



MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

PHASE V STRATEGIC PLAN 2017-2021

October 2016

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ACRONYMS

ACBF	African Capacity Building Foundation
AERC	African Economic Research Consortium
AfDB	African Development Bank
BDU	Business Development Unit
BIS	Bank for International Settlements
BOP	Balance of Payments
BPM6	Balance of Payments and International Investment Position Manual Version 6
CDIS	Coordinated Direct Investment Survey
COMESA	Common Market for Eastern and Southern Africa
CPIS	Co-ordinated Portfolio Investment Survey
CPSS	Committee for Payment and Settlement Systems
DMFAS	Debt Management and Financial Analysis System
DMP	Debt Management Programme
DSA	Debt Sustainability Analysis
EAC	East African Community
ESAIDARM	Eastern and Southern Africa Initiative in Debt and Reserves Management
ESAMI	Eastern and Southern Africa Management Institute
EY	Ernst and Young
FDI	Foreign Direct Investment
FDP	Fellows Development Programme
FISIM	Financial Intermediation Services Indirectly Measured
FMI	Financial Market Infrastructure
FPC-CBP	Foreign Private Capital – Capacity Building Programme
FSI	Financial Stability Institute
FSM	Financial Sector Management
GFSM	Government Finance Statistics Manual
HIPC-CBP	Heavily Indebted Poor Countries - Capacity Building Programme

HIV/AIDS	Human Immunodeficiency Virus Acquired Immunodeficiency Syndrome
ICRASs	Internal Credit Risk Assessment Systems
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IIP	International Investment Position
IMF	International Monetary Fund
KNBS	Kenya National Bureau of Statistics
M&E	Monitoring and Evaluation
MDA	Multi-Disciplinary Activities
MRA	Master Repurchase Agreement
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MMP	Macroeconomic Management Programme
MTDS	Medium Term Debt Management Strategy
NPS	National Payment System
PAT	Portfolio Analytics Tool
PCMS	Private Capital Monitoring System
PEFM	Public Expenditure and Financial Management
PFMIs	Principles for Financial Market Infrastructures
RAMP	Reserves Advisory and Management Programme
RBZ	Reserve Bank of Zimbabwe
RECs	Regional Economic Communities
RMF	Results Measurement Framework
SACU	Southern Africa Customs Union
SADC	Southern African Development Community
SDDS	Special Data Dissemination Standards
SDGs	Sustainable Development Goals
SNA	System of National Accounts
SUT	Supply and Use Tables
SWOT	Strengths, Weaknesses, Opportunities and Threats

UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNITAR	United Nations Institute for Training and Research
WB	World Bank
WEO	World Economic Outlook

FOREWORD

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) has made significant achievements in capacity building since inception. The demand for MEFMI services, however, remains greater than ever, due to the dynamic nature of the issues that MEFMI's client institutions deal with and the emerging challenges that confront the member countries. It is against this background of evolving needs and emerging challenges that MEFMI's Phase V Strategic Plan (2017-2021) has been formulated.

The overall objective of MEFMI's capacity building interventions is to improve macroeconomic and financial management performance that supports economic growth and poverty reduction in Eastern and Southern Africa. Its mission is to build sustainable human and institutional capacity and foster best practices for prudent macroeconomic, debt and financial management in central banks, ministries of finance and of planning, and other relevant institutions. The mission is guided by the Institute's Vision, which is "to be the centre of excellence that provides sustainable capacity building in macroeconomic and financial management".

During Phase V, the Institute is planning to reposition itself to deliver capacity building interventions that are not only relevant but also cost effective to ensure the member countries and other stakeholders such as technical and financial cooperating partners get utmost value for their money. This plan outlines strategies and planned interventions in the member countries during the period 2017-2021. The activities to be carried out will be guided by the need to meet the goals of the five (5) strategic pillars, which include Programming Relevance and Effectiveness, Diversification of Revenue Sources, Monitoring and Evaluation, Innovation and Technology, and Finance and Administrative Effectiveness. The pillars fall within the MEFMI scope of operations in building sustainable capacity in macroeconomic and financial management.

Phase V plan emphasises mainstreaming of cross cutting issues such as regional integration, gender issues, anti-corruption and HIV/AIDS. MEFMI acknowledges that the linkages with Regional Economic Communities (RECs) have been weak. In Phase V, MEFMI intends to strengthen its collaboration with RECs to assist member states to achieve their regional integration targets. During this period, all MEFMI activities will be gender sensitive while anti-corruption will be mainstreamed in all capacity building activities, including introducing specific topics within course curricular. MEFMI will also continue incorporating HIV/AIDS in its interventions and in its staff welfare programmes to promote employee wellness. Phase V also introduces capacity building to address identified gaps such as training in Contingent Liabilities, Combating Illicit Financial Flows, Public Private Partnerships, Training for Auditors and Natural Resources Management.

In 2014, the Board of Governors approved the establishment of an E-learning Centre at the Secretariat. This will be fully implemented in Phase V, building on the success of its introduction in Phase IV, as one of the critical initiatives for cost cutting and achieving wider coverage. Furthermore, implementation of demand-driven tailor-made country specific capacity building needs initiated in Phase IV has been a significant success story that led to the development of tangible capacity tools and

frameworks across MEFMI client institutions. This will be strengthened in Phase V by ring-fencing resources to meet the rising needs of member institutions.

As MEFMI delivers its products and services, it will also continue to uphold a high level of integrity in its conduct. As such, due diligence will be exercised in order to uphold sound governance structures and processes.

As we move to Phase V, MEFMI fully acknowledges the financial and technical support received in the past, which has had positive contributions to capacity building efforts for the region. The Institute is appealing to both traditional and new co-operating partners to fully support its capacity building efforts in the Eastern and Southern Africa region during the period 2017 – 2021, and beyond.

CHAIR OF THE BOARD OF GOVERNORS

PREFACE

This Strategic Plan articulates MEFMI's vision, mission, core values and planned capacity building interventions for the period 2017 – 2021. It outlines the strategic priorities, objectives and initiatives that the Institute will focus on to accomplish its mission and realize its vision. The development of the plan has taken a lot of effort, and I am confident that it provides an excellent roadmap to steer the Institute during the next five years. 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 Plan was informed by the Impact and Needs Assessment conducted in 2014 and an independent Mid – Term Review undertaken in 2015. Developing the plan involved a consultative process with stakeholders including member states, technical and financial cooperating partners, private sector consultants and standard setting bodies. While it was clear from the evaluations that much progress has been made, the region is still confronted with many capacity challenges that have to be addressed to put it on a path to sustained growth and development. The region needs to substantially improve its growth performance, if it is to achieve the Sustainable Development Goals (SDGs) and African Union Agenda 2063. The development challenges confronting the region in the next five years are substantial. Central to the myriad of challenges facing our region are the inadequacy of human and institutional capacity and the absence of systematic and institutionalised mechanisms for retaining trained staff. I believe that the planned interventions contained in this document will address these challenges, while also allowing flexibility to tackle new and emerging issues.

Building upon the experiences and challenges of the past four phases, we have developed a plan that reaffirms our **vision** – “to be the centre of excellence that provides sustainable capacity building in macroeconomic and financial management”; updated our **mission**- “to build sustainable human and institutional capacity and foster best practices for prudent macroeconomic and financial management in central banks, ministries of finance and of planning and other relevant institutions with the objective of supporting economic growth and poverty reduction” and expanded our **values** to include ‘Equality’

To implement Phase V, five (5) strategic pillars have been identified and these will help to steer the Institute towards contributing to the achievement of the SDGs and Agenda 2063. The Agenda 2063 and the SDGs offer a tremendous opportunity for MEFMI to continue support the region's capacity challenges and build necessary coalitions to address them. While this plan is ambitious, it recognises the need for MEFMI to remain responsive to the requirements of client institutions and the wider stakeholder community. In this regard, the Institute also plans to mainstream gender and anti-corruption into its capacity building activities. Emerging issues like natural resources management, combating illicit financial flows, management of contingent liabilities, and innovative financing for development will also be included in MEFMI's capacity building products and services.

To ensure financial sustainability, the Institute has formulated strategies that will see the establishment of a Business Development Unit (BDU). This initiative is hoped to provide the blueprint for income generating capacity building activities that are expected to widen MEFMI's revenue base, as well as reach clients beyond its traditional base.

Achieving these aspirations will involve a considerable level of change and flexibility to proactively respond to shifting priorities and will, therefore, require significant effort and commitment.

On behalf of MEFMI, I would like to take this opportunity to thank our cooperating partners who have over the years continued to provide invaluable financial and technical support, without which the Institute would not have come this far. I commend all our stakeholders for their contribution to this plan.

I would also like to express my sincere gratitude to all those who played a role in putting together this Strategic Plan for their time and commitment.

Caleb M. Fundanga

EXECUTIVE DIRECTOR

EXECUTIVE SUMMARY

MEFMI Phase V Plan outlines strategies and planned interventions in the member countries during the period 2017 to 2021. Phase V is a successor to Phase IV which was considered successful during the Impact and Needs Assessment and the Mid Term Review exercises.

Table 1: Phase V Project Information Summary

i. Member Countries of MEFMI:	Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
ii. Grant Recipient:	Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).
iii. Sector:	Human Capital and Institutional Development
iv. Status of project preparation (e.g. identification and preparation missions undertaken, feasibility study carried out):	The project design is on-going and implementation of Phase Vis scheduled to start in January 2017 with support from the above mentioned member states and cooperating partners.
v. Implementing Agency:	MEFMI Secretariat, based in Harare, Zimbabwe.
vi. Project implementation period:	2017-2021
vii. Total Project Amount (Estimated):	US\$44,070,550
viii. Member States Contribution (Estimated):	US\$24,692,070

MEFMI visualises continued relevance and effectiveness in Phase V, 2017-2021. The Strategic Plan paints a vibrant but highly challenging future. MEFMI's vision for Phase V is to ***“to be the centre of excellence that provides sustainable capacity building in macroeconomic and financial management”***. This will be achieved by building sustainable human and institutional capacity and fostering best practices to ensure prudent macroeconomic and financial management that supports economic growth and poverty reduction.

Achievements to-date

In Phases I to III, MEFMI made significant progress in developing and disseminating relevant macroeconomic and financial management tools, supporting and advising policy makers and regulators to implement internationally recognised standards and practices, and conducting studies and research. In Phase IV, MEFMI consolidated its role as the leading provider of capacity building in macroeconomic and financial management with a notable increase in activities and initiatives designed to meet stakeholder and regional needs.

The Institute was guided by the following specific objectives with corresponding targets during Phase IV:

- i. To transition to campus based delivery mechanism.
- ii. To institute and maintain a comprehensive risk management framework.
- iii. To develop and maintain well run and functional systems.
- iv. To strengthen and expand stakeholder relations for mutual benefit.

- v. To develop and retain a critical mass of regional experts as well as competent and motivated staff.
- vi. To empower and equip client institutions to do their work better, and
- vii. To pioneer and provide tailor made, cost effective and excellent capacity building and development.

These have been fulfilled as follows:

Strengthening Institutional Capacity

The Institute assisted member countries with the establishment of best practice in the running of policy units and the separation of functions. Policy studies commissioned through requests by client institutions rose considerably and provided valuable input into development of policies that could be effectively implemented.

A number of countries have taken steps to update their legal frameworks and improve coordination of debt management responsibilities. Several countries have set up front, middle and back office structures, while others have established centralised debt management offices with the rest at various stages of setting up such offices.

MEFMI continued to work with countries to adopt and operationalise the principles of the Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of the International Organisation of Securities Commissions (IOSCO) Principles for Financial Market Infrastructure (PFMIs). By the end of 2015, 85% of the countries had enacted sound legal and regulatory frameworks for payment systems.

MEFMI interventions led to better formulation and implementation of sound and adequate legal and policy frameworks for domestic financial markets development in its member states. As a result of these focused interventions, 85% of the countries in the region managed to lengthen their yield curves beyond 5 years, subsequently reducing refinancing risk during Phase IV.

Through tailor-made capacity interventions by MEFMI in partnership with the World Bank RAMP, countries were assisted to adopt best practices in Reserves Management, specifically in the formation and constitution of investment committees, the segregation of duties into front, middle and back office, and the documentation and implementation of the investment policy and guidelines;

Improved Macroeconomic and Financial Management Tools

MEFMI continued to develop customised tools to support countries in adopting sound practices and policies. The number of new frameworks, systems, manuals and specialised studies produced in Phase IV increased to 23, against a target of eight (8).

MEFMI developed and implemented a 'Financial Dashboard' which measures the financial risk, largely influenced by the activities within the Reserves Management Divisions.

The Private Capital Monitoring System (PCMS) was upgraded, benchmarked to the BPM6 reporting framework and the roll out of a generic FPC survey questionnaire aligned with the BPM6 compilation methodology.

MEFMI also worked together with two central banks to develop Payment Systems Oversight tools and templates. This included the development of on-site oversight report templates, a formal cooperative oversight Memorandum of Understanding (MOU) template, production of oversight Policy Framework and Payment System Vision and Strategy Documents.

MEFMI assisted countries to institute best practice in payment systems oversight. Nine (9) countries have adopted these oversight tools and are now able to monitor and assess performance of systems in their jurisdictions, thereby inducing change. Oversight has also made payment systems more efficient by reducing costs and delays in processing the transactions. During Phase IV, this intervention led to the increase in uptake of some of the payment systems as consumers now have confidence in the systems.

By the end of 2015, the Institute had supported 24% of the member states to roll out the System of National Accounts (2008 SNA). Adoption of the 2008 SNA has enabled countries to improve the compilation of national accounts. In addition, roll out of Government Financial Statistics Manual (GFSM, 2001) increased to 24% by end of 2015. The adoption of the GFSM 2001 by countries has led to comprehensive accounting frameworks for analysing and evaluating fiscal policy.

Countries in the MEFMI region have been able to effectively inform monetary policy decisions, through the compilation of timely monetary and financial statistics according to international best practice and standards. One central bank was assisted to upgrade the quality of statistics on credit distribution by sector of economic activity in line with the international industrial classification ISIC, REV 4.

MEFMI supported countries to adopt new versions of debt management systems, the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) version 2 and the UNCTAD's Debt Management and Financial Analysis System (DMFAS) version 6.

Compilation and reporting of Public Debt Statistics in the region currently meets the internationally accepted standards, with all countries having subscribed to regular reporting of statistics to World Bank and IMF. With the technical support of MEFMI, nine or 69% of the countries are now publishing annual public debt statistical bulletins or their equivalent, compared to 30% in 2011.

Some countries are gradually moving away from the quantitative targeting frameworks, following the breakdown in the relationship between monetary aggregates and inflation. One member country was supported to establish an inflation-forecasting model. MEFMI also provided technical assistance to a member country on liquidity forecasting and inflation targeting and provided in-country training to another on monetary policy implementation. The workshops were conducted in Portuguese.

Five central banks were supported to implement Risk-Based Supervision Methodology. The implementation missions included technical assistance in the development of Risk Management Guidelines and Risk-Based Supervision Policy Frameworks for the same countries. In addition, these

countries were assisted to conduct pilot on-site examinations of commercial banks in their respective countries.

Skills Development

MEFMI conducted trainings both at regional and country level for officials in Central Banks, Ministries of Finance, Revenue Authorities, Parliamentarians, Auditor-Generals, Pension Regulators, Capital Markets Authorities and Commercial Banks in the areas of Macroeconomic, Financial Sector and Sovereign Debt Management. During the period 2012 - 2015, a total of 324 activities were conducted imparting knowledge to 4,013 officials, out of which female and male officials accounted for about 40 and 60 percent respectively. The number is expected to increase to more than 500 activities and more than 6,000 participants by end of 2016, when Phase IV ends.

The Institute also continued to develop a critical mass of regional experts through the Fellows Development Programme (FDP). The target of recruiting 30 Fellows was exceeded by 37% as the Institute recruited 41 Fellows, with 18 or 44% being female and 23 (56%) being male. Overall utilisation of Fellows increased from 13% in Phase III to 16% (as at December 2015) in Phase IV against a target of 23% by the end of 2016.

Improved Delivery Mechanisms

A notable achievement made in Phase IV was the success in shifting delivery away from regional courses to more country specific activities. This ensured that specific country capacity needs were addressed through tailor-made interventions and enhanced staff outreach. This also ensured tangible customised capacity tools and frameworks were developed for use by countries. In Phase IV, MEFMI conducted an average of 51.8% country specific technical assistance missions and workshops compared to 39% in Phase III.

In 2015, MEFMI launched the E-learning mode of delivery. A total of four (4) courses were conducted on-line and registered a remarkable number of participants as well as an average successful completion of about 75%.

Other Initiatives

In 2014, the Institute introduced quarterly and annual Policy Seminars – a platform which allows researchers to share findings and key recommendations to support macroeconomic and financial management in the region. In addition, the seminars showcase the Institute's work and contribution.

The Institute also recognises the importance of continuously engaging with its stakeholders, both technical and cooperating partners. A number of networking activities were conducted annually, aimed at resource mobilisation, establishing new partners and strengthening existing relationships, among others. The Institute maintained existing relationships with a number of technical and financial partners. In addition, the Institute established formal partnerships with private sector partners, EY and Investec Asset Management

Internal Processes

A comprehensive Results Measurement Framework (RMF) and Monitoring and Evaluation (M&E) Plan were systematically monitored and published in the M&E and annual reports. According to the 2014 Impact and Needs Assessment, the RMF complemented the Institute's annual reporting by providing a more realistic mechanism for assessing tangible results and impact resulting from MEFMI's capacity building in the region.

The staff complement was maintained at 32 in Phase IV, while staff turnover at 6% was maintained within the target of not exceeding 10%.

The Institute registered marked improvement in the management and transparency of operations. There was improved coordination and documentation of procedures and processes through the policies and manuals, coupled with requisite training, for example on corruption and procurement.

Global and Industry Outlook

MEFMI remains cognizant of the needs and expectations of all internal and external stakeholders whilst implementing realistic interventions shaped by the regional and global environment. For instance, weak global economic performance will reduce the potential of attracting increased funding during Phase V. A combination of high debt accumulations, low commodity prices and low economic activities could constrain Member States resources thereby impacting on timely payment of subscriptions to the Institute. In addition, high government debt levels in the region, and political instability have potential negative impact. On the positive side, the adoption of latest trends in ICT, Finance and Human Resource practices can lead to greater outreach in Phase V. In this regard, MEFMI will endeavour to work with all stakeholders in the industry to assist its Member States in coming up with strategies to mitigate the impact of the changing global economic environment.

MEFMI also intends to align with Global and Continental Goals by supporting seven (7) of the SDGs and four (4) Aspirations in the Agenda 2063. For example, as outlined in SDG sub-goal 17.4, the international community should “*assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring...*” This sub-goal of the 17th SDG is consistent with MEFMI's interventions in the area of sovereign debt management. Furthermore, MEFMI's capacity building interventions will directly support the achievement of Aspiration 1 of Agenda 2063, which is “*A prosperous Africa based on inclusive growth and sustainable development*”. MEFMI activities aim at improving macroeconomic and financial sector policy formulation and implementation, thereby supporting economic growth and sustainable development.

Regional integration, gender mainstreaming, anti-corruption and HIV/AIDS have also been identified as critical areas of focus in Phase V as this will go a long way in assisting MEFMI member states in meeting cross-cutting issues.

In terms of competition, MEFMI acknowledges that there are players conducting similar capacity building activities, locally, regionally and at the global level. In view of this, MEFMI believes it will

be more effective if it utilises a collaborative approach to take advantage of synergies and cross pollination of ideas while focusing on its niche areas.

Outstanding Capacity Gaps

Overall, a good foundation was laid during the previous phases for further advancement of capacity building in the region. The focus in Phase V will be on specific, critical aspects including emerging issues to fully establish capacity. Some of the critical capacity areas identified include Macroeconomic Statistics and Management, Financial Programming, Monetary Policy Formulation, Modelling and Forecasting, Economic Research and Specialised Studies, Poverty and Inequality Measurement, Quantitative Skills, Analytical Capacity for Debt Management, and Fellows Development Programme (FDP). There are also emerging capacity building areas such as Natural Resources Management including structuring concessions and Contract Negotiations, Financial Infrastructures, Domestic Resource Mobilisation, and Contingent Liabilities Management including those relating to public private partnerships.

Challenges

There were some challenges faced during Phase IV such as slow adoption of standards in statistical compilation and reporting by member States, language barriers, limited number of experts in some critical and emerging areas, resource constraints, loss of capacity and delays by client institutions to implement recommendations of MEFMI. The Institute intends to proactively address these in the Phase V Strategy.

Strategic Measures for 2017-2021

Five (5) Strategic Pillars have been identified to guide Phase V implementation so as to realise the Institute's Vision and Mission. The strategic pillars include:

- Pillar 1: Programming Relevance and Effectiveness
- Pillar 2: Diversification of Revenue Sources
- Pillar 3: Monitoring and Evaluation
- Pillar 4: Innovation and Technology
- Pillar 5: Finance and Administrative Effectiveness

Implementation

Implementation of Phase V Plan will require achievement of efficiency and high quality of service within the constraints of available human and financial resources. This challenges MEFMI to secure required funding, motivate staff to achieve, have strong leadership and coordination skills and align its interventions to the needs of stakeholders. MEFMI will also need to reposition itself and enhance its visibility and presence in the region and international arena.

MEFMI will also need to strengthen the monitoring and evaluation of its programmes to ensure better attainment of the envisioned outcomes and impact. In addition, a risk management framework has been established to control risks within manageable limits.

Financing of Phase V

The Phase V budget is estimated at US\$44.1 million. This is a 30% increase from the Phase IV budget of US\$33.8 million. The detailed programme activity budgets show some decreases in unit costs over the previous phase. Programmes, in this phase, have assumed the shift to holding regional activities on campuses or cheaper hotel venues as well as introduction of e-learning for some of the events. It is expected that member states will continue to pay contributions and the traditional MEFMI Financial Cooperating Partners will be approached to continue providing funding in phase V. In addition, the Secretariat will approach potential new partners including the private sector to provide financing for activities in areas of their interest. Consequently, the resource mobilisation approach will change from the current framework where the Secretariat uses the Strategic plan as a project proposal for all partners, to an approach where we develop project specific proposals for different partners.

Conclusion

The MEFMI Phase V Strategic Plan, 2017-2021, details key strategies for delivery of products and services in capacity building by the Institute. It is clear that good progress has been made since 1997 but there are major challenges that still need to be overcome before the completion of Phase IV and beyond. The coming of Phase V gives MEFMI an opportunity to refocus, reshape delivery approaches, leverage innovation and ICT opportunities and establish the foundation for long term sustainability by diversifying revenue sources. Securing adequate funding remains a major challenge as the traditional cooperating partners are now scaling down their offerings amidst varied priorities, but the demand for MEFMI's products and services continues to grow. This calls for increased reliance on Member States as well as the initiation and implementation of strategies for increased self-funding. Competition in the capacity building arena is now a reality as new entrants have come into MEFMI's space. The Institute will, however, identify and work with like-minded partners to improve coordination and ensure better delivery to its clients.

1 INTRODUCTION

1.1 Background

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is a regionally owned institute currently with 14 member countries: Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The Institute's client institutions are the Ministries of Finance and Economic Planning, the Central Banks and other public institutions which interface with these core institutions including the National Statistical Offices, Revenue Authorities and the Auditor Generals' offices.

MEFMI began in 1994 when the Eastern and Southern Africa Initiative in Debt and Reserves Management (ESAIDARM) was launched. ESAIDARM was launched by senior officials of Central Banks and Ministries of Finance and Economic Planning to address entrenched capacity gaps in sovereign debt and reserves management. After its pilot phase which ended in 1996, the mandate of ESAIDARM was broadened to cover macroeconomic and financial management issues. The Institute was hence renamed MEFMI in 1997.

MEFMI has a Constitution which governs its operations, a Headquarters Agreement which defines the relationship between the Government of the Republic of Zimbabwe and MEFMI. The Reserve Bank of Zimbabwe is the Executing Agency on behalf of the other client institutions.

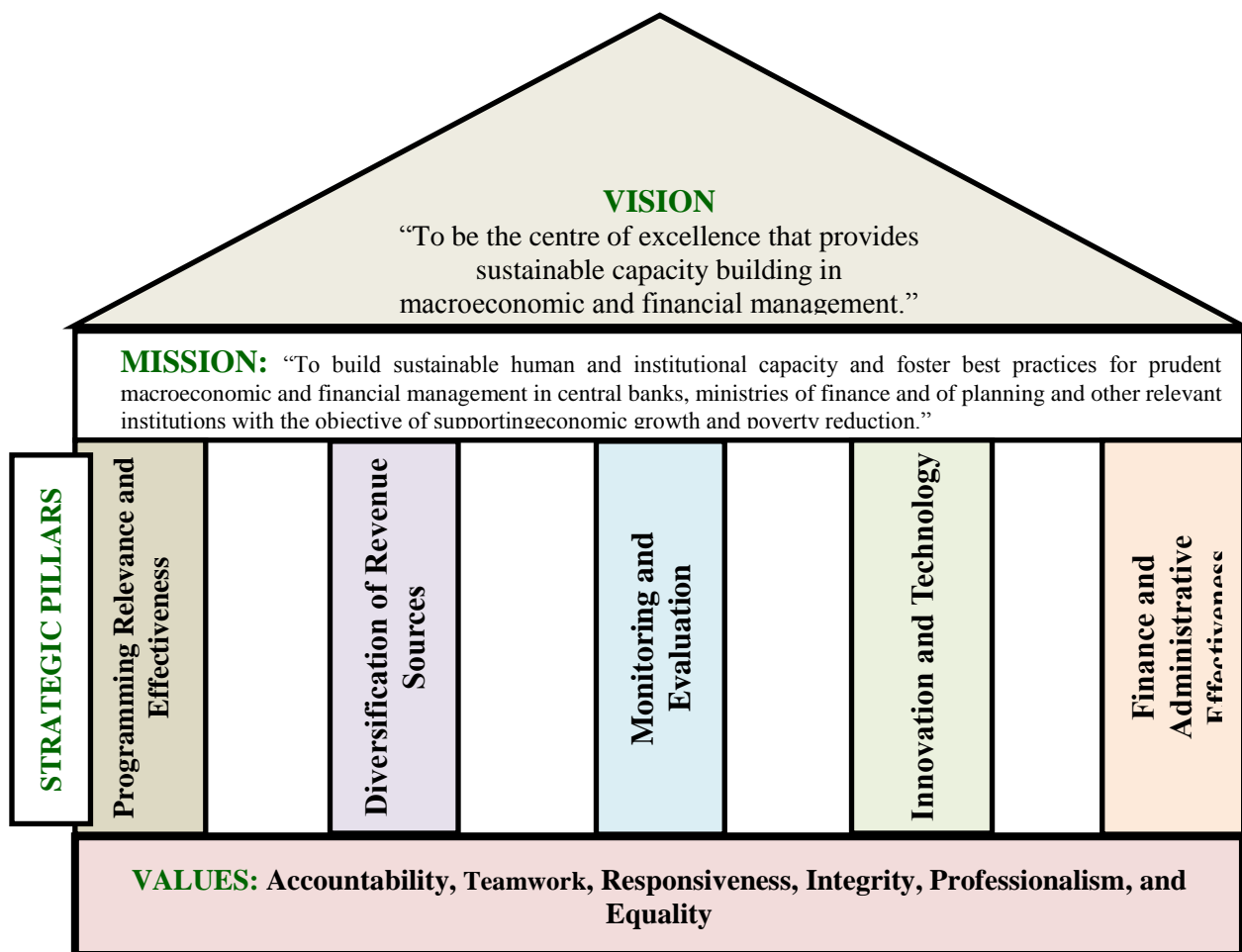
The Institute has been very effective in addressing its mandate over the years through activities which have been implemented in five year Phases, starting with Phase I in 1997 to Phase IV (2012 – 2016). Notwithstanding its effectiveness, the demand for MEFMI services remains greater than ever, as evidenced by the results of Impact and Needs Assessments and Mid-Term Reviews conducted for each Phase. This is due to the dynamic nature of the issues which MEFMI's client institutions deal with and the emerging challenges which member countries continue to face. It is against this background of evolving needs and emerging challenges that MEFMI's Phase V Strategic Plan (2017-2021) has been formulated.

During Phase V, the Institute is planning to reposition itself to deliver the capacity building interventions which are not only relevant but also cost effective to ensure the member countries and other stakeholders such as financial cooperating partners get maximum value for the money bequeathed on MEFMI. To drive the transformation agenda, five (5) strategic pillars have been identified and these will help to steer the organisation towards contributing to the achievement of SDGs and Agenda 2063. The pillars fall within the MEFMI scope of operations in building sustainable capacity in macroeconomic and financial management. Consequently, activities to be carried out between 2017 and 2021 will be guided by the need to meet goals of five (5) strategic pillars, identified in Figure 1.

1.2 Strategic Intent

MEFMI work will be guided by the principles depicted in Figure1.

Figure 1: Vision, Mission, Values and Strategic Pillars



1.2.1 Values

MEFMI’s core values define the principles which the Institute believes in and will live by. The Institute identifies itself with six core values namely:

- 1. Accountability:** Employees being responsible, transparent and answerable to themselves, peers and stakeholders on the work and services they provide.
- 2. Teamwork:** Working together and supporting each other for the success of the organisation.
- 3. Responsiveness:** Reacting appropriately to the needs of clients and other stakeholders in a timely manner.
- 4. Integrity:** Being credible and honest in our duties.

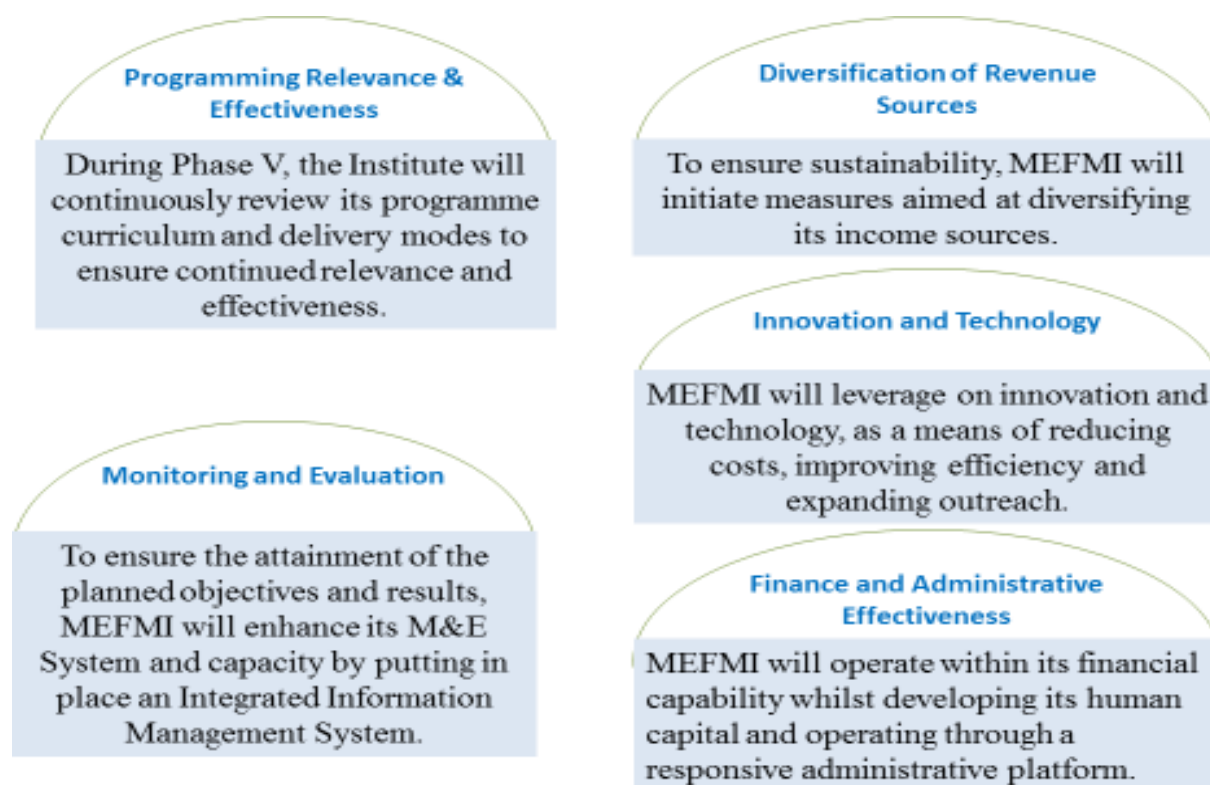
5. **Professionalism:** Demonstrating high level competence and objectivity in providing services to clients.
6. **Equality:** Giving equal treatment and opportunity to both men and women and to all stakeholders.

These values will guide MEFMI staff in all their operations.

1.2.2 Strategic Pillars

In addition to the five (5) pillars listed in figure 1, the Institute will mainstream gender in all its policies and operations, foster closer ties with Regional Economic Communities (RECs) to integrate the regional agenda in its capacity building activities, increase awareness on anti-corruption and support the global and continental agenda on curbing illicit financial flows. The following box summarises the 5 strategic pillars.

Box 1: Strategic Pillars



These initiatives are expected to achieve the following outcomes:

- i. improved quality of financial and macroeconomic statistics in line with latest international compilation and reporting standards;
- ii. improved institutional capacity for financial and macroeconomic policy formulation and management;
- iii. enhanced individual capacity in priority areas of sovereign debt, macroeconomic and financial sector management;

- iv. adoption of sound practices, tools, standards and principles;
- v. robust research that supports policy formulation and implementation;
- vi. mainstreamed regional integration, gender and anti-corruption in MEFMI's capacity building activities;
- vii. diversified revenue sources;
- viii. improved monitoring and evaluation of MEFMI's Programmes;
- ix. increased innovation and use of technology in programme delivery; and
- x. Enhanced finance and administrative effectiveness.

PERFORMANCE REVIEW

1.3 Review of Phases I to III

The overall objective of the Institute during Phases I to III was to improve macroeconomic management and performance, which supports economic growth and poverty reduction in the MEFMI member countries. This was supported by the following specific objectives:

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

These objectives were largely fulfilled, with the impact discernible at both individual and institutional level. At institutional level, MEFMI's capacity building interventions resulted in enhanced organisational effectiveness and improved capacity in policy formulation and implementation. The development and dissemination of tools such as manuals, software, and guidelines informed policy formulation, implementation, monitoring and fostering best practices. The capacity building interventions have also enhanced knowledge and skills and increased awareness on emerging risks and opportunities amongst officials in the region. Some of the major achievements during Phase I to III are outlined below.

- i. Development and dissemination of tools such as manuals, software, guidelines and studies, which helped to shape policies and operational effectiveness in client institutions. These include:
 - a. A Private Capital Monitoring System (PCMS), a software used in capturing and reporting information on foreign private capital flows. A number of member states have adopted the system;
 - b. Development of models on various aspects of macroeconomic and debt management, including the Core Inflation and Quarterly GDP Models; A Domestic Debt Sustainability Analysis Model for the region; A framework for forecasting quarterly GDP; A small scale macro model for one country and A Sovereign Liability Risk Analysis model for another;
 - c. Operational Guidelines were developed and disseminated to client institutions for reference and on the job training. These include: Public Debt Management Procedures Manual, Public

Expenditure and Financial Management Manual, Oversight of Payment Systems Policy and Risk-Based Supervision Guidelines;

- d. A study on Currency Options for Zimbabwe guided the country on the adoption of the multicurrency regime in the aftermath of hyperinflationary period;
 - e. Other studies which helped to shape policies and operational effectiveness in client institutions include Operations of Foreign Currency Accounts and Cheques, and the Impact of Debt Relief Mechanisms;
-
- ii. MEFMI helped a number of financial regulators to implement Risk-Based Supervision, as well as preparing for the implementation of Basel II. As a result, risk management departments were set up in two central banks to facilitate an Enterprise-Wide Risk Management Approach.
 - iii. Some central banks were assisted to introduce bank-wide risk management functions and oversight frameworks for payment systems. Some countries established separate National Payment Systems departments;
 - iv. As a result of technical assistance received from MEFMI, a number of member states managed to reach stipulated milestones required to access debt relief under the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative. Countries were able to conduct debt sustainability analyses to test sustainability indicators at various stages of HIPC initiative implementation, and build accurate debt databases needed for undertaking the necessary technical analyses and submission to partners for debt relief;
 - v. Countries reviewed, updated and consolidated their national debt strategies and legal frameworks for debt management in line with best practice. In addition, a number of countries established debt offices and introduced the framework for professionally segregating functions into front, back and middle office in line with sound practice;
 - vi. Technical support was provided to develop an Oversight Policy Framework for one Central Bank;
 - vii. At the request of the East African Community (EAC¹), MEFMI conducted a regional study on the operations of foreign currency deposit accounts and the local foreign currency cheques clearing arrangements in MEFMI member countries;
 - viii. A member country was, assisted to issue its maiden Government Bond and further technical assistance was, given in drafting regulations for the development of the stock exchange. MEFMI also assisted other countries through awareness and sensitisation workshops to implement legal and regulatory reforms for domestic financial markets;
 - ix. During Phase I to III, 92 regional experts were, trained under the Fellows Development Programme (FDP). These Fellows became available to member states and MEFMI to assist in capacity building interventions;
 - x. Other capacity building interventions included senior-level awareness raising on pertinent policy, human resource management and operational developments, challenges and opportunities. These have greatly enhanced the reform agenda in member countries;
 - xi. At the level of the MEFMI Secretariat, a number of reviews were undertaken aimed at ascertaining and refining the structure of the organisation, as follows:

¹EAC has five (5) member states, namely: Burundi, Kenya, Rwanda, the United Republic of Tanzania, and the Republic of Uganda

- a. Job evaluation to determine the optimal level of staffing and refine job descriptions;
- b. Several operational manuals were developed to formalise the daily practices at the Secretariat in the areas of human, financial and programme management such as the Human Resources Manual, the Procurement Manual, the Accounting Manual, the Workshop Manual, and many others; and
- c. Committees were formally set up to undertake different activities in such areas as procurement, ICT, and HIV/AIDS.

1.4 Implementation of Phase IV

The following strategic goals steered the Institute in Phase IV:

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

The Institute also developed specific objectives with matching targets to guide the implementation of Phase IV. These included:

- i. To transition from the current delivery mechanism into a campus-based mechanism.
- ii. To institute and maintain a comprehensive risk management framework.
- iii. To develop and maintain well run and functional systems.
- iv. To strengthen and expand stakeholder relations for mutual benefit.
- v. To develop and retain a critical mass of regional experts as well as competent and motivated staff.
- vi. To empower and equip client institutions to do their work better, and
- vii. To pioneer and provide tailor made, cost effective and excellent capacity building and development.

These have broadly been fulfilled within their context. At institutional level, the Institute assisted member countries with the establishment of sound practices in the running of policy units and the separation of functions. The number of Policy studies commissioned through requests by client institutions increased considerably and has provided a valuable input into national development policies for effective implementation. Table 2 shows the strategic goals and key results around each focus area.

The outputs and outcomes produced by MEFMI's interventions during Phase IV have grown in quantity and quality. The courses, workshops, seminars, and fora were organised by the Institute which benefited an increasing number of participants at all levels (junior, middle, senior and policy level executives). The performance highlighted in the subsequent sections is aligned to the targets outlined in MEFMI's RMF.

Table 2: Summary of Performance against Targets

#	STRATEGIC GOAL	TARGETS	ACHIEVEMENTS/GAPS
1.	Transition from the current delivery mechanism into a campus-oriented mechanism	50% complete campus-based delivery by 2016	Target was not met. However, several regular training venues were identified and used including the Kenya School of Monetary Studies and Mandel Training Centre, etc.
		Up to 20% reduction of cost on travel and accommodation	The target was not met. The Institute introduced E-learning in 2015, with a significant reduction in travel and accommodation costs, while major costs for start-up were incurred, including training for staff and fees for curriculum and content development.
		0% Budget variance	Target was exceeded. There were no negative overall budget variances during the period.
2.	Institute and maintain a comprehensive Risk Management framework	Documented Comprehensive Risk Measurement framework (policy, procedure, M & E reporting)	<ul style="list-style-type: none"> i. Policies and operational procedures manuals were developed ii. Continuous internal skills enhancement iii. The Risk Management Register is reviewed quarterly
3.	Develop and maintain well run functional systems	100% of policies & procedures documented by 2016.	90% were documented by the end of 2015
		100% of on-time and in full financial and progress reports by 2016	Target was met. Quarterly financial and progress reports were prepared
		100% of introductory courses on e-learning by 2016	Only 50 % of the introductory courses were conducted on-line. MEFMI conducted four courses on-line in 2015, of these, two (2) courses were introductory while two (2) were intermediate
		85% of ICT requirements met by 2016	90% of the ICT requirements were met. ICT systems were documented by 2015, while the electronic communication systems were available at least 95% of the time. IT infrastructure was overhauled, new servers and desk tops were installed and are operational. Power was stabilised to a great extent through the installation of the solar backup system and Automatic Voltage Regulator. The Payroll and Human Resources systems were computerised.
		Number of formalised partnerships: 30% by 2013 & 60% by 2016	Several MOUs with partners including Crown Agents, Investec, EY, CMI, AERC, and ESAMI were formalised.
4.	Strengthen and expand stakeholder relations for mutual benefit	10% of funds should be from new sources by end of phase.	Target was not achieved. However, new partners especially from the private sector came on board. A new member country, Burundi, also joined.
		Number of new stakeholder activities per annum	Several new stakeholder activities were introduced including the quarterly and annual Policy Research Seminars, new courses conducted, studies, as well as re-introduction of Governors' Forum, more interaction with member country Ambassadors, and Ambassadors' days.
		% of members extending diplomatic privileges: 50% by 2014 and 100% by 2016	Target was superseded by events. MEFMI was not formed by a Treaty, hence does not qualify for diplomatic privileges in other countries.
5.	Develop and retain a critical mass of regional experts as	90% of candidate fellows to graduate	Target was not achieved. Only 57% of Fellows graduated.
		60% of graduated fellows accredited	Target was not achieved. Only 45% of Fellows were accredited.

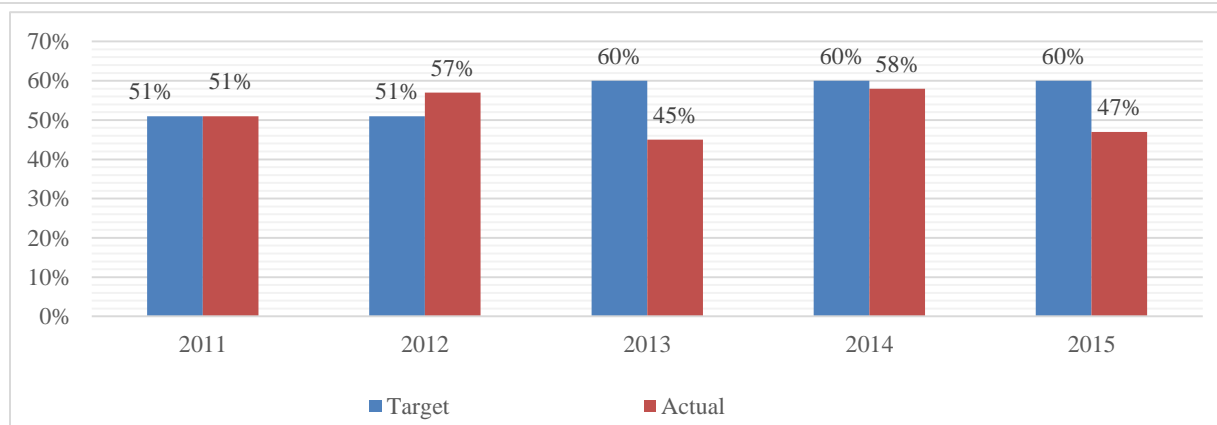
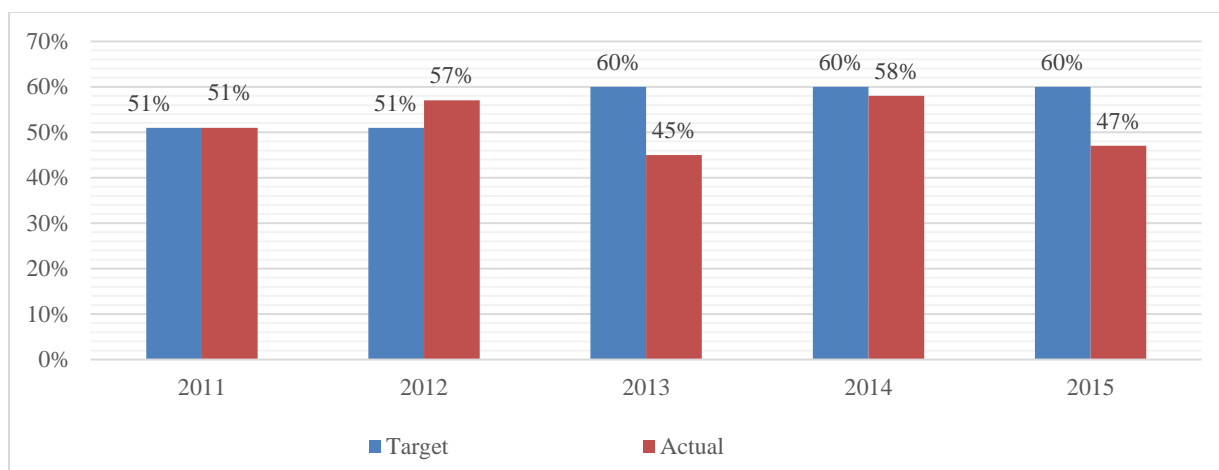
#	STRATEGIC GOAL	TARGETS	ACHIEVEMENTS/GAPS
	well as competent and motivated staff	10 trainers trained per year	Target was surpassed. A total of 17 officials were trained in Phase IV.
		Less than 10% of staff turnover per year at Secretariat	Target was met. Average of 6% staff turnover rate. In addition, a staff satisfaction survey conducted in 2015 indicated over 70% satisfaction.
6.	Empower and equip client institutions to do their work better	60% of capacity building activities are country specific by 2014.	Target was not met. 47% and 58% of all capacity building activities in 2015 and 2014 respectively were country specific.
7.	Pioneer and provide tailor made, cost effective and excellent capacity building and development	10% increase of new products per programme per annum	The number of new frameworks, courses, systems, manuals and specialised studies produced in Phase IV increased to 22 in 2015, against a target of eight (8) per annum.
		20% increase in total number of tailor-made products per programme	Many tailor made products were produced in Phase IV such as the Inflation Forecasting model for one country, Financial Programming Framework for a country, Financial Dashboard for one central bank, Payment Systems Oversight for another central bank.
		20% decrease of Unit costs of events per participant.	Target was not achieved. However, the Institute began rolling out E-learning for basic and intermediate courses in 2015 as well as conducting on-line interviews for recruitment of staff.

1.5 Key Outputs in Phase IV

1.5.1 Country Specific Capacity Building Events

In-country activities are demand-driven and designed to specifically address client's specific needs. In Phase IV, country specific technical assistance missions and workshops accounted for 51.8% of all capacity building activities conducted by the Institute, well above the 39% in Phase III.

Figure 2: Proportion of In-country activities conducted



This achievement was registered inspite of the fact that implementation of country specific missions is usually slow due to delays in confirmation of missions and lengthy approval processes requiring the buy-in of senior officials at country level. In addition, the Secretariat runs a compact training programme which requires a wide lead time of at least four (4) months to implement.

1.5.2 Development and Dissemination of Customised Capacity Building Tools and Products

The Institute continued to develop customised tools and products to support countries in adopting sound practices and policies. The number of new frameworks, courses, systems, manuals and specialised studies produced in Phase IV increased to twenty-three (23), against a target of eight (8). These tools were disseminated to promote awareness and use by member states. **Table 3** summarises key tools and products developed in Phase IV for use by beneficiary institutions.

Table 3: Key Tools and Products Developed in Phase IV

	Type	New Products Developed
1	Studies and Books	<ul style="list-style-type: none"> i. Economic Management in a Hyperinflationary Environment: The Political Economy of Zimbabwe, 1980 – 2008, 2016 ii. Study on Contingent Liabilities Management in the MEFMI Region, 2016 iii. FDI Trajectory in Pre and Post Global Financial and Eurozone Crises and Policy Response: Focusing on the MEFMI Region from 2000 to 2011, 2013 iv. Assessing Gains from Natural Resources in the MEFMI Region: Focusing on FDI: 1995-2013, 2015
2	Forum Papers	<ul style="list-style-type: none"> i. Status of Legal Framework and Institutional Arrangements for Public Debt Management in the MEFMI Region ii. Current Trends In Public Debt in the MEFMI Post HIPC and Prospects for Long Term Debt Sustainability iii. Short-Term Capital Flows and Sustainability of the Current Account Balance, 2012 iv. Preconditions for the Establishment of a Customs Union in SADC and Advantages/Disadvantages of Regional Integration in the Sub-Region: MEFMI Forum, 2012 v. Capital Flight and Natural Resources in Sub-Saharan Africa: A Policy Note, 2014
3	Manuals	<ul style="list-style-type: none"> i. Guidelines for Government Securities Issuance in the MEFMI Region, 2015 ii. Macroeconomic Modelling and Forecasting Manual, 2012 iii. Enumerator's Handbook on Conducting Foreign Private Capital Surveys, 2015. iv. Guidelines for Quarterly GDP, Early Estimates and Non-Observed Economy, 2016. v. Framework for conducting Risk Based Supervision, 2016. vi. Payment System Oversight Procedural Manual for the Bank of Mozambique, 2015 vii. Revised Guide to Writing a MEFMI Technical Paper, 2015
4	New courses	<ul style="list-style-type: none"> i. Contingent Liabilities, ii. Public Private Partnerships, iii. Seminars for Parliamentarians, iv. Training for Auditors, v. Natural Resources Management, vi. Access to International Capital Markets vii. Regulation of Pensions and Insurance viii. Anti-corruption
5	Policy Seminars	<ul style="list-style-type: none"> i. Quarterly Seminars ii. Annual Policy Seminar
6	Software	<ul style="list-style-type: none"> i. Upgraded Private Capital Monitoring System (PCMS)

Other major achievements with regards to the development of customised tools to support member states in adopting sound practices and policies include:

- i. Upgrading of the PCMS, benchmarked to the Balance of Payments Manual Version 6 (BPM6) reporting framework and the roll out of a generic Foreign Private Capital (FPC) survey questionnaire aligned with the BPM6 compilation methodology. This contributed to increased harmonisation of FPC survey methodology and reporting in the region and migration towards the BPM6 framework. Eight (8) countries are currently using the software.
- ii. One (1) institution was supported to establish an inflation forecasting model;
- iii. The Institute also worked together with 2 countries to develop Payment Systems Oversight tools and templates. This included the development of on-site oversight report templates, a formal cooperative oversight MOU template, reviewing and finalising Oversight Policy Framework and Payment System Vision and Strategy Documents;

- iv. MEFMI developed and implemented a ‘Financial Dashboard’ which measures the financial risk, largely influenced by the activities within the Reserves management division. Two Central Banks were assisted by the Institute in the adoption of the financial dashboard. In addition, MEFMI in collaboration with The World Bank, RAMP, assisted countries in the implementation of the Portfolio Analytics Tool (PAT II).

1.5.3 Development and Retention of Regional Experts

In recognition of the need for sustainable expertise in the region to support MEFMI’s capacity building interventions, the Institute continued with the Fellows Development Programme (FDP) and Training of Trainers (TOT).

1.5.3.1 Fellows Development Programme

During Phase IV, the Institute planned to recruit 30 Fellows. This target was exceeded by 37% as the Institute recruited 41 Fellows, with 18 (44%) being female and 23 (56%) being male. The increase in the number of Fellows was due to high demand in various programme areas, and the recruitment of seven (7) MEFMI staff members into the FDP as well as an increase in the slots. Quite pertinent during Phase IV was the recruitment of Fellows in new areas such as Natural Resources Management, National Accounts, PCMS/IT, Basel II implementation with a focus on Mathematical Modelling, Financial Consumer Protection Frameworks (development and implementation), Public Debt Operational Risk Management, and International Capital Markets amongst others. To date 135 Fellows have been enrolled in the Programme compared to 92 in Phase III. Of these, 39 are female Fellows (or 29%) while 96 (71%) are male. The number of female Fellows recruited and enrolled in the Programme remains low (i.e. below the SADC target of women representation of 50%), reflecting the existing low levels of females in client institutions.

Table 4: Status of Fellows Development: Phase III and IV

PROGRAMME	IN-TRAINING		GRADUATED		ACCREDITED		TOTAL	
	Phase III	Phase IV	Phase III	Phase IV	Phase III	Phase IV	Phase III	Phase IV
Macroeconomic Management	3(0)	12(2)	11(5)	11(3)	6(0)	10(2)	20(5)	33(7)
Financial Sector Management	6(2)	10(6)	13(7)	18(10)	20(3)	28(5)	39(12)	56(21)
Debt Management	2(0)	6(3)	23(6)	28(8)	8(1)	12(0)	33(7)	46(11)
Total	11(2)	28(11)	47(18)	57(21)	34(4)	50(7)	92(24)	135(39)
Total (%)	12%	21%	51%	42%	37%	37%		
%of Females	18%	33%	38%	37%	12%	14%	26%	29%

Note: Figures in brackets denote number of females

The Institute targeted graduating 90% candidate and accrediting 60% graduate Fellows by 2016. The outcome was that 57% of the candidate Fellows graduated while 45% were accredited by end of 2015. The two targets have not been met given that some of the Candidate Fellows took either maternity or leave of absence when they enrolled for a post graduate Programme while others changed jobs.

The country distribution of Fellows at the various levels indicates that Kenya, Malawi, Tanzania, Uganda, Zambia and Zimbabwe have good representation of Fellows (**Table 5**). Concerted efforts are being made for countries like Angola, Botswana, Mozambique, Rwanda and Swaziland to improve their participation.

Table 5: Country Distribution of Fellows as at 31 January 2016

COUNTRY	MACROECONOMIC MANAGEMENT			FINANCIAL SECTOR MANAGEMENT			DEBT MANAGEMENT			% of Females	TOTAL
Country/Status	Candi date	Grad uate	Accred ited	Candi date	Grad uate	Accred ited	Candi date	Grad uate	Accred ited		
Angola	0	0	0	0	0	0	0	1(0)	0	0%	1(0)
Botswana	0	0	0	0	1(0)	0	0	0	0	0%	1(0)
Burundi	0	0	0	0	0	0	0	0	0	0%	0(0)
Kenya	2(0)	2(1)	2(1)	1(1)	3(3)	4(0)	1(1)	4(1)	0	42%	19(8)
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)	5(1)	2(0)	3(1)	3(0)	14%	21(3)
Uganda	2(1)	1(0)	0	3(3)	1(1)	4(0)	2(1)	3(0)	3(0)	32%	19(6)
Zambia	0	2(1)	1(0)	2(1)	2(1)	3(0)	1(1)	1(1)	3(0)	33%	15(5)
Zimbabwe	3(0)	0(0)	3(0)	1(1)	1(1)	6(2)	0	5(1)	0	26%	19(5)
% of Females	17%	27%	20%	60%	56%	18%	50%	29%	0%		
Total	12(2)	11(3)	10(2)	10(6)	18(10)	28(5)	6(3)	28(8)	12(0)	29%	135(39)

Figures in brackets denote number of females

Overall, Fellows utilisation increased from 13% of total resource persons in Phase III to 16% (as at December 2015) in Phase IV against a target of 23% by the end of 2016. Utilisation of Fellows is highly dependent on the availability of the relevant knowledge and skills set, and ensuring balance of resource persons for broader coverage of the local, regional and international perspectives in activities. In addition, these Fellows are also utilised by MEFMI client institutions and regional as well international organisations.

1.5.4 Training of Trainers Programme

In addition to the FDP, MEFMI enrolls officials from client institutions under the Training of Trainers Programme to complement the Fellows programme. The target of enrolling 15 officials to the TOT in Phase IV was achieved, with 17 Trainers enrolled. **Table 7** shows the number of officials enrolled during the 2 phases.

Table 6: Status of Trained Trainers

Programme	Phase III	Phase IV	Total
Macroeconomic Management	3(0)	6(1)	9(1)
Financial Sector Management	3(0)	5(1)	8(1)
Debt Management	6(1)	6(2)	12(3)
Total	12(1)	17(4)	29(6)

Notes: *Figures in brackets denote number of females. Figures exclude officials trained as trainers by the Programmes.*

1.5.5 Monitoring and Evaluation

During Phase IV, the Institute developed a comprehensive RMF and M&E Plan which was systematically monitored and published in the M&E and annual reports. According to the 2014 Impact and Needs Assessment, the RMF has complemented the annual Institute's reporting by providing a more realistic mechanism for assessing tangible results and impact resulting from MEFMI's capacity building in the region. Furthermore, over 35 performance reports have been produced against a target of 20. These reports include annual, quarterly, impact and needs, and mid-term review reports.

MEFMI conducted an M&E System and capacity assessment in 2016. The assessment provides major input for documenting and mainstreaming M&E, as well as establishing a framework and strategy for conducting M&E.

The target of training eight (8) staff in M&E in Phase IV was achieved. A total of six (6) staff were trained in M&E, while three (3) sensitisation sessions on M&E were conducted for all staff.

1.5.6 Reduction in the Unit Cost per Participant

The objective of reducing the unit cost per participant by 20% was not achieved. However, the Institute began rolling out E-learning for basic courses in 2015. This has significantly reduced the overall expenditure of the Institute, particularly with regards to travel and accommodation costs. In addition, the Institute also aimed at reducing the cost of workshop venues for regional activities by targeting use of campuses in half of the regional courses conducted by the end of 2016. This target was also not met, and efforts are underway to institute MOU with various campuses in the region to host MEFMI events at a lower cost compared to using hotels which are more expensive.

1.5.7 Implementing Effective Retention and Incentives Policies

On average, the staff complement has been maintained at 32 in Phase IV. The staff turnover was as follows; in 2012, four (4) members of staff completed the term of their secondment period, in 2014, two (2) members of staff reached the term limits of their contracts, while in 2015, two (2) staff resigned; bringing the staff turnover ratio to 6% against a target of not more than 10% per annum. The Institute continued to attract highly qualified applicants whenever a position fell vacant as evidenced during interviews conducted between 2013 and 2015, with some applicants transcending the top management and programme manager levels. Although the staff turnover was within the target, the Institute's current staff complement of 32 is below the level planned for effective implementation of the Phase IV Plan. The Plan provided for an additional Programme Manager in each of the technical programmes, but this was not implemented due to budgetary constraints. Going forward, the Secretariat will endeavour to seek additional resources to fill the identified capacity gaps and also continue investing in staff development.

1.5.8 Budget Variance

The Institute maintained the budget variance above target in Phase IV. This was mainly attributed to the following:

- i. The Institute having managed to negotiate for gratis resource persons from technical cooperating partners;
- ii. Introduction of e-learning, which reduced hotel charges and air tickets;

- iii. Favourable hotel charges in East Africa; and
- iv. Conducting on-line interviews during staff recruitment.

1.5.9 Results Measurement and Risk Management Frameworks

Reporting significantly improved in Phase IV, in line with sound practice and recommendations of stakeholders. Quarterly, annual and financial reports were produced in time. The annual reports now incorporate major regional and global economic trends, in addition to the RMF. This reporting style ensures that outcomes and major milestones are reflected. A comprehensive M&E Plan, as well as RMFs were put in place and these were updated annually to inform management decisions as well as provide an indication of the progress towards achieving set targets. The Institute also established a comprehensive risk management register which is reviewed and updated on a quarterly basis. The register has strengthened documentation and management of some of the risky factors such as the development and maintenance of the Information Management Systems. The ICT systems have been strengthened with security codes and a backup system.

1.5.10 Development and Maintenance of Functional Systems

The Institute registered marked improvement in the management and transparency of operations. This followed the improved coordination and documentation of procedures and processes coupled with requisite training, for example on corruption and procurement. During Phase IV, MEFMI integrated 27 policies, procedures and manuals in its operations. A number of policies and guidelines were reviewed including the Human Resources Policies and Procedures Manual, and the Asset Management Manual, amongst others. The Remuneration Policy was also reviewed following changes in the salary structure. New policies, such as the Anti-Fraud and Anti - Corruption - were introduced in 2014. ICT infrastructure was also overhauled in 2015 to improve productivity.

1.5.11 E-learning Courses

In 2014, the Board of Governors passed the proposal by the Institute to establish an E-learning Centre at the Secretariat. A Memorandum of Understanding was signed with the United Nations Institute for Training and Research (UNITAR) to host MEFMI's e-learning courses on the UNITAR Platform. A total of four courses have since been delivered through this methodology in 2015.

1.5.12 Strengthened Stakeholder Relations

Phase IV was financially supported by three (3) major partners comprising the Governments of Sweden, Norway and ACBF. The Institute also maintained existing relationships with a number of technical cooperating partners who provided gratis resource persons and other in-kind support. These included the World Bank Group, IMF, BIS, African Development Bank, Commonwealth Secretariat, United Nations Conference on Trade and Development, Federal Reserve Bank of New York, Bank of England, Reserve Bank of South Africa, UNECA, and ATI.

In addition, the Institute established formal partnerships with private sector partners, EY and Investec Asset Management, which supported the Combined and Governor's Forum in 2015. New partnerships, including Toronto Centre, and the IMF AFRITAC South were also established and this served to widen a pool of expertise available for MEFMI to utilise in missions.

1.5.13 Increased Funding

Member States' contributions increased from 53% in Phase III to about 64% in Phase IV. This demonstrates the increased ownership and commitment by members to financially support the work of the Institute. However, few new funding streams were realised during Phase IV. Hence, the Institute developed a proposal to establish a BDU within the Secretariat to spearhead the design and implementation of income generating capacity building activities. The idea behind the BDU is to build self-sustaining revenue streams to supplement Member States contributions, in view of the Institute's vulnerability to the declining trends in partner support, as well as reach out to new, mainly private sector clients like commercial banks and other financial institutions.

1.5.14 Programme Achievements -Results Measurement Frameworks

Evaluation based on annual cumulative performance indicators of the RMF shows that commendable progress has been made towards the achievement of targets espoused in the Phase IV document.

Table 7: Achievements based on Results Measurement Framework

	Key Area of Focus	Indicators (% of member countries)	
		Target 2016	Outturn 2015
1.	Use of Macroeconomic Modelling and Forecasting Manual & functional macro models	61	38
2.	Use of the Public Expenditure and Financial Management Manual	54	38
3.	Adoption of the PCMS	84	69
4.	Adoption of the Financial Programming Framework	54	38
5.	Adoption of the BPM6	46	46
6.	Adoption of the 2008 SNA	40	24
7.	Adoption of minimum standards of data compilation: GFSM 2001	32	24
8.	Having documented bank supervision procedures and guidelines	60	90
9.	Implementing best supervisory practises e.g. Core Principles, Risk-Based Supervision, Consolidated Supervision, Basel II, etc.	40	90
10.	Having sound payment systems legal and regulatory frameworks	100	85
11.	Adoption of CPSS-IOSCO principles for financial market infrastructures	77	54
12.	Having well-developed financial risk frameworks/tools (PAT I, PAT II, Wall Street System -WSS)	50	57
13.	Adoption of the Enterprise Risk Management (ERM) framework.	38	69
14.	Adoption of policies & practices to deepen and widen financial markets	69	71
15.	Lengthening the yield curve in the past 5 years	76	71
16.	Having fully operational payment systems oversight divisions	92	69
17.	Adoption of best practice in Reserves Management	84	80
18.	Having fully operational payment systems oversight divisions	85	69
19.	Processing 80% of transactions in real time	70	92
20.	Having minimum legal and institutional requirements for effective debt management	85	77
21.	Having documented and approved Medium Term Debt Strategies	80	77
22.	Undertaking Debt Sustainability Analysis with minimum external support	75	77
23.	Considering Debt Sustainability Analyses outputs in fiscal and monetary policies	70	69
24.	Using new versions of DMFAS	100	100
25.	Using new features of CS-DRMS	85	75
26.	Publishing Public Debt Statistical Bulletin	70	69

1.5.15 Compilation and Reporting of Macroeconomic and Financial Statistics

- i. Countries were assisted to adopt the latest harmonised IMF's Balance of Payments and International Investment Position (BOP/IIP) manual (BPM6). Adoption of the BPM6 by these countries has enabled them to move to high frequency data compilation as most are now compiling quarterly BOP statistics compared to annual statistics, which the rest of the countries compile. Through compilation of IIP, countries are better placed to identify and manage external vulnerabilities through analysis of their balance sheet data;
- ii. By end-of 2015, the Institute assisted 24% of the member states to roll out the 2008 SNA. Adoption of the 2008 SNA has enabled countries improve compilation of national accounts data, for example, compilation of GDP by expenditure approach and estimation of capital formation.
- iii. In addition, roll out of GFSM, 2001 increased to 24% by end-2015. Through its emphasis on compilation of detailed statistics on the general government sector and measurement of various impacts of government operations on other sectors of the economy, adoption of the GFSM 2001

by countries has led to comprehensive accounting frameworks for analyzing and evaluating fiscal policy.

- iv. Through compilation of timely monetary and financial statistics according to international best practice and standards, countries in the MEFMI region have been able to effectively inform monetary policy decisions. These achievements have been as a result of combined and sustained efforts of MEFMI and the IMF Statistics Department which ensured that all MEFMI member states are using the latest version of the manuals;
- v. One Bureau of Statistics was, supported to revise and rebase its national accounts while capacity on Supply and Use Tables (SUT) and Financial Intermediation Services Indirectly Measured (FISIM) was provided to two statistics authorities. One of the Statistics Bureaus now publishes the new set of national accounts statistics following the series of technical support provided. Significant effort was also directed at establishing frameworks used to develop early estimates of GDP by institutions in three countries. Economic Activity Indicator (EAI) was developed for one central bank. A special manual is being developed to provide the MEFMI region with guidelines on quarterly GDP, early estimates of GDP and on how to incorporate informal activities and the non-observed economy in macroeconomic data for more comprehensive coverage;
- vi. MEFMI supported countries to adopt new versions of debt management systems, Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) version 2 and the UNCTAD's Debt Management and Financial Analysis System (DMFAS) version 6. By end-2015, all DMFAS User countries in the region had adopted the latest version of the system, while six (6) out of the eight (8) countries using CS-DRMS had migrated to version 2. Officials were also trained to upgrade their skills in line with enhancements to the systems and focus is now supporting countries to interface these systems with other public finance management systems such as the Integrated Financial Management Information System to streamline operations.
- vii. Compilation and reporting of Public Debt Statistics in the region currently meet contemporary internationally accepted standards, with all countries having subscribed to regular reporting of statistics to World Bank and IMF. Nine (9) or 69% of the countries are publishing annual Public Debt Statistical Bulletins or their equivalent, compared to 30% in 2011. Over time, significant improvements have also been recorded in the quality of Public Debt Statistical Bulletins, particularly in the analysis of portfolios costs and risks.

1.5.16 Legal and Institutional Frameworks

In Phase IV, MEFMI also focused on supporting countries to adopt modern legislation and institutional frameworks in line with sound practices. As a result of tailored technical assistance provided, a number of countries have taken steps to update their legal frameworks and improve coordination among institutions involved in financial and macroeconomic management, responsibilities in line with sound practice:

- i. A number of countries have taken steps to update their legal frameworks and improve coordination of debt management responsibilities. Several countries have set up front, middle and back office structures, while others have established centralised debt management offices with the rest at various stages of setting up such offices. Two countries reviewed their legal frameworks for public debt management with technical assistance from MEFMI, and one of the two countries

subsequently adopted the new Public Debt Management Law in September 2015. Two other countries updated their Public Finance Management laws in 2012 and 2015, respectively;

- ii. MEFMI has continued to work with countries to adopt and operationalise the principles of Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of the International Organisation of Securities Commissions (IOSCO) and PFMI. By end-2015, 85% of the countries had enacted sound legal and regulatory frameworks for payment systems. With the establishment of adequate payment systems laws, countries have been able to embrace good market practice like the complete elimination of the zero-hour rule, immobilisation and dematerialisation of securities, instituting arrangements for Delivery versus Payment, Payment versus Payment and Delivery versus Delivery, recognition of netting, and adopting strong collateral and default arrangements. This is expected to improve risk management in the markets, spur competition and enhance consumers and investor protection. Furthermore, countries have been able to harmonise Payment System (PS) practices across the region which promotes convergence and advances regional integration;
- iii. Through tailor-made capacity interventions by MEFMI in partnership with the World Bank RAMP, countries were assisted to adopt best practices in Reserves Management, specifically in the formation and constitution of investment committees, the segregation of duties into front, middle and back office, and the documentation and implementation of the investment policy and guidelines; and
- iv. MEFMI assisted countries to institute best practice in payment systems oversight. Nine countries have adopted these oversight tools and are now able to monitor and assess performance of systems in their jurisdictions, thereby inducing change. Oversight has also made payment systems more efficient by reducing costs and delays in processing the transactions. This has led to the increase in uptake of some of the payment systems as consumers now have confidence in the systems.

1.5.17 Policy Formulation and Implementation

Policy formulation and implementation has been one of the core areas for capacity intervention in Phase IV and the following were some of the key achievements:

- i. MEFMI carried out several advisory services during Phase IV. These covered several countries and different areas such as Fiscal Management, Inclusive Economic Growth and operationalisation of an independent Revenue Authority;
- ii. Medium Term Debt Management Strategies (MTDS) and Debt Sustainability Analyses (DSAs): At end-2015, 77% of member countries had documented and approved Medium Term Debt Strategies, up from 50% in 2011. In addition, minimum external technical support is needed to undertake DSAs in 77% (or 10) of the countries, up from 30% in 2011. Some countries have subsequently gone ahead to institutionalise DSAs and MTDS such that they have become regular activities in their annual calendar of events. They are using these debt management tools to assess the impact of macroeconomic scenarios on alternative borrowing strategies. In addition, 69% of the countries were integrating DSA outputs in the formulation and implementation of fiscal and monetary policies, compared to 46% in 2011;
- iii. The Institute supported institutions to develop Financial Programming Frameworks;
- iv. One central Bank was assisted to upgrade the quality of statistics on credit distribution by sector of economic activity in line with the international industrial classification ISIC, REV 4.

- v. **Monetary Policy Implementation:** Some countries are gradually moving away from the quantitative targeting frameworks, following the breakdown in the relationship between monetary aggregates and inflation. This has led to some countries introducing lite inflation targeting regimes while others have adopted hybrid regimes. MEFMI assisted one member with liquidity forecasting and inflation targeting and provided in-country training to another on monetary policy implementation. Both workshops were conducted in Portuguese;
- vi. Five central banks were assisted in the implementation of risk-based supervision methodology. The implementation missions included technical assistance in the development of Risk Management Guidelines and Risk-Based Supervision Policy Frameworks for the same countries. In addition, these countries were assisted to conduct pilot on-site examinations of commercial banks in their respective countries. Another central bank was assisted in the Basel II and International Capital Adequacy Assessment Process(ICAAP) implementation;
- vii. Countries were assisted to formulate and implement sound and adequate legal and policy frameworks for domestic financial markets development. As a result of these focused interventions, 85% of the countries in the region have managed to lengthen their yield curves beyond five (5) years, subsequently reducing refinancing risk while at the same time providing appropriate instruments for long-term investors like the pension and insurance sector.
- viii. MEFMI carried out a skills gap analysis for one central bank from 2015 to 2016 to help the Bank develop an integrated capacity building plan;
- ix. In 2014, the Institute also introduced MEFMI Policy Seminars – a platform which allows dialogue and exchange of ideas for improving policymaking in the region. The Seminars are held at the Secretariat and target policy makers, technical staff from financial and technical cooperating partners as well as the media.

1.5.18 Capacity Building in Emerging Areas

Capacity building was enhanced in the following emerging areas during Phase IV:

i. Natural Resources Management

MEFMI developed the Natural Resource Management Capacity Building Programme in 2014 and this was approved by the governance organs for inclusion in Phase V plan and implementation. Natural resources management is a very broad area. However, MEFMI will focus on taxation of natural resources, contract negotiations and development and management of sovereign wealth funds. These are critical fiscal and monetary policy issues that confront MEFMI Institutions, particularly Ministries of Finance and Central Banks. These issues are not addressed adequately by other players.

ii. Regional Integration

MEFMI delivered increased activities on trade and regional integration during Phase IV period. Most of the capacity building activities were conducted at the regional level, jointly with technical collaborating partners such as the IMF Institute of Capacity Development (ICD), United Nations Economic Commission for Africa (UNECA) and African Institute for Economic Development and Planning (IDEP). One (1) Fellow has graduated from this area of specialisation and there is an on-going

initiative to harmonise Balance of Payments for the EAC countries where MEFMI collaborates with the EAC Secretariat and IMF Statistics Department.

iii. Strengthening of Oversight Institutions

As part of efforts to enhance transparency and accountability in debt management, MEFMI trained officials from Auditor-General's Offices in the region to equip them with practical knowledge on public debt management processes and procedures, as well as imparting practical skills needed for effective public sector debt auditing. A seminar was also organised for members of Parliamentary Committees dealing with Finance, Planning and Economic Affairs in the EAC to raise awareness on sound practices in public debt management. This is part of the Institute's efforts to strengthen the oversight role in these critical arms of Government, and enhance transparency and accountability in debt management.

iv. Principles for Financial Market Infrastructures

Following the publishing of the PFMI in 2012, MEFMI made a deliberate effort to sensitise regulators in the region on these principles and to work with countries to adopt, understand and operationalise them.

v. Contingent Liabilities and Access to International Capital Markets

Other emerging areas in which MEFMI made commendable progress to raise awareness and build capacity during Phase IV included Contingent Liabilities and Access to International Capital Markets; which helped in providing countries customised frameworks for recording, estimating and monitoring contingent liabilities arising from Government's fiscal commitments.

1.5.19 The Executive Fora

The Institute conducted a series of Executive Fora including the annual Combined Forum of Ministers of Finance and or Planning, Central Banks Governors and Permanent Secretaries; the annual Governors' Forum, as well as the Forum for Deputy Governors and Deputy Principal Secretaries. The fora focused on a range of themes and topics covering the key emerging policy issues in the region. The post event evaluations, as well as findings from the Mid-Term Reviews and Impact and Needs Assessment clearly indicated that the themes and topics presented were highly relevant to the MEFMI region. Some of the topics discussed during the Fora included: (i) role of central banks in managing a country's natural resource revenues: investment and institutional considerations, role of leadership in the management of natural resource revenues in Africa, (ii) taxation of natural resources: principles and policy issues, (iii) sovereign wealth fund management, (iii) the state and current pressures facing Africa's economies, (iv) the impact of recent global economic developments in the MEFMI region, (v) sovereign reserves management, (vi) key risks to debt sustainability in developing countries, and (vii) public private partnerships.

1.5.20 Governance Structures

The Secretariat has a comprehensive and rigorous governance structure which meets at various intervals to ensure the effective operation of the Institute. The governance bodies include: the Board of Governors, Executive Committee (EXCOM), Finance and Audit Committee, Technical Cooperating Partners' Committee, Cooperating Partners Liaison Committee, Management and Staff Committees.

During Phase IV, the governance structures discharged their mandate of steering the Institute in various ways to strengthen its governance through the establishment of new policies and revision of existing ones. Most significantly was the approval of the concept note on the establishment of a BDU, systematic monitoring of the risk management register, production of an M&E report in line with MEFMI's RMF and ensuring continued issuance of clean audit reports.

1.5.21 Public Relations and Networking

Beginning 2012, concerted effort was made to enhance the reach and widen the scope of MEFMI cooperation. The Institute increased engagement with the media houses in order to enhance brand visibility and communicate MEFMI products and services to a wider audience. Linkages were also created with the private sector for Executive Fora activities in particular, in order to widen the resource envelop and to tap on diverse knowledge and expertise. In an effort to enhance communication with stakeholders, the website was redesigned.

1.5.22 Human Resources Seminars

Three (3) human resources seminars were held in Phase IV to discuss the trends and key issues in managing Human Resources within the region. The seminars targeted the Heads and staff of Human Resources Departments of the client institutions. The seminars are important because the Human resource officers facilitate implementation of MEFMI capacity building activities including ensuring utilisation of the acquired skills.

1.6 Challenges

- i. **Slow adoption of latest standards in statistical compilation and reporting by Member States:** A number of member states have not fully migrated to the latest international standards and manuals in the compilation and reporting of their statistics in the four macroeconomic accounts due to various capacity constraints. The areas include SNA 2008, GFSM 2014, BPM 6, and MFS 2001 (A revised manual is expected in 2016). As a result, most member states have not fully migrated to the latest international standards and manuals in compilation and reporting of their statistics. Therefore, this calls for increased capacity in this area in Phase V through rolling out of more courses.
- ii. **Language:** Language barrier limited the participation of Lusophone countries given that MEFMI conducts its activities in English. The Institute will roll out country specific activities for the Lusophone and the French speaking countries. Furthermore, staff will be trained in French and Portuguese.
- iii. **Limited number of experts in some critical and emerging areas of capacity building:** This is particularly specific to some critical areas such as PFMI, illicit financial flows, public private partnerships, fiscal risks, and natural resources management. This will continue to impose a risk on the sustainability of capacity building programmes in these areas. In Phase V, the Institute will continue training Fellows to develop experts in these areas.
- iv. **Resource constraints:** MEFMI was unable to adequately address some of the planned interventions at the beginning of Phase IV due to reduced and delayed funding. The Institute will establish the BDU to deliver courses and consultancy services at a fee, while efforts will be made to diversify the sources of income for Phase V.

- v. **Loss of capacity:** Some institutions in the region continued to experience high staff turnover as trained officials search for better terms and conditions of service outside the region. MEFMI will continue training the staff of the client institutions.
- vi. **Delays in implementing MEFMI's recommendations:** Client institutions sometimes delay to implement the recommendations by the Secretariat, particularly from the in-country interventions. The Secretariat will increase efforts to follow up with the policy makers to take up the recommendations.

1.7 Lessons

In the course of implementing Phase IV Strategy, the Institute learnt the following lessons which shaped the planning and will inform implementation of its programmes in Phase V.

1.7.1 E-Learning

Online courses allowed MEFMI's capacity building interventions to reach out to many officials from the region, which would ordinarily be unable to leave their places of work to attend face-to-face workshops at a reduced overall cost of delivery. Going forward, MEFMI will give preference to this delivery mode of e-Learning for greater outreach and cost-effectiveness. The Institute will also endeavour to use advanced technological tools to make the courses more interactive and engaging.

1.7.2 Annual Country Self-Assessments

Regular consultations with client institutions is needed, including introducing 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. Capacity building programmes would emerge out of countries' priorities as identified through the self-assessment of capacity needs. The budgeting process will also cater for ad hoc requests by member states, to ensure that the technical support is responsive to countries' needs.

1.7.3 Collaboration and networking with new partners, Private sector and RECs

During Phase IV, the Institute established relationships with new partners including Chr. Michelson Institute, Eastern and Southern Africa Management Institute (ESAMI), IMF Institute of Capacity Development (ICD), IMF Statistics Department, while there was increased collaborative effort with EAC, UNECA, African Institute for Economic Development and Planning (IDEP), South African Reserve Bank (SARB) and AERC. Private Sector partners such as EY and Investec Asset Management supported MEFMI's executive fora and have pledged continued support in the medium to longer term. These relations provide a strong opportunity for MEFMI in terms of enhancing its curriculum, quality of delivery and service to the region through exposure and shared ownership towards meeting the quality of both institutions, hence there was exposure to advanced systems, knowledge and operations as witnessed during the collaborative events.

1.7.4 Building on the Success of Country Specific Interventions

Implementation of demand driven tailor-made country specific capacity building activities initiated in Phase IV has been a success story which saw the development of tangible capacity tools and frameworks across MEFMI client institutions. However, experience in Phase IV shows that more proactive countries have benefitted the most from these in-country activities. In Phase V, the Institute

will continue to broaden the delivery of more country specific activities by ring-fencing resources to meet the needs of member institutions. Furthermore, MEFMI will make efforts to proactively address institutional capacity challenges which are known to exist in client institutions so as to achieve equitable benefits for all the countries.

1.7.5 Inclusion of all Market Players

Domestic financial market interventions should target the entire spectrum of the market to include market participants as well. Inclusion of all market players results in effective policy uptake and implementation, and promotes collaboration between the market and the regulator. Hence, MEFMI will offer training to both the regulators and the market going forward, which could be covered through the BDU.

2 SITUATION ANALYSIS

While significant progress has been made in building human and institutional capacity in previous Phases, nevertheless, some gaps still remain due to the dynamic nature of the issues that MEFMI's client institutions deal with and the emerging challenges that member countries are confronted with.

2.1 Capacity Gaps

The focus in Phase V will be on the following evolving needs and emerging areas:

2.1.1 Macroeconomic Statistics

Significant data gaps in the compilation of macroeconomic statistics have been identified in the region. As a result, most member states have not fully migrated to the latest international standards and manuals in compilation and reporting of their statistics in the four macroeconomic accounts. While a number of capacity interventions and initiatives were undertaken jointly with technical collaborating partners in this area, large gaps still exist. Moreover, there are emerging developments in this area which need to be addressed. For example:

- i. In the external sector, the latest tools and best practices for compiling external sector statistics, namely; BPM6 Compilation Guide (2014), External Debt Statistics Guide (2013) and Reserve Template (2013) have not been fully adopted across the region. Similarly, awareness on various IMF initiatives for compiling position statistics, namely Coordinated Direct Investment Survey (CDIS) and Co-ordinated Portfolio Investment Survey (CPIS) are still required. Furthermore, capacity issues in latest conceptual issues on data collection methodology and analysis of remittances data in line with the latest IMF's International Transactions in Remittances: Guide for Compilers and Users have not been fully addressed. Similarly, MEFMI plans to continue refining its questionnaire on remittance statistics which countries use. Once finalized, this questionnaire will enable MEFMI to maintain a database on remittance statistics for the region. Furthermore, there are plans to re-engineer and upgrade the PCMS and revise the FPC Enumerators Handbook to accommodate emerging issues and regional needs.
- ii. The adoption of the 2008 SNA is yet to be fully achieved in view of the high cost and lengthy comprehensive household surveys which are required as baseline. There is also need to build capacity on FISIM, SUT and the Social Accounting Matrices (SAM), which are important for 2008 SNA. In 2014, a new Government Finance Statistics manual was produced by the IMF. The adoption of this new manual is in the initial stages and requires various capacity interventions in member institutions. The Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG) is being reviewed. The new standards put emphasis on the financial survey which includes data from other financial corporations. At the end of 2015, only one country in the region compiled data on other financial corporations, which implies that capacity building needs are enormous in other 13 Member States.
- iii. During Phase IV, capacity building on macroeconomic analysis remained one of the core areas of intervention at the regional level, targeting the relatively new staff in member institutions. This is expected to continue in Phase V, but with a bias on the e-learning platform for wider reach and reduced cost of delivery.

2.1.2 Fiscal and Monetary Policy Formulation

With regards to fiscal policy, public financial management remains a capacity gap in many countries in the MEFMI region. A number of countries still have weak revenue and expenditure policies which make them vulnerable to business cycles. Capacity interventions will, therefore, target developing resilient fiscal regimes which can withstand shocks.

Monetary policy formulation environment has been dynamic as financial markets evolve and become sophisticated. The reliability of quantitative targeting monetary policy framework has been weakened by the instability in the velocity of money and breakdown of transmission mechanisms. In view of this, some countries have introduced inflation targeting lite² frameworks while others pursue simultaneous frameworks, involving price and quantitative targets. This necessitates a shift in capacity interventions in this area to address the emerging needs.

2.1.3 Financial Programming

In the area of financial programming, while a pool of regional experts has been developed, which comprises of participants trained in regional activities and fellows, most of the experts have moved up the ranks and are no longer readily available. The Institute will work towards strengthening existing frameworks and enhancing capacity on the flow of funds matrices. Moreover, developing practical and transparent financial programs takes at least three (3) years and requires high level of institutional support and a dedicated team of experts.

2.1.4 Modelling and Forecasting

In the area of modelling and forecasting, reviews indicate significant capacity weaknesses in most institutions in the region. Hence this will continue to be a core area of intervention in Phase V, particularly with a focus on country specific initiatives. Most central banks still require skills in this area to be able to understand liquidity conditions in the market. MEFMI will continue to collaborate with the IMF and World Bank in liquidity forecasting and modelling.

2.1.5 Economic Research and Specialized Studies

Research and specialised studies are critical for informed and evidence-based policy making. The Institute plans to intensify work in this area in Phase V through conducting thematic research seminars and commissioning specialised studies on topical issues.

2.1.6 Trade and Regional Integration

Capacity gaps have been identified in member institutions as they move towards achieving common macroeconomic data compilation standards as provided by the macroeconomic convergence criteria of various RECs. It has also been observed that countries will need capacity building on the formulation and implementation of trade, monetary and fiscal policies under common external trade policies, customs and monetary unions which are expected to be adopted by RECs.

2.1.7 Private Capital Monitoring

In Phase V, MEFMI will continue to enhance the versatility of the PCMS to meet emerging data requirements and user needs. The Institute will explore and tap on experiences from regional and

²A monetary policy framework where countries float their exchange rate and announce an inflation target, but are not able to maintain the inflation target as the foremost policy objective.

international institutions which manage systems similar to the PCMS. The system will also need to be upgraded to keep pace with evolving technology.

2.1.8 Poverty and Inequality

The levels of growth remain insufficient to rapidly address the challenges of poverty, inequality and youth unemployment, largely due to weak distribution and inclusiveness. Moreover, the social and economic indicators for measurement of social outcomes such as employment and inequality remain less robust and require capacity-building interventions. Poverty and inequality capacity issues will therefore be of paramount importance in Phase V. Capacity building in growth related areas will place more emphasis on inclusive Growth, particularly the strengthening of data, which is crucial for assessing the impact of growth and reform. Data is also crucial for monitoring and evaluating the outcomes of medium-and long-term plans, including the regional and global agenda/visions.

2.1.9 Natural Resources Management

The region is well-endowed with natural resources as witnessed by recent discoveries of gas in Mozambique and Tanzania; oil in Kenya and Uganda; and precious metals in almost all the countries. Despite these discoveries, Governments will likely not realise the potential benefits due to weak internal capacity to manage natural resources, particularly in the areas of tax policy and auditing. Furthermore, in view of the depleting nature of resources, it has been noted that proper inter-generational investment and management is key. The collapse of global oil prices has exposed the vulnerabilities of oil dependent countries in the region and globally. Cognisant of these developments, MEFMI developed the MEFMI Natural Resources Management Capacity Building Project (MEFMI NRM-CBP) in Phase IV and began implementation of some activities at the Executive Fora level. While capacity needs in the area are enormous, the following areas were identified for intervention in Phase V:

- a. Natural Resources Contract Negotiation (Capacity to negotiate mining contracts);
- b. Natural Resources Taxation, including mining fiscal modelling, resource rent taxation, dealing with mineral leakages, illicit flows & transfer pricing aspects;
- c. Macroeconomic Stabilisation, including development and management of sovereign wealth funds; and
- d. Statistics on natural resources is also emerging as a new area for capacity building.

2.1.10 Regional Economic blocs

Some countries, which are members of MEFMI, are in different regional economic blocs such as EAC, SADC and Common Market for Eastern and Southern Africa (COMESA³). The EAC countries are subject to regional requirements for macroeconomic management, which may differ from the requirements of SADC and/or COMESA. For instance, the EAC is now moving towards a Monetary Union. These countries may, therefore, approach monetary policy implementation differently because of the structures of regional requirements and financial instruments which may be used in cross-border transactions. There is need to structure different interventions which will address the unique aspects of each country or regional body. Hence, MEFMI will continue to conduct training to address these issues.

³ COMESA has 19 Member States, namely; Burundi, Comoros, D. R. Congo, Djibouti, Egypt, Eritrea; Ethiopia; Kenya; Libya; Madagascar; Malawi; Mauritius; Rwanda; Seychelles; Sudan; Swaziland; Uganda; Zambia; Zimbabwe

2.1.11 Islamic Finance and Banking

Islamic Finance and Banking has been gaining prominence globally as an alternative option of financing both public and private projects. Some countries in the region have already embraced this, despite the limited knowledge and skills on the cost and risks associated with it. Islamic Banking Environment Tools for liquidity forecasting are also new in the region. This, therefore, calls for concerted efforts in building capacity during Phase V.

2.1.12 Financial Infrastructures

Skills for developing a road map on how to implement the PFMI in the region are inadequate, despite countries' vast strides in reviewing existing frameworks to ensure they meet the standards. MEFMI will, therefore, continue to support and guide countries as they carry out PFMI self-assessments. The next phase will also focus on intensifying capacity building initiatives for other financial infrastructures like Credit Reference Bureaus (CRBs) and Collateral Registries.

2.1.13 Risk Management

Although progress in the area of risk management was achieved in Phase IV, there remains room for improvement especially with the revisions to the global supervisory standards following the global financial crisis. Member countries need to be assisted to enhance their risk management skills to include diagnosis, analysis, implementation, monitoring and evaluation of effective risk management strategies.

2.1.14 Quantitative Skills for Pricing Securities

- i. Fixed Income Securities Pricing emerged as an important issue in secondary market development. Transparency in pricing through encouraging 2-way price quotes in the bond market, securities issuance calendar and dissemination of both pre-trade and post-trade information to the market helps build liquidity.
- ii. **Asset Allocation:** training to understand the universe of investment instruments such as futures, indexed portfolios, covered bonds, Repurchase Agreements, Mortgage –Backed Security (MBS) derivative overlay is required.

2.1.15 Financial Markets

- i. Disparate market development: Money markets in the MEFMI region are active in some countries but inactive and less developed in many others. The main challenge is skewed liquidity, where some banks are not ready to trade/lend with others. Money markets instruments are also limited across the region, with uncollateralized interbank market and Treasury bills being the dominant window.
- ii. Bonds Markets Development, both primary and secondary markets remain key issues in the region. Most countries have less active bond markets, characterised by short maturity, low uptake, high fragmentation, narrow investor base, narrow issuer base, illiquidity in trading, narrow products range, inefficient trading infrastructure, and in some countries, weak legal and regulatory frameworks.
- iii. Development of Repurchase Agreement (Repos) market was identified to be important in promoting liquidity of securities in the secondary market. This requires signing of Master Repurchase Agreement (MRA) among eligible market players. MEFMI will consider this as

priority in its programmes for both regional and country specific missions so that countries are able to domesticate the Global MRA to their domestic financial markets for implementation. The legal leg of MRA and full implementation in the member countries remain the main challenge.

- iv. **External Fund Managers and Custodians:** There is need for engagement and management of external fund managers and monitoring of custodians.

2.1.16 ICT Systems for Debt Recording and Management

- i. The MEFMI Impact and Needs Assessment conducted in 2014 established high staff turnover in debt management offices which calls for skills replenishment through continuous training.
- ii. **Computer Based Debt Management Systems:** Most countries in the region are using Microsoft Excel spreadsheets and/or central banks auction systems to capture domestic debt instead of using CS-DRMS and DMFAS. In addition, some countries' guaranteed debt and lending instruments are also not recorded in the Computer Based Debt Management Systems (CBDMS). Hence, there is need to consolidate these statistics into one centralised debt management system.
- iii. Some countries are lagging behind in terms of conducting debt data validation on a regular basis.

2.1.17 Legal, institutional and regulatory frameworks

- i. **Fragmented debt management functions:** In some countries, debt management functions are still spread across various institutions in the Ministries of Finance and Economic Planning as well as in Central Banks. In other cases, some critical activities such as the middle office functions are not performed.
- ii. **Weak debt management legislation:** The Debt Management Performance Assessments conducted by MEFMI and its technical cooperating partners indicate that while most countries have promulgated legislation on debt management, such legislation does not meet the minimum requirements for effective public debt management. Key deficiencies include a lack of provisions on purposes and objectives of borrowing, as well as lack of requirement to prepare a debt management strategy, conducting performance audits and prepare debt reports. In this regard, MEFMI will continue to support member states to revise their debt management legislation accordingly.
- iii. **Weak capacity on audit of debt management:** While commendable progress has been made in auditing debt financial transactions in member states, there is weak capacity to conduct performance audit of debt management processes. In this regard, addressing capacity constraints in the internal and supreme audit institutions will be a key area of intervention, including strengthening operational risk management and compliance functions in debt management offices.
- iv. **Lack of debt management procedures manuals:** It is important for debt management offices to put in place strong control measures to minimise payment errors as well as the risk of fraudulent payments. While some countries have made advances in this regard, there are some capacity gaps, particularly the lack of documented procedures for debt payments as well as other debt management operations.
- v. **Other Legal and Regulatory issues**

MEFMI has been supporting countries to implement improvements in legal and regulatory frameworks and these efforts are expected to continue in Phase V, during which the Institute will:

- Continue to work with countries to ensure smooth policy coordination between monetary and fiscal policy.
- Reinforce its efforts in building capacity in the areas of financial consumer protection and mobile money operations and oversight within countries which are facing challenges in developing adequate consumer protection guidelines
- Review of the investment policy & guidelines on official foreign exchange reserve management.
- Promote the adoption and implementation of best supervisory practices and effective legal and regulatory frameworks in financial sector management, including segregation of duties, governance and oversight.
- Promote preservation of institutional memory through the development of procedures and raising awareness on pertinent contemporary issues to facilitate effective policy formulation.

2.1.18 Analytical Capacity for Debt Management

- i. The costs and risks posed by the new sources of borrowing imply that member states would require further support from MEFMI, especially on conducting debt sustainability analysis and preparing debt management strategies.
- ii. An effective cash flow forecasting is a key component for effective debt management because it helps to determine the amounts to be borrowed over a given period as well as the management of cash balances. A number of countries still have weak capacity on cash flow forecasting and cash balances management.
- iii. Contingent liabilities arising from exposure to guarantees and other unforeseen occurrences have become a key source of fiscal risks for countries in the region. These risks are compounded by the fact that some countries do not have appropriate skills and frameworks for identifying, measuring and monitoring contingent liabilities.
- iv. The number of member states issuing international sovereign bonds has increased over the past few years while others are considering to tap onto the market. However, most countries have proceeded to access this type of financing without adequate capacity on the best issuance procedures as well as proper assessment of the associated costs and risks. Hence there is need to build capacity of member states on issuance processes as well as management of the inherent risks and costs.

2.1.19 Monitoring and Evaluation

The client institutions recognise that MEFMI courses are relevant and more tuned to their needs. While it was highlighted during M&E assessment that a number of databases which generate the required information exist, however, most of these databases require major upgrades, alignment, integration and automation to match the needs of users at various levels and programmes, particularly the access database which is used for tracking events. Notable is the need to establish and agree on the guidelines for M&E, tools, calendars, standards and policies to support coordination and quality assurance

mechanisms so as to strengthen the manual system. Alongside this is the need to strengthen the capacity of staff in M&E.

2.1.20 Fellows Development Programme

Currently, MEFMI has a total of 135 fellows. The plan in Phase V is to expand the pool of experts by recruiting and training more fellows in deficit areas to support capacity building programmes. Furthermore, there is need to:

- i. Ensure effective utilisation of fellows at their work places by making utilisation at regional level conditional on work done in sponsoring institutions.
- ii. Initiate follow up mechanisms and tracer surveys on fellows' alumni.
- iii. Strengthen trained trainers to complement the FDP.
- iv. Identify additional experts outside fellows and trained trainers from the region through regional audit to expand the pool of available experts.
- v. Introduce affirmative measures to ensure a fair spread of fellows and participation across the region and gender without lowering the standards of FDP.
- vi. Improve communication to achieve better participation and representation across countries

2.2 Stakeholder Analysis

MEFMI Secretariat interacts with both internal and external stakeholders in building capacity in the region. Table 8 is an analysis of the existing stakeholders, their roles in MEFMI's work and strategies for managing the existing challenges of dealing with them.

Table 86: Analysis of Major Stakeholders for MEFMI

#	Stakeholder	Role in MEFMI's work	Need of Stakeholder	Extent of Influence	Gap/challenges of managing the Stakeholder	Strategy
External Stakeholders						
1.	Member States and Client Institutions	Funding, stewardship, demand accountability.	Policy advice, exposure to good practise, quality delivery of capacity building programmes	High	Convincing them to extend MEFMI's outreach – new members, programmes, staffing etc.	Outline the great threat which the language barrier poses as a plausible reason for Lusophone countries to exit MEFMI.
2.	Ministers	Policy influence, outreach to key policy influencers	Policy advice	High	1. Low attendance at MEFMI events and rotation of office bearers in Government. 2. The gender disparity in high level positions.	1. ED and Management to visit them during country events. 2. Design out-reach material with emphasis on gender mainstreaming.
3.	Permanent Secretaries, Secretaries to the Treasury and Governors	Policy drivers	Policy advice, exposure to good practise, quality delivery of capacity building programmes	High	1. Face competing demands, hence slowed uptake of MEFMI's recommendations. 2. May not be up to date about some issue on MEFMI during governance meetings 3. The gender disparity in high level positions.	1. Strengthen follow up with them, visit them during country events. 2. Urge them to appoint liaison/contact persons. 3. Orient new members on the governance committees. 4. Design out-reach material with emphasis on gender mainstreaming.

#	Stakeholder	Role in MEFMI's work	Need of Stakeholder	Extent of Influence	Gap/challenges of managing the Stakeholder	Strategy
4.	Deputy Principal Secretaries and Deputy Governors	Policy implementers	Policy advice, exposure to good practise, quality delivery of capacity building programmes	Moderate	1. Delayed implementation of some recommendations 2. The gender disparity in high level positions.	1. Strengthen follow up with them, visit them during country events. 2. Design out-reach material with emphasis on gender mainstreaming.
5.	Heads of Departments	Strategy advices, nomination of participants to MEFMI courses, utilisation of Fellows and Trained Trainers	Policy advice in respective areas, exposure to good practise, capacity building	Moderate	Quality capacity building, awareness about good practise and emerging issues in the region in their areas	1. Sensitise them about utilisation and nomination of participants 2. Maintain follow up with them
6.	Zimbabwe Government and Client Institutions	Accreditation of staff, compliance with local laws and regulations	Policy advice	High	Limited awareness about MEFMI	Involve them more in MEFMI events and keep them informed about MEFMI
7.	Fellows and Trained Trainers	Provide expertise, knowledge base, services in MEFMI events	Capacity building	High	1. Lack of awareness about FDP policy and procedures, missing guidelines in some instances. 2. Low numbers of female applicants.	1. Sensitise Fellows, establish alumni, revise the FDP policy and guidelines, targeted recruitment for females, and publicise policy position on participation of nursing mothers and their babies at events. 2. Develop a Training of Trainers (TOT) Policy and guidelines, sensitise Trained Trainers (TTs) and strengthen monitoring of utilisation. 3. Targeted recruitment for females, publicise policy position on participation of nursing mothers and their babies at events.
8.	Cooperating Partners, Technical Cooperating Partners, and Regional Economic Communities	1. Funding, stewardship, outreach/ network to potential partners, demand accountability 2. Provide knowledge base and network of experts, mentor fellows 3. Regional footprint, brand visibility due to good reputation, knowledge base, policy influence and drivers, outreach to capacity building funders	1. Networking opportunities 2. Regional development	High	1. Change in attendance and rotation of contact persons is challenging given that new officers may not be very keen about MEFMI or be up to date on MEFMI issues. 2. Are usually very supportive, but sometimes expect higher rates for professional fees 3. May not be aware of existing opportunities with MEFMI and how to collaborate with it.	1. Keep them informed about MEFMI, urge them to actively participate in MEFMI events, engage them on specific topics, not only during governance meetings. 2. Establish MOUs sensitise them about MEFMI's rates and justification for such. 3. Undertake joint activities for synergy and cross pollination of ideas. 4. Sensitise them about MEFMI, collaborate more, engage them more to co-brand events
9.	Media and Public	Brand visibility to public		High	1. Risk of "tweaking" information 2. Access to MEFMI information	Sensitise them about MEFMI
10.	Ambassadors	Provide outreach to key networks, partners and institutions	Policy advice, networking opportunities	Moderate	Reduced attendance of MEFMI events	Sensitise them about MEFMI, involve them in MEFMI events, and request for their support.
11.	Suppliers of Goods and Services, and auditors	1. Suppliers of goods and services 2. Timely reporting 3. Credible audits	1. Timely payment 2. Financial information and records	Low	Low quality of some goods and services	1. Sensitise them 2. Strengthen monitoring
Internal Stakeholders						

#	Stakeholder	Role in MEFMI's work	Need of Stakeholder	Extent of Influence	Gap/challenges of managing the Stakeholder	Strategy
1.	Staff and Management	1. Quality delivery of MEFMI's programmes 2. Drive change	1. Compliance with MEFMI policies and procedures 2. Efficient utilisation of resources 3. Conducive working environment		1. Lack of staff development plan 2. Compliance with MEFMI policies and procedures 3. Efficient utilisation of resources 4. Timely and accurate Reporting	1. Strengthen monitoring and evaluation 2. Strengthen institutionalisation of MEFMI's values

2.3 SWOT Analysis

MEFMI conducted a scan of Strengths, Weaknesses, Opportunities and Threats which may impact the Phase V operations. The findings of this scan are presented in the table below:

Table 9: SWOT Analysis

SWOT ANALYSIS	
STRENGTHS	BUILDING ON STRENGTHS
<ol style="list-style-type: none"> 1. Responsiveness through tailor-made capacity building programmes 2. Access to a pool of qualified resource persons that include current and former staff, fellows, regional and international experts with knowledge and wide experience 3. Strong collaboration with highly reputable cooperating partners that can provide expertise on gratis 4. Very strong governance structure 5. Suitably qualified and dedicated staff 6. Regional presence, knowledge of regional issues complemented with exposure to global issues, and lower costs of delivery 7. Support from the highest levels of client institutions through financial, technical and in-kind 8. Multiple modes of delivery including E-learning 9. Institute recognised as a regional think-tank 	<ol style="list-style-type: none"> 1. Encourage client intuitions to request for more in-country programmes 2. Strengthen their utilisation and exposure to opportunities for professional growth 3. Strengthen and maintain partnerships and collaborations 4. Request institutions to appoint MEFMI liaison officers to support the structures 5. Enhance skills and knowledge through capacity building 6. Further co-operation, training and networking 7. Maintain close relationships with the higher authorities 8. Host e-learning and implement it more effectively 9. Improve ranking by increased research and publication of technical papers
WEAKNESSES	REMEDYING WEAKNESSES
<ol style="list-style-type: none"> 1. Inadequate internal research capacity to back-up policy advice 2. Inadequate marketing and dissemination of research products 3. Staff spread too thin given their roles in both operations and delivery 4. Inability of MEFMI to influence retention of Fellows in respective areas of specialisation with their employer 5. Inadequate Monitoring and Evaluation (M&E) 6. Inadequate expertise in some of the emerging areas such as Islamic financing instruments, hence dependency to technical partners 7. Inadequate mechanisms for enforcement of implementation of recommendations from technical assistance missions 8. Low visibility 	<ol style="list-style-type: none"> 1. Provide training for staff on research 2. Accreditation, popularise MEFMI research, develop cooperation with Universities 3. Conduct a workload analysis 4. Continuously train more fellows 5. Train staff in M&E 6. Train more Fellows and member states in emerging areas 7. Follow up and involve policy makers in missions 8. Increase media exposure
OPPORTUNITIES	EXPLOITING OPPORTUNITIES

SWOT ANALYSIS	
<ol style="list-style-type: none"> 1. Wide pool of resource persons presents flexibility in addressing country specific capacity needs 2. Emerging capacity building needs such as natural resources management: 3. Leveraging on technology and technological innovations to expand outreach through e-learning and webinars: 4. Expanding clientele base to include other stakeholders 5. Demand from non-client institutions such as parliament 6. Resource mobilisation through BDU 7. Existence of potential members 8. Goodwill from member countries and other stakeholders 9. Recognition of the need for capacity building in SDGs and Agenda 2063 10. Research and studies 	<ol style="list-style-type: none"> 1. Continue training fellows and explore more technical collaborations 2. Programme capacity building in emerging areas 3. Install and host the E-learning platform at MEFMI 4. Develop and implement strategy on broadening partnerships 5. Target courses for special requests at a fee 6. Establish the BDU 7. Target courses which address potential members' needs 8. Maintain good relations with member countries and other stakeholders 9. Position MEFMI to meet the need for capacity building in SDGs and Agenda 2063 10. Carry out more research and studies/strengthen the new research and policy seminar and publish policy briefs
THREATS	COMBATING THREATS
<ol style="list-style-type: none"> 1. High staff turnover in client institutions 2. New and emerging issues e.g. weakening of oil and commodity prices as well as changes in asset prices 3. Overlapping interests and mandates of other capacity building institutions (competition) 4. Lusophone countries losing interest in MEFMI programmes 5. Partner fatigue 6. Lack of influence on gender of participants 	<ol style="list-style-type: none"> 1. Continued training of new staff 2. Develop curriculum in emerging areas 3. Enhance collaborations and partnerships, improve quality of delivery 4. Deliver courses in French and Portuguese, and train staff in these languages 5. Diversification of funding sources 6. Continue encouraging client institutions to nominate women to participate in MEFMI activities. Have a budget to finance nursing mothers to take their maids and babies to some MEFMI activities, where all other conditions allow 7. Strengthen gender mainstreaming at all levels

3 INDUSTRY AND COMPETITION ANALYSIS

The industry which MEFMI operates in can be positively and/or negatively affected by various exogenous factors. In addition, various global, continental and regional institutions have cross cutting strategies which are in line with MEFMI's strategic pillars in Phase V. MEFMI's strategy of collaboration with these institutions will go a long way in achieving its objectives in Phase V.

3.1 Regional and Global Trends, and Outlook

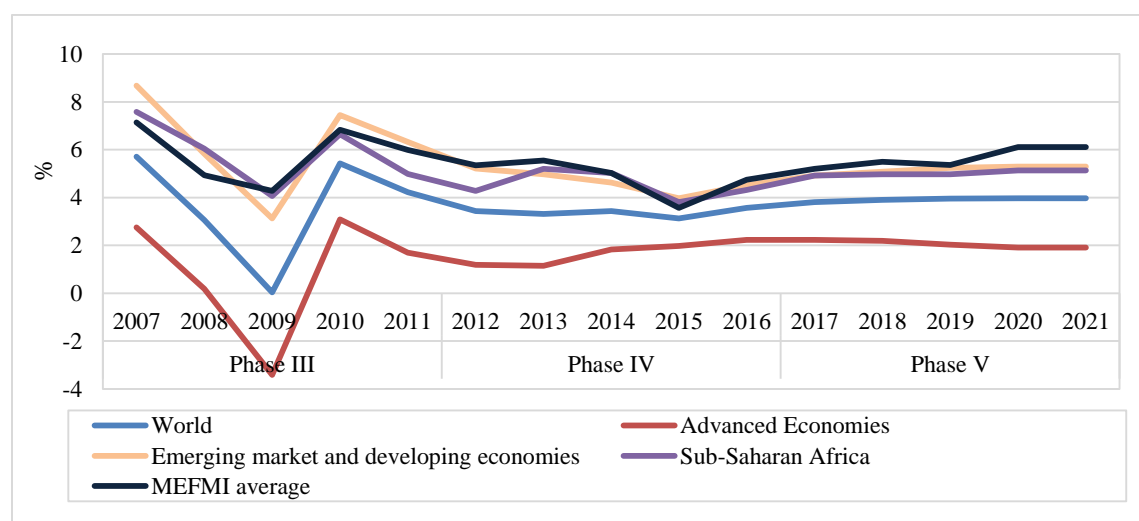
Regional and global developments can have a significant impact on the direction of policies and outcomes in the MEFMI member states. It is therefore important for MEFMI keep track of these developments because they could also shape the scope and nature of delivery of capacity building by the Institute. Some of the key issues that need to be considered, including the capacity building implications are outlined below:

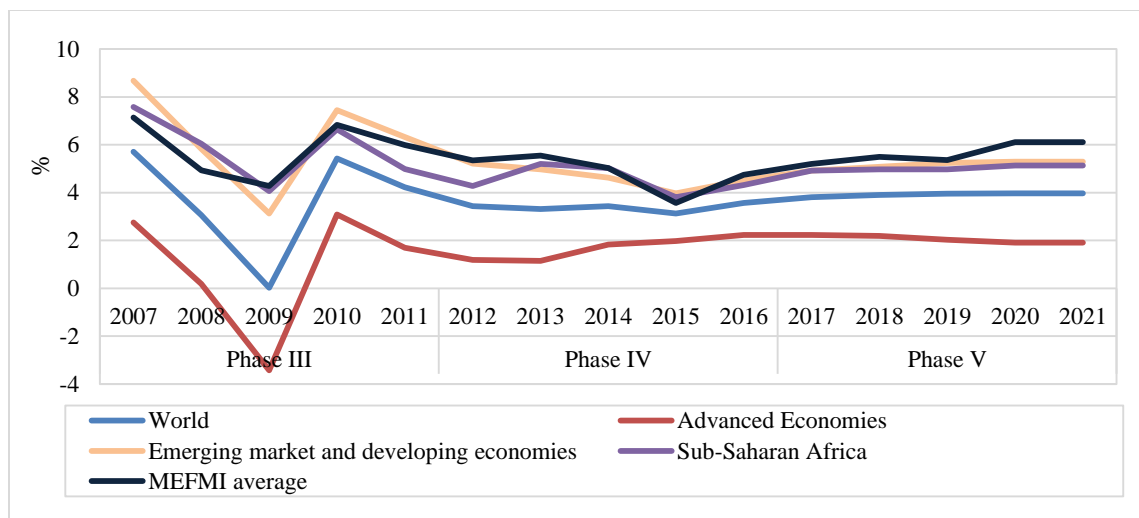
3.1.1 Real GDP

Global economic activity is expected to record an average growth of 3.4% between 2012 and 2016 (Phase IV), compared to a growth of 3.7% between 2007 and 2011 (Phase III). This slowdown is mainly attributed to low commodity prices, monetary policy tightening in the United States of America and slower growth of the Chinese economy. However, going forward, real GDP growth is expected to gradually pick up by 0.5 percentage point to reach an average of 3.9% during the Phase V period.

This growth is expected to be driven by stable and improved economic performance in advanced economies, emerging market and developing economies as well as Sub-Saharan Africa on the back of improved business, macroeconomic environment and accommodative global financial conditions, amongst others. For the Phase V period, the IMF projects moderate growth of 2.1% for advanced economies while emerging markets and developing economies are expected to record an average growth of 5.0% and 5.7%, respectively. The MEFMI region is also expected to register improved growth rates averaging 5.7% between 2017 and 2021.

Figure 3: Real GDP growth rate





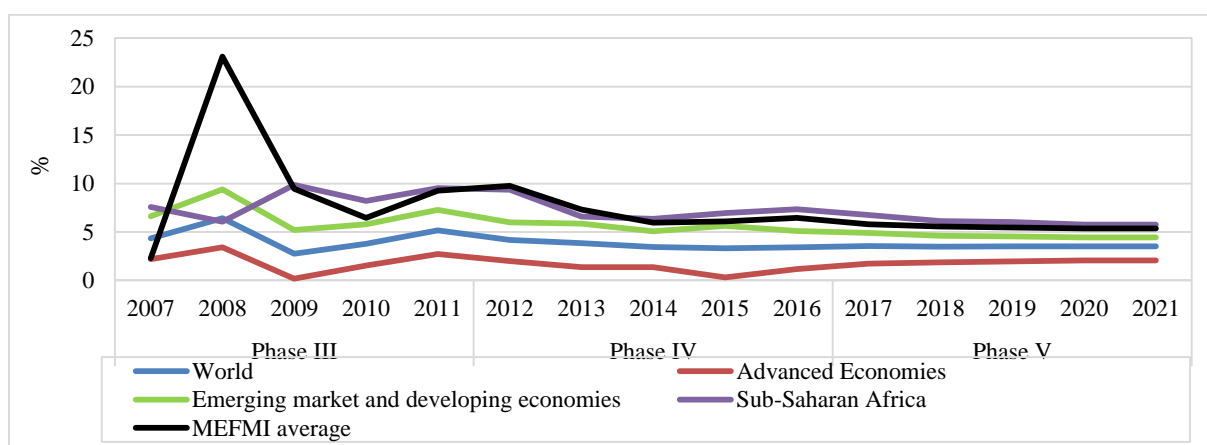
Source: IMF World Economic Outlook, January 2016

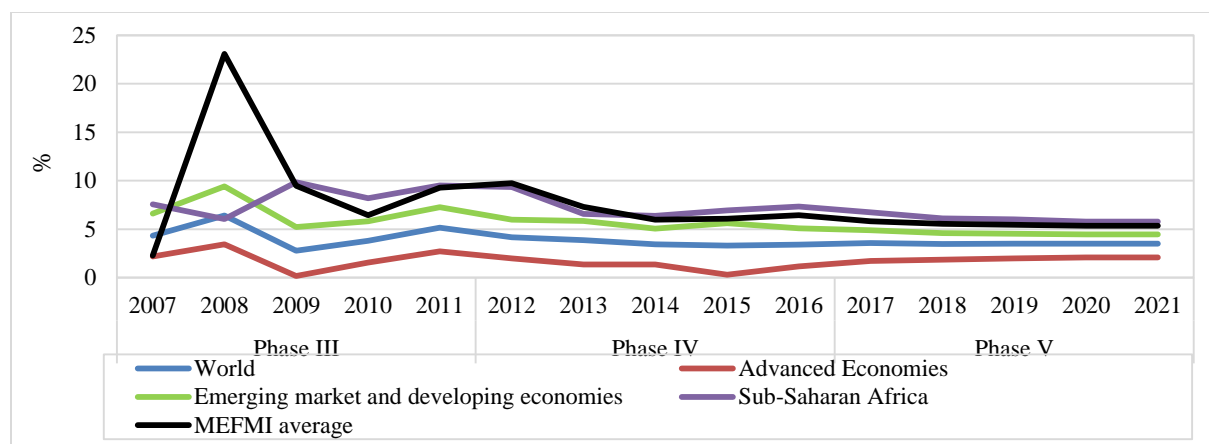
3.1.2 Inflation

Generally, inflation in Phase IV was low compared to Phase III for all regions (Figure 4). Specifically, inflation declined in advanced economies, mostly reflecting the decline in oil prices. Even though inflation in this region is expected to rise slightly in 2016 and beyond, it is anticipated that it will remain below official targets. Emerging markets have also benefited from lower prices of oil and other commodities (including food, which has a larger weight in the consumer price index of emerging market and developing economies).

Commodity importers in Sub-Saharan Africa also benefited from the plunging commodity prices, particularly oil prices and this is expected to reduce inflationary pressures. The outlook for the Sub-Saharan Africa region shows that inflation will stabilise at an average of 6.1% during the Phase V period, while the MEFMI region is expected to record an average inflation of 5.5% during the same period.

Figure 4: Inflation rate



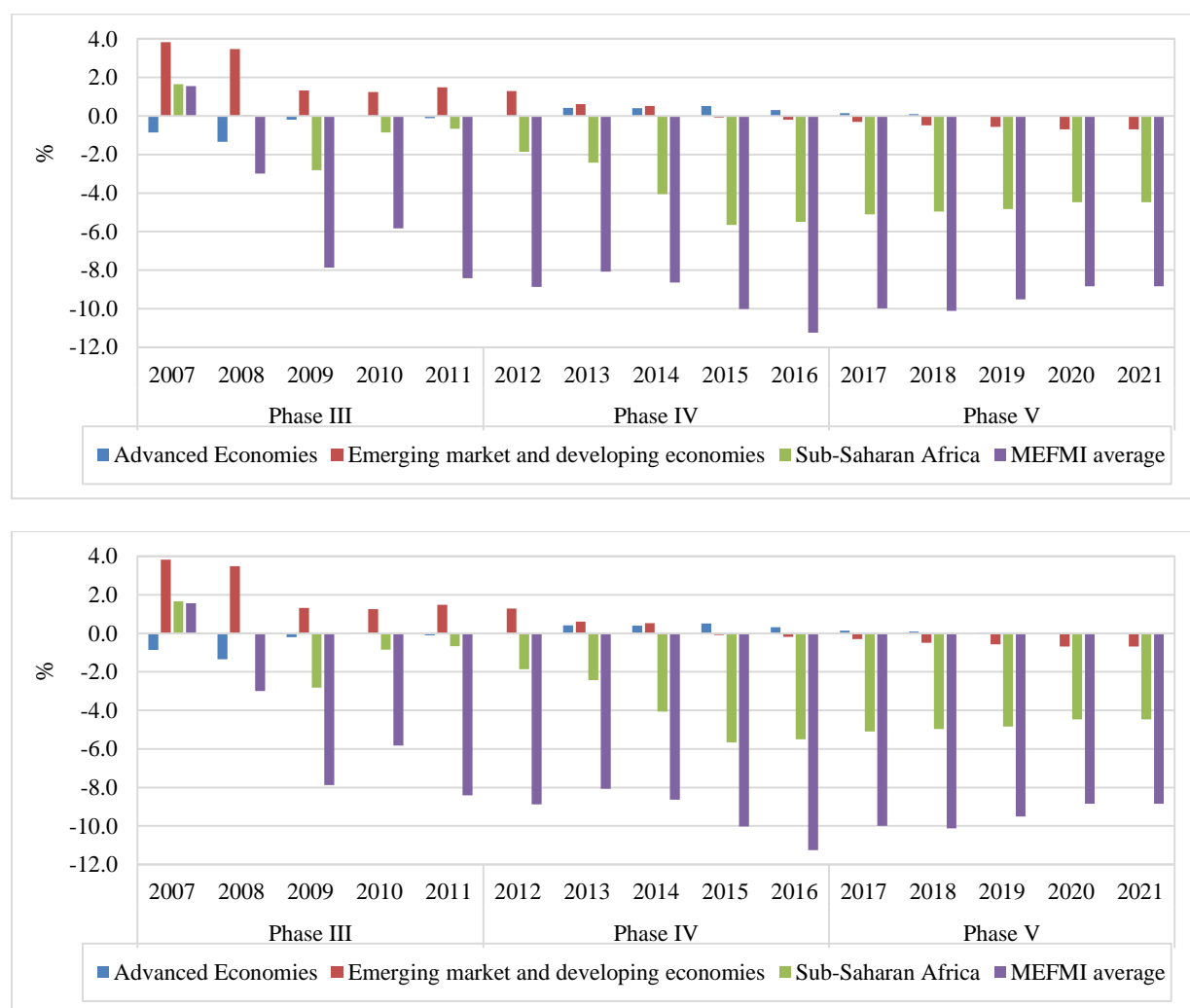


Source: IMF World Economic Outlook, January 2016

3.1.3 Current Account Balance

The current account balance in advanced economies has been favourable during the Phase IV period averaging 0.3% of GDP as compared to -0.3% in Phase III. This improvement reflects, amongst other things, positive trade balances reflecting effects of declining prices of oil and other commodities. Emerging markets and developing economies witnessed deteriorating current account ratios during the last half of Phase IV. This reflected the low export volumes driven by plunging commodity prices during this period. Going forward, the region is expected to record a current account balance averaging -0.5% of GDP in Phase V. For Sub-Saharan African region, the current account has been deteriorating since Phase III from -0.5% to -3.9% of GDP in Phase IV and is expected to widen to -4.8% in Phase V. This is attributed to low export volumes combined with high imports in this region and weak economic activity. Whilst the current account balance for the MEFMI region is expected to slightly improve in the medium term, downside risks to the outlook remain. With the expected persistence of commodity price shocks, there is need for fiscal adjustment to preserve macroeconomic stability in the commodity exporting countries in the region. Efforts should be directed towards strengthening domestic resource mobilisation and structural reforms to support diversification in these economies. In addition, the ongoing drought in some of the MEFMI countries might present significant pressures on their budgetary and external positions in the near term. The foregoing developments require vigilance in policy making to cushion the MEFMI region from adverse impacts that include depleting of external reserve buffers and unmanageable debt levels. It is on this basis that MEFMI stands ready during Phase V, to assist Member States through in-country activities to come up with viable economic policy options to maintain macroeconomic stability.

Figure 5: Current Account Balance to GDP

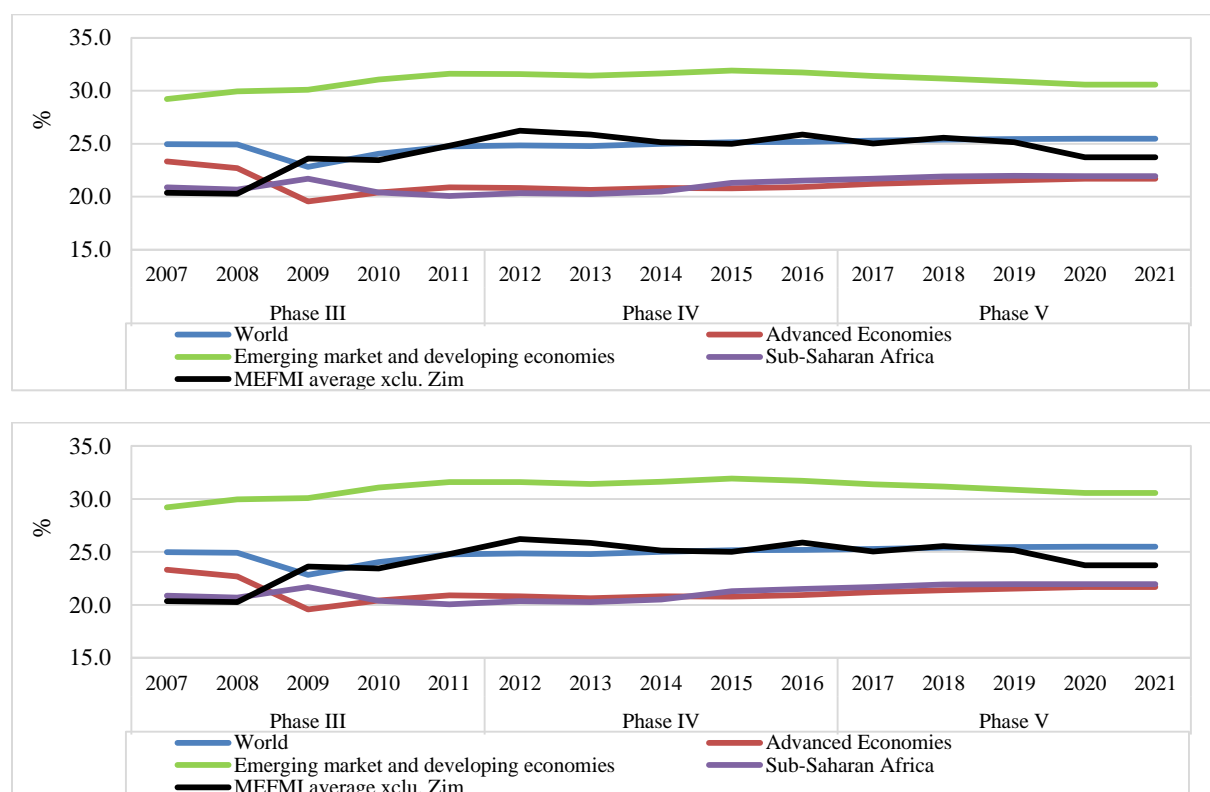


Source: IMF World Economic Outlook, 2016

3.1.4 Total Investment and Gross National Savings

Savings as a percentage of GDP were higher in Phase IV than in Phase III for all regions except in sub-Saharan Africa. During phase V, savings are expected to be stable for all regions. The total investments as a percentage of GDP are also expected to be stable both during the Phase IV period and Phase V. At an average of 25%, the total investments in the MEFMI region excluding Zimbabwe is expected to remain higher than advanced economies and the sub-Saharan African region (Figure 6).

Figure 6: Total Investment to GDP



Source: IMF World Economic Outlook, January 2016

3.1.5 Oil and other Commodity Prices

Despite average oil prices remaining higher in Phase IV than in Phase III period, oil prices sharply declined (from over US\$100 per barrel to below US\$60 per barrel during the second half of Phase IV). This sharp decline reflects excess supply from United States, Russia and members of the Organisation of the Petroleum Exporting Countries (OPEC), the aftermath effects of the Global economic crisis, the recent economic slowdown in China. With respect to future prospects, it is expected that oil markets will take longer to reverse current conditions of excess supply. Therefore, the prices may increase gradually but are expected to remain lower on average in Phase V compared to both Phase IV and Phase III. The changes in prices have affected output gaps and potential output in oil and other commodity exporters. On the other hand, the development has been beneficial to oil importers. However, the WEO also states benefits and losses may outweigh each other for importers who also export other commodities due to continued decline in commodity prices.

3.1.6 Monetary Policy Implementation

The financial and economic crisis which begun in 2008 altered the way monetary policy was designed and conducted in the advanced, emerging and developing economies. It even brought about what is now known as ‘unorthodox’ monetary policies adopted in order to bring about stability and resuscitate growth. Some of the topical issues in monetary policy include; increase in transparency in monetary policy, enhancing operational independence, adoption to more forward-looking frameworks, expansion of objectives of monetary policy and unconventional monetary policy.

3.1.7 Adoption and Application of International Standards

Post the global financial crisis, a number of revisions to the supervisory standards and practices were made. These include the revision of the Core Principles for Banking Supervision, Basel II Capital Standards, PFMIs, standards for international remittances and inclusion of macro prudential frameworks as an essential pillar of financial stability policies. The design, objectives, instruments and governance, macro-stress tests and network analysis remain an area of need including domestic and international co-ordination, the role of non-banks and sovereign risk as well as the relationship with other policies, including monetary and fiscal policy. The OECD revised its Core Principles on Regulation of Private Pensions and the Core Principles on Regulation of Occupational Pensions. The International Association of Insurance Supervisors reviewed and amended the core principles on Insurance Supervision several times. The International Organisation of Securities Commissions (IOSCO) also reviewed several core standards including those for the Custody, Securities and Financial benchmarks.

3.1.8 Official Foreign Exchange Reserves

Since the global financial crisis in 2008, Foreign Exchange Reserves for major central banks have increased, while other central banks witnessed a decline due to price shocks in the global markets. Regional central banks in the Common Market Authority (CMA) experienced a decline in customs receipt (SACU receipts). Foreign assets declined at the same time as demand for government expenditure increased and major economies cut their interest rates, thus reducing the resultant earnings. The global financial crisis solidified the central role of reserves and the rationale for holding them. As a result, the importance of diversification of assets to ensure a decrease in volatility of returns has become a topical issue. Some of the strategies to ensure this include the need for active allocation of assets to generate excess returns in an era where market returns are low; security selection and the potential to embrace new instruments as well as enhancing credit risk assessment of counterparties.

3.1.9 Credit Risk Management

The management of credit risk by relying solely on Credit Rating Agencies post the financial crisis has shown that newer and broader methods of counterparty risk management have to be embraced. Such overreliance has been mitigated by developing Internal Credit Risk Assessment Systems (ICRASs) to continuously monitor credit risk.

A number of African countries and emerging markets now access/or plan to access international financial markets for long-term financing. As a result, issues of credit rating are now key. In addition, accessing international markets may cause exchange rate volatility and other instabilities, which needs to be monitored.

3.1.10 Domestic Financial Markets

Globally, development of deep, stable and vibrant financial markets is emerging as a priority area for well-functioning economies and rapid development. In addition, as African economies grow, characterised by a strong Middle Class, financial markets play a critical role in wealth creation through accelerated savings and investments. In addition, there is requirement to ensure the stability and smooth functioning of financial markets, which support the overall financial system and economic stability.

3.1.11 Trends in Debt Accumulation

There has been a significant build-up in public debt in developing countries as well as in emerging and advanced economies during the past decade. General government gross debt in advanced economies increased from 71.7% of GDP in 2007 to about 104.6% of GDP by 2014 while government debt in the emerging markets and developing countries rose to 41.4% in 2014 compared to 37.3% in 2007. Sub-Saharan Africa also registered a substantial increase in debt from 23.5% of GDP in 2008 to 30.3% of GDP in 2014. In the MEFMI region, gross debt was estimated at 40.7% in 2014 compared to 24.9% in 2007. The increase in debt is prominent in those countries which received external debt relief under HIPC Initiative and the Multilateral Debt Relief Initiative (MDRI), where public debt was estimated at 40% in 2014 of GDP compared to 27% of GDP for the others. The key driver of debt accumulation in some MEFMI member states is large fiscal deficits, arising mainly from expansionary expenditure policies and weak domestic revenue generation (WE0, 2016).

- i. Declining grants: For a long time, most developing countries relied on foreign grants to augment domestic revenues. However, grants have not been adequate to meet the large financing needs, and particularly recorded a declining trend after the global financial crisis in 2008. Therefore, governments have resorted to heavier borrowing from both external and inter sources as grants dwindled. This is happening amid, underdeveloped domestic debt markets, characterised by limited instruments and a narrow investor base.
- ii. External shocks: Most of the Governments responded to the global economic and financial crises by implementing stimulus packages which required unprecedented external and domestic borrowing operations. The rapid build-up in debt illustrates the vulnerability of developing countries to external shocks.
- iii. New Sources of borrowing: Prior to mid-2000s, bilateral and multilateral creditors were the main sources of concessional (low interest rates, long grace periods and long maturities) foreign financing in most developing and emerging economies. However, over the past decade these sources dried up partly due to the after effects of the global financial Global Financial crisis and global economic recession as well as the subsequent Euro area debt crisis. Consequently, alternative sources of funding with relatively, stringent terms emerged. These included borrowing from Export Credit Agencies (ECAs), new bilateral creditors (e.g. China, India, Brazil and Korea) and tapping into international capital markets. Although, the financing products from these sources have been quite popular in most low income countries because of the larger loan amounts which are both quick disbursing and are provided without policy conditionality's compared to the loans from traditional creditors, they are associated with relatively higher costs and vulnerable to market risks.

In the medium term, debt for emerging economies and developing countries is projected to increase further from 44.4% of GDP in 2015 to about 48.3% of GDP by 2020, due to the projected rise in interest rates in line with expected adjustments in the monetary policy rate by the Federal Reserve in the United States and the continued decline in commodity prices. The projections raised concerns that public debt in developing countries including in some MEFMI countries could reach unsustainable levels and thus reverse the economic gains made over the past decade.

These developments will, therefore, inform debt management interventions during Phase V.

3.1.12 Information and Communication Technology

Trends in the ICT sector are skewed towards the movement of real-time data delivery through amongst others; intelligent; secure and predictive networks; the adoption of hybrid clouds and applications which are available from mobile devices. Mobile and wearable gadgets have also offered new channels for business and access to automation devices such as mobile payment. The exponential increase in the devices and related ICT services provides a huge surface for very costly, intrusive, pervasive and time-consuming cybercrime resolution. Cyber security is thus becoming a Business Process with larger portions of budgets apportioned to it. While ICT usage in MEFMI region is affected by poor supply of electricity, there is a need and room to fully engage secure digital technology which automate and improve the efficiency of business processes to assist programme delivery, and increase the reach and accessibility of MEFMI programmes.

3.1.13 Finance and Financial Reporting

In Finance, real time reporting has replaced traditional methods, this is against increasing compliance issues, and constant updates to International Financial Reporting Standards. This puts a lot of pressure on institutions to keep abreast with global trends. As MEFMI expands business and changes its business models, there will be more pressure to conform and keep abreast with International Financial Reporting Standards (IFRS). Therefore, Finance must continue to meet reporting requirements to give confidence to financial partners that their finances are utilised for the intended purpose and that controls exist to safeguard their funds. There will also be need for MEFMI staff to keep pace with the technological requirements of the finance profession and the industry to effectively support MEFMI business.

3.1.14 Human Resources Management

Trends in Human Resources Management indicate the movement towards flexible labour and non-standard employment; restructuring of employment relations; Changing regulatory frameworks and expansion of non-standard employment; gender contracts, welfare systems and non-standard working to accommodate diversity and change; productivity and productivity-related pay and job design and skills complexity. The unfavourable economic outlook may contribute towards MEFMI not getting the required skilled talent. MEFMI must therefore, put in place measures that enable MEFMI to attract and retain talent so as to successfully steer the mandate of the organisation.

3.2 Global and Continental Goals

3.2.1 United Nation's Sustainable Development Goals and the African Union Agenda 2063

The United Nation's Millennium Development Goals (MDGs) which were adopted in 2000 came to an end in 2015 and were succeeded by 17 SDGs. The SDG's are broader and focus much further than the MDG's as they seek to address the root causes of poverty and the universal need for development which works for all people. The SDGs provide an opportunity for MEFMI to have a broader impact in the region. Therefore, within the 17 SDGs, the Institute has identified seven (7) goals which are in line with its pillars in Phase V.

Furthermore, the African Union Agenda 2063, reflect the continent's desire; for shared prosperity and well-being; for unity and integration; for a continent of free citizens and expanded horizons, where the

full potential of women and youth, boys and girls are realized, and with freedom from fear, disease and want. MEFMI has recognised 4 out of 7 aspirations which are intended to achieve the same objectives. MEFMI's entry points into these SDGs and Agenda 2063 aspirations are highlighted in the Table below.

Table 7: MEFMI's Entry Points into SDGs and Agenda 2063

Goals and Aspirations	Sub-Goal	MEFMI's Entry Point
Goal 1: No Poverty Aspiration 1: A prosperous Africa based on inclusive growth and sustainable development	Sub-goal 1.b aims to <i>"Create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions"</i> Item 9. is <i>"determined to eradicate poverty in one generation and build shared prosperity through social and economic transformation of the continent"</i>	In line with MEFMI's mission, the Institute will continue to build sustainable human and institutional capacity through the development of sound policy frameworks, with the objective of supporting economic growth and poverty reduction
Goal 5: Gender Equality Aspiration 6: An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children	Sub-goal 5.5 aims to <i>"ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life"</i> Item 48 aims to ensure <i>"All the citizens of Africa will be actively involved in decision making in all aspects of development, including social, economic, political and environment"</i>	MEFMI will work with client institutions in their endeavour to eliminate all forms of systemic gender inequalities, marginalisation and discrimination. Gender issues will be mainstreamed in all capacity development agendas of the Institute, to enhance equal access to opportunities and decision making
Goal 8: Decent Work and Economic Growth	Sub-goal 8.10 aims to <i>"Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services"</i>	This is a core issue that MEFMI's financial sector interventions will be focusing on in Phase V. Examples of activities in this area will include working with countries to develop effective financial inclusion strategies.
Goal 10: Reduced Inequalities	Sub-goal 10.5 aims to <i>"improve regulation and monitoring of global financial markets and institutions and strengthen implementation of such regulations"</i>	MEFMI will continue to support countries to formulate and implement sound and adequate legal and policy frameworks for financial markets development in its member states
Goal 12: Responsible Consumption and Production	Sub-goal 12.2 aims to <i>"Achieve sustainable management and efficient use of natural resources"</i>	The new natural resources management programme will directly answer to this sub-goal.
Goal 16: Peace, Justice and Strong Institutions Aspiration 3: An Africa of good governance, democracy, respect for human rights, justice and the rule of law	Sub-goal 16.6 aims to <i>"develop effective, accountable and transparent institutions at all levels"</i> Item 27: aims to ensure that <i>"Africa... have a universal culture of good governance, democratic values, gender equality..."</i>	MEFMI will continue to support countries to strengthen their governance and oversight arrangements
Goal 17: Partnerships for the Goals	Sub-goal 17.1 aims to <i>"Strengthen domestic resource mobilization, including through.....support to ..."</i>	MEFMI will continue to work with countries to:

Goals and Aspirations	Sub-Goal	MEFMI's Entry Point
<p>Agenda 2063</p> <p>Aspiration 7: Africa as a strong, united and influential global player and partner</p>	<i>countries to improve domestic capacity for tax and other revenue collection”</i>	<ul style="list-style-type: none"> i. develop effective financial inclusion strategies to enhance domestic savings; ii. develop and reform domestic capital markets and financial institutions to enhance their capacity to support development financing; iii. develop strategies to reduce illicit flows of capital from the region; iv. build effective and transparent public expenditure and revenue collection systems
	Sub-goal 17.3 aims to “ <i>Mobilize additional financial resources for developing countries from multiple sources</i> ”	MEFMI will assist countries to evaluate other non-traditional approaches to development finance that have emerged over recent years, such as Public Private Partnerships, Islamic Finance and access to international capital markets
	Sub-goal 17.4 aims to “ <i>Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring...</i> ” Item 72 (o): <i>Reduce unsustainable levels of debts</i>	This sub-goal is consistent with MEFMI's interventions in the area of sovereign debt management. Activities in this area will include working with countries to conduct annual debt sustainability analyses to better detect, prevent and resolve potential crises. MEFMI will also support countries develop medium-term debt management strategies to guide their borrowing decisions, in a way that matches their financing needs with their current and prospective ability to repay debt
	Sub-goal 17.18 aims to “ <i>enhance capacity building support to developing countries... to increase significantly the availability of high quality, timely, and reliable data, disaggregated by income, gender..... and other characteristics relevant in national context</i> ”	MEFMI will continue to support countries to build and maintain high quality data which will help inform policy decisions
	Item 63 aspires that Africa will “ <i>fully be capable and have the means to finance her development</i> ”	MEFMI will continue to support implementation of sound and stable macroeconomic and financial management policies, through development and dissemination of customised tools such as manuals, software, and studies which help to shape policies, enhance operational effectiveness and support member states in adopting sound practices

In summary, during Phase V, MEFMI will position itself around its core competencies to build sustainable capacity in areas highlighted under SDGs and Agenda 2063, as well as reach out for funding options and partnerships in delivering sustainable development for the region.

3.2.2 Gender Mainstreaming

Gender mainstreaming cuts across all the RECs strategies and this is in line with MEFMI's strategies for Phase V where gender mainstreaming will form a key thrust. Governments in the MEFMI region have made progress in this regard through adoption of regional commitments such as the SADC Protocol on Gender and Development (2008). The SADC target on gender parity is 50%.

While, the proportion of women participation in MEFMI activities increased significantly in Phase IV compared to the previous phase, there are still challenges on mainstreaming gender in MEFMI's work, which need to be addressed in Phase V which includes dominance of males over females. This may be a reflection of deep-rooted historical and cultural constraints in the client institutions. The lack of a proper framework at MEFMI Secretariat to monitor the impact of women that have benefited from MEFMI's activities is another constraint to gender mainstreaming.

During Phase V, MEFMI will mainstream gender in its capacity building activities. This will assist MEFMI to focus more on how both female and male participants are utilising the knowledge acquired to build the capacity of others in their respective institutions and countries. This will enable the region to achieve better economic policy environment, ultimately leading to growth enhancing and poverty reducing strategies. On its part, MEFMI Secretariat has undertaken measures to engender women participation in its activities, including providing equal opportunities for female and male employment at the MEFMI Secretariat, offer of consultancy services to female experts and women participation in the Fellows Development Programme.

During Phase V, MEFMI will review and broaden its curriculum to include topics on gender mainstreaming in its capacity building activities. Furthermore, in view of the importance of engendering economic policies, which are largely considered gender-blind, in Phase V, MEFMI will introduce a course on Gender-Responsive Economic Policy Management.. Similarly, MEFMI Staff will also have gender mainstreaming as part of their job descriptions and performance appraisals.

3.2.3 Regional Integration

MEFMI's member states belong to various RECs which include COMESA, EAC and SADC. A review of the REC's strategies indicates that most of the RECs are focusing on areas which cut across MEFMI's priority areas for Phase V, for example strengthening the management of natural resources and environment, technology, research and development, gender mainstreaming, poverty reduction, stability oriented macroeconomic convergence, to mention a few.

SADC's Protocol on Finance and Investment, recognises that macroeconomic stability is fundamental to economic growth hence the need for member states to adopt policies aimed at fostering such stability. With regard to macroeconomic convergence, an inflation ranging between 3% and 7%, a current account to GDP ratio of less than 3% and economic growth of at least 7% have been set as primary targets. Debt sustainability is a key component of the macroeconomic convergence criteria and as such member states are required to maintain a public debt-to-GDP ratio of no greater than 60%. To support this, member states are also required to strive to keep their fiscal deficits at less than 3% of GDP by 2018.

EAC also adopted macroeconomic convergence criteria to be achieved by member states by 2020. Its macroeconomic convergence seeks to achieve an inflation rate of less than 8%; at least four and a half (4.5) months of import cover and economic growth of at least 7%. The main criteria on debt management include a ratio of gross public debt to GDP of not more than 50% of GDP in net present value terms. This is to be supported by an overall fiscal deficit of not more than 3% of GDP. In addition, the EAC has set a target of achieving a Monetary Union by 2024.

With respect to COMESA, its member states are required to achieve an inflation rate not exceeding 5%, at least 4 months of import cover and a fiscal deficit to GDP ratio of not more than 3% by 2018. COMESA member states are also required to strive to “reduce public debt to sustainable levels.”

MEFMI acknowledges its linkage with these RECs has been weak. In Phase V, MEFMI intends to strengthen its collaboration with these RECs in order to assist member states towards achieving their regional integration agenda. MEFMI intends to work with other institutions such as AfDB to promote regional integration.

3.2.4 Anti-Corruption

Corruption is a major threat to African economic progress. This cuts across public and private sectors mainly through the procurement process. MEFMI has committed itself to zero tolerance approach to economic crime and corruption. It is in this regard that MEFMI is dedicated to conducting its activities in an honest and ethical manner and in compliance with all the applicable laws as well as regulations including the laws of all countries where it operates. In this respect, during the Phase V period, anti-corruption will be mainstreamed in all capacity building activities, including introducing specific topics within the course curriculum. MEFMI will therefore incorporate topics on corruption and anti-corruption measures in its programmes.

Another important contemporary topic which MEFMI will take on board and incorporate in its programs is topics on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFTs). Financial Markets form a natural window for money launderers and those raising money to fund terrorism. Corruptly acquired money is also ‘cleaned’ through financial markets. This has serious ramifications, especially from sanctions imposed by the international community. MEFMI will therefore incorporate topics on this subject in its programs so that regulators and market players can address them as the market develops.

Government debt remains one of the main liabilities in the balance sheets of governments in the MEFMI region, which requires strong accountability mechanisms in order to safeguard public funds. In this regard, MEFMI member states have made significant progress to improve the transparency of debt management operations by using computer based debt management systems and preparing debt management reports regularly. Commendable progress has also been made on conducting regular internal and external audits of financial transactions, including debt service payments.

Despite these checks and balances, there is need for Governments to address some operational risks in debt management that could lead to fraud. In this regard, the Debt Management Programme will undertake measures which address key weaknesses in the legal and institutional frameworks for debt

management in member states during Phase V. The programme that addresses and promotes transparency and accountability in the public sector will also be expanded. These will include training of Auditors in public debt audit and having lectures on anti-corruption during the regional workshops and seminars.

The capacity interventions on anti-corruption will include activities on effective corporate governance, procurement procedures and Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT) issues. Capacity building on governance issues for natural resources management focusing on the Extractive Industries Transparency Initiative (EITI) the Santiago Principles and other measures which are important for accounting for resource revenues will be provided.

The following activities will be implemented in Phase V:

- i. Establish baseline on Anti-corruption in MEFMI
- ii. Training workshops for MEFMI staff
- iii. Review Anti-Corruption Policy for ongoing relevance
- iv. Avail MEFMI Anti-Corruption Policy to stakeholders
- v. Regularly report on MEFMI Anti-Corruption activities in all MEFMI reports
- vi. Human Resources will continue to be fully committed to the full implementation of the Anti-Corruption Policy in place by ensuring that all staff has a copy.
- vii. Finance and Administration will continue to have zero tolerance to corruption in the procurement of products and services

3.2.5 HIV/AIDS

The stigma around HIV/AIDS has significantly reduced due to increased awareness and education and there has also been a reduction in prevalence as a result of ready access to free health medication through Government intervention. However, there is still need for MEFMI to acknowledge the negative impact of HIV/AIDS on capacity building efforts.

Internally, MEFMI will incorporate HIV/AIDS interventions in its staff welfare programmes to promote employee wellness.

3.3 Competition Analysis

MEFMI recognises that there are other institutions which provide similar capacity building activities, locally, regionally and at the global level. These include ESAMI, AFRITAC, AERC, Crown Agents, and the Collaborative Africa Budget Reform Initiative (CABRI). However, capacity building needs in macroeconomic and financial management are enormous in the region. This requires many players usually with different comparative advantages and niche areas to participate to effectively provide capacity as one institution will be unable to address all needs. This is opposed to viewing other players as competitors for partner funds and capacity provision. In view of this reality, it is more effective for MEFMI to collaborate with other institutions in capacity building to take advantage of synergy and cross pollination of ideas while focusing on its niche areas.

In resource mobilisation, while RECs, the private sector and international organisations which offer similar services may be viewed as competitors, collaboration in capacity development may be more beneficial as each of these institution address unique aspects of the existing capacity gaps.

In order to remain competitive in the capacity building industry, MEFMI will continue to collaborate with institutions such as the IMF, World Bank, Crown Agents, Commonwealth Secretariat, UNCTAD, UNITAR, ESAMI, the IMF East Afritac and Afritac South, the Africa Training Institute (ATI), UNECA, AfDB, AERC, the BIS, Federal Reserve Bank of New York, SADC Human Resources and Training Committee, and Toronto Centre just to mention a few. Partnerships with these institutions have been important as they provide both MEFMI and its partner's opportunities to draw on expertise and resources as well as to equip client institutions with regional and international perspectives. This collaboration has also enhanced coordination of technical assistance from a large number of service providers.

Going forward, MEFMI will continue to collaborate with these and other institutions in providing assistance to member countries. MEFMI will also endeavour to improve its products and services to member countries to ensure relevance and competitive edge over other service providers.

3.3.1 Market Positioning

Overall, the major challenges will be for the Institute to position itself as one of the most viable options for meeting regional capacity development needs amidst financial difficulties; and safeguard her niche and unique products amidst growing competitors and competing priorities of the targeted clients. Countries are currently facing fragile monetary policy regimes (currency movements) and the impact of the persistent socio-economic crises amidst a changing political economy of partners and grant recipients.

In terms of financial assistance, MEFMI receives funding for eligible capacity development activities from bilateral financial partners such as Sweden and Norway, and from regional and international institutions including the African Capacity Building Foundation, the World Bank and the IMF which finances components of joint activities. Due to increased competition for these funding sources, MEFMI will endeavour to engage into more self-funding activities, as well as continue to attract new partners. The major part of MEFMI financing comes from contributions made by its member states (64%).

4 STRATEGIES FOR PHASE V, 2017-2021

MEFMI has identified five (5) Strategic Pillars to ensure the execution of its Vision and Mission. These pillars bring life to the strategy as they articulate the detailed strategic initiatives which will be undertaken within the Phase V implementation period (2017-2021). The strategies and objectives of each pillar are presented below.

4.1 Pillar 1: Programming Relevance and Effectiveness

The Institute is committed to continuously improve its relevance through providing capacity building in areas which are demanded by the client institutions. In addition, the Institute is committed to delivering its services in an effective manner which highly impacts the targeted audience. MEFMI will therefore widen its modes of delivery for instance through E-learning and adult learning approaches. In addition, tracer studies will be undertaken to establish in concrete terms the impact of MEFMI's capacity building interventions. Gender, regional integration and anti-corruption will be mainstreamed in programme delivery so as to embrace the regional and global initiatives on the SDGs.

Table 11: Programming Relevance and Effectiveness

Strategic Objectives	Strategic initiatives
To improve the quality of financial and macroeconomic statistics in line with latest international compilation and reporting standards	<ul style="list-style-type: none"> • Carry out a baseline study on data gaps and progress in benchmarking financial and macroeconomic statistics to latest international compilation and reporting standards and conventions. • Introduce courses which promote awareness on data dissemination standards and practices. • Promote adoption and upgrading of systems/manuals for compilation and reporting of financial and macroeconomic statistics. • Develop a modular approach in course design where possible so as to effectively address the needs of participants who are usually at different levels of skills and competence • Enhance capacity building activities on the informal sector • Introduce activities to address data breaks arising out of rebasing of national accounts • Validate the macroeconomic and financial management databases for quality • Produce regular statistical bulletins for the MEFMI region • Support countries to adopt latest versions of computer-based debt management systems (DMFAS and CS-DRMS) • Support countries publish statistical bulletins based on sound international standards and conventions.
To strengthen capacity for financial and macroeconomic policy formulation and implementation	<ul style="list-style-type: none"> • Build regional capacity on measures to address Illicit Financial Flows (IFF). • Develop capacity on natural resources management which include contract negotiation; taxation; management of sovereign wealth funds and natural resources statistics. • Enhance capacity on monetary policy frameworks to address emerging issues. • Broaden scope of fiscal policy courses to include emerging issues on tax policy and administration such as tax incentives and subsidies, transfer pricing, taxation of informal sector. • Strengthen capacity on public financial management. • Enhance capacity on Inclusive growth. • Support countries in conducting Debt Sustainability Analyses • Guide countries in formulating and implementing sound Medium-Term Debt Strategies • Enhance coordination of public debt policies with other macroeconomic policies. • Support countries in reforming domestic debt markets to enhance their capacity to finance development priorities.

Strategic Objectives	Strategic initiatives
	<ul style="list-style-type: none"> Enhance regulatory and supervisory processes by incorporating emerging issues in financial sector development.
To develop a critical mass of regional expertise in priority areas of sovereign debt, macroeconomic and financial sector management	<ul style="list-style-type: none"> Recruit Fellows across areas of specialisation with a view of training more in deficit areas. Strengthen Trained Trainers Programme to complement the FDP Identify additional experts outside fellows and trained trainers from the region through regional audit to expand the pool of available experts Establish and maintain the Fellows Alumni Association Revise the FDP Policy and guidelines
To strengthen legislative and institutional frameworks for financial and macroeconomic management	<ul style="list-style-type: none"> Develop and disseminate model guidelines and frameworks for adoption at the regional level Review, update and strengthen existing legislative frameworks in line with dynamic global environment and international best practices Support countries reform and modernize institutions in macroeconomic and financial management in line with sound practices
To foster and enable the adoption of sound practices, tools, standards and principles	<ul style="list-style-type: none"> Develop/review/upgrade/roll out tools/instruments (models, frameworks, software, manuals, systems) Support countries to strengthen their governance and oversight arrangements Support and encourage harmonised formulation and review of financial sector strategies Support the development and implementation of harmonised standards and principles Pioneer and provide tailor-made/customised procedures manuals for adoption by countries;
To strengthen research that supports policy formulation and implementation	<ul style="list-style-type: none"> Institute a MEFMI academic board Enhance the annual research and policy seminars Broaden dissemination of MEFMI sponsored or initiated research papers Introduce basic training on research, targeting the junior staff of client institutions such as basic research methods, report writing and analysis. Identify opportunities for collaborative research with private sector research institutions, academic institutions, economic policy research centres, RECs and the technical collaborating partners Introduce thematic research activities and enhance specialised studies. Publish research outputs in journals and books Establish the research editorial committee
To enhance programme effectiveness	<ul style="list-style-type: none"> Review MEFMI's programmes and identify cross cutting issues and potential synergies within and amongst programmes Outline Annual Capacity Building priorities which will anchor the annual budget based on needs assessment Internally share curricula or Programme outlines to allow input across Programmes. Align training curriculum to countries' priorities Review and strengthen the organisation of the Executive Fora Strengthen the coordination of the governance structures Increase use of MEFMI's products by translating them
To increase MEFMI's visibility	<ul style="list-style-type: none"> Develop and implement an integrated Public Relations and Brand Communication Plan Maintain MEFMI's reputation and brand presence in the region and beyond. Sustain efforts in relationship marketing and stakeholder relations at all levels. Ensure appropriate media coverage for all MEFMI activities. Strengthen staff capacity in Public Relations and brand communication Ensure continuous feedback through stakeholder surveys, including staff, media, Member Countries. Introduce a sustainable Corporate Social Investment Programme (CSI) Create link backs on academic community websites through partnerships.

Strategic Objectives	Strategic initiatives
Mainstreaming regional integration in MEFMI's capacity activities	<ul style="list-style-type: none"> • Strengthen collaboration with the RECs through joint missions/activities, and research in identified areas of common interest. • Strengthen capacity on regional integration concepts which include legal aspects of regional integration, trade policy, political economy of regional integration, economic and monetary integration • Develop specific initiatives for harmonisation of statistics, legal and regulatory frameworks, tools, systems for RECs. • Facilitate countries as they implement their regional plans and frameworks • Sensitise member states about trending issues in the RECs e.g. during governance meetings, executive fora
Mainstreaming Anti-corruption in MEFMI's capacity building activities	<ul style="list-style-type: none"> • Incorporate sessions on Anti-Corruption and governance during all regional activities involving other relevant stakeholders such as anti-corruption commissions. • Design courses for Financial Intelligence units e.g. courses on anti-money laundering • Integrate tools and approaches which enable systematic monitoring and evaluation of anti-corruption efforts in MEFMI • Incorporate sessions on illicit financial flows during regional activities related to foreign private capital. • Support countries to strengthen legal frameworks in public debt management; • Widen outreach of capacity building activities to include auditor-generals' offices;
Mainstreaming Gender in MEFMI's capacity building activities	<ul style="list-style-type: none"> • Develop a Gender Policy at MEFMI to institutionalise gender mainstreaming • Mainstream gender as a component of performance management • Introduce courses on Gender-Responsive Economic Policy Analysis and Management • Enhance collaboration with gender oriented institutions. • Allocate funds for gender mainstreaming activities in MEFMI's budget. • Introduce gender monitoring and evaluation by producing gender disaggregated data and reports • Using gender-disaggregated data in statistical analysis to reveal how policies impact differently on women and men; and • Encourage gender inclusion into legal, regulatory and policy frameworks through policy seminars, studies, publications and case studies

4.2 Pillar 2: Diversification of Revenue Sources

As part of the process to ensure the sustainability of the Institute, the Secretariat has prioritised the mobilisation of funds and other resources during Phase V. The resource mobilization process will take the form of awareness raising about MEFMI's products and services, submission of specific proposals as well as approaching potential cooperating partners. In this regard, both technical and financial resources will be sought.

As a starting point, the Secretariat has been reaching out to the existing and potential cooperating partners to seek co-financing of MEFMI's capacity building activities. This effort will be augmented by identification of partners in each member state for country specific capacity building activities. In addition, the Secretariat will utilise opportunities, wherever feasible, of admitting participation of non-member states and non-client institutions through collaborative arrangements for selected activities at a fee.

Overall, the capacity of the Institute to raise resources will partly depend on the member states and policy makers' support to alert the Secretariat of potential partners. The efforts are expected to yield in

part, additional membership, continued support from traditional partners, acquisition of new ones, increased financial contribution from member states as well as increased participation of non-member states and non-client institutions.

Following approval of the Board, MEFMI Secretariat will establish a BDU within the Secretariat to spearhead the design and implementation of income generating capacity building activities. The idea behind the BDU is to build self-sustaining revenue streams to supplement member states contributions, in view of the Institute's vulnerability to the decline in partner support.

Table 8: Diversification of Revenue Sources

Strategic Objective	Strategic initiatives
To attract new sources of funding	<ul style="list-style-type: none"> • Establish the MEFMI BDU <ul style="list-style-type: none"> ○ Build a training, conference and residential facility⁴ to host MEFMI courses, and hire out for non-MEFMI events ○ Introduce capacity building interventions to non-members and private sector at a fee. ○ Provide consultancy services ○ Venture into funded research which can anchor capacity building activities ○ Use ICTs to attract clients to the BDU e.g. social media, blogs and develop a content management strategy • Solicit separate funding for specific programmes such as gender mainstreaming, Natural Resources Management Programme, capacity building for Parliaments, and the MEFMI Foreign Private Capital Flows Programme. • Explore collaborations with RECs to tap into the funds provided by agencies/bodies like the EU aimed at supporting capacity building activities.
To strengthen existing and create new collaborative partnerships	<ul style="list-style-type: none"> • Develop a framework for managing partnerships • Strengthen existing partnerships and forging new ones as appropriate, to enhance synergies, leverage resources and achieve greater impact • Facilitate access to pertinent information and networking for greater awareness and benchmarking to international best practice. • Balance the mix of regional and international resource persons in delivering capacity building programmes to ensure relevance and exposure to international best practices • Collaborate with relevant private sector entities on specific areas like financial inclusion, poverty, anti-corruption, gender mainstreaming • Strengthen collaboration with Lusophone and Francophone capacity building institutions

4.3 Pillar 3: Monitoring and Evaluation

Monitoring and Evaluation is critical in providing evidence about the attainment of stipulated goals and results. In addition, M&E provides the necessary information required to make decisions for instance regarding critical areas for improvement, allocation of resources, and prioritising. Amongst others. M&E will be of major focus in Phase V aimed at improving the quality of information used in decision making and improving programme delivery.

The Institute will develop and implement an automated and Integrated Information Management System to improve the quality of information generated to support M&E. A series of capacity building sessions including awareness sessions, courses and technical assistance missions will be held to strengthen staff and client institution capacity in M&E.

⁴ This will be financed as a separate project. A resource mobilisation strategy will be developed to reach out to existing and new partners and partners to fund this specific project

Table 9: Monitoring and Evaluation

Strategic Objectives	Strategic Initiatives
To Strengthen Monitoring and Evaluation of MEFMI's Programmes	<ul style="list-style-type: none"> • Establish an integrated M&E system for MEFMI • Establish guidelines and policy for M&E • Develop M&E tools – Plan, Key Performance Indicators/Results frameworks, report templates, calendar • Introduce baseline surveys, satisfaction surveys, tracer studies, bi-annual and annual reviews.
To enhance the production and management of quality M&E information.	<ul style="list-style-type: none"> • Strengthen the capacity of staff to produce and manage M&E information • Develop and implement standard data management processes and tools • Develop and implement an integrated Information Management System • Strengthen the dissemination and use of M&E information • Integrate quality assurance mechanisms in data management processes • Strengthen the capacity of client institutions in M&E

4.4 Pillar 4: Innovation and Technology

Information Technology is one of the critical support functions of the MEFMI business. Its adoption and appropriate use can bring about a myriad of benefits to the institution. The evolution of ICT affects the business environment in many significant ways. It changes business practices, reduces costs and alters the ways in which systems should be controlled. In an environment in which change is constant, there is the need to adapt to the changing environment and embrace the opportunities in ICT as they emerge in order to keep abreast with current trends.

In phase V, the business model of the institute will support the use of technology as an enabler to the programme areas of delivery. The Institute will upgrade its hardware and software to include the installation of a procurement system, document management system and ensure the effective use of interactive facilities such as blog and wiki. It is envisaged that the ICT environment will in this respect efficiently support E-learning programmes and administrative effectiveness across the Institute. E-learning is essential for a capacity building institution like MEFMI as it will cut down costs, expand outreach, and increase women participation in MEFMI's capacity building programmes.

Table 10: Innovation and Technology

Strategic Objectives	Strategic initiatives
To leverage on innovation and technology in programme delivery	<ul style="list-style-type: none"> • Enhance MEFMI's E-Learning Management system for effective delivery. • Introduce the data warehouse and an E-library to enhance research. • Enhance the versatility of MEFMI's systems such as the PCMS to adopt to emerging user needs and data requirements. • Use webinars for delivery of capacity building activities. • Adopt emerging technologies such as mobility and cloud storage platforms for communication, programme delivery activities and information dissemination. • Incorporate real time response in communication strategy for instance establish automatic response emails and ensure and measure adherence to stipulated response time.
To improve process workflows through fully automated systems	<ul style="list-style-type: none"> • Improve self-service and support for ICTs. • Adopt web based technologies or systems to improve internal workflow processes and document management • Adopt a robust disaster recovery framework • Develop an employee recognition system for innovation

- Develop flexi working and tele working infrastructure (e.g. video conferencing) to reduce cost and improve meeting attendance

4.5 Pillar 5: Finance and Administrative Effectiveness

The Finance profession is moving towards real time reporting and moving from traditional reporting towards being a business advisory service within organisations. This is against the increasing demand for better governance through better compliance and constant update and reforms to match the International Financial Reporting Standards.

MEFMI will continue to meet its reporting requirements to give confidence to the member states and cooperating partners about the prudent and efficient use of resources. This is critical in maintaining the current financiers and attracting new ones, as partners consider competing priorities and strategic interventions. Furthermore, the Human Resources will be strengthened to provide mechanisms for attracting and retaining outstanding talent so as to successfully steer the mandate of the organisation.

Table 11: Finance and Administrative Effectiveness

Strategic Objectives	Strategic Initiatives
To strengthen organisational culture based on core values	<ul style="list-style-type: none"> • Strive for more diversified representation at MEFMI • Carryout a workload analysis to ensure efficiency in delivery • Conduct a cultural and gender audit • Foster a MEFMI culture and identity amongst staff • Develop and implement a Staff Development Plan to meet MEFMI's strategic objectives • Introduce leadership development • Develop an internship programme • Improve communication, teamwork and collaboration
To strengthen the finance and administration function	<ul style="list-style-type: none"> • Strengthen staff capacity on budgeting and risk management • Leverage on cost saving initiatives • Integrate budgeting, forecasting and reporting software which integrates with relevant MEFMI databases • Establish and maintain Suppliers' partnerships in the member states for better rates • Encourage the establishment of online reconciliation to ensure real-time reflection of available activity funds • Implement variance identification software • Align the organisational structure to the Phase V Strategic Plan
To improve administration, controls and compliance	<ul style="list-style-type: none"> • Ensure timely implementation of audit recommendations • Consolidate existing manuals • Improve staff awareness of MEFMI policies and procedures • Implement an automated and centralised procurement system • Harmonise the common database of service providers so that MEFMI benefits from loyalties

5 IMPLEMENTATION, MONITORING AND EVALUATION

This section presents the implementing mechanisms with particular focus on key processes of the governance structures, administration, monitoring and evaluation, as well as risk management. In addition, the section also presents mechanisms in which the Plan will be financed.

Implementation of the Phase V Plan will involve the management of the different forces which come into play during operations, focused on efficiency, balancing quality of service with available resources of funds, time and personnel. This calls for considerable funds, special motivation, strong leadership and coordination skills at the Secretariat while interfacing with its key stakeholders.

Implementation of the plan will involve, among other things, repositioning MEFMI by enhancing its visibility and presence in the region and international arena, realising new sources of revenue, as well as, change management.

5.1 Governance, Management and Administration

To implement Phase V, the following structures will be in place:

5.1.1 Governance Structures

The governance structures are expected to remain the same in Phase V as set out in the MEFMI Constitution. At the apex, MEFMI is governed by a Board of Governors comprising the member countries' Central Bank Governors and Permanent or Principal Secretaries of Ministries of Finance. The Board appoints a Chair and Vice-Chair and meets at least once a year.

Below the Board is the Executive Committee which is appointed by the Board. The Executive Committee is headed by the Vice-Chair of the Board. There are four other voting members who are appointed to the committee by the Board. The Executive Director of MEFMI and the head of the Executing Agency or Governor of the Reserve Bank of Zimbabwe, are ex-officio and non-voting members of the Executive Committee. The Executive Committee meets at least three times a year. It has powers to set up Sub-Committees to undertake specialised activities.

To strengthen governance, the Board approved the establishment of a Finance and Audit Committee. The Finance and Audit Committee which is a sub-committee of the Executive Committee, comprises four members and two co-opted experts identified by the members. The work of the Finance and Audit committee is supported by the Internal Audit function which is currently outsourced.

5.1.2 Secretariat Administration

The MEFMI Secretariat is headed by an Executive Director who reports to the Executive Committee. The Executive Director is responsible for conducting the business of the Institute and for ensuring that its policies, programmes and budgets are properly developed and, once approved, are implemented.

5.1.3 Staff Establishment

During Phase IV, the Secretariat had a total staff complement of 32 employees comprising 20 professionals and 12 support staff. The MEFMI Phase IV Strategic Plan recommended an increase in staff complement by four (4) professional staff, subject to availability of funding. However, this

recommendation was not realised due to insufficient funds. A work load analysis was recommended during the 2015 Mid-Term review and will be undertaken in 2017.

There may be increased workload across all the departments, and therefore staffing during Phase V will increase in the Multi-Disciplinary Activities (MDA) Department by three (3) with the proposed establishment of the position of Director, Manager and Assistant. The Manager and the Assistant are expected to run the BDU. MDA is proposing to recruit a director to coordinate the multi-disciplinary activities that are currently handled under the ED's office.

Staffing will also increase by one (1) Programme Manager for the Macroeconomic Management Programme (MMP), Financial Sector Management Programme and the Debt Management Programme as well as the Finance and Administration Department. . MMP will be introducing a new function, the Natural Resources Management Programme which will require a new Programme Manager to coordinate that function. The Debt Management Programme is proposing to recruit a new Manager to coordinate its activities on debt management IT systems. This function is currently divided among the existing Programme Managers but it is not being performed effectively. The Financial Sector Management Programme currently has the Programme Managers handling many diverse focus areas and plans to streamline the functional areas by recruiting an additional manager.

Finance and Administration are planning to recruit a Human Resources officer to reduce the workload under the current Human Resources Manager.

Therefore, the Institute will, during Phase V, operate through an organisational structure which is presented in annex A. Table 18 highlights the current and recommended positions for Phase V.

Table 12: Secretariat Establishment

PROGRAMME/DEPARTMENT	CURRENT ESTABLISHMENT (2012-2016)	PROPOSED ESTABLISHMENT (2017-2021)
MULTI- DISCIPLINARY ACTIVITIES		
<i>Executive Director</i>	1	1
Director, Multi-Disciplinary Activities		1
Programme Manager, Business Development Unit		1
Programme Manager, Planning, Monitoring and Evaluation	1	1
Public relations Manager	1	1
Executive Assistant	1	1
Programme Assistant, Business Development Unit		1
Sub total	4	7
MACROECONOMIC MANAGEMENT		
Director	1	1
Programme Managers	3	4
Programme Assistant	1	1
Sub total	5	6
FINANCIAL SECTOR MANAGEMENT		
Director	1	1
Programme Managers	3	4
Programme Assistant	1	1
Sub total	5	6
DEBT MANAGEMENT		
Director	1	1
Programme Managers	3	4
Programme Assistant	1	1
Sub total	5	6
FINANCE AND ADMINISTRATION		
Director	1	1
Finance Manager	1	1
Information Technology Manager	1	1
Human Resources Manager	1	1
Human Resources Officer		1
Information Technology Officer	1	1
Finance Officer	1	1
Assistant Accountant	1	1
Programme Assistant	1	1
Secretary/Receptionist	1	1
Driver	2	2
Office Assistant	1	1
Caretaker	1	1
Sub total	13	14
TOTAL	32	39

5.1.4 Reward and Performance Management

The Institute recognises that competitive remuneration is critical in ensuring quality staff recruitment and retention. Therefore, MEFMI has established a modern remuneration and performance based reward system. A review of staff benefits will also be undertaken during Phase V. The pay and grading structure and performance related pay system will be based on the approved Remuneration Policy.

5.1.5 Staff Development

In line with the Institute's vision, mission and values, great strides have been made to train and develop staff to keep abreast with developments in their fields. Staff development will be increased with special focus on enabling technical staff to acquire relevant skills to deliver MEFMI activities. This will include

structured induction programmes and adherence to staff development plans. Staff development needs will be identified during the annual performance evaluations. Overall, management will continuously strengthen staff skills in line with the Institute's strategic priorities.

5.1.6 Safety, Health and Welfare

The Institute is committed to providing a safe and healthy working environment for its staff. In fulfilment of this objective an HIV/AIDS policy was issued and adopted in Phase III. The Workplace Programme has been implemented since the launch of Phase IV. Staff development, annual medical check-ups, staff retreats, subscription to sports clubs, etiquette and safety will continue to be offered to all staff.

5.2 Monitoring and Evaluation

During the implementation of the Phase, monitoring will duly be a continuous internal process which will be conducted by each programme staff, department and the entire Institute. As part of the defined employee performance measurement, a new staff performance management system was established during Phase III. The staff performance management system is composed of performance contracts and regular reviews by management and staff. Performance contracts will continue to be prepared each year for all levels of the organisation. The design of the performance contracts will continue to be based on an appropriately defined RMF and Key Performance Indicators (KPIs).

On a more formalised basis, monitoring and evaluation will be approached as follows:

- i. At corporate level, monitoring and review of strategic plan implementation and performance results will be undertaken at an early stage through an appropriately designed results-based management system;
- ii. At programme level, a RMF which outlines the specific programme and departmental outcomes will be monitored on a bi-annual and annual basis. The programme RMFs will feed into the broader MEFMI RMF which will be monitored on an annual basis, reviewed during the Mid-Term Evaluation and end of Phase evaluations. The detailed MEFMI RMF and M&E Plan for the Phase are highlighted in Annex B and Annex C.
- iii. To ensure improvement and learning, the governance structures will be used to take up the recommendations proposed, and effectively use the M&E information generated as part of the decision making process.
- iv. The Mid Term and end of Phase/Impact and Needs Assessment will be conducted half way and at the end of the phase.

5.3 Risks and Assumptions

Capacity Building, like other development programmes has assumptions and risks which can contribute to its success, either positively or negatively. For MEFMI, potential risks have been identified which may impede effective implementation of Phase V. These risks are categorised into strategic, operational and financial. A risk management matrix is summarised in **Table 19** below. To ensure effective risk management, MEFMI shall on a quarterly basis review the risk management matrix.

Table 13: Risk Management Matrix (2017-2021)

Category	Risk	Impact	Probability	Overall Rating	Risk Owner	Root Cause	Risk Mitigation Policies & Action Plan	Residual Risk
Strategic	Limited expansion of membership	M	M	M	Board	Limited geographical definition of MEFMI region	Review of geographical definition of MEFMI region	M
	Increase in competition	M	H	M	ED	<ul style="list-style-type: none"> • Emergence of capacity building institutions targeting Lusophone countries • Emergence of capacity building institutions which delivers similar products as MEFMI 	<ul style="list-style-type: none"> • Adopt a multi-lingual mode of delivery in MEFMI. • Collaboration with these institutions. 	M
	Low impact of capacity building in some member states	M	M	M	Executive Director	<ul style="list-style-type: none"> • Delayed adoption of MEFMI's recommendations by client institutions. • Incoherent policies in the member states 	<ul style="list-style-type: none"> • Regular follow up on adoption and assessment of the impact. • Sensitisation during the Executive Fora for buy-in. 	M
Operational	Loss of data and information	H	H	H	Director, Finance and Administration	<ul style="list-style-type: none"> • Lack of a robust system • Increased activity of hackers 	<ul style="list-style-type: none"> • Setup of robust backup and recovery systems. • A sound ICT Policy. • Regular ICT awareness among staff on the inherent risks. 	H
	Losses arising from fraud, theft and robbery	H	L	H	Director, Finance and Administration	<ul style="list-style-type: none"> • Lack of adequate banking facilities within Zimbabwe which would allow MEFMI to safeguard cash assets on workshops. • Exchange controls in some countries would not allow MEFMI to access their USD before translation into local currency. • Inherent risk/weakness in the procurement process 	<ul style="list-style-type: none"> • Use of VISA debit cards in the field, thereby reducing amount of cash carried on trips. • Insure cash in transit. • Instituting segregation of duties in procurement of goods and services • Maintaining sound system of internal controls 	M
	Temporary disruptions in operations	M	H	H	Director, Finance and Administration	<ul style="list-style-type: none"> • Disruption of IT related services (e-mail, internet etc) • Power supply disruptions 	<ul style="list-style-type: none"> • Install a more robust back-up and DR system. • A sound ICT Policy. • Maintain power back-up systems. 	M

Category	Risk	Impact	Probability	Overall Rating	Risk Owner	Root Cause	Risk Mitigation Policies & Action Plan	Residual Risk
	Failure to deliver capacity building activities adequately in emerging areas	M	M	M	Programme Directors	• Inadequate skills within the region for emerging areas	• Enhanced networking to identify suitable resource persons.	M
Financial	Delays in disbursement of funds from member states and partners	H	M	M	Executive Director	<ul style="list-style-type: none"> • Financial challenges in member states and partners • Communication delays in requests for funding 	<ul style="list-style-type: none"> • Set up an endowment Fund to cushion disbursement delays. • Timely requests and follow-ups of subscriptions and partner funds. 	M
	Inadequate funding	H	H	H	Executive Director	<ul style="list-style-type: none"> • Declining funding from financing partners • Limited new sources of financing 	<ul style="list-style-type: none"> • Develop a resource mobilisation strategy 	M

Explanations:

Impact	Probability
High = Threatens viability of MEFMI operations	High = Likely to happen in the next 5 years
Medium =Damaging, substantial but not threatening effect	Medium = Could happen in next 5 years
Low = noticeable but little effect on MEFMIs operations	Low = Surprising if it happened in next 5 years

5.4 Financing Phase V

The Institute effectively and efficiently utilised financial resources received from both development partners and the member states, during Phase IV. The audit reports emphasise this aspect. Income contributed by the member states during phase IV, averaged 64% of the total budget. The remaining proportion was covered by resources from the development partners as direct cash. In addition, the Institute received resources in the form of in-kind contribution from technical cooperating partners (e.g. experts used at workshops), as well as in-kind contributions from member states (e.g. travel expenses). Table 18 below shows that development partners had a significant cash contribution to the institute's income.

Table 18: Financing of Phase IV

Revenue Source	2012	2013	2014	2015 (as per draft accounts)	2016 (as per budget)	Total
Cooperating Partners						
Netherlands Government	220,000	-	-	-	-	220,000
Norwegian Government	669,012	504,519	453,757	356,282	315,693	2,299,263
Swedish Government	886,293	902,256	824,176	727,062	706,622	4,046,409
African Capacity Building Foundation (ACBF)	-	(698)	580,483	297,829		877,614
International Monetary Fund (IMF)	40,000	-	40,000	20,000	60,000	160,000
World Bank	57,874	114,987	97,312	187,000	240,000	510,173
Other partners	-	72,767	-	-	100,000	172,767
Total Co-operating Partners	1,873,179	1,593,831	1,995,728	1,401,173	1,422,315	8,286,226
Member States' Contributions	3,824,922	4,016,175	4,217,062	4,703,221	4,938,414	21,699,794
Amortisation of deferred income	55,816	37,579	38,280	42,279	-	173,954
In-kind Contribution	371,455	481,708	600,889	557,828	-	2,011,880
Disposal of assets	2,472	-	-	-	-	2,472
Interest income	90,313	330,342	378,813	204,091	303,050	1,306,609
Other income	106,697	71,969	45,145	169,207	-	393,018
Grand Total	6,324,854	6,531,604	7,275,917	7,077,799	6,663,779	33,873,953
Member States' contribution as % of total	60%	61%	58%	66%	74%	64%

5.4.1 Budget for Phase V

Phase V budget is estimated at **US\$ 44.1 million** (Table 19), which marks an increase from the Phase IV budget of **US\$ 33.8 million**. The detailed programme expenditures are highlighted in Annex E. Tables 19 and 20 below shows the summary of the expenditure for the period 2017-2021 by programme:

Table 19: Budget Breakdown by Programme, Phases IV and V

Programme	Phase IV, 2012-2016		Phase V, 2017-2021		Programme Allocation (%)	
	Projected US \$	Actual US\$	Budget US\$	Increase US\$	Phase IV	Phase V
Macroeconomic Management	7,652,496	7,740,589	9,417,352	1,676,763	24%	21%
Financial Sector Management	7,310,195	7,237,830	10,239,061	3,001,231	23%	23%
Debt Management	8,237,367	8,353,982	11,230,005	2,876,023	26%	25%
Multi- Disciplinary Activities	3,285,724	3,325,887	6,370,671	3,044,784	11%	14%
Secretariat capacity building	2,197,635	2,804,549	3,386,090	581,541	9%	8%
Administration	2,119,975	2,135,544	2,512,722	377,178	7%	6%
Business Development Unit	0	0	914,646	914,646	0%	2%
Total	30,803,392	31,598,381	44,070,547	12,472,166	100%	100%

Table 20: Annual Budget Breakdown by Programme for Phase V

Department	2017	2018	2019	2020	2021	Total
Macroeconomic Management	1,793,266	2,025,347	1,824,116	1,939,695	1,834,928	9,417,352
Financial Sector Management	2,071,065	2,060,522	2,016,084	2,047,692	2,043,698	10,239,061
Debt Management	2,263,828	2,173,232	2,294,623	2,201,202	2,297,120	11,230,005
Multi-Disciplinary Activities	1,316,812	1,149,893	1,378,366	1,222,748	1,302,852	6,370,671
Secretariat Capacity Building	881,429	602,454	610,481	590,864	700,862	3,386,090
Finance and Administration	483,223	498,269	497,652	506,000	527,578	2,512,722
Business Development Unit	346,860	131,733	138,320	145,236	152,497	914,646
Total	8,833,837	8,217,447	8,388,954	8,336,992	8,436,826	44,070,547

5.4.2 Financing Budget

The MEFMI Phase V is budgeted at about US\$ 44.1 million as shown above. The traditional MEFMI Financial Cooperating Partners will be approached to continue supporting MEFMI in Phase V. In addition, the Secretariat will approach potential new partners including the private sector to provide financing for activities in areas of their interest. Consequently, the resource mobilisation approach will change from the current framework where the Secretariat uses the Strategic plan as a project proposal for all partners; to an approach where we develop project specific proposal for different partners. In addition, a Resource Mobilisation Committee has been set up to develop a strategy to reach out to existing and new partners and partners to fund specific projects such as the development of the residential training centre.

Since the launch of Phase V planning, the Secretariat has held meetings with both traditional and potential partners cooperating partners regarding financial support for Phase V. A grant agreement has been signed with the World Bank that will run from 2016 to 2019. Private sector partners such as Investec and EY are expected to continue supporting the Executive fora.

Approach to New Partners

MEFMI will continue approaching potential partners to support Phase V. The strategy to be used is sourcing basket funding, as well as project/activity specific funding. The Institute has already developed project documents on training of Members of Parliament, Regional Integration, and Natural Resources Management Capacity Building Programme.

The sections below present the different scenarios for funding the Phase V Plan based on the following two (2) different income assumptions:

- i. **Scenario 1:** Financing from member countries and other miscellaneous income only, that is, without major partners and without any increase by member states
- ii. **Scenario 2:** Cooperating partners continue financing at the Phase IV level

Scenario 1:

The assumption is that Member States' contribution will remain at Phase IV level without any escalation and there may be no major financial partners.

Table 14: Financing without major partners and no increase in Member States contributions

Revenue Source	2017	2018	2019	2020	2021	Total
Cooperating Partners						
International Monetary Fund (IMF)	20,000	20,000	20,000	20,000	20,000	100,000
World Bank	231,603	292,082	151,561	-	-	675,246
Total Co-operating Partners	251,603	312,082	171,561	20,000	20,000	775,246
Member States' Contributions	4,938,414	4,938,414	4,938,414	4,938,414	4,938,414	24,692,070
Interest income	150,000	150,000	150,000	150,000	150,000	750,000
Other income	50,000	50,000	50,000	50,000	50,000	250,000
Business Development Unit	340,000	374,000	411,400	452,540	497,794	2,075,734
Total	5,730,017	5,824,496	5,721,375	5,610,954	5,656,208	28,543,050
Projected Expenditure	8,833,837	8,217,447	8,388,954	8,336,992	8,436,826	44,070,547
Funding Gap	(3,103,820)	(2,392,951)	(2,667,579)	(2,726,038)	(2,780,618)	(15,527,497)

Scenario 2:

The assumption is that there is financing by partners at the 2016 rate, but without any increase in member states contributions.

Table 22: Financing with partner Assistance maintained at 2016 rate

Revenue Source	2017	2018	2019	2020	2021	Total
Cooperating Partners						
Norwegian Government	356,282	356,282	356,282	356,282	356,282	1,781,410
Swedish Government	727,062	727,062	727,062	727,062	727,062	3,635,310
African Capacity Building Foundation (ACBF)	297,829	297,829	297,829	297,829	297,829	1,489,145
International Monetary Fund (IMF)	20,000	20,000	20,000	20,000	20,000	100,000
World Bank	231,603	292,082	151,561	-	-	675,246
Total Co-operating Partners	1,632,776	1,693,255	1,552,734	1,401,173	1,401,173	7,681,111
Member States' Contributions	4,938,414	4,938,414	4,938,414	4,938,414	4,938,414	24,692,070
Business Development Unit	340,000	374,000	411,400	452,540	497,794	2,075,734
Interest income	150,000	150,000	150,000	150,000	150,000	750,000
Other income	50,000	50,000	50,000	50,000	50,000	250,000
Total	7,111,190	7,205,669	7,102,548	6,992,127	7,037,381	35,448,915
Projected Expenditure	8,833,837	8,217,447	8,388,954	8,336,992	8,436,826	44,070,547
Funding Gap	(1,722,647)	(1,011,778)	(1,286,406)	(1,344,865)	(1,399,445)	(8,621,632)

6 CONCLUSION

The MEFMI Phase V Strategic plan outlines the strategies to be pursued by the Institute from 2017 to 2021. These strategies will be guided by the five (5) strategic pillars which fall within the scope of all operations of the Institute. Also the mainstreaming of gender issues, anti-corruption and regional integration as well as strengthening collaborations with the identified stakeholders will go a long in making MEFMI the centre of excellence which provides sustainable capacity building in macroeconomic and financial management.

Notable progress has been made since the Phase I period in producing relevant tools and providing support and advisory services to policy makers and regulators. Also the Institute has made strides in assisting its member states to implement internationally recognised systems, frameworks and data standards. . However, some capacity gaps in MEFMI client/stakeholder institutions remain and some new ones are emerging with the changing world and global economic landscape. In addition, staff turnover in the client institutions are contributing to the persistence of these capacity gaps. Dynamism in the areas falling within the scope of MEFMI poses new capacity building challenges as new ways of dealing with both old and new problems or taking fuller advantage of opportunities at hand, emerge. This means that MEFMI will need to maintain course and even accelerate in its capacity building efforts.

Equipping client institutions, from junior professionals all the way up to the policy makers, with more knowledge and skills, should yield positive results and ensure that MEFMI contributes to the goal of poverty reduction in the member states.

MEFMI governance structures will continue to be committed to the ideals of the Institute during the Phase V period.

7 ACKNOWLEDGEMENTS

Special tribute goes to the entire Team MEFMI for the significant role played throughout the preparation of this strategic Plan, 2017 – 2021. The following are specifically thanked for their valuable contributions and commitment towards the compilation of this Plan.

Management Team

- 1) Dr. Caleb M. Fundanga, Executive Director
- 2) Dr. Sehliselo Mpopu, Director, Macroeconomic Management Programme
- 3) Mrs. Rose Malila-Phiri, Director, Finance and Administration
- 4) Mr. Raphael Otieno, Director, Debt Management Programme
- 5) Mr. Patrick Mutimba, Director, Financial Sector Management Programme

Strategic Planning Committee

- 1) Mr. Raphael Otieno, Director, Debt Management Programme (Chairman)
- 2) Ms. Jane Rose Lutaya, Programme Manager, Planning, Monitoring and Evaluation
- 3) Ms. Rumbidzayi Gadhula, Information Technology Manager
- 4) Ms. Jackie Kitiibwa, Programme Manager
- 5) Ms. Vivian Namugambe, Programme Manager
- 6) Ms. Sipho Makamba, Programme Manager
- 7) Mr. Tiviniton Makuve, Programme Manager
- 8) Mr. Amos Cheptoo, Programme Manager
- 9) Mr. Sayed Timuno, Programme Manager
- 10) Ms. Gladys Siwela, Public Relations Manager

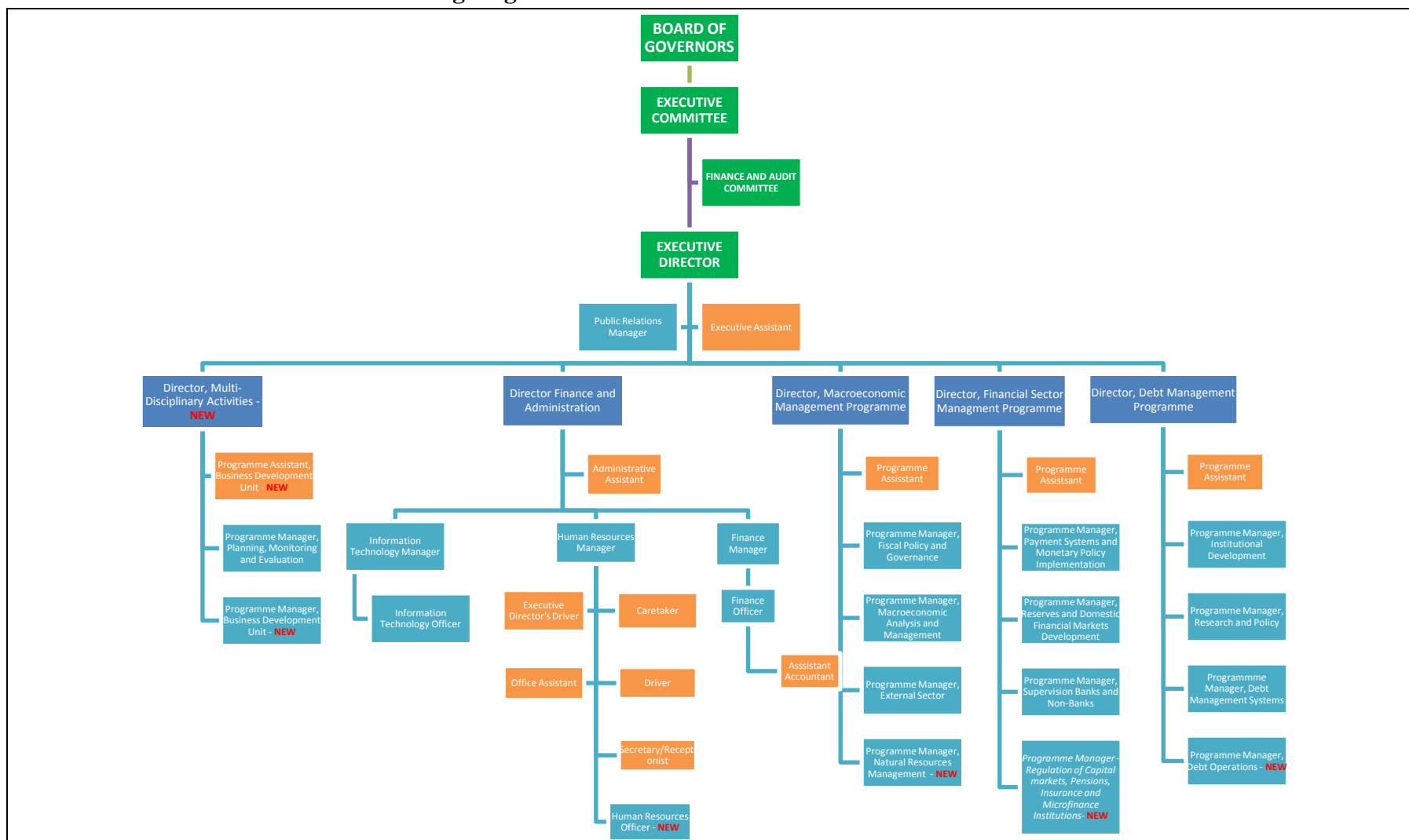
Consultants

- 1) Mrs. Thokozile Ruzvidzo, UNECA, Ethiopia
- 2) Dr. Lucas Njoroge - COMESA, Kenya
- 3) Dr. Laban Chesang - Daystar University, Kenya
- 4) Mr. Cappitus Chironga - Central Bank of Kenya
- 5) Ms Makampong Tsolele - Ministry of Finance, Lesotho
- 6) Dr. Elias Ngalande, former MEFMI Executive Director, Malawi
- 7) Mr. Simana Chimana - Namibia Financial Institutions Supervisory Authority (NAMFISA)
- 8) Mr. Sikhumbuzo Vilakati - Central Bank of Swaziland
- 9) Mr. Charles Assey - Bank of Tanzania
- 10) Ms. Anna Msutze, former MEFMI Director and former Director of the Bank of Tanzania
- 11) Mr. Kenneth Egesa - Bank of Uganda
- 12) Mr Martin Nsubuga - Ministry of Finance, Planning & Economic Development, Uganda
- 13) Mr. Virgil Mendoza - Standard Bank, UK
- 14) Mr Sonny Mabheju - World Bank
- 15) Dr. Francis Chipimo - Bank of Zambia
- 16) Mr Jacob Mkandawire - Bank of Zambia
- 17) Distinctive Consultancy Services, Zimbabwe
- 18) Lorimak Africa PLC, Zimbabwe

- 19) Mr. Ebenezer Tombo, Actionaid, Zimbabwe
- 20) Ms. Ruth Ncube, First Mutual, Zimbabwe
- 21) Mr. Simon Nyarota - Reserve Bank of Zimbabwe
- 22) Mr. Farai Masendu - Reserve Bank of Zimbabwe
- 23) Mr. Jonah Mushayi - Ministry of Finance, Zimbabwe
- 24) Mr. Ruzayi Chiviri - Reserve Bank of Zimbabwe
- 25) Mr. Josephat Mutepfa - Reserve Bank of Zimbabwe
- 26) Mr Dennis Magaya - Rubiem Solutions, Zimbabwe
- 27) Ms Josephine Tito - Ministry of Finance and Economic Development, Zimbabwe
- 28) Mr Andrew Jemedze - Head Hunters Incorporated, Zimbabwe

8 ANNEXES

A: MEFMI Phase V Recommended Organogram



B: Results Measurement Framework

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
PILLAR 1: PROGRAMMING RELEVANCE AND EFFECTIVENESS														
A. Inadequate skills and knowledge in the production and management of statistics to latest regional and international standards	1.1: To improve the quality of financial and macroeconomic statistics in line with latest international compilation and reporting standards	Continue offering courses which promote the production of statistics in line with the 4 macroeconomic accounts.	Courses conducted	Participants able to produce and manage their institutions' statistics using the recommended 4 macroeconomic accounts	Number of countries using the 4 identified international good practices and standards (SNA..., BPM..., GFS 2014...MFS...)	Baseline to be established						Annual M&E Report	Annual	MMP
			Officials trained		Number of countries compiling and disseminating public debt statistics in line with international sound practices and standards (i.e. the PDGS)	0						Annual M&E Report	Annual	DMP
		Produce new guidelines, systems, tools and manuals for production of quality financial and macroeconomic statistics.	New systems, manuals, frameworks, guidelines and tools produced (e.g. guidelines on mentoring the informal sector, ...)	Participants using the new systems, guidelines and tools.	Each Department has produced at least 1 new and or upgraded manual, guideline, tool and or framework on statistics production by 2019	Baseline to be established	0	1	3	3	3	Annual M&E Report	Annual	All
		Promote the adoption and use of the new/upgraded systems, manuals, guidelines for compilation and reporting of financial and macroeconomic statistics.	Updated systems, manuals, frameworks, guidelines and tools produced	Participants using the upgraded systems, guidelines and tools.	Percentage of users satisfied with the selected products - new and upgraded (i.e. guidelines, tools, manuals and frameworks)	No baseline						Mid Term and Impact Reports	3 to 5 years	All
		Strengthen the implementation of modular approaches in course delivery so as to effectively	Curriculum for modular courses developed.	Systematic progression of skills and knowledge of participants	Curricula for at least 1 course per programme developed by 2019.	1			3	3	3	Mid Term and Impact Reports	3 to 5 years	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		address the needs of participants at different levels of skills and competence.												
		Conduct modular courses	Modular training conducted		Proportion of participants successfully completing a full curriculum	No baseline						Mid Term and Impact Reports	3 to 5 years	All
B. Weak macroeconomic and financial policy formulation and management.	1.2: To strengthen capacity for financial and macroeconomic policy formulation and implementation	Conduct regional and In-country activities aimed at strengthening macroeconomic and financial policy formulation and implementation	Officials trained	Increased effectiveness and management of macroeconomic and financial sector.	Number of new policies and frameworks developed in the region	Baseline to be established						Mid Term and Impact Reports	3 to 5 years	
			Capacity building activities (course, workshops, seminars and mission) conducted	Requisite policies developed and operationalised		Baseline to be established						Mid Term and Impact Reports	3 to 5 years	
C. Inadequate expertise in emerging areas in the region.	1.3: To develop regional expertise in priority areas of sovereign debt, macroeconomic and	Recruit Fellows across areas of specialization with a view of training more in deficit areas.	Fellows recruited in deficit areas	Regional capacity developed	Ratio of female to male fellows recruited (%)	60:40	50:50	50:50	50:50	50:50	50:50	Mid Term and Impact Reports	3 to 5 years	MDA
					At least 3 Fellows enrolled from the 6 most underrepresented countries (Angola, Botswana, Burundi, Mozambique, Rwanda and Swaziland)	3	1		2		3	Mid Term and Impact Reports	3 to 5 years	MDA
		Strengthen the utilisation of Fellows	Increased utilisation of Fellows as	Reduced cost of delivery (travel and fees).	Proportion of resource persons who are Fellows - excluding Staff Fellows.	16% (end 2015)	17%	18%	20%	21%	22%	Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
	financial sector management	Hire Fellows as resource persons to facilitate MEFMI events	resource persons.	Increased Return on Investment (ROI) from the Fellows Development Programme.	At least 50% of MEFMI events are facilitated by Fellows	No data available at the moment.						Annual M&E Report	Annual	MDA
					Increase in Return on Investment (ROI) as a result of increased utilisation of Fellows as resource persons.	No Baseline						Mid Term and Impact Reports	3 to 5 years	MDA
				Enhanced regional expertise	Proportion of both graduate and accredited fellows utilised by 2021	Baseline to be established						Annual M&E Report	Annual	MDA
		Promote the use of Fellows in Client Institutions		Enhanced capacity of client institutions	Number of special events (outside their usual functions/job description) spearheaded by Fellows in the client institutions	Baseline to be established						Mid Term and Impact Reports	3 to 5 years	MDA
		Strengthen the quality of the Fellows Programme	MEFMI Academic Board established,	Quality papers for Fellows produced	Quality control standards for MEFMI developed	Guidelines for Writing Discussion Papers	1	1	1	1	1	Mid Term and Impact Reports	3 to 5 years	MDA
			Fellows papers published	Inform policy-making	Number of Fellows' Papers published by MEFMI annually	0						Annual M&E Report	Annual	MDA
			Fellows graduating	A critical mass of experts in the region	Proportion of fellows graduating per cohort	55% (end 2015)	55%		60%		60%	Mid Term and Impact Reports	3 to 5 years	MDA
			Fellows accredited	A critical mass of experts in the region	Number of Fellows accredited annually	4 to 7						Annual M&E Report	Annual	MDA
		Strengthen Trained Trainers Programme to complement the Fellows Development Programme	Officials trained	Increased expertise in macroeconomic and financial management	Ratio of Female and Male officials trained as Trainers	21%:79%			50%:50%			Mid Term and Impact Reports	3 to 5 years	MDA
				Increased expertise in macroeconomic and financial management	Proportion of Resource persons used who are Trained Trainers annually	Baseline to be established						Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Establish and maintain the Fellows Alumni	Alumni events conducted	Increase Fellows' engagement with MEFMI	Number of alumni events conducted annually	0	0	1	1	2	2	Annual M&E Report	Annual	MDA
D. Weak as well as inadequate Financial infrastructure and legal frameworks	1.4: To strengthen legislative and institutional frameworks for financial and macroeconomic management	Develop and disseminate model guidelines and frameworks for adoption at the regional level	Country specific technical assistance conducted, Regional Seminars and workshops conducted.	Improved legal and institutional frameworks in place - Payment Systems legal frameworks, Global master repurchase agreement, Bank supervision legal frameworks, public debt management laws,	Number of countries with sound legal and institutional frameworks (i.e. Payment Systems legal frameworks, Global master repurchase agreement, Bank supervision legal frameworks, Public debt management laws, procedures manuals for debt management, Liquidity Forecasting Framework,)	Baseline to be established						Mid Term and Impact Reports	3 to 5 years	FSMP
					At least 1 success story on the use of sound macroeconomic and financial management policies per programme documented annually (i.e. coordination and communication on Monetary Policy Implementation, debt management procedures manual, standardised approaches for the settlement and clearing of payment and securities systems, Financial Markets Development Strategy (FMDS), portfolio asset allocation and portfolio management strategies,)	Baseline to be established						Annual M&E Report	Annual	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Provide technical assistance in the establishment of institutional structures (review, update and recommend legislative frameworks in line with dynamic global environment and international best practices)	Sound institutional structures in place, Yield curve development templates, Market Conduct and Consumer Protection policy templates, Financial markets development index, Template for Investment Policy and Investment Guidelines	Improved management of legal and institutional structures	Number of countries with sound legal and institutional structures (i.e. debt management offices, Investment Committees structure and governance,)	Baseline to be established						Mid Term and Impact Reports	3 to 5 years	All
		Train officials on institutionalising recommended legal and institutional frameworks	Officials trained	Improved capacity to manage legal and institutional frameworks in financial management	Number of officials trained on legal and institutional frameworks							Annual M&E Report	Annual	All
		Conduct regional workshops/In-country activities	Officials trained.	Improved capacity to manage legal and institutional frameworks in financial management	Number of courses conducted.							Annual M&E Report	Annual	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
E. Weak adoption and application of sound practices, tools and standards	1.5: To foster and enable the adoption of sound practices, tools, standards and principles	Technically support countries to develop, review, upgrade, roll out tools/instruments (e.g. models, frameworks, software, manuals, systems)	Tools produced (i.e. IOSCO, IAIS and IOPS. Stress testing policies, templates and guidelines, Model Investment, Risk Management & Reconciliation Reports for EAMs & Custodians, MEFMI benchmark framework on menu and adequacy of tools in Monetary Policy Implementation, Internal Credit Risk Assessment Tool, Risk management and RBS Guidelines,...)	Improved policy management.	Number of new MEFMI manuals, guidelines, tools and frameworks developed annually.	2 to 3	2	2	2	2	2	Annual M&E Report	Annual	All
Insufficient and in some cases missing information about emerging issues for	1.6: To strengthen research that supports policy	Develop and operationalise MEFMI research guidelines.	MEFMI research guidelines produced	Enhanced use of MEFMI research in informing policy formulation and management	MEFMI Research Guidelines developed and published by 2020	0				1	1	Mid Term and Impact Reports	3 to 5 years	Management/Academic Board
		Conduct research	Research papers published		1 success story on the use of MEFMI research in policy management published by 2021	0		1	1	1	2	Mid Term and	3 to 5 years	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
effective policy formulation.	formulation and implementation											Impact Reports		
		Promote equitable representation in the annual research and policy seminars	Underrepresented countries participating in the annual policy and research seminars	Balanced country representation in research (Angola, Burundi, Malawi, Namibia, Rwanda, Swaziland, Tanzania)	Number of research papers produced annually disaggregated by gender, country, fellows, institution break down etc.	6						Annual M&E Report	Annual	All
		Broaden the dissemination of MEFMI sponsored or initiated research papers	Research papers published in reputable journals	Enhanced use of MEFMI research in informing policy formulation and management	Proportion of papers published in identified renowned journals	0						Annual M&E Report	Annual	MDA
					MEFMI's Ranking in the Top Global Go Think Tanks in Sub-Saharan Africa	58th (2015) i.e. Top think tanks Sub-Saharan Africa (By GGTTI)						Mid Term and Impact Reports	3 to 5 years	All
		Identify opportunities for collaborative research with private sector research institutions, academic institutions, economic policy research centres, RECs and the technical partners	Research conducted collaboratively with private sector research institutions, academic institutions, economic policy research centres, RECs and the technical partners	Enhanced partnerships	At least 3 agreements signed with research institutions by 2019.	0	1	2	3			Mid Term and Impact Reports	3 to 5 years	All
		Secure access to renowned research warehouses	Access to renowned research warehouses secured and accessed by	Enhanced access to regional research warehouses	MEFMI clients accessing at least 3 new research libraries, data warehouses by 2018.	0						Mid Term and Impact Reports	3 to 5 years	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
			MEFMI researchers											
		Introduce thematic research activities and specialized studies.	Thematic research conducted	Improved quality of research.	At least 1 study/research conducted per programme annually.	3						Annual M&E Report	Annual	All
F. Increased demand for more and diversified capacity building programmes in macroeconomic and financial management in the region.	1.7: To enhance programme effectiveness	Review MEFMI's programmes and identify cross cutting issues and potential synergies within and amongst programmes	Departments conducting events collaboratively	Enhanced synergies across the secretariat	At least 3 events organised and conducted collaboratively between 2 or more programmes annually	2	3	3	3	3	3	Annual M&E Report	Annual	All
		Outline Annual Capacity Building priorities which will anchor the annual budget based on needs assessment	List of annual capacity building priorities produced	Enhanced use of resources annually	Number of priority courses and events identified and budgeted per department annually	No baseline						Annual M&E Report	Annual	All
		Align training curriculum to countries' priorities	Demand driven curricula produced	Effective training conducted	Number of demand driven curriculum produced per department annually	Baseline to be established						Annual M&E Report	Annual	All
		Increase use of MEFMI's products by translating them	Selected MEFMI products translated in Portuguese and French	Increased satisfaction of beneficiaries with MEFMI's products	Number of research study reports, and other products translated in French and Portuguese annually	0	2	2	2	2	2	Annual M&E Report	Annual	MDA
					Satisfaction rate with MEFMI's products (listed by name)	No Baseline						Mid Term and Impact Reports	3 to 5 years	All
		Balance the mix of regional and international resource persons in delivering capacity building programmes to ensure relevance and exposure to	Balanced hiring of resource persons	Balanced use of regional and international resource persons	Ratio of regional to international resource persons	55%:45%	60:40	60:40	60:40	65:35	65:35	Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		international best practices												
		Collaborate with relevant private sector entities on specific areas like financial inclusion, poverty, anti-corruption, gender mainstreaming	Events conducted collaboratively	Increased synergies in capacity building	Number of events conducted with the private sector on financial inclusion, poverty, anti-corruption and gender.	0	1	2	3	4	5	Annual M&E Report	Annual	MDA
		Strengthen collaboration with Lusophone and Francophone capacity building institutions	Courses conducted in Portuguese and French	Increased demand of MEFMI products and services	Number of Non-English courses conducted annually (at least 1 non-English course conducted annually per programme)	0						Annual M&E Report	Annual	Management
G. Inadequate visibility and public awareness about MEFMI	1.8: To increase MEFMI's visibility	Develop and implement an integrated Public Relations and Brand Communication Plan	Public Relations and Brand Communication Plan	Increased visibility of MEFMI	A Public relations and Brand Communication framework developed and approved by 2019.	0				1		Mid Term and Impact Reports	3 to 5 years	MDA
				Increased awareness about MEFMI	A results based public relations and communication strategy developed and operationalised by 2019	0				1		Mid Term and Impact Reports	3 to 5 years	MDA
		Develop a communication and media management strategy	Communication and Media Management Strategy	Improved reputation and brand presence in the region and beyond.	A communication and media management strategy developed and operationalised by 2018.	0			1			Mid Term and Impact Reports	3 to 5 years	MDA
		Sustain efforts in relationship marketing and stakeholder relations at all levels.	Stakeholder Relationship strategy	Improved stakeholder relations	A stakeholder relations strategy developed and operationalised by 2018.	0			1			Mid Term and Impact Reports	3 to 5 years	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Ensure appropriate media coverage for all MEFMI activities.	Formal partnerships established with media organisations	Increased demand of MEFMI's products and services	Number of new partnerships developed with media organizations annually (radio, TV, broadcasting channels etc.)		1	2	3	4	5	Annual M&E Report	Annual	MDA
		Strengthen staff capacity in Public Relations and brand communication	Staff training conducted	Improved communication and relations skills amongst staff	Staff trained annually on results based communication and public relations to sustain speaking as one voice on public information and reporting	0		25	25			Annual M&E Report	Annual	MDA
		Ensure continuous feedback through stakeholder surveys, including staff, media, Member Countries.	Stakeholder surveys conducted	Continuous improvement in communication and public relations	Stakeholder surveys and feedback portal on the website in place by 2018	0		1	1			Mid Term and Impact Reports	3 to 5 years	MDA
		Introduce a sustainable Corporate Social Investment Programme (CSI)	Corporate Social Investment (CSI) events conducted	Increased visibility and awareness about MEFMI	Number of CSI events conducted annually	1	1	1	1	1	1	Annual M&E Report	Annual	MDA
		Create link backs on academic community websites through partnerships.	Link backs created	Improved partnerships with academic institutions	Number of link backs with academic institutions which are operational	0						Mid Term and Impact Reports	3 to 5 years	MDA
H. Inadequate skills and competencies to	1.9: To mainstream regional integration in MEFMI	Strengthen collaboration with Regional Economic Communities (RECs) through joint missions/activities, and research in identified areas of common interest.	Formal partnerships with RECs established	Improved partnerships with RECs	Number of formal partnerships established with RECs	0			1	1	1	Mid Term and Impact Reports	3 to 5 years	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
align to the needs of the convergence criteria of different RECs.	's capacity activities	Strengthen capacity on regional integration concepts which include legal aspects of regional integration, trade policy, political economy of regional integration, economic and monetary integration	Joint missions, training, seminars, research on regional integration (such as legal aspects, trade policy, political economy, economic and monetary integration) conducted	Enhanced macroeconomic and financial management in the MEFMI region	Number of activities on regional integration conducted annually.	1	1	1	1	2	2	Annual M&E Report	Annual	All
		Develop customised products for harmonisation of macroeconomic and financial management initiatives such as production of statistics, legal and regulatory frameworks, tools, and systems.	Customised products developed for the region	Enhanced macroeconomic and financial management in the MEFMI region	Number of tools, guidelines, manuals, frameworks and systems customised for the RECs in collaboration with the RECS.	0	1	1	1	2	2	Annual M&E Report	Annual	All
I. Inadequate skills and awareness about the management of corruption in macroec	1.10: Mainstreaming Anti-corruption in MEFMI's capacity building activities	Conduct capacity building activities on Anti-Corruption	Capacity building activities on anti-corruption conducted	Reduction in corruption practices in macroeconomic and financial management amongst MEFMI's countries	Number of capacity building activities held on anti-corruption.	0						Annual M&E Report	Annual	All
		Conduct capacity building activities (courses, seminars, retreats and missions) about reducing and	Officials sensitised about the approaches of managing and reducing	Increased awareness about the management of Illicit Financial Flows	Number of capacity building activities conducted on IFF	status at end of 2016 to be established after the baseline study						Annual M&E Report	Annual	All

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
economic and financial sectors.		managing Illicit Financial Flows	Illicit Financial Flows (IFF) related to Foreign Private Capital		Number of countries with policies to combat Illicit Financial Flows	Baseline to be established						Mid Term and Impact Reports	3 to 5 years	FSMP
		Support countries to develop codes of conduct and conflict of interest in debt management, anti-money laundering frameworks, ...	Country codes of conduct developed	Improved management of debt, ...	Number of codes of conduct produced with technical assistance from MEFMI	0		1	1	1	1	Annual M&E Report	Annual	All
J. Inadequate policies and frameworks for mainstreaming gender into macroeconomic and financial management in MEFMI region.	1.11: Mainstreaming Gender in MEFMI's capacity building activities	Review of existing /new policies to ensure gender sensitivity where applicable	Policies that promote gender mainstreaming.	Gender responsive policy making at the secretariat	Number of policies reviewed and new ones developed which qualify to be gender sensitive							Mid Term and Impact Reports	3 to 5 years	All
		Balance gender representation in recruitment of staff at the secretariat	Balanced staff recruitment	Diversified representation of staff at the secretariat	Gender Ratio of staff at the secretariat							Annual M&E Report	Annual	FAD
		Integrate gender reporting at the Secretariat	Secretariat reports reflecting issues on gender	Gender responsive policy making at the secretariat	At least 3 success stories on use of gender results for policy and decision making at the secretariat produced by 2020	0	0	1	2	3	3	Mid Term and Impact Reports	3 to 5 years	FSMP
		Introduce courses on Gender-Responsive Economic Policy Analysis and Management	Courses conducted	Enhanced gender responsiveness in macroeconomic and financial management in the region	At least 3 courses on gender responsive economic policy analysis and management conducted by 2020	0	0	1	2	3	3	Mid Term and Impact Reports	3 to 5 years	FSMP
		Enhance collaboration with gender oriented institutions.	Collaborative events held		At least 2 events conducted collaboratively on gender by 2020.	0		1	1	1		Mid Term and Impact Reports	3 to 5 years	FSMP
		Allocate funds for gender mainstreaming	Secretariat budget includes items for	Funds availed for identified activities	Proportion of annual budget allocated to gender activities	0		2%				Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		activities in MEFMI's budget.	financing gender activities											
		Create awareness about gender inclusion into legal, regulatory and policy frameworks through policy seminars, studies, publications and case studies	Case studies on gender inclusive policies, frameworks in financial and macroeconomic management produced	Enhanced awareness about gender inclusive policy formulation and management	Number of institutions supported by MEFMI on gender inclusive legal, regulatory and policy frameworks.....	0	1	2	2	2	2	Annual M&E Report	Annual	MDA
PILLAR 2: DIVERSIFICATION OF REVENUE SOURCES														
K. Inadequate sourcing of new funding for the secretariat.	2.1: To attract new sources of funding	Establish a self-sustaining Business Development Unit (BDU)	BDU in place	Increased income	Proportion of income generated from the BDU	0	10%	20%	30%	40%	50%	Annual M&E Report	Annual	Management
		Develop and operationalise a formula and pricing structure for MEFMI's products	Agreed formula and pricing structure for MEFMI's products	Effective management of BDU services and products	Develop and operationalise a formula and pricing structure for MEFMI's products		1					Mid Term and Impact Reports	3 to 5 years	Management
		Develop marketing and cost recovery strategy.	Marketing and cost recovery strategy	Increased sales for MEFMI's services and products	Develop marketing and cost recovery strategy.			1				Mid Term and Impact Reports	3 to 5 years	Management
		Build a training, conference and residential facility to host MEFMI courses, and hire out for non-MEFMI events	MEFMI residential training centre built	Reduced cost of delivery of MEFMI's products and services	MEFMI residential training centre constructed and launched by 2021.	0	0	0	0	0	1	End of Phase	5 years	Management
		Conduct capacity building interventions for non-members, non-client institutions and private sector at a fee.	Services and products sold/sales	Increased income	Amount of income generated from sales							Annual M&E Report	Annual	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Provide consultancy services.	Consultancy services sold		Amount of funds sourced from provision of consultancy services.							Annual M&E Report	Annual	FAD
		Build a Reserve Fund as a bridging fund when funding for budgeted MEFMI activities is delayed.	Funded Reserve Fund	Sustainable funding for the Secretariat	Percentage of accumulated funds appropriated into the reserve fund annually	Reserve Fund approved in 2012 but not funded	25%	25%	25%	25%	25%	Annual M&E Report	Annual	FAD
		Venture into funded research which can anchor capacity building activities	Funded research conducted	MEFMI research funded outside the basket funding	Proportion of funds sourced from Research.	Little Research done at MEFMI, and when done, funded with basket funding.						Annual M&E Report	Annual	Management
		Use ICT to attract clients to the BDU e.g. social media, blogs and develop a content management strategy	ICT marketing platforms in place	Increased visibility and marketability.	Number of platforms established	0						Annual M&E Report	Annual	FAD
		Solicit separate funding for specific programmes such as gender mainstreaming, Natural Resources Management Programme, capacity building for Parliaments, and the MEFMI Foreign Private Capital Flows Programme.	Grants signed	Increased income	Proportion of funds sourced for individual projects/from grants							Annual M&E Report	Annual	Resource mobilisation committee
	2.2 To strength	Develop a framework for managing partnerships	Partnership Framework in place	Harmonised coordination of partnerships	Partnership Framework operational by 2019.	0			1			Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
	Strengthen existing and create new collaborative partnerships	Strengthen existing partnerships and forging new ones as appropriate, to enhance synergies, leverage resources and achieve greater impact	Formal agreements signed with Partners	Enhanced synergies	Number of funding agreements signed with new partners	2	1	1	1	1		Annual M&E Report	Annual	MDA
		Collaborate with relevant private sector entities on specific areas like financial inclusion, poverty, anti-corruption, gender mainstreaming	Collaborative activities held with selected private sector partners.	Increased demand of MEFMI's services and products	Number of events conducted in collaboration with the private sector.	2						Annual M&E Report	Annual	MDA
		Strengthen collaboration with Lusophone and Francophone capacity building institutions	Agreements with Lusophone and Francophone Institutions signed and established		Number of Non-English courses conducted annually. At least 1 non-English course conducted annually per programme							Annual M&E Report	Annual	MDA
PILLAR 3: MONITORING AND EVALUATION														
L. Inadequate knowledge and skills for monitoring and evaluating capacity building programmes.	3.1: To strengthen Monitoring and Evaluation of MEFMI's Programmes	Develop guidelines for conducting M&E	M&E Policy and guidelines [produced]	Enhanced M&E in MEFMI	M&E Policy and guidelines developed and approved by 2018	0	0	1	1	1	1	Annual M&E Report	Annual	MDA
		Develop M&E tools (such as Plan, Key Performance Indicators/Results frameworks, report templates, calendar)	M&E Tools produced	Enhanced M&E in MEFMI	M&E Framework (with all tools and templates) developed and approved by 2018	0	0	1	1	1	1	Annual M&E Report	Annual	MDA
		Introduce baseline surveys, beneficiary satisfaction surveys, tracer studies, bi-annual and annual reviews	Phase V Base line report disseminated	Effective measurement of results	Proportion of clear and measurable targets in the Phase V RMFs	80%	90%	95%	95%	96%	98%	Annual M&E Report	Annual	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Conduct satisfaction and tracer surveys	Beneficiary satisfaction survey and tracer study reports produced	Evidence based management of the secretariat	Number of satisfaction and tracer surveys	0	0	1	1	1	1	Impact and Mid Term Review reports	3-5 years	MDA
		Conduct bi-annual and annual reviews	Bi-annual and annual review event reports produced	Strengthened learning from monitoring results	Number of documented stories on use of M&E results for policy and decision making at the secretariat	0	1	2	3	4	5	Annual M&E Report	Annual	MDA
M. Inadequate quality of M&E information	3.2: To enhance the production and management of quality M&E information.	Strengthen the capacity of staff to produce and manage M&E information	Training and sensitisation conducted	Enhanced knowledge and skills of staff to perform M&E for their programmes	At least 1 training/sensitisation session on M&E conducted for staff annually	1 annually	1	2	3	4	5	Annual M&E Report	Annual	MDA
		Develop and implement standard data management processes and tools	Data management policy approved	Enhanced management of data at the secretariat	Data management policy and framework developed and approved by 2020	0	0	0	0	1	1	Impact and Mid Term Review reports	3-5 years	MDA
		Develop and implement an integrated Information Management System (IMS) developed	Integrated Information Management System (IMS) developed	Automated processes and reporting.	Structure of database and action plan for implementation agreed by 2017.	Disintegrated systems. Database not linked to any other system	1	1	1	1	1	Impact and Mid Term Review reports	3-5 years	MDA
					MEFMI database built/developed and tested by 2018.	0	0	1	1	1	1	Impact and Mid Term Review reports	3-5 years	MDA
			Timely and accurate reports produced	Integrated M&E management system operational	Use of the database is part of the programming, procurement and reconciliation cycle at MEFMI by 2019.	0	0	0	0	1	1	Impact and Mid Term Review reports	3-5 years	MDA

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
			Timely and accurate reports produced	Timely and accurate M&E information accessible	Integrated Management System developed and operational by 2021	0	0	0	0	1	1	Impact and Mid Term Review reports	3-5 years	MDA
		Strengthen the dissemination and use of M&E information	M&E Reports	Evidence based management of the secretariat	2 best practice examples on communicating results effectively identified and showcased annually for external visibility.	0	0	2				Impact and Mid Term Review reports	3-5 years	MDA
					Satisfaction rating of MEFMI's Annual M&E Reports.	No Baseline						Impact and Mid Term Review reports	3-5 years	MDA
		Strengthen the capacity of client institutions in M&E	Officials trained	Enhanced M&E in client institutions	At least 2 courses/technical assistance missions conducted in the region by 2021.	0	0	0	1	2	2	Impact and Mid Term Review reports	3-5 years	MDA
PILLAR 4: INNOVATION AND TECHNOLOGY														
O. Inadequate use of ICT in programme delivery	4.1: To leverage on innovation and technology in programme delivery	Train officials using the e-platform	Officials trained	Increased outreach of MEFMI's courses	At least 6 E-courses conducted annually	Probably 10 by end 2016	6	12	18	24	30	Annual M&E Report	Annual	FAD
		Install MEFMI's E-Learning Management system for effective delivery.	MEFMI's E-learning management system installed.		MEFMI's E-learning platform operational.	0	0	1	1	1	1	Impact and Mid Term Review reports	3-5 years	FAD
		Train officials using the e-platform	Reduction of training costs.	Reduction of training costs.	Percentage reduction in cost of delivery resulting from replacement of regional courses with E-courses	Costly Regional workshops only for basic courses that can be delivered	30%	30%	50%	50%	50%	Annual M&E Report	Annual	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
						through e-learning								
		Introduce the data warehouse and an E-library to enhance research.	E-Library established	Increased use of MEFMI's products	E-Library developed and operational	0	0	0	1	1	1	Impact and Mid Term Review reports	3-5 years	FAD
		Use webinars for delivery of capacity building activities.	Training conducted using webinars	Enhanced service delivery	At least 3 webinars conducted annually	Nil	0	3	6	9	12	Annual M&E Report	Annual	FAD
		Adopt emerging technologies such as mobility and cloud storage platforms for communication, programme delivery activities and information dissemination.	Cloud storage used	Increased mobility	Percentage of meetings conducted using on-line tools (skype, WebEx, wikis).	Nil	20%	30%	50%	50%	50%	Annual M&E Report	Annual	FAD
		Conduct surveys and polls on-line	On-line services		Number of surveys and studies conducted using virtual tools including mobile devices and on-line tools.	2	2	2	3	3	4	Annual M&E Report	Annual	FAD
		Incorporate real time response in communication strategy for instance establish automatic response emails and ensure adherence to stipulated response time.	Functional online registration system that integrates with the Activity Management System.	Online registration and approvals for workshops	Online registration system integrated with the Activity Management System.	Not integrated at the moment. Online registration not performed at the moment	0	√	√	√	√	Impact and Mid Term Review reports	3-5 years	FAD
			Information risk management	Improved Information risk management	Percentage reduction in ICT related risks	No baseline						Annual M&E Report	Annual	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
P. Time consuming workflow process	4.2: To improve process workflows through fully automated systems	Improve self-service and support for ICTs.	Automated helpdesk system	Easier and documented tracking of queries	Automated helpdesk system implemented	E-mail based system	✓	✓	✓	✓	✓	Annual M&E Report	Annual	FAD
				User self-service			✓	✓	✓	✓	✓			
				Easier and documented tracking of queries			✓	✓	✓	✓	✓			
		Adopt a robust disaster recovery framework	Automated backup system	Automated backup system	Automatic backup system implemented	Manual back-ups	1	1	1	1	1	Impact and Mid Term Review reports	3-5 years	FAD
			Offsite Disaster Recovery (DR) Site operational	Offsite DR Site operational	% of systems hosted on Disaster Recovery site	Disaster Recovery site provided by Reserve Bank of Zimbabwe to be operationalised by mid-2016	50%	100%	100%	100%	100%	Impact and Mid Term Review reports	3-5 years	FAD
		Link RMF targets to job contracts	RMF targets linked to job contracts	RMF targets linked to job contracts	Integrated results measurement	Annual performance targets in RMF linked and integrated to specific/individual annual joint performance contracts								
		Develop flexible working and teleworking infrastructure (e.g. video conferencing) to reduce cost and	Teleworking infrastructure	Improved effectiveness in service delivery	Tele infrastructure functional			✓	✓	✓	✓	Impact and Mid Term Review reports	3-5 years	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		improve meeting attendance												
PILLAR 5: ADMINISTRATIVE EFFECTIVENESS														
Q. Undefined organisational culture	5.1: To strengthen organisational culture based on core values	Carryout a workload analysis to ensure efficiency in delivery	Workload analysis performed	Balanced workload across functions	Staff satisfaction rate	Workload not analysed in the last 5yrs						Impact and Mid Term Review reports	3-5 years	FAD
		Conduct a cultural and gender audit	culture and gender reports produced	Culture and gender audit reports	Defined MERFMI culture in place	No defined MERFMI culture						Impact and Mid Term Review reports	3-5 years	FAD
		Foster a MEFMI culture and identity amongst staff	MEFMI culture defined	Strengthened MEFMI culture in line with its core values	Proportion of staff satisfied with MEFMI's culture	Undefined organisational culture -			80%			Impact and Mid Term Review reports	3-5 years	FAD
		Develop and implement a Staff Development Plan to meet MEFMI's strategic objectives	Staff trained in line with identified documented gaps in the Development Plan	Improved employee performance	Number of staff developed in line with the staff development plan	Staff development plan not in place	1	1	1	1	1	Annual M&E Report	Annual	FAD
		Introduce leadership development	Develop a plan for leadership development	Effective leadership and decision making	Number of staff trained in leadership annually	Leadership development plan not in place	1	2	3	4	5	Annual M&E Report	Annual	FAD
				Improved organisational performance	Policy on employee recognition for innovation developed and approved by 2019	No record of new ideas developed due to lack of a system for recognition	0	1	1	1	1	Impact and Mid Term Review reports	3-5 years	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Develop an internship programme	Defined internship policy	Reduced workload on MEFMI staff.	Number of interns trained annually	2	2	4	6	8	10	Annual M&E Report	Annual	FAD
	5.2: To strengthen the finance and administration function	Strengthen staff capacity on budgeting and risk management	Staff awareness activities in Enterprise Wide Risk Management	Improved risk management	Staff trained on Risk Management	Management and Finance and Audit Committee monitoring of MEFMI wide risk monitoring by way of quarterly risk register	1	1	2	2	2	Impact and Mid Term Review reports	3-5 years	FAD
		Sensitise staff on results based budgeting	Staff awareness activities in Results based budgeting	Results based budgeting	Percentage of Results Based Budgeting implemented for Programme Activities	Activity Based Budgeting	0	80%	80%	80%	80%	Annual M&E Report	Annual	FAD
		Leverage on cost saving initiatives	Cost saving initiatives in place	Reduced cost of delivery	Percentage reduction in unit cost of training a regional participant annually -	31% increase (for travel_2015)	5%	10%	10%	15%	15%	Annual M&E Report	Annual	FAD
		Integrate budgeting, forecasting and reporting software which integrates with relevant MEFMI databases	Procurement of a budgeting forecasting & Reporting software that integrates with all MEFMI data base	Improved quality of budgeting and reporting	Percentage of automation of budgeting and forecasting	Budgeting, forecasting and reporting process in excel	1	1	1	1	1	Annual M&E Report	Annual	FAD
		Establish and maintain Suppliers' partnerships in the member states for better rates	Enter into one or two Suppliers' partnerships in the region for better rates.	Effective coordination of supplier partnerships in the region	Number of Supplier partnerships established across the region	Supplier partnerships only in Zimbabwe. Supplier partnerships spread among many suppliers	4	14	28	28	28	Annual M&E Report	Annual	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Encourage the establishment of online reconciliation to ensure real-time reflection of available activity funds	Implement DMS with process workflows	Automated process workflows	% compliance with reporting deadlines -	Duplication of Data entry in program expenses - insert baselines in %	100%	100%	100%	100%	100%	Annual M&E Report	Annual	FAD
		Implement variance identification software			% Real time reporting on budget execution -		50%	50%	50%	50%	50%	Annual M&E Report	Annual	FAD
		Align the organisational structure to the Phase V Strategic Plan	Reduced variations between expenditure and approved budgets	Reduced budget variations	≤ 5% variance in budget	Significant positive budget expenditure variations						Annual M&E Report	Annual	FAD
S. Need to improve the controls and compliance to policies.	5.3: To improve administration, controls and compliance	Ensure timely implementation of audit recommendations	<ul style="list-style-type: none"> Amend reporting structure to incorporate new business units Improve system of data capture to enable real-time reporting Periodic review of MEFMI finance and accounting processes 	Members and Partners Trust	Unqualified audit opinion	Unqualified audit opinion	Yearly	Yearly	Yearly	Yearly	Yearly	Annual M&E Report	Annual	FAD
			Timely implementation of audit issues	Timely implementation of audit issues both internal and external	Percentage of successful implementation of both internal and external audit high priority recommendation	90%	100%	100%	100%	100%	100%	Annual M&E Report	Annual	FAD
		Consolidate existing manuals	Consolidated manuals and policy documents	Improved compliance	Number of audit issues on non-compliance	Many Manuals and Policy document	5	3	2	1	0	Annual M&E Report	Annual	FAD

Capacity Constraints	Strategic Objectives	Bridging Objectives/ Activities	Outputs	Outcomes	Outcome Indicators	Baseline (End 2016)	Targets					Data Sources	Frequency of Production	Responsible Officer/ Department
							2017	2018	2019	2020	2021			
		Improve staff awareness of MEFMI policies and procedures	Staff sensitised	Improved adherence to policies and guidelines	Number of awareness sessions conducted on policies and guidelines	Policies explained at induction -	1	2	3	4	5	Annual M&E Report	Annual	FAD
		Implement an automated and centralised procurement system	Centralise procurement. Recruit/upgrade procurement specialist	Improved operations	Percentage centralisation of procurement	Decentralized procurement	90%	90%	90%	90%	90%	Impact and Mid Term Review reports	3-5 years	FAD
			Automated procurement	Improved operations	Percentage automation of procurement	Manual procurement system -	90%	90%	90%	90%	90%	Impact and Mid Term Review reports	3-5 years	FAD
		Harmonise the common database of service providers so that MEFMI as a whole benefits from royalties	Harmonised database	Procurement strengthened	Proportion of non-technical service agreements in place		70%	80%	80%	80%	80%	Impact and Mid Term Review reports	3-5 years	FAD

Table 23: Detailed Work Plan and Budget by Programme and Department, Scenario 1

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
Macroeconomic Management Programme						
Regional Workshops	485,070	644,325	470,075	546,195	440,810	2,586,475
In-country Workshops	75,685	75,685	75,685	75,685	75,685	378,425
In-country Missions	181,145	181,145	181,145	181,145	181,145	905,725
Studies/Manuals/Software	119,000	106,000	114,000	106,000	114,000	559,000
Others (Licenses, etc)	20,000	70,000	30,000	70,000	20,000	210,000
Staff Development	36,840	36,840	36,840	36,840	36,840	184,200
Networking	42,400	42,400	42,400	42,400	42,400	212,000
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	744,004	781,204	785,842	790,712	830,248	3,932,010
Sub-Total	1,793,266	2,025,347	1,824,116	1,939,695	1,834,928	9,417,353
Financial Sector Management Programme						
Regional Workshops	613,243	654,562	613,243	633,762	592,443	3,107,253
In-country Workshops	155,145	155,145	155,145	155,145	155,145	775,725
In-country Missions	183,100	183,100	183,100	183,100	183,100	915,500
Studies/Manuals	181,200	93,500	90,000	98,500	93,670	556,870
Staff Development	50,000	50,000	50,000	50,000	50,000	250,000
Networking	55,000	55,000	55,000	55,000	55,000	275,000
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	655,910	688,706	688,706	688,706	723,141	3,445,168
Sub-Total	1,982,720	1,967,761	1,923,323	1,954,931	1,946,299	9,775,034
Debt Management Programme						
Regional Workshops	841,413	764,853	841,413	764,853	841,413	4,053,943
In-country Workshops	294,055	294,055	294,055	294,055	294,055	1,470,275
In-country Missions	115,100	115,100	115,100	115,100	115,100	575,500
Studies/Manuals	50,800	0	43,850	25,000	0	119,650
Staff Development	44,500	44,500	44,500	44,500	44,500	222,500
Networking	54,060	53,460	54,060	53,460	54,060	269,100
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	686,434	720,755	720,755	720,755	756,793	3,605,492

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
Sub-Total	2,175,483	2,080,471	2,201,862	2,108,441	2,199,720	10,765,977
Multi-Disciplinary Activities						
Executive Fora	237,560	165,240	237,560	165,240	237,560	1,043,160
Research and Policy Seminars	96,965	96,965	96,965	96,965	96,965	484,825
Planning, M& E	70,980	15,805	114,215	87,040	15,805	303,845
Resource Mobilisation	5,200	5,200	5,200	5,200	5,200	26,000
Fellows Development	355,840	322,355	355,840	322,355	355,840	1,712,230
Training of Trainers	69,810	0	69,810	0	69,810	209,430
Staff Development	26,640	26,640	26,640	26,640	26,640	133,200
HR Seminar	0	45,760	0	45,760	0	91,520
Networking	28,000	28,000	28,000	28,000	28,000	140,000
Operating Expenses	48,612	47,863	48,070	49,483	51,164	245,192
Programme Delivery Staff Time	230,502	242,027	242,027	242,027	254,129	1,210,713
Sub-Total	1,170,109	995,855	1,224,328	1,068,710	1,141,112	5,600,114
Secretariat Capacity Building						
Public Relations & Publications	81,535	81,535	81,535	81,535	81,535	407,675
Capital Expenditure	299,100	53,950	18,200	45,200	92,200	508,650
Staff Development (F & A)	112,500	63,000	111,500	63,000	111,500	461,500
Reports and policy documents	20,000	25,000	20,000	20,000	20,000	105,000
Staff Recruitment	70,000	70,000	70,000	70,000	70,000	350,000
Salaries and benefits	233,478	245,152	245,152	245,152	257,409	1,226,343
Operating costs	64,816	63,817	64,094	65,977	68,218	326,922
Sub-Total	881,429	602,454	610,481	590,864	700,862	3,386,090
Finance and Administration						
Governing Bodies	138,639	145,571	152,849	160,492	168,516	766,067
Salaries and Benefits (F&A)	236,553	248,381	248,381	248,381	260,800	1,242,495
Operating Expenses	24,306	23,931	24,035	24,741	25,582	122,596
Networking	10,000	10,000	10,000	10,000	10,000	50,000
Resource Mobilisation	5,500	14,500	6,500	6,500	4,000	37,000
Surveys	15,000	-	-	-	-	15,000
Sub-Total	429,998	442,383	441,765	450,114	468,898	2,233,158

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
Business Development Unit	346,860	131,733	138,320	145,236	152,497	914,646
Total	8,779,867	8,246,004	8,364,195	8,257,991	8,444,316	42,092,372

Table 15: Detailed Work Plan and Budget, Scenario 2

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
Macroeconomic Management Programme						
Regional Workshops	485,070	644,325	470,075	546,195	440,810	2,586,475
In-country Workshops	75,685	75,685	75,685	75,685	75,685	378,425
In-country Missions	181,145	181,145	181,145	181,145	181,145	905,725
Studies/Manuals/Software	119,000	106,000	114,000	106,000	114,000	559,000
Others (Licenses, etc)	20,000	70,000	30,000	70,000	20,000	210,000
Staff Development	36,840	36,840	36,840	36,840	36,840	184,200
Networking	42,400	42,400	42,400	42,400	42,400	212,000
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	744,004	781,204	785,842	790,712	830,248	3,932,010
Sub-Total	1,793,266	2,025,347	1,824,116	1,939,695	1,834,928	9,417,353
Financial Sector Management Programme						
Regional Workshops	613,243	654,562	613,243	633,762	592,443	3,107,253
In-country Workshops	155,145	155,145	155,145	155,145	155,145	775,725
In-country Missions	183,100	183,100	183,100	183,100	183,100	915,500
Studies/Manuals	181,200	93,500	90,000	98,500	93,670	556,870
Staff Development	50,000	50,000	50,000	50,000	50,000	250,000
Networking	55,000	55,000	55,000	55,000	55,000	275,000
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	744,254	781,467	781,467	781,467	820,540	3,909,196
Sub-Total	2,071,065	2,060,522	2,016,084	2,047,692	2,043,698	10,239,062
Debt Management Programme						
Regional Workshops	841,413	764,853	841,413	764,853	841,413	4,053,943
In-country Workshops	294,055	294,055	294,055	294,055	294,055	1,470,275

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
In-country Missions	115,100	115,100	115,100	115,100	115,100	575,500
Studies/Manuals	50,800	0	43,850	25,000	0	119,650
Staff Development	44,500	44,500	44,500	44,500	44,500	222,500
Networking	54,060	53,460	54,060	53,460	54,060	269,100
Operating Expenses	89,122	87,748	88,129	90,718	93,800	449,518
Programme Delivery Staff Time	774,778	813,517	813,517	813,517	854,193	4,069,520
Sub-Total	2,263,828	2,173,232	2,294,623	2,201,202	2,297,120	11,230,006
Multi-Disciplinary Activities						
Executive Fora	237,560	165,240	237,560	165,240	237,560	1,043,160
Research and Policy Seminars	96,965	96,965	96,965	96,965	96,965	484,825
Planning, M& E	70,980	15,805	114,215	87,040	15,805	303,845
Resource Mobilisation	5,200	5,200	5,200	5,200	5,200	26,000
Fellows Development	355,840	322,355	355,840	322,355	355,840	1,712,230
Training of Trainers	69,810	0	69,810	0	69,810	209,430
Staff Development	26,640	26,640	26,640	26,640	26,640	133,200
HR Seminar	0	45,760	0	45,760	0	91,520
Networking	28,000	28,000	28,000	28,000	28,000	140,000
Operating Expenses	48,612	47,863	48,070	49,483	51,164	245,192
Programme Delivery Staff Time	377,205	396,065	396,065	396,065	415,869	1,981,270
Sub-Total	1,316,812	1,149,893	1,378,366	1,222,748	1,302,852	6,370,672
Secretariat Capacity Building						
Public Relations & Publications	81,535	81,535	81,535	81,535	81,535	407,675
Capital Expenditure	299,100	53,950	18,200	45,200	92,200	508,650
Staff Development (F & A)	112,500	63,000	111,500	63,000	111,500	461,500
Reports and policy documents	20,000	25,000	20,000	20,000	20,000	105,000
Staff Recruitment	70,000	70,000	70,000	70,000	70,000	350,000
Salaries and benefits	233,478	245,152	245,152	245,152	257,409	1,226,343
Operating costs	64,816	63,817	64,094	65,977	68,218	326,922
Sub-Total	881,429	602,454	610,481	590,864	700,862	3,386,090
Finance and Administration						
Governing Bodies	138,639	145,571	152,849	160,492	168,516	766,067
Salaries and Benefits (F&A)	289,778	304,267	304,267	304,267	319,480	1,522,059

Department	Year and Cost (US \$)					Total
	2017	2018	2019	2020	2021	
Operating Expenses	24,306	23,931	24,035	24,741	25,582	122,596
Networking	10,000	10,000	10,000	10,000	10,000	50,000
Resource Mobilisation	5,500	14,500	6,500	6,500	4,000	37,000
Surveys	15,000	-	-	-	-	15,000
Sub-Total	483,223	498,269	497,652	506,000	527,578	2,512,722
Business Development Unit	346,860	131,733	138,320	145,236	152,497	914,646
Total	9,156,483	8,641,451	8,759,642	8,653,438	8,859,536	44,070,550