

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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This bulletin highlights the activities conducted by the Institute during the first quarter of 2021. MEFMI is committed to continuously improve its relevance through providing capacity building services in areas which are demanded by client institutions. The Institute is devoted to delivering these services in a manner which highly impacts these services in a manner which highly impacts the targeted audience by, among others, enhancing its delivery modes to suit the current COVID-19 environment. MEFMI recognises the critical role of building capacity in macroeconomic and financial management and the adoption of appropriate tools and frameworks to improve the quality of financial and macro-economic statistics, policy analysis and strengthen legislative and institutional frameworks for financial and macroeconomic management.

The immediate outcome of MEFMI interventions is increased awareness and knowledge in macroeconomic and financial management in member countries as well as the adoption of manuals/tools/systems/frameworks that foster best practices in member countries.

During the first quarter of 2021, MEFMI continued addressing client institutions' capacity building needs as outlined in its Phase V (2017-2021) Strategic Plan, as well as emerging needs, especially those induced by the COVID-19 pandemic. The Institute continued to deliver capacity-building activities through virtual channels, building on the progress achieved in 2020. The use of Zoom videoconferencing by MEFMI staff facilitated online meetings, for administrative effectiveness and webinars for programme delivery.

In a continued effort to address the language barriers and increase participation of Lusophone member countries (Angola and Mozambique) in MEFMI's capacity building activities, the Institute offered the courses on Building Resilience to Natural Disasters and Climate Change in Southern-Africa and West Indian Ocean Region in Portuguese. The activities conducted by the Institute during the quarter are synthesised below.

1. Regional workshop on Quarterly National Accounts

MEFMI conducted a regional workshop on Quarterly National Accounts (QNA) in collaboration with the IMF AFRITAC West-2, and the West African Institute for Financial and Economic Management (WAIFEM). The activity, which was attended by 72 participants, enhanced capacity on basic compilation methods for quarterly Gross Domestic Product (GDP) estimates. It also covered indicator selection, benchmarking techniques, as well as price and volume decomposition. The workshop also took a step-by-step approach to guide participants in preparing quarterly GDP and selecting a suitable quarterly indicator. The process of how to benchmark the quarterly indicator to the annual aggregate, and how to assess the reliability of quarterly GDP estimates were also demonstrated. Participants are expected to use the knowledge from the workshop to collect, compile, and disseminate quarterly GDP estimates in-line with international standards to inform better policy, particularly in member states where such data is lacking.



2. Virtual seminar on building resilience to natural disasters and climate change

In collaboration with the IMF AFRITAC South (AFS), MEFMI conducted a virtual seminar on building resilience to natural disasters and climate change in Southern-Africa and West Indian Ocean Region. The activity, which was attended by 45 participants from ten (10) MEFMI member countries and four (4) non-member countries, focused on strengthening participants' understanding of challenges arising from natural disasters and climate change, share experiences and create awareness on strategies to manage natural disaster and climate change risks. It also supported countries that sought to undertake climate change policy assessments, to determine readiness of their policy frameworks to respond to climate change events. The seminar increased awareness and knowledge in natural disasters and climate change management. Officials are expected to apply the knowledge from the seminar to improve resilience to natural disasters and climate change in their respective countries.



3. MEFMI member states trained on model-based monetary policy analysis and forecasting

MEFMI in collaboration with the International Monetary Fund (IMF) Institute for Capacity Development (ICD) trained 35 participants from 8 MEFMI member states on the model-based monetary policy analysis and forecasting. The training took participants through the process of implementing a simple New Keynesian canonical quarterly projection model (QPM) using the IRIS toolbox of the Matlab software. The course explained the key building blocks of the QPM and trained participants on how to interpret

the key model equations from the macroeconomic point of view. Participants also distinguished the key elements of a QPM in a state-space form as well as identified the necessary codes for data transformation, filtration and evaluation of the QPM properties. The model, which approximates the behaviour of the inflation-targeting central bank was also used to generate forecasts and analyse various scenarios, including the COVID-19 economic shock. With the knowledge acquired, the officials are expected to internalise the technical skills from the course and apply them to improve monetary policy analysis in their respective countries.



4. MEFMI supports Botswana to develop a procedures manual for public debt management

MEFMI supported the Ministry of Finance of Botswana to develop a procedures manual for public debt management. The manual, which outlines detailed processes for conducting public debt management operations aims to support effective debt management. In addition, it aims to preserve institutional memory as well as to mitigate operational risk.



5. MEFMI PCMS Redesigned

MEFMI is redesigning its Private Capital Flows Monitoring System (PCMS) and the process is expected to be completed during the second quarter of 2021. The revamping of the system was driven by the need to meet the emerging needs of users while incorporating technological advancements. The aim is to roll out a more robust system to member countries, and beyond.



6. Kenya processes 2020 foreign investment survey data using PCMS

MEFMI also supported the Government of Kenya to process its 2020 foreign investment survey data using the Private Capital Flows Monitoring System (PCMS). The support benefited 26 officials who were trained on BPM6 concepts relating to the compilation of this data, the interpretation of financial statements for data validation and the use of the PCMS. The mission also reviewed the new survey questionnaire adopted by the Kenya National Bureau of Statistics (KNBS), and identified gaps in various sections and made recommendations for improvement. A conversion template which aligns the new questionnaire to the PCMS table structure to ease the data capture process was also created. In addition, the mission undertook validation of the captured survey data, highlighted all data inconsistencies and provided guidance on various areas for further follow-up. Overall, this technical assistance mission is expected to lead to effective reporting of the survey data into Kenya's Balance of Payments and International Investment Position (BOP/IIP).



7. MEFMI macroeconomic manuals under review

Work is underway to finalise the Financial Programming Policy Manual, as well as review and update the Public Finance and Expenditure Manual (PEFM, 2008).



8. Webinars raise awareness on existing methodologies for measuring Illicit Financial Flows

MEFMI also hosted webinars aimed at providing support to member countries' efforts to address the economic challenges caused by the COVID-19 pandemic. Specifically, the Institute collaborated with AFRODAD to deliver two (2) webinars on Illicit Financial Flows and Debt in Africa amidst the Covid-19 pandemic respectively. Among other outcomes, the webinars raised awareness on existing methodologies for measuring Illicit Financial Flows (IFFs). An ongoing UN project to support African countries in estimating and disseminating IFFs was highlighted. The webinars further discussed the challenges and strategies for prudent debt management and curbing of IFFs by policymakers and legislators.



9. Uganda receives guidance in developing PFS

MEFMI undertook consultancy work to develop a Public Investment Financing Strategy (PIFS) for the Government of Uganda. The PIFS aims to provide strategic guidance about various public and private financing options that can be mobilised to realise the country's National Development Plan III and Vision 2040 objectives. The first draft of the Strategy was submitted to the Government of Uganda for review.



10. E-Learning course on Combating Money Laundering

The Institute conducted an e-Learning course on Combating Money Laundering. The course drew 71 participants from ten (10) member states namely Angola, Botswana, Eswatini, Malawi, Mozambique, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe as well as one (1) non-member country (Seychelles).



11. Member countries trained in effective structured trade finance transactions

An e-learning course on Structured Trade Finance was attended by 43 participants, from three (3) MEFMI member countries, namely Malawi, Tanzania and Zimbabwe. It is expected that the participants will use the skills gained to effectively structure trade finance transactions while managing their risk exposure and avoiding related common pitfalls.



12. MEFMI develops content for the Bank of Zambia Gender and Transformative Leadership course

The BDU continued working on developing content on Gender and Transformative Leadership for the Bank of Zambia (BOZ). The training is expected to further enhance the buy-in of gender mainstreaming of the bank's operations and its leadership role in the banking industry.



13. 9th bi-annual performance review meeting held

As an integral part of M&E undertakings, MEFMI conducts programme performance reviews bi-annually. The 9th bi-annual performance review meeting was conducted in March 2021 to ascertain the extent to which the planned activities in the second half of the 2020 work plan were conducted and whether the 2020 annual targets were achieved. The meetings also provided an opportunity to identify challenges faced and achievements during the review period, and draw lessons from them. The outcome of the bi-annual performance review also formed the basis for the preparation of the 2020 M&E report.



14. MEFMI Develops Phase VI Strategic Plan

The Secretariat embarked on the process of developing the Phase VI Strategic Plan (2022-2026), which saw Programmes and Departments undertaking brainstorming and consultation workshops to determine the capacity gaps in member countries. These informed the design of strategies and key interventions to guide the Institute in Phase VI. A draft MEFMI Phase VI Strategic Plan document was produced and presented to the MEFMI Executive Committee in March 2021.



15. Administrative effectiveness

Consistent with good corporate governance principles, MEFMI operates on a three (3) -tier governance structure comprising of a Board of Governors, an Executive Committee, and a Secretariat. The Board sets the broad policy and strategic direction of MEFMI, while the Executive Committee is charged with oversight responsibility of the activities of MEFMI. The Executive Committee operates with the support of a sub-committee, the Finance and Audit Committee. Both EXCOM and the Finance and Audit Committee held virtual meetings in March 2021. Management also held four (4) meetings during the period January to March 2021.



Meet some of the MEFMI Fellows



Mr. Innocent Madziva, MEFMI Graduate Fellow

I was accepted into the MEFMI Fellows Development Programme (FDP) in 2015. My area of specialisation is Natural Resources Management, and I graduated as a MEFMI Fellow in March 2019. The MEFMI FDP provided me with one of the most exciting and rewarding experiences of my career so far. I emerged from FDP with a different way of thinking and approach to my work and life. The MEFMI FDP offered me extensive professional development opportunities. I gained a lot

My mentor, Professor Odd-Helge Fjeldstad, helped me in a great way to stay focused on my career. I now have a tremendous amount of faith in myself and my abilities because of his encouragement. I also took advantage of his transformative international experience to gain new skills which I apply in my workspace.

The FDP also offered me the opportunity and space to think in an intellectually challenging environment, offering fresh perspectives and the chance to step back and see the bigger picture. This tenancy resulted in me getting promoted at work as well as being appointed to a parastatal board for two consecutive terms.



Mrs Adeline Mukashema, MEFMI Graduate Fellow

I joined the MEFMI Fellows Development Programme (FDP) in 2013 and graduated as a MEFMI Graduate Fellow in 2015. My area of specialisation is Payment and Securities Clearing and Settlement Systems. Prior to my graduation, the FDP exposed me to a number of trainings about payment and settlement systems.

The mentoring component of the FDP allowed me to learn more from my experienced Mentor, Mr Kennedy Komba. The MEFMI Fellows Development Programme has greatly improved my analytical capacity in my day-to-day work and knowledge on payment and settlement systems issues as evidenced by the papers I recently wrote.

As a MEFMI Fellow, I have been privileged to participate in MEFMI's Regional Trainings on Payment and Settlement Systems and in-country training activities as a Resource Person. In my opinion, my experience as a MEFMI Fellow is financially rewarding and knowledge enriching. The FDP is very helpful to the region, as it serves to produce regional trainers of trainers. It provides Fellows with a platform to sharpen professional skills with hands-on experience, international exposure, growing leadership skills, and getting a career boost.

I really believe in the value of the Fellows Programme and would urge MEFMI and all client institutions to support its sustainability and growth with more beneficiaries.





Mr. Fraser Harrison Mdwazika, Accredited MEFMI Fellow

I started the MEFMI Fellows Development Programme in 2004 specialising in Payment, Clearing and Settlement Systems and graduated as a MEFMI Fellow in 2007 and got accredited in 2010.

The Fellows Programme sharpened my analytical skills and created a wealth of knowledge demanded by my day-to-day work at the Reserve Bank of Malawi. Within a few months after

Besides my area of specialization, the training enhanced my project management, presentation as well as negotiation skills which in turn increased my ability to provide firm technical advice and leadership to various organs that were responsible for implementing payment systems infrastructural transformation initiatives in Malawi. For instance, these skills were very relevant in the implementation of the Automated Transfer System, Central Securities Depository, the National Switch, the Automated Trading System for Malawi Stock Exchange and the Microfinance Transactions Processing Hub, all of which were funded by the World Bank under the Financial Sector Technical Assistance Project (FSTAP). The technical, as well as leadership skills, have also expanded my ability to head a number of specialised task groups, inter alia, the National Taskforce on Electronic Payments and the National Digital Financial Identity initiative.

My job involves maintaining a sound and robust national payments infrastructure in which digital financial services become increasingly acceptable by the general public. Besides payments infrastructure, I also spearhead the development and implementation of an enabling legal and regulatory framework for payment systems innovation to



Mr. Johnson Nyella, Accredited Fellow

I joined the MEFMI Fellows Development Programme (FDP) under the Macroeconomic Management Programme in 2003 and received my accreditation in 2007. Ever since, I have worked at the Bank of Tanzania in various senior positions, including Manager in the Department of International Economics, Director of Economic Research and Policy, and Senior Advisor in the Governor's Office.

I have also authored and co-authored in various areas including Financial Programming, Monetary Policy and Financial Stability. The FDP has enabled me to provide capacity building services in several areas, including Macroeconomic Analysis and Policy Management, Financial Programming, Monetary Policy, National Accounts, Government Finance and Flow of Funds.

Currently, I am pursuing my PhD studies with research interest in the rise of mobile money and its implications on monetary policy.





Mr. Frank Chikuta, MEFMI Accredited Fellow

I joined the Fellows Development Programme in 2009 and proceeded to graduate in July 2012. I became an Accredited Fellow in July 2017, specializing in Public Domestic Debt Sustainability Analysis, in the Debt Management Programme. I have over 20 years of experience in central banking, having joined the Reserve Bank of Malawi in 1998 where I worked on the Primary Issuance Desk for Government Securities in the Financial Markets Department. I also worked as a Domestic Financial Markets Dealer before moving to the Research and Statistics Department to work as Senior Economist Debt Analysis, responsible for analyzing and reporting on public debt, maintaining the debt database in CS-DRMS and spread-sheets, and coordinating debt

In 2016, I was promoted to the position of Manager, Communication and Protocol, responsible for communication of monetary and financial policies, among other responsibilities. Before joining the Economics Association of Malawi as its Executive Director, I had worked as Manager Fiscal Operations in the Banking Department of the Reserve Bank of Malawi.

The Fellows Development Programme has been very instrumental in my professional development and career progression. Mostly, I appreciate the research methods, facilitation and consulting skills which I acquired through the Programme. number of domestic, regional and international groupings.



Editorial comments and contributions to MEFMI Bulletin should be directed to: Gladys Siwela
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Our Values: ► Accountability ► Teamwork ► Responsiveness ► Integrity ► Professionalism



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