

**WELCOME ADDRESS OF THE CHAIRMAN OF THE SADC DFI NETWORK AT  
THE SADC DFI NETWORK CEO's FORUM HELD IN SWAZILAND ON 7<sup>TH</sup> TO  
8<sup>TH</sup> DECEMBER 2017**

- Program Director.
- Your Royal Highness Prince Hlangusempi representing the Honourable Minister of Finance, Senator Martin G. Dlamini.
- Senior Government Officials Present.
- Key Note Speaker, Senior Programme Officer at SADC Secretariat, Ms. Thembi Langa,
- Members of the Diplomatic Corps.
- The Chairperson of SADC DFI Network Board, and the entire Board.
- The SADC DFRC CEO, Mr. Stuart Kufeni.
- All Distinguished Speakers for today.
- Fellow CEOs and Managing Directors of SADC DFIs.
- Ladies & Gentleman.
- All Protocol Observed.

1. Your Royal Highness it's a great honour and privilege for us as the SADC DFI Network family otherwise known as the SADC DFRC to welcome you to this CEOs Forum.
2. We are well aware that your colleague the Hon. Minister of Finance is travelling as we speak to attend the SACU meetings in Namibia but we are grateful that you have availed yourself to grace this opening ceremony.
3. His Majesty King Mswati III, King & Ingwenyama has on numerous occasions called for access to finance for all in this country.

4. He has repeatedly called for the creation of Swazi Billionaires and it all starts with access to finance and by inference it all starts with financial inclusion.
5. Whilst the risks of not addressing financial inclusion matters in a society are profound, the benefits are unimaginable. Financial inclusion is one of the drivers for economic and social progress in the 21<sup>st</sup> century but its certainly not a panacea so we must undertake comprehensive and diverse initiatives for sound financial sector development.
6. Looking at the structure of our societies in the SADC Region and the population demographics it is quite clear that most of our people live in the rural areas and therefore I want to argue that meaningful financial inclusion can only be best achieved if we start with “Rural Economic Transformation” initiatives. Unconventional as it may sound – it is by all means the most logical approach.
7. If I were to use Swaziland as a case study 70% of the population live in rural areas. 74% of SMEs are in rural communities according to the recent FINSCOPE Survey and they are predominantly involved in agribusiness activities.
8. Best practice everywhere has shown that rural economic transformation is more effective if premised on functional economic boundaries than administrative boundaries and unfortunately most economies focus on the latter.
9. The sequential and methodical approach that could be considered would be as follows :

- a) First understand the basic human needs of the respective rural communities and the extent to which the needs have been met;
- b) Secondly promote rural enterprise development; and access to finance.
- c) Thirdly begin to setup or introduce agro-village industries, hinged on credit facilities and value chain financing;
- d) Fourthly review / improve the land tenure system in rural communities so that we can increase the chances of access to credit ultimately enhancing the level of financial inclusion.

10. Having said all that we should however be mindful that financial inclusion does not only encapsulate credit extension but includes micro-insurance; micro savings; and micro-investments. I may also add that financial literacy education is also a pre-requisite.
11. I am well aware that the Swaziland Government has done a lot in terms of fast tracking policies that will mainstream our rural population in actively transacting in financial services. The most recent being the promulgation of the Consumer Credit & Protection Act of 2015; the setting up of the Microfinance Unit now known as the Financial Inclusion Centre for Swaziland. The ministry of finance has also annually commissioned the FINSCOPE MSME Survey & Access to Finance in an effort to better understand the level of access to financial services in the country.

12. Honourable Minister Seated before you at this forum is a group of Executives from various Development Finance Institutions (DFIs) in the SADC Region brought together by a common purpose of "Driving Social and Economic Development" and more precisely in our respective domestic economies but also to take advantage of cross border collaborations.
13. The ultimate aim of the network is to be the center of excellence which efficiently and pro-actively facilitates development finance solutions for the SADC region thereby contributing to SADC's goals of economic growth and sustainable development.
14. All DFIs in SADC member countries are eligible to be part of this organisation. The SADC DFI Network is currently made up of 38 member DFIs from the SADC countries.
15. The greatest success so far for the DFI Network has been the technical and capacity building initiative offered under our SADC DFRC organ. We continue to make inroads in policy research, advisory services, and better equipping our DFIs to access regional and global funding for investment in economic development. We have also launched a peer review and rating mechanism in an effort to strengthen governance, prudential financial management and operations of the DFIs
16. Honourable Minister, Distinguished Delegates - The successful attainment of meaningful financial inclusion in the region will no doubt require full commitment of all stakeholders involved.

17. This CEO forum will therefore review experiences of national DFIs on this important subject matter. In concluding my remarks Honourable Minister let me reiterate that we count on the support of our national leaders and in particular the Council of Ministers of Finance in order to be able to make a meaningful contribution to the escalation of financial inclusion in our respective economies and therefore on this particular occasion we look forward to your encouragement, guidance and call to action.
18. One key element that is often ignored yet it is an integral part of financial inclusion is “Credit Data Information Sharing Centers / Credit Bureaus”. We would do well to promote these in our respective countries and possibly then integrate them at SADC Level.
19. Furthermore Mobile Telephone Networks also have a key enabling role to play in financial inclusion.
20. Let me now take this opportunity to share with our guests some demographics of the development finance environment in Swaziland. There are presently four fully fledged DFIs in the country namely Swazibank; SIDC; FINCORP and NIDCS listed by order incorporation. Collectively they have extended credit to small and medium enterprises in excess of E3.1 Billion to about 41 500 clients. Jobs supported by these DFIs are in excess of 60 000. Meanwhile total assets held by the DFIs currently stand at 4.8 Billion and collectively they have set up a total of seventeen (17) service outlets throughout Swaziland 60% of which are under Swazibank.

21. You then have a number of microfinance institutions which have a big role to play in rural areas and they include inhlanyelo Fund; Imbita Women's Finance Trust; Micro-projects RDF; Swaziland Women's Economic Empowerment Trust (SWEET); to name just a few. Furthermore there are four major microlenders and a myriad of moneylenders largely doing salary based lending.
22. Drawing to a close I wish to extend my appreciation to all visiting DFIs for making time to attend the forum at a time when we are hosting it here in Swaziland. We are greatly honoured.
23. Last but no least I wish to thank fellow local DFI CEOs from Swazibank; SIDC and NIDCS for agreeing to coming together to jointly host this forum. Most importantly I wish recognize the all ladies local organizing committee comprising of nominated officers from the four DFIs for their hard work. The DFRC Secretariat also deserves special recognition for ground support.
24. I am hoping that our guests will leave this country well empowered firstly in technical issues relating to financial inclusion and other DFI Network related matters but most importantly with good memories of your short stay in the Kingdom. One orator suggests that "people will easily forget what you have said or done to them but people will never forget how you made them feel." I hope you feel good.
25. I most sincerely thank you for your attention.

**Dumisani J. Msibi**

**Chairman SADC DFI Network & Group MD (FINCORP)**

**08/11/2017**