Economic Commission for Africa
Subregional Office for Southern Africa

Addressing the Challenges of Macroeconomic Policy Convergence in the Southern African Development Community Region

Ad-Hoc Expert Groups
Port Louis, Mauritius
26-27 September 2011

ECA-SA/AEGM/MEC/2011/2

Economic Commission for Africa

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1. Introduction

1. The Ad-Hoc Expert Group Meeting on "Addressing the challenges of macroeconomic policy convergence in the Southern African Development Community (SADC) region" was held at the Labourdonnais Waterfront Hotel, Port Louis, Mauritius, from 26 to 27 September 2011. The meeting was organized by the United Nations Economic Commission for Africa (ECA) Subregional Office for Southern Africa in collaboration with the Government of the Republic of Mauritius. The meeting was attended by 30 macroeconomic policy experts and practitioners drawn from central banks, the SADC secretariat, research and academic institutions, and ministries of finance from the SADC region.

2. The objective of the meeting was to review the SADC Macroeconomic Convergence (MEC) Programme for monetary integration. In particular, the experts reviewed a background report on "Addressing the challenges of macroeconomic policy convergence in the SADC region", which critically examines the SADC macroeconomic convergence criteria, scope and institutional mechanisms, as well as the extent of their implementation and the challenges and constraints encountered so far. The meeting also considered shared experiences and best practices from the European Monetary Union and the West African Economic and Monetary Union (UEMOA) and drew lessons to inform policy and accelerate progress in the implementation of the SADC Macroeconomic Convergence Programme.

2. Organization of proceedings

3. The Ad-Hoc Expert Group discussions were organized into five plenary sessions. Each plenary session comprised a presentation followed by open discussions, as follows:

(a) Plenary session I: Macroeconomic convergence theory and principles;
(b) Plenary session II: Experience sharing by the Economic Community of West African States (ECOWAS);
(c) Plenary session III: Progress and prospects for macroeconomic convergence in the SADC region;
(d) Plenary session IV: Review of institutional mechanisms for macroeconomic convergence in the SADC region; and
(e) Plenary session V: Lessons learned and the way forward.

4. The meeting concluded with statements by officials of ECA and the Government of Mauritius. The agenda of the meeting is included in annex I.

3. Opening of the session

5. Opening statements were made by Dr. Sizo D. Mhlanga, Acting Head of ECA Subregional Office for Southern Africa, and Mr. Prakash Hurry of the Ministry of Finance and Economic Development of Mauritius.

6. In his remarks, Dr. Sizo Mhlanga said that attainment of SADC macroeconomic convergence in its proposed form depended on member States having sustainable and prudent management of both fiscal and monetary policies and taking deliberate action to ensure coordination between ministries of finance and central banks in delivering national macroeconomic convergence targets. He emphasized that experts and policymakers must also draw lessons from the experiences of the Eurozone and existing monetary unions in West Africa. In this regard, he advised the experts present to consider whether SADC needed to achieve convergence initially before setting up a monetary union.

7. He said that while focusing on creating a monetary union, SADC should not lose track of equally important regional integration goals such as the customs union, common market and the tripartite free trade area between the East African Community, Common Market for Eastern and Southern Africa and SADC. He emphasized the need for SADC to consider flexible arrangements for attaining all the steps necessary for the eventual establishment of a monetary union.

8. In his keynote address, Mr. Prakash Hurry, representing the Permanent Secretary in the Ministry of Finance and Economic Development of Mauritius, expressed gratitude to ECA for allowing his country to host the meeting at such an opportune time ahead of a meeting of the SADC Committee of Central Bank Governors (CCBG) which would also convene in Mauritius to discuss the institutional framework of the Macroeconomic Convergence Programme. He called on the experts to play a "backstopping role to policymakers", noting that the challenges facing the Eurosystem, on which the SADC Macroeconomic Programme was modelled, were operational weaknesses identified after a good track record. He advised the experts to take note of the operational risks involved in the SADC Macroeconomic Convergence Programme and begin addressing them from the outset.

9. Mr. Hurry also said that it was critical at the outset for SADC member States to adopt transparent goals for achieving not just a common central bank, but also a common understanding on how monetary integration would be achieved. He lauded the strategic role of ECA in providing analytical and advisory support services to member States in line with the regional integration goals of SADC. He expressed hope that ECA would continue to strengthen the capacity of ministries of finance and central banks as those were invaluable in implementing a single currency banking system in the

SADC monetary union. In conclusion, Mr. Hurry pledged continued support to ECA from the Government of Mauritius.

4. Account of proceedings

4.1 Plenary session I: Macroeconomic convergence theory and principles

10. Dr. Emmanuel Ating Onwiduokit, Deputy Director of the West African Monetary Institute, gave a presentation on macroeconomic convergence theory and principles. He highlighted classical and contemporary theoretical issues in macroeconomic convergence discourse. Commencing with the theory of the optimum currency area which explores the criteria, costs and benefits of joining or creating a common currency area, he observed that there was no quantitative index for an optimum currency area, noting in particular that the conditions for it were impossible to obtain even in the most developed economies. Macroeconomic convergence backed by strong macroeconomic fundamentals was crucial for the formation of an effective and sustainable harmonized monetary union.

11. He said that the formation of monetary unions in developing countries could engender or hasten the process of macroeconomic stability. He pointed out that developing economies must correctly interpret the dynamics in the world economy through which developed countries progressed in their economic integration agenda. He also emphasized that monetary and economic unions among developing nations would enhance the mobilization and improved management of human and financial resources, hence the need for an effective, efficient and lasting monetary union based on sound macroeconomic fundamentals and a reasonable level of institutional and infrastructure development.

12. The ensuing discussion focused on the theory of the optimum currency area as a good starting point for conceptualizing the concrete steps that needed to be taken as countries and regions moved toward monetary union. Individual regions should, however, be guided and informed by their own political and economic realities and structural dynamics in driving the process of monetary union.

13. Noting the experience of the Eurozone, in particular the Greek debt crisis, participants called for robust mechanisms to be put in place that would discourage perverse behaviour or free rider problems from some members of the envisaged monetary union in the Southern Africa region.

14. It was emphasized that the fiscal problems in Greece were not anticipated by the architects of the European Union, hence the European Monetary Union did not provide sufficient instruments to deal with such a crisis, other than ad hoc fiscal bail outs at great cost to the member States. The Eurozone therefore provided good lessons and justification for comprehensive convergence criteria

to which member States must strictly adhere to avoid recurrence of similar shocks and spillover effects in the future.

15. The meeting was informed that existing monetary unions in West Africa had effective rules and regulations to compel members to adhere to agreed policy targets so that requirements of the macroeconomic convergence criteria were not compromised. In light of the lessons from the Eurozone and experiences from West Africa, SADC member States were urged to carefully craft their monetary union so that it would broadly respond to macroeconomic convergence and institutional criteria.

16. Participants said that intra-SADC trade should be given due consideration among the criteria for attaining monetary union. It was suggested that a minimum threshold of trade needed to be achieved before advancing towards monetary union. On the question of whether intra-SADC trade should come before monetary union or vice versa, the meeting agreed that theory and evidence were not conclusive in that debate. However, it was stressed that it was not a question of "either, or", rather that high intra-SADC trade would expedite the process of monetary integration and monetary union could increase trade.

17. It was also suggested that more studies were needed to demonstrate how a common currency (monetary union) leads to intraregional trade and how in turn intraregional trade facilitates the formation of a monetary union. It was further noted that a common currency was desirable as it reduced transaction costs, especially for developing countries. For instance, a common currency reduced exchange risk and that might lead to increased intraregional trade among member States. However, intraregional trade remained low in the subregion because there was no complementarity among the products traded. Countries were therefore urged to move toward value addition and beneficiation to enhance and increase intraregional trade between and among them.

18. It was emphasized that the introduction of a common currency would not be cost free to the participating member States, particularly if the currency adopted in the initial phase was prone to volatility. Some of the costs associated with a monetary union were adjustment costs for both small and large economies. Those costs needed to be properly managed to minimize the adverse impacts on participating countries.

19. Participants were reminded that while a common currency was an ultimate goal of monetary union, it should be borne in mind that it came under the political agenda to be decided by Heads of States and Governments.

20. It was observed that for a monetary union to be effective, fair play and responsibility among participating countries was needed. In addition, certain preconditions had to be put in place such as

policy and institutional frameworks that would guide the formation of the monetary union. Furthermore, business cycles needed to be harmonized through the free flow of information, investments and other resources.

21. Participants raised concerns about the lack of reliable data and statistical information on macroeconomic targets, particularly on intraregional trade in Southern Africa. For example, the meeting was informed that SADC had huge challenges with regard to statistical data for informing the process of macroeconomic convergence policy criteria. On a positive note, the meeting learnt that the SADC Committee of Central Bank Governors had started building a database on intraregional trade to address the data and statistical challenges in the subregion

4.2 Plenary session II: Experience sharing by ECOWAS

22. Dr. Onwiduokit gave a presentation entitled "Monetary integration: the West African experience", including a brief historical overview of monetary integration in West Africa, which was influenced by the British and French colonial heritages and resulted in the formation of two monetary zones, UEMOA and the West African Monetary Zone (WAMZ). He also gave an overview of the ECOWAS Monetary Cooperation Programme, its objectives and schedules; the primary and secondary convergence criteria of ECOWAS and those of UEMOA and WAMZ; the assessment and performance of the convergence criteria of the two zones; and the challenges and structural issues of monetary integration in ECOWAS. He concluded by stressing that the theory of the optimum currency area served only as a guideline, and raising the question of whether macroeconomic convergence was obligatory for a successful monetary union.

23. The ensuing discussion covered a number of issues, including monetary union without monetary convergence, and the need to focus on the policy implications for SADC and the Rand Zone, and to look at the special case of Zimbabwe taking into account improvements in its targets vis-à-vis the financial crisis.

24. On the subject of low inflation without real growth, participants observed that some Francophone countries had the lowest inflation rates in Africa, but the gains had not translated into real growth. The low inflation in UEMOA was because those countries were mainly consumption- oriented with low structural development and low industrialization levels. Furthermore, 75 per cent of UEMOA countries' reserves were locked up in the French Treasury at significant cost, thus denying them much needed funds for investment.

25. It was noted that there was a need for member States to follow concrete steps to establish a common currency. In comparison with the European Union, which defined firm timelines and mechanisms for achieving a common currency, ECOWAS had been undergoing a restructuring phase to incorporate non-UEMOA members since 2009 with mandates focusing on sectoral aspects of development. Furthermore, the dates for macroeconomic convergence were not irrevocable.

26. Participants observed that failure to meet macroeconomic convergence targets by any one member should not derail the monetary integration agenda. In particular, it was noted that for ECOWAS, Nigeria's failure to meet macroeconomic convergence criteria might stall convergence in practice, but not necessarily so. Nigeria could not dominate the zone because it would be part of a supranational bank in which it would participate in making the rules. Macroeconomic convergence did not depend on size of economy.

27. Emphasis was placed on the imperative of pursuing macroeconomic convergence criteria, which constituted a set of policies whereby even if a country did not belong to a macroeconomic convergence zone, it still had to pursue sound and prudent macroeconomic policies.

28. The view was expressed that the Common Monetary Area arrangement among some countries (Lesotho, Namibia, South Africa and Swaziland) which had agreed to peg their currencies to the rand instead of adopting a common currency had enhanced integration. The Common Monetary Area was largely influenced by South Africa and had promoted the free flow of capital.

29. With regard to meeting convergence criteria and targets, it was noted that in ECOWAS, convergence in respect of criteria and time frame was determined through assessments conducted every six months to monitor improvements towards the primary criteria, in addition to the use of robust surveillance mechanisms.

30. Participants observed that because of the sovereignty of national central banks, some SADC countries, particularly dominant ones, were reluctant to take the lead towards macroeconomic convergence. In ECOWAS, the matter was addressed by designating national central bank governors as governors of the board of the supranational central bank. That ensured that they were involved in the decision-making process of the supranational bank, which they then followed up at national level.

4.3 Plenary session III: Progress and prospects for macroeconomic convergence in the SADC region

31. Dr. Kisukyabo Simwaka, Senior Economist, Reserve Bank of Malawi, gave a presentation on the progress and prospects for macroeconomic convergence in the SADC region. He discussed

the performance of SADC countries against primary macroeconomic convergence indicator targets, performance against secondary indicator targets, and overall macroeconomic performance of countries in the Community. He explained that according to projections, only Zimbabwe, Mauritius and Seychelles were on track to meet the inflation target in 2012, noting that the SADC region remained susceptible to external shocks such as sharp increases in food and fuel prices. He also discussed testing for conditional convergence using unit roots and cointegration approaches. He explained the results of stochastic convergence tests to determine whether SADC countries were converging in key macroeconomic variables.

32. In the discussion, participants highlighted the positive trend among SADC countries in reducing debt to GDP ratios. It was also noted that even countries that did not meet the macroeconomic convergence debt to GDP targets were on course to reducing their relative indebtedness. It was emphasized that low level of debt to GDP ratios were beneficial as they provided governments with fiscal space, particularly in small economies that could not borrow at low interest rates.

33. The participants recommended that the chapter 3 of the background report should explain exceptional circumstances and assess why some countries failed to achieve certain macroeconomic convergence targets, and whether SADC protocols made provisions for non-compliance by member States.

34. The participants observed that the most diversified economies in the subregion (South Africa, Mauritius and Zimbabwe) did not have synchronized business cycles. It was also observed that countries in the subregion were not able to endogenously create business cycles and that the high correlation among business cycles was only as a result of their level of economic diversification.

35. The methodology used to test convergence was vigorously contested. The relevant questions included whether there was a benchmark year over the historical time series to serve as a reference point when evaluating whether synchronicity was increasing among SADC countries before macroeconomic convergence came into force.

36. It was suggested that the author of chapter 3 should use other procedures to show that countries were becoming more synchronized, taking into account the endogeneity of shocks within a currency union or among economies in transition. Further, the results of the analysis should be informed by exchange rate developments in the participating countries.

37. The methodology used in chapter 3 failed to deliver policy messages to readers. In particular, it was difficult to understand what the econometric tests were supposed to achieve, given that convergence was not really an issue since SADC countries had already adopted a macroeconomic

convergence programme. There was a need to go further and use other econometric tests such as the Johansen cointegration test to validate the results in the chapter.

38. The participants observed that for all relevant variables, averages across countries were different, prompting the conclusion that long-run steady states were different for all countries, and that each country must have its own macroeconomic targets. It was therefore recommended that SADC countries must undertake substantial structural and institutional changes before monetary integration could be achieved.

39. The Balassa-Samuelson effect, whereby poorer countries had to develop faster to catch up with rich nations, required further re-examination of the macroeconomic convergence performance results. In particular, it was observed that poorer economies might face inflation from non-traded goods because of wage influences from tradable goods, resulting in divergence from macroeconomic convergence targets. A rethink of implementation mechanisms was called for, particularly with regard to country waivers for non-compliance with macroeconomic convergence targets.

40. Participants observed that monetary independence was inconsistent with fixed exchange rates according to the Mundell Fleming model, noting in essence that overvaluation of real exchange rates in most countries resulted from attempts to liberalize financial sectors while removing capital controls. That further explained the heavy emphasis on domestic policy inflexibility over labour factor mobility since countries lose control over monetary policy under a monetary union.

41. The experts observed that chapter 3 of the report did not adequately articulate the challenges of macroeconomic policy convergence. Country specific challenges should be highlighted and addressed as a separate section. The participants also questioned the use of multiple sources of data to perform unit roots tests and cointegration. There was need for compelling explanation of the cointegration results as results showing multiple integrating vectors were confusing.

42. It was necessary to use graphical representation of the data to unpack underlying trends. The author of chapter 3 should revisit grey areas in methodology particularly where information was missing or inadequate. It was further advised that sigma convergence was more appropriate for exchange rates and other volatile variables. The new methodology should therefore take into account policy implications of a stationary series given that a mean reverting series only implied volatility.

4.4 Country perspectives

43. The ad-hoc expert group took note of reports on the experiences and perspectives of the Republic of Mauritius and the United Republic of Tanzania.

1. Mauritian experience and perspective

44. A new monetary policy framework was introduced in Mauritius in April 2007 together with a monetary policy committee (MPC). The Mauritian success story in dealing with inflation is mainly attributed to its central bank and the MPC for firmly anchoring and managing inflation expectations despite the financial market not being deep enough. In addition, the existing credibility of monetary policy in Mauritius has led to increased business confidence in the economy and by implication has created a favourable investment climate. Empirical evidence from Mauritius seems to suggest that interest rates have little impact on the real sector.

45. The Mauritian central bank is currently deepening financial markets through a number of policy initiatives. It is worth noting that although deep financial markets are desirable, they do not always lead to efficient outcomes, as the experience of South Africa amply demonstrates where the rand is highly volatile over time. In Mauritius, however, inflation and interest rates have been tracking each other and going down because of a number of policy interventions from the central bank and the MPC. For example, the effective use of the repo rate by the central bank in addition to credit lines to the business community has helped to create confidence in the economy.

46. In Mauritius financial stability is being achieved by building capacity across a range of monetary institutions. The cordial working relationship between the MPC and the Ministry of Finance has helped to enhance transparency and accountability in the conduct of monetary policy. The MPC and the central bank are working diligently to deepen the financial market through the introduction of new instruments and other policy interventions.

47. Regarding macroeconomic convergence targets, Mauritius has proposed a review of secondary SADC targets given that the country is small and susceptible to volatile external shocks.

2. Tanzanian experience and perspective

48. The Bank of Tanzania Act of 2006 gives the Bank the primary responsibility of establishing monetary conditions conducive to price stability over time. The Bank uses open market operations to conduct monetary policy and hence control the growth of money supply. In implementing monetary policy, the Bank generally considers setting targets for monetary policy aggregates consistent with instruments such as treasury bills, treasury bonds, exchange rates, Lombard rates and reserve requirement.

49. Tanzania identified a number of challenges in the implementation of monetary policy, including a limited number of participants in the money market, limited instruments at the disposal of the Bank, and a limited number of transactions in the securities market as most agents tend to hold

financial assets to maturity. Large and unpredictable expenditure floats make it difficult to synchronize monetary policy actions with fiscal flows, and hence dampen the effectiveness of monetary instruments.

50. Tanzania regularly reports on progress made on SADC macroeconomic policy convergence through the SADC macroeconomic subcommittee meetings and the SADC CCBG. Although Tanzania belongs to two regional economic communities, those economic communities have similar macroeconomic convergence criteria, and currently the COMESA-EAC-SADC tripartite arrangement is resolving some of the policy tensions relating to formation of a monetary union in East Africa. However, there is a need to develop the capacity of the member States in data collection and analysis and management of the macroeconomic database.

4.5 Plenary session IV: Review of institutional mechanisms for macroeconomic convergence in the SADC region

51. Dr. Simwaka presented a review of institutional mechanisms for macroeconomic convergence in the SADC region. He described the SADC Memorandum of Understanding on Macroeconomic Policy Convergence, the SADC Regional Indicative Strategic Development Plan (RISDP) and the SADC Protocol on Investment and Finance. The RISDP established a road map for deepening regional integration over a 15-year period by outlining targets and milestones to be achieved by SADC member States; the SADC Finance and Investment Protocol aimed at accelerating growth, investment and employment in the region through increased coordination and macroeconomic management; and the Memorandum of Understanding on Macroeconomic Policy Convergence was annexed to the Protocol. The presentation also focused on proposals on operational and sustainability issues of the SADC Macroeconomic Surveillance Mechanism, and the Framework for Surveillance of Macroeconomic Convergence. In terms of challenges, Dr. Simwaka identified the inadequate enforcement mechanism of SADC protocols, stressing the need to strengthen and empower institutions that implement and monitor regional integration programmes at subregional and country levels.

52. In the ensuing discussions, participants noted that the RISDP was an indicative plan with no clear guidelines or road map to drive the regional integration process. They were informed that the SADC secretariat had limited human capacity to implement most of its programmes and activities, which ultimately impacted on the secretariat's financial absorptive capacity.

53. It was suggested that the SADC secretariat should be capacitated and given sufficient mandate to implement programmes while member States should provide adequate oversight over the secretariat. In addition, member States should develop a clear road map to drive the economic integration agenda.

54. The participants recommended that the SADC secretariat should learn from the West African Monetary Institute where the Institute had a clear mandate and road map to drive the monetary union. Participants noted that there was no proper coordination between the SADC secretariat and member States, and furthermore, there was no alignment between regional development objectives and national plans and priorities.

55. It was noted that there was insufficient political will and commitment from member States to drive regional initiatives as evidenced from a clear lack of regional messages in national policy debates and programmes. The participants noted that SADC macroeconomic convergence targets had generally not been mainstreamed into domestic policies of member States, for example national budgets and medium-term expenditure frameworks and their broad macroeconomic targets were not in tandem with the overall regional economic objectives.

56. The participants noted the steady progress that had been made by the CCBG, for example in the formulation of the SADC Model Law and the National Payments System. However, the CCBG secretariat had capacity constraints which impeded its ability to deliver on a number of programmes and activities. The participants were informed that the recent CCBG meeting which took place in Lesotho recommended that with or without a monetary union, SADC should go ahead to put in place a monetary institute, and that it had been proposed at the CCBG meeting that Mauritius should develop the terms of reference to guide the setting up of the monetary institute.

57. The participants proposed that the subregion should map programmes and initiatives to minimize duplication and reduce transaction costs associated with uncoordinated and multiple similar development programmes. The participants suggested a harmonization of institutions and programmes across the subregion, that is, institutional convergence anchored on a clear memorandum of understanding between and among similar institutions.

58. It was proposed that legal and institutional convergence should be the starting point towards economic integration. The participants further suggested a comprehensive capacity-building and enhancement programme for the SADC secretariat to implement the Finance and Investment Protocol and other SADC protocols. It was also stressed that capacity-building was a necessary precondition for the realization of a monetary union in the SADC region. In addition, member States were called upon to increase staffing levels at the SADC secretariat.

4.6 Plenary session V: Lessons learned and the way forward

59. Dr. Simwaka gave a presentation on the major findings of the study on lessons learned and the way forward. He explained that SADC countries had made some progress towards attainment of

macroeconomic convergence targets, noting that the region was poised for further growth, which underscored the need for sustaining sound macroeconomic policies. However, there were a number of challenges, including differences among member States, in policy implementation constraints, and in perceived or real benefits or costs which affected commitment to monetary integration. He also noted that multiple memberships of regional economic communities could slow down progress on monetary integration.

60. It terms of recommendations, he explained that for successful macroeconomic convergence it was essential that efficient compensatory financing arrangements be put in place to make the domestic costs of adjustment affordable. He also stressed the need for equitable sharing of the costs and benefits of integration and incorporating the effects of exogenous shocks such as adverse weather, terms of trade, and external financing crises on economic outcomes of participating countries. He also recommended focusing on smaller subgroupings to accelerate monetary integration within SADC, with provision of variable geometry and variable, or multi-speed arrangements. In this regard, the Southern African Customs Union was cited as a possible starting point within the monetary integration agenda for SADC.

61. In the ensuing discussion, the need was expressed for strengthening the technical capacity of member States and SADC institutions for collecting and analysing macroeconomic data, including conducting cost benefit analysis of monetary integration at the subregional level.

62. There was a need for SADC to establish mechanisms for dealing with countries that did not comply with macroeconomic convergence targets. There should also be a plan for dealing with changes in country circumstances that militated against the implementation of integration programmes.

63. Participants also called for human capacity constraints to be addressed at the level of both the SADC secretariat and the relevant institutions of member States. There was also a need for harmonization of activities of the SADC secretariat and CCBG secretariat (and its various committees) to avoid duplication of responsibilities. Further, proper coordination between the SADC secretariat and member States was necessary.

64. Member States should ensure that national priorities were in line with regional priorities, and should mainstream issues of macroeconomic convergence in their national development plans and budgets.

5. Closure of the meeting

65. In his closing remarks, Mr. Anthony Taylor, speaking on behalf of the Acting Head of the ECA Subregional Office for Southern Africa, expressed the gratitude of ECA to the experts for their substantive contributions and insights during the two day meeting. He assured the participants that their comments and contributions would be taken into account in the final drafting of the background study, "Addressing the challenges of macroeconomic policy convergence in the SADC region". He also expressed special thanks to the Government of Mauritius for its good hospitality, logistical support, and substantive participation during the meeting. He wished the participants safe travel back to their respective countries.

66. Speaking on behalf of the Government of Mauritius, Mr. Riad Fuzurally, Analyst in the Ministry of Finance and Economic Development expressed his appreciation to ECA for allowing Mauritius to host the expert group meeting. He said that the meeting had provided the experts with a forum for sharing experiences. He pledged the Mauritian Government's continued support and collaboration with ECA, starting with the Intergovernmental Committee of Experts Meeting to be held in 2012. He also wished the experts safe travel back to their respective countries.

Annex I: Agenda

DAY 1: MONDAY 26 SEPTEMBER 2011

TIME	AGENDA ITEM	ACTIVITY
08:00-08:30	REGISTRATION	REGISTRATION OF PARTICIPANTS
08:30-09:30	OPENING SESSION Chaired by Dr. Benjamin Banda	OPENING OF THE MEETING Opening Statements Adoption of Agenda Objectives of the Meeting
09:30-09:45	TEA/COFFEE BREAK	
09:45-11:30	PLENARY SESSION I Chaired by Dr. Charles Nhemachena	MACROECONOMIC CONVERGENCE THEORY AND PRINCIPLES Presentation by West African Monetary Institute Discussion
11:30-13:00	PLENARY SESSION II Chaired by Prof. Exley Silumbu	EXPERIENCE SHARING: ECOWAS Presentation by West African Monetary Institute Discussion
13:00-14:30	LUNCH BREAK	
14:30-16:00	PLENARY SESSION III Chaired by Prof. Exley Silumbu	PROGRESS AND PROSPECTS FOR MACROECONOMIC CONVERGENCE IN THE SADC REGION Presentation Discussion
16:00-16:15	TEA/COFFEE BREAK	
16:15-17:30	PLENARY SESSION III Continued	PROGRESS AND PROSPECTS FOR MACROECONOMIC CONVERGENCE IN THE SADC REGION Country Perspectives (Mauritius and Tanzania) Discussion

DAY 2: TUESDAY 27 SEPTEMBER 2011

TIME	AGENDA ITEM	ACTIVITY
09:00-10:30	PLENARY SESSION IV Chaired by Dr. Exley Silumbu	REVIEW OF INSTITUTIONAL MECHANISMS FOR MACROECONOMIC CONVERGENCE IN THE SADC REGION Presentation Discussion
10:30-10:45	TEA/COFFEE BREAK	
10:45- 11:30	PLENARY SESSION IV Continued	REVIEW OF INSTITUTIONAL MECHANISMS FOR MACROECONOMIC CONVERGENCE IN THE SADC REGION Country Perspectives (Mauritius and Tanzania) Discussion
11:30-13:00	PLENARY SESSION V Chaired by Dr. Charles Nhemachena	LESSONS LEARNED AND THE WAY FORWARD Presentation Discussion CLOSURE OF THE MEETING

Annex II: List of participants

Mr. Dooneshsingh Audit, Chief, Economic Analysis Division, Bank of Mauritius, Port Louis, MAURITIUS, Tel: +230 2023826, Fax: +230 2084638, E-mail: dooneshsingh.audit@bom.mu

Dr. Lufeyo Banda, Development Finance Advisor, FIP Project, SADC Secretariat, P/Bag 95, Gaborone, BOTSWANA, Tel: +267 39 51863/72 115096, Fax: 267 39 72848, E-mail: lbanda@sadc.int

Nowbutsing Buissum, Lecturer, University of Technology, MAURITIUS, Tel: +230 2075250, Fax: +230 2346219, E-mail: bnowbutsing@utm.intnet.mu

Mr. Jabulane Caiphas Dlamini, Manager, Balance of Payments and International Economics, Central Bank of Swaziland, P.O. Box 546, Mbabane, SWAZILAND, Tel: +268 2 408 2000, Mobile: +268 76 029181, Fax: +268 2 404 0038, E-mail: jabulaned@centralbank.org.sz

Dr. Mark Ellyne, Adjunct Associate Professor, University of Cape Town, P.O. Box UCT, Rondebosch, Cape Town, SOUTH AFRICA, Tel: +27 21 6505176/ +27 79 1931115, E-mail: mark.ellyne@uct.ac.za

Mr. Riad Fuzurally, Analyst, Ministry of Finance and Economic Development, Port Louis, MAURITIUS, Tel: +230 2012328, Fax: +230 2013375, E-mail: rfuzurally@amil.gov.mu

Appadu Gangamah,Principal Statistician, Central Statistical Office, Port Louis, MAURITIUS, Tel: +230 2122316, Fax: +230 2114150, E-mail: gappadu@mail.gov.mu

Ms. Grace Gondwe, Ministry of Finance, P.O. Box 30136, Lilongwe 3, MALAWI, Tel: +265 1 789529/789355, E-mail: gondwe.g@gmail.com,

Dr. Rangasamy Juganathan, Head: International Economy Unit, Research Department, South African Reserve Bank, Pretoria, SOUTH AFRICA, Tel: +27 12 313 4535, Fax: +27 12 313 3925, E-mail: Logan.Rangasamy@resbank.co.za

Mr. Juma Athmani Kaniki, Principal Economist, Ministry of Finance, P.O. Box 9111, Dar-es-Salaam, TANZANIA, Tel: +255 22 2110331 Mobile: +255 764 476191, Fax: +255 222125692, E-mail: jkaniki@mof.go.tz, or kaniki@yahoo.com

Dr. Jankee Kheswar, Associate Professor, University of Mauritius, MAURITIUS, Tel: +230 4037943, Email: c.jankee@uom.ac.mu

Persand Lallmun, Statistician, Statistics Mauritius, LIC Center, J. Kennedy Street, Port Louis, MAURITIUS, Tel: +230 2122316, Fax: +230 2114150, E-mail: lpersand@mail.gov.mu

Mr. Inacio Manuel Manjama, Economist, Bank of Mozambique, Maputo, MOZAMBIQUE, Tel: +258 21 354600/700

Mr. Francis Ziwele Mbao, Bank of Zambia, Lusaka, ZAMBIA, Tel: +260 211 228888, E-mail: fmbao@boz.zm

Ms. Helen Mealins, Executive Director, RMCE, Regional Multidisciplinary Centre for Excellence (RMCE), 6th Floor, Baroda Building, Sir William Newton Street, Port Louis, MAURITIUS, Tel: +230 2130330, Cell: +230 9418300. E-mail: helenmealins@gmail.com

Bissessur Naimduth, Assistant Director, Mauritius Revenue Authority, 9th Floor, Ehram Court, Port Louis, MAURITIUS, Tel: +230 2075934, Fax: +230 2076034, E-mail: naimduth.bissessur@mra.mu

Dr. Harris Neeliah, Research Coordinator, Mauritius Research Council, Ebene, MAURITIUS, Tel: +230 4651235, Fax: +230 5651239, E-mail: h.neeliah@mrc.intnet.mu

Dr. Charles Nhemachena, Senior Environmental Economist, South Africa/CSIR, P.O. Box 395, Pretoria, SOUTH AFRICA, Tel: +27 83863 8065/ 12 841 3413, E-mail: nhemachenacharles@yahoo.co.uk

Dr. Emmanuel Ating Onwioduokit, Deputy Director, West African Monetary Institute, P.O. Box CT 75, Accra, GHANA, Tel: +233 244 343662, Fax: +233 302 743807, E-mail: eonwioduokit@wami-imao.org

Dr. Jean Razafindravonona, General Director of Budget, Ministry of Finance and Budget, Antananarivo, MADAGASCAR, Tel: +261 20 2262909, Mobile: +261 32 0740541, Fax: +261 20 2262909, E-mail: dgbudget@moov.mg

Mohajur Satiarajsir, Senior Analyst, Ministry of Finance and Economic Development, Port Louis, MAURITIUS, Tel: +230 2013903, Fax: +230 2012261, E-mail: smohajur@mail.gov.mu

Dr. Exley Bodwin David Silumbu, Senior Lecturer in Economics, Chancellor of College, University of Malawi, Economics Department, P.O. Box 280, Zomba, MALAWI, Tel: +265 1 524526/222, Mobile: 265 999 463 547, E-mail: ebdsilumbu@yahoo.com

Dr. Kisukyabo Simwaka, Senior Economist, Reserve Bank of Malawi, Lilongwe, MALAWI, E-mail: ksimwaka@rbm.mw, kisusimwaka@yahoo.co.uk

Mr. Punchoo Vikram, Head, Statistics Division, Bank of Mauritius, Port Louis, MAURITIUS, Tel: +230 20 23949, Fax: +230 20 84638, E-mail: vikram.punchoo@bom.mu

ECA SECRETARIAT STAFF

Dr. Sizo Mhlanga, Acting Director, ECA Subregional Office for Southern Africa, P.O. Box 30647, Lusaka, ZAMBIA, Tel: +260 211 228502, Fax: +260 211 234969, E-mail: smhlanga@uneca.org

Dr. Benjamin Mattondo Banda, Economic Affairs Officer, ECA Subregional Office for Southern Africa, P.O. Box 30647, Lusaka, ZAMBIA, Tel: +260 211 228502, Fax: +260 211 234969, E-mail: bbanda@uneca.org

Mr. Anthony Ademola Taylor, Economic Affairs Officer, ECA Subregional Office for Southern Africa, P.O. Box 30647, Lusaka, ZAMBIA, Tel: +260 211 228502, Fax: +260 211 234969, E-mail: ataylor@uneca.org

Mr. Jack Jones Zulu, Social Affairs Officer, ECA Subregional Office for Southern Africa, P.O. Box 30647, Lusaka, ZAMBIA, Tel: +260 211 228502, Fax: +260 211 234969, E-mail: jzulu@uneca.org

Ms. Annie TembaTemba, Team Assistant, ECA Subregional Office for Southern Africa, P.O. Box 30647, Lusaka, ZAMBIA, Tel: +260 211 228502, Fax: +260 211 234969, E-mail: atembate@uneca.org