



MEFMI
Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

ANNUAL REPORT 2016

Macroeconomic
and Financial
Management
Institute of Eastern
and Southern Africa





MEFMI

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Institute of Eastern and Southern Africa

ANNUAL REPORT

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ABBREVIATIONS

ACBF	African Capacity Building Foundation
AERC	African Economic Research Consortium
BOP	Balance of Payments
CBP	Capacity Building Programme
CPSS	Committee on Payment and Settlement Systems
CS-DRMS	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
ICT	Information and Communication Technology
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
MTDS	Medium Term Debt Management Strategy
PBOC	People's Bank of China
PCMS	Private Capital Monitoring System
PFMI	Principles for Financial Market Infrastructure
RAMP	Reserves Advisory and Management Programme
RBZ	Reserve Bank of Zimbabwe
SSA	Sub-Saharan Africa
UNCTAD	United Nations Conference on Trade and Development

GOVERNANCE STRUCTURES FOR 2016

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 14 Member States. Where a Governor is a substantive member, the Treasury Secretary/ Permanent Secretary is an alternate, and vice versa. The following were the members of the Board of Governors as at 31 December 2016.

ANGOLA

Mr. Valter Filipe Duarte da Silva, Governor, Banco Nacional de Angola (Board Chairman)
 Mr. Leonel Felisberto da Silva, Secretary of State of Treasury, Ministry of Finance
 Dr. Gerson dos Santos, Director of the Cabinet of the Deputy Minister of Planning for Macroeconomic Policy, Ministry of Planning & Territorial Development

BOTSWANA

Ms. Linah Mohohlo, Governor, Bank of Botswana (Board Vice Chairperson and EXCOM Chairperson) until 20 October 2016
 Mr Moses Dinekere Pelaelo, Governor, Bank of Botswana, (Board Vice Chairman and EXCOM Chairman) from 21 October 2016
 Mr. Solomon M. Sekwakwa, Permanent Secretary, Ministry of Finance and Development Planning

BURUNDI

Mr. Jean Ciza, Governor, Banque de la République du Burundi
 Mrs Immaculée Bigirimana, Permanent Secretary, Ministry of Finance, Planning and Economic Development

KENYA

Dr. Patrick Njoroge, Governor, Central Bank of Kenya
 Dr. Kamau Thugge, Principal Secretary, the National Treasury
 Mr. Torome Saitoti, Principal Secretary, State Department of Planning, Ministry of Devolution and Planning

LESOTHO

Dr. Adelaide R. Matlanyane, Governor, Central Bank of Lesotho
 Ms. 'Mapalesa Rapapa, 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 and Development
 Mr. Yona Kamphale, Acting Secretary for Economic Planning and Development, Ministry of Finance, Economic Planning and Development

MOZAMBIQUE

Mr. Ernesto Gouveia Gove, Governor, Banco de Moçambique until August 2016
 Mr. Rogerio Lucas Zandamela, Governor, Banco de Moçambique from August 2016
 Mrs. Maria Isaltina de Sales Lucas, Permanent Secretary, Ministry of Economy and Finance

NAMIBIA

Mr. Ipumbu W. Shiimi, Governor, Bank of Namibia
 Ms Ericah B. Shafudah, Permanent Secretary, Ministry of Finance
 Mr. Andries Leevi Hungamo, Permanent Secretary, National Planning Commission Secretariat

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 (until October 2016)
 Mr. Caleb Rwamuganza, Permanent Secretary & Secretary to the Treasury, Ministry of Finance and Economic Planning (from October 2016)

SWAZILAND

Mr. Majozi Sithole, Governor, Central Bank of Swaziland
 Mr. Bertram Stewart, Principal Secretary, Ministry of Economic Planning and Development
 Mr. Bheki Bhembe, Principal Secretary, Ministry of Finance

TANZANIA

Prof. Benno Ndulu, Governor, Bank of Tanzania
 Dr. Servacius B. Likwelile, Permanent Secretary, Ministry of Finance (until July 2016)
 Mr. Doto M. James, Permanent Secretary, Ministry of Finance & Planning (from July 2016)

UGANDA

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

ZAMBIA

Dr. Denny Kalyalya, Governor, Bank of Zambia
 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
 Dr. Desire M. Sibanda, Secretary for Macroeconomic Planning & Investment Promotion
 Ministry of Macroeconomic Planning & Investment Promotion

MEMBERS OF THE EXECUTIVE COMMITTEE

The Institute operates under the direction of an Executive Committee which consists of the Vice Chairperson 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-Chairperson of the Board of Governors of the Institute, and is allowed to elect an Alternate Chairperson, who can preside over meetings in the absence of the Chairperson. Each member of the Executive Committee serves for two years. During the period under review, the following were members of the Executive Committee (EXCOM):

- **Ms. Linah Mohohlo**, Governor, Bank of Botswana (EXCOM Chairperson until October 2016)
- **Mr Moses Dinekere Pelaelo**, Governor, Bank of Botswana, (EXCOM Chairman from October 2016)
- **Mr. Charles Chuka**, Governor, Reserve Bank of Malawi

- **Dr. Patrick Njoroge**, Governor, Central Bank of Kenya
- **Mr. Majozi Sithole**, Governor, Central Bank of Swaziland
- **Mr. Keith Muhakanizi**, Permanent Secretary / Secretary to the Treasury, Uganda Ministry of Finance, Planning & Economic Development
- **Dr. John Mangudya**, Governor, Reserve Bank of Zimbabwe (Executing Agency)
- **Dr. Caleb Fundanga**, Executive Director (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 31st December 2016, the following Directors were in post:

- **Dr. Caleb M. Fundanga**, Executive Director
- **Dr. Sehlielo Mpofu**, Director, Macroeconomic Management Programme
- **Mr. Patrick Mutimba**, Director, Financial Sector Management Programme
- **Mr. Raphael O. Otieno**, Director, Debt Management Programme
- **Ms Rose G. K. Malila-Phiri**, Director, Finance and Administration



Some delegates following proceedings of the 2016 Governors Forum

CHAIRMAN'S STATEMENT



It is my great pleasure and honour to present the MEFMI 2016 Annual Report. The reporting period coincides with the successful completion of Phase IV, which started in 2012 and has resulted in great outcomes that have been highlighted herein.

I wish to express my sincere gratitude to Management and staff for the effective and efficient execution of Phase IV and accordingly, meeting the targets as stipulated in the Results Measurement Framework (RMF). As evidenced by the Monitoring and Evaluation (M & E) report which accompanies this annual report, the Secretariat was able to conduct all activities as planned.

Indeed, the deliberate move during Phase IV to focus more on In-country Missions and Workshops has enhanced member countries' confidence in the Institute's ability to provide tailor-made, country specific, relevant and cost effective technical assistance. These activities also provide a platform for MEFMI Fellows to practically apply their expert knowledge and support member countries in capacity development and policy implementation at an affordable cost. In this regard, I wish to urge member countries to continue supporting the Fellows Development Programme as it is the best way that our region can widen the pool of experts.

I am also grateful to all the MEFMI member countries and financial partners who have continued to support the Institute. Many of the achievements presented in this report have been accomplished with the generous support of these member countries and funding partners. I am well aware that the year was characterised by some shifts in global economic environment, most notably in the Euro Area where economic growth remained below potential, thereby affecting their overall ODA flows to developing countries. On the same breadth, economic activity in the MEFMI region remained weak, mainly due to depressed global commodity prices. Major commodity exporters in the region, such as Angola, Botswana and Zambia were most affected resulting in reduced export revenues. Other challenges that the MEFMI region faced in 2016 include weakening exchange rates, droughts and floods as well as weakening industrial

production. Nevertheless, member countries remained committed to honouring their financial obligations to the Institute.

Economic challenges faced by member countries and changes in the financial landscape in financial partners' countries has directly impacted the Institute's financial position. In this regard, the decision by the Norwegian Embassy, our erstwhile long-time financial partner, to cease funding the Institute at the end of Phase IV is expected to impact future operations. Nonetheless, other partners will need to be identified and additional strategies employed to cover the financial gap.

I would like to urge the Secretariat to continue identifying and mobilising resources from non-traditional sources such as the private sector and new bilateral partners. The relationships with the private sector create both financial and technical value that has assisted in alleviating the financial constraints being faced by the Institute. I am sure that with time, our alliances with private sector players such as Investec and General Electric will deepen for the mutual benefit of all parties.

As Chairman, I seek to ensure that the Board is as effective as possible – a responsibility I cannot achieve on my own. In this regard, I wish to express my sincere gratitude to fellow Board Members for their invaluable contributions over the past year and the period that I was Chairman. I thank all Board members for making time to attend all governance meetings and executive fora events. The good attendance of these events in the past confirms ownership and commitment by the Board to offer over-sight in the management of the affairs of the Institute.

As I hand over the baton of Chairmanship to the Governor of the Bank of Botswana, I am happy that the Institute is entering 2017 and commencing Phase V with a clear strategy and a well-articulated plan for its implementation.

Finally, I wish to record the Board's appreciation and continued commitment to supporting the Institute. The Board is proud of what has been achieved in the last 22 years of MEFMI existence.

Valter Filipe Duarte Da Silva
Governor, Banco Nacional de Angola
Board Chairman

OVERVIEW BY THE EXECUTIVE DIRECTOR



The year 2016 marked another historical moment at MEFMI as the Institute successfully completed the implementation of Phase IV Strategic Plan which commenced in 2012. As the Phase IV plan was coming to an

end, the year began with preparation of a strategic plan for Phase V. The strategic planning process was comprehensive and the outcomes from various analysis instruments endorsed the relevance of the institute and highlighted significant competitive factors which if well applied will be propellants in the next Phase. MEFMI will increasingly undertake country specific activities and continue organising regional workshops, to advance and support regional integration and harmonisation.

In support of Phase V strategic objectives, 2016 witnessed increased participation of MEFMI staff in networking as the Institute intensified efforts to mobilise resources, establish new partners and strengthen existing collaborations. New relationships with various players in both the private and official sector have been forged and agreements signed for the medium to long term. MEFMI will continue to build strategic partnerships with the long-term aim of equipping member states through the diverse knowledge and skills brought on-board.

In 2016, MEFMI launched its own e-Learning portal and conducted three courses on this new portal. The e-Learning portal will not only expand capacity building outreach and reduce the overall cost of delivery, it is largely expected to increase participation of female participants in MEFMI's capacity building activities, a development which dovetails with MEFMI commitment to mainstream gender. The e-Learning courses offered in 2016 had 1% higher female participation than in the regional activities, and this number is expected to grow going forward into Phase V.

Further milestones for the Institute in 2016 included the launch of various publications, especially

the book titled, "*Economic Management in a Hyperinflationary Environment: The Political Economy of Zimbabwe, 1980-2008*" commissioned jointly by MEFMI and African Capacity Building Foundation (ACBF), and published by Oxford University Press. Additionally, the Institute launched scalable guidelines which member countries can customise and develop country-specific frameworks. Similarly, the Institute commenced the development of studies and tools which when completed will support member countries in developing and adopting best practice in risk management and reducing reliance on credit rating agencies, and assessing the viability of public private partnerships as an alternative source of financing infrastructure projects by governments in the MEFMI region.

The capacity building activities conducted by the Institute in 2016 focused on achieving the strategic objectives of Phase IV. Some of the notable and specific outcomes of these human and institutional capacity building activities are: increased awareness of supervision principles, corporate governance and regulatory best practice for pensions, insurance and securities markets in member countries; improved implementation of legal reforms, which will spur the development of domestic financial markets in member countries; more member countries applying the principles of financial market infrastructures (PFMIs); enhanced capacity to leverage on digital technologies to promote financial inclusion; development of standard templates for improved monetary policy communication in our member countries; improved capacity in member countries to formulate and update medium term debt management strategies; increased capacity in member states to manage and implement public private partnerships (PPPs) based on best practice approaches, resulting in better value-for-money; enhanced awareness among debt managers in member countries on the alternative options for financing infrastructure projects and their cost and risk implications; and enhanced transparency and accountability in public financial management due to increased capacity of parliamentarians to scrutinize government policies and strategies. These notable outcomes, among others, are expected to feed into the next Phase (Phase V) and MEFMI will build



MEFMI EXCOM in session

on these to support economic growth and further enhance the fight against poverty.

The MEFMI Fellows' Development Programme (FDP) which aims to build a sustainable pool of experts in the region broadened scope by publishing a compendium of Fellows' papers on the MEFMI website. This move enhances accessibility of the papers to the public and other stakeholders and allows for citation. In addition, the first tracer study was conducted to obtain feedback on the impact of the programme. In 2016, MEFMI recorded a 2% increase in the use of MEFMI Fellows from 18% in 2015 to 20% in 2016 and it gives me great pleasure to highlight this increase which points to deliberate efforts to tap into this pool of existing, home-grown expertise for the delivery of products and services.

May I take this opportunity to thank the Board for their continued support of the Institute in carrying

out its mandate and achieving its 2016 objectives. MEFMI continues to grow and to expand its product base in line with the requirements from member countries and the Board support has been invaluable in this respect. The achievements, challenges and lessons learnt as the Institute has implemented capacity building activities in 2016, and Phase IV as a whole, have given us invaluable lessons for implementing the Phase V strategic plan.

In closing, it is with great pride that I express my appreciation for the work of the Secretariat staff, as well as our experts in the field for having supported the Institute's endeavour to build sustainable human and institutional capacity in the region.

Caleb M. Fundanga
Executive Director
MEFMI

EXECUTIVE SUMMARY

The year 2016 was significant for MEFMI's drive towards sustained capacity development for better formulation and implementation of macroeconomic and financial policies in the region. The Institute made significant progress in building capacity at regional and country level, developing and disseminating relevant tools, supporting and advising policy makers and regulators to implement internationally recognised standards and practices, and conducting studies and research. The year also marked the end of Phase IV Strategic Plan implementation period and the subsequent development and approval of Phase V Strategic Plan (2017 – 2021) by the Institute's governance structures. Phase V focuses on repositioning the Institute to deliver capacity building interventions that are relevant and cost effective to ensure value for money for member countries, financial cooperating partners and other relevant stakeholders. The planned interventions are also expected to consolidate the gains made in the previous years, while allowing flexibility to explore new and emerging issues within the Institute's core mandate.

The Institute conducted 84 capacity building activities in 2016, compared to 89 implemented in the preceding year. These activities, comprising country advisory missions, in-country workshops and regional trainings, were underpinned by the Phase IV Strategic Plan, while also informed by the Impact and Needs Assessment conducted in 2014 and the 2015 Mid – Term Review. The 6% decline in the number of capacity building activities conducted during the year largely reflects the reduction in the number of regional activities implemented from 37 in 2015 to 31 in 2016, as the Institute continues to shift its mode of delivery to more country specific interventions. Nevertheless, the number of in-country activities implemented remained stagnant at 42, as the first quarter of 2016 was dedicated to the preparation of the Institute's Phase V Strategic Plan (2017 – 2021). The main feature of capacity building activities was the expansion of the E-learning delivery method, as part of the Institute's effort to extend capacity building outreach and reduce the overall cost of delivery. Of the five (5) E - courses offered in 2016, three (3) were administered on the MEFMI portal following its launch in September 2016, while the remainder were administered on the UNITAR portal.

The capacity building activities of 2016 were facilitated by 282 resource persons, of which 90 (or 32%) were international experts (79 on gratis), 67 (or 24%) were regional experts, 57 (or 20%) were Fellows while 87 (or 24%) were MEFMI staff. The increase in the proportion of MEFMI staff and fellows utilised in the delivery of capacity building activities from 37% in 2015 to 44% in 2016 is in line with the Institute's objective of minimising the cost of delivery while maintaining efficiency and quality.

The courses, workshops, seminars, and fora benefited an increasing number of participants at all levels (junior, middle, senior and policy level executives). A total of 1,768 officials participated in MEFMI's capacity building activities, comprising 42% females and 58% males. Of the 1,768 officials, 240 (or 14% of the officials) were trained through E-learning, 873 (or 49%) through residential regional workshops, while 655 (or 37%) were trained through in-country face-to-face workshops. Besides expanding capacity building outreach and reducing the overall cost of delivery, E-learning showed potential to increase female participation in MEFMI's capacity building activities. Networking, staff development and governance activities increased to 69 in 2016, compared to 47 activities in 2015. This was mainly due to increased participation of MEFMI staff in networking as the Institute intensified efforts to mobilise resources, establish new partners and strengthen existing collaborations, among others. In line with the Institute's vision, mission and values, great strides were also made in 2016 to train and develop staff to keep them abreast with developments in their areas of specialisation. MEFMI continued to develop customised tools to support countries in adopting sound practices and policies. Major milestones included the dissemination of a book titled "*Economic Management in Hyperinflationary Environment: The Political Economy of Zimbabwe, 1980-2008*". The book provides important lessons to the region on public policy formulation, implementation and management in a crisis environment, as well as highlighting economic costs of certain policy measures instituted in a crisis situation. A "*Guideline on Risk Based Supervision for Banks*", which countries can customise and



Participants registering for a MEFMI event

use to develop their own Risk Based Supervision frameworks, was officially launched in October 2016. The Institute also commissioned a study on the “*Status and Performance of Public Private Partnerships in Eastern and Southern Africa region*” to assess the viability of this alternative source of financing infrastructure projects by governments. The Institute also commenced the development of an “*Internal Credit Risk Analysis Tool*” for Central Banks, a tool to assist member countries in the assessment of credit risk when managing their official foreign exchange reserves.

As part of continued initiative to develop and sustain a crop of more informed policy makers in the region, the Institute organised two executive fora: the Central Bank Governors’ Forum and Combined Forum. The Governors’ Forum discussed the implications of the adoption of the Chinese Yuan as part of the Special Drawing Rights basket of currencies, while the theme for the Combined Forum was “*Accelerating Economic Growth in the MEFMI Region: The Drivers, Prospects and Policy Implications*”. In addition, the Institute held its second flagship annual research and policy seminar under the theme “*Financing of Development*”. These series created awareness, fostered dialogue and exchange of knowledge critical in developing strategies to respond to emerging challenges and opportunities. Outcomes of the discussions also helped the Institute to refine its approach to capacity building in line with recommendations.

The other major milestone was the signing of the Grant Agreement with the World Bank under the Debt Management Facility (DMF) Phase II. The Grant, amounting to US\$854,706, will be utilized in the next four years (2016-2019) in the approved areas of capacity building for the MEFMI region. In

addition, the Institute continued to establish formal partnerships with private sector partners in order to widen the resource envelop and to tap on diverse knowledge and expertise. In 2016, General Electric supported MEFMI’s executive fora and have pledged continued support in the medium to longer term. In addition, new partnerships with Financial Sector Deepening Africa, Thompson Reuters and Barclays PLC were also established and this served to widen the pool of expertise available for MEFMI to utilize in capacity building activities.

The Institute conducted an assessment of its Monitoring and Evaluation (M & E) System and capacity in 2016. The assessment involved sensitisation of staff about the importance of the M & E System, interviews about the state of the current system and the existing capacity gaps. The report of this exercise forms a major input for developing and implementing the Phase V strategies, as well as the Integrated Management and Information System (IMIS). In addition, the Institute annually monitors its performance based on a comprehensive Results Measurement Framework (RMF). The detailed assessment of the performance is contained in the M & E report.

While it was clear from the evaluations that much progress has been made, delivery of capacity building activities was not without challenges. Some capacity building activities and requests for technical assistance from member countries were deferred due to budgetary constraints. In addition, some institutions in the region continue to experience high staff turnover as trained officials search for better terms and conditions of service outside the region, while the limited number of experts in some emerging areas constrained their effective delivery.

2016 MEFMI Combined Forum

United Accelerating Growth: Growth in the MEFMI Region;
The Drivers, Challenges and Policy Implications



2016 MEFMI Combined Forum in Session



I. RECENT ECONOMIC DEVELOPMENTS IN THE MEFMI REGION AND BEYOND

1.1. Global Developments

Global growth rate for 2016 is estimated at 3.1%, and is projected to pick up modestly to around 3.4% and 3.6% in both 2017 and 2018, respectively (WEO, 2017). The average 2016 growth rate, however, masks diverse developments in different income groups. For instance, there has been a stronger-than-expected growth in advanced economies, and an unexpected slowdown in some emerging market economies.

Advanced economies are estimated to have registered a 1.6% growth rate in 2016, driven by a strong rebound in the United States of America (USA) during the second half of the year. However, growth in other advanced economies, notably the Euro Area, is estimated to have remained below potential. The outlook for advanced economies indicates marginal change in growth rates to 1.9% and 2% in 2017 and 2018, respectively. This reflects the momentum picked from stronger activity in the second half of 2016, and projected fiscal stimulus in the USA. In addition, growth projections for Germany, Japan, Spain and the United Kingdom have been revised upwards on account of stronger than expected performance during the latter part of 2016. However, these projected growth rates remain uncertain, due to potential changes in the policy stance of the incoming USA administration and its global spill-overs.

Economic growth rate for emerging and developing economies in 2016 was estimated at 4.1%.

However, the pattern of growth across countries is far from homogeneous, suggesting that countries in this income group grew at diverging speeds. China grew stronger than expected, supported by continued policy stimulus, while growth in countries like Turkey, Brazil and Argentina was weaker-than-expected. Turkey faced a significant decline in its tourism industry, while Argentina and Brazil are currently in recession.

The outlook for emerging market and developing economies is favourable, with real GDP growth for 2017 and 2018 projected to accelerate to 4.5% and 4.8%, respectively. However, an in-depth analysis of the growth rates will unmask divergent developments in different countries. For instance, while expectations of policy support are expected to boost the Chinese economy, the continued reliance on policy stimulus measures raises the risk of a sharper slowdown or disruptive adjustment. Other countries in this group are facing various socio-economic challenges. For example, India is currently facing a temporary negative consumption shock induced by cash shortages and payment disruptions linked to the recent currency note withdrawal and exchange initiative. Emerging Asia is facing weaker-than-projected private investment and a slowdown in consumption and tourism. Latin America is facing tighter financial conditions, with increased headwinds from USA related uncertainty having affected Mexico and Venezuela, while the Middle East is battling civil strife and low oil production. Table I presents estimated global GDP growth for 2015 and 2016, and projections for 2017 and 2018.

TABLE I: ESTIMATES AND PROJECTIONS OF REAL GDP GROWTH (%)

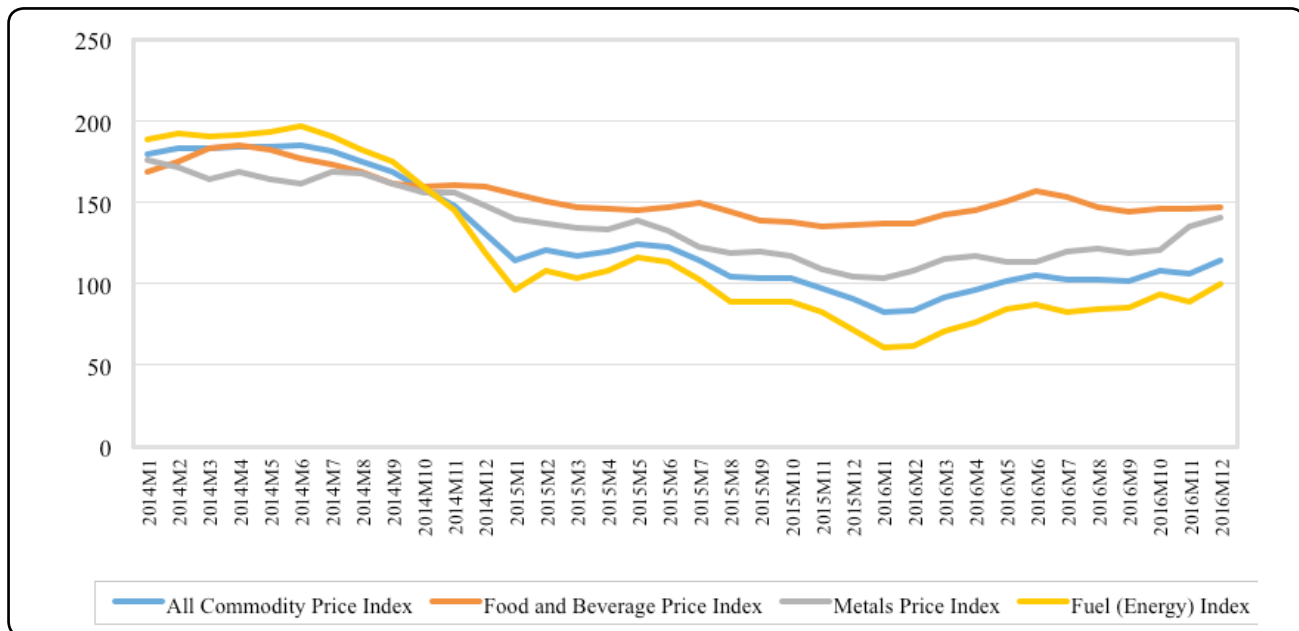
Country/Region	Estimates		Projections	
	2015	2016	2017	2018
World	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.6	1.9	2.0
United States	2.6	1.6	2.3	2.5
Euro Area	2.0	1.7	1.6	1.6
Japan	1.2	0.9	0.8	0.5
United Kingdom	2.2	2.0	1.5	1.4
Emerging Market and Developing Economies	4.1	4.1	4.5	4.8
Russia	-3.7	-0.6	1.1	1.2
China	6.9	6.7	6.5	6.0
India	7.6	6.6	7.2	7.7
Brazil	-3.8	-3.5	0.2	1.5
Sub-Saharan Africa	3.4	1.6	2.8	3.7
Nigeria	2.7	-1.5	0.8	2.3
South Africa	1.3	0.3	0.8	1.6

Source: IMF's World Economic Outlook Update, January 2017

Global commodity prices, which maintained a downward trend since the second quarter of 2014, recovered marginally in the first half of 2016, and stabilised in the third quarter (Chart I). The last

quarter of 2016 saw gains in energy and metal price indices, reflecting strong infrastructure and real estate investments in China, as well as expectations of fiscal easing in the USA.

FIGURE I: GLOBAL COMMODITY PRICE INDICES (2005=100)

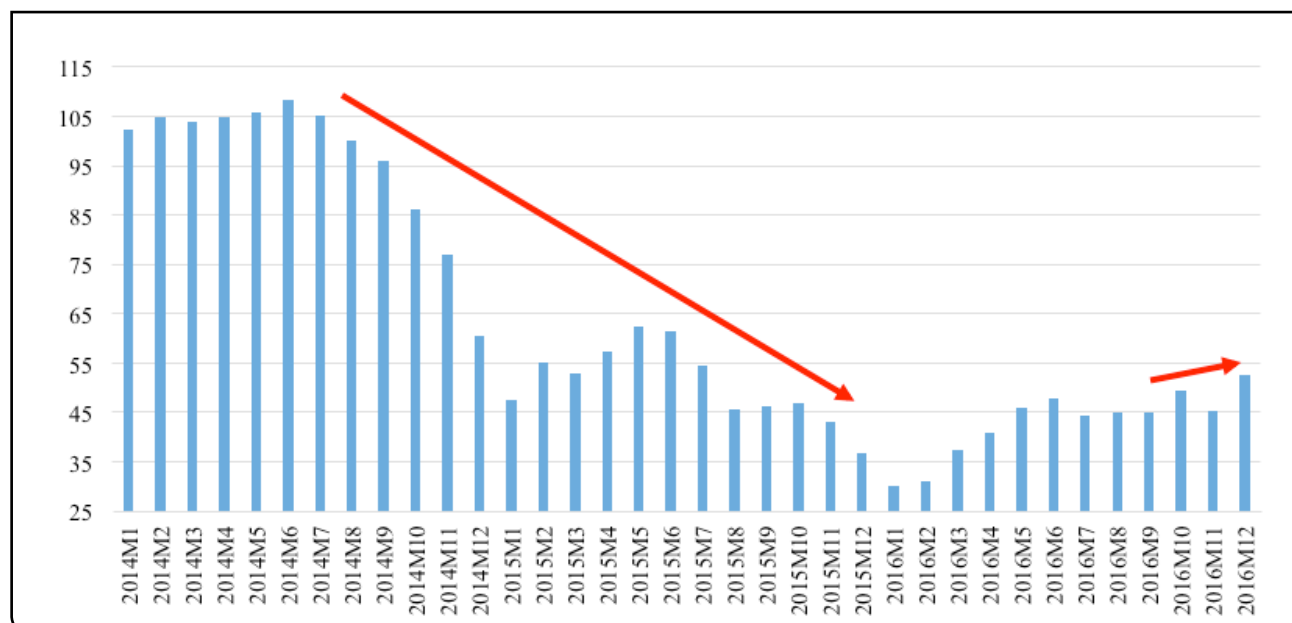


Source: IMF Commodity Price System, January, 2017

Crude oil price recovered slightly during the last half of 2016, due to agreements among major oil producers to trim supply. The price reached US\$55.6

per barrel as at December 2016, representing a 16.3% increase from November 2016 levels.

FIGURE 2: INTERNATIONAL CRUDE OIL PRICES



Source: IMF Commodity Price System, January, 2017

1.2. Sub-Saharan Africa

The Sub-Saharan African (SSA) region is estimated to have recorded its lowest level of economic growth in over two decades. After slowing to 3.4% in 2015, economic growth is estimated to have slowed to 1.6% in 2016, reflecting low international commodity prices and tight financial conditions. Growth prospects for the region's oil exporters deteriorated, notwithstanding the recent slight improvement in oil price. This is due to strong negative effects from weak oil prices transmitted to other sectors in the past two years. Thus, overall growth for oil exporters is estimated to have contracted by an average 5.2% in 2016, with Nigeria estimated to have slowed by 1.3% while Angola remained stagnant. Chad, Equatorial Guinea and South Sudan are estimated to have registered negative growth rates of -1.1%, -9.8% and -13.1%, respectively.

Growth in other resource intensive countries is estimated to have remained below target, due to

strong headwinds they faced. For instance, South Africa's growth pace was slow in the first half of the year as a result of low commodity prices and poor confidence. Similarly, low growth in other countries such as the Democratic Republic of Congo, Ghana, Zambia and Zimbabwe reflected movement in global commodity prices.

Non-resource intensive countries, on the other hand, continued to reap rewards of low oil prices, improved business environment and strong infrastructure investments, which enhanced their growth prospects. These countries, which include Côte d'Ivoire, Ethiopia, Kenya and Senegal are estimated to have grown by more than 6% in 2016.

Overall, SSA is expected to witness a moderate recovery of around 3% in 2017 if rigorous actions to correct macroeconomic imbalances and heightened policy uncertainty occurring in some of the region's largest economies are taken.

1.3. MEFMI Region

Just like in the SSA performance, economic activity in the MEFMI region remained weak, due to depressed global commodity prices. Major commodity exporters such as Angola, Botswana and Zambia were affected the most by these adverse developments. However, they are expected to scale down on their activities, which would consequently reduce their export revenues. On the other hand, low oil prices are expected to boost economic growth for most countries in the region, particularly those in east Africa. Growth for these countries is projected to be above 5% for 2017 and 2018, and this is expected to boost private consumption and investment growth.

Other challenges that the region faced include weakening exchange rates, which intensified inflationary pressures in Mozambique. Exogenous factors like droughts and floods are likely to exacerbate these challenges, particularly in Lesotho, Malawi, Mozambique and Swaziland. This will put

more pressure on budgetary and external positions of these countries as more subsidies might be required to mitigate effects of the shocks. Other fragile states such as Burundi are still facing volatile macroeconomic conditions, and remain delicate. Persisting currency shortages and weakening industrial production is expected to depress Zimbabwe's economic growth in 2017.

These developments imply the need for continued vigilance in policy making to cushion the region against adverse international conditions. Policy makers in the region are also encouraged to speed up implementation of economic diversification efforts in order to reduce the risk of over reliance on commodity exports. In addition, policy makers should consider policies that can provide economic balance in the short to medium term. It is on this basis that MEFMI stands ready to assist its Member States through in-country activities to come up with viable economic policy options.

TABLE 2: ESTIMATES AND PROJECTIONS OF REAL GDP GROWTH (%)

Country/Region	Estimates		Projections	
	2015	2016	2017	2018
MEFMI Region (Average)	3.3	3.1	3.8	4.6
Upper-Middle Income Countries				
Angola	3.0	0.0	1.5	2.4
Botswana	-0.3	3.1	4.0	4.3
Namibia	5.3	4.2	5.3	5.0
Lower –Middle Income Countries				
Lesotho	2.8	2.4	3.8	3.9
Swaziland	1.7	0.5	0.9	0.8
Kenya	5.6	6.0	6.1	6.5
Zambia	3.0	3.0	4.0	5.0
Low-Income Countries				
Burundi	-4.0	-0.5	2.0	4.5
Malawi	3.0	2.7	4.5	5.0
Mozambique	6.6	4.5	5.5	6.7
Rwanda	6.9	6.0	6.0	7.0
Tanzania	7.0	7.2	7.2	6.8
Uganda	4.8	4.9	5.5	5.9
Zimbabwe	1.1	-0.3	-2.5	0.0

Source: Data from IMF's World Economic Outlook Update, January 2017 and Income classification, World Bank



One of MEFMI Governance Meetings in session

2. PROGRAMME OBJECTIVES AND TARGETS

In 2016, MEFMI continued to implement capacity building activities in line with Phase IV Strategic Plan (2012 – 2016). The year 2016 was also dedicated to the development of the Institute's Strategic Plan for Phase V (2017-2021). The plan was finalised in the first half of 2016 and approved by the board in October 2016.

With regards to capacity building activities, the Institute implemented regional and in-country activities, as well as conducting studies and developing E-Learning materials. These activities were aimed at attaining Phase IV targets as outlined in Programmes' Results Measurement Framework (RMF). The objectives and targets of the activities conducted during the period under review were as follows:

2.1 MACROECONOMIC MANAGEMENT PROGRAMME

In 2016, the Macroeconomic Management Programme (MMP) continued to implement capacity building activities in line with the MEFMI Phase IV Strategic Plan that sought to address the capacity challenges in the region. These interventions were geared towards the attainment of the 2016 targets as indicated in the Programme's RMF, namely to:

- Increase the number of Member States using the MEFMI modelling and forecasting manual, and functional macroeconomic models to 61% from 50% in 2015;
- Increase the percentage of countries using the MEFMI Private Capital Monitoring System (PCMS) to 84% from 77% in 2015;
- Increase the percentage of countries using Financial Programming Frameworks to 54% from 45% in 2015;
- Achieve 46 percentage of countries using the latest harmonized IMF's Balance of Payments and International Investment Position (BOP/IIP) Manual (BPM6);
- Increase the percentage of countries using the Government Financial Statistics (GFS, 2001) to 32% from 24% in 2015;
- Increase the percentage of countries using the System of National Accounts (SNA, 2008) to 40% from 24% in 2015; and
- Increase the number of evidence-based research studies.

2.2 DEBT MANAGEMENT PROGRAMME

The Programme's activities were underpinned by the Phase IV Strategic Plan, while also taking into account the dynamic nature of public debt management

in Member States, as espoused in the MEFMI Impact and Needs Assessment of 2014, the 2015 Mid-Term Review, Debt Management Performance Assessments, as well as lessons from implementing capacity building activities. The activities in 2016 comprised country advisory missions to Member States, in-country workshops and regional trainings on public debt management. These interventions were geared towards achieving the 2016 targets as articulated in the Programme's RMF, namely to:

- Increase the number of Member States that meet minimum requirements for effective debt management in legal and institutional frameworks to 80%, from 77% in 2015;
- Increase the number of Member States undertaking debt sustainability analysis with minimum external support to 85%, from 77% in 2015;
- Increase the number of countries considering Debt Sustainability Analysis (DSA) outputs in their fiscal and monetary policies to 70%, from 69% in 2015;
- Increase the number of countries with documented and approved Medium Term Debt Strategies (MTDS) to 80%, from 77% in 2015;
- Increase the number of countries using Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) Version 2.0 to 85%, from 75% in 2015; and
- Assist 70% of Member Countries to begin publishing Debt Bulletins as compared to 69% at the end of 2015.

2.3 FINANCIAL SECTOR MANAGEMENT PROGRAMME

The year 2016 saw the Financial Sector Management (FSM) programme design and roll-out various technical interventions both at regional and country level. The activities aimed to address both existing and emerging challenges and build on opportunities materialising in the region's monetary and financial sectors. These initiatives were based on the Phase IV strategic plan and crafted to align with feedback received during the mid-term review, impact and needs assessment exercise and suggestions and contributions received during capacity building activities. These interventions were geared towards

achieving the 2016 targets as articulated in the Programme's RMF, namely to:

- increase the percentage of countries with documented bank supervision procedures and guidelines from 20% to 60%;
- increase the percentage of countries implementing supervisory international best practice from 10% to 40%;
- increase the percentage of countries with sound payment systems legal and regulatory frameworks from 46% to 69%;
- increase the percentage of countries that have adopted the Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of the International Organization of Securities Commissions (CPSS-IOSCO) principles from 15% to 77%;
- increase the number of countries with well-developed financial risk frameworks from 0 to 50%;
- increase the percentage of countries adopting an Enterprise-wide Risk Management (ERM) framework from 0 to 38%;
- increase the percentage of countries that have adopted policies and practices to deepen and widen financial markets from 23% to 61%;
- increase the percentage of countries that lengthened their yield curve beyond 5 years from 30% to 76%;
- increase the percentage of countries with fully operational payment systems oversight divisions from 46% to 85% ;
- increase the percentage of countries processing at least 80% of their transactions in real time from 40% to 70%;
- increase the percentage of countries adopting best practice in reserves management (e.g Benchmarking, Investment Committees, Segregation of duties) from 53% to 81%; and
- train at least 2,780 officials

2.4 MULTI-DISCIPLINARY ACTIVITIES

The Multi-Disciplinary Activities (MDA) Department is a strategic business unit which falls under the direct supervision of the Executive Director, and is primarily responsible for the coordination and management



Some MEFMI staff members and some participants at the 2016 MEFMI Annual Research and Policy Seminar

of all activities that straddle the business and affairs of the Institute. As such, the MDA Department is the arm through which the strategic and operational orientation of the Institute is driven.

The major operational areas of the Department are:

- a) Multidisciplinary Activities
 - Executive Fora
 - Governance meetings
 - Fellows Development Programme (FDP)
 - Training of Trainers Programme (TTP)

- b) Planning, Monitoring and Evaluation

- c) Public Relations and Networking

The Department contributes to the general aims of the organisation through the following targets for Phase IV:

- 90% of Candidate Fellows to graduate;
- 60% of Graduated Fellows to be accredited; and
- Documented comprehensive Results Measurement Framework.

3. MEFMI ACTIVITIES IN 2016

In 2016, the Institute implemented a total of 84 capacity building activities, compared to 89 implemented in the preceding year, representing a 6% decline over the period (**Table 3**). This largely reflects the reduction in the number of regional activities implemented, as the Institute shifts its mode of delivery to more country specific interventions. Nonetheless, the number of in-country activities implemented during the year remained at the same level as the previous year, as part of the first quarter of the year was dedicated to the preparation of the Institute's Phase V Strategic Plan (2017 – 2021). On the other hand, e-learning courses offered during the year increased by 25% as part of the Institute's effort to extend capacity building outreach and reduce the overall cost of delivery. The networking, staff development and governance activities increased to 77 in 2016, compared to 47 activities in 2015. This was mainly due to increased participation by MEFMI staff in networking activities as the Institute intensified efforts to mobilise resources, establish

new partners and strengthen existing collaborations, among others. In line with the Institute's vision, mission and values, great strides have also been made in 2016 to train and develop staff to keep them abreast with developments in their areas of specialisation.

Major milestones for the Institute during the period under review included the drafting and approval of the Phase V Strategic Plan by the Board of Governors, roll-out of 3 e-learning courses on the MEFMI portal, launch of the book on *Economic Management in a Hyperinflationary Environment: The Political Economy of Zimbabwe, 1980-2008*, finalisation of MEFMI's *Risk Based Supervision guidelines* and signing of the Grant Agreement with the World Bank under the Debt Management Facility (DMF) Phase II. The Grant, amounting to US\$854,706, will be utilized in the next four years (2016-2019) in the approved areas of capacity building for the MEFMI region.



Joint MEFMI/FSI/Toronto Centre Seminar on The Basel Framework and Macroprudential Surveillance

TABLE 3: CAPACITY BUILDING ACTIVITIES: 2012 - 2016

ACTIVITIES	2012	2013	2014	2015	2016
Regional Workshops					
(a) Residential	29	21	30	33	26
(b) E-learning	0	0	0	4	5
Total Regional Workshops	29	21	30	37	31
In-country capacity building activities					
(a) In-country Workshops	14	30	19	27	28
(b) Country Missions	23	20	27	15	14
Total In-Country Activities	37	50	46	42	42
Other Activities					
Executive Fora	1	2	1	4	2
Fellows Development Programme Activities	2	4	1	2	1
Specialised Studies	3	1	3	4	4
Research and Policy Seminars	0	0	0	4	4
Total Other Activities	6	7	5	14	11
Total Capacity Building Activities	72	78	81	93	84
Governance Meetings	6	7	5	6	8
Staff Development				5	12
Networking	27	27	29	36	57
Sub-total	33	34	34	47	77
Grand Total (All Activities)	105	112	115	140	161

Source: MEFMI Database 2016

a) Regional Capacity Building Activities

The Institute conducted 31 regional activities in 2016 comprising residential workshops and e-learning courses, compared to 37 conducted in 2015. Five (5) of the regional activities were e-learning courses, of which three (3) were administered on the MEFMI e-learning portal launched in September 2016, while the remainder were administered on the UNITAR portal. The regional activities addressed some generic capacity gaps that are common in client institutions.

The subject areas covered included Balance of Payments Compilation and Analysis using IMF BPM6; Monetary Policy Formulation and Analysis; Inclusive Growth; Compilation and Reporting of National Accounts Statistics based on SNA (2008); Natural Resources Policy and Contract

Negotiation; Advanced Modelling and Forecasting; Government Finance and Public Sector Debt Statistics Compilation and Reporting; Debt Sustainability Analysis; Domestic Debt and Lending Instruments; Public Debt and Macroeconomic Management; Public-Private Partnerships (PPPs); Debt Management Performance Assessment (DeMPA); Market Risk Indexation of Treasuries and Performance Measurements; Supervision of Non-Bank Financial Institutions; DMFAS Functional and Technical training; Selection and Management of External Fund managers; Application of the Principles for Financial Market Infrastructures (PFMIs); Inflation Targeting and Micro-prudential Stress Testing. The Institute also held five (5) seminars for Heads of Financial Markets, Bank Supervision Payment Systems, and Public Debt Management Offices. The e-learning courses covered Fundamentals of Financial

Markets; Introduction to Macroeconomic Modelling and Forecasting; Introduction to Public Expenditure and Financial Management; Foundations of Public Debt Management; and Fundamentals of Payment systems.

A total of 1,113¹ officials participated in the regional activities, comprising 41% females and 59% males. Of the 1,113 officials, 240 (or 22% of the officials) were trained through e-learning, with females participants accounting for 45% of the total officials trained through this delivery methodology. Besides expanding capacity building outreach and reducing the overall cost of delivery, e-learning delivery has shown potential to increase participation of female in MEFMI's capacity building activities. **Annex I** provides details of the regional activities conducted in 2016.

b) In-Country Capacity Building Activities

In-country capacity building activities include customized country workshops and missions conducted in response to specific country requests. These were designed to address specific needs of client institutions through needs assessments, advisory and preparation of reform plans, and implementation of sound practices. In 2016, the Institute conducted a total of 42 in-country activities, the same number of activities implemented in the preceding year. This was achieved despite that the first quarter of 2016 mainly focused on designing the Phase V Strategic Plan, which led to postponement of several in-country activities.

Of these activities, 67% were in-country workshops while the remainder were country missions. A total of 655 officials were trained during in-country workshops, of which 44% were female and 56% male. The in-country capacity building activities focused on the following areas:

- (i) Medium - Term Debt Management Strategy training for Botswana, Kenya, Rwanda, Tanzania, Zambia and Zimbabwe;
- (ii) Debt Sustainability Analyses for Lesotho, Malawi, Tanzania and Zimbabwe;

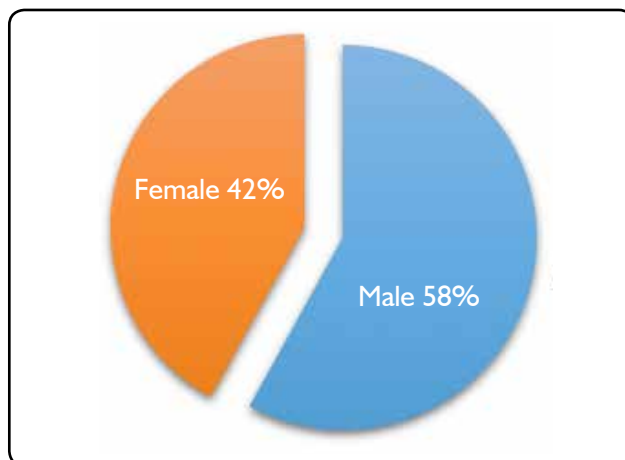
- (iii) Follow-up mission on the assessment of operational readiness of Namibia to establish a revenue authority;
- (iv) Follow-up mission on skills audit for the National Bank of Rwanda;
- (v) Intermediate Bank Supervision for the Bank of Zambia;
- (vi) Seasonal adjustment of macroeconomic time series data for Central Bank of Lesotho;
- (vii) Follow-up missions on Developing a Financial Programming Framework for Zimbabwe;
- (viii) PCMS training for Botswana, Kenya and Rwanda;
- (ix) Drafting Public Debt Management Guidelines and Procedure Manuals for Zimbabwe;
- (x) Debt Reform Plan mission for Rwanda;
- (xi) Foundations of public debt management, debt management performance assessment (DeMPA), sovereign bond issuance, financial negotiation techniques and skills for Mozambique;
- (xii) Debt Statistics Compilation and Reporting training for Zimbabwe;
- (xiii) Public debt audit training for Zimbabwe;
- (xiv) Payment systems oversight mission for the Central Bank of Lesotho;
- (xv) Foreign Exchange, Derivatives and Risk Management training for Reserve Bank of Malawi;
- (xvi) In Country Mission on Bank Supervision for Lesotho;
- (xvii) Country mission on Financial stability for Swaziland (Implementation of COMESA framework for Financial stability);
- (xviii) PFMI training for the Central Bank of Lesotho;
- (xix) Training on Contemporary Issues in Taxation for Zimbabwe;
- (xx) Mission on Developing a Revenue Forecasting Model for the Zimbabwe Revenue Authority; and
- (xxi) Phase I on development of an Internal Credit Risk Analysis Tool for management of Official Foreign Exchange Reserves for the MEFMI region.

¹ This figure includes officials who attended the Central Bank Governors' (28) and Combined Forum (123)

3.1 PARTICIPATION IN CAPACITY BUILDING ACTIVITIES

A total of 1,7682 officials were trained in the regional and in-country capacity building activities conducted in 2016, comprising 58% male and 42% female (Figure 3). This composition largely reflects the staffing patterns in client institutions, especially for professional officials that the Institute targets.

FIGURE 3: PARTICIPATION BY GENDER IN 2016 (% OF TOTAL)



Source: MEFMI Database 2016

3.2 RESOURCE PERSONS UTILISATION BY CATEGORY

The Institute utilises the services of regional and international experts, MEFMI staff and Fellows as well as Trained Trainers to deliver its services and products. A total of 282 resource persons were utilised in 2016, of which 90 were international experts (79 on gratis), 67 were regional experts while 125 were MEFMI Fellows and MEFMI staff (Table 4 and Figure 4). A high proportion of facilitation by MEFMI staff, Fellows and gratis resource persons is in line with the Institute's effort to minimise the cost of delivering capacity building activities while maintaining efficiency and quality.



Collage of 2016 MEFMI Activities

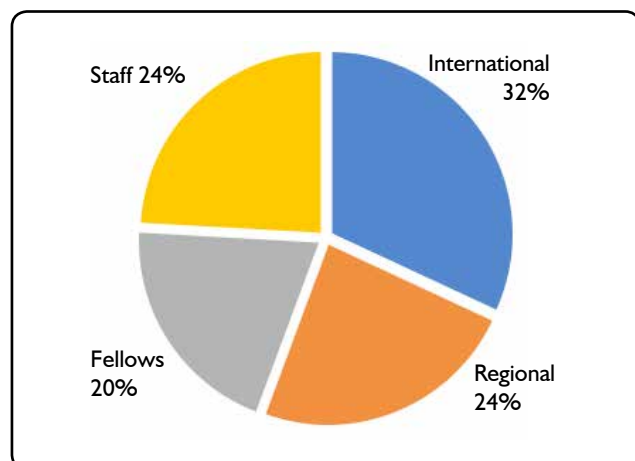
²This figure includes officials who attended the Central Bank Governors' (28) and Combined Forum (123)

TABLE 4: RESOURCE PERSONS' UTILISATION IN 2016

Programme	International		Regional	Fellows	MEFMI	Total
	Paid	Gratis			Staff	
MACRO	0	9	21	14	13	57
DEBT	7	37	28	21	43	136
FSM	3	28	14	22	12	79
MDA	1	5	4	0	0	10
F&D	0	0	0	0	0	0
Total	11	79	67	57	68	282
% of Total	4%	28%	24%	20%	24%	100%

Source: MEFMI Database 2016

FIGURE 4: PERCENTAGE OF RESOURCE PERSONS' UTILISATION IN 2016



Source: MEFMI Database 2016

1.3.1. Fellows Development Programme

The Fellows' Development Programme (FDP) aims at building a sustainable pool of experts in the region to complement MEFMI's capacity building efforts in client institutions. The strategic direction for improving the Programme during Phase IV was geared towards sustaining competitive recruitment of Fellows. The Programme was focused on developing a demand-driven curriculum, covering

new areas as a way of enhancing the traditional offerings. Focus in the Phase IV period was on recruiting fellows in the areas that still had a small pool of regional experts. It was also expected that the strengthening of advocacy and awareness in non-participating countries would increase the number of MEFMI Fellows. Recruiting mid-career level Fellows, while increasing the utilisation threshold of skilled Fellows from 40%, aimed at ensuring an appropriate balance of pairing with international resource persons in capacity building activities.

During the period under review, 41 Fellows attended various capacity building activities while five (5) went for attachment as part of their Customised Training Plans (CTPs). A total of 57 Fellows facilitated MEFMI's regional workshops and in-country activities, representing 20% of all the resource persons utilized in 2016, compared to 18% in 2015. Of the Fellows utilized during the period under review, 28 were Accredited Fellows, 25 were Graduate Fellows and four (4) were Candidate Fellows. The increased proportion of Fellows utilization in 2016 was due to deliberate efforts by the Institute to tap on home-grown expertise in delivering its products and services. **Table 5** shows the attendance and utilization of Fellows in capacity building activities in 2016.

TABLE 5: FELLOWS CAPACITY BUILDING AND UTILIZATION IN 2016

Pro-gramme	Capacity Build- ing Attendance		Fellows Utilisation						General Utilisation			
	Work- shops	Attach- ment	Resource Persons at Workshops			Consultants at Missions			Type of Resource Person			
			Type of Fellow			Type of Fellow						
			Candi- date	Gradu- ate	Accred- ited	Candi- date	Gradu- ate	Accred- ited	Intern- ational	Region- al	Fellows	MEFMI Staff
MACRO	10	3	0	7	2	1	3	2	9	21	15	13
FSM	8	2	0	2	4	0	5	10	44	28	21	43
DEBT	8	0	0	4	3	3	4	7	31	14	21	12
MDA	15	0	0	0	0	0	0	0	6	4	0	0
F&A	0	0	0	0	0	0	0	0	0	0	0	0
Total	41	5	0	13	9	4	12	19	90	67	57	68
								Percentage of total	32%	24%	20%	24%

Source: MEFMI Database and Reports, 2016



The Fellows' Development Programme training on workshop facilitation skills

3.2.2 Fellows Enrolment Status

As at end-December 2016, MEFMI had a total of 132 Fellows enrolled into the Programme, comprising 37 females (28%) and 95 males (72%). Of these, 26

(or 20%) are Candidate Fellows, 57 (or 43%) are Graduate Fellows while 49 (or 37%) are Accredited Fellows as shown in **Table 6**.

TABLE 6: FELLOWS STATUS BY PROGRAMME, COUNTRY AND GENDER AS AT END-2016

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	1(0)	0	0	0	0	0%	1(0)
Burundi	0	0	0	0	0	0	0	0	0	0%	0(0)
Kenya	2(0)	2(1)	2(1)	0	3(3)	4(0)	1(1)	4(1)	0	39%	18(7)
Lesotho	0	1(1)	0	0	1(1)	3(2)	0	1(1)	2(0)	63%	8(5)
Malawi	1(0)	1(0)	2(1)	1(0)	3(1)	2(0)	0(0)	4(2)	1(0)	27%	15(4)
Mozambique	1(0)	0	0	0(0)	2(0)	0	0	0	0	0%	3(0)
Namibia	1(1)	1(0)	0	0	1(0)	1(0)	0	2(1)	0	33%	6(2)
Rwanda	1(0)	0	0	0(0)	2(1)	0	0	1(0)	0	25%	4(1)
Swaziland	0	0	1(0)	0	0	0	0	3(0)	0	0%	4(0)
Tanzania	1(0)	3(0)	1(0)	2(0)	1(1)	4(1)	2(0)	3(1)	3(0)	14%	20(3)
Uganda	1(0)	1(0)	0	3(3)	1(1)	4(0)	2(1)	3(0)	3(0)	28%	18(5)
Zambia	0	2(1)	1(0)	2(1)	2(1)	3(0)	1(1)	1(1)	3(0)	33%	15(5)
Zimbabwe	3(0)	1(1)	3(0)	1(1)	0(0)	6(2)	0	5(1)	0	26%	19(5)
% of Females	9%	33%	20%	56%	53%	19%	50%	29%	0%	28%	
Total	11(1)	12(4)	10(2)	9(5)	17(9)	27(5)	6(3)	28(8)	12(0)		132(37)

Note: Figures in brackets denote number of female Fellows. The figures exclude: 6 fellows who were discontinued, 5 who are deceased, and 4 who withdrew from the programme.

Source: MEFMI Database 2016

3.2.3 Other Activities on the Fellows Programme

A compendium of Fellows' papers was published in 2016 and papers are accessible to Fellows in training, policy makers and other researchers on-line via the MEFMI website: <http://mefmi.org/mefmifellows/>

A tracer study was conducted to obtain feedback about the impact of the Programme as well as update the database of Fellows. In addition, a guide to writing a MEFMI accreditation paper was developed to standardise and improve the quality of accreditation papers.

3.3 TRAINED TRAINERS PROGRAMME

The Trained Trainers Programme has so far enrolled 29 officials from 13 member states, of which five (5) are females and 24 are males. This number excludes the officials who have been trained as trainers in specific areas of competence by the departments. Tables 7 and 8 show the number of trained trainers by Programme and Country.

A total of eight (8) trained trainers facilitated workshops during the period under review. This number excludes Fellows who have also been trained as trainers under their respective programmes.

TABLE 7: STATUS OF TRAINED TRAINERS BY PROGRAMME AS AT END-2016

Programme	1 st General in take (2010)	2 nd General in take (2015)	Total
Macroeconomic Management	4(0)	6(1)	10(1)
Financial Sector Management	2(0)	5(1)	7(1)
Debt Management	6(1)	6(2)	12(3)
Total	12(1)	17(4)	29(5)

Note: Figures in brackets denote-number of females.

Source: MEFMI Database 2016

TABLE 8: STATUS OF TRAINED TRAINERS BY COUNTRY AS AT END-2016

Country	1 st Intake	2 nd Intake	Total
Angola	0(0)	1(0)	1(0)
Burundi	0(0)	0(0)	0(0)
Botswana	0(0)	1(0)	1(0)
Kenya	1(0)	2(1)	3(1)
Lesotho	1(1)	1(1)	2(2)
Malawi	2(0)	1(0)	3(0)
Mozambique	1(0)	1(0)	2(0)
Namibia	0(0)	1(0)	1(0)
Rwanda	1(0)	1(0)	2(0)
Swaziland	0(0)	2(0)	2(0)
Tanzania	1(0)	2(1)	3(1)
Uganda	2(0)	2(0)	4(0)
Zambia	1(0)	1(1)	2(1)
Zimbabwe	2(0)	1(0)	3(0)
% of Females	8%	24%	18%
Total	12(1)	17(4)	29 (5)

Note: Figures in brackets denote-number of females.

Source: MEFMI Database 2016

3.3.1 Studies and Publications

The Book entitled “**Economic Management in Hyperinflationary Environment: The Political Economy of Zimbabwe, 1980-2008**”, was published by Oxford University Press, and officially launched in March 2016. The book documents the socio-economic challenges and mechanisms adopted by economic agents in Zimbabwe during the crisis period (2000-2008). It provides important lessons to the region on public policy formulation, implementation and management in a crisis environment, as well as highlighting economic

costs of certain policy measures instituted in a crisis situation. The book can be ordered from the Oxford University Press and Amazon.

The study on Risk Based Supervision for banks which commenced in 2015 was finalised in May 2016. The study outcome is a **Guideline on Risk Based Supervision for Banks** which countries can adopt and use or customise to develop their own Risk Based Supervision frameworks. The study was officially launched in October 2016 during the MEFMI Combined Forum in Washington DC. It is



Some officials during an opening session of a MEFMI event

available on the MEFMI website³ and hard copies can be ordered from the Secretariat.

The Institute commissioned a study on the **“Status and Performance of Public Private Partnerships (PPPs) in Eastern and Southern Africa region”**. The study assessed the viability of PPPs as an alternative source of financing infrastructure projects by governments in the MEFMI region. Specific objectives of the study were to: (a) Assess whether PPPs are a viable mechanism for financing infrastructure development; (b) Identify key challenges of and good practices in PPPs implementation; and (c) Provide recommendations on how best to structure PPP arrangements for effective execution and achievement of desired outcomes. The Study covered six countries, namely: Lesotho, Malawi, Zimbabwe, Tanzania, Kenya and Uganda.

³www.mefmi.org

The Institute also continued work on developing the **“MEFMI Guidelines for Quarterly GDP, Early Estimates and Measuring the Non-Observed Economy”** during the period under review. The first draft was completed in June 2016, circulated for peer review and is expected to be published in 2017.

MEFMI also commenced the development of an **Internal Credit Risk Analysis Tool** for Central Banks. The tool is expected to assist member countries in the assessment of credit risk when managing official foreign exchange reserves and will complement information produced by credit rating agencies. An inaugural model analysis and methodology adoption workshop for the technical working group that had been tasked to develop the tool was conducted. The Institute expects to finalise the study in 2017.

4. OUTCOMES AND ACHIEVEMENTS

4.1 MACROECONOMIC MANAGEMENT PROGRAMME

During 2016, MMP implemented eight (8) regional activities and twelve (12) in-country activities.

Three of the regional activities were conducted jointly with IMF, namely: Compilation of Balance of Payments statistics using the IMF BPM6, workshop on Inclusive Growth and a course on System of National Accounts (SNA2008). The Programme conducted regional workshops on Monetary Policy Formulation and Analysis, Advanced Macroeconomic Modelling and Forecasting; and a joint MEFMI/IDEP course on Natural Resources Policy and Contract Negotiation. The Programme also delivered two (2) e-learning courses in 2016, namely Introduction to Macroeconomic Modelling and Forecasting, and Introduction to Public Expenditure and Financial Management.

Of the twelve (12) in-country activities, five (5) were follow-up missions which included the following; one (1) in Namibia and two (2) each in Rwanda and Zimbabwe. Two Programme Managers in MMP participated as consultants in the Institute-wide follow-up missions to the National Bank of Rwanda on skills gap analysis. The Namibia follow-up mission provided technical assistance on the operational readiness of the proposed Namibia Independent Revenue Authority (NAMRA). The follow-up missions in Zimbabwe were for the on-going phased technical assistance to develop a financial programming framework for the Reserve Bank of Zimbabwe and related institutions. These were third and fourth follow-up missions to be implemented. The fifth and concluding mission will be held in the first quarter of 2017. The rest of the in-country activities included PCMS missions to Kenya, Botswana and Rwanda; a mission on modern techniques of seasonal adjustment of macroeconomic time series data for the Central Bank of Lesotho; mission on developing a revenue forecasting model for the Zimbabwe Revenue Authority; and workshops on contemporary issues in taxation and on financial programming and policy analysis for the Ministry of Finance and Economic Development of Zimbabwe.

In addition, the Programme conducted a retreat for the Phase V Strategic Plan and a PCMS Upgrade and Maintenance mission in Harare, Zimbabwe in January 2016.

The outcomes from the MMP interventions in 2016 are summarised as follows:

- (i) In the regional course on BOP, participants from 12 MEFMI countries were equipped with knowledge on the applied aspects of compilation and dissemination, drawing from the IMF BPM6 and its 2014 Compilation Guide. It is expected that the skills imparted will go a long way in ensuring high quality data is produced by Member States.
- (ii) The course on monetary policy formulation and analysis equipped 30 participants with comprehensive knowledge of monetary policy formulation, analysis and transmission mechanisms. It also enabled exchange of country experiences and challenges in monetary policy formulation and analysis in the region. It is expected that the skills acquired by the participants will feed into evidence-based monetary policy formulation.
- (iii) The workshop on inclusive growth equipped participants with knowledge and interpretation of measures of poverty and inequality, and enhanced their skills in analysing macroeconomic policies and growth diagnostics.
- (iv) The course on National Accounts equipped participants with knowledge on the concepts and the applied aspects of compilation of national accounts, based on the SNA (2008) methodology. It also enhanced knowledge of participants on dissemination practices that include time series, revisions, discrepancies and quarterly series.
- (v) The e-learning course on introduction to macroeconomic modelling and forecasting imparted knowledge to 45 participants on

data analysis, building of a macroeconomic model, forecasting time series data, analysis and interpretation of model output. A large number of people from outside the region made enquiries for participation in the course, suggesting the usefulness of macroeconomic modelling and forecasting skills.

- (vi) The regional workshop on advanced macroeconomic modelling and forecasting was a follow-up to the introductory concepts covered in the e-learning course. It equipped participants with advanced modern econometric techniques of macroeconomic modelling and forecasting such as DSGE, FPAS, ARCH, GARCH, GMM, and VAR models.
- (vii) The regional workshop on Natural Resources enhanced participants' knowledge on natural resources policies and negotiation of mining contracts. The course also introduced participants to the Africa Mining Vision and its domestication at country and regional levels.
- (viii) The e-learning course on Public Expenditure and Financial Management deepened participants' knowledge on fiscal planning, policy analysis, taxation and external resource mobilization. It also imparted knowledge on the Medium-Term Framework; public financial management reforms; and institutional and legal frameworks.
- (ix) The first follow-up mission to Rwanda on skills gap analysis led to the design and review of standardized forms for all directorates covering functional roles, competencies, managerial, other skill, institutional aspects and proposed solutions. The second follow-up mission culminated in a report on the skills audit for BNR with identified skills gaps and recommendations.
- (x) The mission to Namibia conducted a comprehensive review on the operational readiness of the new agency and reviewed the NAMRA bill. A report with recommendations to assist the Task Force in the implementation of the remaining transitional activities in setting up NAMRA was completed and transmitted to the authorities in Namibia.
- (xi) During the PCMS upgrade and maintenance mission at the Secretariat, the system was successfully updated and the back end formula finalised for the new version. In addition, a help desk tool was created which will enable user queries to be logged in and addressed more timeously.
- (xii) The PCMS mission to Rwanda led to the successful download and customisation of the system on the National Bank of Rwanda's Local Area Network (LAN).
- (xiii) The follow-up mission to Zimbabwe on financial programming completed the iterative process of forecasting the four macroeconomic accounts and produced a complete baseline forecasting scenario for 2016 and 2017. The Financial Programming and Policy (FPP) Framework for Zimbabwe was officially launched at the end of the mission.
- (xiv) The third follow-up mission to Zimbabwe made substantial progress towards completion of the financial program. It also achieved elimination of most of the inter-account inconsistencies within the datasets.
- (xv) The Lesotho mission on seasonal adjustment of macroeconomic time series data provided technical training on various methods of seasonal adjustment of data to sixteen (16) participants. During this mission, practical exercises were demonstrated in JDemetra+ and EViews, and each participant went through the exercises on their own, on a step-by-step basis, with guidance from the expert. The practical exercises were based on the time series data for Lesotho.
- (xvi) The in-country workshop on Contemporary Issues in Taxation provided officials from the Ministry of Finance and Economic Development of Zimbabwe with knowledge and technical skills that guide tax policy. It also enhanced their knowledge of recent developments in taxation that affect the tax structure of Zimbabwe.
- (xvii) The PCMS workshop in Botswana enhanced knowledge of officials from the Bank of Botswana's BOP section on Foreign Private

Capital (FPC) concepts and use of financial statements for validation. The officials were also equipped with hands-on skills on the functionalities of the enhanced version of PCMS, Version 3. Furthermore, officials carried out and signed off a User Acceptance Test confirming the integrity of the PCMS Version 3 for use in their next FPC Survey in 2017.

- (xviii) The in-country workshop on Financial Programming and Policy Analysis for the Ministry of Finance and Economic Development of Zimbabwe equipped participants with the knowledge and technical skills of developing a Financial Programme and developed a rudimentary version of a baseline forecasting scenario using the Zimbabwe dataset.
- (xix) The in-country PCMS mission to Kenya National Bureau of Statistics enhanced knowledge of officials in concepts underlying FPC compilation and reporting. It equipped participants with hands-on training on the enhanced functionalities of the PCMS. It also facilitated the capture of data into the system of 300 questionnaires, generated the output reports, and equipped participants with skills to validate the output.
- (xx) The mission on revenue forecasting for ZIMRA equipped participants with the knowledge and technical skills of developing a revenue forecasting model; and facilitated the development of personal and corporate income tax models.

4.2 DEBT MANAGEMENT PROGRAMME

The DMP conducted eleven (11) regional and twenty-three (23) in-country activities in 2016. These were in addition to the Programme's Phase V Strategic planning retreat held in Harare, towards the end of January 2016. The regional activities were: Debt Sustainability Analysis conducted jointly with the IMF and World Bank; Government Finance and Public Debt statistics compilation and reporting, conducted jointly with the IMF; Managing domestic debt and lending instruments using CS-DRMS conducted jointly with the Commonwealth Secretariat; Public debt and macroeconomic management; Management of Public-Private

Partnerships; Debt Management Performance Assessment conducted jointly with the World Bank; DMFAS Functional and Technical training conducted jointly with UNCTAD; Debt Managers Seminar on alternative sources of development finance; Domestic debt and financial markets operations and management; Seminar for parliamentarians on public debt and macroeconomic management; and an E-learning course on Foundations of Public Debt Management

The In-country activities included training on designing medium-term debt management strategies for Botswana, Kenya, Rwanda, Tanzania, Zambia and Zimbabwe. Technical assistance was also provided to Mozambique on Foundations of public debt; Debt Management Performance Assessment; Sovereign Bond Issuance; and Financial Negotiation Techniques and Skills. The Programme also provided technical assistance on debt sustainability analysis to Lesotho, Malawi, Tanzania and Zimbabwe. Zimbabwe was assisted in drafting a debt bulletin and several debt management manuals and guidelines. Swaziland was assisted in cash-flow forecasting and cash balances management, while capacity was also built in Uganda on the use of DMFAS.

The main outputs and outcomes of these activities are summarised below:

- (i) There is improved capacity in Member States to formulate debt management policies and strategies due to technical assistance provided on debt sustainability analysis, medium term debt management strategies, and public debt and macroeconomic management. Botswana, Kenya, Tanzania, Rwanda and Zambia subsequently updated their medium term debt management strategies.
- (ii) The assistance provided to Zimbabwe on Debt Sustainability Analysis was useful in informing the country's re-engagement strategy with the international community towards accessing external debt relief.
- (iii) Debt management in Zimbabwe is now guided by documented procedures following the assistance provided by MEFMI to draft procedures manuals. This is expected to help

minimize operational risks in debt management operations.

- (iv) Member states' capacity to manage and implement PPPs were enhanced following a regional workshop on management of PPPs. Countries are expected to use best practice approaches to manage PPPs for better value-for-money.
- (v) There is increased capacity in the region on management of domestic debt and lending instruments, including the use of latest version of the CS-DRMS. In particular, most of the countries will use the skills to upgrade their debt databases to Version 2.2;
- (vi) Enhanced capacity of member states to collect, compile and disseminate government finance and public sector debt statistics based on existing international standards and conventions, with a view to encourage transparency and accountability;
- (vii) The skills imparted during the debt management performance assessment training will enhance countries' capacity to conduct self-assessments, with a view to design informed reforms towards modernization of public debt management in the region.
- (viii) Through the regional training in DMFAS, countries' capacity to effectively use DMFAS to record, monitor and analyse public sector debt were enhanced. Participants upgraded their functional and technical skills in the new version of DMFAS, Version 6.1.1.
- (ix) Enhanced awareness among debt managers on the alternative options for financing infrastructure projects and their cost and risk implications. Countries are expected to explore new and innovative financing mechanisms for funding infrastructure development projects.
- (x) The training on domestic debt and financial markets developed practical skills needed to effectively manage domestic debt and enhance efficiency in the primary issuance of government securities and their trading in the secondary

market. The knowledge and skills acquired are expected to enhance officials' capacity to drive reforms in the domestic financial markets and manage debt within the framework of fiscal prudence and macroeconomic stability.

- (xi) The capacity of Parliamentarians to scrutinize government policies and strategies were enhanced. This is expected to enhance transparency and accountability in public financial management.
- (xii) The E-learning course on foundations of debt management equipped officials of Member States with requisite skills to enhance their effectiveness in managing public sector debt. It also widened the pool of experts in debt management.
- (xiii) Member States' capacity to conduct cash-flow forecasting and manage cash balances was enhanced.
- (xiv) Technical assistance in public debt auditing enhanced countries' capacity to undertake more comprehensive and knowledgeable auditing of public resources, particularly public debt operations and procedures, which will enhance transparency and accountability in public financial management.

4.3 FINANCIAL SECTOR MANAGEMENT PROGRAMME

During the period under review, FSM conducted twelve (12) regional activities and seven (7) in-country capacity building activities. The activities included a joint MEFMI/RAMP workshop aimed at building a solid foundation for Market Risk, Indexation of Treasuries and Performance Measurement; seminar for the Guidelines on Risk Based Supervision for Banks and a Training workshop on Non-Bank Financial Institutions (NBFIs). The workshop on non-banks, the first regional workshop held by MEFMI, focused on regulatory best practices for pensions, insurance and securities markets. The workshop aimed to formally introduce NBFIs regulators to NBFIs supervision principles, processes and corporate governance as well as provide an overview of best practices and standards for supervision. Other regional courses included

workshops on Supervision of Banks, Application of the Principles for Financial Market Infrastructures (PFMIs), Selection and Management of External Fund Managers and Inflation Targeting.

Furthermore, the Programme conducted three (3) Retreats for Heads of Departments of Payment systems and Financial Markets. A Joint MEFMI/FSI/Toronto Centre retreat was also conducted for Heads of Supervision. The retreat for Heads of Payment Systems provided a forum for discussion on how countries can leverage digital technologies to spur financial inclusion while the Heads of Financial Markets retreat provided an opportunity for policy makers to highlight constraints and opportunities relating specifically to market participants in the domestic financial markets and to recommend policy incentives and legal reforms, with a long-term regional focus.

Two e-learning courses were conducted during the period under review. The E-learning course on Fundamentals of Financial Markets provided participants with the relevant knowledge on the financial system and helped to highlight the different financial markets and their components. The course on Fundamentals of Payment systems introduced participants to key aspects of financial infrastructures, the role of payment systems in an economy, risks in payments systems and standards for financial infrastructures.

The in-country capacity building interventions conducted during the period under review included a payment systems mission to the Central Bank of Lesotho which helped to build capacity in CBL's Payment Systems oversight division and equip staff with the requisite knowledge on the application of the PFMIs. The Programme also conducted a financial stability assessment mission to the Central Bank of Swaziland, and held in-country workshops on Intermediate Banking Supervision for the Bank of Zambia; and Foreign Exchange, Derivatives and Risk Management for the Bank of Uganda and Reserve Bank of Malawi. The supervision workshop helped in equipping staff with relevant knowledge and skills to enable them carry out on-site and off-site examinations. The Foreign exchange, Derivatives and Risk Management workshops strengthened understanding of participants on the

foreign exchange drivers and interventions as well as enhancing their ability to analyse market news and data.

The above activities equipped central banks and ministry of finance officials with the requisite skills needed to formulate, implement and operationalize various financial sector management policy frameworks. The main outputs and outcomes of these activities are summarised below:

- (i) Demonstrable ability to manage a portfolio versus a market based benchmark with one or more market indices;
- (ii) An understanding of supervisory principles and processes;
- (iii) Demonstrable ability to price various financial market instruments;
- (iv) An understanding of the financial system and the components;
- (v) Policy proposals and legal reforms encouraging domestic financial market development, specifically market participants;
- (vi) Central Bank staff involved in reserves management were equipped with an understanding and capability to select, manage and monitor external fund managers, undertake quantitative analysis for asset and benchmark selection; integrate and report results to various levels of management;
- (vii) Tangible and implementation of recommendations on overcoming existing challenges in the selection and management of external fund managers;
- (viii) Enhanced skills and knowledge on implementing inflation targeting;
- (ix) Templates for developing frameworks for central bank monetary policy communication;
- (x) Enhanced skills in stress stressing and economic modelling;

- (xi) Improved capacity in carrying out FMI self-assessment using the PFMI;
- (xii) Development of MEFMI country specific PFMI self-assessment templates;
- (xiii) Ability to analyse market news and data on exchange rates;
- (xiv) Assessment of the quality of macro prudential data as well as reporting arrangements for production of Financial Stability Reports;
- (xv) A comprehensive view of the issues relating to trading in the Chinese Renminbi (RMB) and the operations and settlements of the currency; and
- (xvi) Internal assessment of credit risk in the management of Official Foreign Exchange Reserves and ease the reliance on credit rating agencies.

4.4 MULTI-DISCIPLINARY ACTIVITIES

In addition to the Fellows development activities, the MDA coordinated governance meetings, Executive Fora, Public Relations, Monitoring and Evaluation and Strategic Planning for Phase IV. During the year, Executive Fora received overwhelming support from private sector partners such as the General Electric and Investec Asset Management.

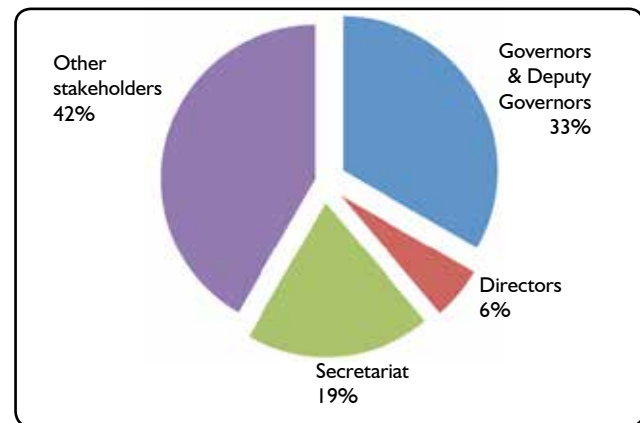
4.4.1 Central Bank Governors' Forum

Central Bank Governors from the MEFMI region met for the annual forum at the Bank of Tanzania on 20 June 2016. The event was attended by five (5) Governors (Angola, Mozambique, Tanzania, Rwanda, and Namibia), seven (7) Deputy Governors (Angola, Uganda, Malawi, Swaziland, Zambia, Zimbabwe and Seychelles), two Directors (Botswana and Burundi), and three (3) technical experts from Action Aid Uganda, Investec Asset Management and the Bank for International Settlements (BIS). The event was also attended by 16 observers with the official opening attended by 20 Journalists. Investec Asset Management was the financial partner for the event.

The theme for the Forum was “*Implications of the IMF Adoption of Chinese Yuan as Part of the Special Drawing Rights Basket of Currencies*”. The theme was highly relevant to the MEFMI region, particularly the

central banking community as they are the custodians of foreign exchange reserves and facilitators of international trade settlements. The Forum facilitated an exchange of views, ideas and experiences that shaped the region’s responses ahead of RMB inclusion in SDR basket, and in line with its status as currency of the world’s largest exporter and region’s leading trading partner.

FIGURE 5: ATTENDANCE OF GOVERNORS FORUM 2016



Source: MEFMI database 2016

4.4.2 2016 MEFMI Combined Forum

The 2016 Combined Forum was held in Washington DC, United States of America in October 2016, under the theme “*Accelerating Economic Growth in the MEFMI Region: The Drivers, Prospects and Policy Implications*”. Professor Paul Collier was the keynote speaker.

The delegates discussed the challenges and provided pointers on how to explore opportunities for unlocking and leveraging on the transformative potential of PPP platforms in scaling-up infrastructure delivery in the region. The main discussion topics under the theme were:

- Financing African infrastructure: needs and solutions;
- Innovation in Guarantee Products, and their Fiscal Implications; and
- Fundamental Issues pertaining to Public Private Partnerships.

The wealth of information, the diversity of views, experiences, the lessons shared and learnt during these discussions were extremely useful as the region

explores alternative strategies for encouraging private sector participation in infrastructure investment.

The Forum was financially and technically supported by General Electric.

4.4.3 Research and Policy Seminars

The Institute held its 2nd Annual Research and Policy Seminar under the theme '*Financing of Development*'. Dr. Charity Dhlwayo, Deputy Governor of the Reserve Bank of Zimbabwe, officially opened the seminar. The theme was chosen in recognition of the diversity in existing sources of financing and the need for increased partnership between the private and public sector for infrastructure development in the region. Six (6) papers were presented and discussed at the event, which was attended by officials from various institutions, including Reserve Bank of Zimbabwe, Ministry of Finance and Economic Development, ZEPARU, SAPES, Bank of Uganda, Central Bank of Lesotho, BancABC and ACBF.

The Institute also held internal policy seminar series on topical issues, with the aim of fostering dialogue, exchange ideas and share experiences. During the period under review, three (3) internal policy seminars were held on the following topics:

- Risk and Return Assumptions for Various Asset Classes with Particular Reference for a Central Bank Portfolio;
- A perspective on the growing of Africa's Emergent Leadership; and
- Views and perceptions of Zimbabweans on the introduction of Zimbabwe Bond Notes

4.4.4 Public Relations Activities

The Public Relations (PR) ensures timely production of all MEFMI literature. In 2016, the Unit made great strides in engaging the media and the Institute received coverage for most of its events, particularly the Executive Fora. As a result of this high media coverage, the Institute got frequent requests in Zimbabwe to provide commentary on topical economic issues. This enhanced the MEFMI brand visibility. The twitter handle has also been a critical tool for real-time content offering. Through this social media platform, information on some MEFMI activities reached multiple countries and

this enhanced the Institute's geographic footprint. As at end-2016, the MEFMI twitter handle had 629 followers. The PR Unit also organised governance meetings and stakeholder engagements in various Member States and Embassies of Member States represented in Zimbabwe. Details of these activities are presented under Governance Meetings and Networking Activities section, respectively.

4.5 PLANNING, MONITORING AND EVALUATION

4.5.1 Phase V Strategic Planning

In 2016, the Institute continued with the Phase V (2017-2021) strategic planning process that began in 2015, with all Programmes conducting their respective strategic planning retreats between 17 and 26 January 2016. The retreats were highly participatory, as well as consultative, involving feedback from experts in various areas of MEFMI's work. The aim of the retreats was for Programmes to brainstorm and develop strategies in their areas of focus for the period 2017 to 2021. Phase V Strategic Plan mainstreamed cross cutting issues such as the Sustainable Development Goals (SDGs), African Union Agenda 2063, Regional Integration, Gender and Anti-corruption.

Following the departmental retreats, the Secretariat held a session on 17 February 2016 on how to mainstream Gender in the Strategic Plan. This was followed by a staff validation retreat held during the period 25 to 26 February 2016, and consultation with Member States, Cooperating Partners and other stakeholders. Management presented the Strategic Plan to EXCOM in June 2016 and the Board of Governors subsequently approved the Plan in October 2016.

4.5.2 Monitoring and Evaluation

The Institute conducted an assessment of its M&E System and capacity from 27 January to 12 February 2016. The assessment involved a sensitisation of staff about the importance of the M & E System, interviews about the state of the current system and capacity gaps. The report of this exercise forms the major input for developing and implementing the Phase V strategies, as well as the Integrated Management and Information System (IMIS).

5. FINANCIAL PERFORMANCE FOR THE PERIOD JANUARY TO DECEMBER 2016

The Institute opened the year 2016 with a positive cash and bank balance of US\$5,188,566.

This amount is broken down as follows:

- Staff gratuity US\$506,941;
- Member states' contributions for purchase of the Executive Director's house, inclusive of interest earned US\$201,249;
- Interest income for 2014 and 2015 US\$582,904;
- Member states' 2016 advance contributions of US\$ 1,760,482;
- Cooperating partners brought forward contributions US\$718,493; and

- The balance represents other funds accumulated over Phase IV, and which are available for use in MEFMI activities and administration of the Secretariat.

The Secretariat is grateful to member countries that pay their contributions in advance. The statement of comprehensive income on **table 9** shows the performance of the institution for the period January to December 2016.

TABLE 9: STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

	QTR 4 -2016	QTR 4-2015	QTR 4 -2016	QTR 4 -2016	QTR 4	
	Cumulative	Cumulative	Budget	Actual	Budget	Notes
	US\$	US\$	US\$	Variance	Variance	
				%	US\$	
INCOME:						
Amortisation of Deferred Income	42,279	42,279	-	0%	-	
Cooperating Partners	1,130,093	1,409,425	1,422,315	-20%	-21%	5.1.1
In-kind contribution	531,966	557,828	-	-5%	-	5.1.2
Interest Received	194,640	204,091	303,050	-5%	-36%	5.1.3
Member States Contribution	4,938,414	4,703,221	4,938,414	5%	0%	5.1.4
Non Member States Contributions	2,989	127,926	-	-98%	-	5.1.5
Private Sector Sponsorships	98,894	29,166	-	239%	-	
Other income	822	1,429	-	-43%	-	
Profit/Loss on disposal	17,452	2,434	-	617%	-	5.1.6
Total Income	6,957,549	7,077,799	6,663,779	-2%	4%	5.1

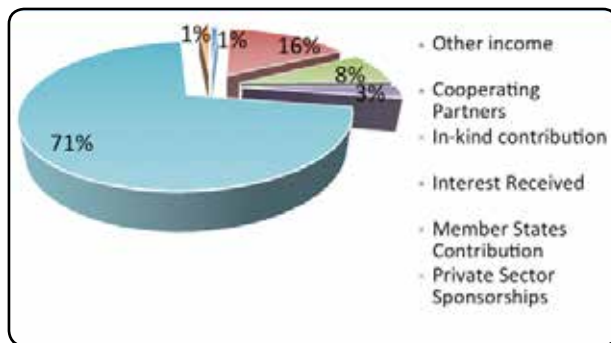
	QTR 4 -2016	QTR 4-2015	QTR 4 -2016	QTR 4 -2016 / 2015	QTR 4 -2016	
	Cumulative	Cumulative	Budget	Actual Variance	Budget Variance	Notes
	US\$	US\$	US\$	%	US\$	
EXPENDITURE:						
Programme Delivery						
Accommodation and Subsistence	1,211,716	1,198,653	1,212,810	-1%	0%	5.2.1
Non Member states Expenses	-	52,610	-	100%	-	
Professional Fees	551,900	660,509	605,350	16%	9%	5.2.2
Programme Delivery - Staff	2,208,073	2,235,715	2,260,678	1%	2%	5.2.3
Travel Expenses	351,015	434,001	438,474	19%	20%	5.2.4
Travel Expenses - In-kind	531,966	515,030	531,966	-3%	0%	
Facilities Expenses	449,418	418,979	523,601	-7%	14%	5.2.5
Facilities In-Kind	-	42,798	-	100%	-	
	5,304,089	5,558,296	5,572,879	5%	5%	
Secretariat Administration						
Audit Fees	24,854	29,613	30,087	16%	17%	5.2.6
Bank Charges	39,707	34,423	33,181	-15%	-20%	
Depreciation	161,428	128,628	-	-25%	-	5.2.7
Fund Managers fees	10,647	7,092	8,541	-50%	-25%	5.2.8
Legal fees	21	-	3,843	-	99%	
Office Operating Expenses	359,132	291,534	489,902	-23%	27%	5.2.9
Resource Mobilisation	653	-	-	-	-	
Salaries and Benefits	539,614	509,093	563,529	-6%	4%	5.2.10
Staff development	54,264	42,613	179,565	-27%	70%	5.2.11
Staff recruitment	78,749	71,282	72,100	-10%	-9%	5.2.12
	1,269,070	1,114,280	1,380,748	-14%	8%	
Allowance for Doubtful Accounts	565,483	-	-	-100%	-100%	5.2.13
Total Expenditure	7,138,641	6,672,575	6,953,627	-7%	-3%	5.2
Surplus for the period	(181,092)	405,224	(289,848)	145%	-38%	
% Secretariat Administration expenses	18%	17%	20%			

Source: MEFMI Reports, 2015 & 2016

5.1 INCOME

The Institute received a total income of US\$6,957,549 during the year (**Table 9**). The income received in 2016 is 2% lower than that of 2015 but 4% higher than budgeted. This is because of the reduction in the funds received from ACBF and Norway from 2015 to 2016, and due to in-kind contributions for the positive budget variance. The significant variances are explained under each class of income below:

FIGURE 6: INCOME DISTRIBUTION BY SOURCE



Source: MEFMI Reports, 2015 & 2016

5.1.1. Cooperating Partners' Contributions

Cooperating Partners contributed 16% to the 2016 income. This was 20% less than the contribution for 2015. This significant decrease from 2015 emanates from a reduction of 72% and 55% in the amounts received from ACBF and Sweden respectively. Norway front-loaded their Phase IV contributions in 2014 and 2015, thereby leaving a small contribution for 2016. The ACBF project came to an end on 31 May 2016.

5.1.2. In-kind contributions

In-kind contribution for the period ended 31 December 2016 was slightly lower than that of the same period of 2015. This is due to the difference in the number and nature of activities carried out during both periods. In-kind contribution arises from air ticket purchases for participants as well as other expenses that the member countries incur on behalf of MEFMI.

5.1.3. Interest Income

The Executive Committee approved the MEFMI Investment Policy in 2013, which allows the Secretariat to invest funds that are not immediately required for use for MEFMI activities, in short term investments.

Due to the comparatively good returns that Zimbabwe offers, all the investments are placed in Zimbabwe. However, recently there has been a declining trend in returns from short-term investment on the Zimbabwean market, as the market began to correct itself. The returns are however, still comparatively higher than those of other countries in the MEFMI region.

Interest income contributed 3% of the total income received during the period under review. The income was lower than that of 2015 by 5% and below budgeted by 36% due to the declining interest rates as explained above. There was also an increase in market risk which led to the investment committee removing some financial institutions from the list of approved institutions for short term investments.

5.1.4. Member Country Contributions

Member states contributed 71% of the total income for the period under review as illustrated in Chart 1. Income received from member states for 2016 was 5% more than that of 2015 because of an annual 5% escalation rate which the Board approved for Phase IV. However, this includes accrued income (See Page 17).

5.1.5. Non-Member States Contribution

MEFMI only received an insignificant amount of US\$ 2,989 from non-member states during the period under review, as opposed to an amount of US\$127,926 received from the Government of Sudan for technical assistance in 2015.

5.1.6. Profit/Loss on disposal

The profit on disposal of assets resulted mainly from the disposal of a fully depreciated motor vehicle, which was approximately 10 years old.

5.2. EXPENDITURE

The total expenditure for the year 2016 amounted to US\$ 7,138,641. This reflects a 7% negative variance when compared to the same period of 2015 and a 3% negative variance against budget. Debt programme utilised 28% of the total costs mainly because it carried out more activities during the period than other programmes. The Macroeconomic and Financial Sector programmes commenced their programs towards the end of the first quarter mainly due to the phase IV strategic planning activities.

5.2.1. Accommodation and Subsistence Expenses

The accommodation and subsistence expenses for the period under review are only slightly higher than the same period of 2015 and are within the 2016 budget.

5.2.2. Professional Fees

The expenditure for the period under review is 16% lower than 2015 and 9% lower than budgeted. The positive variance as compared to 2015 and to budget is due to programmes negotiating for gratis resource persons from technical cooperating partners. This resulted into a reduction of the amount spent on International resources persons by 97% in 2016. The positive budget variance is also partly due to two activities that were cancelled.

5.2.3. Programme delivery staff time

The programme delivery staff time for 2016 was almost equal to that of 2015 and was also within budget.

5.2.4. Travel Expenses

The expenditure for the period under review is lower than that of 2015 by 17 % and lower than budgeted by 20%. The positive variance when compared to the same period in 2015, results from a deliberate decision to carry out more of in country activities that require fewer staff travelling for each activity, which led to a reduction in the staff travel costs by 31%.

5.2.5. Facilities

Facilities expenses for the period under review are 7% higher than the same period of 2015 but are 14% lower than budgeted. The positive budget variance resulted from significant savings that came from two activities that were cancelled, as well as some savings from some activities.

5.2.6. Audit fees

Audit fees are 17% lower than budget and 16 % lower than 2015 fees, and cover both external and internal audit fees. The positive variance compared to 2016 is due to the cost for 2015 having included an adjustment for an under-provision in prior periods.

5.2.7. Depreciation

The Secretariat revalued property and most vehicles at the end of 2015. This has resulted in higher 2016 depreciation.

5.2.8. Fund Managers Fees

More funds were held with Old Mutual, Zimbabwe in 2016 than in 2015, hence the higher fund management fees, as Old Mutual charges management fees for the investments placed with them.

5.2.9. Office Operating Expenses

The negative variance against the same period 2015 is due to the expenditure that was incurred on the publication and printing related to a book launch in the first quarter of 2016. The positive budget expense arises from the savings over the year and some activities that did not take off e.g. putting in place an entity wide business continuity plan.

5.2.10. Salaries and Benefits

The salary expenditure for the period under review is slightly higher than that of the same period last year due a performance bonus related increase in some of the staff salaries.

5.2.11. Staff Development

There was an increase in staff development activities in 2016 compared to 2015 due to management's effort to ensure all staff undergo continuous professional development. The 70% positive budget variance arose because of management's efforts to ensure that staff attend mostly regional trainings that are cost effective.

5.2.12. Recruitment and relocation

Though the recruitment expense for 2016 is higher than budget and the cost in 2015, the cost has continued to be much lower than in years prior to 2015. This is due to the change in recruitment method from face to face interviews, which required

candidates to travel from all over the MEFMI region, to online interviews by way of online tests, and skype interviews. The last quarter of 2016 saw a unexpected recall of one member of staff by a member institution, which led to higher than budgeted relocation expenses for relocating the member of staff back to his home country.

5.2.13. Allowance for Doubtful debts

In compliance with IFRS, we made allowance for Doubtful debts for the amounts due from Burundi for the years 2015 and 2016, as they are due to be suspended from membership, due to non-payment of membership contributions from the time that they joined.



MEFMI Staff with delegates and resource persons at the 2016 Governors Forum

6. GOVERNANCE MEETINGS, HUMAN RESOURCES AND ADMINISTRATION

6.1 GOVERNANCE MEETINGS

The following are Governance meetings organised in 2016:

6.1.1 Technical Meeting of the Cooperating Partners

The annual meeting of the Technical Committee of the Cooperating Partners was held at the Secretariat on 29 February 2016. The meeting, which was chaired by the Deputy Governor of the RBZ, Dr. Kupukile Mlambo, was attended by representatives from the African Capacity Building Foundation (ACBF), Norwegian Embassy, and Swedish Embassy's Addis Ababa office as well as MEFMI Management. Among other reports that the Secretariat presented was the Fourth Quarter 2015 Progress Report in which the Secretariat expressed gratitude to ACBF for providing funding and technical support in the development of planning, and M&E tools for the Institute. The Partners commended the Secretariat for initiating e-learning and the Annual Research and Policy Seminar series. They urged the

Secretariat to maintain the high levels of participation in these activities.

The Embassy of Norway closed their office in Harare in June 2016. Prior to this, the Ambassador of Norway to South Africa and the official responsible for the Zimbabwe portfolio visited Zimbabwe and met Management in April 2016.

The annual policy meeting scheduled for November 2016 was postponed to the first quarter of 2017 as it was not possible to form a quorum. The meeting is important as it shapes the policy direction in the implementation of MEFMI activities.

6.1.2 Finance and Audit Committee Meetings

The 11th and 12th Finance and Audit Committee meetings were held on 17 March and 25 August 2016, respectively at the Secretariat. The Committee reviewed the 3rd and 4th Quarter Report of the Internal Auditors, Quarterly

Management Accounts, Quarterly Risk Management Register, Fourth Quarter 2015 Progress Report and Updates on the 2016 Activities, among others. The Committee also received the Audited Financial Statements and Management letter for the year ended 31 December 2015 and recommended them to EXCOM for approval, as well as reviewed the ICT Policies and Standards, Asset Management Manual, Remuneration Policy and the Human Resources Policy and Guidelines.

6.1.3 Executive Committee Meetings

The Executive Committee met four (4) times in 2016. The 43rd, 44th and 45th meetings were held on 18th March, 26th August and 3rd October 2016 respectively, while the Extra-ordinary EXCOM meeting was held on 10th June 2016. All meetings were attended by members of EXCOM – Botswana (Chairperson), Kenya, Malawi, Swaziland and Uganda. Zimbabwe is the ex-officio member of the Committee.

Some of the issues attended to by the Committee during the year under report include:

- i. Review of several reports as presented by Management. These included the 2015 Quarterly Reports and the Annual Report, resource mobilisation reports and the anti-corruption and anti-fraud policy.
- ii. Approval of the issues coming from the Finance and Audit Committee meetings.
- iii. Approval of the Audited Financial Statements for the year ended 31 December 2015.
- iv. Approval of the agenda for the 20th (2016) Board of Governors Meeting

EXCOM also held an extra-ordinary meeting on 10 June 2016, during which it reviewed the Phase V Strategic Plan covering the period 2017 to 2021. They also approved the procurement of the Executive Director's residence and reviewed the agenda for the 20th Board of Governors Meeting which was held on 3 October 2016 in Washington DC, USA.

6.1.4. 20th Board of Governors Meeting

The 20th Board of Governors Meeting was held on 3 October 2016 in Washington DC, USA. The meeting was chaired by Angola and was attended by



Collage of Executive Fora Activities held in 2016

25 officials and 13 observers from MEFMI member countries, including the Secretariat.

Among other issues, the Board ratified, approved and noted issues as was reported by the EXCOM Chairman to the Board. These included

- Approved appointment of Grant Thornton as internal auditors for a maximum period of three (3) years, subject to performance;
- Approved re-appointment of PricewaterhouseCoopers as external auditors for the year ending 31 December 2017;

- Ratified EXCOM's approval of the revised Anti-Corruption and Anti-Fraud Policy, which now included a new section on anti-money laundering;
- Ratified EXCOM's approval of the Audited Financial Statements for the year ended 31st December 2015 together with the Management Letter;
- Approved the 2017 Annual Work Programme and Budget;
- Ratified EXCOM's approval of the 2015 Annual Report; and
- Appointed Executive Committee Members for 2017 – 2-18.

The Board also discussed the policy on deadline for member countries' annual contributions and resolved that it be amended to make end of Quarter I as the deadline for making annual contributions. The Board also resolved to suspend Burundi from membership of MEFMI with effect from 31 December 2016, should the 2015 and 2016 contributions remain unpaid by 31 December 2016.

6.1.5 Management Meetings

As part of corporate governance, MEFMI 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 core business of capacity

building is adhered to. In this regard, 13 meetings were held during the period under review. The meetings were also used as a forum to prepare for EXCOM, Cooperating Partners' and staff meetings. The meetings were also key in keeping pace with the preparation of the Phase V Plan.

6.1.6 Networking Activities

During the period under review, MEFMI continued to collaborate with various regional and international organisations in order to increase its visibility, sharing experiences and enhance partnerships. During this period, the Institute participated in 57 networking activities listed in **Annex IV**.

6.1.7 Resource Mobilisation

In view of the changing financing landscape, the Institute is making concerted efforts to continuously enhance its resource envelope. A well-structured method is being employed to ensure that proposals are systematically lodged and followed up. The Secretariat engaged the services of a professional resource mobilisation company to support the efforts currently in place.

6.1.6. Staff Meetings

Three staff meetings were held during the period under review. Staff members were briefed on the work-plan for the year as well as the various projects that were being implemented to make the working environment more conducive.

6.2 HUMAN RESOURCES AND ADMINISTRATION

6.2.1 Staff Establishment

The Institute has an establishment of 32 posts. All positions were filled as at 31 December 2016 (**Table 11**).

TABLE 10: STAFF COMPOSITION AT END-DECEMBER 2016

Category	Established Posts	Male	Female	Total in Post
Executive Director	1	1	-	1
Directors	4	2	2	4
Programme Managers	10	5	5	10
Public Relations Manager	1	-	1	1
IT Manager	1	-	1	1
Finance Manager	1	-	1	1
HR Manager	1	-	1	1
IT Officer	1	1	-	1
Assistant Accountant	1	-	1	1
Finance Officer	1	-	1	1
Programme Assistants	6	-	6	6
Driver	2	2	-	2
Office Assistant	1	-	1	1
Caretaker	1	1	-	1
Total	32	12	20	32

Source: MEFMI database 2016

6.2.2 Policies and Procedures

To ensure overall guidance, consistency and clarity in its day to day operations, the Institute reviews and updates Manuals on a regular basis to align them with best practices obtaining in the industry. The Human Resources Policies and Procedures Manual and the Remuneration Policy were reviewed and recommended to EXCOM for approval. On EXCOM's recommendation, the policies are due for further review in 2017.

6.2.3 Performance Management

Performance reviews for the Institute are based on Key Performance Areas (KPA) and competencies. These KPAs are captured in individual joint performance contracts that staff sign at the beginning

of every year, and all staff are thus expected to perform according to the outlined key performance areas and as agreed with their supervisors. Performance reviews are conducted twice a year, and the annual performance reviews were all completed.

6.2.4 Staff Relations

A positive industrial relations environment is critical for productivity and success of an organization. During the period under review, the industrial atmosphere was conducive. Two (2) staff meetings were held and the Staff Committee held a meeting during which issues of concern were raised and subsequently presented to Management.

6.2.5 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 to enhance their skills, MEFMI undertakes some staff development and learning activities. Staff have continued to enhance skills in their areas of specialisation. Annex IV has details of staff development activities.

6.3 HIV/AIDS AND WELLNESS

The Secretariat is pleased to note that with respect to MEFMI'S contribution to HIV/AIDS prevention/awareness and wellness in general:

- i) MEFMI continues to implement a Workplace HIV/AIDS policy according to which there is free distribution of condoms at the Secretariat offices, and there is a clear policy on how to handle employees that may come down with AIDS;
- ii) MEFMI HIV/AIDS awareness raising is incorporated in all Programme activities; and
- iii) Beginning from 2016, MEFMI introduced a staff wellness campaign, where all staff are encouraged to undergo thorough annual medical check-ups, as prevention is seen as the key to good health and improved staff productivity.

6.4 ENVIRONMENTAL SUSTAINABILITY

With respect to the environment, in the course of undertaking programme activities MEFMI looks at ways in which we can contribute to environmental

sustainability. This has been achieved in some of the following ways in 2016:

- a) Installation of an e-learning portal as MEFMI continues on its path of undertaking introductory courses using an eLearning mode of delivering. This helps reduce air travel, and therefore MEFMI's carbon footprint;
- b) MEFMI also continued providing course materials electronically by issuing participants with memory sticks, instead of printing out the materials. This has resulted in the reduction of paper usage in the office;
- c) The Secretariat continues to invest in integrated management software that cut down on manual applications for leave, overtime, office consumables etc. Within the office, a lot of communication is electronic and printing is therefore at a minimum;
- d) The Secretariat embarked on a paperless office project in 2016, which should be completed in 2017. This will significantly reduce the use of paper and printing accessories such as cartridges which are not easily bio-gradable; and
- e) In 2017, the Secretariat is targeting the procurement of an additional module to the Human Resources Management software, for online job applications. This will also help reduce MEFMI's carbon footprint through reduced use of paper, printing costs etc.

7. INFORMATION AND COMMUNICATION TECHNOLOGY

7.1 ICT INFRASTRUCTURE PROJECTS

In order to improve productivity, the Secretariat updated and in some cases replaced a number of hardware and software in the course of 2016. Old printing equipment was replaced, the email system was migrated onto a new server while the software was upgraded. The migration is expected to improve performance while the upgrade enabled access via webmail for mobile devices such as tablets and mobile phones. The Secretariat also established an off-site Disaster Recovery Site at the Reserve Bank of Zimbabwe offices, where two (2) new servers were purchased and configured for use at the site. A new Uninterruptible Power Supply (UPS) unit was purchased to replace the old one that failed.

7.2 SYSTEMS AND SERVICES AVAILABILITY

The Secretariat's systems and services were up and available for use during most of the period under review. Some of the developments during the period include:

- a) The VIP Human resources, Payroll and Employee Self Service systems were upgraded in Quarter 1 and Quarter 3.
- b) Minor challenges with email which occurred in May 2016 were resolved and performance was maintained throughout the year.
- c) A new budgeting system, Quantrix, was implemented.
- d) Internet bandwidth subscription was upgraded from 3.5Mbps to 5 Mbps to cater for increased web based applications usage.
- e) The website hosting company experienced major challenges with hackers which affected the website in the last two (2) weeks of December 2016.

7.3 ICT SECURITY

The Antivirus server software and client software were up-to-date throughout the year. In order to improve IT security alertness and awareness against

potential IT security threats, security alerts were sent to all staff throughout the year. To further improve awareness, subscriptions to ICT Security Awareness training courses were made, and courses will be available on e-learning platform in 2017.

7.4 DISASTER RECOVERY

Equipment for the Disaster Recovery site was configured and the site was made operational in early July 2016 at RBZ. Backups were made from the production site and restorations were carried out at the disaster recovery site. A scheduled disaster recovery test to simulate disaster recovery response was carried out and completed successfully. The file, email and active directory services, which form part of the critical services, were virtualised and replicated to a similarly virtualised disaster recovery site. The replication software backup utility was configured to allow automated backups for the three services. This should allow for improved recovery times in the case of systems failure or in the event of a disaster.

7.5 E-LEARNING

In 2016, the Secretariat identified a hosting provider and registered a domain name for a MEFMI portal and offered e-learning courses on its own portal. The configuration and a review of the e-learning site was completed in July 2016. Training for programme managers in the use of the e-learning platform was carried out in September 2016, and three (3) courses were subsequently delivered on the MEFMI portal. This is in addition to the two (2) courses that were run on the UNITAR portal.

7.6 ICT GOVERNANCE

By end of December 2016, documentation for various processes including ICT disaster recovery tests, ICT services access and termination forms, backup and restoration procedures and forms were all in place. The ICT policy and standard, and the disaster recovery plans were also reviewed.

8. CHALLENGES AND LESSONS LEARNT

8.1 CHALLENGES

Despite success stories registered by MEFMI in 2016, the delivery of capacity building activities was not without challenges. The following were some of the challenges faced while implementing capacity building activities:

- i. **Budgetary constraints:** Some capacity building activities and requests for technical assistance from member countries were deferred due to budgetary constraints. The result of this is widening of capacity gaps.
- ii. **Limited number of experts in some critical and emerging areas:** This is particularly specific to areas such as sovereign wealth funds, illicit financial flows, fiscal risks, natural resources management, Islamic financing, management of contingent liabilities emanating from guarantees and public private partnerships, as well as management of risk associated with sovereign bond issuances. Engaging international resource persons in these areas resulted in the Institute paying huge professional fees. Going forward, the Institute will intensify training of Fellows to develop experts in these areas, as well as leverage on existing collaborative relationships with technical partners to tap on their expertise.
- iii. **Language Challenges:** The language barrier limits participation by Lusophone countries, particularly Angola and Mozambique given that MEFMI conducts its activities in English. Going forward, the Institute plans to address this challenge by rolling out country specific activities for Lusophone countries and work with interpreters during country specific activities. In addition, during regional activities, participants from Lusophone countries would receive workshop materials in advance.
- iv. **Slow adoption of standards and implementation of recommendations:** Client institutions sometimes delay in adopting and implementing recommendations made particularly from in-country interventions. In addition, countries take time to migrate to latest international standards and manuals in the compilation and reporting of statistics. These derail achievement of desired outcomes. Reasons cited for the delays in implementation include

staffing and budget constraints. Going forward, the Institute intends to increase efforts to follow up with the policy makers.

- v. **Client institution senior management:** For country specific activities, it is important for senior management of the function being trained to fully participate in the activities to demonstrate support for the programme. This enhance compliance among staff members towards session attendance and performance of critical functions. In addition, participation of senior management secures the championing of the programs.
- vi. **Staff turnover:** Some institutions in the region continue to experience high staff turnover as trained officials search for better terms and conditions of service outside client institutions and the region. This limits appropriate structuring of courses to follow strategic path of capacity building from basic, intermediary to



advanced levels. Consequently, the design of capacity building activities continues to blend basic and advanced level content which is not entirely effective as it makes the courses relatively difficult for starters and redundant for the most experienced participants.

8.2 LESSONS LEARNT

During implementation of 2016 activities, MEFMI learnt the following lessons which will continue to inform planning of capacity building activities going forward:

- i. **Capacity needs assessment:** Regular consultations with client institutions and introduction of capacity needs assessments within the design and preparatory phase of the annual budget and work plans to align training schedules (for the next calendar year) with countries' priorities.
 - ii. The e-learning courses delivered in 2016, proved to be successful in terms of wider outreach, efficient and efficiency. Going forward, the Institute will intensify the e-learning mode of delivery.
 - iii. **Collaboration and networking with technical partners and RECs:** The joint delivery of activities with partners helps build valuable synergies and allows for cross-pollination of ideas. Going forward, the technical collaborations and networking are expected to be strengthened in view of mutual benefits derived from the partnerships. In addition, the Institute will continue to explore opportunities for collaboration with the private sector and research institutions. Signing of MOUs with some of these institutions will be sought in order to formalize the collaboration arrangements.
 - iv. **Building on the Success of Country Specific Interventions:** Implementation of demand-driven and tailor-made capacity building needs has been a success story which allowed the development of tangible capacity tools and frameworks across MEFMI client institutions. The Institute will strengthen this mode of delivery by taking deliberate steps to proactively address capacity challenges that are known to exist in member institutions so as to achieve equitable benefits for all the countries.
- v. **Emerging Capacity Needs:** Over the years, the Institute has continued to witness the emergence of new capacity building requirements. In Phase V, MEFMI incorporated emerging developmental issues and will ensure they are addressed. In addition, the Institute will allow for flexibility in its capacity building programmes to accommodate emerging developmental issues in a timely manner.
 - vi. **Revisions of international standards, manuals and guidelines:** Standards, manuals, tools, and software are frequently revised, which calls for capacity interventions to prepare countries for adoption. MEFMI will maintain its niche by continuous development and roll-out of tools, systems and frameworks that are customised to meet regional needs.
 - vii. **Sensitisation and participation of senior officials:** MEFMI should intensify sensitization at the senior level on the need for support and provision of adequate resources to operationalize the developed manuals, guidelines, tools and frameworks. Without this support, capacity interventions in this area will not yield intended results.
 - viii. While some workshop venues are ideal from a cost reduction perspective, conditions on the ground may not be conducive for effective delivery and participation by country officials. There is value in liaising with host country institutions when assessing suitability of new venues for holding regional workshops.
 - ix. **Fundamental courses:** The Institute should increase its push towards capacity building skills in EXCEL and economic modelling for other departments within client institutions, especially bank supervision, financial markets and reserves management. Tools such as Chihak stress testing models and Basel II models require a solid grounding in EXCEL.
 - x. **Mode of delivery:** Adult learning programs benefit from application of diverse delivery modes, for example, a mix of panel discussions and presentations which spur lively debate and peer-learning.



MEFMI Secretariat offices

9. CONCLUSION

Implementation of the 2016 work programme was largely in line with set targets. The Institute carried out a substantial number of activities during the subsequent quarters. While these activities significantly contributed towards achieving Phase IV targets as enumerated in the Results Measurement

Framework, they also addressed emerging capacity gaps in the evolving global economic environment. Nevertheless, countries are still confronted by a number of capacity challenges that have to be addressed to ensure they continue on a sustained growth path.

FINANCIAL STATEMENTS

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 reserve management; and to foster best practices for prudent macroeconomic and financial management in Central Banks and Ministries of Finance and Planning.

EXECUTIVE COMMITTEE

Mr. Moses Pelaelo - Chair (*Replaced Ms Linah Mohohlo who retired as Bank of Botswana Governor on 20 October 2016*)

Dr. Patrick Njoroge

Mr. Charles Chuka

Mr. Majozi Sithole

Mr. Keith Muhakanizi

Dr. John Mangudya (Executing Agency - ex-officio)

Dr. Caleb M. Fundanga (Executive Director - ex-officio)

AUDITOR

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

Building Number 4

Arundel Office Park

Mount Pleasant

Harare

BANKERS

Stanbic Bank

SSC Building

Corner Julius Nyerere Way/Sam Nujoma Street.

Harare

Standard Chartered Bank

Africa Unity Square

Nelson Mandela road

Harare

REGISTERED OFFICE

9 Earls Road

Alexandra Park

Harare

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FOR THE YEAR ENDED 31 DECEMBER 2016

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The financial statements are presented in United States Dollars (“US\$”)

To the members of the Executive Committee

MACROECONOMIC AND FINANCIAL MANAGEMENT INSTITUTE OF EASTERN AND SOUTHERN AFRICA (MEFMI)**Report on the audit of the financial statements****Our 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, (the "Institute") as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)'s financial statements set out on pages 3 to 21 comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Executive Committee is responsible for the other information. The other information comprises the report on financial performance for the period January to December 2016, which we obtained prior to the date of this auditor's report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the financial statements

The Executive Committee is responsible for the preparation and fair presentation of the financial statements in

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

accordance with International Financial Reporting Standards and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board, who have delegated responsibility of financial statements to the Executive Committee, either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Esther Antonio

Registered Public Auditor

Public Accountants and Auditors Board, Public Auditor Certificate Number 0661

Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940

Partner for on behalf of PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

Harare, Zimbabwe

18 May 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

INCOME	Notes	2016 US\$	2015 US\$
Amortisation of deferred income	20	42 279	42 279
Co-operating partner funding	5	1 130 093	1 401 173
In-kind contributions	6	531 966	557 828
Interest income	7	194 640	204 091
Member state contributions	8	4 938 414	4 703 221
Other income	9	120 157	169 206
Total income		<u>6 957 549</u>	<u>7 077 798</u>
EXPENDITURE			
Programme Delivery			
Accommodation and subsistence		1 211 716	1 198 653
Facilities and materials		449 418	461 777
Non member state expenses		-	52 610
Professional fees	11	551 900	660 509
Programme delivery - staff	12.1	2 208 073	2 235 715
Travel expenses		882 981	949 031
Sub-total		<u>5 304 088</u>	<u>5 558 295</u>
Secretariat Administration			
Audit fees (internal and external)		24 854	29 613
Bank charges		39 707	34 423
Depreciation		161 428	128 628
Fund Management fees		10 647	7 092
Office expenses	10	359 806	291 534
Recruitment and relocation expenses		78 749	71 282
Salaries and benefits	12.2	539 614	509 093
Staff development		54 264	42 613
Sub-total		<u>1 269 070</u>	<u>1 114 278</u>
Allowance for impairment of receivables	16	565 483	-
Total expenditure		<u>7 138 641</u>	<u>6 672 572</u>
(Deficit)/surplus for the year		<u>(181 092)</u>	<u>405 226</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

ASSETS	Notes	2016 US\$	2015 US\$
Non-current assets			
Property, vehicles and equipment	14	<u>1 367 420</u>	<u>1 403 353</u>
Current assets			
Inventory	15	46 539	38 753
Receivables	16	1 495 337	881 474
Cash and cash equivalents	17	<u>3 362 989</u>	<u>5 188 566</u>
		<u>4 904 865</u>	<u>6 108 793</u>
Total assets		<u><u>6 272 285</u></u>	<u><u>7 512 145</u></u>
FUNDS AND LIABILITIES			
Funds			
Revaluation surplus		238 752	238 752
Reserve fund		500 000	-
Accumulated funds		<u>3 093 555</u>	<u>3 774 647</u>
		<u><u>3 832 307</u></u>	<u><u>4 013 399</u></u>
Non-current liabilities			
Deferred income	20	<u>910 180</u>	<u>952 458</u>
Current liabilities			
Payables	18	537 769	1 846 723
Provisions	19	949 750	657 286
Deferred income	20	<u>42 279</u>	<u>42 279</u>
		<u>1 529 797</u>	<u>2 546 288</u>
Total funds and liabilities		<u><u>6 272 285</u></u>	<u><u>7 512 145</u></u>

Moses Pelaelo
Chair - Executive Committee

Caleb M. Fundanga
Executive Director

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Revaluation surplus US\$	Reserve Fund US\$	Accumulated Funds US\$	Total US\$
Balance at 1 January 2015		-	-	3 369 421	3 369 421
Surplus for the year		-	-	405 226	405 226
Revaluation surplus		<u>238 752</u>	<u>-</u>	<u>-</u>	<u>238 752</u>
Balance at 31 December 2015		<u>238 752</u>	<u>-</u>	<u>3 774 647</u>	<u>4 013 399</u>
Balance at 1 January 2016		238 752	-	3 774 647	4 013 399
Appropriation to Reserve Fund	21		500 000	(500 000)	-
Deficit for the year		<u>-</u>	<u>-</u>	<u>(181 092)</u>	<u>(181 092)</u>
Balance at 31 December 2016		<u>238 752</u>	<u>500 000</u>	<u>3 093 555</u>	<u>3 832 307</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 US\$	2015 US\$
Cash flows from operating activities			
(Deficit)/surplus for the year		(181 092)	405 225
Adjustment for:			
Depreciation	14	161 428	128 628
Interest income	7	(194 640)	(204 091)
Amortisation of deferred income	20	(42 279)	(42 279)
Profit on disposal of equipment		(17 452)	(2 434)
		<u>(274 035)</u>	<u>285 050</u>
Cash flow before changes in working capital		(274 035)	285 050
Net effect of working capital changes	22	(1 638 140)	1 364 645
Net cash (outflow)/inflow from operating activities		<u>(1 912 175)</u>	<u>1 649 695</u>
Cash flows from investing activities			
Proceeds from disposal of equipment		20 854	12 576
Interest income	7	194 640	204 091
Acquisition of property and equipment	14	(128 896)	(351 246)
		<u>86 598</u>	<u>(134 579)</u>
Net cash inflow/(outflow) from investing activities		86 598	(134 579)
Cash flow from financing activities			
Capital contribution		<u>-</u>	<u>99 970</u>
Net (decrease)/increase in cash and cash equivalents		(1825 577)	1 615 086
Cash and cash equivalents at the beginning of the year		<u>5 188 566</u>	<u>3 573 480</u>
Cash and cash equivalents at the end of the year	17	<u><u>3 362 989</u></u>	<u><u>5 188 566</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 GENERAL INFORMATION

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 reserve management; and to foster best practices for prudent macroeconomic and financial management in Central Banks and Ministries of Finance and Planning.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation and presentation

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 records that are maintained under the historical cost convention except for the revaluation of certain property and vehicles.

2.1.1 (a) New and amended standards, and interpretations mandatory for the first time for annual periods beginning on 1 January 2016

There are no new standards and amendments to standards and interpretations effective for the first time for annual periods beginning on 1 January 2016 that have a significant effect on the financial statements of the Institute.

(b) New and amended standards, and interpretations issued but effective for annual periods beginning after 1 January 2016.

Topic	Effective date	Key requirements
Amendment to IAS 7 Cash flow statements	Annual periods beginning on or after 01/01/2017 (published Feb 2016)	In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
Statement of cash flows on disclosure initiative	Annual periods beginning on or after 01/01/2017 (published Feb 2016)	The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.
IFRS 16 – Leases	Annual periods beginning on or after 1 January 2019 – . earlier application permitted if IFRS 15 is also applied	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.1 Basis of preparation and presentation (continued)****2.1.1 (b) New and amended standards, and interpretations issued but effective for annual periods beginning after 1 January 2016 (continued)**

Topic	Effective date	Key requirements
IFRS 16 – Leases (continued)	Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied	At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

None of these are expected to have a material impact on the Institute.

2.2 Income recognition

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

2.2.1 Co-operating partner funding

Co-operating partner funds are recognised in the accounting period to which they relate. The contributions from co-operating partners are pooled together for use by the Institute.

2.2.2 Member state contributions

Contributions from member states is recognised on an accrual basis. Contributions from member states for a particular period are determined beforehand by the Board of Governors. Income is therefore recognised over the period on an accrual basis.

2.2.3 Interest

Interest income is recognised using the effective interest rate method. When a receivable is impaired, the Institute reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

2.2.4 In-kind contributions

A portion of the Institute's income is derived from in-kind contributions from member countries. In-kind income is recognised in the accounting period to which it relates. It is based on actual cost or value of the goods or services received.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Employee benefits

Short-term employee benefits include wages, salaries and social security contributions, short-term compensated absences, bonuses and terminal gratuity. Compensation for the short-term absences such as paid annual leave and paid sick leave is due to be settled within twelve months after the end of the period in which the employees render the related employee service. Bonuses are payable within twelve months after the end of the period in which the employees render the related service. Terminal gratuity is payable upon successful completion of the full period contemplated in the contract. 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.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in United States Dollars (“US\$”), which is the Institute’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.7 Provisions

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where the Institute expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense. Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Retirement benefit cost

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

2.9 Property, vehicles and equipment

Property, vehicles and equipment are shown at fair value based on periodic valuations by independent professional valuers less subsequent accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Computer equipment and office furniture are stated at historical cost. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, vehicles and equipment is calculated using the straight line method so as to allocate their cost over their estimated useful lives as follows:

Computers	4 years
Furniture and fittings	3 years
Buildings	25 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are recognised in the income statement.

2.9.1 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 recognised in the statement of comprehensive income.

When an impairment loss subsequently reverses, 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised in the statement of income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Property, vehicles and equipment (continued)

2.9.2 Valuation

Valuation of property and vehicles is done after every three (3) years and the last valuation was done in 2015.

2.10 Inventory

Inventory is measured at the lower of cost or net realisable value. Cost is determined on a first in first out basis. The cost of inventory is recognised in the statement of comprehensive income as it is drawn down.

2.11 Financial instruments

Classification

The Institute classifies its assets in the following categories: at fair value through profit or loss, available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its assets at initial recognition. The Institute has loans and receivables only.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for those with a maturity greater than twelve months after the end of the reporting year. These are classified as non-current assets. The Institute's loans and receivables comprise "member state contributions receivable and other receivables", and "cash and cash equivalents".

Recognition and measurement

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

Impairment

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate allowance for impairment account.

The Institute considers that there is evidence of impairment if there is any indication of significant financial difficulties of the debtors.

Receivables for which an impairment allowance was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within operating expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Accounts payables

Accounts payables represent liabilities for goods, services and member state contributions provided to the Institute prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within two months of recognition. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.14 Deferred income

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Institute's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Institute's financial performance.

Risk management is carried out by the Executive Committee which identifies, evaluates and hedges financial risks. The Executive Committee provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Institute's market risks arise from open market positions in interest bearing assets and, to the extent that these are exposed to general and specific market movements.

(i) Foreign exchange risk

The Institute is not exposed to foreign currency risk because all transactions and balances are denominated in the functional currency, the US\$.

(ii) Price risk

The Institute is not exposed to listed equity securities price risk because it does not hold any investments classified on the statement of financial position as financial assets at fair value through profit or loss or available for sale. At end of the reporting period, the Institute was not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Institute is not exposed to interest rate risk as it holds fixed interest money market investments, though it does not have any borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposures to member countries, including outstanding trade and other receivables.

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Institute holds cash accounts with large financial institutions with sound financial and capital cover. Reassessment of the credit rating of each financial institution is regularly done by the Executive Committee.

The financial institutions holding cash and cash equivalents have the following external credit ratings:

Financial institution	Rating	2016 US\$	2015 US\$
Old Mutual	A+	1 504 878	1 105 362
FBC	A-	502 364	408 828
CBZ	A+	333 335	1 410 218
Stanbic Bank Limited	AA-	1 013 868	1 990 316
African Banking Corporation of Zimbabwe Limited	BB+	910	251
Standard Chartered Bank Limited	AA-	6 139	14 688
Central African Building Society Limited	A+	363	258 843
		<u>3 361 858</u>	<u>5 188 506</u>

Member countries receivables are based on country level contractual agreements and are recoverable.

The fair value of trade and other receivables and cash and cash equivalents at the reporting date approximates the carrying amounts.

3.4 Liquidity risk

Liquidity risk arises from a mismatch of asset and liability cash flows and or different maturity profiles. Liquidity obligations arise from requirements to repay loans, advance committed funds, and make interest and other expense payments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

The table below analyses the maturity profile of the Institute's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

31 December 2015	Up to 1 month US\$	Total US\$
Assets		
Cash and cash equivalents	5 188 566	5 188 566
Receivables	347 589	347 589
Other receivables (excluding prepayments)	411 116	411 116
	<hr/>	<hr/>
Total assets	5 947 271	5 947 271
	<hr/>	<hr/>
Liabilities		
Payables	1 760 482	1 760 482
Other payables (excluding statutory liabilities)	56 241	56 241
	<hr/>	<hr/>
Total liabilities	1 816 723	1 816 723
	<hr/>	<hr/>
Liquidity position	4 130 548	4 130 548
	<hr/>	<hr/>
Cumulative liquidity position	<u>4 130 548</u>	<u>-</u>
	<hr/> <hr/>	<hr/> <hr/>
31 December 2016		
Assets		
Cash and cash equivalents	3 362 989	3 362 989
Receivables	1 159 337	1 159 337
Other receivables (excluding prepayments)	256 382	256 382
	<hr/>	<hr/>
Total assets	4 778 708	4 778 708
	<hr/>	<hr/>
Liabilities		
Payables	398 973	398 973
Other payables (excluding statutory liabilities)	138 796	138 796
	<hr/>	<hr/>
Total liabilities	537 769	537 769
	<hr/>	<hr/>
Liquidity position	4 240 939	4 240 939
	<hr/>	<hr/>
Cumulative liquidity position	<u>4 240 939</u>	<u>-</u>
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Financial instruments by category	2016 US\$	2015 US\$
Financial assets at amortised cost		
Receivables (excluding pre-payments)	1 415 719	758 705
Cash and cash equivalents	3 362 989	5 188 566
	<u>4 778 708</u>	<u>5 947 271</u>
Financial liabilities at amortised cost		
Payables (excluding statutory liabilities)	<u>(537 769)</u>	<u>(1 816 723)</u>

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Going Concern

The Executive Committee has assessed the ability of the Institute to continue operating as a going concern and have concluded that the preparation of these financial statements on a going concern basis is appropriate.

They 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.

(b) Useful lives of property, vehicles and equipment

The Institute's management determines the estimated useful lives and related depreciation charges for its property, vehicles and equipment. This estimate is based on projected lifecycles for these assets. It could change significantly as a result of technological innovations. Management constantly review the useful lives of property, equipment and motor vehicles and make adjustments to the depreciation charge accordingly.

(c) Valuation of property, vehicles and equipment

Property, vehicles and equipment are presented at fair value less subsequent accumulated depreciation and impairment losses. A professional valuation is performed every three years to determine the market values, remaining useful lives and residual values of property, vehicles and equipment. These measurements require the use of critical judgement. Property, vehicles and equipment were last valued by a professional valuer as at 31 December 2015 and the last used estimates are still considered relevant.

Revaluations are done making reference to recent market transactions on arms length terms.

(d) Allowance for impairment of Receivables

The Institute reviews its Receivables to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Institute makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of receivables before the decrease can be identified with an individual receivable in that portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

	2016	2015
	US\$	US\$
5 CO-OPERATING PARTNER FUNDING		
African Capacity Building Fund	83 452	297 829
International Monetary Fund (IMF)	-	20 000
Norwegian Government	160 405	356 282
Other Donors	26 563	-
Swedish Government	672 107	727 062
World Bank	187 567	-
	<u>1 130 093</u>	<u>1 401 173</u>
6 IN-KIND CONTRIBUTIONS		
Member states	<u>531 966</u>	<u>557 828</u>
7 INTEREST INCOME		
Bank accounts	5 429	1 076
Staff loans	16 413	20 057
Short - term deposits	160 964	166 767
Short - term deposit :Residence funds	11 834	16 190
	<u>194 640</u>	<u>204 091</u>
8 MEMBER STATE CONTRIBUTIONS		
Angola	426 399	422 853
Burundi	290 147	275 336
Botswana	343 891	325 289
Kenya	384 162	355 262
Lesotho	344 282	310 531
Malawi	345 247	324 600
Mozambique	364 964	356 825
Namibia	326 404	311 521
Rwanda	316 163	314 557
Swaziland	315 809	308 454
Tanzania	400 997	356 760
Uganda	359 690	337 728
Zambia	348 068	343 550
Zimbabwe	372 191	359 955
	<u>4 938 414</u>	<u>4 703 221</u>
9 OTHER INCOME		
Non member states contribution	2 989	127 926
MEFMI publications	-	230
Profit on disposal of assets	17 452	2 434
Private sector partner contributions	98 894	37 418
Miscellaneous income	822	1 199
	<u>120 157</u>	<u>169 207</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10 OFFICE EXPENSES	2016 US\$	2015 US\$
Advertising	-	1 746
Air courier mail	710	868
E-communication charges	38 443	35 802
Equipment and software maintenance	62 608	42 005
General expenses	90 732	74 708
Office maintenance	25 951	23 503
Office security	19 477	19 110
Printing and stationery	16 661	11 705
Publications	76 487	53 937
Telephone and postage	28 736	28 152
	<u>359 806</u>	<u>291 534</u>
11 PROFESSIONAL FEES		
Macroeconomic management programme		
E Learning	35 937	55 613
In-country workshops	23 610	14 500
Missions	17 600	26 500
Operating expenses	5 291	4 543
Regional workshops	33 790	34 100
Studies	10 450	5 000
	<u>126 678</u>	<u>140 256</u>
Financial sector management programme		
E Learning	37 237	67 313
In-country workshops	23 100	53 390
Mission	14 960	17 700
Operating expenses	1 586	4 193
Regional workshops	51 525	29 470
Studies	27 600	13 600
	<u>156 008</u>	<u>185 666</u>
Debt management programme		
E Learning	35 937	92 625
In-country workshops	61 570	29 700
Missions	15 800	10 500
Operating expenses	1 586	4 943
Regional workshops	73 816	24 800
Studies	10 850	10 600
	<u>199 559</u>	<u>173 168</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

II PROFESSIONAL FEES (Continued)	2016 US\$	2015 US\$
Multi-disciplinary activities		
Executive fora	2 662	-
Fellow activities	13 266	123 689
Monitoring and evaluation	7 660	-
Operating expenses	6 815	1 872
Regional workshop	4 500	-
	<u>34 903</u>	<u>125 561</u>
Secretariat capacity building		
Operating expenses	1 109	2 463
Staff development	-	8 410
	1 109	10 873
Administration		
Governing bodies	11 600	8 350
Operating expenses	13 485	16 635
Regional workshops	8 560	-
	<u>33 645</u>	<u>24 985</u>
Grand total	<u>551 900</u>	<u>660 509</u>
12 SALARIES AND BENEFITS		
12.1 Programme delivery - staff		
Programme delivery - staff	1 446 368	1 434 748
House rent and maintenance	45 532	54 468
Housing allowance	133 198	132 330
Medical aid contribution	83 053	80 787
Social security (NSSA)	6 975	7 492
Leave pay	19 520	30 315
School fees subsidy	81 572	88 579
Terminal gratuity	361 592	358 561
Performance pay	10 344	23 958
Insurance	16 254	16 169
Other staff benefits	3 664	8 309
	<u>2 208 073</u>	<u>2 235 715</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

	2016	2015
	US\$	US\$
12 SALARIES AND BENEFITS (Continued)		
12.2 Secretariat Administration - Salaries and benefits		
Salaries	325 554	294 351
House rent and maintenance	12 829	15 320
Housing allowance	30 325	26 234
Medical aid contribution	43 103	34 882
Social security (NSSA)	4 926	4 572
Leave pay	(5 376)	6 174
School fees subsidy	33 416	27 836
Terminal gratuity	81 389	73 703
Performance pay	-	13 163
Insurance	4 584	4 560
Other staff benefits	5 947	8 297
	<u>539 614</u>	<u>509 093</u>
13 COMPENSATION TO KEY MANAGEMENT PERSONNEL (Included in Note 12)		
Gratuity	147 856	144 283
National Social security (NSSA)	1 580	1 530
Salaries and short-term employee benefits	767 483	793 278
	<u>916 919</u>	<u>939 091</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14 PROPERTY, VEHICLES AND EQUIPMENT

	Land US\$	Buildings US\$	Motor vehicles US\$	Computer equipment US\$	Office furniture US\$	Total US\$
Year ended 31 December 2015						
Opening carrying amount	125 000	693 827	-	50 346	82 951	952 124
Revaluation surplus	75 000	148 752	15 000	-	-	238 752
Additions	-	75 257	100 460	88 838	86 691	351 246
Disposals	-	(1 800)	-	(44 693)	(11 742)	(58 235)
Depreciation on disposals	-	234	-	44 631	3 229	48 094
Depreciation charge	-	(31 921)	(16 993)	(34 640)	(45 074)	(128 628)
Closing carrying amount	200 000	884 349	98 467	104 482	116 055	1 403 353
At 31 December 2015						
Cost/valuation	200 000	884 349	98 467	310 846	376 056	1 869 717
Accumulated depreciation	-	-	-	(206 364)	(260 000)	(466 364)
Carrying amount	200 000	884 349	98 467	104 482	116 055	1 403 353
Year ended 31 December 2016						
Opening carrying amount	200 000	884 349	98 467	104 482	116 055	1 403 353
Additions	-	28 758	32 303	50 758	17 078	128 896
Disposals	-	(3 438)	(59 776)	(1 683)	(4 593)	(69 490)
Depreciation on disposals	-	36	59 776	1 683	4 593	66 088
Depreciation charge	-	(40 598)	(23 092)	(39 671)	(58 067)	(161 428)
Closing carrying amount	200 000	869 107	107 677	115 569	75 066	1 367 420
At 31 December 2016						
Cost/valuation	200 000	909 668	130 769	361 604	393 134	1 995 175
Accumulated depreciation	-	(40 562)	(23 092)	(246 035)	(318 067)	(627 755)
Carrying amount	200 000	869 107	107 677	115 569	75 067	1 367 420

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

	2016	2015
	US\$	US\$
15 INVENTORY		
Consumables	2 190	1 636
Computer consumables	33 785	23 912
Publications	7 042	8 615
Stationery	3 521	4 589
	<u>46 539</u>	<u>38 753</u>
16 RECEIVABLES		
Contributions due:		
Rwanda	316 163	-
Angola	422 853	-
Zambia	420 321	72 253
Burundi	565 483	275 336
	<u>1 724 820</u>	<u>347 589</u>
Less: Allowance for impairment of receivables	(565 483)	-
Net receivables	<u>1 159 337</u>	<u>347 589</u>
Other receivables		
Prepayments	79 618	122 769
Staff loans and advances	240 030	400 911
Value Added Tax claims	16 353	10 205
Total other receivables	<u>336 000</u>	<u>533 885</u>
Total receivables	<u>1 495 337</u>	<u>881 474</u>

As at 31 December 2016, receivables of US\$565 483 (2015: US\$ 0) were impaired. The impaired receivables relate to contributions from the member country Burundi facing political issues. Due to the uncertainty, the amount has been provided for. The ageing analysis of these receivables is as follows:

Over 6 months	<u>565 483</u>	-
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As at 31 December 2016, receivables of US\$1 159 337 (2015: US\$ 347 589) were past due but not impaired. These relate to member state contributions for whom there is no recent history of default. It was assessed that these receivables are expected to be recovered. The ageing analysis of these receivables is as follows:

Over 6 months	<u>1 159 337</u>	<u>347 589</u>
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Movements in the allowance for impairment of receivables

As at 1 January	-	-
Allowances for impairment of recognised during the year	<u>565 483</u>	-

As at 31 December	<u>565 483</u>	-
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

16 RECEIVABLES (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of receivables mentioned above. The fair values of trade and other receivables are as stated above, because of their short tenor.

The carrying amounts of the Institute's trade and other receivables are denominated in US\$.

The other classes of trade and other receivables do not contain impaired assets and are not past due. The Institute does not hold any collateral in relation to these receivables.

17 CASH AND CASH EQUIVALENTS	2016 US\$	2015 US\$
Cash on hand	1 131	60
Cash at bank	888 815	2 006 162
Cash at bank - Gratuity account	424 425	527
Short term deposits	<u>2 048 619</u>	<u>3 181 817</u>
	<u><u>3 362 989</u></u>	<u><u>5 188 566</u></u>
 18 PAYABLES		
Accrued expenses	26 380	28 991
Audit fees	21 046	20 630
Member states	398 973	1 760 482
Professional fees	<u>91 370</u>	<u>36 620</u>
	<u><u>537 769</u></u>	<u><u>1 846 723</u></u>
 19 PROVISIONS		
Leave pay	89 258	81 944
Performance bonus	54 239	68 401
Terminal gratuity	<u>806 253</u>	<u>506 941</u>
	<u><u>949 750</u></u>	<u><u>657 286</u></u>

Reconciliation of provisions

	Leave pay provision US\$	Performance bonus provision US\$	Terminal gratuity provision US\$	Total provision US\$
As at 1 January 2015	50 626	68 401	265 865	384 892
Charged to the income statement	<u>31 318</u>	<u>-</u>	<u>241 076</u>	<u>272 394</u>
As at 31 December 2015	81 944	68 401	506 941	657 286
Charged to the income statement	<u>7 314</u>	<u>(14 162)</u>	<u>299 312</u>	<u>292 464</u>
As at 31 December 2016	<u><u>89 258</u></u>	<u><u>54 239</u></u>	<u><u>806 253</u></u>	<u><u>949 750</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

20 DEFERRED INCOME	2016 US\$	2015 US\$
Balance at beginning of the year	994 737	937 046
Capital receipt	-	99 970
Amortisation	<u>(42 279)</u>	<u>(42 279)</u>
Balance at end of year	<u>952 459</u>	<u>994 737</u>
Non-current portion of deferred income	910 180	952 458
Current portion of deferred income	<u>42 279</u>	<u>42 279</u>
Balance at end of the year	<u>952 459</u>	<u>994 737</u>

During the 2010 financial year, an amount of US\$ 957 000 was received as a grant for the purchase and construction of land and buildings. In 2015 an additional US\$ 99 970 was received from Burundi. US\$42 279 of this grant was recognised as income in the current year while the remainder represents deferred income. The amount is being amortised over a period of 25 years.

21 RESERVE FUND	2016 US\$	2015 US\$
Balance at beginning of the year	-	-
Transfer from Accumulated funds	<u>500 000</u>	<u>-</u>
Balance at end of year	<u>500 000</u>	<u>-</u>

The Reserve Fund was created to increase the Institute's ability to absorb or respond to temporary changes in its environment or financial circumstances, for example, the unanticipated event of significant budget increases in expenses and/or losses in revenue. The target amount for the fund is approximately six months' expenditure or 50 percent of the Institute's annual budget. Amounts will be transferred as approved by the Board of Governors.

22 NET EFFECTS OF CHANGES IN WORKING CAPITAL	2016 US\$	2015 US\$
(Increase)/decrease in inventory	(7 787)	3 304
(Increase)/decrease in receivables	(613 863)	159 840
(Decrease)/increase in payables	(1 308 954)	929 107
Increase in provisions	<u>292 464</u>	<u>272 394</u>
	<u>(1 638 140)</u>	<u>1 364 645</u>

23 EVENTS AFTER REPORTING PERIOD

There were no significant subsequent events requiring adjustments to be effected on the financial statements or disclosure in the financial statements.

DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016

INCOME	2016 US\$	2015 US\$
Amortisation of deferred income	42 279	42 279
In-kind contributions	531 966	557 828
Interest income	194 640	204 091
International Monetary Fund	-	20 000
Member state contributions	4 938 414	4 703 221
Norwegian Government	160 405	356 282
African Capacity Building Refund	83 452	297 829
Other income	120 157	169 207
Other donors	26 563	-
Swedish Government	672 107	727 062
World Bank	187 567	-
	<u>6 957 549</u>	<u>7 077 799</u>
EXPENDITURE		
Macroeconomic Management Programme		
In-country workshops	69 286	27 221
Missions	38 315	59 024
Operating expenses	80 613	68 506
Programme delivery - staff	629 959	650 192
Regional workshops	245 386	410 700
Participants travel -in kind expenses	177 322	139 162
Networking	19 302	10 349
Studies	10 450	7 248
E learning	47 187	58 241
	<u>1 317 820</u>	<u>1 430 643</u>
Financial Sector Management Programme		
In-country workshops	45 112	131 804
Missions	44 282	94 872
Operating expenses	80 124	72 885
Programme delivery - staff	625 896	647 761
Regional workshops	319 738	402 486
Participants travel - in kind expenses	180 000	171 598
Networking	29 061	24 954
Studies	84 152	15 460
E learning	37 279	67 313
	<u>1 445 644</u>	<u>1 629 133</u>

DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

EXPENDITURE (Continued)	2016 US\$	2015 US\$
Debt Management Programme		
In- country workshops	173 532	110 255
Missions	35 855	41 419
Operating expenses	76 082	119 249
Programme delivery - staff	701 958	697 101
Regional workshops	748 206	465 776
Participants travel -in kind expenses	174 644	183 898
Networking	8 510	20 077
Studies	15 271	27 146
E Learning	35 937	93 197
	<u>1 969 995</u>	<u>1 758 118</u>
Multi-disciplinary activities		
Executive fora	155 998	201 469
Fellows development programme	100 171	296 155
Monitoring and evaluations	12 612	12 015
Regional workshops	101 843	-
Operating expenses	54 068	45 188
Programme delivery - staff	247 416	236 815
Participants travel -in kind expenses	-	20 371
Networking	47 647	21 798
	<u>719 755</u>	<u>833 811</u>
Secretariat Capacity Building		
Operating expenses	54 589	50 067
Salaries and wages	219 251	232 313
Staff development and retreats	73 526	105 241
Publications	75 556	39 156
Staff recruitment and relocation	78 749	71 390
	<u>501 671</u>	<u>498 167</u>
Administration		
Governing bodies	77 922	68 341
Depreciation	161 428	128 628
Operating expenses	49 155	56 774
Regional workshops	10 352	-
Salaries, wages and benefits	319 416	268 958
	<u>618 273</u>	<u>522 701</u>
Allowance for impairment of receivables	<u>565 483</u>	<u>-</u>
Total expenditure	<u>7 138 641</u>	<u>6 672 573</u>
(Deficit)/surplus for the year	<u>(181 092)</u>	<u>405 226</u>



Activity	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, M- Middle Manager, Snr-Senior Manager, D-Director)
			International		Regional	MEFMI Fellows		MEFMI Staff	Male	Female	
Date			Paid	Gratis			Countries				
Venue											
3.	MEFMI Regional Workshop on Monetary Policy Formulation and Analysis <i>Kigali- Rwanda 22- 26 August 2016</i>	-	0	0	0	2 (0)	0	2 (1)	15	15	J,M, Snr
Output <ul style="list-style-type: none"> Equipped participants with the analytical skills to analyse monetary policy Exchange of country experiences and challenges in monetary policy formulation and analysis. Enhanced awareness on monetary policy formulation and analysis. 											
4.	Joint IMF/MEFMI Workshop on Inclusive Growth <i>Ebene-Mauritius 19 – 30 September 2016</i>	IMF-ICD	0	3 (2)	0	0	0	2 (1)	9	5	J,M, Snr
Output: <ul style="list-style-type: none"> Equipped participants with the knowledge to understand and interpret measures of poverty and inequality; Enhanced participants skills in analyzing macroeconomic policies and growth diagnostics and Heightened participants' knowledge of inclusive growth, designing an inclusive growth strategy. 											
5.	Joint MEFMI/IMF Course on System of National Accounts (SNA2008) <i>Entebbe-Uganda 10-21 October 2016</i>	IMF East AFRITAC	0	2 (1)	0	0	0	3 (3)	27	8	J,M, Snr
Outputs: <ul style="list-style-type: none"> Equipped participants with knowledge on the concepts and the applied aspects of compilation of national accounts based on SNA2008 methodology. Through country presentations, participants were able to learn from other countries about their success stories and challenges in the implementation of the SNA 2008 Enhanced knowledge of participants of dissemination practices that include time series, revisions, discrepancies, and quarterly series. 											

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff			Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional		MEFMI Staff		Countries	Male	Female			
			Paid	Gratis									
6. Regional Workshop on Advanced Macroeconomic Modelling and Forecasting Maseru, Lesotho 31 October – 4 November 2016	To provide hands-on training on advanced modern econometric techniques of macroeconomic modeling and forecasting	0	0	0	0	2(1)	1(0)	2(1)	10	16	16	J,M, Snr	
Outputs:													
• Equipped participants with advanced modern econometric techniques of macroeconomic modeling and forecasting such as DSGE, FPAS, ARCH,, GARCH, GMM, and VAR models.													
7. E-Learning Course - Introduction to Public Expenditure and Financial Management 5 September to 14 October 2016 Online	To equip participants with knowledge to: <ul style="list-style-type: none"> • Know the institutional and legal frameworks and public financial management reforms; • Understand fiscal planning, policy analysis, taxation and external resource mobilization; • Describe the Medium-Term Framework; • Grasp the steps taken to account, audit and report on public finances; and • Understand the importance of fiscal policy management 	0	0	0	2(1)	2(1)	1(0)	0	8	23	13	Junior and Mid-Level Staff	
Outputs:													
• Enhanced participants' knowledge on fiscal planning, policy analysis, taxation and external resource mobilization													
• Enhanced participants' knowledge of the Medium-Term Framework; public financial management reforms; and institutional and legal frameworks													
8. Joint MEFMI/IDEP Course on Natural Resources Policy and Contract Negotiation Windhoek-Namibia 21-25 November 2016	To improve participants' understanding of development of natural resources policies and skills for contract negotiation	IDEP	0	0	3(0)	0	0	3(3)	12	15	14	J,M, Snr	
Outputs:													
• Enhanced participants' knowledge on natural resources policies													
• Informed participants about the Africa Mining Vision and how it can be domesticated on country and regional levels													
• Equipped participants with knowledge and skills of negotiation of mining contracts													

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, M- MM – Middle Manager, Snr-Senior Manager, D-Director)	
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female		
			Paid	Gratis								
DEBT MANAGEMENT PROGRAMME												
9. Joint MEFMI/World Bank/IMF Regional Workshop on Debt Sustainability Analysis; 8 - 17 February 2016 Zambezi River Lodge, Victoria Falls, Zimbabwe	<ul style="list-style-type: none"> Impart knowledge and skills on the use of Debt Sustainability Analysis tools, including the IMF/World Bank Debt Sustainability Framework (DSF) for Low Income Countries (LICs) and Market Access Countries (MACs). 	2 (IMF/World Bank)	0	5 (1)	1 (0)	0	1 (0)	3(1)	9	15	12	Jr, MM
Outputs												
<ul style="list-style-type: none"> Enhanced knowledge and skills of participants in the use of the IMF/World Bank analytical tool for debt sustainability, known as the Debt Sustainability Framework 												
10. Government Finance and Public Sector Debt Statistics Compilation and Reporting 14 – 23 March 2016 Gaborone, Botswana	<ul style="list-style-type: none"> To enhance capacity of debt officers to collect, compile and disseminate Government Finance and Public Sector Debt Statistics; and To raise awareness and promote adoption of international best practice in statistics compilation, information dissemination, transparency and accountability 	1 (IMF)	0	2 (0)	0	0	1 (0)	3(1)	13	22	23	Jnr, MM
Outputs												
<ul style="list-style-type: none"> Enhanced participants' capacity to collect, compile and disseminate government finance and public sector debt statistics based on existing international standards and conventions; Capacity building needs of countries were identified and this will help MEFMI to design country-specific capacity building interventions. Country delegates prepared and organised their debt statistics in the standard format of World Bank's centralized Public Sector Debt Statistics database. 												
11. Joint MEFMI/COMSEC Regional Workshop on Managing Domestic Debt and Lending Instruments using CS-DRMS 18 – 27 April 2016 Lilongwe, Malawi	<ul style="list-style-type: none"> To impart theoretical knowledge on the management of domestic debt and lending instruments To impart practical skills to participants on the use of the domestic debt and lending functionalities of CS-DRMS version 2.2 	1 (COMSEC)	0	2 (1)	1 (1)	2(1)	1	3(1)	10	13	16	Jnr, MM
Outputs												
<ul style="list-style-type: none"> Enhanced participants' knowledge on theoretical aspects of domestic debt and lending instruments. Enhanced participants' capacity on the use of CS-DRMS to manage domestic debt and lending instruments. Provided feedback on the areas that would require further enhancement in the CS-DRMS 												

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female	
12. Regional Workshop on Public Debt and Macroeconomic Management 16 – 27 May 2016 The Arusha Hotel, Arusha, Tanzania	<ul style="list-style-type: none"> To equip participants with knowledge on the inter linkages between public debt and macroeconomic management as a basis for developing sound debt management policies and strategies 	2 (IMF, EAC)	0	1 (0)	2 (1)	2 (0)	3 (1)	10	16	13	Jr, MM
Outputs <ul style="list-style-type: none"> Enhanced knowledge and understanding of the interlinkages between public debt and macroeconomic policy instruments; Increased capacity to provide sound advice on how public debt portfolios could be managed within the framework of fiscal prudence and broader macroeconomic stability. 											
13. MEFMI Regional Workshop on Managing Public Private Partnerships 13 – 17 June 2016 Ezulwini, Swaziland	<ul style="list-style-type: none"> To enhance capacity of debt managers and other stakeholders on effective management of PPPs with a view of tapping their benefits while minimizing the inherent risks. 	0	1 (0)	0	1 (0)	0	2 (1)	8	14	12	Jnr, MM
Outputs <ul style="list-style-type: none"> Trained 26 officials on the theoretical and practical aspects of managing PPPs. Enhanced capacity of debt managers and other stakeholders to effectively manage PPPs 											
14. Joint MEFMI/World Bank Debt Management Performance Assessment training 27 June – 1 July 2016 Entebbe, Uganda	<ul style="list-style-type: none"> To introduce the participants to the concepts of debt management as enunciated in the revised DeMPA tool. to impart knowledge on the main issues involved in all spheres of public debt management including the minimum requirements for effective public debt management 	1 (World Bank)	0	2 (1)	0	2 (0)	3 (1)	9	11	23	MM, Snr
Outputs <ul style="list-style-type: none"> Imparted knowledge to 34 officials on key aspects of public debt management Imparted skills necessary for assessing public debt management operations, which would be used for self-assessments 											

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D- Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	Countries	Male		Female
			Paid	Gratis								
15. Joint MEFMI/UNCTAD Training of Users and IT Administrators on DMFAS Version 6.1.1 15 – 24 August 2016 Lusaka, Zambia	<ul style="list-style-type: none"> Provide training on modules/functionalities of DMFAS 6.1.1; Provide training on DMFAS installation and maintenance procedures; Share experiences in the area of building interfaces between DMFAS and other public financial management systems; Provide any required technical or functional clarifications to any country-specific issues through bilateral meetings; and To discuss future development plans of DMFAS and other challenges encountered by debt offices as they use the system. 	UNCTAD	0	2 (1)	0	0	0	2	4	18	15	Jnr, MM
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 discussed and some were addressed/resolved; Topics for future capacity building activities in DMFAS were discussed and agreed; Participants shared experiences in the area of building interfaces between DMFAS and other public financial management systems; and Future development plans of the DMFAS were discussed and countries shared their expectations/requirements with the system developers 												
16. Debt Managers Seminar on Alternative Sources of Development Finance 12 – 14 September 2016 Maputo, Mozambique	<ul style="list-style-type: none"> To raise awareness among debt managers on the alternative options for financing development projects as well as their cost and risk implications. 	0	1 (0)	0	2 (0)	0	2 (0)	3 (1)	8	18	14	MM, Snr. D
Outputs <ul style="list-style-type: none"> The Seminar raised awareness among 32 debt managers on the alternative options for financing development projects as well as their cost and risk implications. The Seminar accorded participants the opportunity to share experiences on debt management practices regarding the emerging sources of financing. 												

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)	
			International		Regional	MEFMI Fellows		MEFMI Staff	Countries	Male		Female
			Paid	Gratis								
17. Domestic Debt and Financial Markets Operations and Management 17 – 28 October 2016 Nairobi, Kenya	<ul style="list-style-type: none"> To enhance skills to price domestic debt instruments; To impart knowledge of techniques and processes for issuing domestic debt instruments; To enhance skills to develop and analyse yield curves; To introduce and impart skills to develop issuance plan for governments domestic debt securities using the World Bank Group's Excel-based Analytical Tool; and To share country experiences in developing domestic debt markets. 	4 (World Bank, AfDB, Reuters, FSD)	1	3 (1)	4(1)	1(0)	2(0)	3(1)	12	24	18	MM, Snr
Outputs <ul style="list-style-type: none"> Participants acquired knowledge to price domestic debt instruments; Workshop enhanced participants' knowledge of techniques and processes for issuing domestic debt instruments; Participants acquired skills to develop and analyse yield curves; Workshop imparted skills to develop an issuance plan for domestic securities using the World Bank Group's Excel-based Analytical Tool. This is expected to provide a systematic framework for developing future issuance plans that operationalize countries' medium-term debt management strategies, aligned to annual budget cycles; Participants shared country experiences in developing domestic debt markets 												
18. Parliamentarians' Public Debt and Macroeconomic Management 7 – 9 November 2016 Windhoek Namibia	<ul style="list-style-type: none"> To equip Parliamentarians with knowledge on the inter-linkages between public debt and macroeconomic management; and To provide a forum for parliamentarians to share experiences on debt and macroeconomic management in their respective countries. 	0	2(0)	0	0	0	1 (0)	4	7	21	6	MM, Snr
Outputs_ <ul style="list-style-type: none"> The Seminar raised awareness among Parliamentarians on the interlinkages between debt and macroeconomic management; and The Seminar accorded participants the opportunity to share country experiences on debt and macroeconomic management practices and the roles of legislature. 												
19. Foundations of Debt Management 21 November – 30 December 2016 Online	<ul style="list-style-type: none"> To introduce the participants to the concepts of debt management as enunciated in the revised DeMPA tool. To impart knowledge on the main issues involved in all spheres of public debt management including the minimum requirements for effective public debt management 	0	0	0	0	2(0)	1(0)	2(0)	5	12	8	J, MM,

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female			
			Paid	Gratis									
Outputs <ul style="list-style-type: none"> Imparted knowledge to 34 officials on key aspects of public debt management Imparted skills necessary for assessing public debt management operations, which would be used for self-assessments 													
FINANCIAL SECTOR MANAGEMENT PROGRAMME													
20.	MEFMI/RAMP workshop on Market Risk, Indexation of Treasuries and Performance Measurement 8 -12 February 2016 Windhoek, Namibia	World Bank	0	3(0)	0	0	0	0	3(2)	15	9	18	MM, J.
Outputs <ul style="list-style-type: none"> Demonstrable ability to manage a portfolio versus a market based benchmark with one or more market indices. 													
21.	Regional Retreat for Heads of Payment Systems 12-14 April 2016 Luanda, Angola		0	3(1)	1(0)	0	0	0	4(3)	9	10	7	J,MM,Snr,D
Outputs <ul style="list-style-type: none"> The objective of the Retreat was for decision makers to identify and discuss how the experiences and ideas from previous workshops can be applied to meet country or regional challenges, with a view to forming action plans that can be used to address regional issues. 													
Outputs <ul style="list-style-type: none"> Retreat provided a forum to pull together different aspects of payment systems and inform country plans going forward 													
22.	Supervision of NBFIs 30 May – 3 June, 2016 Mombasa, Kenya		1(0)	1(0)	2(0)	0	0	1(0)	1(0)	11	19	11	J,MM,Snr,D
Outputs <ul style="list-style-type: none"> To formally introduce NBFIs regulators to NBFIs supervision principles, processes and corporate governance as well as provide an overview of best practices and standards for supervision. 													
Outputs <ul style="list-style-type: none"> Participants gain an understanding in supervisory principles and processes. 													

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female	
23. E-learning Course on Fundamentals of Financial Markets 18 April – 20 May 2016 Online	<ul style="list-style-type: none"> Provide participants with the relevant knowledge on the financial system; Highlight the different financial markets and their components; Equip participants on fundamental quantitative skills on pricing of different instruments in the different markets. 	UNITAR	0	1(0)	2(0)	2(2)	3(2)	13	47	31	JM, MM, Snr.
Outputs											
<ul style="list-style-type: none"> Demonstrable ability to price various financial market instruments An understanding of the financial system and the components. 											
24. Retreat for Heads of Financial Markets 22 – 24 June, 2016 Gaborone, Botswana	<ul style="list-style-type: none"> To offer an opportunity for policy makers to highlight constraints and opportunities relating specifically to market participants in the domestic financial markets. Recommend policy incentives and legal reform suggestions, with a long-term regional focus, to address the highlighted constraints and take advantage of the opportunities. 	EAC Secretariat, SARB, Standard Bank.	0	2(0)	0	0	3(2)	10	13	12	Snr
Output											
<ul style="list-style-type: none"> Policy proposals and legal reforms encouraging domestic financial market development, specifically market participants 											
25. Supervision of Banks: Special Focus on Micro Prudential Stress Testing 18 – 22 July, 2016 Kigali, Rwanda	<ul style="list-style-type: none"> The workshop was motivated by the growing attention on stress testing since the Global Financial Crisis and the resulting regional initiatives to implement comprehensive stress testing frameworks that are customized to the local and regional circumstances. The content was built around the Cihak framework, which is being adopted and implemented, sometimes in a modified form, by the Central Banks in the region. 	-	-	-	3	3	9	22	8	J,M	
Outputs											
<ul style="list-style-type: none"> The seminar enhanced knowledge in stress testing particularly the IMF Cihak stress testing model which is being adopted by countries in the region. The workshop enhanced participants' skills in Excel and economic modelling. 											

Activity Date Venue	Objective	TCP	Resource Persons				Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Fellows	MEFMI Staff	Countries	Male	Female			
26. Regional Workshop on the Application of the PFMIs 1-5 August 2016 Kampala, Uganda	<ul style="list-style-type: none"> Impart knowledge to the regulators on the application and implementation of the PFMIs, deliver practical training on how to incorporate the PFMIs into country's oversight frameworks and provide insight on how market authorities can guide industry players on the actions required on their part. 	BIS World Bank	Paid 2(1)	Gratis 1(1)	0	0	3	10	12	12	M,S	
Outputs:												
<ul style="list-style-type: none"> Enhanced skills in carrying out FMI self-assessment using the PFMIs. Participants developed self-assessment templates that is hoped will be used in their respective countries. 												
27. Regional Workshop on Selection and Management of External Fund Managers 22 – 26 August, 2016 Dar-Es-Salaam, Tanzania	<ul style="list-style-type: none"> To enable participants to examine the model of selection of external fund managers and oversight processes To undertake a reconciliation of investments undertaken versus mandate given and analyse performance of external fund managers To scrutinise risk management measures undertaken and risk contribution to overall reserves portfolio To report integrated portfolio results to the senior executives To understand best practice and standards for investment management oversight. 	BIS SARB	0	2(1)	2	0	2(1)	3(2)	5	8	7	M,J
Outputs												
<ul style="list-style-type: none"> Central Bank staff involved in the Reserves Management with an understanding and capability to select, manage and monitor external fund managers; undertake quantitative analysis for asset and benchmark selection; integrate and report results to various levels of management. Tangible and implementable recommendations on overcoming existing challenges in the selection and management of external fund managers. 												
28. Regional Workshop on Inflation Targeting 26-30 September 2016 Kampala, Uganda	<ul style="list-style-type: none"> Equip central banks and ministries of finance with the requisite skills and information to arrive at the best choice of monetary framework that suits their respective economies 	CCBS SARB	1(0)	1(0)	1	0	3	6	7	12	M,S	
Outputs												
<ul style="list-style-type: none"> Enhanced skills and knowledge on implementing inflation targeting. 												

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff			Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional		MEFMI Staff	Countries	Male	Female				
			Paid	Gratis									
29. E-learning Course on Fundamentals of PSCSS 1 October – 4 November 2016			0	0	1 (0)	3 (0)	1 (1)	2	11	26	35	M.S	
Outputs													
<ul style="list-style-type: none"> Enhanced skills and knowledge in payment system. 													
30. MEFMI –FSI Toronto Centre Regional Seminar on Basel III and Macro prudential Surveillance 8 –10 Nov. 2016 Victoria Falls, Zimbabwe	<ul style="list-style-type: none"> The objective of the seminar was to raise awareness on the new amendments to the Basel Framework post the global financial crisis. 	FSI TC WB	0	5(2)	0	0	0	3	9	16	2	D	
Outputs													
<ul style="list-style-type: none"> Knowledge in Basel III principles, macro -prudential supervision and stress testing. 													
31. MEFMI-BIS seminar on “Use of Chinese Renminbi as a trading currency 22 Nov. 2016 Hong Kong		BIS PBC IMF BOC HK Citigroup	0	6(1)	0	0	0	2	4	4	0	D	
Outputs													
<ul style="list-style-type: none"> The seminar offered a forum for discussing practical issues with the People’s Bank of China (PBOC), market experts and other relevant stakeholders. 													
MULTI-DISCIPLINARY ACTIVITIES													
32. Fellows Facilitation and Consulting Skills Workshop 2-10 May 2016, Royal Swazi Convention Centre, Ezuwini, Swaziland.	<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. 		0	0	2(0)	0	0	3(3)	7	8	9	Candidate Fellows and MEFMI staff	

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female	
			Paid	Gratis							
Output <ul style="list-style-type: none"> • Candidate gained knowledge and skills on facilitation and consulting • Enhanced awareness of Candidate fellows about the operations of the Fellows Development programme/CTPs 											
33.	Central Bank Governors' Forum 20 June 2016, Bank of Tanzania, Dar es Salaam	<ul style="list-style-type: none"> • Provide platform for central bank Governors to deliberate on possible policy responses to inclusion of Chinese Renminbi (RMB) to the Special Drawing Rights (SDR) basket • Provide platform for central bank Governors to deliberate on how the region could use its strategic geographic location to unlock potential benefits arising from the economic renaissance of the Indian Ocean Basin 	0	1	2(1)	0	7(3)	13	21	7	Central Bank Governors
Output <ul style="list-style-type: none"> • Fruitful exchange of views and ideas that will shape the region's responses to the inclusion of the RMB in the SDR basket • Raised awareness on strategies the region could use to unlock potential benefits arising from the economic renaissance of the Indian Ocean Basin 											
34.	MEFMI Combined Forum 4 October 2016, Washington Renaissance Hotel, Dupont Circle, Washington D.C., USA	<ul style="list-style-type: none"> • Discuss challenges and explore opportunities for unlocking and leveraging on the transformative potential of Public-Private Partnership platforms to scale-up infrastructure delivery in the region 	1(0)	3(0)	0	0	8(4)	13	99	24	Central Bank Governors, Permanent Secretaries, Ministers
Output <ul style="list-style-type: none"> • Strategies to unlock and leverage on the potential of Public-Private Partnership platforms to scale-up infrastructure delivery in the region were explored 											

Note: Figures in brackets denote number of Females.

ANNEX II: IN-COUNTRY WORKSHOPS (SEMINARS/RETREATS) FOR THE PERIOD JANUARY - DECEMBER 2016

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)		Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male		Female	
												Paid
MACROECONOMIC MANAGEMENT PROGRAMME												
1.	In-country Workshop on Contemporary Issues in Taxation for the Ministry of Finance and Economic Development 10– 21 October 2016 Mutare, -Zimbabwe	0	0	0	2 (0)	0	0	1 (0)	1	1	4	J,M, Snr
Outputs: <ul style="list-style-type: none"> Equipped participants with the knowledge and technical skills that guide tax policy; Enhanced participant's knowledge of recent developments in taxation that effect the tax structure of Zimbabwe. 												
2.	In-Country Workshop on PCMS Version 3 14 – 18 November 2016 Bank of Botswana (BB) Gaborone, Botswana	-	0	0	1(0)	1(0)	1(1)	0	1	1	4	Junior and Senior FPC business experts
Outputs: <ul style="list-style-type: none"> Enriched participants' knowledge on FPC concepts and use of financial statements for validation. Imparted skills on the functionalities of the PCMS Version 3; the enhanced new version of the system. Revised the Bank of Botswana FPC Survey questionnaire to ease data collection process and consistency with the PCMS Version 3. A signed off User Acceptance Test from the Bank of Botswana BOP team confirming the integrity of the PCMS Version 3 for use in their FPC Survey 2017. 												
3.	In-country workshop on Financial Programming and Policy Analysis for the Ministry of Finance and Economic Development of Zimbabwe 5-16 December 2016 Kariba, -Zimbabwe	0	0	0	1 (0)	0	1(0)	1(0)	1	22	8	J,M, Snr

Activity	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)		Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Staff	MEFMI Fellows		Male	Female			
Date			Paid	Gratis				Countries				
Outputs: <ul style="list-style-type: none"> Equipped participants with the knowledge and technical skills of developing a Financial Programming; Rudimentary version of a baseline forecasting scenario using the Zimbabwe dataset. Equipped participants with the economic concepts to do financial programming 												
DEBT MANAGEMENT PROGRAMME												
4.	In-country workshop on Medium Term Debt Management Strategy for Botswana; <i>18 – 22 January 2016</i> <i>Gaborone, Botswana</i>	<ul style="list-style-type: none"> Assist the Ministry of Finance in Botswana to finalize the preparation of a Medium Term Debt Management Strategy that had been developed internally. Train participants on the use of the IMF/World Bank MTDS Analytical Tool to formulate a debt management strategy. 	0	0	0	0	1 (0)	1	3	11	Jr, MM,	
Outputs <ul style="list-style-type: none"> A summary of the key messages of the MTDS analysis was prepared together with the participants. This would be used to improve the quality of the debt management strategy which was prepared by the Ministry of Finance prior to the workshop. Participants gained knowledge and practical skills for designing and analyzing alternative debt management strategies using the MTDS Analytical Tool. 												
5.	Joint MEFMI/IMF/WORLD BANK In-country workshop on Medium Term Debt Management Strategy for Kenya <i>January 25 – February 10, 2016</i> <i>Kenya School of Monetary Studies and National Treasury, Nairobi, Kenya</i>	<ul style="list-style-type: none"> To train officials on the formulation and implementation of a medium term debt management strategy. To assist the Treasury develop the MTDS that would inform policymakers in their borrowing decisions for the period 2015/16 – 2018/19 	IMF/WB	0	6(4)	0	0	1(0)	1	7	8	Jr, MM
Outputs <ul style="list-style-type: none"> Participants gained knowledge and practical skills for designing a debt management strategy using the MTDS Analytical Tool. A draft Aide Memoire was produced and shared with authorities for their initial comments. Kenya's MTDS for the period 2015/16 – 2018/19. 												
6.	Joint World Bank /IMF /MEFMI / UNCTAD Mission to Zambia on Medium Term Debt Management Strategy <i>23 February to 2 March 2016</i> <i>Lusaka, Zambia</i>	<ul style="list-style-type: none"> To build analytical capacity of Zambian officials to formulate a debt management strategy, using the World Bank-IMF Medium Term Debt Management Strategy (MTDS) Analytical Tool 	3 (IMF/ WBUNCT-AD)	0	5 (2)	0	0	1(0)	1	11	14	Jr, MM, Snr

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)	
			International	Regional	MEFMI Staff	MEFMI Fellows		Countries	Male	Female		
			Paid	Gratis								
Outputs <ul style="list-style-type: none"> Participants gained knowledge and practical skills for preparing a debt management strategy using the MTDS Analytical Tool. It is envisaged that the knowledge and skills gained would enable them to design Zambia's debt management strategy. A draft MTDS Aide Memoire on the mission's work was submitted to authorities. 												
7.	In-country workshop on Debt Sustainability Analysis 14 - 24 March 2016 Kadoma, Zimbabwe	<ul style="list-style-type: none"> To assist the Ministry of Finance in Zimbabwe conduct a Debt Sustainability Analysis aimed at assessing implications of alternative debt relief options. 	0	0	0	2(0)	1(0)	1(0)	1	19	14	Jr, MM, Snr
Outputs <ul style="list-style-type: none"> Draft Debt Sustainability Analysis Report Participants acquired knowledge and enhanced their practical skills to use the IMF/World Bank DSF template to conduct Debt Sustainability Analysis. 												
8.	In-country workshop on drafting public debt management guidelines and procedure manuals 27 April – 6 May 2016 Troutbeck Hotel, Nyanga, Zimbabwe	<ul style="list-style-type: none"> Develop Public Debt Management Guidelines and Procedures Manuals Updating the existing Back Office Procedure Manual and Data Validation; and Build capacity on public debt management operations. 	0	0	1(0)	0	1(0)	2(0)	1	21	9	Jnr, MM, Dr
Outputs <ul style="list-style-type: none"> Seven (7) draft public debt management guidelines and procedures manuals; Updated back office and data validation manuals; 												
9.	Rwanda's Public Debt Management Reform Plan and MTDS Training 5 - 14 July 2016 Kigali, Rwanda	<ul style="list-style-type: none"> To impart knowledge and skills on the development of DMS, annual borrowing plan and domestic debt market development 	1	0	4(3)	0	1(0)	1(0)	1	4	3	D, Snr, MM, JM
Outputs <ul style="list-style-type: none"> Imparted knowledge on the development of a DMS, annual borrowing plan and development of domestic debt market 												
10.	In-country workshop on Medium Term Debt Management Strategy 4 – 15 July 2016 Kariba, Zimbabwe	<ul style="list-style-type: none"> To build the capacity of officials on designing a medium term debt management strategy, based on cost and risk analysis of alternative debt management and financing options. 	0	0	0	1(0)	1(0)	1(0)	1	18	12	Jr, MM, Snr

Outputs <ul style="list-style-type: none"> Quantitative analysis of the costs and risks of alternative debt management strategies Participants acquired knowledge and practical skills on the use of the IMF/World Bank Medium Term Debt Management Strategy and Issuance Plan Analytical Tools. 														
11.	In-country workshop on Foundations of Debt Management 1 – 5 August 2016 Maputo, Mozambique	<ul style="list-style-type: none"> To nurture and equip country officials with requisite skills to enhance their effectiveness in managing public sector debt in Mozambique. 	0	0	0	1	0	2 (0)	2 (0)	1	10	19	Jr. MM, Snr	
Outputs <ul style="list-style-type: none"> A total of 29 participants were equipped with requisite skills to enhance their effectiveness and efficiency in managing public sector debt. It is expected that they will apply the knowledge and skills acquired to improve efficiency in managing public debt in Mozambique. 														
12.	Debt Management Performance Assessment (DeMPA) Methodology Training Ministry of Economy and Finance, Maputo, Mozambique 8 – 12 August 2016	<ul style="list-style-type: none"> To equip officials with knowledge on comprehensive debt management functions through application of the DeMPA methodology. 	0	0	0	2(1)	0	2	2	1	10	17	JM, MM	
Outputs <ul style="list-style-type: none"> Better understanding, amongst the officials, of the scope, coverage and rationale behind the 14 DeMPA methodology debt performance indicators and the inter-linkages between the debt performance indicators Imparted skills on the use of DeMPA results to design debt management reforms. 														
13.	Joint MEFMI/CABRI In-country Training on Strengthening public debt, risk and cash management capabilities Kampala, Uganda, 15 – 18 August 2016	<ul style="list-style-type: none"> To build public debt office credibility and capabilities through a borrowing strategy framework that balances costs and risks. To develop enabling environment to execute this strategy and establishing a risk management framework. 	CABRI	0	0	5(2)	0	1	1	1	5	21	8	Jnr, MM, Snr
Outputs <ul style="list-style-type: none"> Imparted skills on the public debt management with emphasis on building credibility and institutional capability through a borrowing strategy and enabling environment to execute it. Drafted action plans for reducing debt servicing costs, investor management and legal framework 														
14.	Workshop on Public Debt Statistics Compilation and Reporting 29 August – 9 September 2016 Mutare, Zimbabwe	<ul style="list-style-type: none"> To provide officials with a clear understanding of sound practices in debt statistics compilation and reporting, based on existing international definitions, standards and conventions; Guide country officials in drafting a public debt bulletin. 	IMF	1 (0)	1 (0)	0	2(1)	1 (0)	1	1	1	24	13	Jnr, MM, D
Outputs <ul style="list-style-type: none"> Participants had a clear understanding of sound practices in debt statistics compilation and reporting, based on existing international definitions, standards and conventions A draft public debt bulletin was produced, and will be refined for submission to authorities for approval and publication Officials developed a work plan to produce the debt bulletin in subsequent years, and this plan is expected to be formally integrated into their respective work streams going forward A champion was identified to coordinate production of subsequent bulletins, as well as ensuring their timeliness and that adequate resources are availed. 														

15.	Sovereign bond issuance Training for Mozambique <i>16 – 17 September 2016 Maputo, Mozambique</i>	<ul style="list-style-type: none"> To equip participants with key skills required in the preparation, issuance and management of sovereign international bonds. 	0	0	0	0	0	1 (1)	2 (0)	2 (0)	1	9	10	JM, MM
Outputs														
<ul style="list-style-type: none"> Enhanced knowledge and capacity to issuance and manage international sovereign bonds. 														
16.	Financial Negotiation Techniques and Skills Workshop for Mozambique <i>19 – 23 September 2016 Maputo, Mozambique</i>	<ul style="list-style-type: none"> To introduce participants to the concepts, practices and key considerations in financial negotiations. 	0	0	0	2 (1)	0	1 (0)	1 (0)	1 (0)	1	13	16	JM, MM
Outputs														
<ul style="list-style-type: none"> Increased capacity of Mozambican officials to negotiate loans 														
17.	Public Debt Audit Training for Zimbabwe <i>26 September – 07 October 2016 Bulawayo, Zimbabwe</i>	<ul style="list-style-type: none"> To impart knowledge on key aspects of public debt management To impart skills on the effective auditing of public debt management. 	0	0	0	2(1)	1	2	2	2	1	19	8	Jnr, MM
Outputs														
<ul style="list-style-type: none"> Imparted skills on key aspects of public debt management to 27 officials Imparted necessary skills for auditing of public debt management. 														
18.	MTDS Workshop for Rwanda <i>26 September – 7 October 2016 Kigali, Rwanda</i>	<ul style="list-style-type: none"> To train country officials on designing a medium term debt management strategy as a basis for assessing the performance of alternative financing options available to Rwanda. 	0	0	0	1 (0)	1(1)	2 (0)	2 (0)	2 (0)	1	7	3	JM, MM, D
Outputs														
<ul style="list-style-type: none"> Quantitative analysis of the costs and risks of alternative debt management strategies Participants acquired knowledge and practical skills on the use the IMF/World Bank Medium Term Debt Management Strategy Analytical Tools 														
19.	In-country Workshop on Debt Sustainability Analysis <i>18 - 27 October 2016, Dowa District, Malawi</i>	<ul style="list-style-type: none"> Assess the long-term sustainability of Malawi's current level of public debt and prospective borrowing as a basis for formulating a medium debt management strategy. Develop the skills of national officials in debt sustainability analysis. 	0	0	0	1(0)	1(0)	1(0)	1(0)	1(0)	1	11	10	JM, MM, D
Outputs														
<ul style="list-style-type: none"> Country officials acquired knowledge and enhanced their practical skills to use the IMF/World Bank DSF template to conduct Debt Sustainability Analysis. Participants prepared a PowerPoint presentation on the DSA, including the key findings and recommendations for consideration by senior policy makers in the Government. 														

20.	<p>Uganda In-country Training on DMFAS</p> <p>21 November – 2 December 2016, Kampala, Uganda</p>	<ul style="list-style-type: none"> To introduce participants to DMFAS and impart knowledge and skills required to effectively and efficiently use the system as a tool for maintaining comprehensive and quality public debt databases 	0	0	0	1 (0)	2(1)	1(0)	1(0)	1	14	11	JM, MM, D
<p>Outputs</p> <ul style="list-style-type: none"> Imparted knowledge and developed skills required to effectively and efficiently use the system as a tool for maintaining comprehensive and quality public debt databases. Widened the pool of staff able to use the DMFAS within Uganda's MOFPED 													
21.	<p>In-country Workshop on Debt Sustainability Analysis</p> <p>21 November – 2 December 2016, Maseru, Lesotho</p>	<ul style="list-style-type: none"> Assess the long-term sustainability of Lesotho's public and publicly guaranteed debt, taking into account the prospective borrowing and the macroeconomic outlook. Train relevant government officials in debt sustainability analysis especially in the use of the Debt Sustainability Framework for low income countries (DSF LICs), with the aim of imparting skills necessary for the officials to use in engaging the Bretton Woods institutions during article IV and other consultation missions. 	0	0	0	0	2(0)	1(0)	1(0)	1	12	14	JM, MM, D
<p>Outputs</p> <ul style="list-style-type: none"> Participants prepared and made a presentation on the DSA to the senior officials of the Ministry of Finance. The presentation outlined the historical and projected macroeconomic performance, key assumptions for the DSA, the key findings and recommendations for consideration by the senior policy makers. The DSA team prepared a draft DSA Report. The officials acquired knowledge and skills in the use of the IMF/World Bank DSF LICs template to conduct Debt Sustainability Analysis. 													
22.	<p>In-country Workshop on Debt Sustainability Analysis</p> <p>21 November – 2 December 2016, Bank of Tanzania Dar es Salaam, Tanzania</p>	<ul style="list-style-type: none"> To assess the impact of the expected increase in non-concessional borrowing and the issuance of non-marketable domestic bonds on the sustainability of Tanzania's national debt; and To impart knowledge and develop skills on debt sustainability analysis using the IMF/World Bank Debt Sustainability Framework (DSF) for Low Income Countries. 	0	0	0	0	0	1(0)	1(0)	1	18	7	JM, MM, D
<p>Outputs</p> <ul style="list-style-type: none"> Debt Sustainability Analysis report. Participants acquired knowledge and enhanced their practical skills to use the IMF/World Bank DSF template to conduct Debt Sustainability Analysis 													
23.	<p>In-country Workshop on Medium Term Debt Management Strategy</p> <p>5 - 9 December 2016, Bank of Tanzania, Dar es Salaam, Tanzania</p>	<ul style="list-style-type: none"> To assist the Ministry of Finance in Tanzania to update its medium term debt management strategy, based on the latest debt data, new financing options and macroeconomic outlook; and To impart knowledge and skills on the use of the IMF/World Bank MTDS Analytical Tool to formulate a debt management strategy. 	0	0	0	0	0	2(0)	2(0)	1	16	6	Jr, MM

Outputs

- Participants gained knowledge and practical skills on the use of the IMF/World Bank Medium Term Debt Management Strategy Analytical Tool.
- Quantitative analysis of the costs and risks of Tanzania's alternative debt management strategies.

FINANCIAL SECTOR MANAGEMENT PROGRAMME

24.	<p>In-country workshop on intermediate banking supervision 20-24 June 2016 Lusaka, Zambia</p> <ul style="list-style-type: none"> • To equip the staff with the relevant knowledge and skills to enable them carry out on-site and off-site examination procedures effectively, as well as develop appropriate prudential guidelines. 	0	0	0	4(1)	0	1	1	1	1	17	J, MM, Snr.D	
Outputs													
<ul style="list-style-type: none"> • Workshop provided a forum to pull together different aspects of payment systems and inform country plans going forward 													
25.	<p>In-country workshop on Foreign Exchange 1 – 5 August 2016 Kampala, Uganda</p> <ul style="list-style-type: none"> • Build capacity in the key aspects of: <ul style="list-style-type: none"> • Determination of Exchange Rates • Factors Affecting Exchange Rates • The Role of Central Bank in Foreign Exchange Markets • Risk Management for Foreign exchange • Equip participants with quantitative skills on technical analysis and foreign exchange instruments. • Enshrine the concept of trading in foreign exchange instruments. 	1(0)	0	0	2(0)	0	1	1	1	1	20	10	J, MM, Snr
Outputs													
<ul style="list-style-type: none"> • Understanding of the FX drivers in Uganda and the interventions by the regulator; • Participants equipped on quantitative aspects – technical analysis and FX instrument techniques. • Ability to analyse market news and data for significance and effect on FX rate. 													
26.	<p>In-country workshop on PFMIs 29 August – 1 September 2016 Maseru, Lesotho</p> <ul style="list-style-type: none"> • To equip the participants to understand and apply the new PFMIs. • Equipping participants with requisite skills to manage risks in payment systems and skills to perform PFMIs assessments 	0	1(1)	0	2(1)	1(1)	1	1	1	1	11	6	J, MM, SNR
Outputs													
<ul style="list-style-type: none"> • Enhanced skills in carrying out FMI self-assessment using the PFMIs. • CBL developed PFMIs self-assessment templates 													
27.	<p>In-country workshop on Foreign exchange, derivatives and risk management 14 – 18 November 2016 Mangochi, Malawi</p> <ul style="list-style-type: none"> • Build capacity in the key aspects of: foreign exchange, derivatives and risk management • Equip participants with quantitative skills on technical analysis, foreign exchange instruments and derivatives. • Enshrine the concept of risk management (hedging) using foreign exchange instruments. 	1(0)	1(0)	1	1(0)	2(1)	2(1)	1	1	1	18	7	JJ,M

<p>Outcomes:</p> <ul style="list-style-type: none"> • Knowledge on an understanding of the FX drivers in Malawi and the effect and effectiveness of interventions by the regulator; • Participants equipped on quantitative aspects – technical analysis and FX instruments and risk management techniques. • Participants with an ability to analyse market news and data for significance and effect on FX rate. 												
28.	<p>In-country Workshop on Risk Based Supervision (Intermediate)</p> <p>28 Nov - 2 Dec, 2016 Maseru, Lesotho</p>	<ul style="list-style-type: none"> • To build capacity in key aspects of bank supervision such as risk based supervision, Basel II, revised core principles of bank supervision, and stress testing , • Share other practical experiences from other countries on how they have incorporated new supervisory standards on their day to day work. 	0	0	1(0)	2(2)	1(1)	1(1)	1	8	17	JJ,M
<p>Outcomes:</p> <ul style="list-style-type: none"> • Enhanced knowledge and skills in the regulation and supervision of banks. • Share other countries' experiences on how they regulate and supervise such institutions 												

Note: Figures in brackets denote number of Females.

ANNEX III: COUNTRY MISSIONS FOR THE PERIOD JANUARY-DECEMBER 2016

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff			Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Gratis	Paid	Regional	MEFMI Fellows	MEFMI Staff	Countries	Male	Female		
MACRO MANAGEMENT PROGRAMME													
1. Follow-up mission on the skills gap analysis audit for the National Bank of Rwanda (BNR). 22 - 26 February 2016 Bank of Rwanda, Kigali, Rwanda.	Review, standardisation and approval of skills gap analysis forms at a functional level, to allow for comparative bank-wide analysis.		0	0	0	1(0)	0	1(0)	0	1	*	*	J,MM,Snr,D
Outputs													
<ul style="list-style-type: none"> Designed and reviewed standardized forms for all directorates covering functional roles, competencies, managerial, other skill, institutional aspects and proposed solutions. All the forms were reviewed and approved by the MEFMI by 1st March 2016. 													
2. Follow-Up Mission on Establishing an Independent Revenue Authority for Namibia. 14 - 18 March 2016 Windhoek, Namibia	Provide technical assistance on the operational readiness of the proposed Namibian Independent Revenue Authority.		0	0	0	2(0)	1(1)	1(0)	0	1	*	*	MM,Snr,D
Outputs													
<ul style="list-style-type: none"> Operational readiness was comprehensively assessed and the NAMRA bill was reviewed and a report with recommendations to assist a task force in implementation of the remaining transitional activities in setting up NAMRA was completed. 													
3. Second Follow-Up Mission on Skills Audit for National Bank of Rwanda. 14 - 23 March 2016 Bank of Rwanda, Kigali, Rwanda.	To provide technical assistance to the Bank, on analysis and interpretation of data and report writing.	-	0	0	0	1(0)	0	1(0)	0	1	*	*	J,MM,Snr,D
Outputs													
<ul style="list-style-type: none"> A report on the skills audit for BNR with identified skills gaps and recommendations. 													
4. PCMS Maintenance and Upgrade Mission 14 - 24 March 2016 MEFMI Secretariat, Harare- Zimbabwe	To carry out maintenance on the PCMS Version II and finalise upgrades on Version III of the system.	-	0	0	0	1(0)	0	0	3 (3)	0	1	0	-

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)
			International	Regional	MEFMI Fellows	MEFMI Staff		Countries	Male	Female	
			Paid	Gratis							
Outputs <ul style="list-style-type: none"> Successful creation of master database to feed into both the Tanzania LAN based database and the MEFMI PCMS online database in a synchronized manner. Back end formula were finalised in the system for version III. The survey detailed report and all flexible query reports were tested and produced correct and consistent results. An online help desk tool was created which will enable user queries to be logged in and addressed more timeously. 											
5.	In-Country mission on Developing a Financial Program for Reserve Bank of Zimbabwe. 4 - 8, April 2016 Kadoma, Zimbabwe	USAID/ SERA	0	0	1(1)	2(1)	0	1	9	2	MM,D
Outputs <ul style="list-style-type: none"> Examine the Excel file with the financial program and guide the counterparts in continuing the work. Continue the work to reduce/eliminate the observed data inconsistencies. Examine the economic indicators and make suggestions for improvements. Assist the counterparts to create an evaluation framework wherein forecasted results are compared with actual data. Provide additional conceptual training in the financial programming framework. 											
Outputs <ul style="list-style-type: none"> Constructed a set of inter-account links to enable comparison of data from two different accounts in a systematic fashion for consistency. Made substantial progress in the process of eliminating the inter-account data inconsistencies. Formulated a set of recommendations outlining steps to improve the Zimbabwe macroeconomic dataset. Construction of a first version of a general government account (including central and local government transactions as well as some additional transactions, undertaken, for example those undertaken by universities). Substantial improvement was made on the baseline scenario, the first two versions of which was constructed during the March and September workshops. 											
6.	In-Country Mission on PCMS customisation 6 - 17 June 2016 National Bank of Rwanda (BNR) Kigali and Musanze, Rwanda	-	0	0	1(0)	2(2)	1(1)	1	14	5	Junior and Senior FPC business experts and IT experts;
Outputs <ul style="list-style-type: none"> Successfully downloaded and set up the PCMS on the BNR Local Area Network. Fully customised the PCMS on the local environment which included upgrading of the system scripts and commands to be consistent with BNR's database standards. Enriched participants' knowledge on FPC concepts and imparted skills on the functionalities of the PCMS Version 3; the enhanced new version of the system Imparted BNR IT staff with skills on the PCMS configurations and support. 											

Activity Date Venue	Objective	TCP	Resource Persons				Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Fellows	MEFMI Staff	Countries	Male	Female			
7. In-Country Mission on Seasonal Adjustment of macroeconomic time series data for Central Bank of Lesotho 27-29 July 2016 Maseru, Lesotho	To seasonally adjust time series data for the four (4) macroeconomic accounts (National Accounts, Balance of Payments, Statement of Government Operations and Monetary Statistics) for Central Bank of Lesotho	SARB	Paid 0	Gratis 1	1(1)	0	0	2(1)	1	9	7	MM,D
Outputs <ul style="list-style-type: none"> Participants are better trained in seasonal adjustment techniques. They have also gained a technical skills on using the seasonal adjustment software Jdemetra+ Seasonal Adjustment data for the Central Bank of Lesotho 												
8. Follow-up In-Country Mission on Developing a Financial Program for Reserve Bank of Zimbabwe. 22-26 August 2016 Kadoma, Zimbabwe	<ul style="list-style-type: none"> Finalise the iterative process which includes examining the forecasted analytical economic indicators and the forecasted path of residuals, and making corrections where necessary; Finalise the baseline forecasted scenario for 2016 and 2017; Create an evaluation framework to facilitate comparison of forecasts with actual outturn data; Provide additional conceptual training in the financial programming framework; and Develop a revised Aide Memoire with recommendations on work to be accomplished before the fifth follow up mission (Phase 5). 	USAID/ SERA	0	1(1)	0	0	0	2(2)	1	8	1	MM,D
Outputs <ul style="list-style-type: none"> Finalised the first version of the baseline forecasting scenario for 2016 and 2017. Thus, methods and techniques for forecasting individual items, proxy relationships and cross-account links have been developed and are deemed adequate. The iterative process was completed and the results were checked and verified across all the four macroeconomic accounts that form part of the framework. Started work on the evaluation framework of baseline forecasts and prior information. It will be used to evaluate and improve the baseline scenario by serving as a foundation to take corrective action of forecasting techniques when required. Provided further training to participants in forecasting techniques, inter-account links and the macroeconomic statistical framework. Officially launched the Framework 												

Activity Date Venue	Objective	TCP	Resource Persons				Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			Regional	MEFMI Fellows	MEFMI Staff	Secretariat Staff	Countries	Male	Female			
<p>9. In-Country Mission on Private Capital Monitoring System (PCMS) 28 November – 02 December 2016 Kenya National Bureau of Statistics</p>	<ul style="list-style-type: none"> To enhance acquired skills of the team on FPC compilation and reporting; To facilitate hands-on training on the functionalities of the PCMS; and To guide data capture, report and analysis of the returned questionnaires into the system. 	-	0	0	1 (0)	0	1 (1)	0	1	9	11	Junior and Middle Manager Staff
<p>Outputs:</p> <ul style="list-style-type: none"> Enhanced skills in concepts underlying FPC compilation and reporting Equipped participants with hands-on training on the enhanced functionalities of the PCMS Captured data into the system of 300 questionnaires, generated the output reports, and equipped participants with skills to validate the output 												
<p>10. In-country Mission on the Development of a Revenue Forecasting Model for the Zimbabwe Revenue Authority 28 November – 1 December 2016 Harare, -Zimbabwe</p>	<ul style="list-style-type: none"> To develop a fully-fledged operational revenue forecasting model for ZIMRA 	0	0	0	2 (0)	0	0	1 (0)	1	4	4	J,M, Snr
<p>Outputs</p> <ul style="list-style-type: none"> Equipped participants with the knowledge and technical skills of developing a revenue forecasting model; Development of a Personal Income tax model and Development of a Corporate Income Tax mode 												
FINANCIAL SECTOR MANAGEMENT PROGRAMME												
<p>11. Country mission on Payment Systems Oversight 24 August – 2 September 2016 Central Bank of Lesotho, Maseru, Lesotho</p>	<ul style="list-style-type: none"> The mission was conducted to assist the Payment Systems Division in the implementation of the CPM/IOSCO Principles for Financial Market Infrastructures (PFMIs) and to equip staff with the relevant skills, knowledge and ability to perform effective oversight 		0	1 (1)	0	2 (1)	1 (1)	1	1	*	*	J,MM,Snr,D
<p>Outputs</p> <ul style="list-style-type: none"> CBL self-assessment template 												

Activity Date Venue	Objective	TCP	Resource Persons				Secretariat Staff	Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International		Regional	MEFMI Fellows		MEFMI Staff	Countries	Male		Female	
			Paid	Gratis									
12. MEFMI Phase III Financial stability assessment, reporting and training mission for central bank of Swaziland 21-25 November 2016 Central Bank of Swaziland	<ul style="list-style-type: none"> To conduct the inaugural financial stability conference for stakeholders in Swaziland; Review the progress made in implementing the recommendations raised in the last mission; Conduct training to CBS staff to enhance capacity to financial stability assessments in a holistic manner; To assess the quality of macro prudential data as well as reporting arrangements for production of the first Financial Stability Report, and To review the content and scope of the draft CBS FSR. 	0	0	0	0	1(0)	0	1(1)	1	1	1	J,MM,Snr,D	
Outputs <ul style="list-style-type: none"> Financial Stability reporting template to inform public sector decision making. 													
DEBT MANAGEMENT PROGRAMME													
13. Rwanda's Public Debt Management Reform Plan 5 - 14 July 2016 Kigali, Rwanda	<ul style="list-style-type: none"> To assist the Debt Management Unit to design a reform plan for public debt management 	1	0	4(3)	0	0	0	1(0)	1	1	4	3	D, Snr, MM, JM
Outputs <ul style="list-style-type: none"> Draft public debt management reform plan detailing short and medium term actions to enhance debt management in Rwanda 													
14. Cash Flow Forecasting and Cash Balance Management 31 October – 4 November 2016 Ministry of Finance, Mbabane, Swaziland	<ul style="list-style-type: none"> To assess the current cash management framework and advise on improvements; and To advise on how best to incorporate the cash management function in the DMD, taking account of the wider coordination arrangements that will need to be put in place. 	0	1(0)	0	0	0	0	1(0)	1	1	18	15	JM, MM, Snr;
Outputs <ul style="list-style-type: none"> The mission build capacity through a presentation on Treasury Single Account models in the context of Swaziland environment; A draft Mission report summarizing findings and Recommendations. The report will be finalized within the next two weeks. 													

Activity	Objective	TCP	Resource Persons				Participants (C – country, M- male, F- Female)			Target (J- Junior, MM – Middle Manager, Snr-Senior Manager, D-Director)		
			International	Regional	MEFMI Fellows	MEFMI Staff	Countries	Male	Female			
Paid	Gratis											
15.	<p>MEFMI Mission to Zambia on Medium Term Debt Management Strategy</p> <p>14 - 18 November 2016 Lusaka, Zambia</p>	0	0	0	1(0)	0	1(0)	1	7	8	Jr, MM, Snr	
	<ul style="list-style-type: none"> To work with officials in the IDM to develop a debt management strategy covering five years (2017 – 2021), using the World Bank-IMF Medium Term Debt Management Strategy (MTDS) Analytical Tool. 											

Note: Figures in brackets denote number of Females.

ANNEX IV: NETWORKING & STAFF DEVELOPMENT IN 2016

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 2016.

i) Staff Development

Date	No. of Staff	Institute/Organisation	Main Theme
8 - 12 February 2016	1	EAC	Balance of Payments – Harmonisation Workshop
22 - 26 February 2016	1	IMF AFRITAC South, Port Louis, Mauritius	Risk Based Supervision and Pillar 2 of Basel II
21 - 24 March 2016	1	ACCA	Advanced Excel Training
2 - 10 May 2016	3	MEFMI	Consultancy and Facilitation Skills
6 June 2016	1	Zimbabwe Ministry of Macro-Economic Planning and Investment Promotion	High level Workshop on Macroeconomic Policy Framework
13 June 2016	18	Celsoft	Quantrix Modeller (Budgeting Module)
3 - 7 October 2016	1	BSI Training Institute, South Africa	Business Continuity Management Systems
10 - 14 October 2016	2	Red Cross Society of Zimbabwe	First Aid Training
16 - 29 October 2016	1	AMADI Training Institute, Pretoria, South Africa	Store and Inventory Management
7 - 11 November 2016	1	Learnfast Training Solutions, Sandton, South Africa	Microsoft Certified Systems Associate
7 - 11 November 2016	1	AMADI Training Institute, Swaziland	Advanced Computer Training
28 Nov - 9 December 2016	1	AMADI Training Institute, South Africa	Development Programme for Office & Executive Assistants

ii) Networking

Date	No. of Staff	Institute/Organisation	Main Theme
20 January, 2016	2	World Bank Webinar	Using cross currency swaps in public debt management
19 - 20 January 2016	1	UNCTAD, Geneva	Debt Managers Meeting
9 February 2016	1	Embassy of Republic of Indonesia and Zimbabwe National Chamber of Commerce	Breakfast meeting:
11 February 2016	1	Zimbabwe National Chamber of Commerce (ZNCC)	Dissemination of result-Study on the Ease of Doing Business in Zimbabwe.
15-16 February 2016	6	Institute in Economic and Financial Management of the Portuguese Speaking African Countries (IGEF)	To explore partnership relationships with MEFMI, particularly focusing on training and exchange between the two institutions.
4 - 5 February 2016	2	Basel Committee	Eleventh BCBS-FSI High-Level Meeting for Africa on "Strengthening Financial Sector Supervision and Current Regulatory Priorities
7 – 9 February	1	ATI Steering Committee and Senior Policy Seminar	The Future of Monetary Integration in Africa
29 March 2016	2	World Bank – DMN Webinar	Primary Dealer Systems
21-22 March 2016	2	AERC	Senior Policy Seminar on Financial Inclusion in Africa
31 March	1	Bank of Botswana	40 th Anniversary

Date	No. of Staff	Institute/Organisation	Main Theme
28 March– 8 April 2016	1	World Bank, IMF	Medium Term Debt Management Strategies and Annual Borrowing Plan
4-15 April 2016	1	IMA International	Monitoring and Evaluation for Results
8-9 April 2016	1	ACBF	3 rd Africa Think Tank Summit
18-19 April 2016	1	World Bank	World Bank Executive Forum for Policy Makers and Senior Officers
20 April 2016	1	Marketers Association of Zimbabwe	Jumpstart 2016 Business Conference
21-22 April 2016	1	CFA	Disciplinary Review Committee spring meeting
25 – 26 April 2016	1	Laudato Si Episcopal Conference, Lusaka	AFDB Annual Meeting
26-27 April 2016	1	CABRI	Policy Dialogue-Revenue Management in the Extractives Sector
3 – 5 May	1	ACBF	25 th Anniversary
8-11 May 2016	1	CFA	Annual Conference
9-11 May 2016	1	AACB	Financial Stability: New Challenges for Central Banks
10 May 2016	1	Zimbabwe National Chamber of Commerce	ZNCC Macroeconomic Sub-Committee Meeting
11 May 2016	6	Zimbabwe National Chamber of Commerce	ZNCC Breakfast Meeting at Crown Plaza, Harare “ Crisis and Introduction of Bond Notes Briefing” by RBZ Governor
9-20 May 2016	1	IMF Institute for Capacity Building	Cross Border Position Statistics
29 May- 2 June 2016	1	AERC	Biannual Research Workshop-Integrating Africa Markets, the Way Forward.
30 - 31 May 2016	2	World Bank, African Development Bank	Managing a Diverse Debt Portfolio in a Volatile Global Environment
2 June 2016	1	ILO	Expert Meeting on Employment Creation Potential by Sector in Zimbabwe
8 – 9 June 2016	1	Making Finance Work for Africa	Mid-Year Supervisory Committee Meeting
14-15 June 2016	3	Norwegian Embassy, USAID & CABRI	Meetings with the Norwegian Embassy, USAID & CABRI
14 June 2016	1	The Woodrow Wilson Center for International Scholars	Long-Term Sustainable Development in Africa: The Role Of Sovereign Wealth Funds: The Woodrow Wilson Center for International Scholars
20-24 June 2016	1	IMF AFRITAC South	Seminar on Government Compensation and Employment
29 June – 1 July 2016	2	Zimbabwe National Chamber of Commerce (ZNCC) Annual Congress and AGM 2016	Economic Transformation in a New Normal Economy: New Challenges, New Ideas
30 June 2016	1	Financial Markets Indaba	Connecting markets, Unlocking Growth
30 th June 2016	1	CPTM Think Tank	Financial Inclusion and Smart Partnership
14 July 2016	5	USAID-SERA	Consultative Meeting with USAID-SERA on Macroeconomic Situation in Zimbabwe
15-22 July 2016	1	UNCTAD	14 th ministerial session of the UN Conference on Trade and Development and side events
18-22 July 2016	1	IAS Seminars Limited	IFRS Fundamentals
19 – 23 July 2016	1	Afreximbank	Meeting of Shareholders
21-22 July 2016	1	IPMZ	Igniting HR in the Changing Environs-Evolve, Transform, Add Value
26-28 July 2016	2	GSMA	Africa and Mobile Money Leadership Forum

Date	No. of Staff	Institute/Organisation	Main Theme
1-12 August 2016	1	ESAMI	Value for Money Audits
16 August 2016	1	USAID-SERA	High Level Economic Policy Roundtable on Zimbabwe Macroeconomic Stabilization
9 September 2016	1	Women's University in Africa	Meeting to establish collaboration on Gender and Economics.
9 September 2016	2	USAID-SERA	USAID-SERA Programme Close Out Conference Theme: "Policy Reform and Capacity Building in Zimbabwe
20 September 2016	5	British Council	Meeting with British Council to establish collaboration
26-30 September 2016	1	Financial Stability Institute	33 rd International Banking Supervision Seminar; Core Supervisory Issues
24-28 October 2016	1	AFRODAD	Workshop on Natural Resources Management
3 November 2016	6	Ministry of Macro Planning and Investment Promotion, Zimbabwe	High Level 2016 Macroeconomic Framework Seminar "Enhancing Fiscal Space For The 2017 National Budget
4-8 December 2016	1	AERC	Bi-Annual Research Workshop – China and Africa
6 – 7 December 2016	1	Making Finance Work for Africa	Supervisory Committee and Advisory Council
7 – 8 December 2016	1	CABRI	Policy Dialogue on Management of Contingent Liabilities
9 December 2016	1	AERC	Programme Committee Meeting
26 October 2016	1	Raceys Enterprises, Harare	Cyberoam
10-11 November 2016	1	Internal Control Institute of Zimbabwe	Internal Control Congress
20-24 November 2016	1	South African Institute of Tax Professionals	5th Annual Transfer Pricing Summit & 2nd Continental Africa Tax Conference
27-28 October 2016	1	Central Banking	7 th Annual National Asset – Liability Management Africa
1-2 December 2016	1	CFA	Disciplinary Review Committee Fall Meeting





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