



United Nations
Economic Commission for Africa

Workshop on Financial Systems and Mobilization of Resources in Africa

Abstracts & Profiles of Speakers

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**Profile of
Robert B. Gray, Chairman,
Debt Finance & Advisory,
HSBC Bank plc**

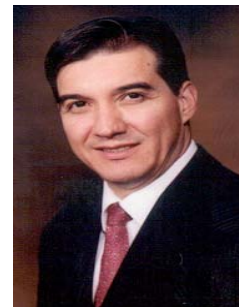


Robert Gray joined HSBC in May 1994 as Chairman of HSBC Markets Limited, with particular responsibility for developing HSBC's capital markets capabilities worldwide. He was appointed Vice Chairman, Client Development of HSBC Investment Bank plc in September 1999, and to his current position in March 2001.

Prior to joining HSBC, he was head of J P Morgan's capital markets activities in Europe. Previously he was President and Tokyo branch manager of J P Morgan Securities Asia Ltd. Robert also headed J P Morgan's world wide loan syndication group and was later responsible for their eurobond underwriting business.

He is Chairman of the International Primary Market Association and a former Chairman of the IPMA Market Practices Committee. In addition, he serves as Chairman of HSBC Financial Services (Middle East) Ltd. and of HSBC Securities (Japan) Ltd. and as a Director of HSBC Bank Egypt SAE. Robert graduated from St John's College, University of Cambridge with an Honours degree in History.

**Abstract and Profile of
Sebastian Paredes, Chief Executive Officer,
Sub-Saharan Africa and Citigroup Country Officer
South Africa**



**Abstract: Key Elements of Sound Financial Systems
and Their Contribution to Development**

Sustainable development in emerging market economies is very much dependent on the foundation of a sound financial system. The presentation will support this position through a review of the underlying elements of a sound and robust banking sector and will identify specific policy actions that regulators and management can take to consolidate and strengthen the efficiency of the banking sector. The importance of robust governing bodies will be highlighted and the role of an independent regulator and funding source of last resort contextualized with reference to the size and structure of the banking system. The role of the public sector in facilitating access to capital and improving the savings rate will be examined and examples presented such as deposit insurance and risk mitigation. A

review of key areas of control will cover capitalization, staffing, control and compliance, risk management and balance sheet management. Recommendations and practical examples will be based on the speaker's broad experience in emerging markets to suggest ways to continue to strengthen the banking systems in Africa.

Profile

Sebastian Paredes joined Citibank Ecuador in June 1985. In the the next eight years he held a number of important assignments before moving to Honduras in 1995, where he was named Chief Executive Officer. In 1997 he returned to Ecuador as CEO, managing the business during a particularly difficult economic and political period for the country. Sebastian was appointed CEO of Citibank Turkey in early 2000 and was given additional responsibilities for the bank's business in Israel. In July 2002 Sebastian was appointed Division Head for Sub-Saharan Africa, based in Johannesburg.

Before joining Citigroup, Sebastian was CFO of Confiteca, the largest candy manufacturing company of Ecuador from May 1983 until June 1985.

He graduated with a Bachelor of Science in Business Administration-Finance from California State University, and holds a Masters Degree from Instituto de Empresas, Madrid, Spain. Sebastian Paredes was born in Quito, Ecuador on 28 April 1961.

Profile of

Augustin Kwasi Fosu, Director, Economic and Social Policy Division, UNECA

Augustin Kwasi Fosu joined the United Nations system in February 2004 as Senior Policy Advisor/Chief Economist of the UN Economic Commission for Africa, Addis Ababa. He was appointed to his current position as Director of the ECA's Economic and Social Policy Division starting on 1 November.

Besides his post in the United Nations, he is an honorary Research Fellow of the Rural Development Research Consortium, at the University of California-Berkeley. Prior to joining ECA, he was Director of Research of the African Economic Research Consortium, Nairobi (May 1998-January 2004). Until August 2002, he was Professor of Economics, Oakland University, USA, where he served on the faculty for over twenty years. He was also Visiting Associate Professor at the University of Rochester, USA, during 1992-93.

He is coeditor of the Journal of African Economies (Oxford), and also serves on the editorial boards of the following journals: African Development Review, Journal of Development Studies, Oxford Development Studies, World Bank Economic Review,

and World Development. He is a past president of the National Economic Association (1997) and of the African Finance and Economics Association (1998 and 1999), both based in the USA.

He received his doctorate (1979) and master's (1975) degrees in economics from Northwestern University, and his bachelor's with honors (distinction, *cum laude*, Phi Beta Kappa) in mathematics and economics from Lawrence University, USA (1973). Dr Fosu has published extensively in economic growth and development and in labor economics. He is ranked among the "top 500 economists" worldwide based on his published articles:

<http://student.vub.ac.be/~tcoupe/update/authorsbauwens.html>.

A native of Ghana, Dr. Fosu resided in the USA for about thirty years.

Abstract and Profile of Simon Rutega, Chief Executive, Uganda Securities Exchange

Abstract: The Linkage of Conducive Economic Policy and Deepening of the Financial System – The Role of the Stock Exchange.

The mobilization of capital is critical for the sustainable economic development of Africa. Over the last decade, many low income countries such as Uganda have embarked on the development of their financial systems. This is a very positive development coming in the last ten years. A financial system is about the efficient mobilization of funds, the allocation of these funds and the monitoring of these funds. This paper analyses the stock exchange as the face of a deep and well functioning financial system of any economy. The Stock Exchanges in its current form takes on many roles apart from the traditional role of providing a platform for secondary market activities, it acts as a stimulus for the deepening of the financial sector it also behaves as a barometer for economic performance, and it can provide training on issues of the financial sector, and generally advertise the countries financial instruments. However, pioneering these institutions can sometimes prove quite challenging in an environment of low savings ratios to GDP, a rudimentary financial sector dominated by few short term instruments, a heavily segmented business market with large, medium sized and small entities exposed to different experiences with credit and financing needs, poor corporate governance issues, a rudimentary insurance and pension sector and generally operating in an environment grappling with issues of poverty and deprivation.

Profile

Simon Rutega joined Uganda Securities Exchange, the country's first stock exchange in 1998. He is currently the Vice President of the Institute of Corporate Governance of Uganda and sits on a number of Boards.

His working experience has included working with the American Express Advisory Service Group as a Business planner/Financial Analyst where he was charged with providing comprehensive financial planning for business and individual clients, investment portfolio management, insurance coverage, tax planning and general financial management. He was licensed as an investment advisor and as a registered representative, and was licensed to trade in securities in the USA (Series 7). He was also a member of the National Association of Security Dealers.

On his return to Uganda in 1992, from the United States, he worked with the Bank of Uganda where he was instrumental in compiling an electronic data base of Uganda's external debt, participating in a debt buy back programme for commercial debt and negotiating with Bilateral entities. He was also instrumental in co-ordinating the establishment of the Capital Markets Authority, the regulatory body of the capital markets industry.

He holds a BSc degree in Business Administration with an emphasis in Accounting and an MBA degree with an emphasis in Finance from the Marriot School of Business, Brigham Young University, USA. He has also had extensive training in capital markets from Georgetown University, the United States Securities Exchange Commission, the World Bank and other prominent training institutions.

Abstract and Profile of

Jean K. Thisen, Officer-in-Charge, Economic and Social Policy Division, UNECA

Abstract: Mobilization of Savings through Increased Monetization of African Economies

The need to increase savings prior to investment has become an important issue in African countries. Africa lags behind other developing regions in increased mobilization of savings resources to enable them to produce goods and services. So far Africa's savings rate remains comparatively low averaging around 15 per cent of GDP. One way to increase the new opportunities and incentives for poor households and business firms to save a greater part of their income for the future in the forms of financial assets is to increase the monetization of the African economies through bank credit. Testing a framework using the ratio of broad money (M2) to GDP and the saving ratio with a sample of 33 African countries' panel data for the period 1980-2002 shows a positive and significant correlation between the two variables. Therefore, a diverse, comprehensive, well-functioning, competitive financial system is needed to promote savings in the economy and thereby provide credit to small, medium-sized, and large enterprises as well as to micro-enterprises, including those owned by the poor and women. This paper urges African countries to use their monetary, fiscal and exchange policy in order to increase the monetization ratio to GDP, so as to pluck the poor out of poverty in the remote areas of urban centers and in the

rural areas. This can be a strategically vital platform that the poor can use to raise their own prospects for an escape from poverty.

Profile

Jean K. Thisen joined the UN's ECA in 1977, as Economic Affairs Officer dealing with fiscal, monetary, and financial policy and institutions, socio-economic policy planning and projections of African economies. He served as research supervisor for the 'African Economic and Social Survey' and 'Economic Report on Africa' before joining the Macroeconomic and Growth Team of Economic and Social Policy Division.

He has privately published several articles in periodical journals and book chapter contributions on Africa's development issues, challenges and prospects.

He holds an M.S. and Ph.D. in Economics from Southern Illinois University at Carbondale (USA), with specialization in money and banking, and public finance. He was a Rockefeller Foundation Post-doctoral Research Fellow in the Department of Economics at the University of Chicago, working on monetary and fiscal policy of developing countries.

He is a native of the Democratic Republic of the Congo, in West Africa.

Abstract and Profile of Emmanuel Nnadozie, Economic and Social Policy Division, UNECA

Abstract: Financial Systems and Economic Development: Critical Issues and Policy Implications for African Countries

Financial system regulation has been of great attention to policy makers since the beginning of financial history. Such emphasis has been because of the crucial role financial institutions play in economic life. There is, however, much differences over the ways and extent to which various forms of financial arrangements and organizations can promote economic growth and development. Numerous studies have examined different aspects of the finance growth relationship at both theoretical and empirical levels. Earlier research focused on the role of the banking system. Over the past few decades, the world stock markets have surged, and emerging markets have accounted for a large amount of this boom. New theoretical work shows that stock market development can boost economic growth and development and empirical evidence tend to provide some support to this assertion. This paper provides a review of the literature on finance and economic growth designed for a non-technical audience. The objective is to identify important policy

implications for African countries. We provide two main contributions to the literature. First, we provide a non-technical review and synthesis of the highly technical literature on finance and economic development. Second, we draw important policy implications of the literature for African countries.

Profile

Emmanuel Nnadozie joined the UN's Economic Commission for Africa in 2004 as Senior Economic Affairs Officer. Before joining ECA in 2004, he was Professor of Economics at Truman State University in Missouri, United States. In 1994, he was a Research Fellow at the University of Oxford, Centre for the Study of African Economies, and in 1996, visiting professor of economics and African Studies at the University of North Carolina at Charlotte. His scholarly works have appeared in both academic and non-academic journals worldwide. Emmanuel Nnadozie has written several books and book chapters, including *African Economic Development* (Academic Press/Elsevier Science, 2003). An award-winning educator, Professor Nnadozie is member of many honor societies and organizations, including Pi Delta Phi, Omicron Delta Kappa, and Phi Kappa Phi. He received higher degrees at the University of Nigerian Nsukka and the Université de Paris 1 Sorbonne.

Abstract and Profile of Charles Amo Yartey Economic and Social Policy Division, UNECA

Abstract: Financial Systems and Economic Development: Critical Issues and Policy Implications for African Countries

Financial system regulation has been of great attention to policy makers since the beginning of financial history. Such emphasis has been because of the crucial role financial institutions play in economic life. There is, however, much differences over the ways and extent to which various forms of financial arrangements and organizations can promote economic growth and development. Numerous studies have examined different aspects of the finance growth relationship at both theoretical and empirical levels. Earlier research focused on the role of the banking system. Over the past few decades, the world stock markets have surged, and emerging markets have accounted for a large amount of this boom. New theoretical work shows that stock market development can boost economic growth and development and empirical evidence tend to provide some support to this assertion. This paper provides a review of the literature on finance and economic growth designed for a non-technical audience. The objective is to identify important policy implications for African countries. We provide two main contributions to the literature. First, we provide a non-technical review and synthesis of the highly

technical literature on finance and economic development. Second, we draw important policy implications of the literature for African countries.

Profile

Charles Amo Yartey is a PhD candidate in economics at the faculty of economics and politics, University of Cambridge, UK. His PhD thesis examines the impact of stock market development on corporate finance and long run growth in Africa with special emphasis on Ghana.

He has an MA in economics with finance from McMaster University, Hamilton, Ontario, Canada and an MPhil in development studies from the University of Cambridge, UK. He obtained his bachelor's degree in economics and a diploma in education from the University of Cape Coast, Ghana. His current research interests are in the areas of corporate finance, corporate governance, and financial stability and regulation in emerging markets.

He has written on competition policy in developing countries, macroeconomic policy and poverty reduction, international finance, energy economics, and post conflict economics in Africa. He has worked for the Population Council New York; The North South Institute, Ottawa, Canada; the International Monetary Fund, Washington DC; and the United Nations Economic Commission for Africa, Addis Ababa, Ethiopia.

Abstract and Profile of Una Okonkwo Osili, Ph. D., Assistant Professor, Indiana University-Purdue University at Indianapolis



Abstract: Foreign Direct Investment in Africa

Foreign direct investment (FDI) represents an important source of finance for developing countries. However, Africa's share of global FDI and US total private investment to developing countries remains relatively low. We use data from 33 African countries between 1989 and 2000 (OLS and panel estimates) to study the determinants of US foreign direct investment in Africa. We also compare the determinants of US FDI to total FDI flows for specific countries. Results suggest that economic variables, in particular openness to international trade are significant determinants of US FDI in Africa. US direct investment in Africa tends to be concentrated in countries with extractable mineral resources. The effect of macroeconomic variables is mixed. We also do not find evidence to support the view that high political risk discourages US FDI flows in Africa. Overall, the estimation results do not provide strong support for some traditional explanatory

variables found in existing literature. These findings raise important policy questions.

Profile

Una Osili is an assistant professor of economics at Indiana University-Purdue University at Indianapolis. She is also a member of the Philanthropic Studies faculty at the Center on Philanthropy at Indiana University.

Her main areas of research include private resource transfers in developing countries. As a Visiting Scholar, at the Federal Reserve Bank of Chicago in 2003, she pursued research on immigrant participation in U.S. financial markets. She has received research grants from the National Science Foundation, the Social Science Research Council and the Ford Foundation.

Una Osili has served on the International Scientific Panel for the Council for the Development of Social Science Research in Africa/MacArthur Foundation *Real Economies of Africa* program. She is currently on the Board of Directors of LEAP Africa, the Advisory Board of the American Red Cross of Greater Indianapolis. She has received research grants from the National Science Foundation, the Social Science Research Council, the Russell Sage Foundation, and the Ford Foundation. She has forthcoming articles in *World Development*, *Journal of Population Economics*, and *Economic Development and Cultural Change*.

She received her bachelor's degree in economics with honors from Harvard University and her M.A and Ph.D. in economics from Northwestern University.

Abstract and Profile of Siyanga Malumo, Director, Fieldstone Capital Group Southern Africa

Abstract: Domestic Resource Mobilisation in Africa: A Critique on the Present Financial Systems and A Strategy for Future Development (Better Future)

An over view of the developmental challenges in Africa (poverty alleviation, unemployment, lack of education and health facilities and infrastructure, low capital formation, political instability, lack of good governance, etc.);

The key constraints to Africa's development (banker's perspective: dearth of good & visionary political leadership, insignificant growth rates overall, low capital formation/savings rates, archaic & weak & non-creative & elitist financial systems, high cost of doing business, high foreign/domestic debt levels, unprogressive cultural traits, lack of work ethics, prevalence of "informal" payments, capital flights, banks' overconcentration on Treasury Bills, etc.);

The role of the financial sector (central banks, banks, non-bank financial institutions, etc.) in meeting these challenges (encourage domestic savings, devise efficient and wide spread methods of capturing savings, progressive lending policies & strategies, etc.);

A score card on the contribution by the financial sector (generally not laudable);
Why the failures (weak & politically controlled central banks, unimaginative & undercapitalised commercial banks, unreliable non-bank financial institutions, lack of measures to attract the poor to save and to access credit);

What improvements are required for the sector to make the due/expected & meaningful contribution the acceleration of economic development and social progress in Africa (creative and independent central banks, highly competitive & creative & prudent commercial banks, aggressive non-bank financial institutions, respect for the social contract by pension funds & related institutions, need for introduction of sophistication and more products in the financial systems, need for continental approach to the development & management & supervision & regulation of the financial systems, etc.);

A vision for a better to-morrow, for a better and prosperous Africa (how to avoid mistakes of the past, learn from the mistakes of the past, rekindle the pre-&-early independence spirit of a better Africa, how to co-opt the African intelligentsia & the African Diaspora & the workers & peasants to create a new and collective charter for African development...the Asians are doing it!).

Profile

Siyanga Malumo joined Fieldstone Private Capital Group Southern Africa as Director in 1997. Previous to that he founded the African Finance and Investments. Over a long career in investment banking, Dr Malumo worked for Meridien BIAO S.A. Johannesburg, Regional Office for West/Central Africa, where he was responsible for 16 countries. He also served as Executive Vice President of Meridien International Bank, having started at that institution in 1986. Before joining Meridien, Dr Malumo worked for six years as Chief of the Information Division of the African Development Bank. He joined the banking sector in 1980 from a position as Business Economics Editor of Africa Journal Ltd, published in London.

In addition to his full time work, he has been occupied as a resource person and lecturer in seminars at the African Export-Import Bank. He has worked in resource mobilization for wind-up radio for Baygen Power Co, in South Africa, and in advertising for companies in South Africa and Zambia, where he taught Money and Banking, Marketing and Management at the University of Zambia.

He was a member of the UN's ECA Expert Group Meeting on the Establishment of an African Monetary Fund. He has also served as a consultant and guest lecturer for UNDP in the former Yugoslavia, the African Development Bank, the Aga Khan Foundation, the Center for Banking Studies, in Paris, the University of London, Africa Centre, and the Centre for International Briefing in England, among others. With extensive experience in trade finance and commercial banking, he has widened his capacity in project finance, particularly after the arrival of the BOOT, BOOO, and BOT financing techniques, in the 1990's, since joining Fieldstone, Dr Malumo has handled a number of large-scale projects such as:

- **TANZANIA:** Team Leader in the preliminary phase of the proposed BOT Central Corridor Road Project (US\$ 250 million); Team Leader on the proposed Dar-Es-Salaam to Mwanza Oil Pipeline (US\$ 230 million).
- **MOZAMBIQUE:** Team Leader on Cahora Bassa Power Station Restructuring and privatization (US\$ 2 billion).
- **NIGERIA:** Team Leader in the initial phase of the proposed BOT Toll Roads Project (Privatisation and Rehabilitation of existing roads and Construction of new ones) in Lagos State (US\$ 316 million),.
- **NIGERIA:** Team Leader initial phase of Rivers State Power Sector Restructuring (US\$ 50 million).
- **NIGERIA:** Team Leader Abuja Sofitel Hotel Privatisation (US\$ 30 million).
- **NIGERIA:** Team Leader Ibom Power Project (585 MW or US\$ 500 million)
- **NIGERIA:** Team Leader DOMGAS Project (US\$ 210 million).
- **CONGO DR:** Team Leader on BOT Inga-Kinshasa Second 300 km 220 kV Transmission line (US\$ 100 million, project suspended due to civil war) and Team Leader on the Rehabilitation and Expansion of fixed lines project.
- **IVORY COAST-MALI:** Team Leader on the 400 km 220 kV Transmission between these two countries (project suspended due to donor strategy change).
- **SUDAN:** Was Team Leader in the initial phase of the Khartoum North Power Station Expansion project.
- **UGANDA:** Project Marketing Specialist Uganda Electricity Board Privatisation (Generation and Distribution US\$ 100 million).
- **ZAMBIA:** Deputy Team Leader Zambia Hydropower Development Project (750 MW Kafue Gorge Lower & Itezhi-Tezhi power stations, Mkushi Farm

Block Electrification Project, North-West Mini-Hydros....US\$ 900 million), Zambia-Tanzania-Kenya Power transmission Line.

- **ZIMBABWE:** Team Leader Power Generation Privatisation (US\$ 500 million).

Have been involved in many Trade Finance transactions, ranging from aircraft financing in Angola to telecommunication equipment financing in Benin Republic. Further, Project Finance by itself has some significant elements of Trade Finance as part of Structured Project/Trade Finance.

Capital Markets and Development Banking:

Was part of the team that spearheaded the now successful presence of the African Development Bank on the capital markets in terms of borrowing and publicity, and have continued this endeavor by introducing some African regional and sub-regional institutions to the major capital/financial markets (Frankfurt, London, New York, Tokyo, Zurich). I also played a central role in the opening of the capital of the capital of the African Development Bank to non-African countries. I was involved in most of the resource mobilisation efforts with Asian, European and North/South American donors.

Introduced the first internationalised Domestic Currency Bond issue in East Africa through the East African Development Bank's US \$ 20 million Kenyan Shillings issue, later followed by similar issues for Tanzania and Uganda. Was also involved in the pioneering of the Francophone West African Development Bank's (BOAD) sub-regional domestic CFAF bond issues.

Advised (formally/informally) Governments, Sub-regional financial institutions, central banks, and the Private Sector on banking, financial and economic development matters, and the Private Sector.

PUBLISHED

“Introduction to Marketing in Africa”

(Macmillan, London 1986) and currently working on books in Finance, Banking and Management.

Published numerous articles in Development Journals, Petroleum Review and magazines/newspapers Worldwide.

He has an MBA in Finance and Marketing from McGill University, in Canada. A native of Zambia, he is an economics, law and business graduate of the University of Zambia. He has also attended different courses on capital markets, budget/costing, project financing and assets and liability management run by the ILO/UNDP, the World Bank, Euromoney International, and Oxford University, among others.

**Abstract and Profile of
Derrese Degefa, Economist, Ethiopia**

Abstract: Workers' remittances: Importance and Determinants in Africa

Migrant workers' remittances have eventually come to play an increasingly important role as a major external source of development finance in developing countries. Africa has also been benefiting from these flows. In absolute terms, the flow of workers' remittances to Africa as a whole has been increasing tremendously, up from \$5.8 billion US dollars in 1980 to \$8.8 billion in 1995 and then to \$11.2 billion in 2002. However, the region's share in the developing world has been falling dramatically, down from as high as one-third in 1980 to 17.2 percent in 1995 and then finally dropped to only 12.7 percent in 2002. This clearly demonstrates that the rate at which remittances flow to Africa has been very low compared to most developing regions of the world. There are also significant variations among countries in absolute size of the flows and when considered relative to size of the population and size of the economy. Why? Although the answers to this kind of question are always difficult to exhaust, an attempt is made in this paper to address which policy variables and institutional factors determine the inflow of remittances to African countries. Accordingly, stable monetary policy, less restriction on foreign investment limit, secured property rights and less fiscal burden by the government encourages the flow of remittances to Africa.

Profile

Derrese Degefa earned Bachelor of Arts degree in Economics and MSc degree in Economics (Economic Policy Analysis)-a collaborative programme with Oxford University- from Addis Ababa University in 1992 and 1996, respectively. From April 1993 to January 14, 1999, he worked as budget expert in Oromia Regional State Finance Bureau. Since 15th January 1999, he has been serving UNECA in the Economic and Social Policy Division (ESPD) at different capacities. He was also a part-time lecturer at Addis Ababa University, Department of Economics, from September 1996 to July 1999.

**Abstract and Profile of
Mthuli Ncube, Chairman Selwyn
Capital (Pty) Ltd, Johannesburg**



**Abstract: Financial Systems and
Monetary Policy in Africa**

This paper examines the role of the financial system in the operation of monetary policy. The financial system is comprised of the banking system, non-bank financial

institutions and the capital markets. The role of the central bank is two-fold, that of price stability, and stability of the payment system. We look at the evolution of monetary policy in Africa over the last forty years, through five stages namely, Currency Board, Rationing Regime, Discretionary Regime, Credit Ceiling regime, and Market Clearing Regime. The paper shows how indirect monetary policy is important for the effective conduct of monetary policy. The paper discusses the objectives of financial sector reforms in Africa namely, to reduce financial sector repression by liberalizing interest rates; to institute transition from direct to indirect monetary policy; to restructure the balance sheets of banks and restore their solvency; and to develop financial markets. We then present the state of the financial sector in most African countries before and after the financial sector reforms. The paper also analyses the institutional and regulatory issues in relation to the well-known Agency Conflicts. The paper concludes by giving recommendations for developing the quality of financial markets and the conduct of monetary policy in Africa.

Profile

Mthuli Ncube is an Investment Banker and international academic, and the Chairman of Selwyn Capital, an investment banking boutique based in Johannesburg.

He founded Barbican and Selwyn Group of companies which operate in the areas of banking, asset management, insurance, advisory services, and private equity. He has expanded his investments into the mining sector and media sectors.

Previously, Mthuli Ncube worked for INVESTEC Asset Management as a Portfolio Manager and Head of Asset Allocation Strategy. He also managed Investec's Global Managed Fund, an offshore umbrella-fund registered in Ireland. The fund had five other funds under it with investments in US, Japanese and European Equities, bonds and money markets.

Prior to joining the corporate sector, Dr Ncube was an Assistant Professor of Finance at the London School of Economics, UK, where he taught and supervised undergraduate and graduate students in finance, and general theory of asset pricing.

He has written over 20 research papers in the area of finance and economics, for which he has won numerous international awards. Some of the papers have been published in international journals such as the *Journal of Econometrics*, *Journal of Banking and Finance*, and *Mathematical Finance*, among others. He has also published a book "Development Dynamics: Theories and Lessons from Zimbabwe", and has completed two(2) book manuscripts, one on asset pricing and the other on financial systems and monetary policy in Africa..

Mthuli Ncube has been a Visiting Research Fellow at the International Monetary Fund(IMF),USA, and holds various directorships in the corporate sector. He also a Director-at-Large for the African Economic Research Consortium(AERC), Nairobi.

He holds a PhD in Mathematical Finance from Cambridge University, UK, on “Pricing Options under Stochastic Volatility”.

Abstract and Profile of
Mumba S. Kapumpa



Abstract: **Strategies for Financial Market Integration:**
Special Reference to SADC and East African Regions

One of the serious bottlenecks why the private sector does not play a significant role in the development of African economies is the shortage of financial resources in the continent. The development of financial systems, including capital markets, is one important step to meet the expectations and needs of several categories of economic operators. The overall contribution of capital markets and their role in accelerating development through provision of long-term investment resources are increasingly acknowledged in Africa.

However, many African countries are facing serious constraints to capital markets development. Lack of institutions with skilled manpower to provide the necessary elements for the establishment and proper operation of stock exchanges, lack of institutions to train the needed skilled human resources for securities markets, lack of legal/regulatory framework, inadequacy of market information as well as exchange systems together with a lack of sub-regional co-ordination are some of the problems most of the African countries are faced with.

Similar difficulties found in capital market development are also prevalent in other non-banking financial institutions whenever regional integration is analysed. Efforts being made to find answers to the question of sub-regional co-ordination and integration are discussed and the way forward is suggested.

Abstract: **Transparency in the Financial Institution Regulatory Framework**

One of the main cornerstones of any regulatory framework is the level of transparency in its set up and regulatory process. This is so true in financial markets, especially in pre-emerging and emerging markets in Africa.

The paper looks at the general principles on which transparency is founded and analyses the effect of increased transparency on a country's financial market and the overall economy.

There is a discussion on the current status of implementing transparent regulatory processes in the world and in this regard looks at the distinctive features of developed and emerging financial markets.

Finally the paper looks at the challenges that have to be overcome to achieve an efficient and transparent financial market regulatory framework.

Profile

MUMBA S KAPUMPA, is currently the Chairman of the African Capital Markets Forum, a continental think tank created for research, development and promotion of Capital Markets in Africa. He has been practicing law since 1972 and has served on the Council of the Law of Association of Zambia. He has also worked in the public service for more than 30 years, as Director of Legal Aid, Director of Treaties, first Treasury Counsel (for 10 Years) and the first Secretary and Chief Executive of the Securities and Exchange Commission (for another 10 years), during which he pioneered the establishment and development of the capital market in Zambia.

He has chaired many local and international conferences, workshops and seminars and presented professional papers on Long Term Investment, Capital Market Development and Corporate Governance.

He is a qualified Mediator and Arbitrator and is Associate Member of the Chartered Institute of Arbitrators of the UK, and a Board Member of Zambia Association of Arbitrators.

He is a Board Member and Executive Director of the Institute of Directors in Zambia (IoD), with an added responsibility of coordinating the promotion of corporate governance and professional standards in Zambia, and serves on the Steering Committee of the Pan African Forum on Corporate Governance.

He also serves on several Corporate Boards in Zambia.

He has consulted both locally and internationally on Capital Market Development in Africa, for the UNECA, Financial Institutional Regulatory Framework for the Namibian Government, and in Zambia for the Public Service Pensions Fund, and the Zambia Institute of Chartered Accountants (ZICA).

In addition, Mumba S. Kapumpa is a resource person on Corporate Governance for the Director for Development Workshop run by the IoD Zambia. He is Managing Partner of a Law firm styled Mumba S Kapumpa Advocates and also practicing as Partner with Malambo and Company specialising in matters relating to criminal defence, civil litigation and corporate transactions.

He has published articles in Law Development, Capital Market Development, Corporate Governance and Long Term Investment in both local and international professional magazines and journals.

He served as the first Chairman of the National Arts Council, an all embracing body charged with the promotion of Zambian arts, and has hosted popular radio and television talk shows on politics, economic development and the arts.

**Abstract and Profile of
Godswill Efiang Ukpabio, Director of Development Finance Department,
Central Bank of Nigeria, Abuja**

**Abstract: Finance for the poor: the role of financial, fiscal and
foreign exchange policies**

As the sixth largest exporter of crude petroleum and enormous endowments of solid minerals and agricultural resources but a per-capita gross domestic product of less than ten dollars, Nigeria presents the paradox of a 'rich but under-developed' economy, harbouring both absolute and relative poverty. The situation is strongly indicative of sub-optimal resource mobilisation and utilisation, distributional inequities compounded by inappropriate policy vision and harmonisation between the fiscal and monetary authorities. A crawling antecedent of centralised policies and programs ostensibly targeting development had yielded only transitory effects and minimal resource transfers to the poor. This has bred a subsidy-dependence syndrome within an ecology of high fiscal dominance, deficits, inflation, rent-seeking, capital flight, bio-physical degeneration and social tension.

The paper hopes that in addition to targeted programs, infrastructural rehabilitation, commercially sustainable micro-intermediation, stable polity, strategic policy harmony, improved fiscal federalism among the three tiers of government and between the federal government and monetary authorities would alleviate the malignant paradoxical poverty and rehabilitate the economically active poor and low-income earners".

Profile

Godswill Efiong Ukpabio, Director's Office, Development Finance Department, Central Bank of Nigeria, Abuja is a member of the Nigerian delegation to the International Coffee Council. He was also delegation Leader and Signatory on behalf of Nigeria of the Association of Coffee Producing Countries, Brazil, and is a Member of the Nigerian delegation of the International Cocoa Research Symposium, Malaysia.

He was Editor of "20 years of Agricultural Credit Guarantee Scheme in Nigeria." He also published papers on: "Overview of Total Deregulation of the Foreign Exchange Market in Nigeria" - Authorised Dealer workshop; "Establishment of Interbank Foreign Exchange Market" - for West African Institute for Economic Management (WAIFEM) at Ghana Banking College, Accra; "Parallel Market Development & Foreign Exchange Management in Nigeria" for Chartered Institute of Bankers, Sheraton Hotel, Lagos; "Innovative Approaches to the Provision of Rural Financial Services to Smallholder Producers in Nigeria" for SACRACT II Workshop, Johannesburg, South Africa; "Efficacy of Credit Guarantee as Agricultural Intervention in a Deregulated Developing Economy, With Spotlight on the Nigerian ACGSF" for the First Central Bank Forum, Accra, Ghana.

With a B. Sc Agricultural Economics from the University of Nigeria, and an M.Sc in Economics from Ahmadu Bello University, Zaria, Godswill Efiong Ukpabio has done extensive coursework in development planning, commodity and futures markets, banking, microfinance and non-bank financial institutions at the University of Bradford, UK, the New York Institute of Finance, International Ireland Ltd, in Ireland, and the West African Institute for Financial & Economic Management (WAIFEM), in Banjul, among others.

Profile of Sridhar Srinivasan, General Manager of Citibank, Kenya



Sridhar joined Citibank in 1984 in India. He has been the Chief Executive of Citibank in Kenya since September 2002. He moved to Kenya from Zambia where he was the CEO for Citibank from September 1999. Before that he was the Head of the Corporate Banking Group in India for about a year. Prior to that he was the Chief Executive Officer for Citibank in Bangladesh. His mandate in Bangladesh was to convert our representative office to a full-fledged branch, and establish a strong presence in the Corporate Banking business.

Prior to this assignment he was the Head of the World Corporation Group for India. In this role he was responsible for managing the large multi-national customer franchise for Citibank in India. In addition to this, Sridhar also looked after the Global Transportation Segment, which deals with Airlines and Shipping Companies.

Before this assignment, he was the Corporate Bank Head for Eastern India, based in Calcutta. As the head of the bank in the Eastern Region, besides dealing with some of India's largest companies, he also handled large family business groups.

Earlier, as a Relationship Manager based in Citibank Delhi, he managed large multi-national companies and prominent local business groups of Northern India.

Prior to his assignment in Delhi, he was based in Calcutta where he joined the bank in January 1984. After spending a year in the Financial Control Unit, Sridhar moved to the Corporate Banking Group. As a Relationship Manager, he managed several local corporate accounts.

Sridhar has a very diversified and broad experience in the various aspects of corporate lending. He has marketed complex corporate finance and treasury products to most of the large companies, including large Public Sector Undertakings in India. He has also worked extensively in the remedial management of problem loans.

Sridhar holds a holds an Honours' Degree in Commerce from Delhi University. He is also a professionally qualified Chartered Accountant.

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