SADC DFI NETWORK CEOS MET ON FOURTH INDUSTRIAL REVOLUTION (4IR)

The 17th forum for SADC DFI CEOs was held on 6th December 2018 in Cape Town, RSA. The theme for this forum was “The Fourth Industrial Revolution (4IR) and Impact on DFIs”.

The 4IR encompasses the technological advancements that are moving us from basic connectivity and interaction mainly through the internet, to a more complex merger of robotics, automation and artificial intelligence. The objective of this forum was to acquaint SADC DFI’s and other development stakeholders with knowledge, new insights and share experiences on this crucial subject matter in order to understand ways in which they could adapt to the inevitable changes that the 4IR brings about.

The forum sessions were organized along two theme lines - internal and external views on the 4IR.

The external view panel which looked at the major technological and business challenges that underpin 4IR, comprised of Dr. Markus Thill (Chief Executive Officer of Bosch Africa), Mr Theo Sibiya (Managing Director of AT Kearney South Africa), Dr. Martyn Davis (Managing Director, Emerging Markets and Africa at Deloitte Africa), Professor. Fulufhelo Nelwamondo (Executive Director of Council for Scientific and Industrial Research (CSIR) Modelling and Digital Sciences) and Mr Yanesh Naidoo (Director of Sales & Design, Jendamark Automation, Pty, Ltd). This session was moderated by Mr Craig Wing (Futurist and Business Specialist, Future World South Africa).

The internal view panel, which critically examined how Africa’s developmental finance institutions could prepare and adapt themselves for the 4IR, consisted of Mr Christo Fourie (Head of New Industries at the Industrial Development Corporation of South Africa), Dr Bruno Deprince (Regional Director – French Development Agency – AFD), Mr Dylan Piatti (Senior Chief of Staff – Consumer and Industrial Products, Deloitte Africa), and Dr. Ralf Dominick (Chairman of BBD South Africa). Professor William Gumede, Associate Professor, School of Governance at the University of Witwatersrand, RSA, moderated the session.

The Forum was chaired by Mr Patrick Dlamini, Chief Executive of the Development Bank of Southern Africa, while the keynote address was given by Professor Tshilidza Marwala, Chief Executive and Principal at the University of Johannesburg.

The forum was well attended with a record 80 participants, who included CEOs and senior officials from DFIs, governments, financial institutions, the private sector and other development finance stakeholders. The report of the forum can be accessed on the DFRC website http://www.sadc-dfrc.org.
DFIS EMBARK ON A MISSION TO TOKYO

The DFRC, in collaboration with JICA, organized a trip to Japan on “Industrial Development and Promotion of MSMEs - the Experience of Japan” from 24th September to 2nd October, 2018.

Japan is one of the countries that have succeeded in industrializing its economy through harnessing and promoting micro, small and medium-sized enterprises (MSMEs). Its success is founded on a tested and effective institutional, policy, financial and regulatory framework developed and implemented by various levels of governments and governmental organizations with the active participation of the private sectors.

The objectives of this trip were, therefore, for SADC DFIs to learn about the institutional, policy, financing and regulatory arrangements for MSMEs in Japan, derive lessons from it and assess what could be adapted to their own environment. To this end, delegates had the opportunity to hold meetings with central government departments, local governments, governmental institutions, private financial institutions and some MSMEs on the ground.

The delegation consisted of eleven DFI executives, the DFRC CEO and Mr. Tetsuya Fukunaga, Advisor, Development Finance, SADC DFRC. Please visit http://www.sadc-dfrc.org for the report.

DFIS PERFORM HIGHLY IN PSGRS RATINGS

Nineteen (19) SADC DFI Network members participated in the annual Self-Assessment and Peer Review of AADFI’s Prudential Standards and Guidelines Rating System (PSGRS) in 2018, and twelve (12) were rated highly with the highest, Agribank Zimbabwe, scoring 94% (Excellent). The twelve are listed in the table of “honour” below and were amongst the top twenty-five (25) highest performing DFIs in Africa.

Table of Honour

<table>
<thead>
<tr>
<th>Best Performing Institutions</th>
<th>Results</th>
<th>Notation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Bank of Zimbabwe</td>
<td>94%</td>
<td>AA</td>
</tr>
<tr>
<td>Development Bank of Namibia</td>
<td>91%</td>
<td></td>
</tr>
<tr>
<td>Development Bank of Southern Africa</td>
<td>89%</td>
<td></td>
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<tr>
<td>Citizen Entrepreneurial Development Agency</td>
<td>89%</td>
<td></td>
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<tr>
<td>GAPI SI</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Export Development Fund</td>
<td>86%</td>
<td>A+</td>
</tr>
<tr>
<td>Eswatini Development and Savings Bank</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Infrastructure Development Bank of Zimbabwe</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Land and Agricultural Development Bank</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Eswatini Development Finance Corporation</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Industrial Development Company of Eswatini</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>TIB Development Bank</td>
<td>80%</td>
<td>A</td>
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The performance of the member DFIs underscore the high standards achieved in the key rating areas of operational, governance and financial prudence. Hopefully, the consistently high performing DFIs will go further to improve their creditworthiness by undertaking or subjecting themselves to international credit ratings.
Following the name change of the Kingdom of Swaziland to the Kingdom of Eswatini, the Network Members from Eswatini also experienced name changes as follows;

- Eswatini Finance Development Corporation (FINCORP)
- Eswatini Housing Board (EHB)
- Eswatini Development and Savings Bank (Eswatini Bank)
- Industrial Development Company of Eswatini (IDCE)
- Eswatini National Industrial Corporation (ENIC)

The SADC DFRC has over the past six months delivered 13 programmes. The programmes attracted 215 participants and achieved high programme evaluation index (PER) ratings of between 86% and 95% each, far above the target threshold of 80%.

It is evident from the evaluations that, building on its illustrious performance to date, the DFRC continues to deliver quality programmes which are widely recognised by the network members and a growing number of other stakeholders, including the private sector, state-owned enterprises, and government departments.

Some non–members not only from the region but also from outside have also benefited from the programmes being offered by the DFRC. Building on this growing trend and looking ahead, and under its new Five-Year Strategic Plan, the DFRC will be broadening its outreach to cover participants from outside the Network, among these DFIs in the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) within the ambit of the Tripartite Alliance.

To kick–start this process, a programme on Public Private Partnerships was held at the DBSA in Johannesburg from the 13th to 15th of March. The workshop whose target group was participants from the Tripartite regional blocs, included visits to the Gautrain (a rapid rail system) and the Cradle of Humankind (a tourism project) as examples of PPPs in implementation. The workshop was held in partnership with the DBSA and the Japanese Investment Cooperation Agency (JICA).

Implementation of the strategic plan will see the DFRC deliver more programmes on the basis of partnership with similar organisations such as the Association of African Development Finance Institutions (AADFI) as well as other strategic partners.

The DFRC PPP Network continues to assist the Botswana Housing Corporation (BHC) with its feasibility study to procure its new Head Office as a PPP. The study is planned to be completed in July 2019.

In addition, the DFRC is working with the African Development Bank (AfDB) and the Development Bank of Southern Africa to identify bankable projects which can be taken to the procurement stage within a relatively short period of time. This process has also included the Infrastructure and Services Directorate from SADC that helps to co-ordinate the member states. Once these projects have been finalized they will be taken to the relevant SADC Ministers for approval.

The DFRC has also been able to facilitate the development of a clean drinking water project for Mauritius which will eventually see the complete upgrade of the islands water systems. The DBSA has agreed to assist the Water Management Authority of Mauritius with this process and the feasibility study should be completed in 2019. The capital value of the project is currently estimated at $25 million.
NORSAD FINANCE AND SADC-DFRC COLLABORATE ON BLOOD DRIVE

To fulfill their social responsibility within the host country, the SADC-DFRC in collaboration with Norsad Finance hosted a Blood Donation Event for companies located in the Gaborone Central Business District (CBD) themed “CBD BLOOD DONATION DRIVE”. This was undertaken in partnership with the Botswana National Blood Transfusion Services (NBTS).

The event, which took place at the Three Dikgosi Monument, in July 2018, is intended to be an annual event, this one being the first. It includes health stalls that educate the public on health and fitness issues, as well as entertainment for kids to keep them busy whilst parents donate blood.

The event comes against the backdrop of information that the country needs 40,000 units of blood per annum, and currently the NBTS collects only 22,000 units a year.

According to the NBTS statistics, 51 units of blood were collected on this day, which far surpassed the target of 20 – 25 units.

The next blood donation drive is scheduled for Saturday 6th July 2019, in Gaborone. All local DFIs and other stakeholders are invited to partake in this very important event initiated by Norsad Finance.

NEW LEADERS IN DFI

The following changes in member DFI Management have been advised to the Network:

- Mr Japhet Justine was appointed Managing Director for Tanzania Agricultural Development Bank on 12th November 2018.
- Mr Tshokolo P Nchocho was appointed Chief Executive Officer for the Industrial Development Corporation of South Africa on 6th December, 2018 following retirement of Mr Geoffrey Qhena.
- Mr Bennie Van Rooy was appointed Acting Chief Executive Officer of the Land and Agricultural Development Bank of South Africa with effect from 7th December, 2018. This position was vacated by Mr Tshokolo Nchocho. personnel
- Mr Moatlhodi Lekaukau has been appointed Acting Managing Director at Botswana Development Corporation with effect from 25th February, 2019, the position which was previously held by Mr Bashi Gaetsaloe.
### UPCOMING TRAINING PROGRAMMES

The following programmes are scheduled for the next quarter:

<table>
<thead>
<tr>
<th>PROGRAMMES</th>
<th>COUNTRIES</th>
<th>DATES</th>
<th>DURATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Mastering Agriculture Value Chain Lending</td>
<td>Eswatini</td>
<td>20th – 24th May 2019</td>
<td>5 days</td>
</tr>
<tr>
<td>SADC DFI CEOs Forum</td>
<td>Victoria Falls</td>
<td>7th June 2019</td>
<td>1 day</td>
</tr>
<tr>
<td>*Project Impact Assessment, Evaluation and Monitoring</td>
<td>Zambia</td>
<td>17th – 21st June 2019</td>
<td>5 Days</td>
</tr>
<tr>
<td>*Prudential Standards and Guidelines Rating System</td>
<td>South Africa</td>
<td>27th – 28th June 2019</td>
<td>2 Days</td>
</tr>
</tbody>
</table>

*Jointly with AADFI

Programmes for financial year 2019/20 can be viewed by following the links below;

- [http://www.sadc-dfrc.org](http://www.sadc-dfrc.org)
- [https://www.facebook.com/sadcdfrc](https://www.facebook.com/sadcdfrc)

**PUBLIC PRIVATE PARTNERSHIPS**

- [http://www.sadcpppnetwork.org](http://www.sadcpppnetwork.org)

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