**THE COMESA MONETARY INSTITUTE (CMI)**

1. CMI is mandated to undertake all technical work to enhance the implementation of the COMESA Monetary Integration Programme which will culminate into COMESA Monetary Union. In 2022, CMI accomplished the following activities.
2. Reviewed and prepared reports on the following:
3. The achievement of Macroeconomic Convergence by COMESA member countries in 2021; and,
4. Implementation of the COMESA Assessment Framework for Financial System Stability in 2021;
5. Through the above two programmes, CMI ensures monitoring and achievement of macroeconomic convergence and stability of the financial system in the COMESA region. The assessment of macroeconomic convergence is based on the revised COMESA macroeconomic convergence criteria (2019-2025)
6. Organised Validation Workshops for CMI Research activities on country specific studies conducted by staff from Member Central Banks on the following:
7. Equilibrium Real Effective Exchange Rate and Monetary Policy Implementation; and
8. Implication of FinTech on Financial Stability.
9. The validation workshop for CMI research activities is the first step of peer reviewing studies and getting comments meant to improve the papers. Once the review process is completed, the research papers are published. The publications are useful knowledge product which help member countries in policy making.

1. Organised Validation Workshops for CMI User’s guides on the following:
2. Practical application of Bayesian Vector Auto Regressions (BAVR) Approach to the analysis of Monetary Policy Transmission Mechanism; and
3. Application of Econometric Software to Cross Sectional Data using FinAccess Data and its implication on Financial Stability.
4. The User’s Guides are in the process of being prepared for publication. Once published, they will be useful knowledge products which can be used by researchers in member countries and by member Central Banks to train large number of their staff.
5. Organized training on the following:
6. Fiscal Stress Testing for Central Banks and Ministries of Finance;
7. Basic Dynamic Stochastic General Equilibrium (DSGE) Modelling and Time Series Analysis;
8. Transmission Mechanism of Macro Prudential Shocks to the Financial System: Application of Vector Auto Regressions (VAR), Structural VAR (SVAR) and Vector Error Correction Models (VECM);
9. Macro and Micro Stress Testing;
10. Analysis of Payment System and Banking Interconnectedness and Systemic Risk using Network Analysis;
11. Basel III and Macro Prudential Surveillance; and
12. Challenges facing Central Banks in Banking Supervision”.
13. The key objective of the trainings is to improve macroeconomic management and assessment of financial stability in member countries and to enhance the successful achievements of agreed targets of the COMESA Macroeconomic Convergence Criteria.
14. In addition to the activities above, CMI undertook the following activities in 2022:
15. Published the following working papers after a full cycle of the peer-review process:
    * + 1. The Bank Lending Channel of Monetary Transmission Mechanism in Malawi: Evidence from Bank level Panel Data;
        2. Empirical Analysis of the Effects of External Shocks on selected Macroeconomic Variables: The Case of Zambia.
        3. Impact of Macroeconomic Developments on Financial System Stability in Malawi;
        4. Impact of Macroeconomic Developments on Financial Stability in Mauritius; and,
        5. The impact of macroeconomic developments on financial stability in Zambia.
16. Completed the peer-review process of the papers on the following topics in collaboration with experts from the member Central Banks.
17. Assessing the Bank Lending Channel of Monetary Transmission Mechanism using Panel Data Analysis;
18. Modelling and Forecasting Inflation Dynamics;
19. Risk Taking Channel of Monetary Policy Transmission Mechanism: An Application of Panel VAR, SVAR and VECM;
20. Empirical Analysis of the Effects of Key External Shocks on Selected Macroeconomic Indicators;
21. Modelling the Spillover Effects of Volatility in Commodity Prices on Financial Stability;
22. Estimating and Forecasting Time Varying Volatility in Consumer Prices: Application of GARCH Model; and
23. Impact of Macroeconomic Developments on Financial System Stability.
24. Prepared the following Special Policy Reports which are available in COMESA and CMI COMESA websites:
25. Policy Options for COMESA Member Countries during a Period of Multiple Shocks;
26. Fiscal Policy and Inclusive Growth;
27. Climate Change and Inclusive growth;
28. The Role of Financial Technology (FINTECH) in Changing Financial Industry and Increasing Efficiency in the Economy; and,
29. Progress and Challenges of the COMESA Monetary Integration Program
30. Attended the following in Virtual and physical regional and continental Conferences:
31. Symposium of the Association of African Central Banks (AACB) for 2022, held from August 4th-5th, 2022, in Banjul, the Gambia;
32. The 5th African Union (AU) Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration, held from July 18-22, 2022, in Lusaka, Zambia (Hybrid);
33. The COMESA 9th Annual Research Forum on the Theme “Enhancing Business Competitiveness and Resilience to Boost Intra-COMESA Trade” held in Cairo, Egypt from 12-15 September 2022;
34. AFRITAC South Steering Committee Meeting held on June 15 and 16, 2022- in Gaborone, Botswana; and
35. Participated in the Trade and Trade Facilitation Sub-Committee meeting, held on 26-29 September 2022.