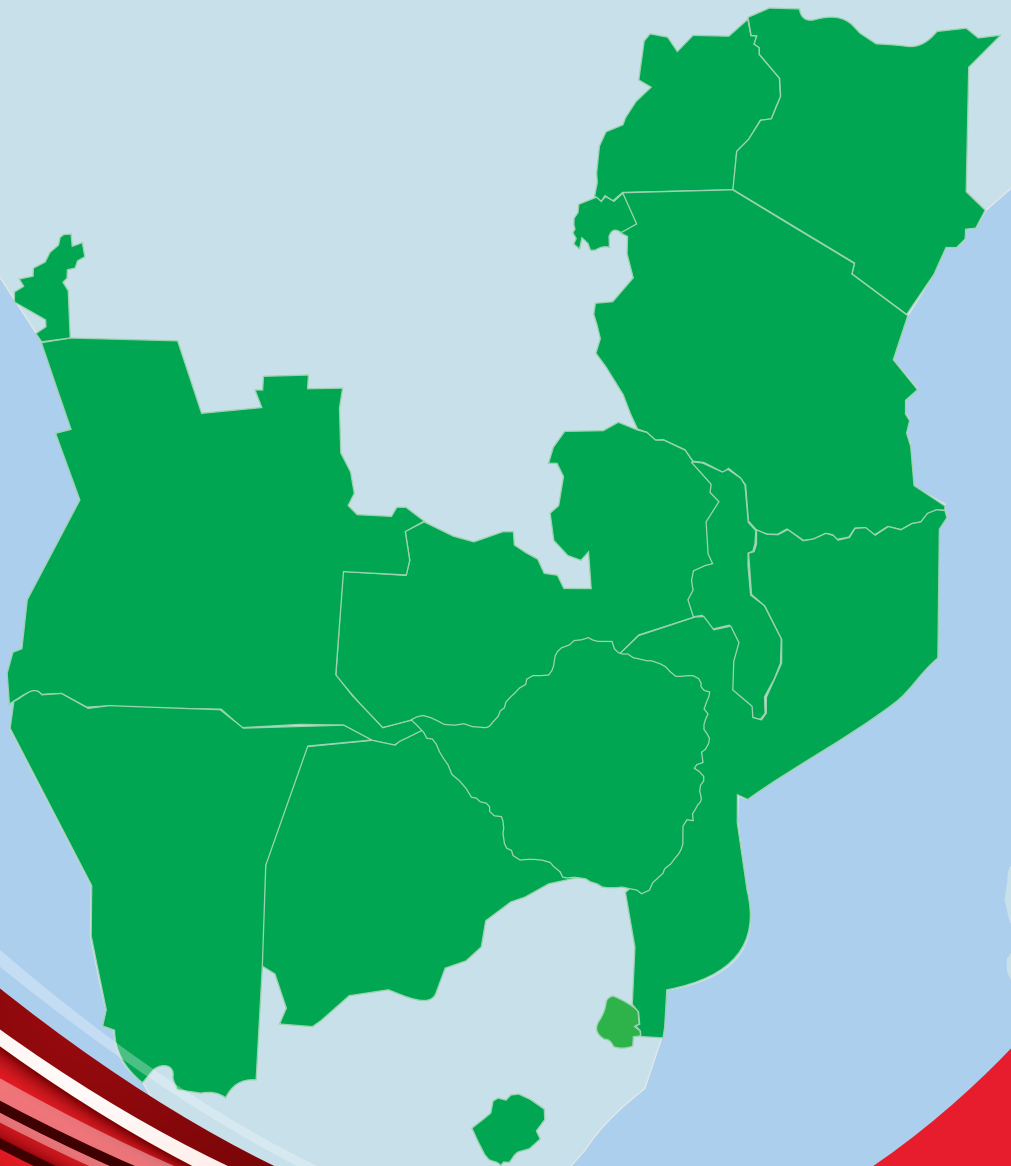




MEFMI

2014 prospectus





MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

2014 prospectus

TABLE OF CONTENTS

MEFMI IN BRIEF	4
The Scope of MEFMI Activities	4
Mode of Delivery	5
Cooperating Partners	5
MEFMI Secretariat	6
1. MACROECONOMIC MANAGEMENT PROGRAMME	7
1.1. Macro Regional Events	7
1.2. Macro In-Country Workshops and Missions.....	11
1.2.1. Macro In-Country Workshops.....	12
1.2.2. Macro In-Country Missions.....	12
2. DEBT MANAGEMENT PROGRAMME	13
2.1. Debt Regional Events	13
2014 CHRONOLOGICAL WORK PROGRAMME.....	14
2.2. Debt In-Country Activities	20
2.2.1. Debt In-Country Missions	20
2.2.2. Debt Country Missions	20
2.2.3. Debt Studies	20
3. FINANCIAL SECTOR MANAGEMENT PROGRAMME	21
3.1. Financial Sector Management Programme Regional Events	21
3.2. Financial Sector Management Programme In-country Workshops	26
3.3. Financial Sector Management Programme Country Missions	26
3.4. Financial Sector Management Programme Specialised Studies	26
4. MULTI-DISCIPLINARY ACTIVITIES	27

ABBREVIATIONS / ACRONYMS

ALM	Assets/Liabilities Management
COMSEC	Commonwealth Secretariat
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DeMPA	Debt Management Performance Assessment
DMF	Debt Management Facility for low income countries
DMFAS	Debt Management and Financial Analysis System
DRI	Debt Relief International
ESAIDARM	Eastern and Southern Africa Initiative in Debt and Reserves Management
FDP	Fellows Development Programme
FPC	Foreign Private Capital
FSI	Financial Stability Institute
FSM	Financial Sector Management Programme
GFS	Government Finance Statistics
IMF	International Monetary Fund
IMFICD	International Monetary Fund Institute for Capacity Development
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MFIs	Micro Finance Institutions
MTDS	Medium Term Debt Strategy
PC	Private Capital
UNCTAD	United Nations Conference on Trade and Development
UNITAR	United Nations Institute of Training and Research
WB	World Bank
WBI	World Bank Institute



MEFMI IN BRIEF

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

Background

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

Vision

To be the centre of excellence that provides sustainable capacity building in macroeconomic and financial management.

Mission

To build sustainable human and institutional capacity and foster best practices for prudent macroeconomic and financial management in central banks, ministries of finance and of planning and other relevant institutions.

Values

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

- Accountability
- Teamwork
- Responsiveness
- Integrity
- Professionalism

The Scope of MEFMI Activities

MEFMI activities put special focus on:

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

The MEFMI client institutions are:

- Ministries of finance
- Ministries of economic development and planning or equivalent

- Central banks
- Other public institutions that interface with these core institutions.

The MEFMI target groups in all the beneficiary institutions are:

- Junior to senior professionals
- Heads of department / division, senior officials
- Executives

Mode of Delivery

MEFMI delivers its products and services through the following:

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

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

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

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

Cooperating Partners

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

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

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

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

- The World Bank (WB) and its institute (WBI), the International Monetary Fund (IMF) and its institute (IMF ICD), the Commonwealth Secretariat (COMSEC).
- The Bank for International Settlements (BIS) and its Affiliate Committees and Financial Stability Institute (FSI), First Initiative, the African Development Bank (AfDB), The United Nations Economic Commission for Africa (UNECA), the Centre for Central Banking Studies (CCBS) of the Bank of England (BoE).

- The United Nations Conference on Trade and Development (UNCTAD), the Federal Reserve Bank of New York and the Federal Reserve Board.

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

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

MEFMI Secretariat

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



1. MACROECONOMIC MANAGEMENT PROGRAMME

INTRODUCTION

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

Emphasis will be placed on tailor-made country specific capacity building needs that have accelerated in the first two years of the Phase as awareness increases in member states. The areas that have witnessed increased demand for technical assistance include modeling and forecasting, financial programming and data capture methodologies as well as other specific areas that require on-the-job training. In-country capacity building activities under the macroeconomic management programme are, therefore, expected to be guided by country needs and are likely to go beyond the specifics outlined below.

The rolling out and consolidation of software, manuals, systems and frameworks developed by the Programme, such as the Private Capital Monitoring System (PCMS) software and modeling and forecasting manual have, gained momentum over the last two years and the Programme will make all efforts to meet the rising demands.

To further advance studies and research work on topical issues of policy significance in the region, one study on *Natural Resources, Inflation, and Exchange Rate Management in the MEFMI Resource Rich Countries* will be conducted in 2014.

The Programme will also continue implementing joint activities with its technical cooperating partners to allow for synergy and cross pollination of ideas.

1.1. Macro Regional Events

I. Introductory Macroeconomic Analysis & Management Course

Date: 10-21 March 2014

Venue: Swaziland

Duration: 2 weeks

Background

This two week course is the second in a series of courses targeted at junior to middle level Economists from Central Banks, Ministries of Finance and Economic Development in the MEFMI region under Phase IV Plan. The course will review macroeconomic concepts and identities, the techniques and concepts for analysing key macroeconomic sectors, the framework for monetary policy formulation, management of capital flows, aid flows, remittances and natural resources revenues, and all accounts together. The course will also introduce sessions on (i) poverty reduction and drivers of growth in the MEFMI region and current economic challenges and pertinent pro-poor strategies for the MEFMI region; (ii) financial depth and economic growth and (iii) regional integration and economic development. A special session will put all accounts together and discuss them. This topic will cover the following: (i) interrelations among macroeconomic accounts; (ii) the flow of funds; (iii) some basic concepts; (iv) saving-investment and the current account; (v) the accounting framework; (vi) recording conventions, schematic accounts analysis; and (vii) illustrative flow of funds of a small open economy.

Objective

The course will help junior to middle level Economists sharpen their skills and assimilate the concepts, tools and techniques for macroeconomic policy analysis and management.

Target

This two week course is targeted at junior to middle level economists involved in policy design and execution in Central Banks, Ministries of Finance and Economic Development in the region.

ii. Joint IMF/MEFMI Workshop on Coordinated Portfolio Investment Survey**Date:** 14-18 April 2014**Venue:** Uganda**Duration:** 5 days**Background**

Coordinated Portfolio Investment Survey (CPIS) is the IMF's coordinated tool in capturing portfolio investment (PI) statistics with a view to establish consistency of portfolio investment data between the recipient and source countries. CPIS is also critical for understanding the extent of globalization and for quality improvement of International Investment Position (IIP) statistics. Despite the growing portfolio investment flows to the MEFMI region, none of the member states are subscribed to CPIS. This denies member states with consistent information on flows of portfolio investment with their counter-parties.

Objectives

The Joint IMF/MEFMI workshop is intended to sensitize MEFMI member states to start compiling and reporting to the IMF the results of CPIS. The workshop will further discuss data compilation methods and related challenges, drawing experiences from countries which have subscribed to CPIS. At the end of the workshop, participants are expected to be equipped with skills to record and process CPIS data. In addition, participants are expected to acquire hands-on knowledge of methods to minimize sample bias, solutions to non-responses and techniques to minimise cross-country data variances.

Target Group

The workshop targets BOP/IIP compilers from Central Banks, Statistics Offices and Ministries of Finance. Nominees with experience on Private Capital Enterprise Surveys will have an added advantage.

iii. Retreat of Heads of Department Responsible for Monitoring Foreign Private Capital**Date:** 26-30 May 2014**Venue:** Namibia**Duration:** 5 days**Background**

Heads of Department responsible for monitoring and analysis of Foreign Private Capital (FPC) in MEFMI's client institutions are vital in the implementation of FPC surveys. They are also drivers in communicating survey results to relevant government authorities for policy decision making. Recognizing critical roles played by these officials, MEFMI continues undertaking retreats at least once in two years which receive high response from member states.

The 2014 retreat is a follow-up to the 2012 retreat, which among other issues focussed on private capital emerging policy issues and discussed countries' action plans for capacity building and regional harmonization.

Objectives

The purpose of the 2014 retreat is to assess global economic challenges and its implications on FPC flows to the region. The retreat will further discuss investment booms on natural resources and the energy sector and propose appropriate policies to benefit from the same. Stock-taking on the implementation of recommendations from the 2012 retreat in Botswana will also be carried out.

Target Group

The retreat targets Heads of Department responsible for monitoring and analysing of Foreign Private Capital from Central Banks, Statistics Offices, Investment Promotion Offices and Ministries of Finance and Planning.

iv. **Joint IMF/MEFMI Course on Data Requirements for Economic Management - Government Finance Statistics**

Date: 9 - 20 June 2014

Venue: Mozambique

Duration: 2 weeks

Background

Member countries institutions are still faced with challenges in adopting the latest Government Finance Statistics Manual 2001. The course for 2014 is a follow-up to consolidate the gains from a similar activity held jointly with the IMF in 2010, where it was noted that a few countries had made significant progress in adopting GFSM 2001, including Kenya, Malawi and Uganda, while others had taken the preliminary steps of the initial migration path in areas which can be achieved with limited cost outlay. This course is part of a series that MEFMI conducts annually, which covers the System of National Accounts, Balance of Payments and Monetary and Financial Statistics.

Objectives

The course seeks to build capacity in the compilation and analysis of government finance statistics in order to feed into the larger body of data required for economic policy formulation. It further seeks to assist member countries in designing a migration plan from the old system (GFS 1986) to the new framework (GFSM 2001) and improving compliance on GDDS statistics benchmarks. It also seeks to draw participants' attention to the inter-relationships between GFS and the other macroeconomic accounts.

Target Group

This course is primarily designed for middle to senior level Economists involved in the compilation of Government Finance Statistics. These are usually officers from statistics bureaus, research units of Central Banks and government finance data offices in the Ministries of Finance and planning. To promote the interaction of compilers and users of data, officers involved in macroeconomic management and utilisation of data for policy design will also be accommodated.



v. Training for Trainers Course on Modelling & Forecasting**Date:** 14-18 July 2014**Venue:** Tanzania**Duration:** 5 days**Background**

During the five days training period, participants will be taken through the modelling and forecasting aspects. The course will bring together an elite group of staff from member states' institutions to work together 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 courses. The training will give participants an infusion of confidence and provide a level of professional guidance to enable them develop capacity for conducting training on a similar subject. This programme will significantly alter not only how they train, but also what they train: content, material, hand-outs, evaluation and follow-ups.

Objectives

The objective of this course is to ensure that MEFMI has a critical mass of experts in the region who can reliably and efficiently impart skills in the area of modelling and forecasting and address the risks of relying on a few individuals with availability concerns.

Target Group

The course will bring together an elite group of staff from member states' institutions who are identified as having background knowledge and skills in modelling and forecasting and have ability to transfer skills. The course will target one participant per member country

vi. Joint MEFMI/IMF Financial Programming and Policy Course**Date:** 18 - 29 August 2014**Venue:** Namibia**Duration:** 2 weeks**Background**

The Financial Programming Framework provides the basis for consistent macroeconomic analysis and policy simulation. This is built around integration of the various macroeconomic accounts, bringing together national accounts, balance of payments and IIP, government finance statistics and monetary and financial statistics. The linkage of these within the broad context of policy consistency checks facilitates the design and evaluation of different policy scenarios.

MEFMI has over the years conducted a series of capacity building events aimed at strengthening capacity in the area of financial programming. A number of these events have been conducted in collaboration with the IMF Institute of Capacity Development. While significant progress has been made in the region and some countries have developed credible capacity to design their own financial programmes to inform their interaction with the IMF and other country specific requirements, including the budgeting process, capacity gaps still persist for many member states.

Objectives

The course aims at introducing participants to the design and implementation of macroeconomic and financial policies, drawing on the Fund's experience in economic surveillance, the design of financial programs, and the provision of technical advice to member countries. The course covers the principal features of the different accounts used in macroeconomic analysis, namely the general government, non-financial corporations, financial corporations, households and non-profit institutions serving households, the inter-relations among these accounts, and forecasting methods for each account.

Target Group

The course is designed for junior to middle level Economists in the Ministries of Finance and Planning and Central/Reserve Banks involved in economic analysis, policy design, and implementation and monitoring. Officers from macroeconomic policy analysis units and research and economic departments are particularly suitable.

vii. Methodology of Compilation and Analysis of International Remittance Statistics

Date: 15-19 September 2014

Venue: Kenya

Duration: 5 days

Background

Remittances have emerged as a key source of foreign exchange in many developing countries with positive impact on economic development and financial security. Given the importance of remittances and the need for reliable data, global efforts have been made towards improvement in the provision of high quality remittances data. In addition, continuous efforts are being made towards the designing of methodologies that help in the estimation of both formal and informal remittances. The culmination of such efforts has been the realisation of methodologies which have, however, given varied estimates. Data on remittances has now become a critical and important analytical tool for research and policy making purposes.

The course will review the methodology of compilation of International Remittance Statistics that was developed by MEFMI for the National Bank of Rwanda in 2010 and discuss ways of rolling it out to other MEFMI member countries as a model. The model which was built on request by the National Bank Rwanda is now working well and has allowed the production and dissemination of relatively accurate and reliable statistics on remittances in Rwanda. Though the course will be mostly practical using the hands-on case of Rwanda, it will also consistently refer to the IMF Guide for compilers of remittances statistics.

Objectives

The course will review the methodology of compilation of International Remittances Statistics that was developed by MEFMI for the National Bank of Rwanda in 2010 and discuss ways of rolling it out to other MEFMI member countries as a model. The course will also help participants to implement the IMF Guide for compilers of international remittances statistics.

Target Group

The course targets senior, mid and junior government officials and experts from Central Banks and National Statistical Offices dealing with compilation and analysis of international remittances statistics.

viii. Joint IMF/MEFMI Course on Economic Issues in Regional Integration

Date: 13-24 October 2014

Venue: Zambia

Duration: 2 weeks

Background

In an attempt to overcome external vulnerabilities and the need of greater clout in the global economy, MEFMI countries are increasingly participating in the regional integration initiatives. Nevertheless, the momentum to implement regional integration process has been derailed by, among others, inadequate capacity.

Objectives

The course is broadly intended to address the following:

- ◆ To build capacity and knowledge to analyze and track macroeconomic convergence indicators as a pre-condition for economic and monetary integration; and
- ◆ To equip participants with skills and tools to assess the readiness of MEFMI countries to advance in the regional integration process by using a number of quantitative formal/benchmark criteria.

Target Group

The course targets senior, mid and junior government officials and experts from Central Banks and Ministries of Finance and Economic Planning dealing with mandates relating to regional integration, trade policies, monetary and financial integration.

ix. Revenue Policy and Administration

Dates: 3 - 7 November 2014

Venue: Rwanda

Duration: 5 days

Background

Experience from the region indicates that most countries are faced with a number of problems, including narrow tax base, high dependency on trade taxes, wide untaxed informal sector, ineffective tax exemptions which are not directly proportional to the FDI, inadequate information technology infrastructure, inadequate staff capacity, and limited operational and strategic interaction of tax administration agencies. Revenue policy and administration therefore remains a key area of focus for reform under the purview of public expenditure and financial management.

Objectives

The objective of this course is to expose participants to the latest approaches to effective revenue policy and administration.

Target group

This course was designed for middle to senior level Economists from revenue authorities, tax policy units, revenue forecasting departments and policy analysis units in ministries of finance and of planning.

1.2 Macro In-Country Workshops and Missions

Tailor-made in-country workshops and missions are critical in fostering application of tools, best practices and direct implementation of high impact institutional reform interventions. Country specific issues to be addressed during 2014 include national accounts, credit statistics, training and customization of the MEFMI Private Capital Monitoring System (PCMS), development of core inflation models, advanced modelling and forecasting and inflation management frameworks. Further issues include development of financial programming framework and quarterly Gross Domestic Product (GDP) estimates and related economic indicators, and equipping relevant country officials with skills to compile remittances and Balance of Payments (BOP) and International Investment Position (IIP) statistics according to BPM 6 and other latest manuals.

Indicative requests from some of the member states are summarized below:

1.2.1 Macro In-Country Workshops

- ◆ Follow-up Workshop on Inflation Management Frameworks using Ox-metrics Software - Angola, February.
- ◆ In-country Workshop on Modeling & Forecasting using the MEFMI Modeling Manual - Swaziland, April.
- ◆ Modeling & Forecasting as a Tool for Central Banks (DSGE Models), - Mozambique Second Half of 2014.
- ◆ Benchmarking BOP/IIP Statistics to BPM 6 – Botswana, Kenya, Malawi and Zimbabwe.
- ◆ Benchmarking BOP/IIP Statistics to BPM 6 and PCMS training and customization – Namibia.
- ◆ Quarterly GDP forecast – Angola, Lesotho and Swaziland.
- ◆ National Accounts – Kenya, Rwanda and Zambia.

1.2.2 Macro In-Country Missions

- ◆ Fact Finding Mission on the Methodology of Compilation of Remittances Statistics Lesotho, January 2014.
- ◆ Follow-up Mission on the Methodology of Compilation of Remittances Statistics Rwanda, May 2014.
- ◆ Fact Finding Mission on the development of a core model of inflation for Botswana August 2014.
- ◆ Fact Finding Mission on the development of a core model of inflation for Zambia October 2014.
- ◆ Mission to initiate a Survey on Private Sector Debt and adoption of PCMS – Angola.
- ◆ Follow-up Mission on PCMS and BPM 6 implementation – Mozambique.
- ◆ Follow-up Quarterly GDP for Lesotho.
- ◆ Financial Programming for Namibia.
- ◆ Follow-up Mission on Credit Statistics for Rwanda.



2. DEBT MANAGEMENT PROGRAMME

INTRODUCTION

The first two years of MEFMI Phase IV strategic plan, 2012 and 2013, saw the Debt Management Programme introduce some new courses which were well received by the client institutions. During the same period some of the old courses which remained relevant also continued to be offered, albeit with improved content coupled with some changes in delivery methodology. The activities of 2014 will, therefore, continue to build on the momentum generated in the first two years of Phase IV. The objectives of the Debt Programme activities during the year will be to impart knowledge and skills to officials involved in debt management and strengthen institutions and systems for effective public debt management.

The activities in 2014 will comprise regional courses, in-country workshops and country missions. The Programme will introduce a new course called Foundations of Debt Management based on the Curriculum developed in 2011. This course targets entry level staff or experienced debt managers and analysts who need refresher training on the core principles and practices in both external and domestic public debt management. The Programme will also introduce training on Monitoring and Management of Contingent Liabilities, an area that has previously been given inadequate attention by some Debt Management Offices. The Course on Contingent Liabilities will also cover aspects of monitoring private sector external debt since these are very important for overall external debt sustainability in a country.

Other regional activities during the year will include training on effective use of computer-based debt management systems, namely Debt Management and Financial Analysis System (DMFAS) and the New Version of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS); Public Debt Audit; Domestic Debt Operations and Management; Quantitative Methods and Analysis for Debt and Reserves Management; and the Debt Managers Seminar.

The in-country capacity building activities will continue to respond to country specific needs and are planned for areas such as data validation and debt portfolio reviews; debt sustainability analysis; debt strategy formulation and implementation; domestic debt markets development and management; and debt Management Performance Assessment and Reforms. The role of the country missions will remain critical as they enable the Institute to support member countries in assessing debt management situations or implementing reforms necessary for improving debt management.

For delivery of these activities, the Debt Programme expects to continue leveraging on the existing fruitful partnerships with technical cooperating partners such as the Bretton Woods Institutions, Commonwealth Secretariat, United Nations Conference on Trade and Development, the African Development Bank, Organisation for Economic Cooperation and Development and the United Nations Institute for Training and Research. The Programme will also heavily rely on regional resource persons and MEFMI Fellows to ensure delivery of services and products at relatively low costs while ensuring high quality.

Having recruited a new group of Trainee Fellows in 2013, it is expected that the year 2014 will witness intensive training of Fellows to ensure they meet the requirements in their customised training programmes within the stipulated timeframes.

2.1. Debt Regional Events

I. Joint MEFMI/COMSEC Users Training on CS-DRMS 2000+ (VERSION 2)

Date: 10–21 February

Venue: Kenya

Duration: 10 days

Background

In its efforts to ensure the availability of modern, efficient and relevant computer tools for debt management, the Commonwealth Secretariat (COMSEC) has been developing and/or upgrading their CS-DRMS 2000+ to align the system to the changing debt management landscape. COMSEC, therefore, developed Version 2 of the CS-DRMS 2000+ to address the evolving and more advanced needs of user countries in pursuit of sound debt management. The major software enhancements included in the new version are both architectural and functional. Specifically, the Version 2 of CS-DRMS 2000+ is intended to improve debt management practices in the implementation of management operations, new reports, dashboard, consideration of non-business days in the debt cost calculations, and the lending portfolio.

In addition to training, testing and appreciating the new version from the business perspective, the workshop is also intended to address high staff turnover in back offices of debt management departments, through replenishment of skills and training a critical mass of country staff, that can also be regionally available, to ensure the smooth provision of the necessary maintenance level support for debt recording and reporting using CS-DRMS. In this regard, this workshop will train CS-DRMS users from the eight MEFMI CS-DRMS user countries on new features of the system.

Objectives

- ◆ To impart knowledge and skills, including hands-on training to participants on the advanced functionalities of the new version of CS-DRMS 2000+;
- ◆ To contribute to the widening of the regional pool of experienced CS-DRMS users; and
- ◆ To continue the testing and appreciation of the new version of CS-DRMS from the business perspective.

Target Group

The workshop is targeted at CS-DRMS users, especially the back office staff from debt management departments in the Ministries of Finance and Central Banks. The Fellows specializing in CS-DRMS user training will benefit from the workshop as part of their Customized Training Programme.

ii. Management of Contingent Liabilities

Date: 17-21 March
Venue: Zimbabwe
Duration: 5 days

Contingent Liabilities are becoming a major item in sovereign balance sheets in most MEFMI member states. The situation has been worsened by complex transactions such as the Public Private Partnerships (PPPs) that are becoming popular but have significant implicit and explicit contingent liabilities. Given this environment, countries need to be made aware of the sources of contingent liabilities, the methodologies for monitoring and managing them as well as how to minimise the impact of such liabilities.

This workshop provides debt management staff with the practical knowledge of the definitions, concepts and scope of contingent liabilities from the perspective of ministries of finance and central banks. It is underpinned by the need for government to monitor and report on both explicit and implicit contingent liabilities, including those arising from private sector's external borrowing activities, and also the need for undertaking the necessary credit and fiscal risk analysis both at the stage of contracting the contingent liabilities and also during their life cycle. Ultimately, the training is expected to enhance the understanding of the implications of contingent liabilities on sovereign balance sheets.

Objectives

- ◆ To introduce government debt managers to the key definitions, concepts and the scope of contingent liabilities, the related institutional arrangements and procedures for their effective management;
- ◆ To provide training on frameworks and templates for collecting information and creating databases on contingent liabilities;
- ◆ To discuss approaches for analysing the size and implications of contingent liabilities on the sovereign balance sheet; and
- ◆ To disseminate studies undertaken on contingent liabilities in the MEFMI region and relate these to other studies, experiences and best practice elsewhere.

Targeted Audience

The target audience are middle to senior level debt management officials from Ministries of Finance, selected State-Owned Enterprises (by specific invitation through respective member states' Ministries of Finance) and Central Banks.

iii. Domestic Debt and Financial Markets Operations and Management

Date: 5 - 14 May

Venue: Tanzania

Duration: 8 days

Background

The external financing flows to developing countries have reduced in the recent past as the financial landscape changes. As a result, many countries including those in the MEFMI region have increased borrowing from domestic sources by issuing Treasury bonds and Treasury bills. The operations in the domestic debt markets and management of domestic debt itself require a different set of tools and approaches than those employed in external debt management, and hence a better understanding of the supporting institutions and infrastructure is also necessary.

Developed debt markets complement external financing for governments by making funding available for medium and long term projects, offer a wide variety of investment instruments and provide economic stability. Primary markets flourish where there are credible institutional and infrastructural arrangements that enforce rules and regulations while secondary market success requires a deep and liquid market with a wide range of players including efficient financial infrastructure. However, in the MEFMI region debt markets remain largely underdeveloped, largely dominated by the public sector with short term debt instruments that are concentrated among a few market participants.

This course is designed to develop practical skills needed to effectively manage domestic debt and to ensure efficient government securities issuance and secondary trading. It will focus on strategies for meeting government financing needs and developing the securities market. It will also cover the supporting infrastructure that needs to be in place for an efficient and liquid debt market.

Objectives

- ◆ To equip the participants with understanding of domestic debt concepts, policy issues and introduce them to prerequisites for the development of primary and secondary markets;
- ◆ To understand the rationale for Governments' domestic borrowing;
- ◆ To highlight the types of instruments the government uses to borrow domestically;
- ◆ To understand the difference between marketable and non-marketable debt;
- ◆ To explain how the different instruments are issued;
- ◆ To identify challenges posed in the development of both the primary and secondary markets in the MEFMI region;
- ◆ To address the pricing mechanism of the different instruments; and
- ◆ To cover coordination with monetary and fiscal policies.

Target Group

The course is targeted at middle to senior officials in the area of domestic debt management and operations in debt management departments in the Ministries of Finance and Financial Markets departments of Central Banks.

iv. Public Debt Audit

Date: 2 -6 June

Venue: Namibia

Duration: 5 days

This course provides auditors with the knowledge of the key principles of public debt management and addresses a wide range of public debt management issues including key considerations in auditing public debt that enable auditors to perform effective auditing of public debt, and hence promote government financial accountability and transparency. In addition to exposing participants to debt management principles and practices the course will train the participants on important aspects of the IT systems used in recording and managing public debt. The training, therefore, embeds the knowledge of debt management into professional auditing practices in a manner that equips internal and external auditors to more effectively gather, analyse and report on value-for-money, performance, and use of IT in the discharge of public debt management functions.



ACTIVITY	TYPE	DURATION	ACTIVITY DATES		
MACROECONOMIC MANAGEMENT PROGRAMME			JAN	FEB	MAR
Introductory Macroeconomic Analysis & Management Course	Course	2 weeks			10 - 21
Joint IMF/MEFMI Coordinated Portfolio Investment Survey	Workshop	5 days			
Retreat of Heads of Department Responsible for Monitoring Foreign Private Capital	Retreat	5 days			
Joint IMF/MEFMI Course on Data Requirements for Economic Management - Government Finance Statistics	Course	2 weeks			
Training for Trainers Course on Modelling and Forecasting	Course	5 days			
Joint MEFMI/IMF Financial Programming and Policy	Course	2 weeks			
Methodology of Compilation and Analysis of International Remittances	Course	1 week			
Joint IMF/MEFMI Course on Economic Issues in Regional Integration	Course	2 weeks			
Revenue Policy and Administration	Course	5 days			
DEBT MANAGEMENT PROGRAMME					
Joint MEFMI /COMSEC Users Training on CS-DRMS 2000+ (Version 2)	Workshop	10 days		10 - 21	
Management of Contingent Liabilities	Workshop	5 days			17 - 21
Domestic Debt & Financial Markets Operations and Management	Workshop	8 days			
Public Debt Audit	Workshop	5 days			
Foundations of Debt Management	Course	10 days			
Joint MEFMI /UNCTAD Training of Users and IT Administrators on DMFAS V6	Workshop	8 days			
Debt Managers Seminar	Seminar	5 days			
Quantitative Methods and Analysis for Debt and Reserves Management	Course	10 days			
FINANCIAL SECTOR MANAGEMENT					
Intermediate Bank Supervision	Workshop	5 days		24 - 28	
Enterprise Wide Risk Management (for Bank Supervisors, Internal Auditors and Risk Officers)	Workshop	5 days			17 - 21
Retreat for Heads of Payment Systems	Retreat	3 days			31 March
Consolidated Supervision and Cross Border Investments	Workshop	5 days			
Joint World Bank/MEFMI RAMP Course	Workshop	5 days			
Indirect Tools for Monetary Policy – Open Market Operations	Workshop	8 days			
Joint MEFMI/FSI/Toronto Centre Seminar on Basel III and Macro-prudential Surveillance	Retreat	3 days			
Developments and Innovations in Payment Systems	Workshop	5 days			
Retreat for Heads of Financial Markets	Retreat	3 days			
MULTI-DISCIPLINARY ACTIVITIES					
Technical Cooperating Partners' Meeting	Governance	1 day		27	
Heads of Human Resources workshop	Workshop	5 days			3 - 7
Finance and Audit Committee	Governance	1 day			27
Executive Committee Meeting	Governance	1 day			28
Finance and Audit Committee Meeting	Governance	1 day			
Fellows Accreditation	Fellows Development	1 day			
Executive Committee Meeting	Governance	1 day			
Executive Committee Meeting	Governance	1 day			
Board of Governors Meeting	Governance	1 day			
Combined Executive Forum	Forum	1 day			
Fellows Facilitation and Consultancy Skills	FDP Workshop	8 Days			
Cooperating Partners Meeting	Governance	1 day			

Our Core Values

Accountability | Teamwork | Responsiveness
Integrity | Professionalism

JANUARY	FEBRUARY	MARCH	APRIL	MAY
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

CHRONOLOGICAL WORK PROGRAMME

(Annual Courses, Workshops, Retreats and Seminars)

VENUE									
APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
									Swaziland
14 - 18									Uganda
	26 - 30								Namibia
		9 - 20							Mozambique
			14 - 18						Tanzania
				18 - 29					Namibia
					15 - 19				Kenya
						13 - 24			Zambia
							3 - 7		Rwanda
									Kenya
									Zimbabwe
	5 - 14								Tanzania
		2 - 6							Namibia
		30 June - 11 July							Mozambique
					1 - 10				Uganda
						20 - 24			Botswana
							3 - 14		Swaziland
									Malawi
									Rwanda
1 - 4 April									Zimbabwe
			28 July - 1 August						Tanzania
			TBA						TBA
			28 July - 6 August						Uganda
						7 - 9			TBA
						27 - 31			Zambia
							17 - 19		Mozambique
									Zimbabwe
									Kenya
									Zimbabwe
									Zimbabwe
			23						Zimbabwe
			24						Zimbabwe
			25						Zimbabwe
					September				TBA
					September/October				TBA
					September/October				TBA
							17 - 25		Tanzania
							TBA		Zimbabwe



MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
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Objectives

The objectives of the course are:

- ◆ To raise awareness and impart knowledge on international guidelines for public debt auditing, in line with best practice;
- ◆ To enhance skills for competent auditing of public debt; and
- ◆ To contribute to enhanced quality, transparency and credibility of debt management processes and accountability for borrowed funds.

Targeted Audience

The target audience is junior to senior audit staff from Government and Central Bank internal audit departments and the national Supreme Audit Institutions, i.e. the Auditor-Generals' Offices.

v. Foundations of Debt Management

Date: 30 June – 11 July

Venue: Mozambique

Duration: 10 days

Background

Following a review of MEFMI's debt management curriculum undertaken after an internal Impact and Needs Assessment and a Mid-Term Review in 2010, the Debt Management Programme recognized the need to introduce an entry-level training course in sovereign debt management. This foundational course is also important in replenishing basic skills and providing critical refresher training in debt management, given the perennially high staff turnover that necessitates regular recruitment of entry level staff in most government debt management offices in the MEFMI region. The course will cover a wide range of both domestic and external debt management issues.

Objectives

- ◆ To introduce participants to the basic tenets of public debt management, by providing a clear understanding of the fundamentals of public debt management;
- ◆ To introduce participants to the key concepts and issues in public debt management, such as the loan cycle, debt re-structuring, the debt creation and borrowing processes, as well as sources of debt financing;
- ◆ To train participants on key domestic debt management and operational issues, including the role of different players in domestic debt management; and
- ◆ To provide refresher training for experienced debt management staff who would like to keep abreast with emerging issues in public debt management.

Target Group

This course aims at imparting knowledge to junior staff from Ministries of Finance and Central Banks that are relatively new to sovereign debt management. It will also benefit experienced staff that require a quick refresher on the key principles and practices of public debt management.

vi. Joint MEFMI/UNCTAD Training of Users and IT Administrators in DMFAS 6.0

Date: 1 - 10 September

Venue: Uganda

Duration: 8 days

Background

In its efforts to ensure the availability of modern, efficient and relevant computer tools for debt management, the United Nations Conference on Trade and Development (UNCTAD) has been developing and adapting their Debt Management and Financial Analysis System (DMFAS) to the growing types of users in developing countries, including those of MEFMI DMFAS user countries. With the challenge of high staff turnover in back offices of debt management, it is critical to replenish skills and train a critical mass of expert country staff that can also be regionally available to ensure the smooth provision of the necessary maintenance level support for debt recording and reporting using DMFAS. In

this regard, this workshop will train DMFAS users from the five MEFMI DMFAS user countries on the use of the system, including its recently incorporated enhancements. A parallel training for DMFAS Administrators will also be conducted in the first four days of the workshop.

Objectives

- ◆ To provide advanced hands-on training on the use of DMFAS 6.0, covering all the system functionalities;
- ◆ To contribute to the widening of the regional pool of qualified expert DMFAS trainers; and
- ◆ To demonstrate to Systems Administrators the advancements in DMFAS, including requirements for installation.

Target Group

The workshop is primarily targeted at knowledgeable and therefore highly trainable DMFAS back office staff from debt management departments/units in the Ministries of Finance and Central Banks.

The DMFAS IT Administrators will also greatly benefit from this training.

vii. Debt Managers Seminar

Date: 20 - 24 October

Venue: Botswana

Duration: 5 days

Background

MEFMI strives to keep heads of relevant departments in client institutions in the region abreast with pertinent developments in macroeconomic and financial management. The objective is to raise awareness among senior officials in the member states, with the ultimate goal of fostering adoption of best practices. The Debt Managers Seminar offers an opportunity for heads of debt management units to discuss and exchange views on topical, cutting-edge issues on public debt management. Previously the Debt Managers Seminar dealt with issues such as public private partnerships, sovereign bond issuance and domestic debt and debt markets development. The 2014 seminar will deal with emerging issues of the day, that require debt managers to pay attention to as they contract and manage public debt.



Objectives

- ◆ To address topical issues, developments, and opportunities that are key enablers for the attainment of best practice in sovereign debt management.

Target Group

The Seminar is targeted at heads of debt management offices and their deputies, including those dealing with public domestic debt management. Heads of aid management functions, government auditors and legal counsels may also be incorporated by special invitation, depending on the topic of discussion for the year.

viii. Quantitative Methods and Analysis for Debt and Reserves Management

Dates: 3 – 14 November 2014

Venue: Swaziland

Duration: 10 Days

Background

Asset and Liability Management (ALM) has become a critical component of debt management. Over the past few decades, financial institutions and public debt management agencies with inadequate or no ALM discipline have been ruthlessly punished by the financial markets, suffered severe losses and experienced several failures as a result of their exposure to changes in interest rates, defaults and turbulent equity markets. In many cases the negative impact of these risks were unnecessary and could easily have been avoided with effective ALM.

This course will cover quantitative methods used in ALM, including hands-on training on ALM techniques, practices and advanced applications. Issues such as risk analysis techniques and risk mitigation measures will be covered.

Objectives

- ◆ 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.

Target Group

The target group for the workshop is junior to middle level staff in Financial Markets, Reserves Department and Debt Management Departments in Central Banks and Ministries of Finance. Officials in Research/Statistics Departments involved in sovereign debt and reserves analytical functions will also find this course invaluable.

2.2. Debt In-Country Activities

2.2.1. Debt In-Country Missions

- ◆ Debt Portfolio Review and Statistical Bulletin Using CS-DRMS
- ◆ Debt Portfolio Review and Statistical Bulletin Using DMFAS
- ◆ Debt Sustainability Analysis Updates (3 Events)
- ◆ CS-DRMS Data Validation
- ◆ DMFAS Data Validation
- ◆ Medium Term Debt Strategy Updates (MTDS)
- ◆ Domestic Debt Markets Development and Management

2.2.2. Debt Country Missions

- ◆ Needs Assessment and Institutional Review including DeMPA
- ◆ CS-DRMS Data Quality Review and Validation
- ◆ DMFAS Debt Data Quality Review and Validation and Upgrading of DMFAS Versions
- ◆ Debt Statistical Bulletin and Reporting Follow-Up
- ◆ Debt Management Reform / Follow-Up
- ◆ Debt Strategy Implementation Review

2.2.3. Debt Studies

- ◆ Review of Legal Frameworks/Aspects



3. FINANCIAL SECTOR MANAGEMENT PROGRAMME

INTRODUCTION

In 2014, FSM will reinforce and sustain the momentum built since the beginning of Phase IV. Some courses that had been planned for the Phase have not been conducted and as a result, this year's work plan is deliberately designed to incorporate most of such programs. In addition to the activities stipulated in the Phase IV strategic plan, this year's programme will continue to focus on those areas identified during continuous needs assessments and feedback received from member countries during workshops and missions. The year marks the third and middle year of the phase and the pressure is on to ensure that all objectives set at the beginning are on a sustained target to be achieved by the end of the Phase. The work programme is designed to take cognizance of recent developments in emerging markets and their impact on the region.

Regional workshops include 'Enterprise-wide Risk Management' which ensures central banks identify and manage the risks that may affect the overall attainment of their core mandate. 'Debt Market Development' is a crucial component in the economic system and strengthens the resilience of a country's financial system. The 'Retreat for Heads of Financial Markets' with a theme on 'Financial Market Integration' comes at a time when countries in the region have embarked on domestic financial sector reforms with the aim of joining regional bodies. Finally, the 'Introduction to Mathematical & Statistical Applications in Finance' will establish a fundamental understanding of the steps towards analysing investment options.

In the payment systems area, the focus this year will be on innovations in payment systems in advancing financial inclusion. The retreat for Heads of Payments Systems will provide a platform for policy makers to brainstorm on initiatives required to advance financial inclusion in the MEFMI region. At country level, the programme will continue to work with central banks to develop and implement payment system policy and oversight frameworks. The course on monetary policy has been designed to enhance appreciation, understanding and application of indirect tools for the design and implementation of monetary policy.

In banking supervision, concentration will be on implementation of best practices at individual country level to address country specific needs. The missions are meant to ensure that no one country is left behind in the implementation of best supervisory practices. A new collaboration with Toronto Centre will be introduced through a joint seminar on Basel III and Macro-prudential Surveillance to be held towards the end of the year in partnership with the BIS' Financial Stability Institute (FSI). FSM is excited about this new collaboration as it enables us to tap into Toronto Centre's expertise in macro-prudential surveillance to the region. In addition to the number of in-country missions planned, the department will still conduct a number of regional workshops. Intermediate bank supervision for junior members of staff and consolidated supervision for middle to senior level members of bank supervision staff. The choice of workshops was influenced by the needs assessment and feedback from the heads of supervision retreat conducted in 2013.

In 2014, the FSM programme will continue to partner with the World Bank Treasury – RAMP Core in Reserves Management. As the reserves of countries in the MEFMI region continue to grow, their effective management is crucial to ensure capital preservation, liquidity as and when it is required and to earn a reasonable return.

FSM will continue to draw on the expertise and knowledge of international and regional professionals as well as Fellows to ensure that the capacity building products are of high quality, relevance and cost effective.

3.1. Financial Sector Management Programme Regional Events

I. Intermediate Bank Supervision

Dates: 24 – 28 February 2014

Venue: Malawi

Duration: 5 Days

Background

Bank supervision departments in the region are prone to high staff turnover as most well-trained supervisors leave for greener pastures or are seconded to other new areas of focus and hence new recruitments are made every year. In most cases, new bank examiners are thrown in the deep end without receiving the relevant training for supervisory work because of staff constraints. New bank examiners

require relevant knowledge and skills in the area of bank supervision in order to enable them to carry out on-site and off-site examinations procedures effectively, as well as develop appropriate prudential guidelines. An intermediate workshop on bank supervision will equip new bank examiners with the required skills to carry out their day-to-day jobs as well as give them the necessary knowledge and tools to assist their seniors in the development of appropriate guidelines.

Objectives

The objective of the workshop is to formally introduce junior bank examiners to bank supervision principles, supervisory processes and corporate governance as well as provide an overview of best practises and standards for supervision.

Areas of focus

The workshop will introduce the participants to the Basel Committee's 25 Core Principles of Effective Banking Supervision, and also provide an overview of best practices and standards for the supervision of banks such as risk-based supervision; off-site analysis, the three pillars of the Basel II accord and give an overview of the Basel Committee's Enhancements to the Basel II Capital Accord.

Target Group

New Bank Examiners and junior to middle level Bank Examiners in central banks who have been doing supervision for a few years and have thus received basic hands-on training.

ii. Enterprise Wide Risk Management (for Bank Supervisors, Internal Auditors and Risk Officers)

Date: 17-21 March 2014

Venue: Rwanda

Duration: 5 days

Background

Enterprise Wide Risk Management (ERM) is becoming more relevant in Central Banks across the globe. Few of MEFMI countries have embraced ERM despite its apparent important role in ensuring that the Central Bank manages its own operational risks that may affect the overall attainment of its core mandate. It is therefore important that skills are built in the area of ERM for central banks to introduce best practice that will enhance central banks' capacity to fulfil their mandate, with minimal disruptions from organisation-wide risks.

The workshop will provide a platform to obtain practical ERM skills to enable central bankers to effectively apply them in implementation of ERM. Participants will discuss and share experiences from their respective countries, thereby benefiting from the interaction process.

Objectives

- ◆ To build knowledge and understanding of key risks in the central bank business operations process;
- ◆ To enhance understanding of enterprise wide risk management for central banks; and
- ◆ To enhance skills on implementing enterprise wide risk management in a central bank.

Target Group

The primary target group is middle to senior level officers in various departments – reserves management middle office, financial markets, internal auditors, risk officers, bank supervisors - in the central bank dealing with risk management and operations.

iii. Retreat for Heads of Payment Systems

Dates: 31 March – 4 April 2014

Venue: Zimbabwe

Duration: 5 days

Theme: *Financial Inclusion and Financial stability*

Background

Financial inclusion is increasingly becoming a predominant focus of dialogue and debate among policy

makers at many global forums. Recognised as one of the priority goals for most economies, reforms that promote financial inclusion are at the core of policymakers' agenda. In an effort to increase the extension of financial services to the financially excluded, countries still face many challenges. Policy and regulatory barriers still restrict entry into the financial sector by institutions offering services to the poor, weak infrastructure and inadequate innovative models prevent effective outreach to the underserved regions and groups; while limited awareness and understanding from consumers limits effective utilisation of these financial services.

Authorities are now tasked with the responsibility to build capacity in regulating the financial sector appropriately, supervise and oversee financial institutions to ensure that they deliver services fairly and in response to demand; and to protect the consumers from exploitation.

Regulators need to design initiatives that will address the legal and regulatory impediments in place, provide for competitive market conditions and support effective standards and infrastructure arrangements. Furthermore, to scale up efforts to support the financially excluded, policy makers need to craft policies and regulation that will help to foster these advances without compromising the wider goal of safety and efficiency in the financial systems.

Objectives

This retreat will address some of the issues mentioned above and challenges facing policy makers as they craft policies for financial inclusion. Specific objectives include:

- ◆ Provide a deeper understanding of the current developments in and challenges faced by the MEFMI region and the rest of the world in pursuit of financial inclusion;
- ◆ Offer a platform for brainstorming among policy makers on how to advance financial inclusion in the region; and
- ◆ Discuss the way forward in the development and implementation of effective policy frameworks for financial inclusion

Target Group

The retreat is designed to convene heads of departments/divisions from payment systems and any other relevant departments, such as bank supervision, financial markets and financial stability units in the central bank.

iv. Consolidated Supervision and Cross Border Investments

Dates: 28 July – 1 August 2014

Venue: Tanzania

Duration: 5 Days

Background

The recent financial crisis has highlighted the need for putting in place appropriate frameworks for the



supervision of large financial groups whose activities span across multiple financial sectors and jurisdictions. Supervisors should assess and monitor risks in all key activities of financial groups, both domestically and internationally.

The increasing trend towards conglomeration and cross border activities requires that MEFMI member states revisit their approaches to regulation and supervision of banking groups to a more amenable approach of consolidated supervision. Consolidated supervision is an essential tool of banking supervision. It is a comprehensive approach that seeks to evaluate the strength of an entire financial conglomerate, taking into account all the risks that may affect a bank, regardless of whether these risks are carried in the books of the bank or a subsidiary across borders or related entities.

Objectives

The objective of the workshop is to provide bank examiners with a comprehensive appreciation of the basic concepts of supervision of financial conglomerates and consolidated supervision, as well as enlighten them of the essential implementation strategies (toolkits) to ensure competent formulation of a consolidated supervisory regulatory framework for their respective countries. It is hoped that the workshop would:

- ◆ Create a platform for developing comprehensive prudential regulatory framework, which reduces the scope for cross country contagion, regulatory arbitrage and regulatory gaps;
- ◆ Create an environment where supervisors can share ideas on supervisory cooperation in cross-border entities;
- ◆ Enhance participants' understanding of accounting for business combinations and hone skills for consolidated financial statement analysis.

Target Group

Middle to senior management bank supervision staff involved in consolidated supervision.

v. Indirect Tools for Monetary Policy - Open Market Operations

Dates: 28 July - 6 August 2014

Venue: Uganda

Duration: 8 days

Background

Monetary policy operation in a liberalized environment calls for the adoption of indirect policy tools and increased reliance on the transmission mechanism. Through open market operations, reserve requirements and rediscount facilities, the central bank continues to influence money market conditions in order to maintain stability in the financial sector.

The need for a deeper understanding of the design and implementation of monetary policy through open market operations is very prevalent in the region. The mechanics of the transmission mechanism have also got to be fully understood.

Objectives

- ◆ Enhance knowledge, skills and analysis for designing and implementing monetary policy through open market operations;
- ◆ Enhance participants' understanding, appreciation and application of indirect monetary policy tools;
- ◆ Demonstrate linkages between efficient monetary policy transmission and domestic financial market operations;
- ◆ Improve knowledge and skills for liquidity forecasting - introduction of basic liquidity forecasting techniques; and
- ◆ Review the linkages between monetary policy operations and fiscal policy operations.

Target Group

The workshop is designed for junior to middle officers who are responsible for the implementation of monetary policy in the central bank

vi. MEFMI- FSI - Toronto Centre Seminar on Basel III and Macro-prudential Surveillance**Dates:** 7 – 9 October, 2014**Venue:** TBA**Duration:** 3 Days**Background**

The recent financial crisis demonstrated the need for financial sector regulation and surveillance to pay greater attention to the forces that contribute to the build-up of systemic risk. To this end, central banks and other financial sector authorities in the MEFMI region are devoting considerable effort to developing financial stability assessment frameworks and macro-prudential supervision instruments that can reduce systemic risks in line with global developments. These initiatives must be supported by strong capacity building and development in the respective areas for maximum impact achievement.

The seminar on Basel III and macro-prudential surveillance aims to bring awareness to senior bank supervisors and policy makers in the region, of the global developments and share ideas on supervisory challenges and policies of some of the technical developments in the supervisory processes and hone skills for Basel III.

Objectives

- ◆ To raise awareness of the new global regulatory developments post the global financial crisis;
- ◆ To create an environment where senior supervisors can share ideas on supervisory challenges and policies; and
- ◆ To enhance participants' understanding of some of the technical developments in the supervisory processes and hone skills for Basel III.

Target group

Senior bank supervisors, macro-prudential surveillance departments' officials, and/or other senior executives responsible for setting supervisory policies.

vii. Developments and Innovations in Payment Systems**Dates:** 27-31 October 2014**Venue:** Zambia**Duration:** 5 days**Background**

Innovations have become an increasingly important factor in the financial system because of their role in promoting safety and efficiency in Financial Market Infrastructures (FMIs). These developments have greatly influenced the choice of payment instruments that are available and are rapidly changing the way payments are processed. Innovation is also becoming key in the growth and development of financial systems that support growth equality among economic agents. New models in payment systems continue to break cost barriers that traditionally prevented banks from offering services to the financially excluded. However, even with these benefits, it is worth noting that such systems carry risks and costs to the broader financial stability.

The MEFMI region has seen new demands from the markets to enhance the payment process and the introduction of new financial products to tap into the financial markets. Policy decisions such as regional integration and cross border trades through free trade agreements or bilateral national agreements are driving new developments in payment and settlement systems. Payment systems stakeholders in the MEFMI region need to be aware of these developments in order to respond to market changes, be it in the product delivery channels or the regulatory frameworks that are devised to enhance stability in the market.

Objectives

This workshop will attempt to address some of these issues and challenges facing central banks, market authorities and regulators as they operate, supervise and oversee these systems. The specific objectives of the workshop include, to:

- ◆ Provide a deeper understanding of the current developments and innovations in financial systems;

- ◆ Provide participants with tools and skills to develop or review existing oversight frameworks in order to respond duly to these innovations; and
- ◆ Offer a platform for sharing of experiences among countries in the region on successes and challenges of regulating and overseeing these systems.

Target Group

The primary target group is middle level officials from central banks departments dealing with the operations and regulation of payment systems and supervision of banks and non-banking financial institutions.

viii. **Retreat for Heads of Financial Markets** **Theme: Financial Market Integration**

Dates: 17 – 19 November 2014

Venue: Mozambique

Duration: 3 Days

Background

Financial market integration fosters financial development, which in turn creates the potential for higher economic growth. Financial market integration stimulates competition and market expansion, it enables the realisation of economies of scale and increases the supply of funds for investment opportunities which in turn leads to financial development. Consequently, financial development can result in efficient capital allocation as well as a reduction in the cost of capital. The region needs deep and integrated financial markets in order to reap gains in efficiency and productivity, which result in faster development and growth rates. Integration can occur through the removal of restrictions on trade in financial assets, and many countries in the region have embarked on domestic financial sector reforms with the objective of bringing their domestic economies in line with the emerging trend towards regional financial market integration.

Objectives

- ◆ The retreat will offer a unique opportunity for policy makers and market participants to share and contribute on critical issues impacting on financial market integration in the region.
- ◆ At the end of the seminar, participants should be able to come up with policy proposals and legal reform suggestions to encourage the integration of the regional financial markets.



Target group

The primary target is heads of financial market departments at central banks, senior central bank officials responsible for monetary policy implementation, supervisory and legal issues and senior officials from the ministries of finance and or economic planning responsible for domestic market policy formulation.

We encourage the Ministries of Finance and/or economic planning to nominate participants from the stock exchange, capital market regulators, insurance regulators and pension funds.

3.2. Financial Sector Management Programme In-country Workshops

To conduct in-country workshops to address issues concerning:

- ◆ Reserves management
- ◆ Financial market development
- ◆ Bank supervision
- ◆ Payment systems
- ◆ Monetary policy implementation

3.3. Financial Sector Management Programme Country Missions

To conduct missions on issues related to:

- ◆ Reserves management
- ◆ Financial market development
- ◆ Bank supervision
- ◆ Payment systems
- ◆ Monetary policy implementation

3.4. Financial Sector Management Programme Specialised Studies

- ◆ Policy Standard for Risk Based Supervision

4. MULTI-DISCIPLINARY ACTIVITIES

INTRODUCTION

The Multi-Disciplinary Activities (MDA) programme covers all activities which transcend the three major operational programmes of MEFMI, namely: Macroeconomic Management, Financial Sector Management and Debt Management. The major activities in the multi-disciplinary programme are:

- ◆ The Fellows Development Programme;
- ◆ The Executive Fora;
- ◆ Human Resources Seminars/Retreats or Workshops; and
- ◆ Training of Trainers.

ii. *Fellows Development Programme*

This programme is a unique initiative by MEFMI through which carefully selected high potential professionals in the region can be put through an intensive training and professional exposure to upgrade their competence in key fields. This programme was designed to create a pool of regional experts that can benefit the entire region with regard to capacity building delivery. Fellows are recruited from member states' Ministries of Finance, Economic Planning and Central Banks. Activities planned for 2014 are:

a) *Fellows Accreditation*

Dates: 24 July 2014
Venue: Harare, Zimbabwe
Duration: 1 day

b) *Fellows Facilitation and Consultancy Skills Workshop*

Dates: 17-25 November 2014
Venue: Tanzania
Duration: 8 days

ii. *Executive Fora*

The Executive Fora series for policy makers will seek to create conditions for informed decision making at that high level. The objectives among others are:

- ◆ To keep national economic managers abreast of the trends in key areas pertinent to macroeconomic and financial management, raising awareness about emerging risks and opportunities entailed in international and regional development;
- ◆ To afford an opportunity to share experiences, exchange views and test new ideas, among peers under expert guidance;
- ◆ To address practical approaches to managing the economy and closely related activities prudently, competently and efficiently;
- ◆ To encourage networking among senior chief executives and provide an opportunity to exchange ideas and share experiences;
- ◆ To prepare senior policy makers for the introduction of reforms in their institutions; and
- ◆ To promote teamwork among key national institutions involved in macro-economic and financial management.

In 2014 the Executive Fora series will be as follows:

a) *Combined Forum for Ministers of Finance and or Planning, Treasury/ Finance Secretaries and Central Bank Governors*

Dates: September / October 2014
Venue: TBA
Duration: 1 day

b) Human Resources Seminars/Workshops

MEFMI hosts a series of annual Human Resources Workshops or Seminars, for officials with human resources management and development responsibilities, on critical capacity building issues facing countries in the MEFMI region. This year a workshop will be hosted for a targeted group of Government and Central Banks human resources officials to meet and share experiences on capacity building issues affecting their institutions and assist MEFMI with identifying critical capacity gaps.

Dates: 3-7 March 2014

Venue: Kenya

Duration: 5 days

Objectives

- ◆ To expose participants to key strategic issues in human resources management;
- ◆ To impart knowledge on human resources management's role and alignment as a strategic Business Partner;
- ◆ To understand key Human Resources management trends that are changing organisations;
- ◆ To impart and share knowledge on issues of ethics in human resource management; and
- ◆ To strengthen networking amongst peers on the emerging human resources issues confronting the member states.

Target Group

Middle level human resources practitioners from the Central Banks and Ministries of Finance and Economic Planning or Planning Commissions responsible for the human resource function.





MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

OUR VALUES:

Accountability

Teamwork

Responsiveness

Integrity

Professionalism