



# Regional Multidisciplinary Centre of Excellence



The **Regional Multidisciplinary Centre of Excellence (RMCE)** is a regional initiative driven by the **Government of Mauritius**, and developed in consultation with the **EU** and World Bank as well as regional blocs, namely **COMESA**, **SADC** and **IOC** member states.

The purpose of the RMCE is to build capacity to formulate and implement regional economic development strategy and policy within the countries of the Region encompassing the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Indian Ocean Commission (IOC), the Inter Governmental Authority on Development (IGAD) the Southern Africa Development Community (SADC) and the Small States Network for Economic Development (SSNED).



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# List of Abbreviations

<b>RMCE</b>	Regional Multidisciplinary Centre of Excellence	<b>MMF</b>	Macroeconomic Management and Financial Sector Issues
<b>COMESA</b>	Common Market for Eastern and Southern Africa	<b>FMA</b>	Financial Market Analysis
<b>IOC</b>	Indian Ocean Commission	<b>AM</b>	Action Matrix
<b>IGAD</b>	Inter Governmental Authority on Development	<b>IIAG</b>	Ibrahim Index of African Governance
<b>SADC</b>	Southern Africa Development Community	<b>PEFA</b>	Public Expenditure Framework Analysis
<b>SSNED</b>	Small States Network for Economic Development	<b>CABRI</b>	Collaborative Africa Budget Reform Initiative
<b>APEI</b>	Accelerated Program for Economic Integration	<b>ADB</b>	African Development Bank
<b>REI</b>	Regional Economic Integration	<b>EDB</b>	Ease of Doing Business
<b>FDI</b>	Foreign Direct Investment	<b>RECs</b>	Regional Economic Community
<b>PFM</b>	Public Financial Management	<b>AFD</b>	Agence Française de Développement
<b>MTEF</b>	Medium Term Expenditure Framework	<b>UNSD</b>	United Nations Statistics Division
		<b>USAID</b>	United States Agency for International Development
		<b>ECA</b>	Economic Commission for Africa

## Background

The **Regional Multidisciplinary Centre of Excellence (RMCE)** is a regional initiative driven by the **Government of Mauritius**, and developed in consultation with the **EU** and **World Bank** as well as regional blocs, namely **COMESA, SADC** and **IOC** member states.

## Rationale and Purpose

The purpose of the **RMCE** is to build capacity to formulate and implement regional economic development strategy and policy within the countries of the Region encompassing the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Indian Ocean Commission (IOC), the Inter Governmental Authority on Development (IGAD), the Southern Africa Development Community (SADC) and the Small States Network for Economic Development (SSNED).

The aim of the **RMCE** is to create a world class intellectual resource supporting the process of regional economic integration (REI) in African countries and the Small States on a sustained basis. REI is an area of policy that is rapidly gaining importance as Africa searches for greater integration, as reflected not only in the Continent-wide organizations such as the African

Union, but in the establishment of a number of Regional Economic Communities. Up to now the topics of REI have been partially and sporadically covered in some Regional Institutions and at National level, but the **RMCE** will bring the whole body of knowledge and experience together and act as an informational and advisory centre and a catalyst for the building of capacity in this area.

The **RMCE** serves as a forum for dialogue serving as a capacity building and expertise hub for the COMESA, EAC, IOC, IGAD and SADC regional development agenda.

## The RMCE's Value Added

*The RMCE provides the only coordinated centre for regional-level training and advisory services in regional economic integration in Central-Southern Africa.*

There is a widely agreed need to further strengthen economic policy and management capacity in the region, supported by numerous studies and reports by international organizations, including NEPAD and the World Bank. The **RMCE** provides a coordinated centre for regional-

level training and advisory services in regional economic integration in Central-Southern Africa. Secondly, by centralizing knowledge and expertise the **RMCE** intends to become an authority on the complex strategy and evolution of the RECs, issuing analyses and advisory reports at top level to REC secretariats and Government departments on key integration concerns and strategies.

## Services

Although training areas would cover all public sector capacity building needs of the region, the focus would be on improving Member States' professional capacity for addressing issues of Regional Economic Integration (REI) in five core areas of common regional concern:

- macroeconomic management
- trade and transit
- cross-border finance
- business development and investment
- common sectoral policies

The scope of services to be provided by the **RMCE** will include two main categories:

- a) Training (Short courses, workshops, seminars & conferences) and
- b) Advisory, consulting and information services.

The **RMCE** is proposed as a short-term professional upgrading centre, with a small in-house staff, relying on significant outsourcing of training. Thus, cooperation and exchange with other institutions is of special importance.

## Regional Economic Integration

The area of REI covers a broad but specialized field. It includes macroeconomic policy – fiscal and monetary harmonization, trade and transit regulations, agreements and logistics, cross-border/ trade finance and payments; business development and investment promotional institutions and regulatory systems. It also includes sector policies where they have cross-border impact, especially common interests in infrastructure (power, water, roads, telecommunications) and also in sectors such as agriculture, industry and tourism where common approaches are needed. The area of REI would also encompass common responses to global concerns such as climate change, the environment, health governance and human development issues.

## Advisory Committee

Advisory Committee consists of members appointed by the Board, and may include representatives of countries eligible for training at the **RMCE**. The Advisory Committee will advise the **RMCE** on general training policies and programs.

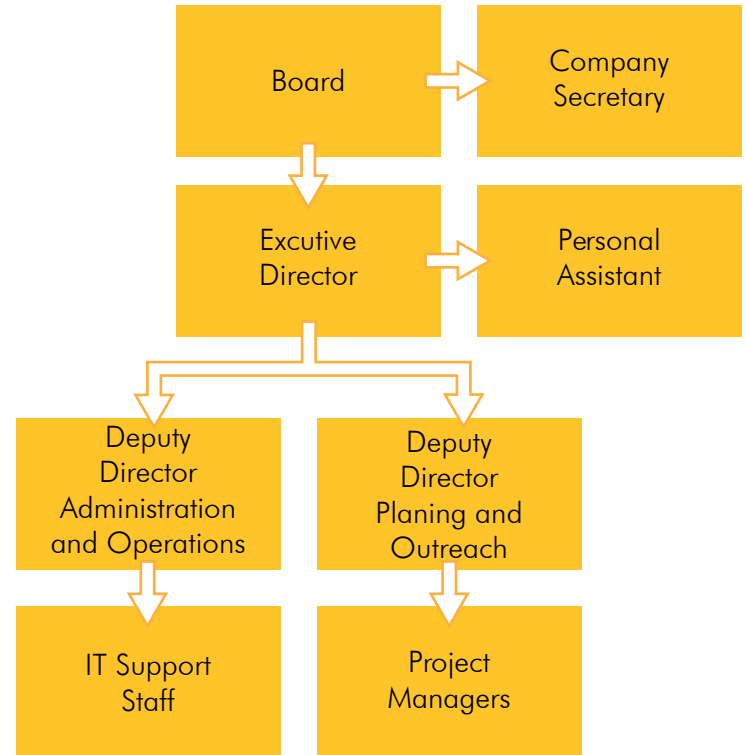


## Funding

To ensure demand driven funding, the bulk of **RMCE** income is planned to come through revenue for training places, conference and advisory services, rather than through subscriptions or general funding. The main sources of funding are expected to include donor agencies, member Governments' budgets, REC Secretariat budgets and private firms.

The Mauritian Government is currently working with various partners, bilateral and multilateral to mobilize support mainly in terms of international resource persons to assist in the delivery of training programmes and funds for meeting participation costs (travel and subsistence) of regional participants.

## Organigram of RMCE



# RMCE activities held from period 2010-2012

## Seminar on Economic Statistics

(6-9 July 2010)

**Counterpart: ECA/UNSD**

During 2010, the **RMCE** has been acting as main organizer in a series of regional integration activities in Africa.

Indeed, after agreement during the first Board meeting in September 2010, the first **RMCE** program focussed on improving the ease of doing business in Eastern and Southern Africa. With this purpose, the **RMCE** has partnered with the World Bank in the organization of the First Steering Committee meeting to launch the programme and decide on the implementation roadmap for a first 3-year phase.

*The boxes below describe the events in which the **RMCE** has participated since June 2010 to June 2012.*

### **Objective/Description:**

This seminar, organized by ECA/UNSD reviewed the UNSD programme on economic statistics for African countries. The participating countries reviewed the practices in compilation of statistics, such as the establishment of a business register, and the challenges to the adoption of new methodologies.

# Workshop: Competitiveness Strategies with special reference to the African and Indian Ocean Small States

*(15-17 November 2010)*

**Counterpart: Commonwealth Secretariat,  
Small States Economic Development network**

## **Objective/Description:**

The organizers of the workshop were the Commonwealth Secretariat, the Small States Network for Economic Development, and the **RMCE**. The **RMCE** participated actively in the organization and funded part of the costs of the workshop. The workshop brought together experts in Competitiveness issues and senior public officials from African and Indian Ocean small states to deliberate on the challenges they face as small states in matters relating to competitiveness and to draw lessons from more mature institutions that could contribute to improvements in their institutional design and competitive advantage.

- Identification of the important contribution that foreign direct investment (FDI) can bestow on a small state in its attempt to build and sustain competitiveness and economic development, and the importance of carefully appraising investment to ensure the provision of benefits to the host countries.
- The workshop was aligned with one of the regional and economic core areas covered by the **RMCE** project, namely, vulnerabilities characteristics in small island and landlocked states. Equally important, the area of competitiveness was the step forward of the **RMCE** project on improving the ease of doing business.

# Benchmarking, Peer Learning and Study Tours to Mauritius

**Counterpart: Botswana, Burundi, Zanzibar, Mauritania, Malawi**



## **Objective/Description:**

Mauritius has achieved great performance in economic and governance indicators in 2009 and 2010. Being one of the few upper middle income countries in Africa, with a GDP growth of 4.2% in 2010 up to a per capita level of \$7,600 in 2010, the country economic performance is backed by the strong development of the private sector and good indicators in governance, anticorruption and human development indicators.

Because of this successful performance and of the availability of the Government of Mauritius to open the doors of private and public institutions and offer examples of their practice, many African governments are applying for learning visits targeted to benchmarking exercises in several areas, and more general peer learning on the particular functioning of institutions and of implementation of the rule of law. The Public Financial Management (PFM) and Medium Term Expenditure Framework (MTEF) and **RMCE** have participated in some of these bilateral visits with a purpose of general presentation of the centre to the visiting countries.

**Outputs:**

- **19-23 July 2010** - Visit from Botswana Delegation: Legal benchmarking Exercise. During this visit, two senior officials from the Botswana Attorney-General's Chamber and one senior legal official from the Ministry of Trade and Industry, were introduced to four Mauritian Ministerial sections, the Mauritian Board of Investment, the Mauritian Attorney General's Office and the Law Reform Commission. The **RMCE** was presented to the Botswana delegation during the opening session.
- **14-21 August 2010** - Study Tour from Burundi delegation. The study tour was organized and funded by a USAID programme in collaboration with Harvard University. The study visit focused on civil service reform and improvement of business environment to attract private investment. The **RMCE** was presented in the opening session highlighting the intention to launch a regional program to improve the business environment.

- **23-30 August 2010** – Joint Study Tour by Cameroon and Zanzibar delegation. This study tour was organized by the visiting countries and focused on the exploration of Mauritius Public Finance and resource allocation process. The presentation of the **RMCE** during the opening session consisted in a general overview.
- **25-29 May 2013** – Visit from Mauritanian Delegation

**Objectives:**

To share the Mauritian experiences in the free zone sector in the framework of the investment promotion in Mauritania.

- **10-14 June 2013** – Study Tour by Malawi Delegation

**Objectives:**

To learn and study the Mauritian experiences and practices in the financial development sector focusing on policy and regulatory frameworks.

# Regional Initiative to Improve the Ease of Doing Business in Eastern and Southern Africa

*(16-18 March, 2011 - Kigali, Rwanda)*

**Counterpart : World Bank, COMESA**

## **Objective/Description:**

The World Bank and the Regional Multidisciplinary Centre of Excellence (**RMCE**) launched during this meeting a regional initiative of improving the environment for Doing Business in Eastern and Southern Africa. The objective of the regional initiative was to support countries through peer to peer learning in designing and implementing policies that improve the business environment in their countries and ultimately increase their world share of investment and exports. The steering committee was made up of top performing and reforming countries, and the **RMCE** acted as the Secretariat with the support of regional and multilateral organizations. Participants of the meeting were as follows: the World Bank, the European Union, the African Development Bank, COMESA, IOC, the African center for Economic Transformation, the African Securities Exchange Association and NEPAD Business Forum.

## **Outputs:**

- Among them, the following event related to this initiative was a 3-day peer learning workshop held in March in Rwanda, hosting the event in its quality of top reforming country in the Doing Business areas covered by the initiative.

# Macro-Economic Management and Financial

*(Sector issues - April 11-22 2011)*

**Counterpart: IMF**

*9th - 15th June 2013*

## **Objective/Description:**

As important partnerships with the **RMCE**, the IMF Institute has agreed to partner with Government of Mauritius and the **RMCE** in the establishment of the African center for Economics and Finance as the IMF Institute training institution in Africa. The IMF Institute considers to discuss the training programs with regional stakeholders represented at the **RMCE** Board. The **RMCE** Board welcomes the initiative from the part of IMF Institute and Government of Mauritius as main supporters and is committed to engage in negotiations with development partners to financially support part of the training costs through the **RMCE**.

During April 2011, the Regional Multidisciplinary Centre of Excellence (**RMCE**) in collaboration with IMF Institute and support from the Government of Mauritius organised a course on Macroeconomic Management and Financial Sector Issues (MMF) in English and French from April 11–22, 2011. The regional course was held at the Grand Bay International Conference center, Mauritius. Participants were principally from Sub Saharan African countries and the workshop allowed a good interchange and sharing of experience. Opening of the workshop was made by Hon Arvind Boolell, Minister of Foreign Affairs and International Trade of

Mauritius. Experts were from the IMF Institute and the training sessions were led by Mr Marc Quintyn and Mrs Alina Carare respectively both from Washington DC, US. Participants were both from COMESA and SADC countries.

### **Outputs:**

Participants were both from COMESA and SADC countries and engaged in discussions throughout the course and were divided into small groups, under the direction of counsellors, to conduct workshop exercises aimed at solidifying their understanding of the lecture materials, and to make presentations on key policy issues of interest in their region. The course aimed at deepening participants' understanding of financial sector issues and their implications for macroeconomic management. It focussed on the main analytic and policy issues in the key macroeconomic sectors, described the formulation of the macroeconomic policies, and explained the main policy aspects of financial markets and their regulation. The course covered fiscal sustainability, frameworks for monetary policy, choice exchange rate regime, international capital flows.



*Hon Arvind Boolell, Minister of Foreign Affairs, Regional Integration and International Trade, Republic of Mauritius, with Mr Marc Quintyn and Mrs Alina Carare, IMF Institute*



# Workshop on Statistics of International Trade in services

*(24th-28th January 2011)*

**RMCE** in collaboration with IMF Institute and with the support of the Government of Mauritius organised a course on issues in economic and monetary integration which 27 delegates across 13 African countries/RECs attended. This 2 weeks course was taught in English and was held at Le Labourdonnais Hotel in Mauritius. Lectures and workshops on a wide range of topics including trade, economic, financial and monetary integration, the costs and benefits of the implementation process and political economy aspects of integration were held.

# Training sessions on the Chart of Accounts for Ministry of Finance, Seychelles

*(12th-16th July 2011)*

**RMCE** in collaboration with Accountant's General Office, Mauritius and Ministry of Finance and Trade, Seychelles organised a 3 days training sessions on the Chart of Accounts within the context of Public Financial Management reforms in Seychelles.

# Financial Market Analysis (FMA):

*23rd January - 3rd February 2012*

**RMCE** in collaboration with IMF Institute and the Government of Mauritius organised a course on Financial Market Analysis (FMA) for 27 delegates across 11 African countries. This 2 weeks course was taught in English and held at Grand Bay Conference Centre in Mauritius.

The FMA course succeeded in bringing together a diverse group of senior government officials, from Ministries of finance and Central Banks, to discuss key financial market instruments. Topics included bond pricing and volatility, duration and convexity, term structure of interest rates, equity pricing, asset allocation and diversification and value at risk. The goal was to provide participants with the necessary skills and understanding to design and implement financial policies aimed at enhancing their country's financial stability.

## **Outputs:**

- 27 delegates across 11 African countries were trained in this course.
- The FMA course succeeded in bringing together a diverse group of senior government officials, from Ministries of Finance and Central Banks, to discuss key financial market instruments. Topics included bond pricing and volatility, duration and convexity, term structure of interest rates, equity pricing, asset allocation and diversification and value at risk. The goal was to provide participants with the necessary skills and understanding to design and implement financial policies aimed at enhancing their country's financial stability.

# Regional Conference to improve the ease of doing business in Eastern and Southern Africa (EDB)

*(28th-29th March 2012)*

**RMCE**, the World Bank and the Government of Botswana (primarily through its Ministry of Trade and Industry) collaborated for a 3 day peer-to-peer learning event which was hosted by Botswana (primarily through its Ministry of Trade and Industry).

The Botswana peer to peer learning event was attended by thirteen countries: Botswana, Burundi, Comoros, DR

Congo, Kenya, Malawi, Mauritius, Mozambique, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. The total number of participants was 137. Three Ministers attended the event. Resource persons came from World Bank, IFC, and RMCE as well as from Ministry of Trade and Industry, Ministry of Justice (Attorney General), Central Banks, Registry of Companies, Revenue Authorities, Ministry of Land and Insolvency Units from participating government bodies. Resource persons also included a Federal Court of Appeals Judge from the United States, Registrar General of Land, New Zealand and an Insolvency attorney from South Africa.

## **Outputs:**

- A high number of government and private sector representative – 137 participants – shared knowledge and experiences and learnt from peers.
- Ease of Doing Business Indicators discussed were: Getting Credit, Resolving Insolvency, Registering Property and Enforcing Contracts. Delegates also participated in site visits in relation to these indicators. Each country delegation presented their action plans (13 country action plans) for the short, medium and long term on these topics.

- Findings on the impacts of the two pilot peer to peer workshops in Mauritius and Rwanda and a review of reform progress within that period were presented. A draft monitoring and evaluation framework was also presented.
- The third Ease of Doing Business Initiative (EDBI) Steering Committee was held alongside the EDB Conference and concluded with a commitment from South Africa to host the next EDB conference.
- Evaluation Feedback of the Activities: Out of 45 evaluation forms completed, 86% of delegates said their knowledge and skill as a result of this event increased significantly; 86% declared that the knowledge and skills obtained as a result of this event were highly relevant and valuable to their jobs/reform programs.
- General Feedback: Feedback received indicated the conference held were useful.



**Left:** His Honour, Lt. Gen. Mompoti Sebogodi Merafhe, Vice President of the Republic of Botswana and Member of Parliament for Mahalapye

**West Middle:** Honourable Dorcas Makgato - Malesu, Minister of Trade and Industry, Government of the Republic of Botswana

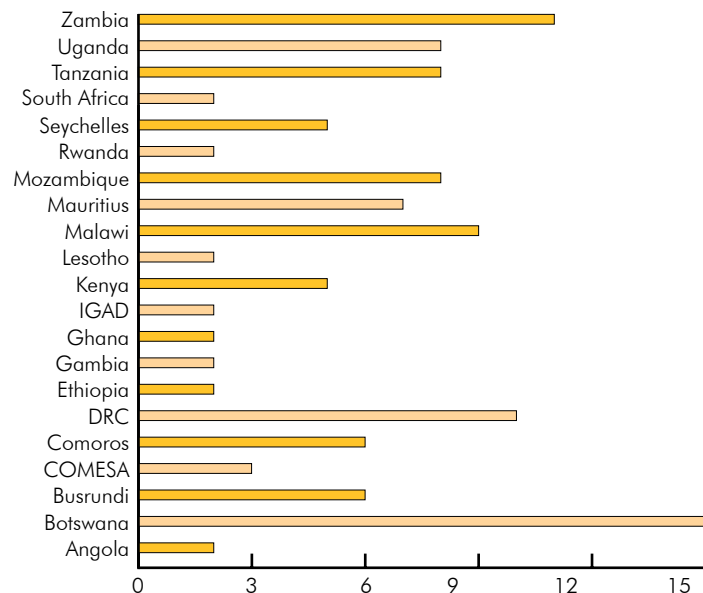
**Right:** Mr Boniface Mphelhe, Deputy Permanent Secretary, Ministry of Trade and Industry, Government of the Republic of Botswana



Facilitator: Waleed Malik, World Bank Group

# Analysing RMCE's 2012 capacity building initiatives in figures

*No. of participants by country  
(Out of a total of 117 participants)*



**Fig 1** displays the spread of countries / RECs that attended **RMCE** funded capacity building initiatives. It also points to the number of participants from each of these countries, providing an insight on countries that benefitted most. As depicted **RMCE** capacity building touched 21 countries / RECs. The chart shows that the highest number of participants came from Botswana.

This is explained that the fact the Botswana was the host country for the EDB Conference and had a bigger local delegation compared to foreign delegations. Second in line with the highest number of participants was Zambia (4 attendees for FMA course, 4 attendees for EDB Conference and 3 attendees for EMI course). 8 countries had only 2 participants in total.

# RMCE activities in 2013



# Mauritania Study Tour

(25th - 29th May 2013)

*Le Labourdonnais Hotel, Port Louis, Mauritius*

## **Rationale and overall objective of the study tour**

- Benefited from any expertise from the Mauritian experience capable of helping the free zone area of Nouadhibou in Mauritania
- Became a tool for attracting foreign investment, support economic diversification and job creation.

## Structure and organization of the tour

The delegation from Mauritania consisted of the following officials:

- Mr. GUISET Mamadou - Director of the Pole Infrastructures Support of AN-ZF
- Mr. Abdel Ghader DADE - Regional manager of the Taxes of /Nouadhibou North
- Mr. Gemalould AHMED - Head of Department of the visit and Control Directorate-General of the Customs
- Mr. Alpha Youssouf TANDIA / Head of Department of the Investigations Directorate-General of the Customs

## Site visit were conducted the following institutions:

- Mauritius Revenue Authority – Customs (MRA)
- Mauritius Export Association (MEXA)
- Board of Investment (BOI)
- Enterprise Mauritius
- Mauritius Bankers Association (MBA)

# Malawi Study Tour

(9th - 15th June 2013)

## **Rationale and overall objective of the study tour**

To learn and study the successful practices and experiences from Mauritius which has a robust and booming financial sector focusing on policy and regulatory frameworks.

The group consisted of 4 members from the Ministry of Finance.

- Mr. Paul Mphwiyo (Team Leader), Head of Financial Sector Development Unit (FSDU) Ministry of Finance/ Deputy Director for Economic Affairs Division
- Mr. Temwa Banda, Finance Officer Financial Sector Technical Assistance Project (FSTAP) Reserve Bank of Malawi
- Mr. Maxwell Salika, Economist, Financial Sector Development unit
- Mr. Elijah Nyirenda, Economist, Financial Sector Development Unit

## Site Visit

The team met various market players from the policy makers, regulators and market players from the following institutions.

1. *Ministry of Finance and Economic Development (MoFED)*
2. *Bank of Mauritius (BOM)*
3. *Mauritius Commercial Bank (MCB)*
4. *Financial Services Commission (FSC)*
5. *SEM*
6. *ABAX LTD*



# Democratic Republic of Congo (DRC) Study Tour on 'Ease of Doing Business'

*(20th to 27th October 2013)*

*Le Labourdonnais Hotel, Port Louis, Mauritius*

## Introduction

The Regional Multidisciplinary Centre of Excellence (RMCE), in collaboration with the Government of Mauritius, had been solicited by the World Bank to organise a study tour for a delegation from the Democratic Republic of Congo from 20th - 27th October 2013, on the theme of 'Ease of Doing Business' and its reforms in Mauritius across the following four indicators:

1. Business Creation
2. Transfer of property
3. Payment of taxes
4. Cross Border Trade



## Structure of course

Information/training/study sessions were organized at Le Labourdonnais Hotel in Port Louis, Mauritius and focused on the indicators above and the structuring of the public-private sector dialogue.

## Site Visit

Participants also undertook site visits to different authorities in Mauritius which are acting as facilitators for 'Doing Business'. The site visits enhanced the ability of member country officials and officials at the regional and provincial level of DRC.

# Training Programme on 'Energy Access for Sustainable Human Development'

*19th to 21st November 2013*

*Le Labourdonnais Hotel, Port Louis, Mauritius*

## Introduction

The International Centre for Human Development (IC4HD), New Delhi, India in collaboration with the Regional Multidisciplinary Centre for Excellence (RMCE), Mauritius with support from UNDP Mauritius and the Government of Mauritius organized a three day training programme on Energy Access for Sustainable Human Development for key stakeholders such as senior government officials, policymakers, civil society and financial institutions of selected countries in Africa in November 2013.



## Objectives

The main objective of the programme was to enhance the capacity of the stakeholders to deal with challenges related to energy access while recognizing its linkages with human development. The training programme aimed to develop a community of HD practitioners and energy access promoters in Africa to enhance people's choices. To help achieve this goal, the programme offered participants an interactive course, inclusive of practical examples, South-South exchanges on good practices, and case studies.

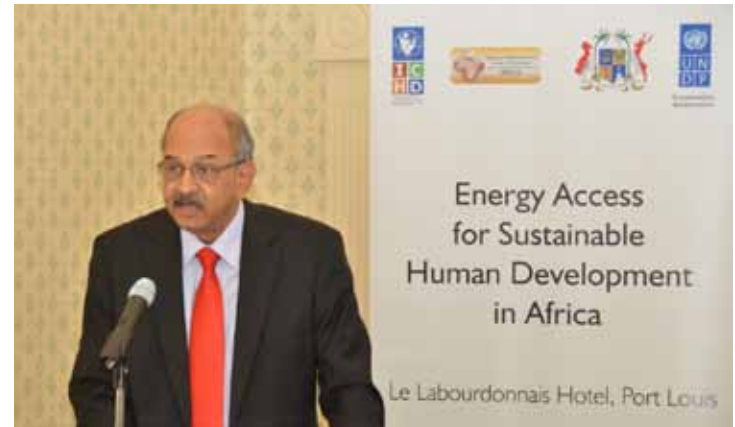
3. Ms. Parimita Mohanty, Fellow ( Energy, Environment, Technology Development) The Energy and Resources Institute
4. Mr. Jarnail Singh, Associate Fellow (Social Transformation Division), The Energy and Resources Institute
5. Ms. Krithika P R, Associate Fellow (Social Transformation Division), The Energy and Resources Institute
6. Prof. Peter deSouza, Director, International Centre for Human Development
7. Mr. Srinivasan Iyer, Head, Energy and Environment Unit, UNDP India

## Structure of delegation

The training programme was designed for senior government officials from Ministries of Energy/Power/Finance and also from planning departments and Central banks.

## Resource Persons

1. Mr. I.H. Rehman, Director (Social Transformation Division) The Energy and Resources Institute
2. Mr. Vivek Jha, Fellow, (Social Transformation Division) The Energy and Resources Institute



# Training Programme on 'Reserve Assets Measurement'

*2nd to 6th December 2013*

*Le Meridien Hotel, Pointe Aux Piments, Mauritius*

## Introduction

The training programme on "Reserve Assets Measurement" was organized by the IMF Institute in cooperation with the Regional Multidisciplinary Centre of Excellence (RMCE) and the Government of Mauritius.



## Structure and Objectives of course

The course provided an overview of the concepts and definitions pertaining to reserve assets in BPM6, and discussed in depth the reporting of data on the Reserves Data Template. In regard to the Reserves Data Template, the course outlined its structure and key features, clarified concepts, definitions, and classifications, and discussed dissemination of data along with country notes. The course discussed complex statistical issues, including the

reporting of lending to the IMF, foreign exchange swap agreements between central banks, pooled assets, the identification of reserves by members of currency unions, and other topics related to international reserves.

This one-week course was designed for officials from agencies responsible for compiling data on international reserves and other external positions of the monetary authorities. The course explained the international statistical standards for compiling data on international reserves, as set forth in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) and the recently updated Data Template on International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines).

## Resource persons

1. Ms. Florina Tanase, Deputy Division Chief, Statistics Department, International Monetary Fund (IMF)
2. Ms. Tamara Razin, Balance of Payments Division, Statistics Department, International Monetary Fund (IMF)





# RMCE activities in 2014

## Topics covered

- ✓ A review of Financial Management Systems
- ✓ Financial Planning
- ✓ Finance and Decision Making
- ✓ Performance Indicators
- ✓ Capturing Performance Indicators and Monitoring



# Joint Study Tour by Malawi and Gambia delegates on Mauritius Programme Based Budgeting (PBB)/Medium Term Expenditure Framework (MTEF)

*10-21 February 2014*

## Background

The government of Gambia and Malawi were in the process of implementing a Medium-Term Expenditure Framework (MTEF). In light of significant progress made by the Mauritius government in its implementation of the MTEF, the Gambia and Malawi government embarked on a study tour to learn best practices from Mauritius. The study tour would create an avenue for senior Government Officials to learn from other's experiences within the budgeting sector and promote relationships.

## Rationale

This study tour was held at a critical juncture for budget reforms in the participating countries Gambia and Malawi. The sector delegation, comprising senior policy-makers, budget officers, planners and technical experts; sought to obtain a deeper understanding of the conceptual underpinnings, operational approaches, and lessons learnt from Mauritius reforms.



## Objectives

The objective of the study tour to Mauritius was to build relationships between the participating countries and Mauritius respectively and to learn from each other's budget reform experiences by discussing best practices and sharing challenges particularly on the MTEF approach.

## The delegation aimed to learn from Mauritius's experiences in MTEF budgeting in areas such as:

- Coordinating MTEF framework; unit charged with the coordinating role and the initiated reforms
  - Principles, processes and organizational arrangements of MTEF budgeting: programme based budgeting or line item budgeting? How is budgeting done?
  - Roles and responsibilities of central budget and sector ministries
  - The sequencing of budgetary reforms and the MTEF reform in particular
  - Institutional constraints and solutions
  - Approaches to strategic planning for the MTEF process
- Approaches to promote fiscal discipline through constraining budget appropriation and execution in the medium-term consistent with Government's medium-term fiscal objectives and strategies for curbing overspending
  - Best practices in efficient management and allocation of resources from urgent pressures as well as legal and administrative pressures that impact on budget processes
  - Approaches to macro-fiscal forecasting over the medium-term; how are projections done?
  - Criteria and processes for allocating resources within the public sector and the mechanisms for budget negotiations (conceptual and operational)
  - Monitoring and evaluation systems related to MTEF implementation



- Integration with budget accounting systems such as IFMIS
- Aid issues linked to MTEF framework
- Linkages between development activities and the budget
- MTEF in relation to human resources in the civil service; how do you budget for personnel emolument? How are recruitment projections done?
- How are MTEF processes conducted in the Ministries of Agriculture, Health and Education?
- Participatory approaches used in MTEF formulation: For example, are Civil Society Organizations (CSOs) involved in budgetary processes.

## Delegates from Gambia:

1. Omar Bun Njie (Director of Planning, Ministry of Health and Social Welfare).
2. Mohammed BS Jallow Director of Planning and Budgeting, Ministry of Basic and Secondary Education
3. Aba Gibril Sankareh, Deputy Director & Head Planning Services Unit, Department of Agriculture, Ministry of Agriculture
4. Lamin Fatty, Principal Fiscal Officer, Directorate of Budget Ministry of Finance and Economic Affairs
5. Amie Kolleh Jeng, Principal Economist, Directorate of Development Planning, Ministry of Finance and Economic Affairs
6. Omar K. Danso ICT Officer - Assistant DBA Directorate of National Treasury, Ministry of Finance and Economic Affairs
7. Sybi Hida - IMF Resident Macro-fiscal and Budget Advisor

## Delegates from Malawi:

1. Mr. Richard Perekamoyo - Deputy Budget Director - Leader of delegation
2. Mrs. Elsie Salima - Chief Economist - MEPD (Economic Planning Division)
3. Mr. Dalitso Kalimba - Chief Economist EPD (Development Planning Division)
4. Mr. Simon Mulungu - MEPD (M and E)
5. Mr. Williams Banda - Economist -Revenue Division
6. Mr. Winston Nyasulu - Assistant Budget Director
7. Ms. Tithokoze Samuel - Assistant Budget Director
8. Mr. Daniel Jenya - Economist (Economic Affairs Division)
9. Ms. Chisomo Tsonga - Budget Officer
10. Mr. Goodluck Chapulika - Budget Officer

# Work plan of RMCE for 2013 - 2014

**RMCE as the grant recipient of the Interim Programme Secretariat for the Accelerated Program for Economic Integration (APEI) countries**

## The key stakeholders are:

APEI countries (Mauritius, Malawi, Mozambique, Seychelles and Zambia) - reform oriented and like-minded countries have voluntarily signed an agreement on a wider program beyond Talent mobility in September 2013 to accelerate economic integration. The voluntary nature of the association will generate consensus to ensure mutuality of interests needed for the preparation, design and implementation of program. The **RMCE** mandate to support the efforts of RECs and Governments to transform the sub-region into a Free Trade Area and eventually a common market. **RMCE** experience in regional integration capacity building will enhance implementation of the pilot program.

## Background Information

The objective under the APEI is to give a boost to the flow of foreign investment and the export of services within the African continent, with an initial focus on the 5 like-minded participating countries, namely, Malawi, Mauritius, Mozambique, Seychelles and Zambia, with a view to fostering faster economic integration through enhanced growth and employment opportunities. The program was adopted in line with the spirit of rapid integration based on the principles of variable geometry and variable speed adopted by the joint Council of Ministers of Finance and Governors of Central Banks of COMESA and SADC.

### Objective of the Program

Under this initiative, the 5 reform-oriented countries have adopted an Action Matrix covering five building blocks. The Action Matrix (AM) identifies the priority constraints under each pillar and a set of specific actions to be implemented to address such impediments over a 3-year time frame, starting in May 2013. Specific key performance indicators have been set to ensure that the objectives of the integration process are met. The 5 pillars requiring actions to be undertaken to remove impediments to trade and investment have been identified as:

- (i) Improvement of business regulatory environment;
- (ii) Elimination of barriers to trade in goods;
- (iii) Promotion of trade in services;
- (iv) Improvement in trade facilitation; and
- (v) Peer-to-Peer learning and capacity building

## Mo Ibrahim / ADB / RMCE Index of African Governance

The Ibrahim Index of African Governance (IIAG) is an attempt to statistically monitor African governance levels throughout all the countries of Africa, challenges countries to improve the conditions on the continent. The importance of a balanced performance score among African countries and appropriate policies to improve indicators and sub-indicators of Governance is increasing. At the 48th Annual Meeting of the African Development Bank (ADB) Group and the 39th Annual Meeting of the African Development Fund held from 27 May to 1 June 2013 in Marrakech, Kingdom of Morocco on theme related to 'Africa's Structural transformation', Mauritius has offered to partner with the Mo Ibrahim Foundation and the ADB through the **RMCE** to develop a programme of peer learning and peer support towards this end. In addition, the **RMCE** will also work with the IMF and the Mo Ibrahim Foundation and the ADB on a programme to improve statistics in Africa. The Mo Ibrahim Foundation has agreed to the proposals and will work with the Government of Mauritius to mobilise the support of the ADB and that of other development partners.

## Peer-to-peer learning

- Peer to peer learning/ support on the 'Human Development Index' in collaboration with UNDP
- Peer to peer learning/support workshops on PEFA (*Public Expenditure Framework Analysis*) in collaboration with CABRI and ADB
- Peer Peer to peer learning/support workshops on 'Ease of Doing Business' indicators in collaboration with World Bank
- Study tours on themes related to 'Tourism competitiveness', 'Doing Business' and 'Performance Based Budgeting' and 'Public Financial Management' for African countries
- Regional Training Workshop on 'Reserve Statistics' in collaboration with IMF

# Future Plans of RMCE

## Climate Change Capacity Development Programme for Sub Saharan Africa

### Introduction

The goal of COMESA's Climate Change Initiative is: *'Achieving economic prosperity and climate change protection'* and the framework is intended to ensure coherence and efficient coordination of all climate change programmes, projects and initiatives on the continent.

Against this rationale, the **RMCE**, in partnership with the ADB would like to organize training programmes on Climate change to establish coherence and efficient coordination of all climate change programmes, projects and initiatives on the African continent.

### Objectives

The overall objective of the Initiative is to address climate change and its impacts in a manner that builds economic and social resilience for present and future generations.

## Budget Reform Initiative: PFM Performance Measurement Framework peer support

### Introduction

One of the priority areas in macroeconomic management is Public Financial Management (PFM). The PEFA Framework was developed against the background of the need to (i) reduce on the heavy transaction costs on recipient governments (ii) reduce on the overlap of the many diagnostic instruments (iii) improve and enhance coordination among donors and (iv) improve on the impact of reform initiatives.

### Objectives

The objective of the PEFA peer support initiative is to enable all participating countries to reach a score of at least B on all dimensions, with scores ordered from A to D. The general framework to consider would be "the strengthened approach" advocated by the PEFA framework.

## Renewable Energies for Africa

### Introduction

Africa continues to face critical challenges related to its energy sector. Over the past four decades, the gap between energy supply and demand in Africa has actually widened, while it has narrowed in other developing countries. Unless drastic interventions are made, recent trends indicate that this gap will continue to grow, and a majority in Africa will continue to lack access to basic energy services and hence would have limited chances of realizing any meaningful social and economic development.

#### Objectives

In light of recent high and volatile oil prices, renewable energy has emerged as a viable option at most places that can effectively contribute towards addressing the continent's energy challenges. Efforts to develop renewable energy in Africa have, so far, focused on removing barriers, and much more still needs to be done.

## Trade Facilitation Workshops

At the Bali Ministerial Conference in December 2013, all WTO members had reached an Agreement on Trade Facilitation which is expected to enter into force by 2014. The WTO Trade Facilitation Agreement (TFA) is the first Multilateral Agreement concluded since the coming into force of the WTO in 1995.

The main objectives of the Trade Facilitation Agreement are to:

- a. Speed up customs procedures;
- b. Make trade easier, faster and cheaper;
- c. Provide clarity on customs procedures, improve efficiency and transparency, reduce bureaucracy and corruption; and
- d. Promote the use of technological advances at the border.

The implementation of the WTO Trade Facilitation Agreement is expected to further remove impediments to trade in regional Africa and eliminate cumbersome non-tariff barriers in export markets.

## Ease of Doing Business and Competitiveness

The objective of the proposed initiative is to improve the investment climate of countries in eastern and southern Africa, as measured by Doing Business, facilitated mainly through peer-to-peer learning. This objective would be achieved through cooperation between the World Bank Group, the Regional Multidisciplinary Centre of Excellence (RMCE) and the top Doing Business performing and reforming countries in the designated region. Furthermore, several stakeholders will be involved in the initial discussions about the design of the implementation strategy.

### **Specific Objective**

To improve capacity to create a conducive business climate that will foster trade and also facilitate the advancement toward the Common Market

- Link the Doing Business and Competitiveness initiative with the RECs different initiatives regarding the REI agenda; and
- Assist African Countries in improving their business environments





A stylized, light brown and beige illustration of a man's face and beard, positioned on the right side of the page. The man has a full beard and mustache, and is looking slightly to the left. The illustration is composed of various shades of brown and beige, creating a textured, layered effect.

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