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VISION

To be a centre of excellence for development finance solutions

MISSION

To support development finance institutions and governments to achieve national and regional development and integration through capacity building, research and advisory services

PROFILE

Mandate

The Southern African Development Community - Development Finance Resource Centre (SADC-DFRC) is a subsidiary institution of SADC established under the SADC Protocol on Finance and Investment (the FIP). It is collectively 'owned' by the SADC Development Finance Institutions (DFI) Network, also an FIP organisation, with a current membership of forty-one (41) national DFIs.

Through technical and capacity building support, as well as policy research, advocacy and advisory services, our mandate is to promote the effective mobilisation of resources by the financial sector, in particular the DFIs, for investment in key areas with the potential to stimulate sustainable and inclusive growth, generate employment and alleviate poverty, in line with the objectives of SADC under the Revised Regional Indicative Strategic Development Plan (RISDP).

Focal Areas

The Strategic Plan of the DFRC (2019 – 2024) identifies the following key activity areas and sectors:

Capacity Building

- Training/Skills development
- Support to Small, Medium and Micro Enterprise (SMME) Programmes
- Support to Public Private Partnerships (PPP)/ Infrastructure Programmes
- Other Human Resource Development Services

Policy Research and Advisory Services

- Policy, Regulatory and Supervisory Environment for DFIs
- Support Financial Inclusion
- Enabling Environment for SME, Industrial and Infrastructure Development
- Advisory Services, Research and Advocacy on development finance

Sectoral Focus

- Small and Medium-sized Enterprise Development
- Industrial Development
- Infrastructure Development
- Public Private Partnerships

Approach

The DFRC is a lean organisation manned by a small group of professional staff in key strategic areas. To effectively deliver on its mandate, therefore, the DFRC has adopted a collaborative approach which involves utilisation of strategic development and technical partners in the selected focal areas. In this regard, the DFRC operates as facilitator and catalyst to DFIs, SADC Member States Governments, State – Owned Enterprises (SOEs) and other key development stakeholders.

Financing of Activities

The DFI Network members finance the bulk of the administrative budget of the DFRC through annual contributions while programme activities are largely funded through a cost recovery approach and international cooperating partners or donor sources.

Reporting Structures

The SADC DFI Sub-Committee, comprising all national DFIs in SADC member countries is a Sub-Committee of the SADC Committee of Ministers of Finance and Investment and reports to the Ministers through the Committee of Senior Treasury Officials (STOs). In turn, the Committee of Ministers of Finance and Investment reports to the SADC Council of Ministers through the Integrated Committee of Ministers.

The SADC DFI Network, presently consisting of forty - one (41) members, all signatories to the establishing memorandum of understanding and members of the DFI Sub-Committee, has the overall responsibility of the DFRC and supervises it through a Board of Trustees. The Board is appointed by the Network from its membership as constituted under the SADC Protocol on Finance and Investment.

The DFRC has a functional relationship with the SADC Secretariat through the Directorate of Finance Investment and Customs (FIC) while operational links exist with the other Directorates of the SADC Secretariat.

Shareholders

SADC-DFI Network Members

Chairperson of the SADC DFI Network

Mr Charles Singili

Managing Director

TIB Development Bank, Tanzania

Chairperson of the Board of Trustees

Mr Gisbertus Mukulu

Chief Executive Officer

National Housing Enterprise, Namibia

Board of Trustees

Eight members, appointed for two-year terms, including two members appointed ex-officio

Audit and Risk Committee

Three members, tenure in line with Board term

Chief Executive Officer

Mr Stuart Kufeni

BOARD OF TRUSTEES

The Board of Trustees provides leadership and oversight to the DFRC and ensures good corporate governance. It approves all policies of the DFRC and ensures sound financial management of the institution, as well as providing strategic direction to Management. The Board interacts directly with the DFI Network and with the policy levels of SADC Governments.



Mr Gisbertus Mukulu
Chief Executive Officer

National Housing Enterprise (Namibia)
Trustee since December 2017
Board Chair



Mr Somkhosi Malaba
Chief Executive Officer

Agricultural Development Bank of Zimbabwe
Trustee since December 2018
Deputy Board Chair



Mr Charles Singili
Managing Director

TIB Development Bank (Tanzania)
Trustee since December 2017
Chair - SADC DFI Network (Ex-officio)



Ms Anabela Ernesto Mucavele
Financial Director

Small Investment Promotion Company (Gapi - SI)
(Mozambique)
Trustee since December 2017
Chair - Audit and Risk Committee



Mr Sydney Soundy
Executive Manager: Strategy and Communications
Land and Agricultural Development Bank
of South Africa
Trustee since December 2018



Mr Phiwayinkhosi Ginindza
Chief Executive Officer
Industrial Development Company of Eswatini
Trustee since December 2018



Mr Nixon Marumoloa
Chief Executive Officer
Botswana Savings Bank
Trustee since December 2018



Mr Sadwick Mtonakutha
Director: Finance, Investment and Customs (FIC) Directorate
SADC Secretariat
Trustee since December 2016 (Ex-officio)

AUDIT AND RISK COMMITTEE

The DFRC Board presently has one committee, the Audit and Risk Committee that assists the Board in carrying out its functions of providing strategic guidance to the institution, in particular, overseeing the financial reporting and disclosure, and the internal controls and risk management systems. The Audit and Risk Committee derives its mandate from the Audit and Risk Committee Charter.

The Committee is comprised of the following Board members:



Ms Anabela Ernesto Mucavele
Chairperson



Mr Phiwayinkhosi Ginindza



Mr Nixon Marumoloa

BOARD CHAIRPERSON'S STATEMENT

I have the pleasure of presenting you with the 2018/19 Annual Report of the SADC Development Finance Resource Centre.

The DFRC continues to accomplish its mandate with excellence, augmenting the work of DFIs within the SADC region and extending its reach to the East African Community and COMESA. This has been a fruitful year with activities being undertaken in the areas of capacity building, policy research, public private partnerships (PPP's) and the provision of advisory services across various sectors. It is pleasing to note that, while capacity building programmes have consistently exceeded targets, the extension of services outside the DFI Network, as anticipated, has significantly contributed to this growth over the years.

DFRC delivered programmes have addressed diverse institutional and skills gaps such as resource mobilization, emotional intelligence, project appraisal for SME's, public private partnerships and debt restructuring and finance. In addition, in line with SADC goals, special emphasis has been placed on supporting gender equality through programmes for the executive development for women and advocacy for equal opportunities within the DFI Network. Also, in line with the focus on institution-specific training, demand for customized in-house training programmes, delivered by the DFRC to both network and non-network stakeholders, continues to grow.

In the sector of infrastructure, the DFRC has provided advisory services to DFI's and Member State governments for the procurement of water reticulation systems, office accommodation and special economic zones, with the aim of attracting private sector investment. Coupled with this has also been continued support to the development of PPP Units within the region with the attendant capacity building requirements. In this regard, PPP training requests have significantly increased as the necessity for private financing increases in the region.



Mr Gisbertus Mukulu

Significantly, the DFRC has striven to cement existing strategic partnerships and cultivate new ones. Collaboration with the Japanese International Cooperation Agency (JICA), the NEPAD Business Foundation, Association of African Development Finance Institutions (AADFI), African Development Bank (AfDB) and Public-Private Infrastructure Advisory Facility (PPIAF), to mention some, has greatly benefitted the members of the DFI Network, thus enhancing their ability to fulfil their development mandates.

Indeed, these collaborations have significantly contributed to the strategic imperatives of SADC to focus on industrialization, SMME development and infrastructure development as key elements for economic development and integration in the region. Furthermore, a partnership with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) has been resuscitated, culminating in jointly - sponsored programmes, including on structured trade finance.

It is also noteworthy that the DFRC's efforts to encourage Network members to pursue Prudential Standard Guidelines and Rating System (PSGRS) ratings, in collaboration with AADFI, have seen twenty-one (21) DFI's listed on the continental "Table of Honour" with scores of between eighty (80) and ninety-four (94) percent, positioning them favourably for international credit ratings. This, while commendable, has undeniably been a great achievement for the DFI Network and the DFRC will continue its support in this regard.

The DFRC has also continued to utilise the platform of the Chief Executive Officers Forum to address pertinent issues in the development finance space with a view to share information and experiences and enhance DFI capacity to effectively deliver on their mandates. Topics discussed at the forum included the Fourth Industrial Revolution (4IR), its impact and how DFIs could leverage on it in their role as development agents tasked, among other areas, with the creation of employment, and how best fast changing technologies can be harnessed to bolster developmental initiatives.

In recognition of the importance of the agricultural sector in the SADC economy, the second forum topic was on Challenges of Financing Agriculture. The objective was for DFIs to look at issues relating to financing agriculture projects through the value chains with a view to come up with policy and institutional recommendations to stimulate growth of the sector. Such fora have brought much needed insight and practical application for Network Members and will continue to be a focal point for the DFRC.

On the topic of Sustainable Development Goals (SDG's), the DFRC has acted as a champion within the Network to ensure that the established DFI sector working groups can function as communities of practice. I am glad that the Network is actively looking into renewing and strengthening the SDG working groups so that they can effectively develop potential investment opportunities for regional and national DFI's. The SDG working groups currently meet at least twice per annum on the side lines of the DFI Network meetings.

Regarding financial performance, the DFRC continues to grow from strength - to - strength as a going concern and was again given a clean unqualified audit for the financial year 2018/19 having recorded a surplus of \$108,054. At the same time, the institution continues to build on its reserves while also utilising these to reduce mortgage finance exposure and consequently shortening the repayment period when opportunity allows. This is a clear demonstration of excellent financial administration on the part of the DFRC senior management and staff and is commendable.

It is also important to note that, the DFRC has been able to achieve the above programming and financial results while facing some capacity constraints due to lack of staff in some critical areas. The new Five – Year Strategic Plan for the period April 2019 to March 2024 which the Board approved in March 2019, among other areas of focus, seeks to restructure the DFRC in line with the new vision and address the skills gaps within the institutions. Therefore, though capacity building activities remain dominant, a discernible shift towards policy research and advisory services is envisaged over the next five years, partly driven by the need for financial sustainability as these services will be offered on a cost recovery basis to Network members and at a fee to non - members. The envisaged strengthening of the SMMEs department with the recruitment of a senior officer will see the DFRC undertake more work in this area than hitherto. The new strategic plan also places emphasis on providing value for money for Network members and using technology enablers to offer capacity building programmes.

It is my hope that, with the new DFRC Strategic Plan (2019/24) as operationalised through its first two-year rolling Business Plan (2019 – 2021) will greatly assist our DFIs fulfil their mandates and place them at the very epicentre of economic and social development in SADC. This role is vital if we are to witness higher levels of sustainable and inclusive economic growth, job creation and poverty alleviation and the DFRC is an enabling partner and facilitator in this respect.

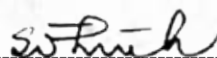
As regards institutional governance, new members were elected to the DFRC Board at the December 2018 bi-annual meeting of the Network in Cape Town. Five (5) members were appointed, namely Mr Nixon Marumoloa, Chief Executive Officer of the Botswana Savings Bank; Mr Somkhosi Malaba, Chief Executive Officer of the Agricultural Development Bank of Zimbabwe; Mr. Charles Singili, Managing Director, TIB Development Bank of Tanzania (ex officio member); Mr Sydney Soundy, Executive Manager: Strategy and Communications, Land and Agricultural Development Bank of South Africa; and Mr Phwayinkhosi Ginindza, Chief Executive Officer, Industrial Development Company of Eswatini. Mr Singili joins the Board in his capacity as the new Chairperson of the DFI Network for a two – year term having replaced Mr Dumisani Msibi, Group Managing Director of Eswatini Development and Finance Corporation (FINCORP).

The National Housing Enterprise (Namibia) represented by Mr Gisbertus Mukulu assumed the Chairmanship of the Board while Mr Somkhosi Malaba was appointed Deputy Chair. We also bade farewell to Mr Phakamile Mainganya, former Board Chair and Chief Risk Officer of the Industrial Development Corporation of South Africa; Mr Reginald Motswaiso, former Chair of the Audit and Risk Committee and Chief Executive of the Botswana Housing Corporation; Mr Benjamin Kumalo, Chief Executive Officer of the Industrial Development Corporation of Zimbabwe; and Mr Lobin Unmole, Managing Director of the Development Bank of Mauritius, whose terms had expired.

I would like to extend our sincere appreciation and gratitude to the outgoing members of the Board for their positive contributions and unwavering support during their tenure. I also look forward to the strategic guidance and support from the incoming members as we are embarking on the new DFRC Strategic Plan.

I must also commend the indefatigable spirit of professionalism and commitment with which the DFRC Board, Chief Executive Officer, management and staff perform their tasks. I am therefore of the firm belief that we shall achieve all the goals for which we strive over the next five years.

My sincere gratitude also extends to the DFI Network membership for their support and to the SADC Secretariat for the unwavering support and direction it provides to the SADC DFI Network and the DFRC.



Gisbertus Mukulu
Chairperson
 Board of Trustees

MANAGEMENT & STAFF



The Management Team is responsible for the execution of strategy and day-to-day management of the institution. In addition to managing their own departments, Managers may also be called to inform and report to the Board on matters of their departments.

Mr Stuart Kufeni

Chief Executive Officer

standing (centre)

Mr Kogan Pillay

Head - Public Private Partnerships

standing (L)

Mr Tetsuya Fukunaga

JICA Advisor (Development Finance) to SADC-DFRC

standing (R)

Ms Vero Kgakge

Finance and Administration Manager

seated



CHIEF EXECUTIVE OFFICER’S STATEMENT

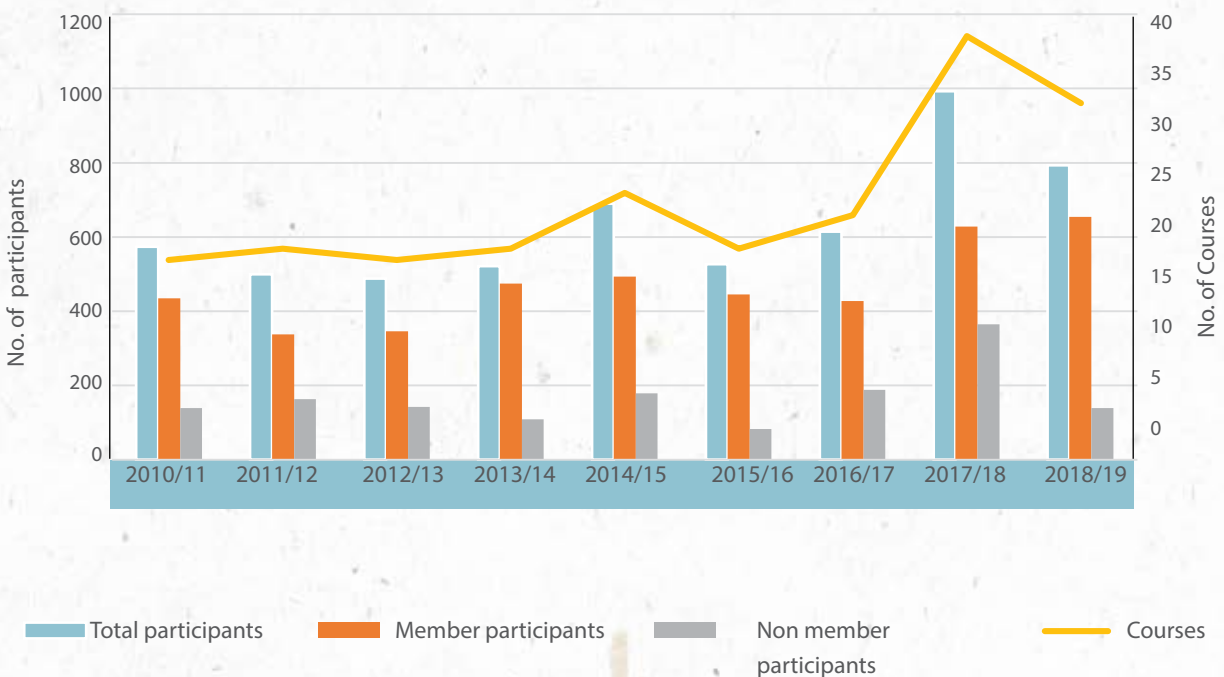
The DFRC, notwithstanding some capacity constraints, maintained the high levels of performance that have characterised its activities over the past years. The adoption of a new Strategic Plan (2019 – 2024) lays the requisite foundation for accelerated growth and achievement of higher milestones by the DFRC over the next five years.

During the financial year 2018/19, the DFRC undertook thirty – two (32) programmes with a total participation of seven hundred and ninety-three (793) of which six hundred and fifty-four (654) or 83% was from Network members and one hundred and thirty-nine (139) from non-members. Chart 1 below provides a graphical presentation of the levels of participation and training courses undertaken since 2010/11.



Mr Stuart Kufeni

Chart 1: Programme Participation



In terms of programme performance, as measured by the Programme Evaluation Index (PEI), during the year under review the programmes averaged 89%, 9 points above the target threshold of 80%. The high score is a reflection of the good quality of the programme offer as well as how well received and appropriate the trainings were to the needs of the participants. Partly a result of this but also due to the growing recognition of the DFRC as a centre for capacity building in the region as well as beyond, the number of non-member institutions participating in the programmes has

been on the uptrend. Among these are government departments and state-owned enterprises (SOEs) in countries such as South Africa, Botswana and as far afield as Kenya and Togo. The private sector and non-governmental organisations have also become regular participants at these programmes.

A detailed summary of programme performance and participation is provided in Table 1 below.

Table 1: Summary Programmes Performance

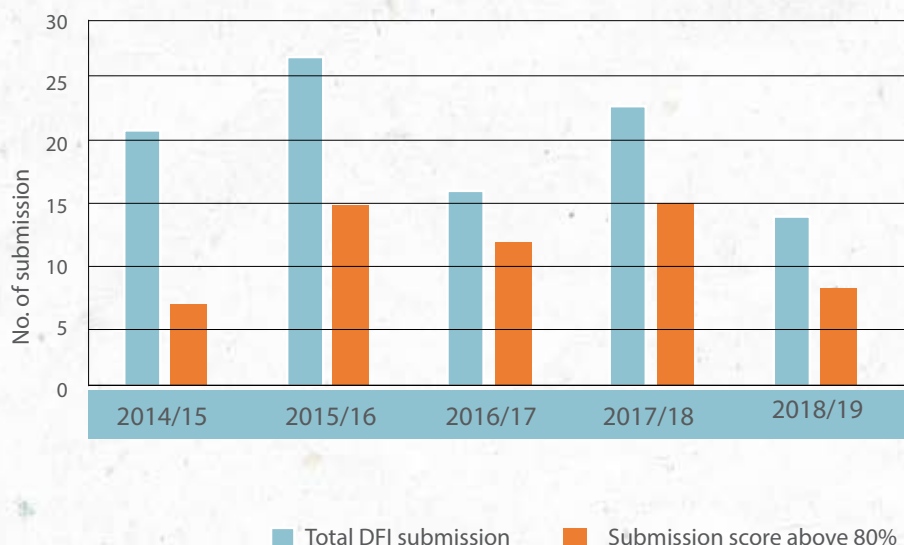
QUARTER	PROGRAMME EVALUATION INDEX (PEI)			OTHER MEASURES			
	Ending Month	Actual (%)	Target (%)	Variance (%)	No. of Programmes (No.)		Attendance (No.)
				Actual	Target	Actual	Target
June 2018	86	80	6	9	3	246	75
Sept 2018	91	80	11	10	3	215	75
Dec 2018	90	80	10	8	3	246	75
March 2019	86	80	6	5	3	86	75
Cumulative Average Score	Total			Total		Total	
Total/Ave.	88	80	8	32	12	793	300

Table 1 also illustrates that, apart from achieving a higher programme evaluation index, the number of programmes and attendance levels were also well above targeted levels.

Since adoption by the SADC Committee of Ministers of Finance and Investment, the Prudential Standards, Guidelines and Rating System remains crucial to DFRC programme delivery aimed at institutional strengthening of DFIs necessary for enhancing their creditworthiness and therefore improved capacity to mobilise needed investment financial resources.

This year, 2018/19, a slightly lower number of SADC DFIs, nineteen (19) in total, participated at the PSGRS Peer Review. The nineteen were rated exceptionally well as the highest got 94% (Excellent) while twelve (12) of the DFIs were listed in the continental "Table of Honour" and were among the top twenty-five (25) performing DFIs in Africa. Having attained the highest score, Agricultural Bank of Zimbabwe was rated the best performing DFI within the SADC region. Chart 2 below tracks participation by SADC DFI Network members in the PSGRS ratings and Peer Reviews since 2015/16.

Chart 2: DFI PSGRS Submissions and Scores



Although the number of participating DFIs, at 19 this year, indicates a decline from 23 registered in the previous year, it is important to note that, to date, a total of thirty – two (32) or 78% of the Network membership have participated in the PSGRS Peer Review over the past five years and some consistently. Among these are the likes of the Botswana Development Corporation which has since acceded to international credit ratings.

The PSGRS assessment, besides improving opportunities to accede to international credit ratings, is also important for regulatory authorities and government stakeholders to enact and adopt structures and policies promotive of DFI financial sustainability and therefore minimize recourse to government subventions by DFIs to fund their operations. As a result, the PSGRS remains a critical pillar under the DFRC’s new Five – Year Strategic Plan, 2019/2024.

The DFI Chief Executives Forum proffers a platform among DFIs for exchanging valuable knowledge, information and experiences in the development finance space and the DFRC has made maximum use of this instrument over the years. Two forums are usually held each year and 2018/19 was no exception in this respect.

Cognisant of the critical role the agricultural sector plays in the SADC economy, and its prioritisation under both the United Nations Sustainable Development Goals and the African Union Vision 2063, the first forum held in the year under review was on the theme “Challenges of Financing Agriculture in the SADC Region – A DFI Perspective”. The objective of the forum was to examine the distinctive challenges relating to the financing of agricultural projects through the value chains with a view to arriving at policy and institutional level interventions to stimulate growth of the agricultural sector.

The second forum was on the theme, “The Fourth Industrial Revolution (4IR) and the Impact on DFIs”. Its objective was to acquaint SADC development finance institutions with knowledge and insights of 4IR and share experiences on this crucial subject matter, in order to understand ways in which they could adapt to the inexorable change that the rapidly expanding digital world, including artificial intelligence, brings about.

Both fora, which were well attended by DFIs and other stakeholders, were graced by highly qualified and

experienced professionals as speakers and the DFIs had also the opportunity to make presentations on their respective experiences on the subject matter. Resultant recommendations, resolutions and forum reports have been uploaded on the DFRC website for purposes of reference.

DFRC work on the policy and advisory front has largely been dominated by requests for public private partnerships support by DFIs and governments, in particular. This has seen the DFRC PPP unit render support in selection of projects amenable to PPP financing and in the case of some DFIs support in establishing new head offices as PPPs was sought. In some cases, these were accompanied with training at senior levels – board and management – to improve knowledge and understanding PPP as an alternative financing instrument. There is no doubt that demand in this area is likely to continue to expand and that, with time, the PPP unit requires strengthening including additional staff.

At regional level, the DFRC continues to render support to the work of the SADC secretariat and supporting international cooperating partners (ICPs) in such areas as the establishment of the Regional Development Fund, the Project Preparation and Development Facility for infrastructure projects and the Financial Inclusion programme, to mention some.

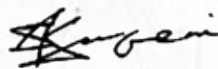
Looking ahead, the DFRC has to consolidate its illustrious performance of past years and build on it to expand its services and extend its footprint as a development finance centre, not only in SADC but to other economic regions. The new five-year Strategic Plan of the DFRC which will guide its operations and those of the Network for the next five years, 2019 to 2024, will provide this much needed impetus.

The plan, whose vision is “To be a Centre of Excellence for Development Finance Solutions”, recognises the need to strengthen areas where the DFRC, for various reasons, primarily financial, has lagged behind in terms of its stipulated mandate as per the SADC Protocol on Finance and Investment (the FIP). In this regard, while recognising the DFRC’s tremendous achievements in the area of capacity building over the years, under the plan, accent is placed on policy research and advisory services in conjunction with enhanced resource mobilisation efforts.

Thus, the Strategic Intent of the DFRC is stated as “To generate sustainable resources for programme delivery and establishment of a regional research and knowledge centre for development finance by 2024”. To operationalise this, three Strategic Pillars were identified, namely: (i) Resource Mobilisation; (ii) Strategic Partnerships; and (iii) Innovation.

The strategic pillars are supported by the necessary Balanced Scorecard that detail requisite activities under each pillar and forms the basis for regular monitoring and evaluation of plan implementation. In this respect, implementation has begun with the first DFRC Business Plan for 2019/21 which was approved by the DFRC Board at its sitting in March 2019.

There is no doubt that, adherence and diligent implementation of the 2019/24 Strategic Plan, with the support of the DFI Network, SADC Secretariat and other development stakeholders, will see the DFRC ascend and realise its vision as a ‘centre of excellence’.



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Stuart Kufeni
 Chief Executive Officer

PROGRAMMES FOR FINANCIAL YEAR 2018/19

This report provides an outline of the overall programme activities undertaken by the DFRC for the financial year 2018/19. This covers capacity building programmes undertaken, as well as other development and support activities. Thirty-two (32) programmes were conducted in the period under review. Of the thirty-two programmes conducted, nineteen (19) were regional training programmes and thirteen (13) of them were tailor - made DFI institution - based programmes.

The DFRC has realized growth in the number of staff trained with regard to the number of courses undertaken over the years. Financial year 2018/19 has seen seven hundred and ninety-three (793) staff from Network members, governments departments, parastatals and the private sector being trained by the DFRC.

Programmes covered during the period under review are Public Private Partnerships (PPP), Financial Modelling, Fraud, Risk Management and Anti Money Laundering, Basel II, Corporate Governance, Export Credit Finance, Advanced Project Management, Project Appraisal for SMEs, Risk Management, Board Induction, Finance for Non - Finance Managers, Information and Communication Technology Governance, Environmental Impact Assessment and Climate Change, Investment Appraisal and Risk Analysis, Executive Development for Women, Resource Mobilisation, Negotiation Skills, Marketing of Financial Services, Leadership and Communication Skills for DFI Executives and Performance Management.

Table 2 below provides a summary of the key features of the programme delivery in the year under review. These include objectives, programme evaluation and attendance. The standard of performance of programmes has been consistently high.



Chief Executive Officers Forum, 6th December 2018 - Capetown, South Africa

Table2: Capacity Building Programmes

	Programmes	Objectives	Venue	Dates	Attendance	Evaluation Index
1	Performance Management	To familiarize participants with the alignment of business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals	Zimbabwe	14th – 18th May 2018	16	83%
2	Leadership and Communication Skills for DFI Executives	To understand elements of a Leadership Culture & critical point of reference in aligning and achieving an organizational purpose as well as understanding effective communication	Zimbabwe	21st – 25th May 2018	33	90.2%
3	Marketing of Financial Services for DFIs	Enhance the understanding of the special needs of financial services customers need with strong marketing acumen	Botswana	28th – 30th May 2018	27	87.2%
4	Negotiation Skills	To enhance skills on using different negotiation strategies, styles and tactics	Botswana	31st May – 1st June 2018	26	83.1%
5	Negotiation Skills	To enhance skills on how to prepare, have clear aims and objectives, how and when to use different negotiating styles, strategies and tactics	Botswana	4th – 5th June 2018	18	80.5%

	Programmes	Objectives	Venue	Dates	Attendance	Evaluation Index
6	16th CEOs Forum	Challenges of Financing Agriculture in the SADC Region – A DFI Perspective	South Africa	7th June 2018	66	83.4%
7	Resource Mobilisation	To enhance skills of developing and implementing resource mobilization strategies	Eswatini	18th – 20th June 2018	14	86.8%
8	Executive Development for Women	To understand elements of a Leadership Culture from women perspective	Eswatini	21st – 22nd June 2018	27	89.3%
9	Project Appraisal for SMEs	To develop the skills of appraising SME projects	Eswatini	25th – 29th June 2018	18	93.1%
10	Financial Modelling	To enhance the skills of developing and applying financial models to practical business situations	Namibia	9th – 13th July 2018	29	86.6%
11	Investment Appraisal and Risk Analysis	To develop skills to plan and assess investment projects, redesign projects, prepare project financing agreement and address stakeholders concerns	Namibia	16th – 20th July 2018	30	97.7%
12	Environmental Impact Assessment and Climate Change	To know and understand planning, decision-making and management tools for environmental protection, through which climate change could be potentially addressed	Namibia	25th – 27th July 2018	9	91.5%

13	ICT Governance	To impart knowledge on best practices, standards, frameworks and tools on ICT Governance	Namibia	30th July – 2nd August 2018	14	91.3%
14	Fraud, Risk Management & Anti Money Laundering	To Provide insight into money laundering and impact on economic and social activities	Botswana	3rd – 5th September 2018	24	95.7%
15	Fraud, Risk Management & Anti Money Laundering	To Provide insight into money laundering and impact on economic and social activities	Botswana	10th – 12th September 2018	26	93.5%
16	Fraud, Risk Management & Anti Money Laundering	To Provide insight into money laundering and impact on economic and social activities	Botswana	17th – 19th September 2018	30	95.3 %
17	Finance for Non Finance Managers	To expose non-Finance managers to the essential skills of accounting and financial management for effective interaction with the finance function	Lesotho	19th – 21st September 2018	16	87%
18	Coporate Governance	To raise awareness of the concept, practice and relevance of good corporate governance in the context of development finance space	Botswana	24th – 25th September 2018	12	84.6%

	Programmes	Objectives	Venue	Dates	Attendance	Evaluation Index
19	Risk Management	To develop skills of assessing and managing credit and operational risk	Lesotho	24th – 28th September 2018	26	84%
20	Project Appraisal for SMEs	To develop the skills of appraising SME projects	Namibia	8th – 10th October 2018	29	88%
21	Public Private Partnership	To promote Public Private Partnerships as an investment vehicle towards financing projects in infrastructure, industrial development and other growth-enabling sectors	Namibia	17th – 18th October 2018	27	90.4%
22	Advanced Project Management	To expose participants to a wide range of advanced topics in Project Management and related organisational issues	Tanzania	22nd – 26th October 2018	31	93.1%
23	Export Credit Finance	To enhance the understanding of basic principles of export credit finance	Tanzania	29th – 31st October 2018	19	90.1%
24	Corporate Governance	To raise awareness of the concept, practice and relevance of good corporate governance in the development finance	Eswatini	23rd – 24th November 2018	19	90.7%

	Programmes	Objectives	Venue	Dates	Attendance	Evaluation Index
25	Corporate Governance	To raise awareness of the concept, practice and relevance of good corporate governance in the development finance	Botswana	23rd – 24th November 2018	9	92.1%
26	17th CEOs Forum	The Fourth Industrial Revolution (4IR) and the Impact on DFIs	South Africa	6th December 2018	80	86.7%
27	Capacity Building Review & Decision Making for HR Managers	Consultative conference on review of capacity building initiatives and enhancing communication skills	South Africa	10th – 12th December 2018	31	86.6%
28	Fraud, Risk Management & Anti Money Laundering	To provide insight into money laundering and its impact on social and economic activities	Botswana	28th – 29th Feb 2018	10	94.7%
29	Fraud, Risk Management & Anti Money Laundering	To provide insight into money laundering and its impact on social and economic activities	Botswana	4th – 6th February 2019	12	86.3%
30	Financial Modelling	To enhance the skills of developing and applying financial models to practical business situations	Tanzania	11th – 15th February 2019	26	86.3%
31	Public Private Partnership	To promote Public Private Partnerships as an investment vehicle towards financing projects in infrastructure, industrial development and other growth-enabling sectors	Lesotho	25th - 27th February 2019	12	89.8%

	Programmes	Objectives	Venue	Dates	Attendance	Evaluation Index
32	Public Private Partnership – 1st Tripartite (COMESA-EAC & SADC)	To promote Public Private Partnerships as an investment vehicle towards financing projects in infrastructure, industrial development and other growth-enabling sectors	South Africa	13th – 15th March 2019	26	91.4 %

SMEs Study Trip to Japan

At the invitation of and part sponsorship by JICA, the DFRC led a two - week mission of eleven (11) CEOs and executives of selected DFIs focussing on SME and Industrial Development undertook to Tokyo from 24th September to 2nd October, 2018.

Japan is one of the countries that have succeeded in industrialising 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.

Through JICA and other Japanese Government institutions, including state-owned development finance institutions, the Japanese experience was shared with and adapted by some developing countries primarily those within the ASEAN region with some positive results in such countries as Malaysia, South Korea, Vietnam and Philippines, to mention a few.

Members of the Network mandated as industrial development and promotion of MSMEs institutions were particularly expected to benefit from the Japanese experience. 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.

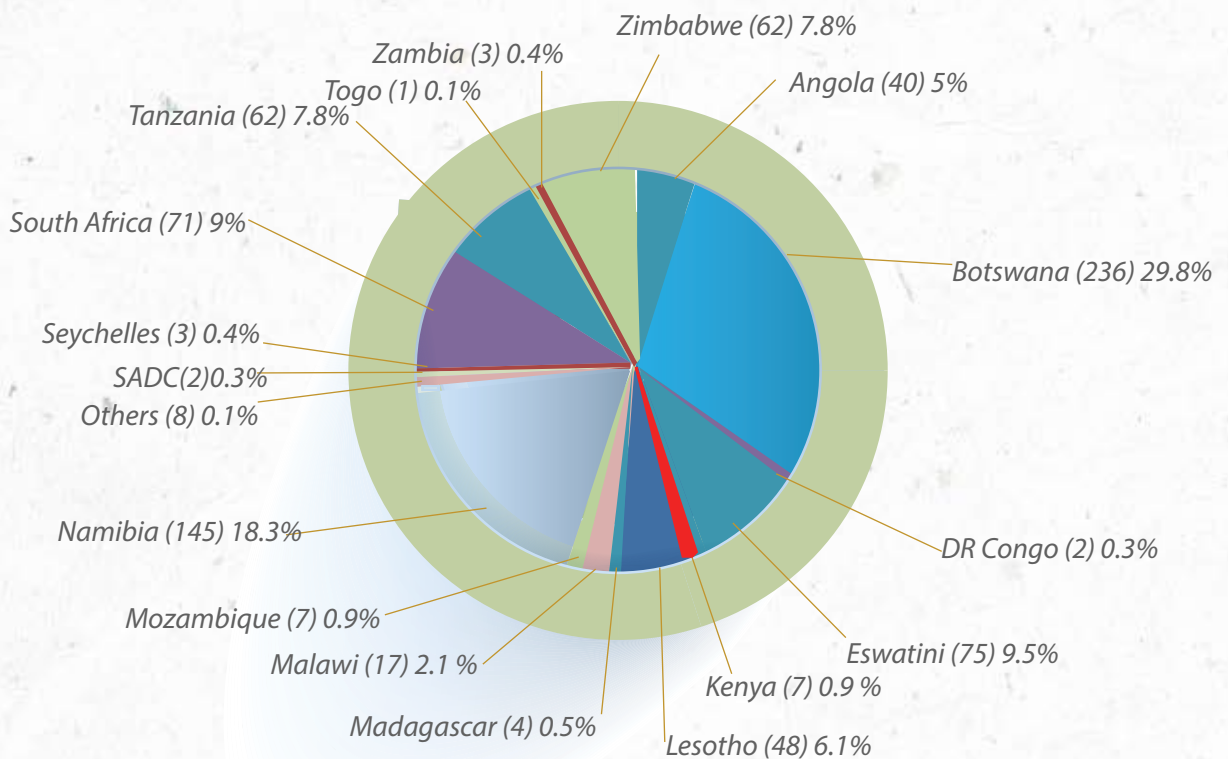
Besides the DFRC CEO, who headed the delegation, and Mr Tetsuya Fukunaga, JICA Advisor, Development Finance, the delegation consisted of eleven, DFI CEOs (9) and executives (2).

The demand for similar study visits is quite high and as a result, under the new Five-Year Strategic Plan, the DFRC intends to step up utilisation of study tours to underpin its knowledge, information and experience sharing activities.

Participation by Country

Chart 3 below illustrates participation by member state and highlights Botswana as having the highest number of participants with a share of 29.8% followed by Namibia (18.3%). The high level of participation by Botswana largely reflects increased recourse to tailor - made or institution – specific programmes and the high level of membership in the country

Chart 3: Overall Distribution By Country| No. Of Participants | %



Participation by Development Finance Institutions

Individual DFIs have made substantial use of the training services through country and institution-based programmes. Botswana Savings Bank has the highest number of participants mostly because of customised inhouse programmes tailor made for them. Table 3 below shows participation by DFIs.

Table 3: Participation levels by DFIs

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
1.	Agricultural Bank of Namibia (ABN)	Namibia	6	0.9	5	83.3	1	16.7
2.	Agricultural Bank of Zimbabwe (AGRIBANK)	Zimbabwe	21	3.2	14	66.7	7	33.3
3.	Banco de Desenvolvimento de Angola (BDA)	Angola	20	3.1	15	75	5	25
4.	Banco de Poupanca e Credito (BPC)	Angola	7	1.1	2	28.6	5	71.4
5.	Banco Nacional de Investimento (BNI)	Mozambique	1	0.2	1	100	0	0
6.	Banco Sol	Angola	13	2	9	69.2	4	30.8
7.	Basotho Enterprises Development Corporation (BEDCO)	Lesotho	28	4.3	12	42.9	16	57.1
8.	Botswana Development Corporation (BDC)	Botswana	9	1.4	6	66.7	3	33.3
9.	Botswana Housing Corporation (BHC)	Botswana	12	1.8	9	75	3	25
10.	Botswana Investment and Trade Centre (BITC)	Botswana	4	0.6	1	25	3	75
11.	Botswana Savings Bank (BSB)	Botswana	123	18.8	49	39.8	74	60.2
12.	Citizen Entrepreneurial Development Agency (CEDA)	Botswana	58	8.9	33	56.9	25	43.1
13.	Development Bank of Namibia (DBN)	Namibia	31	4.7	13	41.9	18	58.1
14.	Development Bank of Seychelles (DBS)	Seychelles	3	0.5	0	0	3	100
15.	Development Bank of Southern Africa (DBSA)	South Africa	33	5	14	42.4	19	57.6
16.	Development Bank of Zambia (DBZ)	Zambia	3	0.5	0	0	3	100
17.	Environmental Investment Fund of Namibia (EIF)	Namibia	7	1.1	4	57.1	3	42.9
18.	Eswatini Development and Savings Bank (ESWATINI BANK)	Eswatini	36	5.5	13	36.1	23	63.9
19.	Eswatini Development Finance Corporation (FINCORP)	Eswatini	17	2.6	6	35.3	11	64.7
20.	Eswatini Housing Board (EHB)	Eswatini	8	1.2	4	50	4	50
21.	Export Development Fund (EDF)	Malawi	16	2.4	13	81.3	3	18.8
22.	Gapi-Sociedade de Investimentos (GAPI-SI)	Mozambique	5	0.8	3	60	2	40
23.	Industrial Development Company of Eswatini (IDCE)	Eswatini	9	1.4	5	55.6	4	44.4
24.	Industrial Development Corporation (IDC)	South Africa	16	2.4	12	75	4	25
25.	Industrial Development Corporation of Zimbabwe (IDCZ)	Zimbabwe	12	1.8	10	83.3	2	16.7
26.	Infrastructure Development Bank of Zimbabwe (IDBZ)	Zimbabwe	19	2.9	12	63.2	7	36.8
27.	Land and Agricultural Development Bank (LAND BANK)	South Africa	10	1.5	5	50	5	50
28.	Lesotho National Development Corporation (LNDC)	Lesotho	20	3.1	15	75	5	25
29.	Local Enterprise Authority (LEA)	Botswana	13	2	6	46.2	7	53.8
30.	National Development Bank (NDB)	Botswana	3	0.5	1	33.3	2	66.7
31.	National Development Corporation (NDC)	Tanzania	2	0.3	2	100	0	0
32.	National Housing Enterprise (NHE)	Namibia	4	0.6	2	50	2	50
33.	National Industrial Development Corporation of Eswatini (NIDCE)	Eswatini	5	0.8	3	60	2	40
34.	NORSAD Finance Limited	Botswana	8	1.2	5	62.5	3	37.5
35.	Small and Medium Enterprises Development Corporation (SMEDCO)	Zimbabwe	8	1.2	4	50	4	50
36.	Societe Nationale de Participations (SONAPAR)	Madagascar	4	0.6	4	100	0	0
37.	Tanzania Agricultural Development Bank (TADB)	Tanzania	6	0.9	5	83.3	1	16.7
38.	TIB Development Bank (TIB)	Tanzania	54	8.3	36	66.7	18	33.3
	Total		654	100%	353	54%	301	46%

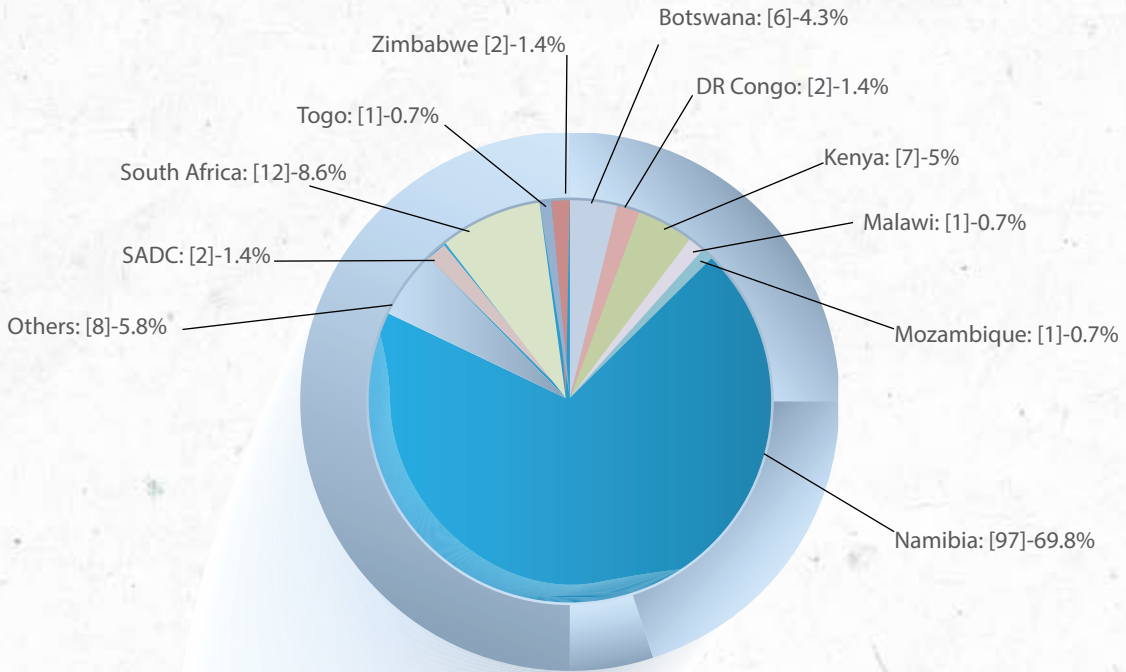
Participation by Non-Members

Non - DFI attendance is impressive largely due to the involvement of Ministry of Industrialisation, Trade and SME Development in Namibia, and other state-owned enterprises. Table 4 provides information on participation by Non members during the period under review

Table 4: Participation by Non-Members

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
1.	A.T. Kearney (Pty) Ltd	South Africa	1	0.7	1	100	0	0
2.	Agence Francaise de Developpement (AFD)	South Africa	1	0.7	1	100	0	0
3.	Arandis Town Council	Namibia	1	0.7	1	100	0	0
4.	Aranos Town Council	Namibia	1	0.7	1	100	0	0
5.	Bank Windhoek	Namibia	6	4.3	3	50	3	50
6.	Banque Ouest Africaine de Developpement (BOAD)	Togo	1	0.7	0	0	1	100
7.	CDH Investment Bank	Malawi	1	0.7	1	100	0	0
8.	City of Windhoek -NA	Namibia	6	4.3	4	66.7	2	33.3
9.	Deloitte -ZA	South Africa	2	1.4	2	100	0	0
10.	Fund for the Promotion of Industry	DR Congo	2	1.4	1	50	1	50
11.	Industrial and Commercial Development Corporation (ICDC)	Kenya	3	2.2	1	33.3	2	66.7
12.	Investment and Export Promotion Agency	Mozambique	1	0.7	1	100	0	0
13.	Jendamark Automation Pty Ltd	South Africa	1	0.7	1	100	0	0
14.	JICA -South Africa	South Africa	4	2.9	3	75	1	25
15.	Keetmanshoop Municipality	Namibia	1	0.7	1	100	0	0
16.	Khorixas Town Council	Namibia	1	0.7	1	100	0	0
17.	Letshego - Namibia	Namibia	3	2.2	1	33.3	2	66.7
18.	Luderitz Town Council	Namibia	1	0.7	1	100	0	0
19.	Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	Zimbabwe	2	1.4	2	100	0	0
20.	Ministry of Finance & Development Planning -BW	Botswana	3	2.2	1	33.3	2	66.7
21.	Ministry of Finance -NA	Namibia	2	1.4	1	50	1	50
22.	Ministry of Industrialization, Trade and SME Development - NA	Namibia	62	44.6	32	51.6	30	48.4
23.	Municipality Of Gobabis	Namibia	2	1.4	2	100	0	0
24.	Municipality of Walvis Bay	Namibia	1	0.7	1	100	0	0
25.	Namibia Investment Centre	Namibia	2	1.4	1	50	1	50
26.	NamproFund	Namibia	2	1.4	0	0	2	100
27.	National Treasury -ZA	South Africa	1	0.7	0	0	1	100
28.	Office Of The Prime Minister - NA	Namibia	2	1.4	2	100	0	0
29.	One Economy Foundation	Namibia	2	1.4	0	0	2	100
30.	Otjiwarongo Municipality	Namibia	2	1.4	2	100	0	0
31.	SADC Secretariat	Sadc	2	1.4	2	100	0	0
32.	SADC-DFRC	Sadc	11	7.9	8	72.7	3	27.3
33.	Tourism Finance Corporation (TFC)	Kenya	4	2.9	2	50	2	50
34.	University of Cape Town	South Africa	2	1.4	2	100	0	0
Total			139	100%	83	59.7%	56	40.3%

Chart 4: Participation by Non DFI's



Participation by Gender

Compared with the previous year, the 2018/19 financial year registered an increase in terms of total participation by females as illustrated in charts 5 and 6. Female participation at 45% compares with 39.7% in the previous year, though still below the revised SADC gender threshold of 50%.

Chart 5: Participation by Gender

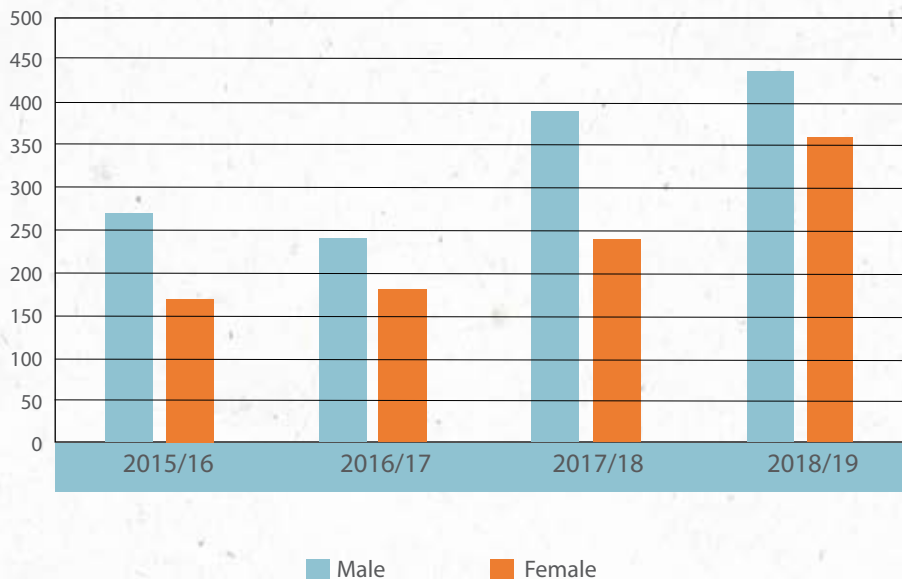
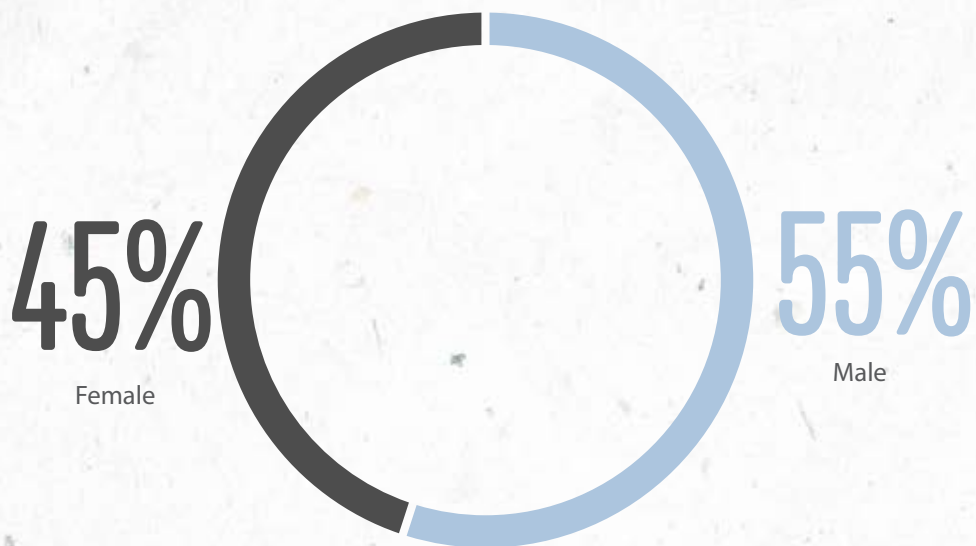
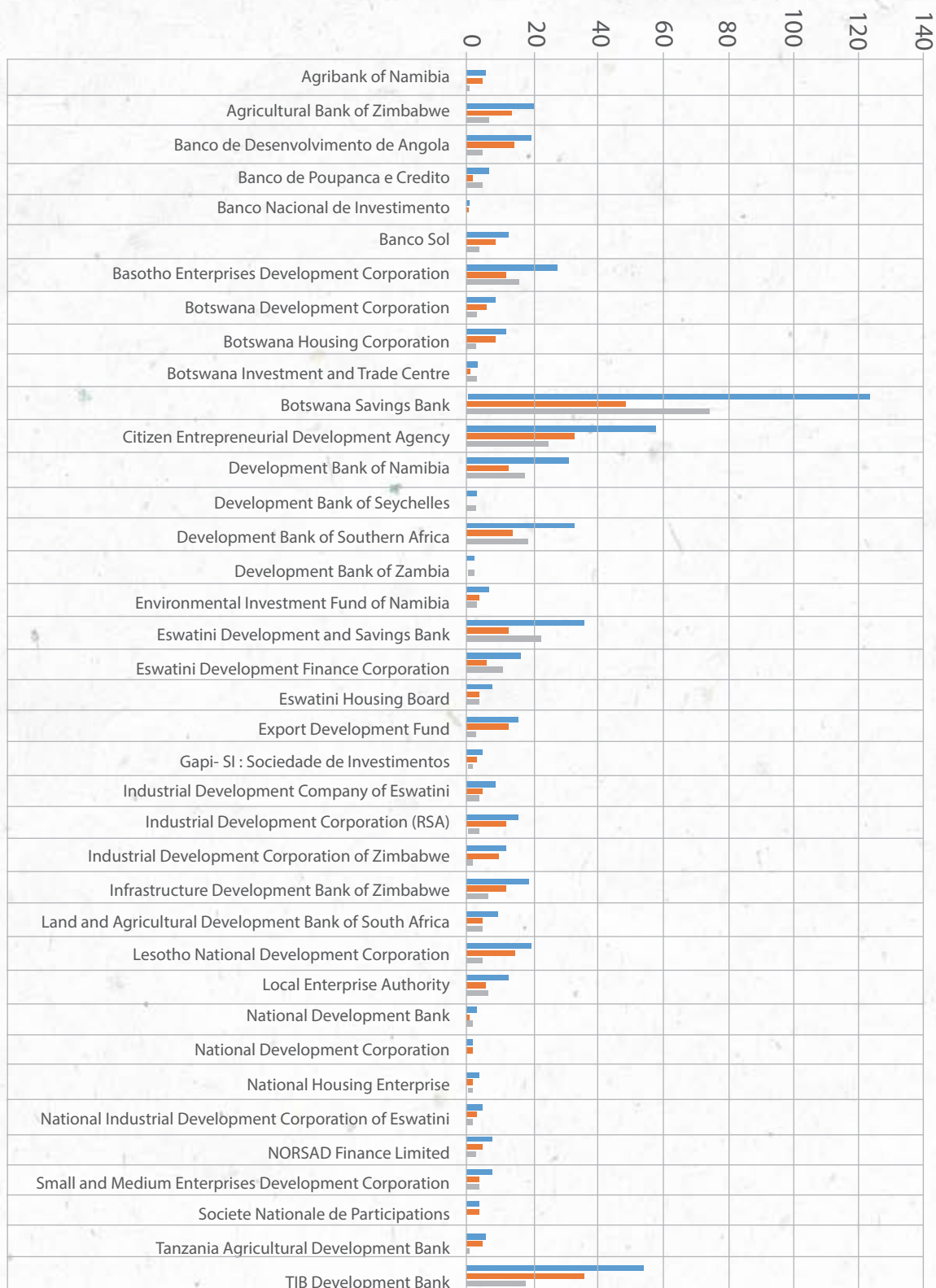


Chart 6: Participation by Gender – 2018/19



Executive Development Programme for Women, June 2018, Eswatini

Chart 7: Participation by DFI and Gender



In light of the low levels of participation by females in DFRC programmes and against the SADC Gender Protocol requirements, the DFI Network undertook a Survey of Gender Practices among DFIs, particularly the gender distribution at various staff levels – executive, senior management, middle management, supervisory and operations. The primary objectives were:

- to assess the prevailing situation on the ground;
- to make proposals to improve participation of females in DFRC programmes; and
- to consider prospects of a Gender Policy for SADC DFIs.

Thirty-one (31) DFIs or 76% of the Network membership responded to the survey.

The findings of the survey are summarised as follows:

- The overall consolidated results across the SADC DFI Network indicates that the gender distribution is almost 46/54;
- Two institutions had more than 70% men whilst one had above 80% female;
- Seven institutions (24%) were above 60% male, but less than 70%;

- Four institutions (14%) had more than 60% female but less than 70%; and
- Only two of the responding institutions had a formal gender policy in place.

It was also observed that the distribution altered significantly between the different levels of the organisational hierarchy. At the executive management, 63% were male, while at senior management, the ratio stood at 66%. Middle management revealed 59% share by male, and 65% at the supervisory level. It was only at the operational level that the balance swung significantly in favour of females (58%), with the males share falling to 42%.

Cognisant of these findings, the SADC DFI Network resolved that, in view of the SADC Gender Policy adopted by member states who in turn are cascading its implementation at national levels, DFIs be encouraged to develop institutional gender policies within the ambit of their national government gender policies and thus ensure consistency with the regional framework. Further, the Network resolved that, the DFRC continues raising awareness and advocacy of gender issues and balance within the DFI Network for both employment and training.

POLICY RESEARCH AND ADVISORY SERVICES

The Policy Research and Advisory programme supports financial sector strengthening and capital markets development and deepening. The objective is to influence effective policy and regulatory changes, particularly as they relate to the DFI operational environment, so as to enhance the efficient mobilization of resources to support investment.

Prudential Standards Guidelines and Rating Systems (PSGRS)

The DFRC strives to undertake measures to evaluate compliance with best practices in the DFIs, and in particular with Prudential Standards, Guidelines and Rating System (PSGRS) system. Such measures are expected to generate advisory reports and action plans for the individual institutions and the DFRC.

The DFRC continues the implementation of the PSGRS system with the annual Self-Assessment and Peer Review and holds the workshop every two years to review and discuss the tool with the objective to identify challenges leading to a decline in submission of the DFI self-Assessment Peer reviews.

In addition, the institution explores ways to address these issues to achieve maximum capacity utilisation of the rating system with a key objective of strengthening the technical capacity of participants by enabling them to have a clear understanding of the adopted AADFI Prudential Standards, Guidelines and Rating System for African DFIs through explanations by the Project Consultant.

A total of thirty-two (32) DFIs since 2013 have participated in PSGRS and out of the 32 DFIs, 21 have been listed in the "Table of Honor" reserved for those DFIs that would have attained a score of 80% and above. Table 5 below shows annual participation of the Network members over the past six years since 2013/14. Participation peaked at twenty-seven (27) in 2015/16 slowing down thereafter to nineteen (19) this year.

Table 5: DFI Participation in PSGRS

Financial year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total DFI submission	17	21	27	16	23	19

Table 6: Table of Honour Achievers – 2014 to 2018

No	Institution	Weighted Results				
		2014	2015	2016	2017	2018
1	Agricultural Bank of Zimbabwe (AGRIBZ* - Zimbabwe)		81		93	94
2	Banco de Poupanca e Credito (BPC-Angola)		80	84		
3	Banco Sol (BS *-Angola)				96	
4	Botswana Development Corporation (BDC* - Botswana)		96	90		
5	Botswana Savings Bank (BSB* - Botswana)	82	85	89	89	
6	Citizen Entrepreneurial Development Agency (CEDA - Botswana)	82	84	87	89	89
7	Development Bank of Namibia (DBN* – Namibia)	89	86	84	85	91
8	Development Bank of Southern Africa (DBSA – South Africa)		87	87	89	89
9	Development Bank of Zambia (DBZ)		88	88	85	
10	Environmental Investment Fund of Namibia (EIFN* - Namibia)		84			
11	Eswatini Development and Savings Bank (ESDB - Eswatini)	87	87	82	83	84
12	Eswatini Development Finance Corporation (FINCORP - Eswatini)	86	86	84	84	82
13	Export Development Fund (EDF – Malawi)				90	86
14	GAPI SI (Mozambique)		81	85	85	89
15	Industrial Development Corporation (IDC-South Africa)		86		88	
16	Infrastructure Development Bank of Zimbabwe (IDBZ - Zimbabwe)		82	82	81	83
17	Land and Agricultural Development Bank (LAND BANK* - South Africa)					83
18	Lesotho National Development Corporation (LNDC* - Lesotho)				81	
19	National Development Bank (NDB* - Botswana)		82	85	82	
20	Industrial Development Company of Eswatini (IDCE - Eswatini)					80
21	TIB Development Bank (TIB - Tanzania)	80	81	85		80

Sustainable Development Goals (SDGs)

The DFRC continues its efforts to support implementation of SDGs within the development finance space by facilitating the work of the sector groups established by the DFI Network. These working groups cover the infrastructure, agriculture, SMME and industrial sectors. The ultimate goal of these groups is to help with the facilitation of the SDGs through the creation of concrete investment opportunities within the SADC region.

PUBLIC PRIVATE PARTNERSHIPS

The DFRC through the PPP department has engaged with key stakeholders in SADC to provide advisory services. These include the government of Mauritius to develop some priority infrastructure projects. The DFRC was able to work with the DBSA to assist with the development of the New Roche Bois Pumping Station and Baie du Tombeau Treatment Plant Project. The DBSA will be signing an agreement with the Mauritius Water Authority (WMA) to submit the project to the SADC Project Preparation and Development Facility (PPDF) for additional feasibility funding. The WMA is going to procure this project as a PPP and its estimated capital value is \$45 million

Further, the DFRC advised the IDBZ on how to submit some projects to the PPDF to obtain some feasibility study funding. It was agreed that they would submit two hydro projects, a transport project and an IPP project for review. The IDBZ has undertaken to put together the full project briefs for review and submission to the PPDF. This process will be supported by the DFRC.

The DFRC in conjunction with JICA, obtained suitably qualified consultants to undertake a study on the best way to develop and procure PPP infrastructure projects. The study reviewed eight (8) projects in the region based on the SADC priority sectors. The finalized document will be published by JICA at the TICAD VII conference to be held in Yokohama, Japan in August.

In support of the operationalization of the Regional Development Fund, DFRC advised the South African Institute for International Affairs (SAIIA) and the NEPAD Business Foundation (NBF) specifically on its infrastructure component. The support explored some of the points raised in a paper jointly prepared by SAIIA and the NBF which sought to unpack the challenges and opportunities associated with the operationalization of the SADC RDF.

The meeting covered the following topics:

- Designing the RDF to ensure that it addresses the biggest bottlenecks throughout the project pipeline.
- Financing of the RDF.
- Institutionalizing the RDF: engagement with member states, MDBs/DFIs, the private sector and other relevant stakeholders.

Continuing its collaboration with DBSA, AfDB, the SADC Secretariat, and the DFRC co-ordinated finalization of the selection of regional infrastructure projects that could be developed to a bankability and proceed to the procurement stage. The selection process was based upon the following criteria:

- Availability of a feasibility study not older than two years;
- Robust financial model and project sustainability;
- Heads of Agreement signed between the affected member states;
- The projects were on the SADC Regional Infrastructure Development Master Plan (RIDMP); and
- Alignment with the PIDA Infrastructure Acceleration Plan as adopted by SADC.

Of approximately sixty-four projects, fourteen were prioritized based upon the selection criteria above and will be developed jointly by the DFRC, SADC Secretariat, the DBSA and the AfDB. These projects will then become investment opportunities for SADC DFI Network members once they reach the procurement stage. The projects are in the transport and energy sectors.

Continuing its efforts to support project preparation and development, in 2017 the DFRC applied to the World Bank to obtain some grant funding to support the project preparation process with the SADC Secretariat, the DBSA and AfDB. An amount of approximately \$400,000 was committed by the World Bank but was not made available in 2019 due to some internal planning delays. These funds will be made available in this financial year.

Furthermore, the government of Botswana has sought assistance with the development of Special Economic Zones to attract private sector investment. This project is being developed by the Ministry of Investment, Trade and Industry (MITI) which is investigating procuring them as PPPs. In the meantime DFRC is continuing its support for the Botswana Housing Corporation to procure its new head office as a PPP.

The Network has also continued its capacity building undertakings and provided six training programmes one of which included participants from the EAC and COMESA. This training was in support of the DFRC's efforts to expand its services into other Regional Economic Communities in Africa, specifically the East African Community and COMESA, as part of the Tripartite Arrangement.

In relation to the Regional Development Fund (RDF), the DFRC was requested to finalize the funding requirements for the RDF feasibility study by the AfDB and the SADC Secretariat. It was estimated that the cost for consultants including incidentals would be approximately \$500,000. A similar estimate was submitted for the migration of the PPDF to RDF. Therefore, the total consulting estimated at approximately \$1.0 Million. It was agreed that the DFRC oversee the development of the feasibility study.





**SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
DEVELOPMENT FINANCE RESOURCE CENTRE**
Annual Financial Statements
For The Year Ended March 2019

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**SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
DEVELOPMENT FINANCE RESOURCE CENTRE
Annual Financial Statements**

GENERAL INFORMATION

Trustees:

Mr Gisbertus Mukulu (Chairperson)
Mr Somkhosi Malaba (Deputy Chairperson)
Mr Charles Singili (Ex-officio- Network Chair)
Mr Nixon Marumoloa
Mr Sydney Soundy
Ms. Anabela Mucavele
Mr Phiwayinkhosi Ginindza
Mr Sadwick Mtonakutha (Ex -officio) SADC Secretariat

Principal Activities:

Capacity building, policy research and advisory services for the SADC - Development Finance Institutions and member states

Physical Address:

Plot 54352
West Avenue, Zambezi Towers
CBD, Tower A, 7th Floor, South Wing
Gaborone, Botswana

Auditors:

Ernst & Young
2nd Floor, Plot 22
Khama Crescent
Gaborone

Bankers:

Standard Chartered Bank of Botswana Limited
First National Bank Botswana
Agricultural Development Bank of Zimbabwe

Country of Incorporation and Domicile:

Botswana

Functional and Presentation Currency:

United States Dollars (US\$)

TRUSTEES' STATEMENT OF RESPONSIBILITY

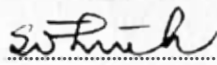
The Trustees are responsible for the financial statements of Southern African Development Community-Development Finance Resource Centre and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

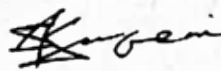
The Trustees are also responsible for the Secretariat's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

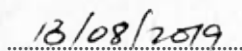
The going concern basis has been adopted in preparing the annual financial statements. The Trustees have no reason to believe that the Secretariat will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards of Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Trustees.

The annual financial statements for the year ended 31 March 2019 on page 40 to 77 were authorised for issue by the trustees and are signed on their behalf by:


.....
BOARD CHAIRPERSON


.....
CHIEF EXECUTIVE OFFICER


.....
DATE

TRUSTEES REPORT

The Trustees' present their report for the year ended 31 March 2019.

Operations

The Secretariat's operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

SADC-DFRC is a subsidiary institution of SADC established in July 2003 to serve as a sub-regional centre of excellence to strengthen the SADC Development Finance Institutions (DFIs) Network and to enhance the capacity of the SADC DFIs to deliver on their mandates towards the achievement of the SADC RISDP goals of economic growth, employment generation and poverty alleviation.

Events subsequent to the period end

There have been no facts or circumstances of a material nature that have occurred between the period end date and the date of this report.

Number of employees

The average number of employees during the period was 10 (2018: 12).

Auditors

Ernst & Young were appointed as the Auditors of the Secretariat during the year.

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

INDEPENDENT AUDITOR'S REPORT**To the Board of Trustees of Southern African Development Community- Development Finance Resource Centre****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Southern African Development Community-Development Finance Resource Centre (the Secretariat) set out on pages 6 to 45 which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Southern African Development Community-Development Finance Resource Centre as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Secretariat in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Southern African Development Community-Development Finance Resource Centre. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Southern African Development Community-Development Finance Resource Centre. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the Unaudited Non-Cash Donation programme activities Report, the Trustees Responsibility Statement and the Trustees Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Secretariat or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Secretariat's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

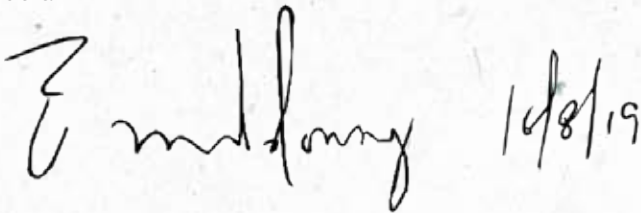
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Secretariat's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young
Practising Member: Bakani Ndwapi
Partner
Membership Number: 19980026
Certified Auditor
Gaborone

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

US \$

	Note	2019	2018
Revenue from contracts with customers (member contributions)	1	1 305 030	1 278 691
Total revenue		1 305 030	1 278 691
Other income	2	475 978	554 502
Interest income using the effective interest method (EIR)	3	991	72
Expenditure			
Staff costs	4	(650 320)	(722 629)
Program expenses	5	(427 946)	(463 085)
Administration and operating costs	6.1	(383 937)	(339 981)
Impairment losses	6.2	(155 735)	(155 793)
Interest expense using the effective interest method (EIR)	6	(57 104)	(70 629)
Surplus for the year	6.2	106 957	81 148
Other comprehensive income			
<i>Other comprehensive income not to be transferred to surplus in subsequent periods:</i>			
Revaluation gain		1 097	4 950
Other comprehensive income for the year		1 097	4 950
Total comprehensive income for the year		108 054	86 098

STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

US \$

	Notes	2019	2018
Assets			
Non-current assets			
Property and equipment	7	871 366	899 756
Current assets			
Trade and other receivables	8	136 764	425 832
Cash and cash equivalents	9	673 360	686 831
Total Current Assets		810 124	1 112 663
Total assets		1 681 490	2 012 419
Funds and liabilities			
Accumulated surplus		845 613	738 656
Revaluation surplus		10 586	9 489
		856 199	748 145
Non- Current liabilities			
Non -current portion-FNB Loan	10.1	407 973	708 023
Current liabilities			
Trade and other payables	10	338 210	488 539
Current portion- FNB Loan	10.1	79 108	67 712
Total Current Liabilities		417 318	556 251
Total funds and liabilities		1 681 490	2 012 419

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2019

US \$

	Accumulated surplus	Revaluation reserve	Total
Balance at 1 April 2017	657 508	4 539	662 047
Surplus for the year	81 148	-	81 148
Revaluation gain*	-	4 950	4 950
Total comprehensive income/(loss)	81 148	4 950	86 098
Balance at 31 March 2018	738 656	9 489	748 145
Surplus for the year	106 957	-	106 957
Revaluation gain*	-	1 097	1 097
Total comprehensive income	106 957	1 097	108 054
Balance at 31 March 2019	845 613	10 586	856 199

*The revaluation gain arises from the changes in the fair value of motor vehicle at year end. Revaluation was carried out at the end of the year by Global Loss Adjusters. The revaluations are carried out in Botswana Pula and converted to the US\$ reporting currency at year end at the closing exchange rate.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

US \$

	Notes	2019	2018
Cash utilised from operating activities	11	386 985	231 852
Interest received		991	72
		387 976	231 924
Investing activities			
Proceeds on disposal of property and equipment		14 775	2 494
Purchase of property and equipment	7	(15 831)	(14 629)
		(1 056)	(12 135)
Financing activities			
Repayments of borrowings		(203 550)	(58 033)
Interest paid		(57 104)	(70 629)
		126 266	91 127
Increase in cash and cash equivalents			
Net exchange losses on cash and cash equivalents		(139 737)	(838)
Cash and cash equivalents at beginning of year		686 831	596 542
		673 360	686 831
Cash and cash equivalents at end of year			
Cash and cash equivalents comprise:			
Bank balances - current accounts		25 827	144 787
Bank balances - call accounts		647 533	542 044
		673 360	686 831
Cash and cash equivalents at the end of the year		673 360	686 831

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The financial statements are stated in United States Dollars (US Dollars), denoted by US\$, which is also the functional & presentation currency. All values are rounded to the nearest USD (\$1) except when otherwise indicated.

The financial statements are prepared on the historical cost basis, with the exception of motor vehicles which are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in future are disclosed on page 20.

The financial statements incorporate the following accounting policies which are consistent with those applied in the previous year.

Reporting currency and currency translation

All transactions have been translated into US Dollars at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities at the reporting date have been translated into US Dollars at the foreign exchange rate ruling at that date.

Any foreign exchange differences are dealt with in the profit or loss in the year in which the difference arises. Non-monetary assets and liabilities denominated in currencies other than US Dollars which are stated at historical cost, are translated to US Dollars at the foreign exchange rate ruling at the date of the transaction.

Property and equipment

Property and equipment is stated at cost except for motor vehicles, less accumulated depreciation and net of accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term constructing projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the entity depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Computer equipment	33.33% per annum
Motor vehicles	20% per annum
Furniture and fittings	8.33% per annum
Office equipment	15% per annum
Buildings	2% per annum
Building Improvements	5% per annum

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Motor vehicles are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Motor vehicles are revalued annually at the end of the reporting period to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss.

A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. The revaluation surplus included in equity in respect of motor vehicles will be transferred directly to retained earnings when the asset is derecognised. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

Impairment of Non-Financial Assets

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The entity bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the entity's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for a motor vehicle previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

No provision for taxation is required as the Secretariat is exempt from taxation in terms of the second schedule of the Income Tax Act (Chapter 52:01).

Interest received

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Secretariat using the effective interest rate method on the original settlement amount.

Revenue recognition Under IAS 18 (for periods before 1 April 2018)

Revenue comprises the contributions from members. Revenue is recognised in profit or loss when the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Secretariat;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Donor income

Donor income is credited to the profit or loss when these amounts are received and banked. Donor income for future use is recorded as a liability on receipt. The liability is deferred income and when the costs are incurred the deferred income is amortised and recognised in Profit or Loss and costs expensed in Profit or Loss.

Funds and sponsorship paid directly to service providers by donors for SADC-DFRC programmatic activities are accounted for as non-cash donations.

Revenue recognition under IFRS 15 (for periods from 1 April 2018)

In the current period the Secretariat has adopted IFRS 15 Revenue from contracts with customers. The modified retrospective approach has been applied, therefore comparative figures for the year ended 31 March 2019 have not been restated. Revenue in the

comparative period is accounted for in accordance with IAS 18 Revenue.

In terms of IFRS 15, Revenue from contracts with customers, the Secretariat applies a 5-step approach when reviewing customer contracts in order to determine how revenue is recognised. These steps are:

- a) Identify the contract(s) with a customer
- b) Identify the performance obligations in the contract
- c) Determine the transaction price
- d) Allocate the transaction price to the performance obligations in the contract
- e) Recognise revenue when (or as) the entity satisfies a performance obligation

The Secretariat earns its fee revenue from donor income, DFI member & programme contributions, capacity building programmes and interest. The five-step approach is only relevant to DFI member & programme contributions and capacity building programmes which are derived from contributions from DFI members. Donor income and interest are not within the scope of IFRS 15, particularly interest income is covered under the requirements of IAS 32-paragraph 35.

Performance obligations

DFI member, programme and capacity building contributions are generally accrued at a point in time. The secretariat does not place further pre-conditions and the contributions are therefore computed on fixed percentages based on the budget. The contributions fall due and payable when billed either monthly, quarterly or bi annually as stipulated in the budget.

IFRS 15 considerations:

A contract/agreement exists between the Secretariat and the DFI members.

The agreement is subject to DFI member, programme and capacity building contributions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Performance obligations**

The performance period and the performance obligations, described above were met as at the evaluation date.

No further asset or liability recognised at 31 March 2019.

There were no significant judgements applied in the revenue recognised as the budget and agreement explicitly state the exact contribution from each member.

No incremental costs were incurred to fulfil the contract with a customer.

The secretariat adopted the new standard on the 1st of April 2018 with an impact to the disclosure of revenue and no further impact to the results, cashflows or financial position of the secretariat.

The following disclosure changes were effected retrospectively without restating comparatives:

DFI member contributions, which constitute the customer contract revenue and were already disclosed separately on the face of the statement of comprehensive income, were renamed to "Revenue from contracts with customers".

The Secretariat performed an impact assessment of IFRS 15 and there is no significant impact as the services are provided over time and the DFIs simultaneously consumes and receives the benefits provided by the Secretariat.

Employee benefits

The Secretariat does not have a retirement benefit scheme of its own. Provision is made for gratuity benefit obligations to its present employees, as required under the Botswana Employment Act. Gratuity benefits are not considered to be a retirement benefit plan as the benefits are payable on completion of each individual employee contract and a provision made on a yearly basis. Employee entitlements to annual leave, bonuses and medical aid, are recognised when

they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by the employee up to the reporting date. Termination benefits are recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The distinction between short-term and other long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.

Financial instruments under IAS 39 (for periods before 1 April 2018)**Financial assets**

The Secretariat's principal financial assets comprise of the trade and other receivables and cash and cash equivalents.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Initial recognition and measurement (under IAS 39)

Financial assets within the scope of IAS 39 are classified as loans and receivables. The entity determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the entity commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables and cash and cash equivalents are non-derivative financial assets with fixed or

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans or other operating expenses for receivables. Trade and other receivables are included in this category.

De-recognition

A financial asset is derecognised when: The rights to receive cash flows from the asset have expired.

The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. The entity's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised

cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. Trade and other payables are included in this category.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Secretariat has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Financial instruments under IFRS 9 (for periods from 1 April 2018)

Financial instruments carried on the statement of financial position include investments (excluding investment properties, associates and joint ventures), receivables, cash, deposits and similar securities, investment policy contracts, term finance liabilities, liabilities in respect of external investors in consolidated funds and payables. Financial instruments are recognised when the secretariat becomes party to a contractual arrangement that constitutes a financial asset or financial liability for the secretariat that is not subject to suspensive conditions. Regular way investment transactions are recognised by using trade date accounting.

Financial instruments are classified, at initial recognition, as measured at;

- amortised cost, or
- fair value through profit or loss (either mandatory or designated)
- fair value through other comprehensive income

The classification of financial instruments is determined at initial recognition based on the purpose for which the financial assets are acquired or liabilities assumed.

Initial recognition & measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- Financial assets at amortised cost comprise of trade and other receivables and amounts owing by related parties.

A debt instrument is measured at FVOCI only if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- The secretariat does not have any assets held at fair value through other comprehensive income.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are mandatorily measured at fair value through profit or loss. In addition, the secretariat designates certain financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

On initial recognition the secretariat designates a financial asset as at fair value through profit or loss when doing so results in more relevant information either because:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
- a group of financial liabilities; or a group of financial assets and liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

or investment strategy and information about the secretariat is provided internally on that basis to the entity's key management personnel.

The secretariat designates financial instruments as at fair value through profit or loss in line with its risk management policies and procedures that are based on the management of the secretariat's capital and activities on a fair value basis.

A financial asset or financial liability is initially measured at fair value, plus for a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised in the statement of comprehensive income as net loss from financial assets held at fair value through profit and loss.

Derecognition

A financial asset is primarily derecognised (i.e. removed from the secretariat's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or

- The secretariat has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
- the secretariat has transferred substantially all the risks and rewards of the asset, or the secretariat has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the secretariat has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the secretariat continues to recognise the transferred asset to the extent of its

continuing involvement. In that case, the secretariat also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the secretariat has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Secretariat could be required to repay.

Financial liabilities

Financial liabilities at amortised cost

Liabilities such as trade and other payables and amounts owing to other related companies are initially measured at fair value. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss.

Derecognising financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets and non-financial assets

The secretariat assesses at each reporting date whether there is an indication that an asset may be impaired.

The Secretariat recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Secretariat expects to receive, discounted at

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Secretariat considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Secretariat may also consider a financial asset to be in default when internal or external information indicates that the Secretariat is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Secretariat. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Secretariat first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Secretariat determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped based on similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Transitional Disclosures- IFRS 9

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the secretariat's business model for managing the assets; and whether the instruments contractual cash flows represent 'solely payments of principal and interest on the principal amount outstanding. The assessment of the secretariat's business model was made as of the date of initial application, 1 April 2018. The entity adopted IFRS 9 retrospectively without restating comparatives. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of IFRS 9 did not have a significant impact on the secretariat. The following are the changes in the classification of the secretariat's financial assets:

- a. Trade and other receivables, & cash and bank balances previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.
- b. The secretariat has not designated any financial

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the secretariat's financial liabilities.

- c. The adoption of IFRS 9 has fundamentally changed the secretariat's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the secretariat to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.
- d. There is no impact on the opening accumulated fund arising from the changes in the classification of financial instruments as a result of the adoption of IFRS 9.
- e. There is minimal on the opening accumulated fund arising from the new impairment requirements under IFRS 9.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are

appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Significant accounting judgements, estimates and assumptions

The preparation of the entity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the entity's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The entity based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Secretariat. Such changes are reflected in the assumptions when they occur.

Revaluation of property and equipment.

The entity carries its motor vehicles at fair value, with changes in fair value being recognised in other comprehensive income. The entity engaged an independent valuation specialist to assess fair value of the motor vehicles as at 31 March 2019. Refer to Note 7 for the motor vehicle disclosures under the property and equipment note.

Going concern assessment.

The Board regularly considers and records the facts and assumptions on which it relies to conclude that SADC - DFRC will continue as a going concern. Reflecting on the year under review, the Board of Trustees considered an opinion that adequate resources exist to continue operating and that SADC - DFRC will remain a going concern in the foreseeable future.

(a) Standards issued and effective in the current year**IFRS 9 Financial Instruments: Classification and Measurement**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The secretariat adopted IFRS 9 retrospectively without restating comparatives for the annual period beginning 01 April 2018.

The impairment requirements are based on an expected

credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases.

Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised. The adoption of IFRS 9 had an effect on the classification and measurement of the Secretariat's financial assets as loans and receivables will be classified as debt instruments at amortised cost, but had no impact on the classification and measurement of the Secretariat's financial liabilities.

SADC DFRC used a simplified approach as most of their receivables have maturities of less than 12 months and recognise lifetime expected credit losses and these are the credit losses expected over the life of the receivable. The organisation calculated the expected credit loss using a provision matrix which is based on historically observed default rates adjusted for forward looking estimates.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The secretariat adopted a modified retrospective application of IFRS 15 for the annual period beginning on 01 April 2018. IFRS 15 did not have a significant effect as the services provided to DFIs are provided over time and the DFIs simultaneously consumes and receives the benefits provided by the Secretariat.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**New and amended IFRS and IFRIC interpretations****a) Standards issued but not effective in the current year****IFRS 16 Leases**

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. Effective for annual periods beginning on or after 1 January 2019. The standard is not expected to have any impact on adoption as the secretariat does not have Leases.

IFRS 17- Insurance Contracts

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

The standard is effective for annual periods beginning on or after 1 January 2022 and is not expected to have an impact on the Secretariat as it does not enter into insurance contracts.

The following amendments will have no impact on the Secretariat on their effective date.

The amendments are effective for annual periods beginning on or after 1 January 2019.

- a) **Prepayment features with negative compensation-amendment to IFRS 9-effective 01 Jan 2019**-the Secretariat does not have such transactions and is not planning to do so in the future)
- b) **Plan amendment, curtailment and settlement-amendment to IAS 19-effective 01 Jan 2019** (the Secretariat does not have defined benefits obligations).
- c) **Definition of a business-amendments to IFRS 3-Effective 01 January 2019** (the Secretariat does not have business combinations).
- d) **IAS 23- Borrowing costs eligible for capitalisation-effective 01 January 2019** (not applicable as the Secretariat does not have borrowing costs eligible for capitalisation).
- e) **Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28- Effective date 01 January 2019** (not applicable as the Secretariat does not have interests in associates or joint ventures).
- f) **IFRIC Interpretation 23 Uncertainty over Income Tax Treatments- Effective date 01 January 2019** (not applicable as the Secretariat does not pay income tax).
- g) **IFRS 3- Business combinations-previously held interest in a joint operation-effective 01 January 2019** (the secretariat does not have business combinations)
- h) **IAS 11- Joint arrangements-previously held interest in a joint operation-effective 01 January 2019** (the secretariat does not have interests in a joint operation).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

US \$

1 Members' contributions

Revenue from contracts with customers (DFI contributions)

	2019	2018
	1 305 030	1 278 691

Disaggregation of revenue

The secretariat has disaggregated revenue into geographical areas in the following table which is intended to depict how the nature, amount and uncertainty of revenue and cash flows are affected by economic date.

Geographical Area	DFI Contribution	
	2019	2018
Madagascar	12 226	3 043
Zimbabwe	54 126	53 862
Zambia	12 551	12 491
Tanzania	41 000	37 744
Swaziland	70 263	52 034
South Africa	543 181	539 721
Seychelles	11 749	11 691
Namibia	60 945	72 931
Mozambique	24 774	24 656
Mauritius	21 451	21 366
Malawi	11 446	11 396
Lesotho	25 355	25 247
Democratic Republic of Congo	10 970	10 920
Botswana	128 666	127 436
Angola	276 327	274 153
Total Revenue	1 305 030	1 278 691

Method used to recognise revenue

Point in Time	1 305 030	1 278 691
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US\$

Member contributions comprises of annual fees received from the DFI. Network members on an annual basis.

2 Other income

	2019	2018
Other income*	343 542	452 008
Net gain on disposal of property and equipment	11 380	2 494
Funds donated directly to SADC-DFRC	121 056	100 000
	<u>475 978</u>	<u>554 502</u>
3 Finance income		
Interest income using the EIR method	<u>991</u>	<u>72</u>

*Other income includes of DFIs programme contribution of \$150 724 (2018: US \$ 118 221), Capacity building-Non DFIs of US \$36 600 (2018: US \$ 139 483) and other income-bad debts recovered of US \$153 218 (2018: US \$ 114 614).

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$	2019	2018
4 Staff costs		
Salaries	497 317	568 791
Gratuity*	124 329	139 530
Other benefits	28 674	14 308
	<u>650 320</u>	<u>722 629</u>

Gratuities are employee benefits payable on completion of each individual employee contract and an accrual is made on a yearly basis. Gratuity contribution is calculated at 25% of the agreed salary as per the employment contract.

Number of persons employed by the Secretariat at the end of the year

Full time	<u>10</u>	<u>12</u>
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5 Program Expenses

Program expenses	<u>427 946</u>	<u>463 085</u>
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The Public Private Partnerships (PPP) Programme in the current year contributed to about 36 % (2018: 32%) of the total programme costs.

6 Finance Cost

Interest Expense using the EIR method	<u>57 104</u>	<u>70 629</u>
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The interest expense relates to the Long term- FNB Loan which was used for the purchase of the office space. The loan was received in March 2016. The lending being at Prime lending rate plus 2.5% with prime rate being the publicly quoted basic rate of interest from time to time published by First National Bank. Capital and interest are serviced monthly in arrears in equal instalments for up to 120 months (10-year period).

6.1 Administration Costs

Administration costs	<u>383 937</u>	<u>495 723</u>
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Included in administration expenses is depreciation of US \$41 923 (2018: US \$43 052), exchange losses of US \$46 061 (2018: US \$76 660), conference costs of US \$26 273 (2018: US \$24 335), and subsistence allowances of US \$35 859 (2018: US \$37 212), legal costs US\$10 000 (2018: Nil)

6.2. Surplus for the year

Surplus for the year is stated after taking into account of the following;

Audit fees – current	11 912	10 374
Legal costs	10 000	-
Bad debts	155 735	155 742
Board costs	43 891	35 996
Depreciation	41 924	43 052
Exchange loss	46 061	76 660
Staff costs (note 4)	<u>650 320</u>	<u>722 629</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

7 Property & Equipment

Year ended 31 March 2019

	Buildings	Buildings Improvements	Motor vehicles	Computer equipment	Office equipment	Furniture & fittings	Total
Cost or valuation							
At 1 April 2018	761 425	112 970	29 945	83 670	31 810	115 850	1 135 670
Additions	-	-	-	10 808	1 401	3 622	15 831
Disposals	-	-	-	-	(8 360)	(77 764)	(86 124)
Revaluation adjustments*	-	-	(4 436)	-	-	-	(4 436)
Revaluation	-	-	1 097	-	-	-	1 097
At 31 March 2019	761 425	112 970	26 606	94 478	24 851	41 708	1 062 038
Depreciation							
At 1 April 2018	35 534	11 849	4 436	69 508	20 194	94 393	235 914
Depreciation charge for the year	15 229	5 649	5 427	11 549	1 994	2 076	41 924
Revaluation adjustments*	-	-	(4 436)	-	-	-	(4 436)
Disposals	-	-	-	-	(8 360)	(74 370)	(82 730)
At 31 March 2019	50 763	17 498	5 427	81 057	13 828	22 099	190 672
Net book value							
At 31 March 2019	710 662	95 472	21 179	13 421	11 023	19 609	871 366

* The revaluation adjustments relate to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset. The buildings (new office space over the portion of section 46 on Lot 54352, Zambezi Towers, CBD, Gaborone) are used as security for the FNB Loan.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

7 Property & Equipment (Continued)

Year ended 31 March 2018

	Buildings	Buildings Improvements	Motor vehicles	Computer equipment	Office equipment	Furniture & fittings	Total
Cost or valuation							
At 1 April 2017	761 425	111 407	28 763	89 653	31 436	115 151	1 137 835
Additions	-	1 563	-	908	11 459	699	14 629
Disposals	-	-	-	(6 891)	(11 085)	-	(17 976)
Revaluation adjustments*	-	-	(3 768)	-	-	-	(3 768)
Revaluation	-	-	4 950	-	-	-	4 950
At 31 March 2018	761 425	112 970	29 945	83 670	31 810	115 850	1 135 670
Depreciation							
At 1 April 2017	20 305	6 125	3 768	63 006	29 038	91 939	214 271
Depreciation charge for the year	15 229	5 634	4 436	13 393	1 906	2 454	43 052
Revaluation adjustments*	-	-	(3 768)	-	-	-	(3 768)
Disposals	-	-	-	(6 891)	(10 750)	-	(17 641)
At 31 March 2018	35 534	11 849	4 436	69 508	20 194	94 393	235 914
Net book value							
At 31 March 2018	725 891	101 121	25 509	14 162	11 616	21 457	899 756

* The revaluation adjustments relate to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset. The buildings (new office space over the portion of section 46 on Lot 54352, Zambezi Towers, New CBD, Gaborone) are used as security for the FNB Loan.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US \$

7 Property & Equipment (continued)**Additional Information**

If the motor vehicles were measured using the cost model, the carrying amount as at 31 March 2019 would be as follows;

	2019	2018
Cost	35 382	35 382
Accumulated depreciation	<u>(28 306)</u>	<u>(21 229)</u>
Carrying amount	<u>7 076</u>	<u>14 153</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

	2019	2018
8 Trade and other receivables		
Recoverable program expenditure net of allowance for uncollectible amounts (Note 8.1)	-	
Other receivables (Note 8.2)	28 861	56 279
Member contributions net of expected credit losses (Note 8.3)	107 903	369 553
	<u>136 764</u>	<u>425 832</u>
8.1 Recoverable program expenditure		
These are funds committed to be paid by the donors and still outstanding as at year end.		
Total recoverable program expenditure receivable	20 279	20 279
Amounts written off	(20 279)	(20 279)
	<u>-</u>	<u>-</u>
Movement of the expected credit loss on recoverable expenditure is as follows:		
Balance at beginning of year	20 279	20 279
Amounts written off during the year	(20 279)	-
Expected credit loss	-	-
Balance at end of year	<u>-</u>	<u>20 279</u>
8.2 Other receivables		
Other receivables comprise of the following:		
Prepayments and deposits	3 296	4 082
Staff advances	-	538
Recoverable VAT	25 565	51 659
	<u>28 861</u>	<u>56 279</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US \$

8.3 Member contributions

Member contributions are non-interest bearing and are generally on 30-90 days' terms.

Member contributions due

Provision for bad debts

	2019	2018
	313 770	570 052
	(205 867)	(200 499)
	<u>107 903</u>	<u>369 553</u>

Contributions amounting to US \$205 867 (2018: US \$200 499) are past due and impaired. Other receivables have no contractual repayment period. Member contributions which are past due and not impaired are disclosed on note 14- on credit risk.

Movement of the provision for impairment of contribution is as follows:

Balance at beginning of year

Recovered & reversed

Impairment losses

Expected credit loss

	200 499	164 785
	(150 367)	-
	155 735	35 714
	<u>205 867</u>	<u>200 499</u>

9 Cash and cash equivalents

Cash at banks and on hand

Short-term deposits

	25 827	144 787
	647 533	542 044
	<u>673 360</u>	<u>686 831</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US\$

Cash and cash equivalents (continued)

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one day to three months and earn interest at the respective short-term deposit rates.

Included in cash and cash equivalents are bank balances held with Agribank Zimbabwe amounting to US \$57 991 (2018: US \$93 010). In response to the hard cash shortages in Zimbabwe, the Reserve Bank of Zimbabwe through the Exchange Control Operations Guide (ECOGAD 8) introduced a foreign payments priority list that places restrictions on Agribank Zimbabwe remitting funds outside Zimbabwe (including Botswana) and for SADC-DFRC to withdraw the cash and use it outside Zimbabwe. These balances are held in Zimbabwean RTGS dollar and were converted at the closing rate ruling as at 31 March 2019.

10 Trade and other payables

	2019	2018
Trade payables	2 273	102 317
Amounts due to DFIs	691	691
Other payables*	335 246	385 531
	<u>338 210</u>	<u>488 539</u>

* Other payables are made up of gratuity payable of US \$305 958 (2018: US \$ 371 275) and other accruals of US \$19 288 (2018: US \$14 255), provision for legal costs \$US10 000 (2018: Nil)

Trade and other payables are non-interest bearing and are normally on 30-60-day terms.

10.1 Long Term Liabilities

Non- current portion-FNB Loan	407 973	708 023
Current Portion	79 108	67 712
	<u>487 081</u>	<u>775 735</u>

SADC DFRC obtained a loan from FNB amounting to Pula 8 100 000 (US \$ 741 150 at an exchange rate of 0,0915) on 31 March 2016. The loan is secured over the portion of section 46 on Lot 54352, New CBD Gaborone (the office space). Capital and interest are serviced monthly in arrears in equal instalments for up to 120 months (10-year period). The lending being at Prime lending rate plus 2.5% with prime rate being the publicly quoted basic rate of interest from time to time published by First National Bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US\$

11. Cash generated from operating activities**Operating activities**

Surplus for the year	106 957	81 148
Interest received	(991)	(72)
Interest paid	57 104	70 629
Non - cash adjustments:		
Depreciation	41 924	43 052
Gain on disposal of property and equipment	(11 380)	(2 494)
Unrealised foreign exchange losses	54 632	76 660
Working capital adjustments:		
Decrease / (increase) in receivables	289 068	(7 262)
Decrease in payables	(150 329)	(29 809)
	<u>386 985</u>	<u>231 852</u>

12. Related party disclosures

SADC - Development Finance Resource Centre is a subsidiary of Southern African Development Community (SADC). Therefore, SADC and all its affiliate members are related parties of the Secretariat including member Development Finance Institutions (DFIs), Board of Trustees and key management personnel.

Related party transactions entered into during the year are as follows;

	2019	2018
Member contributions from DFIs (Note 1)	1 305 030	1 278 691
Board members allowances and travel fares (Note 6.1)	43 891	35 996
Amounts due from DFIs (Note 8.3)	313 770	570 052
Amounts due to DFIs (Note 10)	(691)	(691)

Key management personnel include all Board of Trustee members and senior management

The summary of compensation of key management personnel for the year is as follows:

Short-term employee benefits	465 012	517 440
Gratuity	117 393	129 360
	<u>582 405</u>	<u>646 800</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US \$

13 Commitments and contingencies**Capital expenditure commitments**

SADC - DFRC has no purchase commitments for property and equipment incidental to the ordinary course of business.

Contingent liabilities

SADC-DFRC had contingent liabilities as at 31 March 2019 for legal fees amounting to approximately USD20,000 (2018 - Nil). The secretariat sought legal counsel from Kambai Attorneys regarding a claim by a former employee who is seeking reinstatement and payment of salary arrears from the date of termination of employment in October 2018 to the date of the possible reinstatement. The employee was on a fixed term contract. The case is before the Lobatse high court with hearing and judgement expected to be finalised in the coming weeks. The secretariat and the lawyers can't quantify with reasonable certainty the amount of outstanding/unpaid bills as the matter is still ongoing and will depend on how the court decides on how the matter should progress. The estimated claim by the former employee is expected to be in the region of USD60,000 based on the lawyers' & the secretariat's assessment. However, according to the lawyer's assessment, it is considered highly unlikely that the case will be successful, this is so because the matter has been tested at three different courts and was dismissed on all occasions.

14 Financial risk management objectives and policies

The Secretariat is exposed to market risk, liquidity risk and credit risk including primary changes in interest rates and currency exchange rates. The Secretariat does not hold or issue derivative financial instruments for trading purposes.

The Secretariat has written risk management policies and guidelines which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control hedging transactions in a timely and accurate manner. Such written policies are reviewed periodically by the Board of Trustees and regular reviews are undertaken to ensure that the Secretariat's policy guidelines are adhered to.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

14 Financial risk management objectives and policies
(continued)**Foreign currency risk**

The Secretariat is exposed to the foreign currency risk for transactions that are denominated in a currency other than the reporting currency of the Secretariat, the United States Dollar. Other than locally incurred expenses, all other expenses consist of costs paid and denominated in US\$. Revenue consists of amounts denominated in US\$. The Secretariat's exposure to foreign currency risk, based on notional amounts is summarised as follows;

The amounts below are in US Dollars (US\$)

2019

	Euro	RTGS Dollar	Botswana Pula
Cash and cash equivalents	4 434	57 991	117 238
Trade and other receivables	-	-	-
Long Term Loan- FNB Loan	-	-	(487 081)
Trade and other payables	-	-	(22 252)
Net exposure	4 434	57 991	(392 095)

2018

Cash and cash equivalents	6 121	-	227 141
Trade and other receivables	-	-	56 278
Long Term Loan- FNB Loan	-	-	(775 736)
Trade and other payables	-	-	(14 441)
Net exposure	6 121	-	(506 758)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US\$

Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in Botswana Pula (BWP) and Euros, with all other variables held constant, of the Secretariat's surplus and accumulated funds (due to changes in fair value of monetary assets and liabilities).

2019		Increase/ (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Foreign currency risk			
Botswana Pula			
Change in exchange rate	+10%	(39 209)	(39 209)
	-10%	39 209	39 209
Euros			
Change in exchange rate	+10%	443	443
	-10%	(443)	(443)
RTGS dollar			
Change in exchange rate	+10%	5 799	5 799
	-10%	(5 799)	(5 799)
2018			
Foreign currency risk			
Botswana Pula			
Change in exchange rate	+10%	(50 675)	(50 675)
	-10%	50 675	50 675
Euros			
Change in exchange rate	+10%	612	612
	-10%	(612)	(612)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

14 Financial risk management objectives and policies
(continued)**Interest rate risk**

The Secretariat manages and monitors daily funding requirements. Surplus funds are invested with first rate banking institutions. The Secretariat's exposure to market risk for changes in interest rates relates primarily to the Secretariat's loan and bank balances subject to floating interest rates.

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Secretariat's surplus and accumulated fund.

2019**Interest rate risk**

		Increase/ (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Change in interest rate	+1%	1 863	1 863
	-1%	(1 863)	(1 863)

2018**Interest rate risk**

Change in interest rate	+1%	6 868	6 868
	-1%	(6 868)	(6 868)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

14 Financial risk management objectives and policies (continued)**Classification of financial instruments**

	Debt Instruments @amortised cost	Financial Liabilities at amortised cost	Total
2019			
Trade and other receivables	107 902	-	107 902
Cash and Bank	673 360	-	673 360
FNB Loan	-	(487 081)	(487 081)
Accounts payable		(20 122)	(20 122)
Gratuity payable		(305 958)	(305 958)
TA facility-admin funds		(2 130)	(2 130)
Total	781 262	(815 291)	(34 029)

	Loans & Receivables	Financial Liabilities at amortised cost	Total
2018			
Trade and other receivables	370 090	-	370 090
Cash and Bank	686 831	-	686 831
FNB Loan	-	(775 736)	(775 736)
Accounts payable		(877)	(877)
Gratuity payable		(371 275)	(371 275)
TA facility-admin funds		(102 130)	(102 130)
Total	1 056 921	(1 250 018)	(193 097)

Financial instruments designated at fair value through profit or loss

There are no financial instruments which the Secretariat has designated as at fair value through profit or loss.

Financial assets pledged as collateral

The Secretariat has not pledged any financial assets as collateral.

Financial assets received as collateral

The Secretariat has not received any financial assets as collateral.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US \$

14 Financial risk management objectives and policies *(continued)***Net gains and losses by financial instrument category****2019**

	Debt Instruments & Financial Liabilities at amortised cost	Total
Interest income	991	991
Interest expense	(57 104)	(57 104)
Net interest expense	<u>56 113</u>	<u>56 113</u>

2018

	Loans and receivables (Financial Liabilities) at amortised cost	Total
Interest income	72	72
Interest expense	(70 629)	(70 629)
Net interest expense	<u>(70 557)</u>	<u>(70 557)</u>

Liquidity risk

Liquidity risk is the risk that the organisation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The organisation monitors its risk of a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables. The organisation's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits, bank overdrafts and bank loans. As at 31 March 2019, the organisation had available US\$ 673 360 (2018: US\$ 686 831) in cash deposits. The organisation's borrowings are long term and will mature in 2026 thus funds will not be fully tied towards repayment of the loan but availed to other daily needs of the Secretariat.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

Liquidity risk (continued)

The table below summarises the maturity profiles for financial assets and financial liabilities

2019	On demand	Due not later than one month	Due not later than one year	Due after more than one year	Total
Financial liabilities					
Long term Liabilities	-	-	118 678	643 836	762 514
Trade and other payables	-	2 273	325 246	-	327 519
Amounts due to the DFIs	-	691	-	-	691
Total	-	2 964	443 924	643 836	1 090 724

2018					
Long term liabilities	-	-	129 527	962 061	1 091 588
Trade and other payables	-	102 864	396 207	-	499 071
Amounts due to the DFIs	-	695	-	-	695
Total	-	103 559	525 734	962 061	1 591 354

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a loss. The Secretariat is exposed to credit risk from its operating activities primarily (trade and other receivables) and from its financing activities, including deposits with banks and financial institutions.

An impairment analysis is performed at the end of each reporting year on an individual basis on all the balances due from DFIs. The calculation is based on the expected credit losses. Some of the factors considered in determining that members contributions are impaired are the non-payment of balances during the agreed payment period and terms, the financial health of the DFI as well as the economic conditions currently prevailing in the DFI's primary operating economy.

The Secretariat's maximum exposure to credit risk for the components of the statement of financial position as at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in Note 8.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

14 Financial risk management objectives and policies (continued)**Significant concentrations of credit risk**

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect entities of counterparties whose aggregate credit exposure is significant in relation to the Secretariat's total credit exposure. At year end, significant concentration of credit risk was on the following trade and other receivables:

	2019	2018
SMEDCO Zimbabwe	9 999	37 673
DBSA	4 250	100 750
IDC Zimbabwe	2 100	13 738
CEDA	27 775	32 800
BSB	14 300	15 416
Local Enterprise Authority	6 250	-
Eswatini Development & Savings Bank	41 893	-
DBM Mauritius	20 989	-
Banco Nacional De Investimento	12 551	25 030
IDBZ	20 629	14 329
Export Development Fund	5 725	-
SOFIDE DR CONGO	43 265	32 295
BEDCO	20 974	16 374
Department of Trade	-	93 483
Banco De Desenvolvimento	-	59 352
BANCO DE POUPANCA	8 839	-
ABN	-	18 788
Development Bank of Zambia	16 301	14 991
SDSB	-	17 776
NDC Tanzania	21 526	14 084
Development Bank of Seychelles	12 099	-
BITC	5 350	-
Agribank Zimbabwe	1 960	-
ZIMBAB	1 500	-
	298 278	506 879

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

Member contributions which are past due and not impaired are as follows based on the 30-90-day terms

	2019	2018
0- 30 days	8 011	102 705
30-60 days	1 050	109 941
60-90 days	(250)	250
Total	8 811	212 896

Impairment assessment

Accounting policy on financial instruments- impairment of financial assets details the approach to determining whether an instrument or a portfolio of instruments is subject to twelve-month ECLs or Lifetime ECLs.

Impairment losses on financial assets subject to impairment assessment

The secretariat applies a simplified approach in calculating ECLs for Trade and other receivables & cash and cash equivalents. Therefore, the secretariat does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Secretariat calculates the ECL by first determining the probability of default. Default exposures are those that satisfy either or all of the following criteria:

- a) material exposures which are more than 120 days past-due;
- b) the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past due.
- c) credit impaired exposures

The probability of default is calculated according to the following formula:

PiT PD (Point in Time - Probability of Default)= (Total Exposure of facilities that defaulted observation period)/ (Total Exposure in the beginning period).

The Pit PD is applied to the receivable balance in-order to arrive at the amount Exposed to Default. The Loss given default (LGD) is applied to the amount Exposed to Default to determine the Expected Lifetime Credit Loss.

Loss given default (LGD) are assigned using historical experience of recoverability for each class of receivables. Since none of the receivables are collateralized, past-history of recoverability is used for determining the LGD.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

The ECL provision matrix is initially based on the secretariat's historical observed default rates. The secretariat calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The forward-looking information considered includes forecast economic conditions (a positive economic growth rate of 4.2% is projected in 2019, consequently lead to low default by receivables debtors. However forward-looking information was assessed after grouping receivables based on their geographical areas.

The tables below shows the values of the secretariat's financial instruments subject to ECL. The total amount of provision using the simplified approach in calculating the ECLs is \$205 867 and is detailed below. A decision was made to provide for impairment of \$205 867 based on IFRS 9's expected credit loss model.

Trade and other receivables

Account	Balances at 31 March 2019	Expected Credit Loss
Accounts receivable	\$313 770	\$205 867
Grand Total		\$ 205 867

Amount provided

Trade and other receivables are based on the past trends and history and the loss model based on IFRS 9. The Net Flow rate reveals that collections are periodically and regularly received and hence the LGD is conservatively determined at a percentage of the exposure to default for receivables possessing the same characteristics. In this case the DFIs were grouped based on their geographical locations. Additional separate considerations were made for some that were in significant financial distress.

Fair value of financial instruments

The fair value of all financial instruments approximates their carrying amounts reflected in the statement of financial position.

Capital Risk Management

The secretariat define capital as the total accumulated funds of the Secretariat as noted in the statement of changes in funds. The secretariat's long-term objective for managing capital is to deliver competitive, secure and sustainable returns to maximise long-term DFI member satisfaction. Management is of the view that these objectives are being met. The Secretariat is not subject to any externally-imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

US \$

15. Fair Value Measurement**2019**

The following table provides the fair value measurement hierarchy of the Secretariats assets as at 31 March 2019.

Assets measured at fair value	Date of valuation	Totals	Total Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			US \$	US \$	US \$
Motor vehicles	31 March 2019	21 179		-	21 179

Fair value of the motor vehicles was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 31 March 2019, the motor vehicles' fair values are based on valuations performed by Global Loss Adjusters, an accredited independent valuer.

2018

The following table provides the fair value measurement hierarchy of the Secretariat's assets as at 31 March 2018.

Assets measured at fair value	Date of valuation	Totals	Total Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			US \$	US \$	US \$
Motor vehicles	31 March 2018	25 509		-	25 509

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

US \$

15. Fair Value Measurement (continued)

Reconciliation of the fair value measurement of the motor vehicles is as follows;

	US \$
1 April 2016	1 194
Total gains and losses recognised in OCI	3 345
1 April 2017	4 539
Total gains and losses recognised in OCI	4 950
As at 31 March 2018	9 489
Total gains and losses recognised in OCI	1 097
As at 31 March 2019	10 586

	Valuation technique	Significant unobservable inputs	Detailed Information	Range (weighted average)	Sensitivity Analysis
Motor vehicles	Use of motor guides and evidence from an independent engineer	The model of the vehicle	Fortuner 3/0D 4x2S/ Wagon	N/A	N/A
	Use of motor guides and evidence from an independent engineer	Age of the vehicle	6 years	N/A	N/A
	Use of motor guides and evidence from an independent engineer	Mileage of the vehicle	45 483 kms	31- 46 % increase in the mileage would result in a 2%-20% decrease in the Fair value of the Vehicle (average decrease of 11%)	A 11% decrease would result in the fair value of the vehicle decreasing by \$ 2 330
	Use of motor guides and evidence from an independent engineer	Previous accidents a vehicle has been involved in	NIL	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2019

15. Fair Value Measurement (continued)

Much attention is given to valuations given in motor-trade guides. These are based on extensive nationwide research of actual selling prices (rather than just advertised prices).

Evidence from an independent engineer is also used – particularly where the vehicle is not a standard one (for example, because it has been heavily modified). Information from an insurer’s engineer is also used with assessment of the appropriateness of the content and independence of the report done.

Significant increases (decreases) usage of the motor vehicle per annum in isolation would result in a significantly higher (lower) fair value of the motor vehicle.

Generally, a change in the assumption made for the estimated value of the vehicle is accompanied by:

- The mileage
- Year of registration
- Model type
- Condition of the vehicle

The Secretariat has assessed that the highest and best use of its motor vehicles do not differ from their current use

16 Significant Events After Reporting Date

The trustees are not aware of any event or circumstance arising since the end of the financial year that will require adjustments to the amounts and disclosures recognised in the financial statements.

APPENDIX 1- SUPPLEMENTARY INFORMATION NON - CASH DONATION PROGRAMME ACTIVITIES

for the year ended 31 March 2019

Funds and sponsorship paid directly to service providers by donors or participating member DFIs for SADC-DFRC programmatic activities are non-cash donations

NO	PROGRAMMES	VENUE	DATE	ATTENDANCE	PEI %
1	Public Private Partnerships-1st Tripartite 2019	DBSA Training Facility South Africa	March 2019	26	91,4%
2	Public Private Partnerships for BEDCO 2019	AVANI Maseru Hotel- Lesotho	Feb 2019	12	89,8%
3	Financial Modelling 2019	White Sands Hotel	Feb 2019	26	86,3%
4	Fraud, RM, AML & ALM for BSB-2019	Blue-tree World of Golf Botswana	Feb 2019	12	94,7%
5	Fraud, RM, AML & Basel II for BSB-2019	Avani Gaborone Resort & Casino, Botswana	Jan 2019	10	91%
6	Capacity Building Review & Decision Making for HR-2018	Holiday Inn Hotel- JHB Airport-South Africa	Dec 2018	31	86,6%
7	17th CEOs Forum-2018	Cape-Town Marriot Hotel, SA	Dec 2018	80	86,7%
8	Corporate Governance for LEA-2018	Cresta Mahalapye	Nov 2018	10	92,1%
9	Corporate Governance for Eswatini Bank-2018	Royal Swazi Convention Centre-Eswatini	Nov 2018	19	90,7%
10	Export Credit Finance 2018	Ramada Hotel Resort-Tanzania	Oct 2018	19	90,1%
11	Advanced Project Management-2018	Ramada Hotel Resort-Tanzania	Oct 2018	31	93,1%
12	Public Private Partnerships for DBN-2018	NIPAM Namibia	Oct 2018	27	90,4%
13	Project Appraisal for SME for DBN-2018	NIPAM Namibia	Oct 2019	29	88%
14	Risk Management Programme-2018	Avani Hotel Lesotho	Sept 2018	26	84%
15	Board Induction for BSB-2018	Blue-tree World of Golf, Gaborone	Sept 2018	12	84,6%
16	Finance for Non-Finance Managers-2018	Avani Lesotho Hotel	Sept 2018	16	87%

**APPENDIX 1 - SUPPLEMENTARY INFORMATION
NON - CASH DONATION PROGRAMME ACTIVITIES**

for the year ended 31 March 2019

NO	PROGRAMMES	VENUE	DATE	ATTENDANCE	PEI %
17	Fraud, RM & AML for BSB (3)-2018	Blue-tree world of Golf Botswana	Sept 2018	30	95,7%
18	Fraud, RM & AML for BSB (2)-2018	Blue-tree world of Golf Botswana	Sept 2018	26	93,5%
19	Fraud, RM & AML for BSB (1)-2018	Blue-tree world of Golf Botswana	Sept 2018	24	95,3%
20	Information & Communication Technology Governance	Windhoek Country Club & Casino Namibia	July 2018	14	91,3%
21	Environmental Impact Assessment & Change-2018	Protea Hotel Thuringerhof, Namibia	July 2018	9	91,5%
22	Investment Appraisal & Risk Analysis for MITSMED	Ministry of Industrialisation-Namibia	July 2018	29	97,3%
23	Financial Modelling for Ministry of Industrialisation	Ministry of Industrialisation-Namibia	July 2018	29	86,6%
24	Project Appraisals for SMEs-2018	Sibane Hotel-Eswatini	June 2018	19	93,1%
25	Executive Development for Women-2018	Sibane Hotel-Eswatini	June 2018	27	89,3%
26	Resource Mobilisation-2018	Sibane Hotel-Eswatini	June 2018	14	86,8%
27	16th CEOs Forum-2018	The Capital Empire Hotel, South Africa	June 2018	66	83,4%
28	Negotiation Skills (2)-2018	Cresta Lodge-Gaborone Botswana	June 2018	18	80,5%
29	Negotiation Skills (1)-2018	Avani Gaborone Resort & Casino, Botswana	May 2018	26	83,1%
30	Marketing of Financial Services- 2018	Avani Gaborone Resort & Casino, Botswana	May 2018	27	87,2%
31	Leadership & Comms Skills for DFI Executives	Cresta Lodge Harare-Zimbabwe	May 2018	33	90,2%
32	Performance Management 2018	Cresta Lodge Harare-Zimbabwe	May 2018	16	83%
	Total			793	

APPENDIX 1- SUPPLEMENTARY INFORMATION NON - CASH DONATION PROGRAMME ACTIVITIES

for the year ended 31 March 2019

NO	PROGRAMMES	COOPERATING PARTNER/ SPONSOR	VENUE	DURATION	ACTIVITY DATES	ATTENDANCE
1	Credit Risk Management for SMEs - 2017	SADC-DFRC & Participating DFIs	Eswatini	5 days	3rd - 7th Apr 2017	30
2	Managing Problem Loans - 2017	SADC-DFRC & Participating DFIs	Eswatini	3 days	10th - 12th Apr 2017	29
3	Change Management - 2017	SADC-DFRC & Participating DFIs	Lesotho	3 days	10th - 12th May 2017	20
4	Export Credit Finance - 2017	SADC-DFRC & Participating DFIs	South Africa	2 days	25th - 26th May 2017	16
5	Prudential Standards, Guidelines and Rating System - 2017	SADC-DFRC	South Africa	2 days	29th - 30th May 2017	35
6	Risk Management - 2017	SADC-DFRC & Participating DFIs	Tanzania	5 days	3rd - 7th Jul 2017	29
7	14th CEOs Forum - 2017	SADC-DFRC	Tanzania	1 day	6th Jul 2017	100
8	Financial Modelling - 2017	SADC-DFRC & Participating DFIs	Namibia	5 days	24th - 28th Jul 2017	13
9	Leadership and Management Skills Development - 2017	SADC-DFRC & Participating DFIs	Namibia	3 days	31st Jul - 2nd Aug 2017	27
10	Investment Appraisal and Risk Analysis - 2017	SADC-DFRC & Participating DFIs	Zimbabwe	5 days	4th - 8th Sep 2017	32
11	Advanced Project Finance - 2017	SADC-DFRC & Participating DFIs	Zimbabwe	5 days	11th - 15th Sep 2017	25
12	Due Diligence - 2017	SADC-DFRC & Participating DFIs	Zimbabwe	4 days	18th - 21st Sep 2017	26
13	Chief Executive Officers Colloquium - 2017	SADC-DFRC & Participating DFIs	South Africa	2 days	11th - 12th Oct 2017	19
14	Capacity Building Review & Communication Skills for Human Resources Managers - 2017	SADC-DFRC & Participating DFIs	South Africa	2 days	15th - 17th Nov 2017	18
15	Finance for Non-Finance Managers - 2017	SADC-DFRC & Participating DFIs	Eswatini	3 days	5th - 7th Dec 2017	16
16	15th CEOs Forum - 2017	SADC-DFRC	Eswatini	1 day	7th Dec 2017	74
17	Public Private Partnership (Zambia) - 2018	SADC-DFRC & Participating DFIs	Zambia	5 days	19th - 23rd Feb 2018	26
18	PPP Foundation for MFED (2) - 2017	MFED & SADC-DFRC	Botswana	2 days	3rd - 4th Apr 2017	62
19	Credit Risk Management for SMEs for ESWATINI BANK - 2017	ESWATINI BANK & SADC-DFRC	Eswatini	5 days	21st - 25th Aug 2017	13

APPENDIX 1 - SUPPLEMENTARY INFORMATION NON - CASH DONATION PROGRAMME ACTIVITIES

for the year ended 31 March 2019

20	Managing Problem Loans for ESWATINI BANK - 2017	ESWATINI BANK & SADC-DFRC	Eswatini	3 days	28th - 30th Aug 2017	16
21	Corporate Governance for NDB - 2017	NDB & SADC-DFRC	Botswana	2 days	1st - 2nd Sep 2017	16
22	Corporate Governance Board Induction for SKTMTH - 2017	PEEPA & SADC-DFRC	Botswana	1 day	18th Sep 2017	11
23	Investment Appraisal and Risk Analysis for CEDA - 2017	CEDA & SADC-DFRC	Botswana	5 days	9th - 13th Oct 2017	30
24	Financial Modelling for CEDA - 2017	CEDA & SADC-DFRC	Botswana	5 days	23rd - 27th Oct 2017	25
25	Leadership and Management Skills Development for CEDA - 2017	CEDA & SADC-DFRC	Botswana	3 days	1st - 3rd Nov 2017	23
26	Advanced Project Finance (Kenya) - 2017	TFC, National Treasury, PPP Unit Kenya & SADC-DFRC	Kenya	5 days	13th - 17th Nov 2017	32
27	Investment Appraisal and Risk Analysis (Kenya) - 2017	TFC, National Treasury, PPP Unit Kenya & SADC-DFRC	Kenya	5 days	20th - 24th Nov 2017	26
28	PPP Programme for NIDCS - 2017	NIDCS & SADC-DFRC	Eswatini	3 days	22nd - 24th Nov 2017	18
29	Due Diligence for DTI - 2017	DTI & SADC-DFRC	South Africa	4 days	28th Nov - 1st Dec 2017	19
30	Managing Problem Loans for CEDA - 2017	CEDA & SADC-DFRC	Botswana	3 days	29th Nov - 1st Dec 2017	23
31	Investment Appraisal and Risk Analysis for DTI - 2017	DTI & SADC-DFRC	South Africa	5 days	4th - 8th Dec 2017	18
32	Corporate Governance for Directors of Public Enterprises Boards for BERA - 2017	PEEPA & SADC-DFRC	Botswana	2 days	5th - 6th Dec 2017	10
33	Financial Modelling for DTI - 2018	DTI & SADC-DFRC	South Africa	5 days	29th Jan - 2nd Feb 2018	18
34	Due Diligence for DTI - 2018	DTI & SADC-DFRC	South Africa	4 days	13th - 16th Feb 2018	20
35	Investment Appraisal and Risk Analysis for DTI - 2018	DTI & SADC-DFRC	South Africa	5 days	19th - 23rd Feb 2018	22
36	Financial Modelling for DTI (2) - 2018	DTI & SADC-DFRC	South Africa	5 days	5th - 9th Mar 2018	21
37	Project Finance for CEDA - 2018	CEDA & SADC-DFRC	Botswana	5 days	12th - 16th Mar 2018	23
38	Corporate Governance for BEDCO - 2018	BEDCO & SADC DFRC	Botswana	2 days	12th - 13th Mar 2018	12
	Grand Total					993

SADC-DFI NETWORK MEMBERS**ANGOLA**

Banco de Poupanca e Credito
 Banco de Desenvolvimento de Angola
 Banco Sol

BOTSWANA

Botswana Development Corporation
 Botswana Housing Corporation
 Botswana Investment and Trade Centre
 Botswana Savings Bank
 Citizen Entrepreneurial Development Agency
 Local Enterprise Authority
 National Development Bank
 Norsad Finance Limited

DEMOCRATIC REPUBLIC OF CONGO

Societe Financiere De Development

LESOTHO

Basotho Enterprises Development Corporation
 Lesotho National Development Corporation

MADAGASCAR

SOciété NAtionale de PARticipations – SONAPAR

MALAWI

Export Development Fund

MAURITIUS

Development Bank of Mauritius

MOZAMBIQUE

Banco Nacional de Investimento
 Small Investment Promotion Company – Gapi - SI

NAMIBIA

Agribank of Namibia
 Development Bank of Namibia
 Environmental Investment Fund of Namibia
 National Housing Enterprise
 SME Bank

SEYCHELLES

Development Bank of Seychelles

SOUTH AFRICA

Development Bank of Southern Africa
 Industrial Development Corporation of South Africa
 Land and Agricultural Development Bank of South Africa

ESWATINI

Eswatini Development and Savings Bank
 Eswatini Development Finance Corporation
 Industrial Development Company of Eswatini
 Eswatini Housing Board
 Eswatini National Industrial Development Corporation

TANZANIA

National Development Corporation
 TIB Development Bank
 Tanzania Agricultural Development Bank

ZAMBIA

Development Bank of Zambia

ZIMBABWE

Agricultural Development Bank of Zimbabwe
 Industrial Development Corporation of Zimbabwe Limited
 Infrastructure Development Bank of Zimbabwe
 Small and Medium Enterprises Development Corporation

Physical Address	Postal Address
Plot 54352	Private Bag 0034
West Avenue	Gaborone
Zambezi Towers	Botswana
Tower A, 7th Floor	Tel: (267) 3191146
South Wing	Fax: (267) 3191147
www.sadc-dfrc.org	info@sadc-dfrc.org



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