



MEFMI

Macroeconomic and Financial Management
Institute of Eastern and Southern Africa

BULLETIN Q1 2020

The purpose of the MEFMI Bulletin is to provide stakeholders with a synopsis of activities conducted during each quarter and those planned for the following quarter.

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MEFMI Responds to the COVID-19 PANDEMIC

Like in other parts of the world, COVID-19 is causing unprecedented health, economic, and financial stability challenges in the MEFMI region. Most countries have taken the necessary containment measures to limit the spread of the virus, including lockdowns to restrict mobility of people. Implementation of such measures has not only required us to adapt habits and customs underpinning the world of work at MEFMI, but also adopt a different approach to delivery of capacity building activities.

After a successful pilot run, MEFMI commenced remote working towards the end of first quarter, as part of efforts to reduce the possible spread of the virus at the workplace. COVID-19 also required MEFMI to tweak the 2020 annual plan to align it with the changing operating environment and priorities of member countries. In this regard, all face to face activities were postponed as MEFMI is rolling out more online courses. This has become the most feasible approach in an environment where social distancing and travel restrictions are being implemented by member countries.

MEFMI is also engaging client institutions to extend the remote support to country-specific interventions, where possible. However, MEFMI is cognisant of the challenges that client institutions may have with regards to internet connectivity and the tools that staff require to take up online courses. Thus, MEFMI will continue to engage with authorities to explore feasible solutions to effective delivery of capacity building interventions.

This crisis also presents adverse impacts to member countries' economic outlook. The necessary containment measures to limit the spread of the virus are having knock down effects on external demand, capital inflows, commodity prices, and consequently the overall economic growth. As a result, countries will face significantly increased government financing requirements to respond to the crisis. Together with declining macroeconomic conditions, this may make it more difficult for countries to meet existing foreign debt service payments that may also have increased due to currency depreciation. The slowdown in economic activities may also present risks to the stability of the region's financial system. Financial conditions are likely to tighten, raising the risk that non-performing loans would trigger distress among financial institutions, which, in turn, could lead to a credit squeeze for corporates, further exacerbating the economic downturn.

Sharing of experiences by MEFMI member countries, including policy responses and their evolving impact, is required to proactively respond to this pandemic. It against this background that MEFMI plans to conduct webinars for member countries as a form of peer learning and share other relevant international experiences.

Capacity Building Activities Conducted in Quarter I 2020

MEFMI implemented three (3) capacity building activities in the first quarter of 2020. In Table 1, a comparison of the number of activities implemented in 2020 against the same period in 2018 and 2019 is shown. Over and above the influence of seasonality on the number of activities that MEFMI implements in the first quarter, the Covid-19 was a major shock that affected our capacity to deliver and client institutions' to receive capacity building support using the conventional face-to-face delivery mechanism.

Table 1: Activities implemented in Quarter 1: 2018 - 2020

ACTIVITIES TYPE	2018	2019	2020	
			Planned	Implemented
1. Capacity Building Activities				
	3	1	2	1
(b) E learning	0	0	0	0
(c) In country Workshops	6	6	5	2
(d) Country Missions	4	0	1	0
Sub Total	10	6	8	2
2. Other Activities				
Specialised Studies	3	0	0	0
Governance	5	5	6	10
Networking	3		2	2
Business Development Unit	1	0	3	1
Sub-Total	12	10	11	13
Grand Total - All Activities	25	17	19	16

As shown in the Table, a number of governance meetings held were more than planned as MEFMI explored options for business continuity amid the COVID-19 pandemic. These meetings also discussed ways to adjust the 2020 implementation plan to align it with the changing operating environment and immediate member countries' priorities. As a result, MEFMI only implemented three (3) face-to-face capacity building activities in the first quarter of 2020:

- i. A five day regional workshop on Quarterly GDP, Economic Activity Indicators and Unobserved Economy, implemented jointly with the IMF East AFRITAC. The workshop enhanced the capacity of participants to produce and disseminate quarterly GDP figures, as well as develop economic activity indicators. It also raised awareness and promoted the inclusion of the unobserved economy in the calculation of GDP figures. The participants are expected to apply the techniques learnt at the workshop to produce national accounts statistics and composite economic activity indicators using the latest international compilation manuals. This will, among others, contribute to improvements in dissemination of quarterly GDP figures which are comparable, comprehensive and consistent.

- ii. A mission to Zambia on building a domestic debt database, conducted jointly with UNCTAD. The mission assisted the Government of Zambia to record domestic debt in the Debt Management and Financial Analysis System (DMFAS), as part of efforts to consolidate its public debt database. Through this intervention, the capacity of country officials to record government domestic debt securities in DMFAS improved and a total of 210 government domestic debt securities were recorded in the system. This is expected to improve the availability of consolidated debt statistics to inform policy formulation, as well as reporting in line with international best practices.
- iii. An in-country workshop on macroeconomic modelling and forecasting for the Ministry of Finance and Planning of Tanzania. The workshop enhanced participants' skills on data management, estimating various behavioural equations, building and diagnosing a model, and forecasting. With the skills acquired and further guidance from MEFMI, participants are expected to be in a better position to support policy analysis, advise the government on relevant policies and also enhance the authorities' capacity to engage with various international institutions.

Table 2: Capacity Building Activities Conducted in Q1 2020

ACTIVITY TYPE	COUNTRIES AND NUMBER OF PARTICIPANTS	DATE AND VENUE
Regional Workshops		
Joint MEFMI/ IMF East AFRITAC workshop on Quarterly GDP, Economic Activity Indicators and Unobserved Economy in collaboration	Angola (0) Botswana (4) Burundi (0) Eswatini (1) Kenya (3) Lesotho (0) Malawi (4) Mozambique (2) Namibia (3) Rwanda (2) Tanzania (4) Uganda (4) Zimbabwe (4) Zambia (0) Total: 31	2 - 6 March 2020 Nairobi, Kenya
In-country capacity building activities		
i. Introduction to macroeconomic modelling and forecasting for the Ministry of Finance and Planning of Tanzania	40	24 – 28 February 2020 Dar es Salaam, Tanzania
ii. Debt Management and Financial Analysis System (DMFAS) for Zambia	13	10 – 14 February 2020 Lusaka, Zambia
Business Development Unit Activities		
Training on Policy Development, Implementation, Monitoring and Evaluation	10	2-6 March 2020 Lusaka, Zambia
Networking Activities		
i. 15 th BCBS/FSI High-Level Meeting for Africa on Strengthening Financial Sector Supervision and Current Regulatory Priorities		
ii. Regional Conference on Public Debt Management and Sustainable Economic Growth in Sub-Saharan Africa		

Plans for Q 2 2020

As alluded above, MEFMI suspended all activities involving travel and focusing on those that are delivered remotely during remainder of the year. Hence, MEFMI is leveraging technological innovations to deliver more courses through e-learning. Where applicable, these courses will be revamped to address some specific issues about the COVID-19 pandemic, to guide member states on how they could use some of the available policy tools to respond to the current and future pandemics. The following activities are thus planned for the quarter:

- i. Introduction to Monetary Policy Analysis
- ii. Financial Negotiation Skills and Techniques (to be offered in both English and Portuguese)
- iii. International Sovereign Bond Issuance
- iv. Fundamentals of Financial inclusion
- v. Fundamentals of regulating securities markets (to be offered in both English and Portuguese)
- vi. Webinar on implication of COVID-19 on public debt and policy options
- vii. Webinar on the impact of COVID-19 on bank supervision
- viii. Webinar on the implication of COVID-19 on financial inclusion
- ix. Webinar on the impact of COVID-19 on asset allocation and reserves management
- x. Webinar on responses to COVID-19: macroeconomic policy and financial markets infrastructure
- xi. Webinar on implications of COVID-19 on macroeconomic statistics
- xii. Webinar on impact of COVID-19 on the external sector
- xiii. Webinar on the role of capacity building institutions during and post COVID-19

The following activities are also planned for the second half of the year;

- i. Recruit the 11th Cohort of MEFMI Fellows
- ii. Finalise the re-design of the Private Capital Monitoring System
- iii. Finalise the review and update of the MEFMI Public Expenditure and Financial Management (2008) Handbook
- iv. Finalise the development of the Financial Programming and Policy Manual
- v. Review MEFMI corporate policies and manuals
- vi. Explore the possibility of offering BDU activities on-line

Member countries are encouraged to participate in these upcoming courses and webinars so that they get alternatives views on how they could address some of the contemporary challenges they are facing. Countries are also encouraged to continue reaching out to MEFMI for country-specific support through the normal procedures. While the current travel suspension is likely to be with us for a while, MEFMI will continue to support immediate member countries' needs remotely, through e-platforms such as Zoom and Google Meet.

Staff Movements

MEFMI bid farewell to Ms. Jackie Kitiibwa and Ms. Cecilia Ombongi whose tour of duty ended in the first quarter of 2020. Ms. Jackie Kitiibwa was Programme Manager in the Financial Sector Management Programme, while Ms. Cecilia was Finance Officer. In the same period, the MEFMI welcomed the following staff members;



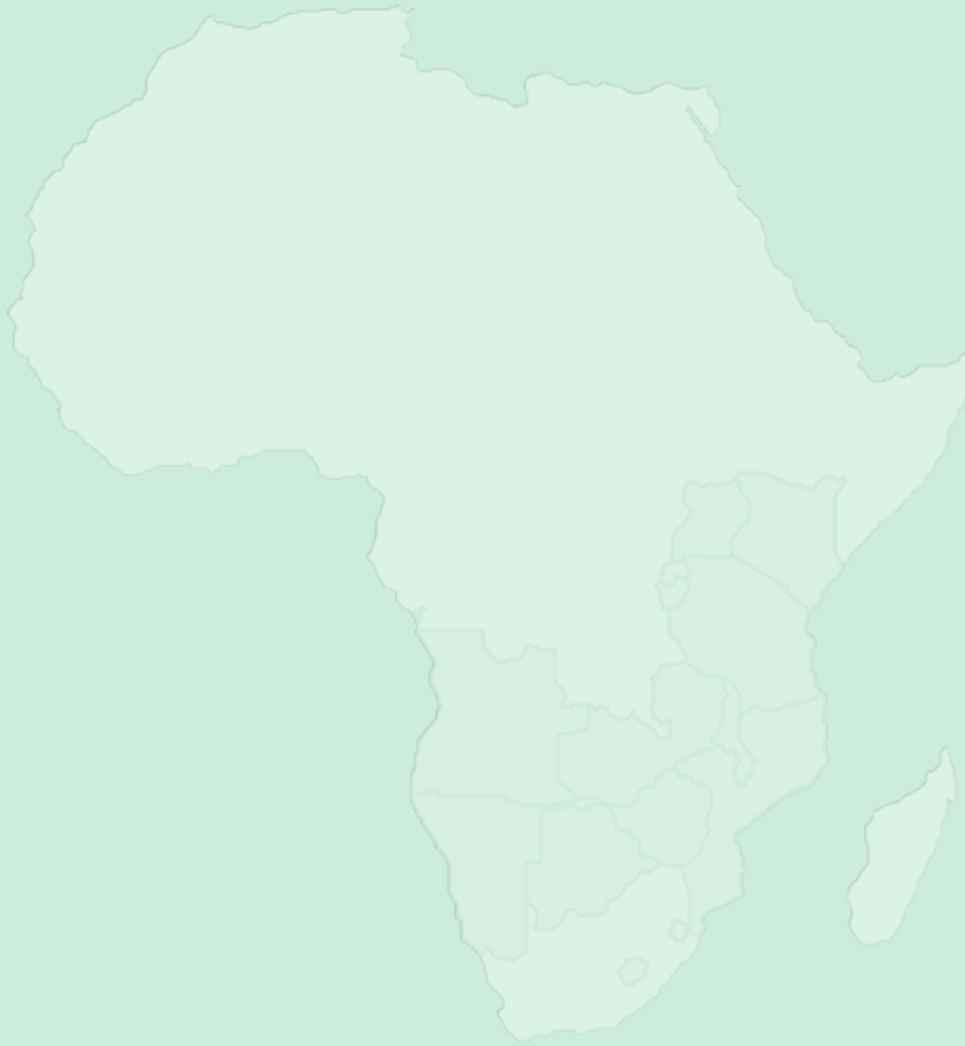
Mr. Noel Mahombera is Programme Manager responsible for Regulation and Supervision of Financial Institutions. He holds MBA (Banking and Finance) and is a CFA Charter-holder and a member of the CFA Institute, USA. He has also undergone specialised training in Regulation of Capital Markets under the MEFMI Fellows Development Programme. He brings MEFMI a wealth of experience and expertise in regulation and supervision of financial institutions, acquired during the past 12 years he worked in the securities and investments industry in Zimbabwe.



Mr. Casius Chuma joined MEFMI as Programme Manager responsible for Planning, Monitoring and Evaluation. Mr. Chuma is a seasoned expert with over 18 years of experience in strategic and operational planning, project management, monitoring and evaluation. Having previously worked with regional economic bodies such as SADC and COMESA, Mr. Chuma has a strong background in regional integration. He holds a Master of Philosophy (MPhil) Degree in Monitoring & Evaluation, among other university and tertiary qualifications.



Ms. Irene Nyamanza joined MEFMI as Programme Manager responsible for Reserves Management and Payment Systems. Prior to joining MEFMI, Ms. Nyamanza worked for the Bank of Tanzania in the Risk Analytics and Performance and Portfolio Management Divisions of the Financial Markets Department. She is an accredited MEFMI Fellow in reserves management. Ms. Nyamanza holds an MBA (Finance) degree and Bsc (Maths) from the University of Dar es salaam, Tanzania.



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