**THE COMESA MONETARY INSTITUTE (CMI)**

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 2023, CMI accomplished the following activities.

1. Reviewed and prepared reports on the following:
2. Macroeconomic developments in the COMESA Region in 2022;
3. The achievement of macroeconomic convergence by COMESA member countries in 2022; and,
4. Implementation of the COMESA Assessment Framework for Financial System Stability in 2022;
5. Through the above two programmes, CMI monitors the achievement of macroeconomic convergence and assess the 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. Exchange rate Pass-Through to Domestic Prices; and
8. Impact of Climate Change 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 products which help member countries in policy making.

1. Organised Validation Workshops for CMI User’s guides on Basel III and Macro-Prudential Surveillance.
2. The User’s Guide is in the process of being prepared for publication. Once published, it will be a useful knowledge product which can be used to train more staff in COMESA member countries.
3. Organized training on the following:
4. Application of Econometric Software to Cross Sectional Survey Data using Financial Inclusion Data and its Implication to Financial Stability;
5. Basic analysis of various monetary policy transmission channels using DSGE modelling framework;
6. Modelling and Forecasting volatility in Financial Markets;
7. Practical application of Bayesian Vector Auto regression (BVAR) approach to the analysis of monetary policy transmission mechanism using coding in R software;
8. Analytical tools for assessing risk in the Financial System of Developing Countries;
9. Intermediate analysis of various monetary policy transmission channels using DSGE modelling framework;
10. Analysis of Payment Systems, Banking Interconnectedness and System Risk using Network analysis;
11. Application of Panel Vector Auto regression (PVAR) to the analysis of the transmission of Shocks to the economy using RATS software;
12. Applications of Big Data Analysis and Artificial Intelligence to Central Banking, offered in collaboration with Central Bank of Egypt.
13. The key objective of the trainings is to impact/enhance skills and knowledge (capacity development) of participants, who in turn provide critical input for evidence-based policy decision making. Capacity development improves macroeconomic management and assessment of financial stability in member countries and enhance the successful achievements of agreed targets of the COMESA Macroeconomic Convergence Criteria.
14. Published the following working papers after a full cycle of the peer-review process:
15. Assessing the Lending Channel of Monetary Policy Transmission Mechanism in Rwanda using Panel data;
16. Empirical Analysis of the Effects of External Shocks on Selected Macroeconomic Variables: The Case of Zambia;
17. Assessing the Bank Lending Channel of Monetary Policy Transmission Mechanism in Zimbabwe: A Panel data analysis;
18. Empirical Analysis of the Effects of Key External Shocks on Selected Macroeconomic Indicators in Mauritius;
19. Assessing the Lending Channel of Monetary Policy Transmission Process in Mauritius: Evidence from Panel data;
20. Modelling the Spillover Effects of Volatility in International Commodity Prices on Financial Stability in Zimbabwe;
21. Inflation dynamics in Zimbabwe;
22. Effects of External Shocks on Macroeconomic Performance in Malawi;
23. Impact de la volatilité des cours des produits de base sur la stabilité financière;
24. Empirical Analysis of the Effects of Key External Shocks on Selected Macroeconomic Indicators in Mauritius; and
25. Medullisation et prévision de la dynamique de l'inflation en RD Congo: Une application des modèles VECM et Box-Jenkins.
26. Completed the peer-review process of the papers on the following topics in collaboration with experts from the member Central Banks.

1. Interbank Bank Markets and Effectiveness of Monetary Policy; and
2. Impact of Financial Systems Developments on Financial System Stability
3. In collaboration with experts from the member Central Banks, commenced the peer-review process of the papers on
4. Equilibrium real effective exchange rate and Monetary Policy Implementation; and
5. Implication of FinTech on Financial Stability
6. Prepared the following Special Policy Reports which are available in COMESA and CMI COMESA websites:
7. Reducing the costs of Transfer of Remittance remains a critical policy issue for Africa;
8. Why large dependence on foreign aid yet only small detectable growth effects in low-income countries;
9. Monetary Tightening Cycle and it’s Implication on the Economies of the COMESA Region; and,
10. Operational issues for the implementation of Inflation Targeting Monetary Policy framework.
11. Attended the following meetings and workshops:
12. The 55th session of the Economic Commission for Africa Conference of Ministers, from March 15-21, 2023, Addis-Ababa (Virtual);
13. The 2023 Continental seminar of the Association of African Central Banks (AACB), from May 15 – 17, Yaoundé, Cameroon;
14. The 2023 Annual Meeting of the Boards of Governors of the African Development Bank (AfDB) Group, from May 22 – 26, 2023, Sharm El Sheikh, Egypt;
15. The 2nd Sub-Committee on Tax and Illicit Financial Flows (IFFs) of the Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning, and Integration, from 31 May to 02 June 2023, Addis Ababa, Ethiopia;
16. The COMESA Business forum and the 22nd summit of the COMESA Heads of State and Government, in Lusaka Zambia on June 7 – 8, 2023;
17. The IMF AFRITAC South (AFS) Steering Committee Meeting held on June 19-20, 2023- in Comoros;
18. The 6th African Union (AU) Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning, and Integration, held from July 17-21, 2023, in Nairobi, Kenya;
19. The 5th COMESA Digital Financial Inclusion Public Private Dialogue: Towards Operationalisation of the COMESA Digital Retail Payment Scheme, 25th July 2023, in Lilongwe, Malawi;
20. The Symposium of the Association of African Central Banks (AACB) for 2023, held from August 3rd - 4th, 2023, in Livingstone, Zambia;
21. The MEFMI Governors Forum on Climate Change and its impact on Macroeconomic and Financial Management on August 05, 2023, in Livingstone, Zambia;
22. 43rd Meeting of the Bureau of the COMESA Committee of Governors of Central Banks on 8th November 2023 in Victoria Falls, Zimbabwe;
23. The Symposium for the COMESA Committee of Governors of Central Banks on the themes “The future of Money: Central Banks Digital Currencies (CBDCs) and other virtual assets” and “Central Banking in the era of Climate Change” on 9th November 2023 in Victoria Falls, Zimbabwe; and,
24. The 27th Meeting of the COMESA Committee of Governors of Central Banks on 10th November 2023 in Victoria Falls, Zimbabwe;
25. Some of the workshops/meetings are statutory while others are meant to enhance collaboration and coordination necessary for enhancing monetary and financial integration in the region.