



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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Update on MEFMI Response to the COVID-19 PANDEMIC

MEFMI successfully transitioned to working from home after announcement of the national lockdown measures by the Government of Zimbabwe end March 2020. Since then, staff has worked without impediments, as systems for email, document management, human resources and e-learning are accessible remotely. Remote access to these systems has enabled business continuity in an environment where mobility is restricted. The VPN configurations for systems that do not lend themselves to web based access, such as the accounting and Human Resources management systems, have also been set up.

Zoom videoconferencing has facilitated online meetings for administrative effectiveness and mounting of webinars for programme delivery. The capacity for Zoom was enhanced to allow multiple concurrent meetings to be held as demanded by the remote working environment.

Course Enhances Skills in Monetary Policy Analysis

MEFMI conducted an e-learning course on monetary policy analysis that benefitted 57 officials. The course enhanced participants' knowledge on monetary policy frameworks and evolving regimes. It also equipped participants with skills on the Forecasting and Policy Analysis System, which central banks in the region can leverage on to modernise their monetary policy frameworks towards a more forward looking approach. In addition, the course raised awareness on the impact of monetary policy in a digital era. With the skills acquired and further guidance from MEFMI, participants are expected to be in a better position to support monetary policy analysis.

Government of Zambia assisted in Debt Sustainability Analysis

MEFMI supported the Government of Zambia in assessing the sustainability of existing public debt and envisaged new borrowing, taking into account the impact of the COVID-19 pandemic. The main output of the exercise was a draft Debt Sustainability Analysis (DSA) report summarising the key findings and recommendations emerging from the exercise. These findings were presented to senior officials in the Ministry of Finance and Bank of Zambia, and are expected to guide the Government's borrowing and economic management decisions. A total of 24 officials were trained on the use of the IMF/WB revised Debt Sustainability Framework (LIC DSF) to assess debt sustainability. With the knowledge acquired, the officials are expected to undertake subsequent exercises with little or no external support

Officials Trained How To Negotiate Favourable Financing Terms and Conditions

MEFMI conducted an e-learning course on Financial Negotiation Skills and Techniques to equip government officials with practical knowledge and skills to secure the most beneficial terms possible from the financial agreements they negotiate. The course was offered in both English and Portuguese, to address language barriers normally faced by MEFMI's Lusophone member countries (Angola and Mozambique).

The course addressed key challenges of assembling teams with an appropriate mix of skills to conduct effective negotiations that most governments in the region normally face. MEFMI expects the trained officials to use the knowledge acquired to negotiate financing for their governments on favourable terms and conditions. In the long run, this is expected to contribute towards a reduction in the cost of public debt and minimization of debt and related vulnerabilities.

Webinar Series Conducted for Member Countries

As part of efforts to assist countries in the region to address the economic challenges caused by the COVID-19 pandemic, MEFMI hosted a series of webinars on the Implications of COVID-19 to various sectors of the economy;

i) The webinar on the Implications of COVID-19 on Public Debt and the Proposed Responses enhanced the knowledge of participants and other stakeholders on the impact of COVID-19 on public debt, and raised awareness on debt relief initiatives by the international community. MEFMI expects the public sector officials to use the knowledge gained to develop and implement strategies that better respond to the challenges posed by the pandemic without compromising public debt sustainability.

ii) The webinar on the impact of lockdowns on Micro, Small and Medium Enterprise (MSMEs) and financial market infrastructure enhanced knowledge of participants and other stakeholders about the implications of macroeconomic policy responses to the pandemic and how payment systems can be reshaped to address specific issues faced by MSMEs. MEFMI expects member countries to continue exploring the potential gaps that exist in the current policy responses to make informed decisions on how best the MSMEs sector can be served. MEFMI also plans to support countries in priority areas such as remittances, collateral registries and credit bureaus that were identified through the feedback session at the end of the webinar.

iii) The webinar on the Impact of COVID-19 pandemic on reserves management in Central banks enhanced knowledge of participants on the implications of the pandemic on reserves management processes. It identified insights in the global investment environment, assessment of US-dollar-liquidity pressures and subsequent key drivers of interest rates, foreign exchange rates, sovereign yields and credit spreads, volatilities, correlations, equities market reactions and total returns. MEFMI expects reserves managers and other officials to use this knowledge to develop and implement investment strategies that aim to achieve the objectives of managing reserves and maintain the rationale for holding reserves during these times of the pandemic.

iv) The webinar on COVID-19 and Bank Supervision enhanced participants' knowledge of the impact of the pandemic on the financial sector and the measures that banks and bank supervisors are implementing to mitigate the adverse impact of the crisis on financial sector stability. It is expected that bank supervisors will use the knowledge to develop and implement appropriate strategies to contain the impact of the crisis in their respective jurisdictions.

The MEFMI Results Measurement Framework Revised

During the second quarter, the Results Measurement Framework (RMF) was reviewed. The review process constituted five stages:

- 1) ascertain the extent to which results reflect the identified problems or constraints; 2) classify results or outcomes according to the three standard categories (immediate outcomes, intermediate outcomes and impact); 3) ascertain whether the indicator for each result is appropriate, taking into account the SMART (Specific, Measurable, Accuracy, Realistic & Time bound) attributes of an indicator; 4) review the outputs and activities to establish their appropriateness and their logical linkage with the respective outcomes; and 5) review the targets and setting new ones where required (especially in instances where new indicators have been identified). Four of the five steps have been undertaken. The revised RMF was validated by Programmes/Departments.

MEFMI Staff Trained on ICT

Staff training on ICT security awareness was reviewed to include emerging issues. Phishing tests and notifications of current ICT scams as well as security awareness training courses were made available to staff to strengthen MEFMI's security posture and reduce the likelihood of breaches. The internet gateway security software was upgraded to ensure continued network protection from ICT threats. All these are aimed at protecting ICT resources from various security threats.

Furthermore, security for the M-Files document management system was fortified by ensuring that data at rest and data in motion was encrypted. The system's speed was also improved for better performance, faster access and better user experience. Training in remote access features of the M-Files document management system was also carried out. This will allow all staff to create and share documents when working remotely.

Upgrades to the virtual infrastructure backup software were carried out to take on board improvements in features and performance. Consequently, the performance of all ICT systems in terms of availability, accessibility and usability was good during the period under review. The Institute has started working on integration of the IMIS with Quantrix budgeting and reporting system and Pastel accounting system, to enable automatic data transfer and comprehensive reporting for the systems.

Meet the MEFMI Fellows

To ensure sustainable capacity building in macroeconomic and financial management, MEFMI has over the years invested in training and developing a cadre of Fellows in the region, yet there is little visibility of the programme and the outcomes thereof. To bridge this gap, this quarter the Secretariat has launched a "Meet the MEFMI Fellows" Initiative intended to bridge this gap by enhancing the visibility of the outcomes of MEFMI Fellows Development Programme through regular featuring of Fellows on the MEFMI website and in the quarterly bulletin. However, as we start on the profile journey, we announce with great sadness the passing on of Norman Mataruka, a MEFMI Accredited Fellow and seasoned financial sector regulator who conducted training in this area across Africa.

LATE NORMAN MATARUKA – MEFMI Accredited Fellow and Independent Consultant



MEFMI Management and staff convey their heartfelt condolences to family and friends of Norman Mataruka who passed away in his home city of Harare in Zimbabwe, on 27 July 2020. Norman was in the first cohort of MEFMI Fellows that graduated in 2000. He specialised in bank supervision and as part of his apprenticeship, he facilitated training on Risk Based Supervision in the MEFMI region under the guidance of the late Ms Carmencita Santos (IMF) and Mr Alphious Ncube who was the Director Financial Sector Management Programme.

The Recruitment of the 11th Cohort of Candidate Fellows Launched

On 4 June 2020, the call for nominations of officials from MEFMI client institutions to participate in the 11th Cohort of Candidate Fellows was launched. This will be followed by the selection process after the submission of applications closes on 10 July 2020. The selected candidates in the 6 areas of speciality: a) International Trade in Services Statistics b) Data Quality Assurance and Dissemination Standards c) Management of Contingent Liabilities d) Local Currency Bond Markets e) Insurance Regulation and f) Fintech and Financial Inclusion, will undergo 18 months of rigorous training, mentoring and research before they graduate as MEFMI Fellows.

On his accreditation, he led risk-based supervision implementation missions in Uganda, Swaziland, Malawi, Zambia, Botswana, Liberia, Ethiopia, Eritrea and Namibia. He played a critical role in assisting central banks to develop bank supervision regulations, guidelines and manuals. He also mentored bank supervision staff, managers and MEFMI Candidate Fellows, most of whom are now senior regulators in the region. He was well respected in the region for his commitment and passion for regulatory issues and was a good ambassador for MEFMI.

In his own words Norman said this about the Fellows Development Programme;

"Joining the MEFMI Fellows Development Programme was a life changing experience and one of the best decisions in my professional career. The training I received and the exposure I got as well as the networks I created have taken me to the dizzy heights of my career since graduating in 2000.

I owe MEFMI, and its dedicated staff, a debt of gratitude for the intensive and rigorous customised training program I went through.

Mr. Bob Dobie, Senior Vice President of the Federal Reserve Bank of Philadelphia, was my mentor. He facilitated my training in the USA, Europe and Africa where I was attached to six (6) Central Banks.

The Fellowship created a wonderful serendipity. Within a few months after graduating from the programme, I was promoted to the position of Manager responsible for On-site Supervision of Banks in 2001. Subsequently, I was to become the Director and Registrar of Banking Institutions at the Reserve Bank of Zimbabwe from 2004 to February 2020. I managed to accumulate a wealth of experience and friends across the region working with MEFMI during my 28 years at the central bank as well as the three (3) years I spent as Head of Risk with a regional investment bank.

I got plenty of opportunities to be involved in many bank supervision capacity building activities in my own institution and the region, including developing regulatory policies and laws, resolution of problem banks, risk development of financial infrastructure, as well as spearheading the development and implementation of a financial inclusion strategy.

The Fellowship training also opened the door to the opportunities I had such as rendering technical assistance and training to several African central banks in East, West, and Southern Africa under the IMF and MEFMI as a short term expert. Under MEFMI, in particular, I facilitated at various workshops on bank supervision, corporate governance, risk management, corporate restructuring and risk-based supervision of banks, among others.

Notwithstanding the exciting career I have had over the years, in February 2020 I decided to drop the supervisory wand in order to tighten my grip on family enterprises. As some of you would know, my other passions are in the tourism, construction and farming sectors. However, I am convinced I shall continue to interact with the MEFMI community, as always, in a fruitful and productive manner. Also, I advise anyone interested in pursuing excellence in their career at either the central bank or the Ministry to join the MEFMI Fellowship Program. You will not regret it!"

May his dear soul rest in peace.



**Gail Makenete - MEFMI Accredited Fellow:
Second Deputy Governor, Central Bank of Lesotho**

I was nominated by my Governor at the time, Mr. A.M. Maruping, to take part in the Fellows Development Programme upon inception of the predecessor to MEFMI, which was ESAIDARM, in 1994 and I was accredited in 1999.

At the time, ESAIDARM focused on debt and reserves

management only and I was admitted as a Candidate Fellow in Reserves Management. My area of specialisation was Back Office Operations, because of my qualifications in accounting.

I qualified as one of the first group of ESAIDARM Fellows in Reserves Management, with others such as Mr. Elias Kasozi (Uganda) and Mr. Bigboy Masoso (Zimbabwe). We received extensive training in presentation skills and were attached at major central banks like De Nederlandse Bank (DNB). We also had international mentors to guide us through the programme. My mentor was from DNB.

Upon graduation, I was assigned to facilitate many workshops in reserves and debt management alongside international and regional experts, which helped me gain invaluable experience. Further to this, I was a member of several in-country missions in MEFMI member countries such as Uganda, Tanzania and Malawi. I remember that as a SWIFT operations specialist, I assisted a few central banks in the region in this area.

I joined the Fellows Programme while I was the Head of Reserves Management Division of the Central Bank of Lesotho. I went up the ranks to the position of Head of Department from 2000 to 2011. I was subsequently appointed Second Deputy Governor of the Bank in 2012, a position which I continue to hold to date.

In my opinion, the Fellows Development Programme is very well intended, as it serves to produce regional trainers of trainers. It provided many Fellows a platform to share knowledge and skills. The fact that Fellows are also able to co-host workshops with international facilitators, further sharpens skills.

I believe in the value of the Fellows Programme and would wish MEFMI and all client institutions would continue to support it.



Meet Austin Chiumia, MEFMI Accredited Fellow Principal Economist-Reserve Bank of Malawi

I am a Principal Economist, responsible for Macroeconomic Modelling in the Economic Policy Research Department in the Reserve Bank of Malawi (RBM). I hold a PhD in Economics obtained in December 2017 from the Witwatersrand University, South Africa. I am an Accredited MEFMI Fellow in Monetary Policy Management. I joined the MEFMI Fellowship program in 2013 after having worked with the RBM for 13 years. After two years of intensive work, I became a Graduate Fellow in July 2015. I immediately embarked on the accreditation Program and I became an Accredited Fellow in July 2017.

Several things have kept me afloat; my family, which endures my lengthy work hours as I try to balance official work, MEFMI assignments as well as research. Secondly, I owe it to my Superiors who considered my area of expertise and placed me as a Principal Economist, responsible for Macroeconomic Modelling in May 2018; a position which I hold to date. Third, for the MEFMI Fellowship I selected an area which was of great interest to myself and which is also an area I am practically working on, on a daily basis. Fourth, I owe it to MEFMI. Between 2015 and now, I have developed a lot of MEFMI learning material and delivered many trainings in modelling and forecasting, as well as in monetary policy analysis. These have enhanced my ability to provide firm technical advice to the authorities.

What lies ahead for me is more work, more opportunities for growth but also more challenges! As a Fellow, one works

more like an academic. As one progresses in age and career, competing demands set in, putting speed bumps in one's professional growth path. Therefore, awareness of the changing environment and recalibration of activities through careful re-prioritisation becomes key.



Nebson Mupunga (PhD) -MEFMI Accredited Fellow Deputy Director, Economic Policy and Research Division- Reserve Bank of Zimbabwe.

I joined the MEFMI Fellows Development Programme in 2009, specialising in Sovereign Risk Analysis and Modelling under MEFMI's Debt Management Programme. I graduated as a MEFMI Fellow in 2011 and received the MEFMI Fellows Accreditation status in 2015.

The MEFMI Fellows Development Programme has greatly improved my analytical capacity in my day to day work and knowledge on public debt management issues. Following graduation, MEFMI has engaged my services on several occasions as a Consultant in regional and in-country workshops, including joint Missions with the World Bank on Medium Term Debt Strategy (MTDS) and Debt Sustainability Analysis (DSA). This opportunity has improved my understanding of the dynamics of regional economies and best practices in public debt management, which I have also applied and offer as advice to my country authorities as part of my day to day duties.

More important, the Programme has also enhanced my research capacity including writing skills, which enabled me to advance my academic qualifications to PhD Level with a thesis deriving from my MEFMI Fellows Development Programme technical paper. The training has also assisted me to author several papers in public debt management which have been published in peer-reviewed Journals and research

findings presented at various international conferences. I, therefore, encourage MEFMI to continue with the Fellows Development programme, which I personally equate to a research-based Masters Degree that prepares candidates to undertake independent research work with minimal supervision.



Ms Tiyamika Kanthambi- MEFMI Graduate Fellow Assistant Director, Debt and Aid Management Division - Ministry of Finance, Malawi

Ms Kanthambi was accepted into the MEFMI Fellows Development Programme (FDP) in 2013 and graduated as a MEFMI Graduate Fellow in 2015. Her area of specialisation is public debt data transparency. Prior to her graduation, the

FDP exposed her to a range of trainings in compilation of public debt statistics. In addition, Ms Kanthambi underwent Facilitation and Consulting Skills training which was co-facilitated by MEFMI and the East & Southern African Management Institute. The mentoring component of the FDP allowed Ms Kanthambi to learn more from her experienced Mentor. Through the FDP, Ms Kanthambi has been able to sharpen her skills in compilation and dissemination of public debt statistics as evidenced by her lead role in producing and publishing public debt reports for Malawi. Currently, Ms Kanthambi is championing debt data validation process as Malawi prepares to migrate from Commonwealth Secretariat Debt Recording and Management System to Commonwealth Meridian.

As a MEFMI Fellow, Ms Kanthambi has been privileged to participate in MEFMI's Regional Trainings on Public Sector Debt Statistics and In-Country trainings as a Resource Person. She has also been involved in Debt Data Validation Missions. With her expertise, Ms Kanthambi has also been engaged by other debt offices beyond the MEFMI Region such as from Sudan and Somalia. Ms Kanthambi finds her MEFMI Fellowship experience financially rewarding and knowledge enriching.

Governance Meetings Held

During the period under report, the 20th Finance and Audit Committee met via video-conference. The meeting was attended by members from Botswana, Kenya, Uganda, Zambia, Zimbabwe and the Secretariat. The Finance and Audit Committee is tasked with overseeing the audit process, financial reporting process, risk management and internal controls in accordance with MEFMI's values and financial procedures. During these meetings, the Committee recommended to the Executive Committee (EXCOM) proposals that were made by Management to implement strategies for business continuity in the face of COVID-19 pandemic. The Committee also reviewed operational manuals of the Institute.

In accordance with MEFMI corporate governance, Management holds a minimum of one (1) monthly meeting to assess progress in implementation of work plans, as well as to ensure that focus on MEFMI's core business of capacity building is adhered to. Management held 16 meetings in the first half of 2020. All meetings were chaired by the Executive Director and attended by MEFMI Directors. These meetings, among others, explored strategies for business continuity in the face of COVID-19 pandemic and review of operational manuals.

Plans for Q3 2020

In light of the global pandemic, MEFMI will continue to leverage on technological innovations to deliver its capacity building activities online through e-learning. In this regard, MEFMI plans to undertake the following capacity building activities in the third quarter of 2020:

- | | | | |
|------|--|--------|--|
| i) | E-Learning Courses on; | e) | Digital Financial Services and COVID-19 |
| a) | Regulation of Securities Markets | f) | Central Banks Reserves Management during a Global Pandemic |
| b) | Impact of COVID-19 Crisis on Reserves management | g) | Implications of COVID-19 on Debt Restructuring. |
| c) | Pensions and Pandemics | vi) | Finalise the re-design and development of the Private Capital Monitoring System (PCMS). |
| d) | Domestic Debt Management and Local Currency Bond Market Development | vii) | Finalise the review and update of the MEFMI Public Expenditure and Financial Management, PEFM (2008) Handbook. |
| e) | International Sovereign Bonds Issuance | viii) | Finalise the development of the Financial Programing and Policy Manual. |
| f) | Debt Sustainability Analysis for Low Income Countries | ix) | Conclude revision of the RMF Conduct the 8th Bi-annual Performance Review |
| g) | Medium Term Debt Management Strategy | x) | Conduct staff training in monitoring & evaluation |
| h) | Introduction to International Trade in Goods and services (offered also in Portuguese) | xi) | Conclude the recruitment of the 11th Cohort of Fellows |
| i) | Introduction to Monetary and Financial Statistics (offered in Portuguese) | xii) | Review and redesign policies and documents for the governance of ICT to incorporate work from home guidelines and procedures |
| j) | Cyber Financial Security in the Financial Services Sector. | xiii) | Progressive training for remote working tools |
| ii) | Joint MEFMI/IMF AFRITAC South online Seminar on Fiscal Risks Analysis & Management under COVID-19. | xiv) | Three (3) Management Meetings to be held virtually |
| iii) | Online User Training Workshop on the MEFMI Private Capital Monitoring System (PCMS). | xv) | 54th EXCOM Meeting to be held virtually |
| iv) | Workshop on Orientation and Research Workshop for 11th Cohort of Fellows. | xvi) | 21st Finance and Audit Committee Meeting to be held virtually |
| v) | Webinar on; | xvii) | 24th Board of Governors Meeting to be held virtually |
| a) | Role of Capacity Building Institutions during the COVID-19 pandemic | xviii) | Staff Training in Result Based Budgeting and Enterprise Risk Management. |
| b) | Impact of COVID-19 on the External Sector | | |
| c) | Macroeconomic Statistics and COVID-19 | | |
| d) | Implications of COVID-19 on Domestic Bond Markets and Policy Response | | |

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