014	2 597 714
Surplus for the year	771 708
Balance at 31 December 2014	3 369 421



Statement of cash flows for the year ended 31 December 2014

		2014 USD	2013 USD
Cash flows from operating activities			
Surplus for the year	Notes	771 708	764 942
Adjustment for:			
Depreciation	12	87 466	73 830
Interest income		(378 813)	(330 342)
Amortisation of deferred income		(38 280)	(37 579)
(Decrease)/Increase in provisions		(423 707)	196 539
Profit on disposal of equipment		(1 635)	(540)
Cash flow before changes in working capital		16 739	666 850
Net effect of working capital changes	19	(1 066 494)	471 175
Net cash (utilised)/generated from operations		(1 049 755)	1 138 025
Cash flows from investing activities			
Proceeds from disposal		5 960	745
Interest income		378 813	330 342
Acquisition of property and equipment		(122 673)	(33 793)
Net cash inflow from investing activities		262 100	297 294
(Decrease)/Increase in cash and cash equivalents		(787 655)	1 435 319
Cash and cash equivalents at the beginning of the year		4 361 136	2 925 817
Cash and cash equivalents at the end of year	15	3 573 480	4 361 136

Statement of accounting policies for the year ended 31 December 2014

1 General information

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

Basis of preparation

The principal accounting policies adopted in the preparation of financial statements are set out below. The basis of preparation of financial statements is International Financial Reporting Standards.

Statement of Compliance

The Institute's financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS) and the International Financial Reporting Interpretations Committee, (IFRIC) interpretations. The financial statements are based on statutory records that are maintained under the historical cost convention.

Summary of accounting policies

1.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below:

1.2 Revenue recognition

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

Co-operating partner funding

Co-operating partner funds are recognised 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 recognised on an accrual basis. Contributions from member states for a particular phase are determined beforehand by the Board of Governors. Revenue is therefore recognised over the phase on an accrual basis.

Interest

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



Statement of accounting policies for the year ended 31 December 2014 (continued)

In-kind contributions

A portion of the Institute's income is derived from in-kind contributions from member countries. In-kind income is recognised on receipt basis. In-kind contributions received from technical co-operating partners are not recognised in the financial statements. The contribution is acknowledged in a memorandum to the financial statements.

1.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

1.4 Taxation

In terms of the agreement with the Government of Zimbabwe and statutory instrument 428 of 2011 issued under the Income Tax Act (Chapter 23:06), the Institute is exempt from tax.

1.5 Employee benefits

Short-term employee benefits include wages, salaries and social security contributions; short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the period in which the employees render the related employee service; bonuses payable within twelve months after the end of the period in which the employees render the related service; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees. The entity recognises the undiscounted amount of short-term employee benefits as an expense in profit and loss during the period in which the services are rendered.

1.6 Foreign currency translation

Transactions in foreign currencies are translated to the United States Dollars at rates of exchange ruling on the date of the transaction. Exchange gains or losses arising on the settlement of foreign currency transactions are dealt with in the income and expenditure statement.

Assets and liabilities in foreign currencies are translated to United States Dollars at rates of exchange ruling at the statement of financial position date.

1.7 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.

1.8 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

Statement of accounting policies for the year ended 31 December 2014 (continued)

will be required to settle the obligation and a reliable estimate can be made of the obligation.

1.9 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.

1.10 Property and equipment

Property and equipment is shown at cost, less accumulated depreciation and accumulated impairment losses. Land is not depreciated. The Institute's policy is to depreciate property and equipment evenly over the expected life of each asset.

The expected useful lives are as follows:

Buildings	-	25 years
Computers	-	4 years
Furniture and fittings	-	3 years
Motor vehicles	-	5 years

The carrying amounts of property and equipment are reviewed at each statement of financial position 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 estimated that all property and equipment have nil residual value as the Institute has no intention of disposing of the assets before the end of their useful lives.

1.11 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 in the statement of income and expenditure.

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 in the statement of income and expenditure.

1.12 Consumables

The carrying amount of consumables is measured at the lower of cost or net realizable



Statement of accounting policies for the year ended 31 December 2014 (continued)

value. Valuation is determined on a first in first out basis. The cost of consumables is recognized in the statement of income and expenditure as it is drawn down.

1.13 Financial instruments

Loans 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.

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 and loss

This category comprises 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 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 Institute 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.

1.14 Deferred income

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

Notes to the financial statements for the year ended 31 December 2014

	2014 USD	2013 USD
2 Amortisation of deferred income		
Deferred income	38 280	37 579
3 Co-operating partner funding		
African Capacity Building Refund	580 483	(698)
International Monetary Fund (IMF)	40 000	-
Norwegian Government	453 757	504 519
Swedish Government	824 176	902 256
Other donors	-	72 767
World Bank	97 312	114 987
	<u>1 995 728</u>	<u>1 593 831</u>
4 In-kind contributions		
Member states	600 889	481 708
5 Interest income		
MEFMI bank accounts	1 118	2 301
Residence funds	17 661	15 792
Short term deposits	350 853	305 873
Staff loans	9 181	6 376
	<u>378 813</u>	<u>330 342</u>
6 Member state contributions		
Angola	407 677	367 131
Botswana	316 368	293 256
Kenya	339 108	322 586
Lesotho	307 230	278 606
Malawi	292 399	330 077
Mozambique	344 519	311 272
Namibia	301 980	279 069
Rwanda	307 726	278 660
Swaziland	287 274	279 294
Tanzania	342 134	337 828
Uganda	318 597	308 113
Zambia	311 481	320 562
Zimbabwe	340 569	309 721
	<u>4 217 062</u>	<u>4 016 175</u>



Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
7 Other income		
Non member states contribution	13 425	44 569
Zimbabwe Debt Office Refund	-	20 624
Participant fee	-	3 750
MEFMI publications	180	1 505
Profit on disposal of assets	1 635	540
Exchange gain/loss	53	-
Private Sector Partners/Private Sector Partner Contributions	22 936	-
Miscellaneous income	6 916	981
	45 145	71 969
8 Office expenses		
Advertising	-	9 791
Air courier mail	1 007	6 010
E-communication charges	38 188	64 365
Equipment and software maintenance	34 374	63 127
General expenses	69 005	63 349
Office maintenance	30 980	21 931
Office security	19 879	19 443
Printing and stationery	9 142	11 473
Publications	62 634	69 671
Telephone and postage	32 417	28 692
	297 626	357 852
9 Professional fees		
Macroeconomic management programme		
In-country workshops	34 900	46 000
Missions	22 305	42 000
Administration expenses	2 082	1 642
Networking	2 800	-
Regional workshops	42 234	32 559
Studies	13 750	2 730
	118 071	124 931
Financial sector management programme		
Administration expenses	2 707	1 542
In-country workshops	15 670	37 670
Mission	51 650	42 700
Regional workshops	26 240	19 880
Studies	6 500	9 875
	102 767	111 667

Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
9 Professional fees (continued)		
Debt management programme		
In-country workshops	32 770	8 220
Missions	14 400	3 900
Administration expenses	2 082	1 542
Regional workshops	19 430	26 500
Studies	7 250	10 625
	<u>75 932</u>	<u>50 787</u>
Multi-disciplinary activities		
Executive fora	5 000	2 000
Fellow activities	4 000	71 250
Administration expenses	1 135	308
Regional workshop	3 000	-
Studies	37 200	9 600
	<u>50 335</u>	<u>83 158</u>
Secretariat capacity building		
Recruitment	-	7 725
Library materials	-	2 300
Administration expenses	1 514	308
Staff development	1 333	450
	<u>2 847</u>	<u>10 783</u>
Administration		
Governing bodies	2 400	2 400
Administration expenses	568	925
	<u>2 968</u>	<u>3 325</u>
Grand total	<u><u>352 920</u></u>	<u><u>384 652</u></u>
10 Program delivery-staff		
10.1 Program delivery-staff		
Programme staff time	1 450 105	1 364 011
House rent and maintenance	65 289	45 105
Housing allowance	132 389	124 970
Medical aid contribution	74 069	63 465
NSSA	8 262	8 483
Leave pay	24 066	(33 051)
School fees subsidy	69 058	65 761



Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
10.1 Program delivery-staff (continued)		
Terminal gratuity	362 001	341 012
Performance Pay	42 985	-
Insurance	14 854	15 744
Other staff benefits	4 119	6 278
	<u>2 247 198</u>	<u>2 001 778</u>
10.2 Salaries and benefits		
Programme staff time	303 776	298 533
House rent and maintenance	17 889	11 805
Housing allowance	26 064	25 651
Medical aid contribution	35 383	30 271
NSSA	5 042	4 642
Leave pay	(1 451)	(2 793)
School fees subsidy	21 205	19 125
Terminal gratuity	74 208	73 011
Performance Pay	76 787	-
Insurance	4 190	3 937
Other staff benefits	280	1 220
	<u>563 373</u>	<u>465 402</u>
11 Compensation to key management personnel (Included in Note 10)		
Gratuity	124 064	127 050
NSSA	1 565	2 147
Salaries and short term employee benefits	779 352	581 018
	<u>904 981</u>	<u>710 215</u>
13 Consumables		
Consumables	3 835	1 397
Computer consumables	22 078	25 252
Publications	10 310	19 456
Stationery	5 834	7 854
	<u>42 057</u>	<u>53 959</u>
14 Trade and other receivables		
Trade receivables		
Contributions due: Rwanda	307 726	-
Zimbabwe	340 569	-

Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
14 Trade and other receivables (continued)		
Other receivables		
Prepayments	215 234	55 538
Staff loans and advances	163 124	225 016
Other receivables	1 414	31 085
Value Added Tax claims	13 247	9 619
	1 041 314	321 258
	1 041 314	321 258
15 Cash and cash equivalents		
For the purposes of statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows can be reconciled to the statement of financial position as follows:		
Cash on hand	1 709	105
Cash at bank	622 756	622 727
Gratuity account	7 870	10 550
Short term deposits	2 941 145	3 727 754
	3 573 480	4 361 136
	3 573 480	4 361 136
16 Trade and other payables		
Accrued expenses	30 895	17 454
Withholding tax	663	-
Audit fees accrual	20 180	29 030
Member states	776 403	1 160 957
Professional fees	89 475	68 515
	917 616	1 275 956
	917 616	1 275 956
17 Provisions		
Leave pay	50 626	46 114
Performance bonus	68 401	-
Terminal gratuity	265 865	762 485
	384 892	808 599
	384 892	808 599



Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
18 Deferred income		
During the 2010 financial year, an amount of USD 957 000 was received as a grant for the purchase and construction of land and buildings. USD 38 280 of this grant was recognised as income in the current year while the remainder represents deferred income.		
Balance at beginning of the year	975 326	1 012 905
Amortisation	(38 280)	(37 579)
Balance at end of year	<u>937 046</u>	<u>975 326</u>
Non-current portion of deferred income	898 766	937 046
Current portion of deferred income	38 280	38 280
Balance at end of year	<u>937 046</u>	<u>975 326</u>
19 Net effects of changes in working capital		
Decrease in consumables	11 902	6 503
Increase/decrease in receivables	(720 056)	524 584
Decrease in payables	(358 340)	(59 912)
	<u>(1 066 494)</u>	<u>471 175</u>

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Property and equipment

	Land USD	Buildings USD	Motor vehicles USD	Computer equipment USD	Office furniture USD	Total USD
Year ended 31 December 2013						
Opening carrying amount	125 000	737 793	-	66 897	31 794	961 484
Revaluation	-	-	-	20 550	13 243	33 793
Accumulated depreciation on revaluation	-	-	-	(5 477)	(11 228)	(16 705)
Additions	-	-	-	5 272	11 228	16 500
Depreciation charge	-	(30 114)	-	(28 330)	(15 386)	(73 830)
	125 000	707 679	-	58 912	29 651	921 242
At 31 December 2013						
Cost/valuation	125 000	752 850	86 098	259 763	288 244	1 511 955
Accumulated depreciation	-	(45 171)	(86 098)	(200 851)	(258 593)	(590 713)
Closing carrying amount	125 000	707 679	-	58 912	29 651	921 242
Year ended 31 December 2014						
Opening carrying amount	125 000	707 679	-	58 912	29 651	921 242
Additions	-	16 625	-	26 048	80 000	122 673
Disposals	-	-	-	(19 111)	(67 135)	(86 246)
Depreciation on disposals	-	-	-	17 229	64 692	81 921
Depreciation charge	-	(30 477)	-	(32 732)	(24 257)	(87 466)
	125 000	693 827	-	50 346	82 951	952 124
At 31 December 2014						
Cost/valuation	125 000	769 475	86 098	266 700	301 109	1 548 382
Accumulated depreciation	-	(75 648)	(86 098)	(216 354)	(218 158)	(596 258)
Closing carrying amount	125 000	693 827	-	50 346	82 951	952 124



Detailed statement of income and expenditure for the year ended 31 December 2014

	2014 USD	2013 USD
INCOME		
Amortisation of deferred income	38 280	37 579
In-kind contributions	600 889	481 708
Interest income	378 813	330 342
International Monetary Fund	40 000	-
Member state contributions	4 217 062	4 016 175
Norwegian Government	453 757	504 519
African Capacity Building Refund	580 483	-
Other income	45 145	144 038
Swedish Government	824 176	902 256
World Bank	97 312	114 987
	<hr/> 7 275 917 <hr/>	<hr/> 6 531 604 <hr/>
EXPENDITURE		
Macroeconomic Management Programme		
In-country workshops	92 572	109 691
Missions	71 521	111 327
Networking	23 841	5 202
Operating expenses	62 600	82 035
Programme delivery- staff	676 039	547 804
Regional workshops	524 347	469 073
Participants travel -in kind expenses	163 085	158 748
Staff development	-	147
Studies	25 525	14 199
	<hr/> 1 639 531 <hr/>	<hr/> 1 498 227 <hr/>
Financial Sector Management Programme		
In-country workshops	56 847	77 916
Missions	134 852	94 052
Networking	18 719	19 175
Operating expenses	63 308	87 753
Programme delivery- staff	668 701	636 352
Regional workshops	400 421	256 096
Participants travel - in kind expenses	184 584	130 775
Staff development	-	10 369
Studies	6 500	9 990
	<hr/> 1 533 932 <hr/>	<hr/> 1 322 479 <hr/>
Debt Management Programme		
In-country workshops	103 634	47 277
Missions	38 930	28 327
Networking	5 155	24 118
Operating expenses	59 405	100 901

Detailed statement of income and expenditure for the year ended 31 December 2014 (continued)

	2014 USD	2013 USD
Debt Management Programme (continued)		
Programme delivery - staff	681 387	652 082
Regional workshops	535 604	591 587
Participants travel -in kind expenses	238 533	136 828
Staff development	-	558
Studies	9 827	21 852
	1 672 474	1 603 531
Multi-disciplinary activities		
Executive fora	147 392	96 399
Fellows development programme	59 391	198 297
Networking	16 539	9 269
Operating expenses	51 994	23 399
Programme delivery- staff	216 246	159 273
Regional workshops	30 240	-
Staff development	-	528
Studies	76 087	17 584
	597 888	504 748
Secretariat Capacity Building		
Depreciation	87 465	73 830
Library materials	-	2 320
Operating expenses	46 478	26 968
Programme delivery- staff	178 012	134 589
Publications	60 247	48 369
Performance bonus	119 772	-
Staff development and retreats	51 009	11 940
Staff recruitment and relocation	135 788	66 413
	678 772	364 428
Administration		
Governing bodies	84 899	63 969
Operating expenses	32 619	79 355
Salaries, wages and benefits	264 094	329 926
	381 612	473 250
Total expenditure	6 504 209	5 766 662
Surplus for the year	771 708	764 942



Annexure

Annex I: MONITORING AND EVALUATION FRAMEWORK

Expected Results	Indicators ²	Indicator Definition	Baseline (End 2011)	Targets (Cumulative)						Actuals (Cumulative)			Comments	Source of Data	Data collection method	Frequency	Responsibility	Key information users
				2012	2013	2014	2015	2016	2012	2013	2014							
Outcome 1a: Improved management of foreign private capital	Percentage of member countries that have adopted the FCMS	Percentage of MEFMI countries that have adopted the Private Capital Markets System (PCMS).	54%	61%	69%	77%	84%	61%	69%	69%		Annual Report	Survey - Impact and mid-Term	Annual	MMP & ED	MEFMI stakeholders		
Outcome 1b: Improved modelling and forecasting	Countries adopting and using the developed tools, systems and frameworks for macroeconomic management.	% of MEFMI countries using Modelling and Forecasting Manual and functional macro models.	0%	0%	31%	50%	61%	15%	31%	38%		Annual Report	Survey - Impact and mid-Term	Annual	MMP & ED	MEFMI stakeholders		
Outcome 1c: Enhanced regulation and supervision of bank and non-bank financial institutions	Number of member countries implementing supervisory practices in line with international best practice	Count of member countries implementing supervisory practices in line with international best practices e.g. Core principles, Risk based supervision, Consolidated Supervision, Basel II etc.	10%	15%	20%	25%	15%	20%	20%	85%		Annual Report	Survey - Impact and mid-Term	Annual	FSM & ED	MEFMI stakeholders		
Outcome 1d: Increased use of CS-DRMS in member countries	Percentage of member countries using the new features of CS-DRMS	Percentage of member countries that are using the new features of the CS-DRMS	0%	0%	40%	55%	70%	0%	0%	25%		Annual Report	Survey - Impact and mid-Term	Annual	DMP & ED	MEFMI stakeholders		
Output 1e: Increased skills and competencies of officials in client institutions	Percentage of trained officials who indicate improvement in their skills and competencies	Proportion of trainees/beneficiaries who report increase in their skills and competencies after attending MEFMI training(s).		60%	70%	80%	90%					Annual Report	Survey - Impact and mid-Term	Annual	DMP & ED	MEFMI stakeholders		
Output 1.f: Country Needs Assessments conducted	Number of Country needs assessments conducted by Country	Count of Country needs assessments conducted by Country. The actual count of in-Country workshops and Missions conducted by MEFMI is provided here as a proxy.	0	37	87	129	175	221	38	88	134	Quarterly Reports	Document Review	Quarterly	ED	MEFMI stakeholders		

Expected Results	Indicators ²	Indicator Definition	Baseline (End 2011)	Targets (Cumulative)						Actuals (Cumulative)			Comments	Source of Data	Data collection method	Frequency	Responsibility	Key Information users
				2012	2013	2014	2015	2016	2012	2013	2014							
Output 1.2 (a): 3991 people trained	Number of people trained	Count of people trained at regional level	1111 (398 Females and 713 Males)	764	1,500	2,364	3,205	3,991	1,050 (379 female and 671 male)	2,394 (881 female and 1,513 male)	3,993 (1,536 female and 2,457 male)		Quarterly Report, Training Report, Attendance Registers	Document Review	Quarterly	ED	MEFMI stakeholders	
Output 1.3 (b): 20 Client institutions supported	Number of Client institutions supported	Count of client institutions in Member States supported by type of support provided and Country.	20 in country, 21 country missions	20	39	60	81	100	15 in-country and 23 Country missions	45 in-country and 43 country missions	64 in-country and 70 country missions		Quarterly Report Training Report / attendance Register	Document Review	Quarterly	ED	MEFMI stakeholders	
Output 1.3 (c): Macroeconomic, Financial and Debt Management Tools developed/ updated.	Percentage of clients in member states satisfied with MEFMI's products	Proportion of client institutions/ member countries that perceive the products of MEFMI to be of quality based on agreed criteria (relevance, fit for purpose or usefulness and quality) to the total number of member countries.	85%	90%	90%	92%	95%	97%				No Data. May be measured during the 2015 Mid Term Review	Annual Report	Survey - Impact and mid-term	Annual	ED	MEFMI stakeholders	
Outcome 2a: Improved effectiveness of MEFMI in supporting macroeconomic policy formulation and management in member countries	Percentage of clients in member states satisfied with MEFMI's services	Proportion of client institutions/ member countries that perceive the services of MEFMI to be of quality based on agreed criteria (relevance, fit for purpose or usefulness and quality) out of all member states/ countries.	70%	75%	80%	90%	92%	95%				No Data. May be measured during the 2015 Mid Term Review	Annual Report	Survey - Impact and mid-term	Annual	ED	MEFMI stakeholders	
	Number of engagements with clients	Count of engagements (meetings, briefing sessions etc.) organised by MEFMI for Client institutions in Member Countries. May be approximated using the above indicator on the count of client institutions supported by MEFMI.	12	24	36	36	36	36					Annual Report	Survey - Impact and mid-term	Annual	ED	MEFMI stakeholders	



Expected Results	Indicators ²	Indicator Definition	Baseline (End 2011)	Targets (Cumulative)					Actuals (Cumulative)			Comments	Source of Data	Data collection method	Frequency	Responsibility	Key information users
				2012	2013	2014	2015	2016	2012	2013	2014						
	Number of new tools developed/ updated	Count of new tools and instruments developed/ updated by MEFMI based on client needs by type. Not Cumulative.	5 i.e. FPP (1), PCMS (1), Manuals (2)	6 i.e. FPP (1), PCMS (1), Manuals (3)	7 i.e. FPP (1), PCMS (1), Manuals (4)	8 i.e. FPP (1), PCMS (1), Manuals (5)	9 i.e. FPP (1), PCMS (1), Manuals (6)	10 i.e. FPP (1), PCMS (1), Manuals (7)	8 i.e. FPP (1), BPM6 (1), PEFM (1), SNA 2001 (1), GFS 2001 (1), MMF (1), MFS (1), CPSS-IOSCO principles (N/A)	8 i.e. FPP (1), BPM6 (1), PEFM (1), SNA 2001 (1), GFS 2001 (1), MMF (1), MFS (1), CPSS-IOSCO principles (N/A)	10 i.e. FPP (1), PCMS (1), BPM6 (1), PEFM (1), SNA 2001 (1), GFS 2001 (1), MMF (1), MFS (1), CPSS-IOSCO principles (1)		Quarterly Training Report / attendance Register	Document Review	Quarterly	ED	MEFMI stakeholders
	Number of Countries using the new tools and manuals developed/ updated by type	Count of Countries using the new tools and manuals developed/ updated by MEFMI based on client needs by type. Not Cumulative.	FPP (1), PCMS (1), Manuals (1)	FPP (1), PCMS (1), Manuals (1)	FPP (1), PCMS (1), Manuals (1)	FPP (1), PCMS (1), Manuals (1)	FPP (1), PCMS (1), Manuals (1)	FPP (1), PCMS (1), Manuals (1)	FPP (4), FPC (0), PCMS (8), Manuals (9) - PEFM (4), SNA 2001 (1), BPM6 (1), GFS (2), MFMF (2), MFS (9), CPSS-IOSCO principles (N/A)	FPP (4), FPC (0), PCMS (9), Manuals (4), SNA 2001 (1), BPM6 (1), GFS (3), MFMF (4), MFS (10), CPSS-IOSCO principles (0)	FPP (5), FPC (1), PCMS (9), Manuals (5), SNA 2001 (3), BPM6 (5), GFS 2001 (3), MFMF (5), MFS (13), CPSS-IOSCO principles (5)		Annual Report	Survey - Impact and mid-term	Quarterly	ED	MEFMI stakeholders
Outcome 2b: Increased demand for MEFMI's products and services.	Number of requests for products and services received from MEFMI clients	Count of requests for products and services received by MEFMI from its clients by type, institution and country	10	20	30	30	30	30			No Data.		Quarterly Training Report / attendance Register	Document Review	Quarterly	ED	MEFMI stakeholders
Output 2.2: M&E system review conducted	M&E system review report	A report indicating M&E system review (strengths and weaknesses of MEFMI's M&E system and action plan for improvement)	0	0	1	0	0	0	N/A	N/A	0		Annual Report	Document Review	Annual	ED	MEFMI stakeholders
Output 2.3: M&E tools and reporting arrangements operationalized	Extent of operationalization of M&E tools and reporting arrangements	Assessment of the extent of operationalization of M&E tools and reporting arrangements agreed after the review	0	1	2	2	2	2					Annual Report	Document Review	Annual	ED	MEFMI stakeholders
Output 2.4: Four (4) staff of MEFMI trained in M&E	Number of staff trained	Count of MEFMI staff trained in M&E by Gender and Position	4	4	5	6	7	8			1		Quarterly Reports	Review of system implementation / document review	Quarterly	ED	MEFMI stakeholders

Expected Results	Indicators ²	Indicator Definition	Baseline (End 2011)	Targets (Cumulative)						Actuals (Cumulative)			Comments	Source of Data	Data collection method	Frequency	Responsibility	Key information users
				2012	2013	2014	2015	2016	2012	2013	2014							
Output 2.5: Project performance reports developed and disseminated.	Number of project performance reports developed and disseminated.	Count of project performance reports developed and disseminated by type/donor (e.g. ACBF)	0	4	8	12	16	20	4	8	12		Quarterly Reports	Review of system implementation / document review	Quarterly	ED	MEFMI stakeholders	
Output 2.5: Project performance reports developed and disseminated.	Number of Quarterly Programme reports, highlighting analysis of performance on Programme RMF submitted by 25th of every first month of a quarter.	Count of Quarterly Programme reports, highlighting analysis of performance on Programme RMF submitted by 25th of every first month of a quarter.	0	0	0	2	6	10	4	8	12		Quarterly Report	Document Review	Quarterly	ED	MEFMI stakeholders	
Output 2.6: The Fellows Development Programme coordinated effectively. A critical mass of regional experts developed and retained.	Percentage of Fellows Graduated	Proportion of Candidate Fellows that graduate out of all those enrolled since inception by gender	51%	51%	70%	90%		90%					Annual Report	Document Review	Annual	ED	MEFMI stakeholders	
Output 2.6: The Fellows Development Programme coordinated effectively.	Percentage of Fellows Accredited	Proportion of Fellows that are accredited out of those enrolled since inception by gender.	37%			60%		60%					Annual Report	Document Review	Annual	ED	MEFMI stakeholders	
Output 2.6: The Fellows Development Programme coordinated effectively.	Number of Fellows Recruited	Count of fellows enrolled in a given period of time.	92	92	107	107	122	122	92	106	105		Annual Report	Document Review	Annual	ED	MEFMI stakeholders	
Output 2.6: The Fellows Development Programme coordinated effectively.	Percentage of Fellows utilised as resource persons annually.	Proportion of Fellows utilised as resource persons out of all resource persons used annually.	13%	15%	17%	19%	21%	23%	14%	18%	14%							



Annex II: REGIONAL CAPACITY BUILDING ACTIVITIES CONDUCTED DURING JANUARY – DECEMBER 2014

Courses / Retreats / Seminars / Workshops

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snn-Senior Manager, D- Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		C	M	F	
MACRO MANAGEMENT PROGRAMME											
Joint MEFM/SADC/IMF Course on Economic Issues in Regional Integration 24 February-07 March 2014, SARB Conference Centre, Pretoria South Africa	To enhance participants' analytical skills on economic issues in regional integration. To update participants with the latest developments among RECs (COMESA, EAC, SACU and SADC).	IMF (ICD) SADC CCBG SARB	0	3	0	0	2	12	20	18	Mid-level staff
OUTPUT <ul style="list-style-type: none"> Imparted skills to understand and apply concepts/theories that underpin regional integration processes. Equipped participants with skills to assess the readiness of countries and Regional Economic Communities (RECs) to advance in the regional integration process by using various quantitative and qualitative criteria such as macroeconomic convergence criteria and business cycle synchronization. 											
Introductory Macroeconomic Analysis and management Course 17-28 march Mbabane - Swaziland	To equip participants with key conceptual and analytical frameworks for macroeconomic policy design, analysis, forecasting and implementation. To explore linkages between macroeconomic accounts and macroeconomic consistency checks using the Flow of Funds and member countries data. Use P* and interest gap models to prepare country specific MPC technical presentations using the four gaps analysis methods: HP Filter, Kalman Filter and Trend smoothing approaches	0	0	0	2(1)	1	10	15	11	Junior	
OUTPUT <ul style="list-style-type: none"> Equipped participants with key conceptual and analytical frameworks for macroeconomic policy design, analysis, forecasting and implementation. Equipped participants with knowledge on the various linkages in the macroeconomic accounts and their consistency – checking. Participants constituted balanced Flow of Funds, analyzed their respective economies and proposed adjustment policy measures. Used P* and interest gap models to prepare country specific MPC technical presentations using the four gaps analysis methods: HP Filter, Kalman Filter and Trend smoothing approaches Provided cutting edge analysis and discussion on emerging issues and possible impact on growth of countries in the region. 											
Retreat for Heads of Departments Responsible for Monitoring Foreign Private Capital (FPC). 26 – 30 May 2014, Windhoek, Namibia	To assess countries' progress in monitoring FPC To set capacity need priorities. To harmonize methodologies and tools for recording, monitoring and analysis of FPC in the MEFMI region. To discuss policies to promote, sustain and optimize the benefits from FPC inflows.	-	0	0	1	2	9	13	5	Managers & Sns	

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – Country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)	
			International	Regional	MEFMI Staff	MEFMI Fellows		C	M	F		
			Paid	Gratis								
Outputs: <ul style="list-style-type: none"> Countries' capacity needs and action plans to monitor FPC for 2014-2016. Reviewed Regional FPC Handbook. Reviewed study proposal on Natural Resources, and Brainstormed on policies to promote and sustain capital flows in the MEFMI region. 												
Joint IMF/MEFMI Course on External Sector Position Statistics: Data Compilation and Dissemination Kampala-Uganda 28 July -01 August 2014	<ul style="list-style-type: none"> To expose participants to the latest tools and best practices for compiling external sector position statistics, and To update participants on various IMF's initiatives for compiling position statistics namely: CDS and CPS. 	IMF-Statistics Department	0	2 (2)	0	0	0	3	9	17	4	J.M, Snr
Outputs: <ul style="list-style-type: none"> Exposure to the latest tools and best practices for compiling external sector position statistics namely: BPM6 Compilation Guide (2014), EDS Guide (2013) and Reserve Template (2013). Exchange of experiences in the compilation of external sector position statistics. Enhanced awareness to various IMF's initiatives for compiling position statistics namely: CDS and CPS, and Provided scope for input into the MEFMI's FPC Generic Questionnaire, PCMS and FPC Handbook. 												
Training of Trainers Workshop on Modelling and Forecasting 14– 18 July, 2014 Ausha, Tanzania	<ul style="list-style-type: none"> To review the capacity building methods, putting emphasis on the MEFMI modelling and forecasting reference manual and all the other materials that have always been delivered to participants in MEFMI workshops/courses in this area. To come up with three fully fledged syllabuses of training in each one of the two areas of training: (a) Macroeconomic forecasting (time series) and (b) Computable general equilibrium modelling (CGE). To assign experts to the newly agreed upon modules for future delivery in workshops/courses. 	-	-	0	2 (1)	0	2 (1)	1	11	11	3	S.D
Outputs: <ul style="list-style-type: none"> Carried an overview of what MEFMI has been doing and the training it has offered in the past 20 years, including discussing the results of a just completed impact and needs assessment exercise. A viability of Fully-fledged new syllabuses for Time Series Macroeconomic Courses and CGE Modelling Courses for different levels of training. A comprehensive booklet of the newly defined syllabuses and the assignment of experts to modules. Knowledge of areas where the experts need additional training and refresher courses. 												
Joint MEFMI/IMF Financial Programming and Policies 18-29 August 2014, Windhoek, Namibia	<ul style="list-style-type: none"> Sharpen participants' understanding of the sectoral linkages and their impact on policy design; Improve capacity in forecasting and projection and applications to policy formulation; and Improve appreciation of policy trade-offs and linkage for policy consistency. 	IMF-ICD	0	4 (1)	0	0	0	3	10	16	15	M,S



Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – Country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Srr-Senior Manager, D- Director)		
			International		Regional	C		M	F				
			Paid	Gratis									
	<ul style="list-style-type: none"> Sharpened understanding of the essential sectoral linkages and their impact on policy design; Improved capacity in forecasting and projection and applications for policy formulation; Improved appreciation of policy trade-offs and consistency; Enhanced appreciation of the sequencing issues in policy design; and implementation and the importance of commitment to see policy measures run their course 												
Joint IMF/MEFMI Course On Data Requirements For Economic Management: Government Finance Statistics 6 – 17 October 2014, Lilongwe, Malawi	Provide participants training on the IMF Government Financial Statistics Manual 2001 (GFSM 2001) and its update (GFSM 2014), with the view to facilitating its implementation for compiling and reporting fiscal data. Specifically, the following were reviewed through lectures and guided exercises: (1) The GFS framework, including its underlying structure, concepts, definitions, and institutional coverage; (2) The usefulness of the GFS framework for fiscal analysis; and (3) Methods and practices in compiling GFS.	IMF-Statistics Department	0	2 (0)	0	0	0	0	3	12	22	12	Senior official and technical staff
Joint MEFMI/IDEP Course on Deeper Regional Integration for Africa 13-17 October 2014, Holiday Inn, Dar es Salaam, Tanzania	<ul style="list-style-type: none"> To impart participants with skills and experiences in pursuing deeper integration processes including the related challenges. To enhance skills to analyze progress in economic integration and trade developments. 	IDEP	0	0	4 (0)	0	0	0	2	12	20	4	Mid-level to Senior staff
	OUTPUTS: <ul style="list-style-type: none"> Participant updated their knowledge on the challenges of deeper regional integration in Africa; Developed an appreciation of the policy challenges and processes required for deeper integration, including the role of the different institutions such as Central Banks and Ministries of Finance and Economic Planning and Customs Administration; Renewed their understanding of how to design, implement, coordinate, and monitor regional integration policies and programmes/projects. 												
Regional Workshop on Revenue Policy & Administration, 3-7 November, 2014, Kigali, Rwanda	Provide training for middle to senior level economists in revenue policy and administration from revenue authorities and policy analysis units in ministries of finance.		0	0	2 (0)	0	0	1 (0)	3	10	17	5	Junior, Middle and Senior staff

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)			
			International		Regional	MEFMI Staff		C	M	F				
			Paid	Gratis										
Outputs: <ul style="list-style-type: none"> Reviewed and refined revenue policy and frameworks in the context of the prevailing macroeconomic circumstances of member countries. Imparted cutting edge developments and best practices in revenue policy and management at regional and international level. Challenges emerging from the introduction of common market areas and large informal sectors were addressed, and Issues of corruption and taxation were extensively addressed. 														
Regional workshop on the methodology of Collection, Compilation and Analysis of International Remittances Data Hilton Hotel Nairobi, Kenya 17-21 November 2014	To equip participants with the latest conceptual issues in the methodology for collection, compilation and analysis of remittances data in line with the latest IMF's International Transactions in Remittances: Guide for Compilers and Users. To expose participants to institutional, legal and regulatory framework for compiling remittances. To take participants through Country case studies within and outside the MEFMI region on compilation methodology, analysis and discuss related challenges.	-	1 (0)	0	1(0)	0	1(0)	0	1(0)	2	9	11	7	S, M, J
Outputs: <ul style="list-style-type: none"> Understanding of the best practices for collection, compilation and analysis of international remittances data. Awareness and solutions to the unique and common challenges faced by member countries in the collection, compilation and analysis of international remittances, and Exposure to various methods and tools for compiling remittances which countries considered adopting going forward. 														
DEBT MANAGEMENT PROGRAMME														
Joint MEFMI/COMSEC Regional Workshop on Managing Public Debt Using CS-DRMS Version 2 10 – 19 February, 2014 Nairobi Kenya	To impart skills including hands-on training to participants on the advanced functionalities of CS-DRMS 2000+ Version 2. To contribute to the widening of the regional pool of experienced CS-DRMS users. Continuation of testing and appreciating of the new version of CS-DRMS from the business perspective.	COMSEC	0	4(2)	1(1)	1 (0)	1(0)	3	10	14	17	J, Snr		
Outputs <ul style="list-style-type: none"> Participants gained knowledge and skills on the use of the new version of CS-DRMS for managing public debt Enhanced theoretical knowledge on contemporary issues in public debt management. Through end of workshop feedback, participants raised issues to be considered in future revisions of the CS-DRMS. 														
Joint MEFMI/OECD Regional Workshop on Management of Contingent Liabilities 17 th – 21 st March 2014 Victoria Falls, Zimbabwe	To introduce debt managers to the key issues on monitoring and management of contingent liabilities, including the related institutional arrangements.	OECD	1	0	2(1)	0	2 (0)	3	10	14	12	JM, Snr, MM,		



Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – Country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)	
			International		Regional	C		M	F			
			Paid	Gratis								
<ul style="list-style-type: none"> The workshop equipped participants with knowledge and facilitated sharing of experiences on the key issues for management of contingent liabilities, including risk identification, risk assessment, budgeting, reporting, risk minimization as well as the appropriate legal and institutional arrangements. 												
<ul style="list-style-type: none"> Regional Workshop on Domestic Debt and Financial Markets Operations and Management 5th – 14th May 2014 Ausha, Tanzania 	To impart practical skills required to effectively manage public domestic debt and drive reforms in the domestic debt markets.	AIDB, SARB	0	2 (0)	1 (0)	1 (0)	2 (1)	4	13	22	15	Snr, MM.
<ul style="list-style-type: none"> The workshop equipped participants with practical skills required to effectively manage public domestic debt and development of securities markets. The workshop also facilitated sharing of experiences on key issues regarding issuance and secondary market trading of government securities as well as the sequencing of market reforms. It is envisaged that the knowledge gained would enable them to drive reforms in the domestic debt markets and manage debt within the framework of fiscal prudence and macroeconomic stability. 												
<ul style="list-style-type: none"> Regional Workshop on Public Debt/Audit 2nd – 6th June 2014 Windhoek, Namibia 	To provide auditors with an understanding of debt management processes and performance standards, in order to facilitate more knowledgeable auditing of debt management offices.		0	0	1	1 (0)	3 (0)	4	12	19	18	Jnr, MM, Snr
<ul style="list-style-type: none"> Equipped participants with conceptual issues in sovereign debt management procedures and performance standards Equipped participants with practical skills required to conduct both financial and performance auditing of public debt Introduced participants to evolving international best practices in auditing public debt 												
<ul style="list-style-type: none"> Regional Workshop on Foundations of Debt Management 30 June – 11 July 2014 Lilongwe, Malawi 	<ul style="list-style-type: none"> To nurture and equip officials from member countries with requisite skills to enhance their effectiveness in managing public sector debt; To expose participants to analytical tools used in the management of public sector debt 		0	0	2 (0)	0	2 (0)	3	12	22	19	Jnr, MM
<ul style="list-style-type: none"> Equipped participants with practical skills required for effective public sector debt management; Expanded the pool of officials that are trained, knowledgeable and have practical exposure to analytical tools used in public debt management; and Participants shared experiences and had a platform to openly discuss emerging issues in public debt management 												
<ul style="list-style-type: none"> Joint MEFMI/UNCTAD Training of Users and IT Administrators on DMFAS Version 6 1 – 10 September 2014 Kampala, Uganda 	<ul style="list-style-type: none"> To disseminate and train users on new modules and functionalities in DMFAS Version 6.0; To train Database/System Administrators on procedures for the installation and maintenance of DMFAS; and To discuss future development plans of DMFAS and other challenges encountered by debt offices as they use the system. 	UNCTAD	0	3(0)	0	0	0	3	4	12	11	Jnr, MM

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)		
			International		Regional	MEFMI Staff		C	M	F			
			Paid	Gratis									
Outputs: <ul style="list-style-type: none"> Participants' functional and technical skills in DMFAS were upgraded; Challenges encountered by debt officers in using DMFAS were addressed/resolved; and Future development plans of the DMFAS were discussed and countries shared their expectations/requirements with the system developers 													
High Level Seminar on Sovereign Bond Issuance 20 – 22 October 2014 Gaborone, Botswana	<ul style="list-style-type: none"> To raise awareness on opportunities and risks arising from issuing sovereign bonds in global capital markets To discuss strategic considerations before issuance of sovereign bonds in international capital markets To explore policy options for mitigating risks associated with sovereign bond issuance; To develop skills necessary for managing the Eurobond issuance process Share experiences in sovereign bond issuance 	IMF, Central Bank of Iceland	0	2 (0)	0	0	0	1	3	11	14	12	Snr, D
Outputs: <ul style="list-style-type: none"> Participants are now aware of the opportunities and risks associated with issuing sovereign bonds in the global capital markets Enhanced participants' capacity to evaluate sovereign Eurobonds as a potential source of financing development expenditure Policy options to mitigate risks associated with Eurobonds were explored and evaluated Delegates shared country experiences and best practices in sovereign bonds issuances 													
Quantitative Methods & Analysis for Debt and Reserves Management 3 – 14 November 2014 Ezulwini, Swaziland	<ul style="list-style-type: none"> To impart knowledge and skills on how to implement ALM as a strategic decision making framework to gain competitive advantage and increase value; To develop skills on quantitative methods and essential financial and statistical calculations; To enhance understanding of quantitative methods and the application of ALM techniques for strategic decision making; To expose participants to advanced techniques for measuring risk exposure; To learn the limitations and pitfalls of various risk metrics; and To understand risk exposure and learn how to take effective risk mitigation measures. 	BIS, SARB, AIDB	0	2(0)	1(1)	1(0)	2(1)	3	13	25	13	Jnr, MM	
Outputs: <ul style="list-style-type: none"> Equipped participants with practical skills required to understand fixed income concepts, yield curve analysis, risk and return concepts. Enabled participants apply these concepts in the effective management of the domestic debt portfolio and reserves portfolio through application of concepts like duration. Allowed participants to understand the use of derivatives in the management of a portfolio to hedge against risks 													
Seminar for Parliamentarians on Public Debt Management 8 – 11 December 2014 Ausha, Tanzania	<ul style="list-style-type: none"> To raise awareness among legislators on sound practices in public debt management; To provide a forum for parliamentarians to share experiences on public debt management legislation and oversight in their respective countries; To highlight the key institutional roles, including that of the Legislature, in public debt management 	UNCTAD, Crown Agents	2	1(1)	0	0	1	4	4	8	2	Parliamentarians	



Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Sr-Senior Manager, D- Director)
			International		Regional	MEFMI Fellows	MEFMI Staff	C		M	F		
			Paid	Gratis									
Outputs <ul style="list-style-type: none"> Enhanced the legislators' appreciation of challenges faced in public debt management; Parliamentarians shared experiences on public debt management legislation and oversight in their respective countries; Clearly outlined the role that Parliament and Legislators could play in ensuring legitimate debt acquisition and sustainable sovereign debt levels 													
Webinar on Medium Term Debt Management Strategy 25 November 2014 Online	<ul style="list-style-type: none"> To brief MEFMI debt practitioners on how to develop a Debt Management Strategy document from Aide Memoires prepared at the end of MIDS missions. 	World Bank	0	2(1)	0	0	0	0	3	3	-	-	Jnr, MM
Outputs: <ul style="list-style-type: none"> Enhanced capacity to develop a Medium-Term Debt Strategy document from Aide Memoire 													
FINANCIAL SECTOR MANAGEMENT PROGRAMME													
RAMP workshop on Fundamentals of Fixed Income Risk Management 20–24 January 2014, Nairobi, Kenya.	To deliver a solid foundation and framework for fixed income risk management that allows the participants to measure, monitor and report portfolio risk and performance. To provide a strong understanding and analytical capacity for risk and performance measurement and reporting for fixed income portfolios.	World Bank	0	4	0	0	0	0	3	20	10	10	MM, J
Outputs <ul style="list-style-type: none"> Clear understanding of measures of interest rate risk. Comprehension performance measurement and attribution. Demonstrable skill in risk management of a fixed income portfolio. Essential knowledge on using Bloomberg for risk measurement and reporting. 													
Intermediate Bank Supervision 24 -28 February, 2014 Blantyre, Malawi	To formally introduce new bank examines to bank supervision principles, processes and corporate governance as well as provide an overview of best practices and standards for supervision.	0	0	1	2	-	3	1	14	13	13	13	J and 2 Sr.
Outputs <ul style="list-style-type: none"> Participants gained an understanding of the supervisory principles and processes. 													

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	C	M		F
			Paid	Gratis								
Regional Workshop on Enterprise-wide Risk Management 17 – 21 March 2014 Kigali, Rwanda	To build knowledge and understanding of key risks in the central bank business operations process; To enhance an understanding of enterprise wide risk management for central banks; and To enhance skills on implementing ERM in a central bank.	KPMG, SARB	0	2	1	0	2(1)	3	11	11	18	Middle to senior level officials in Bank Supervision, Internal Audit and Risk Management department and Risk Managers from Financial Markets.
Outputs <ul style="list-style-type: none"> The country presentations provided practical examples of steps taken by countries in the region towards achieving an ERM framework. At the end of the workshop, participants demonstrated an appreciation of the importance to sequence institutional reforms towards achieving an ERM framework. Participants were able to structure an 'ideal' organogram from the highest level of the organization incorporating the necessary arms to ensure an effective ERM function. 												
Retreat for Heads of Payment Systems 31 Mar – 2 Apr, 2014 Victoria Falls, Zimbabwe	To underscore payment systems as enablers of financial inclusion and to address current issues and challenges facing central banks and other regulatory authorities in promoting Financial Inclusion.	BIS/ World Bank	0	2(1)	0	1	0	3	10	12	6	Senior officials
Outputs <ul style="list-style-type: none"> Formulate and develop their national financial inclusion strategies. Develop appropriate guidelines for consumer protection and AML/CFI for innovative financial services 												
RAMP workshop on Credit Risk Management 30 June – 4 July, 2014 Johannesburg, South Africa.	To provide participants with tools and techniques to manage credit risk across a wide range of asset classes and portfolios	World Bank	0	6 (2)	0	0	1 (1)	3	17	18	18	MM, J.
Outcomes <ul style="list-style-type: none"> Clear understanding of credit risk and its management. Demonstrable skill in the application of credit risk management techniques and tools. Skills in the reporting of credit risk to the investment committee. 												
Consolidated Bank Supervision and Cross Border Investments: 28 July – 1 August, 2014 Arusha, Tanzania	To provide bank supervisors with a comprehensive appreciation of the basic concepts of consolidated supervision and essential implementation strategies.	-	-	2 (1) (SARB and IMF Regional Office)	1	1 (1)	-	2	20	6	6	M and Snr.



Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snnr-Senior Manager, D- Director)
			International	Regional		MEFMI Staff		C	M	F	
				Paid	Gratis						
Output Provided valuable training and a forum for both the participants and the resource persons to exchange ideas on Consolidated Supervision.											
Regional workshop on Indirect Tools of Monetary Policy Implementation 28 Jul – 6 Aug, 2014 Kampala, Uganda	Enhance participants' understanding, appreciation and application of indirect monetary policy tools, demonstrate linkages between efficient monetary policy transmission and domestic financial market operations and to improve knowledge and skills for liquidity forecasting.	BOE/SARB	0	2 (0)	1	1	1	4	10	11	Junior, Middle level officials
Outputs The expected outcome from the workshop include: <ul style="list-style-type: none"> Enhanced knowledge and skills for valuation of fixed income securities Improved understanding of the development and implementation of Liquidity forecasting models. 											
Retreat for Heads of Financial Markets 1 – 3 September 2014 Maputo, Mozambique	To offer an opportunity for policy makers and to share and contribute on critical issues impacting on financial market integration in the region. To come up with policy proposals and legal reform suggestions to encourage the integration of the regional financial markets.	Investec, EAC Secretariat, CCBG SADC.	0	1	0	2	1	3	16	8	Junior, Middle level officials
Outputs <ul style="list-style-type: none"> Influencing the direction of financial market integration through the contributions of the policy makers; Policy proposals and legal reforms suggestions encouraging financial market integration. 											
MEFMI –FSI Toronto Centre Regional Seminar on Basel III and Macro prudential Surveillance 7–9 October, 2014 Windhoek, Namibia	The objective of the seminar was to raise awareness on the new global regulatory developments post the global financial crisis as well as create an environment where senior supervisors and financial stability staff could share ideas.	S, World Bank, SARB, Toronto Centre, Deutsche Bundesbank, Bank Windhoek)	-	5 (1)	2 (0) (gratis)	-	2	12	24	5	S, D
Outputs: <ul style="list-style-type: none"> Knowledge in Basel III principles, macro-prudential supervision and stress testing. 											
Regional workshop on Developments and Innovations in payment systems 3-7 November 2014 Lusaka, Zambia	This workshop aimed to address some of these issues, and challenges facing central banks, market authorities and regulators as they operate, supervise and oversee payment systems innovations.	BIS, GIZ, SARB		3 (0)	0	0	1 (1)	3	23	12	J, MM, Snnr.

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Sr- Senior Manager, D- Director)
			International		MEFMI Staff	C		M	F		
			Paid	Gratis						Regional	
			MEFMI Fellows								
MULTI-DISCIPLINARY ACTIVITIES											
Heads of Human Resources Workshop from 3-7 March, 2014, Hilton Hotel, Nairobi, Kenya.	Strategic human resources management.			3	0	0	2	11	15	14	Snr, D
Outputs: <ul style="list-style-type: none"> • Current knowledge on key human resources management trends that are Changing organisations • Practical knowledge and skills on strategic human resources management • Understanding and appreciation of the changing role of human resources practitioners to a strategic partnership role • Networking , knowledge and skills sharing • Enhanced understanding of issues of ethics at work and best practices in Codes of Ethics 											
Fellows' Facilitation and Consulting Skills Workshop 17-25 November 2014, Dares Salaam-Tanzania	<ul style="list-style-type: none"> • Provide candidate fellows with knowledge and skills to facilitate and consult MEFMI and client institution capacity building activities. • Provide a platform for candidate fellows to share experiences and lessons about the Fellows Development Programme. 	-	-	2(0)	0	0	3	8	11	8	Candidate fellows and MEFMI staff
Outputs: <ul style="list-style-type: none"> a) Enhanced competence in facilitation and consulting. b) Imparted skills to draft a winning project proposal, contracts, expression of interest and report. c) Exposed to consulting and facilitation best practices and principles (code of conduct). d) Strengthened capacity to negotiate and price a contract and manage it effectively. e) Increased skills to deal with difficult clients/consultants and manage their expectations, and f) Improved understanding of project and programme management 											

Note: Figures in brackets denote number of females.



Annex III: IN-COUNTRY WORKSHOPS (SEMINARS/RETREATS) FOR 2014

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C - country, M - male, F - Female)		Target (J - Junior, MM - Middle Manager, Snr - Senior Manager, D - Director)		
			International	Regional				C	M		F	
				Paid	Gratis							
MACRO MANAGEMENT PROGRAMME												
1.	Joint MEFMI/NUFFIC In-Country Workshop on Public Expenditure Analysis and Management for Zimbabwe 03-07 February 2014 Harare Safari Lodge, Lake Chivero	NUFFIC	0	2	1	0	0	1	1	16	14	D, M & Snr
OUTPUTS: <ul style="list-style-type: none"> Imparted skills to understand and apply concepts and frameworks that underpin contemporary budget and financial management processes. Exchange of experiences in the implementation of the PEM tools and deliberated on solutions to challenges related to overall PFM reforms in Zimbabwe. 												
2.	In-country Workshop Macroeconomic Modeling and Forecasting using the MEFMI Macroeconomic Modeling and Forecasting Manual for the Central Bank of Swaziland 31 March - 11 April 2014 Mountain Inn Hotel, Mbabane, Swaziland	-	0	0	1	1	1	0	1	10	7	Jr, M, Sr
OUTPUTS: <ul style="list-style-type: none"> Sharpened understanding of the steps taken in model building; Improved appreciation of impulse responses of key economic indicators under an economic shock; Enhanced appreciation of the sequencing issues in policy design; and implementation and the importance of commitment to see policy measures run their course. Built and completed a draft small macro model for Swaziland using the country data set. 												
3.	In-Country Course on Financial Programming Framework for Ministry of Finance and Economic Development, Zimbabwe. 22 April - 2 May 2014 Rainbow Hotel, Victoria Falls, Zimbabwe	AfDB	0	0	0	2	2(1)	1	1	5	5	J, M and D
OUTPUTS: <ul style="list-style-type: none"> Participants were trained on the introductory aspects of financial programming, namely: definitions, concepts and methodology, macroeconomic statistical framework and macroeconomic analysis. They learnt the basic elements underpinning the construction of a financial programming framework. Using the knowledge, they assessed the economic situation of the country, Zimbabwe. This involved looking at the origin (source), nature and severity of economic imbalances traceable to both domestic and external sources and the imbalances are largely structural in nature. 												

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		C	M	F	
4. In-country Workshop on Excel Based Macroeconomic Model Building and Simulations for Zimbabwe 26 May – 6 June 2014 Victoria Falls, Zimbabwe	To uplift the capacity of the technicians of the Ministry of Finance and Economic Development in the use of Excel Software as a tool for building Macro Models to allow for better evidence based policy decisions To collate, treat, clean and transform the actual data for Zimbabwe to make it useful for analysis and model building To build a model for Zimbabwe using the available the cleaned data base.	AFDB	0	0	1	1	0	1	11	4	Middle, Senior, Directors
Output: <ul style="list-style-type: none"> Compiled actual data for Zimbabwe; Worked on simulations and estimated a small macro model for Zimbabwe; 											
5. In-Country Workshop on National Accounts for Office of Chief Government Statistician 9-20 June 2014 Bank of Tanzania, Zanzibar Branch	Provide training on national accounts concepts and compilation methodology at current and constant prices based on the System of National Accounts 2008.	-	0	0	2	0	1	1	5	10	Junior and middle level staff
Output: <ul style="list-style-type: none"> Participants learnt the methodology of compiling annual national accounts according to 2008 SNA Enhanced participants' appreciation of the need for reliable national accounts data The importance of coordination within the statistics office, the Government ministries, the public sector and the private sector was underscored. 											
6. In-Country Workshop on National Accounts for NISR 14-25 August 2014 Ruhengeri, Rwanda	Provide training on national accounts concepts and compilation methodology at current and constant prices based on the System of National Accounts 2008 with a special focus on the: Supply and Use Tables and; Financial Services Indirectly Measured.	-	0	0	1 (1)	0	1 (0)	1	13	4	Middle, senior level staff and Director
Outputs: <ul style="list-style-type: none"> Participants have more knowledge and practical experience in working on their national accounts estimates at current prices, especially within the framework of supply and use balancing. Second, they have benefited from comments and recommendations for further improvement on Rwanda supply and use table for 2011. 											
7. In-Country Workshop on Modelling and Forecasting using the E-views Software for the Ministry of Finance of Zimbabwe 8 – 19 December 2014 Victoria Falls, Zimbabwe	To uplift the capacity of the technicians of the Ministry of Finance and Economic Development in the use of E-views econometric software as a tool for building Macro Models To increase capacity for better evidence based policy decisions.	--	0	0	1	1	1	0	10	5	Jr, M, Sr



Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C – country, M- male, F- Female)		Target (J- Junior, MM – Middle Manager, Snn-Senior Manager, D- Director)	
			International		Regional	MEFMI Fellows	MEFMI Staff	C		M	F		
			Paid	Gratis									
OUTPUTS:													
<ul style="list-style-type: none"> The group used the Zimbabwean data cleaned it up and imported data into E-views while trying to estimate the parameters of the variables used in the model. Estimated a number of equations for the Zimbabwean economy that included: Consumption, Investment, Imports and Exports, Prices and Exchange rate. Took the equations from E-views work file to a model object in order to integrate them and come up with a model framework and linked them in order to pursue simulations. A small macro model was created and impulse response function was run on the model results. 													
DEBT MANAGEMENT PROGRAMME													
8.	Debt Sustainability Analysis Workshop 13 th – 26 th June 2014 Livingstone, Zambia	-	0	0	(1)	1	1	2	1	21	6	J. MM, SNR	
Output													
<ul style="list-style-type: none"> Draft Debt Sustainability Analysis Report Enhanced knowledge of Government officials on the Debt Sustainability Analysis 													
9.	Joint IMF/World Bank/MEFMI MTDS Training to Mozambique July 14 – 24, 2014 Maputo, Mozambique	WB, IMF	0	5 (1)	0	0	1	1	1	6	16	Jnr. MM, Snn	
Outputs:													
<ul style="list-style-type: none"> Trained 22 officials on the development of the medium term debt management strategy using the MTDS-AT. The trained staff will be able to revise the country's MTDS document in 2015; Draft Aide Memoire produced by the mission team and shared with authorities on the last day of the mission; and Domestic debt market development recommendations for consideration by Mozambique. 													
10.	Joint World Bank/IMF/MEFMI /UNCTAD MTDS in country workshop to Zambia 16 th – 24 th July 2014 Lusaka, Zambia	World Bank	0	5 (2)	0	0	1	1	1	9	6	MM, Snn,	
Outputs													
<ul style="list-style-type: none"> Trained technical staff on the use of MTDS Analytical Tool Draft MTDS Aide Memoir, summarizing the MTDS formulation process and performance of alternative strategies 													
11.	Mozambique CS-DRMS Version 2.0 training Ministry of Finance, Maputo, Mozambique 1st – 12th September 2014	Comsec	0	2(1)	1(1)	1(0)	1(0)	1(0)	1(0)	1	10	17	JM, MM, Snn,
<ul style="list-style-type: none"> To impart knowledge on the application of the CS-DRMS Version 2.0 for managing public debt; To install CS-DRMS Version 2.0 and upgrade the database in line with the features of the new version; and To assist the debt management office in post upgrade database validation. 													

Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C - country, M- male, F- Female)			Target (J- Junior, MM - Middle Manager, Sjr- Senior Manager, D- Director)
			International		Regional	MEFMI Fellows	MEFMI Staff	C		M	F		
			Paid	Gratis									
Outputs <ul style="list-style-type: none"> The debt database was successfully upgraded to CS-DRMS Version 2.0; About 27 officials from the debt management unit have been trained on the use of the system in managing public debt; The database was validated after the upgrade, reducing the number of loans with major problems from about 20 to three (3) as at the end of the mission. 													
12.	Debt Sustainability Analysis Workshop for Lesotho 20-31 October 2014 Victoria Hotel, Maseru, Lesotho		0	0	2(1)	0	1(0)	1	1	10	11	Jr, MM, Sjr.	
Outputs <ul style="list-style-type: none"> Draft Debt Sustainability Analysis Report Enhanced knowledge of Government officials on the Debt Sustainability Analysis 													
13.	Debt Sustainability Analysis Workshop for Malawi Wamkulu Palace, Lilongwe, Malawi 1st – 12th December 2014		0	0	1(1)	1(0)	1(0)	1(0)	1	7	6	Jr, MM, Sjr.	
Outputs <ul style="list-style-type: none"> Draft Debt Sustainability Analysis Report Enhanced knowledge and skills of officials in conducting a Debt Sustainability Analysis 													
14.	Joint IMF/World Bank/ MEFMI/UNCTAD MTDS Follow Up Training Mission to Ethiopia Ministry of Finance and Economic Development Addis Ababa, Ethiopia October 15 – 25, 2014	WB, IMF, UNCTAD	0	4(4)	0	0	1(0)	1	1	20	8	Jnr, MM, Sjr	
Outputs <ul style="list-style-type: none"> Trained 28 officials on the development of the medium term debt management strategy using the MTDS-AI; and Draft Aide Memoire produced by the mission team. 													

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C - country, M - male, F - Female)			Target (J- Junior, MM - Middle Manager, SMr-Senior Manager, D- Director)
			International	Paid	Gratis	Regional		MEFMI Fellows	MEFMI Staff	C	
18. In-country workshop on the implementation for Principles for Financial Market Infrastructures 20-22 October 2014 Gaborone, Botswana	The training aimed to provide training on the PFMIs for the Bank's Payments Team and to sensitise payment service providers in Botswana on their application and implementation. The objective was to impart knowledge to the regulators and guide industry players on the actions required on their part.	World Bank, Strote (Pty) Ltd	1 (0)	2 (1)	0	0	0	1	26	39	J. MM, SMr.
Outputs a. The training helped participants to understand how the central bank can comprehensively use these principles and how to seamlessly migrate from the old principles to these new principles b. The workshop also helped the participants to devise means on how to incorporate the PFMIs in the existing oversight policy and highlight critical issues to identify when carrying out a self-assessments. c. The workshop helped to highlight major areas that needed improvement in BNA's monetary policy implementation practice.											
19. In-country workshop on Financial Markets Development 1-5 December, 2014 Mangochi, Malawi	To build capacity in the key aspects of Money, Capital and Foreign Exchange Markets. To equip participants with quantitative skills on the pricing of money market instruments and bonds, and the foreign exchange market; To highlight the role of government and regulators in developing and implementing financial market policies and regulations; To create a platform for the regulators and industry to share views on the development of the domestic financial market.		0	0	2 (0)	0	2 (1)	2	35	13	J. MM, SMr.
Outputs: <ul style="list-style-type: none"> Financial market players equipped with key quantitative skills on the pricing of money market instruments and bonds and with an understanding of money, capital and foreign exchange markets. The role of government and the Reserve Bank in developing and implementing financial market development policies and regulations and reforms to give impetus to the further development of the local markets understood by all. The perceived skills gap in trading financial instruments, pricing, developing a yield curve and interpreting policy changes and the effect on treasury management and interest rate policy was addressed. Alternative funding sources outside of bank loans and overdrafts were discussed and utility companies which have expressed an interest in raising funds were adequately equipped with a way forward to their funding requirements.											

Note: Figures in brackets denote number of Females.

Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)
			International		Regional	MEFMI Fellows	MEFMI Staff	C		M	F		
			Paid	Gratis									
In-Country Mission on Assessment and Evaluation of Financial Programming Framework for Ministry of Finance and Development Planning, Botswana. 5-9, May 2014 Tlofio Hotel and Conference Centre, Gaborone, Botswana	Review and evaluate the financial programming framework for Botswana Initiate work on forecasting alternative policy scenarios.	-	0	0	1 (1)	0	1	2	1	4	10	Financial programming and Policy Group	
OUTPUTS <ul style="list-style-type: none"> Reviewed and Evaluated the financial programming framework; Baseline forecast has been made operational; and Initiated work on alternative policy forecasting scenarios. 													
In-Country Mission on BOP/IIP data migration from the IMF's BPMs to BPM6 Kenya National Bureau of Statistics 23 June – 04 July 2014	<ul style="list-style-type: none"> Impart skills on BPM6 concepts and their application in data compilation. Facilitate implementation of the BPM6 including identifying data gaps, availing working tools and techniques and data link using the IMF's BPM6 Data Conversion Matrix. Integrate results from the PPC Surveys into the BOP/IIP database. 	-	0	0	1 (1)	1 (0)	1 (0)	1 (0)	1	3	5	Junior, Middle and Senior Staff	
OUTPUTS: <ul style="list-style-type: none"> Imparted skills on BPM6 conceptual underpinnings. Exposed participants to the latest BOP/IIP framework (as outlined in BPM6), related classifications and IMF's BOP/IIP Conversion Matrix. Updated the BOP/IIP data with results from PPC surveys and facilitated migration from BPM5 to 6, and Developed BOP/IIP data time series from 1999-2013 													
Fact Finding Mission to Assess Eligibility of Burundi to Join MEFMI as a Member Bujumbura, Burundi 25-27 August, 2014	<ul style="list-style-type: none"> To sensitise the Government of Burundi and Client Institutions about the requirements and constitutional obligations of MEFMI Member States, and To ascertain the ability of the Bank of the Republic of Burundi, the Ministry of Finance, Planning and Economic Development to access MEFMI products and services and comply with MEFMI constitution 	PRGE/ACBF	0	0	0	0	3	0	1	16	13	Senior Staff, PS, Governor & Minister	
OUTPUTS <ul style="list-style-type: none"> The views of the Burundi Government and Client Institutions about the critical requirements in their Membership to MEFMI; and Recommendations to EXCOM and the Board on membership of Burundi. 													
Follow Up Mission on the Validation of the Methodological Framework for the Collection, Compilation and Analysis of International Remittances Statistics in Rwanda National Bank of Rwanda Kigali, Rwanda 15-19 September 2014	To review and validate the Methodological Framework for the Collection, Compilation and Analysis of International Remittances Statistics in Rwanda	-	0	0	1	0	1	0	1	2	2	Senior official and technical staff	



Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C - country, M - male, F - Female)			Target (J - Junior, MM - Middle Manager, Sr-Senior Manager, D - Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	C	M		F
			Paid	Gratis								
<p>OUTPUTS:</p> <ul style="list-style-type: none"> The methodological framework for the collection, compilation and analysis of international remittances in Rwanda reviewed and validated; Model enhanced with updated data on variables from the recent surveys conducted by NISR; Generated statistical data and critically analysed against other reputable international publications; Validated data consistency taking into account the GDDS Guidelines; Increased the robustness of the methodological framework by additional and enhanced adjustment factors; The model was strengthened to be able to provide reliable forecasts and be adaptable to market dynamics to allow rolling out to other environments other than Rwanda. Such flexibility will allow MEFMI to customise the application of the model to other countries in the region. 												
	In-Country Mission on data Collection for the Study on natural resources to Botswana, 8-10, September 2014, Gaborone, Botswana.	-	0	0	0	1	1	1	10	6	Senior official and technical staff	
<p>OUTPUTS:</p> <ul style="list-style-type: none"> Quantitative and Qualitative data Preliminary analysis of quantitative data and qualitative information 												
	In-Country Mission on data Collection for the Study on Natural Resources to Kenya, 22-24, September 2014, Nairobi, Kenya.	-	0	0	0	1	1	1	8	0	Directors, Senior officials and technical staff	
<p>OUTPUTS:</p> <ul style="list-style-type: none"> Quantitative and Qualitative data Preliminary analysis of quantitative data and qualitative information 												
	In-Country Mission on data Collection for the Study on Natural Resources to Rwanda, 24-26, September 2014, Kigali, Rwanda.	-	0	0	0	1	0	1	8	0	Directors, Senior officials and technical staff	
<p>OUTPUTS:</p> <ul style="list-style-type: none"> Both Qualitative and Quantitative primary and secondary data collected; Preliminary analysis of quantitative data and qualitative information made. 												
	In-Country Mission on data Collection for the Study on natural resources to Namibia, 1-3, September 2014, Windhoek, Namibia.	-	0	0	0	1	1	1	4	4	Senior official and technical staff	
<p>OUTPUTS:</p> <ul style="list-style-type: none"> Quantitative and Qualitative data. Preliminary analysis of quantitative and qualitative information. 												

Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)
			International		Regional	MEFMI Fellows	MEFMI Staff	C		M	F		
			Paid	Gratis								0	
In-Country Mission on BOP/IIP Data Migration from BPM5 to BPM6 Bank of Namibia, 29 September - 10 October 2014	To impart skills on BPM6 concepts and their application in data compilation. To identify potential data sources that meet BPM6 reporting requirements, To facilitate implementation of the BPM6 including identifying data gaps, availing working tools and techniques and data link using the IMF's BPM6 Data Conversion Matrix	-	0	0	0(1)	1(0)	1(0)	1	1	2	3	Junior, Middle and Senior Staff	
OUTPUTS:													
<ul style="list-style-type: none"> Imparted skills on BOP/IIP concepts, and Migrated BOP/IIP data from BPM5 to 6, including ensuring data accuracy. 													
In-Country Mission on Foreign Private Capital (FPC), Coordinated Direct Investment Survey (CDIS), Coordinated Portfolio Investment Survey (CPIIS) and MEFMI Private Capital Monitoring System (PCMS). 20-31 October 2014 Windhoek, Namibia.	<ul style="list-style-type: none"> To facilitate hands-on training in FPC, CDIS and CPIIS, drawing on best practices from the IMF's BPM6 and MEFMI FPC Enumerator's Handbook. Customisation and roll out of MEFMI PCMS. 	-	0	0	2 (0)	0	2 (0)	1	2	3	BOP staff; Junior and Senior		
OUTPUT:													
<ul style="list-style-type: none"> Imparted skills on broad concepts of foreign private capital namely: scope and coverage, CDIS; CPIIS; Financial Statements; non-response issues and remedies; treatment of insurance and pensions services; and financial derivatives; Imparted skills Financial Intermediation Services, Indirectly Measured (FISIM); and Customised and rolled out MEFMI PCMS. 													
In-Country Mission on Foreign Private Capital (FPC) and MEFMI Private Capital Monitoring System (PCMS). 15-19 December 2014, Harare, Zimbabwe	<ul style="list-style-type: none"> To facilitate hands-on training in FPC, drawing on best practices from the IMF's BPM6 and MEFMI FPC Enumerator's Handbook. To introduce and customize MEFMI PCMS to facilitate real time FPC data recording and analysis. 	-	0	0	3 (0)	0	1(0)	2	1	20	9	BOP staff; Junior and Senior	
Output:													
<ul style="list-style-type: none"> Imparted skills on FPC concepts and related classifications; and Customised and rolled out MEFMI PCMS. 													
FINANCIAL SECTOR MANAGEMENT PROGRAMME													
Risk Based Supervision Implementation mission 12 Feb – 14 March, 2014 Gaborone, Botswana	To assist the Bank of Botswana's bank supervision department develop a Risk-Based Supervision Framework. The Framework will be used as a guide on RBS principles and procedures by bank examiners and the market.	-	0	0	1	0	0	1	1	5	15	J,M, S	



Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C - country, M - male, F - Female)			Target (J - Junior, MM - Middle Manager, Sr - Senior Manager, D - Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	C	M		F
			Paid	Gratis								
Output: <ul style="list-style-type: none"> Risk Based Supervision Framework and Risk management Guideline. The documents are awaiting board and senior management adoption. 												
Macro-prudential Supervision Implementation mission 7 - 11 April, 2014 Mbabane Swaziland	To provide technical assistance on implementation of the COMESA Framework for Financial Stability Assessment and reporting requirements	0	0	0	2	0	1	1	1	9	3	J, MM, Sr, D
Output: <p>The mission capacitated stakeholders from the Ministry of Finance, non-bank regulatory authority and CBS senior management on the COMESA framework for macroprudential supervision. It also raised awareness on the roles each have to play in improving the quality of data for financial stability assessments.</p>												
Risk Based Supervision Implementation mission 20 June - 4 July, 2014 Gaborone, Botswana	To assist the Bank of Botswana's bank supervision department develop a Risk-Based Supervision Framework. The Framework will be used as a guide on RBS principles and procedures by bank examiners and the market.	-	0	0	1 (0)	0	1 (1)	1	1	5	15	J, M, S
Output: <ul style="list-style-type: none"> RBS Review Mission for the Bank of Zambia 14-18 July, 2014 Lusaka Zambia 												
RBS Review Mission for the Bank of Zambia 14-18 July, 2014 Lusaka Zambia	Assess effectiveness of BOZ's RBS framework	0	0	0	1 (0)	2 (1)	1 (1)	1	1	19	10	J, MM, Sr, D
Output: <ul style="list-style-type: none"> A mission report highlighting recommendations and their implementation strategies Improved skills and awareness on the use of tools and methodologies under the RBS framework Customised training plan for staff in the Bank supervision department 												
Bank of Mozambique mission on Payment Systems Oversight 15-24 September, 2014 Maputo, Mozambique	Assess BOM's existing PS Oversight operations and processes. Identify existing gaps or capacity building challenges faced.	0	0	0	1 (0)	2 (0)	1 (1)	1	1	n/a	n/a	J, MM, Sr, D
Output: <ul style="list-style-type: none"> A mission report highlighting recommendations and a customised training plan in line with international best practise Improved skills and awareness on the implementation of PHMs 												

Activity Date Venue	Objective	TCP	Resource Persons				S	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	C	M		F
			Paid	Gratis								
Money and Capital Markets Mission. Bank of Uganda 20-21 October 2014	To interact with market participants and identify the major constraints affecting the market negatively in terms of FMDP objectives To explore ways on which the challenges and constraints could be overcome To provide recommendations that are deemed appropriate To identify urgent and critical skills gaps in the industry To develop a customised training plan that would address skills gaps identified methodically and sequentially.	0	0 (0)	0 (0)	1 (0)	2 (1)	1	2	1	J, MM, Snr.		
Outputs:												
	A set of recommendations for the industry A customised intervention programme by MEFMI and Bank of Uganda.											
In-country mission on stress testing requirements of Bank Supervision for the National Bank of Angola 3 – 7 November, 2014 Luanda, Angola	To equip participants with quantitative skills on securities issuance, liquidity forecasting and valuation of money market instruments. Further objectives included to highlight the role and importance of monetary policy and fiscal policy coordination.	World Bank	0 (1)	0	0	0	1	5	17	J, MM, Snr.		
Outputs:												
	Developed scope of work for the in-country mission scheduled for March 2014.											
Financial Markets Development Mission. Reserve Bank of Malawi 1 – 5 December 2014	To interact with market participants and identify the major constraints affecting the market negatively To identify urgent and critical skills gaps in the industry To explore ways on which the challenges and constraints can be overcome To develop a customised intervention programme that addresses the skills gaps identified.	0	0 (0)	0 (0)	1 (0)	2 (1)	1	n/a	n/a	J, MM, Snr.		
Outputs:												
	A set of recommendations for the industry A customised intervention programme by MEFMI and Reserve Bank of Malawi											



Activity Date Venue	Objective	TCP	Resource Persons						S	Participants (C - country, M - male, F - Female)		Target (J - Junior, MM - Middle Manager, Sr - Senior Manager, D - Director)
			International		Regional		C	M		F		
			Paid	Gratis	0	1					0	
DEBT MANAGEMENT PROGRAMME												
Joint World Bank/IMF /MEFMI Debt Validation Mission to Zimbabwe 26 th May – 12 th June 2014 Harare, Zimbabwe	<ul style="list-style-type: none"> To validate and reconcile external debt data 	WB, IMF	0	3 (3)	0	0	0	1 (0)	1	1	0-	J, MM
Output												
Validated external debt database												
MEFMI Mission on Domestic Debt Management 8-12 September 2014, Lilongwe, Malawi	<ul style="list-style-type: none"> Review the domestic debt management situation, procedures, legal framework, policies and domestic debt market. Recommend appropriate restructuring mechanisms of the existing domestic debt and future borrowings. 	0	0	0	1 (0)	1 (0)	1 (0)	1	1	-	-	
Outputs												
Presentation on Preliminary Findings												
MEFMI Mission on Review of the Legal and Institutional Framework for Public Debt Management.; 8-12 September 2014, Lilongwe, Malawi	<ul style="list-style-type: none"> Review the legal framework for debt management in and propose a draft bill which the Government can use to update the relevant sections of the Public Finance Management Act. 	0	1 (0)	0	0	0	1 (0)	1	1	-	-	
Outputs												
Preliminary Findings Draft Management Legislation												
Assessment of the Republic of Sudan eligibility to become a MEFMI member state 22 nd to 25 th November 2014 Ministry of Finance Khartoum, Sudan	<ul style="list-style-type: none"> To create awareness among officials of the Government of the Republic of Sudan, particularly the institutions falling under MEFMI mandate, on the benefits and obligations of MEFMI Member States, and To assess ability of client institutions in the Republic of Sudan to access MEFMI products and services. 	00	00	0	0	0	3 (1)	3 (1)	1	20	8	Executives, Management and Senior Officials
Outputs:												
Created awareness among officials of the Government of the Republic of Sudan on the benefits and obligations of MEFMI member states												
Mission report												
Debt Management Performance Assessment Mission to Kenya 9 – 17 December 2014 National Treasury, Nairobi, Kenya	<ul style="list-style-type: none"> To assess Kenya's public debt management performance, focusing on strengths and identifying areas for improvement To establish a baseline for future reforms in public debt management 	WB	0	4 (1)	0	0	2 (0)	2	1	51	13	JM, MM, Sr,
Outputs:												
Debt Management Performance Assessment Report identifying the strengths and weaknesses in debt management												

Note: Figures in brackets denote number of Females.

Annex V: Networking & Staff Development: -- 2014

MEFMI values the benefits of networking and the impact it has on staff exposure and capacity building. In that regard, the Institute participates in relevant networking events, most of which are by invitation from other institutions. Below is a table outlining the networking activities the Institute participated in during the period under review:

	Date	No. of Staff	Institute/Organisation		Main Theme	
1.	30-31, January 2014	2	Ninth BCBS-FSI High-Level Meeting for Africa		"Strengthening Financial Sector Supervision and Current Regulatory Priorities"	
2.	3- 4 February 2014	25	Team Consulting		Training on setting Performance Objectives and Indicators	
3.	10 – 14 February 2014	1	Joint AFRITAC South /East AFRITAC, Port Louis, Mauritius		"Mobile Financial Services: The Business and Regulation"	
4.	26 February 2014	3	World Bank Webinar		Challenges for debt management created by large capital flows	
5.	24 February - 7 March 2014		MEFMI/SADC/IMF, Pretoria, South Africa		Economic Issues in Regional Integration	
6.	3 – 4 March 2014	20	Proctor & Associates		Anti - Corruption and Anti-Fraud Training	
7.	3 – 7 March 2014	1	EcoMod Modelling School, Washington DC		Practical General Equilibrium Modeling with GAMS	
8.	18 – 20 March, 2014	1	BMK Advanced Corporate Training and Skills Development Center, South Africa		International Financial Reporting Standards Workshop 2014	
9.	9 April 2014		AFA Fire Engineers, MEFMI Secretariat		Fire Safety Training	
10.	5 – 7 May 2014	2	ACBF _ Johannesburg South Africa		Financial Management and Procurement Best Practices	
11.	15 May 2014	2	World Bank Webinar		Reducing Exposure to Foreign Currency Risk by Attracting Non-resident Investors to invest in Local Currency Denominated Public Debt Instruments	
12.	10 – 12 June 2014	1	Dakar, Senegal		Making Finance Work For Africa, 3rd Partnership forum	
13.	16 – 18 July 2014	1	Johannesburg, South Africa		Eighth National Treasury of South Africa/OECD/JSE Forum on African Debt Management and Bond Markets	
14.	25 July 2014	1	ACBF		ACBF Brown Bag Seminar	



	Date	No. of Staff	Institute/Organisation	Main Theme			
15.	7 – 8 August 2014	1	Kampala, Uganda	International Debt Conference			
16.	25 – 28 August 2014	1	Afritac South	Regulation and Supervision of Microfinance			
17.	11-22 August 2014	1	Harvard JF Kennedy School of Government, MA, USA	Comparative Tax Policy and Administration			
18.	20-21 August 2014	1	ACBF	Web based Monitoring and Evaluation System			
19.	30 September 2014	2	World Bank Webinar	International Bond Issuance			
20.	6 – 10 October 2014	1	World Bank and IMF	Training on Medium Term Debt Strategy Framework			
21.	15 October 2014	2	World Bank Webinar	Next Generation Debt Reporting Dashboard			
22.	19 – 24 October 2014	3	Chr. Michelsen Institute, Norway	Study Tour on Natural Resources Management			
23.	23 October 2014	1	IMF, Harare	Discussion on "Regional Economic Outlook (REO)"			
24.	18 November 2014	1	African Economic Research Consortium (AERC)	Meeting on possible areas of collaboration between MEFMI and the AERC.			
25.	18 – 19 November 2014	1	African Forum and Network on Debt and Development (AFRODAD)	Regional Meeting on Public Debt Management and Restructuring			
26.	20 November 2014	3	World Bank Webinar	Changes in the investor base for emerging market public debt: What has happened in the last decade and what do we see going forward?			
27.	25 November 2014	4	World Bank Webinar	Developing a Medium Term Debt Management Strategy (MTDS), based on a Mission Aide Memoire			
28.	9 December 2014	2	International Centre for Tax Development (ICTD)	ICTD Annual Meeting			
29.	18 December 2014	2	Swedish Embassy, Nairobi, Kenya	Follow up on some of the issues discussed during the Cooperating Partners Liaison Committee meeting held in Harare in November 2014			



Our Values:

Accountability

Teamwork

Responsiveness

Integrity

Professionalism



MEFMI

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Institute of Eastern and Southern Africa

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