

sadc
dfrc

southern african
development community
development finance
resource centre



Annual Report 2024

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CEO's FAREWELL MESSAGE

This annual report is my last in the capacity of Chief Executive Officer of the SADC Development Finance Resource Centre (DFRC).

It has been a privilege and honour for me to head the SADC-DFRC over the past eighteen years, having served as its Programmes Manager for Policy Research and Advisory Services for the first few years of its formative stage.

My stewardship has been challenging and at the same time exciting, capped with significant milestones, among these: over ten thousand (10,000) participants trained in various disciplines designed to meet critical skills gaps among key development-focused stakeholders; several studies and advisory initiatives aimed at achieving best practice policy, governance, financial and operational practices; acquisition of DFRC head office in the central business district of Gaborone; a sixty percent (60%) growth in DFI Network membership; and establishment of the SADC Public Private Partnership (PPP) Network, to mention some.

All these achievements, and many others, I would like to believe, have left an indelible mark on, and with posterity, will continue to positively impact the development finance space, in particular, the attainment of the overarching SADC regional development goals of sustainable and inclusive economic development, employment creation and poverty alleviation.

A portrait of Stuart Kufeni, a middle-aged Black man with short grey hair, wearing glasses, a dark pinstriped suit jacket, a white shirt, and a patterned tie. He is standing with his hands clasped in front of him, looking directly at the camera with a slight smile. The background is a plain, light color.

Stuart Kufeni
Chief Executive Officer

On the downside though, I superintended over the DFRC during two difficult phases, vis, the 2009 Global Financial Crisis and the 2020/21 Covid-19 pandemic. Both of these incidences, in different ways, severely impacted the global economy culminating in negative growth. As with other regions all over, Southern Africa was not spared from the resultant adverse effects, characterised by high interest rates as monetary authorities took action to stave off unprecedented high levels of inflation, especially in the case of the pandemic.

Consequently, as countries faced declining economic growth rates, so did the activities of member DFIs, DFRC's primary source of revenue, which contracted in sympathy. As a result, the DFRC had to contend with revenue constraints as budgetary contributions from members fell. Thus, to keep the institution financially on even keel, management had to take drastic measures, including severe expenditure cuts and adoption of innovative cost-cutting ways of delivering its programmes such as virtual platforms and in-country or institution-specific programmes. Through passion, hard work, commitment and, I must say, dedicated and professional staff, we were able to ride out the storm and be on a firm post-pandemic recovery.

I am leaving at a time the DFRC has embarked onto the first year of the fifth Five-Year Strategic Plan (2024–2029) under my leadership. To deliver on the mandate and ensure sustainability of the DFRC, the plan identifies 'value-adding', 'sustainable', 'necessary' and 'discerning' as key strategic pillars. Adherence to these key imperatives, I believe, will see the DFRC consolidate its growth beyond the pre-pandemic levels of operation and, as befitting, become a centre of excellence for development finance in the region.

Over the years, and through the guidance and support from successive DFRC Boards, the institution stamped its footprint on the region, not to mention at international level. Various other stakeholders also played critical roles, in one form or the other, to support the DFRC achieve its mandate. Among these, the SADC DFI Network, DFRC Management and Staff, Member States Governments, International Cooperating Partners (ICPs), regional economic communities and not forgetting various strategic partners, too many to mention. Last and by no means least, my warmest gratitude and appreciation to the SADC Secretariat, in particular the Directorate of Finance, Investment and Customs (FIC) for their consistent support. I would like to wish my successor the same support and guidance, and all the best keeping the DFRC flag flying high.

It has been a great and unforgettable experience working at the SADC Development Finance Resource Centre.



Stuart Kufeni
Chief Executive Officer



VISION

To be a go to 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
- Agriculture Sector

Working Approach

The DFRC is a lean organisation manned by a small group of professional staff in key strategic areas in line with its mandate. To effectively deliver on the 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 funded through a cost-recovery approach coupled with funding from international cooperating partners (ICPs) or donor sources. Technical and strategic partnerships are also leveraged on to support DFRC programme activities.

Reporting Structures

The SADC DFI Sub Committee, comprising all national DFIs in SADC member countries, is a 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 are members of the SADC 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.

GOVERNANCE STRUCTURE

Shareholders:

SADC-DFI Network Members

Chairperson of the SADC DFI Network:

Mr Francis Macheke, Group Chief Executive Officer,
AFC Holdings, Zimbabwe

Chairperson of the Board of Trustees:

Mr Rian Coetzee, Acting Divisional Executive:
Mining, Metals, Infrastructure and Energy,
Industrial Development Corporation (RSA)

Board of Trustees:

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

Audit, Risk and Compliance Committee:

Three members, tenure in line with Board term

Financial Sustainability 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 Rian Coetzee

Acting Divisional Executive: Mining, Metals, Infrastructure and Energy
Industrial Development Corporation (RSA)
Trustee since December 2022

Board Chair



Mr Mduduzi Dlamini

Chief Executive Officer
Eswatini Housing Board
Trustee since December 2023
Deputy Board Chair



Mr Francis Macheka

Group Chief Executive Officer
AFC Holdings, Zimbabwe
Trustee since December 2022 (Ex-officio)
Chairman of the SADC DFI Network



Mr Cross Kgosidiile

Managing Director
Botswana Development Corporation
Trustee since December 2023



Dr Raphael Karuaihe

Chief Executive Officer
Agricultural Bank of Namibia
Trustee since December 2022
Chairman of the Audit, Risk and Compliance
Committee



Ms Ogone Madisa

Chief Executive Officer
National Development Bank, Botswana
Trustee since May 2023
Chairperson of the Financial Sustainability Committee



Mr Frank Nyabundege

Chief Executive Officer
Tanzania Agricultural Development Bank
Trustee since December 2023



Mr Sadwick Mtonakutha

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

BOARD COMMITTEES

The DFRC Board presently has two committees as follows:

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee 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 Committee derives its mandate from the Audit and Risk Charter.

The Audit, Risk and Compliance Committee is comprised of the following Board members:

- Dr Raphael Karuaihe - Chair
- Ms Ogone Madisa
- Mr Frank Nyabundege
- Mr Cross Kgosidiile

Financial Sustainability Committee

The committee was formed in June 2023 with the oversight responsibility for the development and implementation of the Resource Mobilisation Strategy, which includes diversification of the DFRC income sources to ensure financial sustainability.

The Financial Sustainability Committee is comprised of the following Board members:

- Ms Ogone Madisa - Chair
- Dr Raphael Karuaihe
- Mr Frank Nyabundege
- Mr Cross Kgosidiile

BOARD CHAIRMAN'S STATEMENT

The Sub-Saharan African (SSA) region, spurred by the post-pandemic global economic recovery, notwithstanding different country outcomes, continues to grow consistently. According to the International Monetary Fund World Economic Outlook, global output is estimated to expand by 3.3 percent in 2025, shy of 3.2 percent registered in 2024. Over the same period, Sub-Saharan African countries are projected to grow by 3.7 percent in 2024 and up to 4.1 percent in 2025. However, the relief that had been expected from the easing monetary policy cycle and the attendant reduction in interest rates by central banks, led by the United States, is yet to fully materialise.

Global inflation has come down notably and is expected to continue on this path, but due to various pricing trends, the disinflation process has slowed down. Consequently, this has complicated monetary policy with interest rates expected to remain high for longer than expected, perhaps until the last half of this year. In the meantime, emerging and developing countries remain cautious and worry of the impact on their economies of interest rate differentials and possible depreciation of their currencies. Though the easing of monetary policy by central banks which would see interest rates commence to come down from the record high levels would have been an added stimulus to more robust economic growth for the SSA region, nevertheless, forecast global output and inflation trends remain positive.



Rian Coetzee
Chairperson
Board Of Trustees

It is against this backdrop that I have no doubt the region is poised for stronger growth and that, as development finance institutions (DFIs), we must gear ourselves to buttress this growth in line with the region's integration initiatives for sustainable and inclusive growth, employment generation and poverty alleviation. SADC, under the Regional Indicative Strategic Development Plan (RISDP) 2030, has identified Infrastructure and Industrialisation, inclusive of Small and Medium Enterprises (SMEs), as key drivers of regional integration. Cognisant of this, as DFIs, our role is therefore cut out for us and equally, the continued support of our secretariat, the DFRC, is critical.

Over the financial year under review, the DFRC has dispensed its mandate satisfactorily in spite facing some staffing constraints, particularly in the area of capacity building which has resulted in it performing below anticipated levels. The engagement of a new Senior Capacity Building Officer, however, saw delivery of training courses peak up in the later part of the year. On the policy research and advisory front, the completion of two SADC Secretariat studies vis; 'The Environmental Scan of the Development Finance Sector' and the 'Documentation of Best Policies and Practices on SME Financing' was well-received by DFIs.

The scan, in particular, identified skills, institutional, regulatory and governance gaps, among others, that need redress if Network members are to execute their developmental mandates effectively. To this extent, the scan findings provided a critical foundation for the formulation of the new Five-Year Strategic Plan (2024–2029). The strategic plan is anchored on four strategic imperatives, namely:

Sustainability: The immediate and first imperative for the DFRC is to increase revenue from membership contributions; to diversify revenue inflows, in line with the DFRC resource mobilisation strategy and to enlist continued SADC Secretariat support.

Discerning: The quality of work by DFRC shall not only be competent, but additionally, discerning. In this regard, the DFRC will identify the best available professionals for every part of their work. Further,

this will be achieved, not only through its choice of research and advisory partners, but by how the DFRC packages and presents the results.

Necessary: The difference between a for-profit and a not-for-profit organization is highlighted in the Functional Strategy imperative of 'Necessary'. Under this strategic pillar, the DFRC will only engage in activities that it deems necessary to the DFIs. Thus, 'necessary' is beyond a 'need', a 'want', or even a 'useful' activity. The DFRC's work, therefore, will always focus on the 'necessary' as its desired outcomes, from the training of rare skills to the conclusions of commissioned research.

Value-Adding: Adherence to this imperative recognises that, first and foremost, perceived value will be to the client as opposed to the DFRC. Value-Adding is at the base of the sustainability of the DFRC and seeks to address the plethora of disparate needs within the organization. The imperative itself facilitates the understanding of the problem by the clients who will then need to choose between its own most 'necessary' issues.

To commence implementation of the strategic plan, the board approved the first Two-Year Business Plan for the period 2024/25 to 2025/26 as well as the accompanying Business Scorecard for purposes of monitoring and evaluating progress against set activities and targets. It is my considered view that the plan which is being undertaken, in tandem with the ongoing implementation of the Resource Mobilisation Plan, will provide the needed impetus towards a full recovery of the Centre in this post-pandemic period.

As part of strengthening the creditworthiness of the Network membership which is critical for mobilisation of much-needed capital resources, I am pleased to observe that our member DFIs continue to participate and excel at the annual Prudential Standards and Guidelines and Rating System (PSGRS) Peer Review and Self-Assessment exercise under the auspices of the Association of African Development Finance Institutions (AADFI), in collaboration with the DFRC. In this regard, of the thirty-four participants from the continent in 2023, fourteen were members of the SADC DFI Network, with the likes of GAPI - Sociedade de Investimentos of Mozambique and AFC Holdings of Zimbabwe, among the best performers.

In spite of the adverse effects of the pandemic on its revenue sources, particularly from member contributions, the Centre's financial performance has been sustainable and this has not been achieved without severe cuts in operational costs and programming activities. This notwithstanding, I am pleased to report that the DFRC was assessed as a going concern by the external auditors for financial year 2023/24, despite recording a deficit of \$132,239 due to impairment of late member contributions.

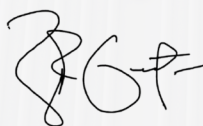
Looking at institutional governance matters, the Network at its meeting of December 2023 in Maseru, Lesotho, elected two new board members to replace the retired members, namely: Mr Muzikayise Dube, Managing Director of Eswatini National Industrial Development Corporation; Mr Fredrick Chanza, Managing Director for Export Development Fund of Malawi; and Mr Thomas Sakala, Chief Executive Officer of the Infrastructure Development Bank of Zimbabwe. The new members are Mr Frank Nyabundege, Managing Director of the Tanzania Agricultural Development Bank; and Mr Mduduzi Dlamini, Chief Executive Officer of the Eswatini Housing Board. Mr Rian Coetzee, Acting Divisional Executive, Mining, Metals, Infrastructure and Energy at the Industrial Development Corporation of South Africa is the new Board Chair. Mr Mduduzi Dlamini was subsequently at the March 2024 Board

Meeting elected Deputy Board Chair, while Mr Frank Nyabundege joined both the Audit, Risk and Compliance Committee and Financial Sustainability Committee as a member.

I would like, on behalf of the Board, to extend our heartfelt gratitude and appreciation to the outgoing board members for their invaluable contribution to the board for the effective governance and oversight of our secretariat. Here is wishing them all the best in their endeavours in the development finance space.

As we bid farewell to our esteemed CEO, Mr Stuart Kufeni, it is with deep gratitude and admiration that we reflect on his remarkable tenure. Over the eighteen years, his visionary leadership and unyielding dedication have driven the performance of the SADC-DFRC. His unwavering commitment to our core values has solidified our reputation and forged strong relationships with our stakeholders. As he steps into retirement, we extend our heartfelt appreciation for his profound impact and wish them all the best in his well-deserved retirement. His legacy will continue to guide and inspire us in the years to come.

Looking ahead, I am optimistic that the DFRC, armed with a robust and practical Strategic Plan (2024–2029) and Resource Mobilisation Strategy, coupled with the unwavering support of the DFI Network, the SADC Secretariat, and other development stakeholders, will continue on the growth path that will see it surpass pre-pandemic performance levels. This will only be attained with the necessary resources, financial and human, in place to support the Centre's programming activities as envisaged under the strategic plan.



Rian Coetzee
CHAIRPERSON
BOARD OF TRUSTEES

MANAGEMENT AND STAFF

The Management Team is responsible for the execution of strategy and day-to-day running of the institution. The team comprises the following:



Mr Stuart Kufeni
Chief Executive Officer



Ms Veronica Kgakge
Finance and Administration Manager

Staff



CHIEF EXECUTIVE OFFICER'S STATEMENT

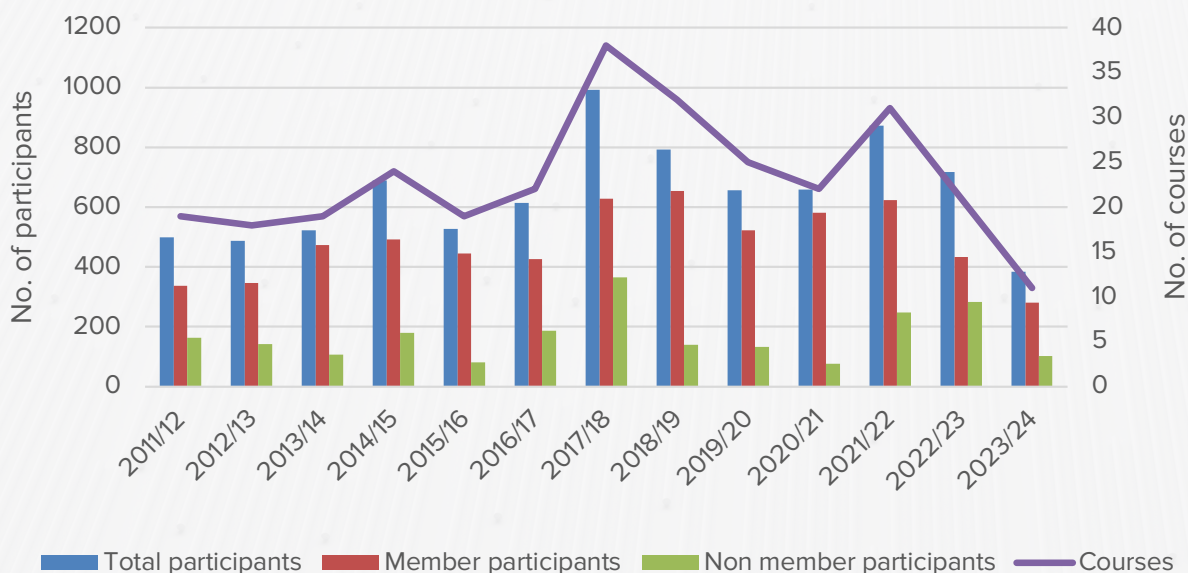


The financial year 2023/24 was characterised by falling levels of participants in capacity building activities as a result of lower-than-anticipated programmes realised. This negative trend which sharply reversed the post-pandemic uptrend in the previous years was the result of unavoidable staff constraints which saw the Centre operate for a period of almost four months without a Senior Training Officer. However, policy research and advisory services activities, albeit still constrained by availability of resources, were not as adversely affected.

Consequently, with a total of twelve (12) programmes and total participants amounting to four hundred and twenty-three (423), financial year 2023/24 recorded significantly reduced levels when compared to respective figures of twenty-one (21) programmes and seven hundred and seventeen (717) for the previous year, 2022/23. The same declining trend is also observed in non-member participation in the Centre's programmes (see Chart 1 below). It is of critical importance that this trend is reversed and that the DFRC be firmly back on the post-covid recovery path. This will largely hinge on the implementation of the new Five-Year Strategic Plan (2024–2029) which was approved by the DFI Network at its meeting of June 2023.

Stuart Kufeni
Chief Executive Officer

Chart 1: Participation Trends



The strategic plan which lays emphasis on ‘discerning’ and ‘value-addition’ for DFRC key stakeholders, particularly member DFIs, as two of the four key strategic pillars, aims to ensure that, the DFRC, first and foremost, delivers services and programmes that are ‘necessary’ to stakeholders, and that best professional resources are engaged at any time. This builds on the continuing shift by the Centre of the past five years or so, from all-embracing and canned or generic programmes towards institution- or cluster-specific programmes in cases where more than one DFI identify an area of mutual interest for DFRC intervention.

Pursuance of the ‘value addition’ objective will be undertaken with the active implementation of the Stakeholder Engagement Strategy that will not only see needs of stakeholders periodically

canvassed for, but also the impact of the DFRC programmes on participating institutions and individuals regularly evaluated in the form of stakeholder satisfaction surveys and studies.

Cognisant of the importance of stakeholder satisfaction to underpin continuous demand for and enhance participation at DFRC programmes, the five-year strategy has reorganised the administrative structure of the Centre to include the position of a Senior Marketing and Stakeholders Officer. Besides responsibility for implementing the stakeholder engagement strategy, the marketing and dissemination of information on activities of the DFRC will be a crucial function of the officer, an imperative for the cultivation of a critical stakeholder mass.

High satisfaction levels of key stakeholders translate to improved income flows to the DFRC through consistent DFI contributions and enhanced fee income, and this augurs well for a stable and financially sustainable DFRC. In this regard, therefore, the 'value addition' strategic goal is not detached from, but dovetails with the second important imperative strategic pillar, that of 'resource mobilisation'. DFRC operations, especially in the area of research and advisory services, notwithstanding that these are largely demand driven, continue to be hobbled by unavailability of sufficient funding.

Focus on resource mobilisation will be on identifying possible sources such as international cooperating partners (ICPs)/ donors and strengthening strategic partnerships to leverage resources, among other measures. While attention will be on delivery to stakeholders, advisory services, in particular, have a great potential as a source of income to the Centre through fees and thus, concerted effort will be exerted to stimulate activity in this area under the five-year strategic plan (2024–2029).

Since the introduction of the AfDB-supported Prudential Standards and Guidelines and Rating System (PSGRS) under the auspices of the Association of African Development Finance Institutions (AADFI, the DFRC has supported and continues to do so, the participation of Network members. And it has been a great pleasure to see them excel in this area which is crucial for enhancing their creditworthiness and their capacity to generate much-needed capital.

In 2023, AADFI undertook its 13th PSGRS Self-Assessment and Peer Review exercise where thirty-four (34) DFIs from across Africa completed and submitted assessments and this compares to thirty-two (32) in the previous year. It is pleasing to note that, out of the thirty-four participating DFIs, thirteen (13) were members of the SADC DFI Network, an improvement on the ten (10) recorded in the previous year.

Of the Network DFIs, the highest rated performers were Gapi - Sociedade de Investimentos of Mozambique and Infrastructure Development Bank of Zimbabwe with a compliance index of 91%, each. In addition, Gapi - Sociedade de Investimentos scored a high rating index of AA, and AFC Holdings of Zimbabwe was awarded a rating of A. Infrastructure Development Bank of Zimbabwe and TIB Development Bank of Tanzania both scored a rating of B+.

Also pleasing to observe has been the greatly improved performance of the five SDGs Network Working Groups viz: Industry, Infrastructure, Agriculture, Small and Medium-scale Enterprises (SMEs), and Resource Mobilisation. These groups, established as communities of practice (CoPs), are core to the Network's mandate to stimulate collaboration among DFIs on project financing, sharing knowledge and experiences and benchmarking on best practices. It is in recognition of this objective, and as a reflection of growing trust among DFIs, that participants within the groups have begun to share information on their activities, especially projects, a development that was highlighted in the Network Chair's report and was welcomed by the SADC Committee of Ministers of Finance and Investment at their meeting in Kinshasa, DR Congo in June last year.

Further, the Working Groups have been instrumental in the running of the DFIs Chief Executive Officers Fora during the course of the year by not only proffering the topic for discussion, but also identifying the speakers. As a result, the DFRC held two successful CEO Fora on the important theme areas of:

- (i) Development Finance Institutions & Regional Cross-Border Investments: Experiences and Challenges and,

(ii) Balancing Development Finance Institutions' Mandate with Sustainability.

The fora were not only well received but, indicating the high value gained, were also rated highly by participants. In view of the critical role the SDG Working Groups play within the Network, DFRC will endeavour to promote increased participation by DFIs and over time, increase the scope of the groups as a pivotal anchor of its activities.

Looking ahead, the Five-Year Strategic Plan (2024–2019) provides a robust framework for the sustainability and growth of the DFRC operations, particularly as it rebounds from the effects of the Covid-19 pandemic. With the anticipated growth in the region, in tandem with the global economy, it is also our sincere hope that the Network membership will also respond favourably in their operations and financial performance and undergird the anticipated positive growth in activities of the Centre.



Stuart Kufeni
CHIEF EXECUTIVE OFFICER

CAPACITY BUILDING PROGRAMMES

SADC-DFRC continues to actively drive the implementation of capacity building programmes in line with its strategy, and the mandate of the institution. The programmes center around training and development interventions, workshops as well as provision of technical assistance to the Network Members, Governments, and State-Owned Enterprises, among others.

SADC-DFRC endeavors to also ensure continuous improvement on the quality of the programmes through actively sourcing credible facilitators, and subject-matter experts from accredited sources/providers across the region, including from within the DFI Network.

During the year under review, twelve (12) activities were undertaken with participation level of four hundred and twenty-three (423) delegates, compared to seven hundred and seventeen (717) realized in the previous year. The decline was largely due to unexpected staffing movements.

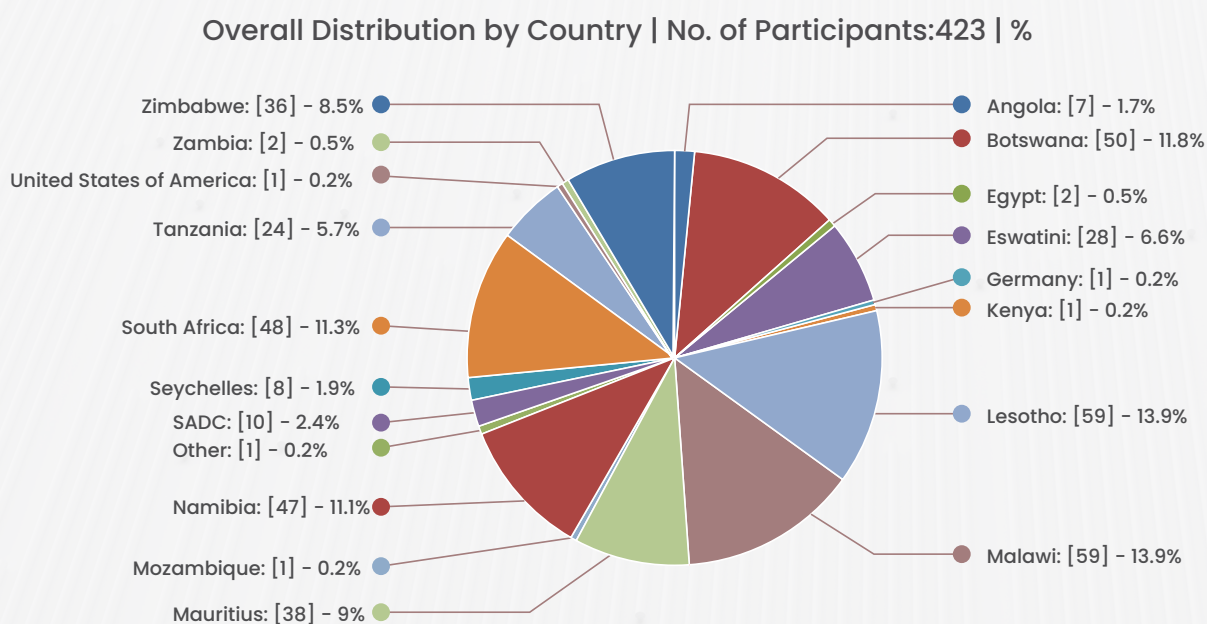
Table 1: List of Capacity Building Programmes for 2023/24

No	Activity Name	Venue	Date	Attend	PEI (%)
1	PPP Infrastructure Project Finance	AVANI Lesotho Hotel & Casino, Lesotho	Mar-24	20	95.4
2	SADC DFI Chief Executive Officers Forum	AVANI Lesotho Hotel & Casino, Lesotho	Dec-23	98	92.4
3	Capacity Building Review	DBSA Training Facility, South Africa	Nov-23	20	70.2
4	International Financial Reporting Standards (IFRS) 9	Virtual Learning	Nov-23	41	85.6
5	Corporate Governance and Strategic Leadership for Board Effectiveness Best Practice	White Sands Hotel, Tanzania	Oct-23	22	86.5
6	Project Financing and Resource Mobilisation	Hilton Garden Inn Mbabane, Eswatini	Sep-23	15	80.5
7	IT Security, Money Laundering & Cyber Crime Prevention	Virtual Learning	Sep-23	16	87.8
8	Export Credit Finance	Bingu International Convention Centre (BICC), Malawi	Aug-23	59	70
9	Capacity Building Training for Board Members - CISNA	CISNA Secretariat, Mauritius	Aug-23	38	NA
10	Corporate Governance and Board Induction - Botswana Savings Bank	Phakalane Golf Estate Hotel, Botswana	Jul-23	14	99.5
11	SADC DFI Chief Executive Officers Forum	Swakopmund Hotel and Entertainment Centre, Namibia	Jun-23	64	80.4
12	Debt Management and Collection Strategies	NUST Hotel School, Namibia	Apr-23	16	94.1
	Total			423	

Participation by Country

It remains critical that SADC countries prioritise participation in the DFRC programmes. A diverse participation always brings about dynamism and optimal and valuable exchange and benchmarking during the sessions. For this financial year, country participation shows Lesotho and Malawi leading at 13.9% each and followed by Botswana with 11.8%. These high numbers are largely attributable to member DFIs in the countries resorting to inhouse programmes which are tailor-made to meet specific institutional requirements. Chart 2 below shows distribution of programmes by country.

Chart 2: Country Participation



Participation by Member Institutions

Table 2 illustrates comparison of participation levels by Network members, showing the Lesotho National Development Corporation (LNDC) being by far above other members at forty (40), followed by the Development Bank of Southern Africa (DBSA) at twenty-nine (29).

Table 2: Participation by Member DFI

#	Organisation	Country	Attendance	Attend%	M	M%	F	F%
1	AFC Holdings	Zimbabwe	8	2.8%	5	62.5%	3	37.5%
2	Agricultural Bank of Namibia	Namibia	4	1.4%	3	75%	1	25%
3	Banco de Desenvolvimento de Angola	Angola	7	2.5%	2	28.6%	5	71.4%
4	Basotho Enterprises Development Corporation	Lesotho	14	4.9%	5	35.7%	9	64.3%
5	Botswana Development Corporation	Botswana	4	1.4%	2	50%	2	50%
6	Botswana Housing Corporation	Botswana	5	1.8%	3	60%	2	40%
7	Botswana Investment and Trade Centre	Botswana	3	1.1%	1	33.3%	2	66.7%
8	Botswana Savings Bank	Botswana	7	2.5%	6	85.7%	1	14.3%
9	Citizen Entrepreneurial Development Agency	Botswana	4	1.4%	3	75%	1	25%
10	Development Bank of Namibia	Namibia	24	8.5%	16	66.7%	8	33.3%
11	Development Bank of Seychelles	Seychelles	8	2.8%	4	50%	4	50%
12	Development Bank of Southern Africa	South Africa	29	10.2%	16	55.2%	13	44.8%
13	Environmental Investment Fund of Namibia	Namibia	7	2.5%	1	14.3%	6	85.7%
14	Eswatini Development and Savings Bank	Eswatini	5	1.8%	2	40%	3	60%
15	Eswatini Development Finance Corporation	Eswatini	7	2.5%	6	85.7%	1	14.3%
16	Eswatini Housing Board	Eswatini	1	0.4%	0	0%	1	100%
17	Eswatini National Industrial Development Corporation	Eswatini	7	2.5%	5	71.4%	2	28.6%
18	Export Development Fund	Malawi	12	4.2%	9	75%	3	25%
19	Gapi-Sociedade de Investimentos	Mozambique	1	0.4%	0	0%	1	100%
20	Industrial Development Company of Eswatini	Eswatini	8	2.8%	6	75%	2	25%

21	Industrial Development Corporation RSA	South Africa	6	2.1%	5	83.3%	1	16.7%
22	Industrial Development Corporation of Zimbabwe	Zimbabwe	13	4.6%	8	61.5%	5	38.5%
23	Infrastructure Development Bank of Zimbabwe	Zimbabwe	3	1.1%	2	66.7%	1	33.3%
24	Land and Agricultural Development Bank	South Africa	2	0.7%	2	100%	0	0%
25	Lesotho National Development Corporation	Lesotho	40	14.1%	19	47.5%	21	52.5%
26	Local Enterprise Authority	Botswana	4	1.4%	3	75%	1	25.0%
27	National Development Bank	Botswana	4	1.4%	2	50%	2	50%
28	National Development Corporation	Tanzania	10	3.5%	5	50%	5	50%
29	National Housing Enterprise	Namibia	3	1.1%	2	66.7%	1	33.3%
30	NBM Development Bank	Malawi	5	1.8%	3	60%	2	40%
31	NORSAD Capital	Botswana	2	0.7%	2	100%	0	0%
32	Small and Medium Enterprises Development Corporation	Zimbabwe	13	4.6%	8	61.5%	5	38.5%
33	Tanzania Agricultural Development Bank	Tanzania	2	0.7%	1	50%	1	50%
34	TIB Development Bank	Tanzania	11	3.9%	8	72.7%	3	27.3%
	TOTAL		283	100%	165	58.3%	118	41.7%

Participation by Non-Members

The SADC-DFRC mandate on capacity building is not only limited to, but also extends beyond the DFI network. In an effort to broaden the outreach and service offering, the DFRC continues to extend the invitations and catchment efforts on programmes to governments, SOEs, other financial institutions and the private sector, among others. Thus, from the total of 423 participants in the past financial year, 24% was constituted by non-members.

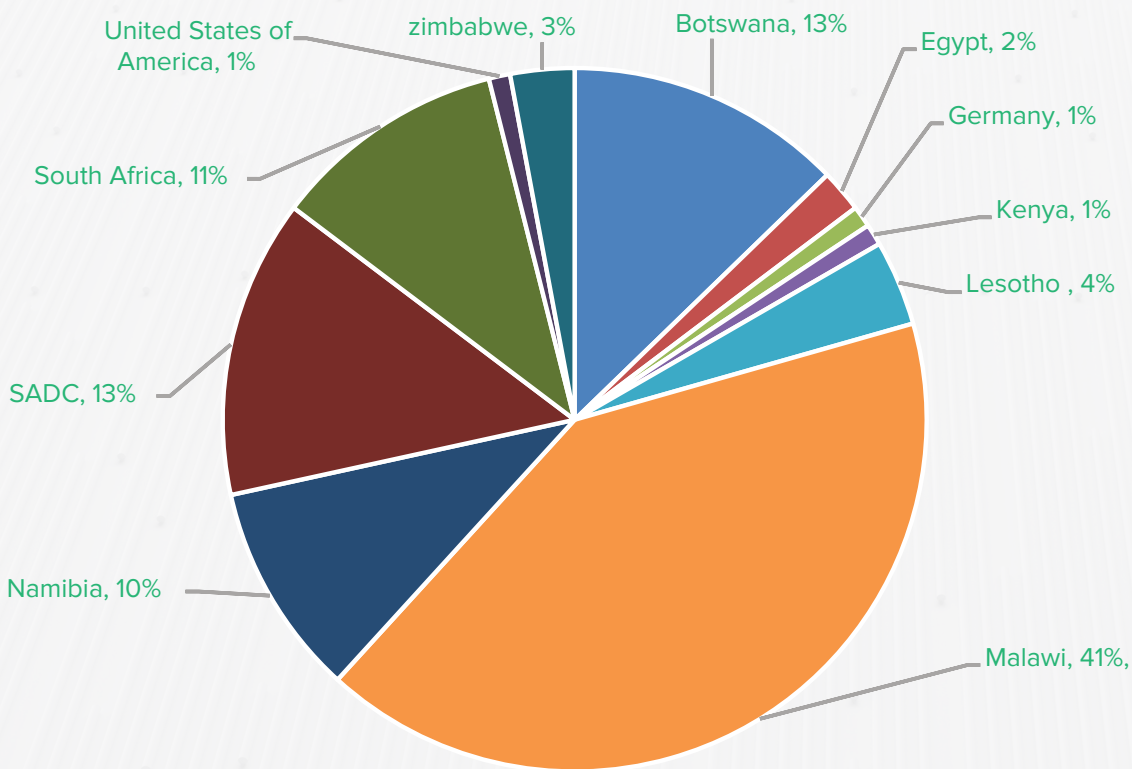
Table 3 and Chart 3 below provide a summary of participation by Non-Members.

Table 3: Participation by Non-Member Institutions

No.	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
1.	Afri-Expo Textiles	Lesotho	1	1	1	100	0	0
2.	African Development Bank	South Africa	3	3	2	66.7	1	33.3
3.	African Export-Import Bank (Afreximbank)	Egypt	2	2	2	100	0	0
4.	Agence Francaise de Developpement	South Africa	1	1	1	66.7	0	0
5.	Agriculture Commercialisation Project	Malawi	3	3	2	100	1	33.3
6.	Boston University	United States of America	1	1	0	100	1	100
7.	Botswana Building Society	Botswana	13	13	8	66.7	5	38.5
8.	CDH Investment bank	Malawi	2	2	1	0	1	50
9.	Centenary Bank Malawi Limited	Malawi	3	3	2	61.5	1	33.3
10.	Chemplex Corporation Limited (IDCZ 100% owned)	Zimbabwe	2	2	2	50	0	0
11.	Department Of Trade and Industry	South Africa	1	1	1	66.7	0	0
12.	Duty Free Sourcing Inc	Lesotho	1	1	1	100	0	0
13.	Embassy of The Republic of Zambia	Namibia	1	1	0	100	1	100
14.	Erongo Regional Council	Namibia	1	1	0	100	1	100
15.	FDH Bank PLC	Malawi	8	8	5	0	3	37.5
16.	GFA Consulting Group GmbH	Germany	1	1	1	0	0	0
17.	Greenbelt Authority	Malawi	1	1	1	62.5	0	0
18.	High Commission of the Republic of Zambia - NA	Namibia	1	1	1	100	0	0
19.	Independent Participant - MW	Malawi	2	2	2	100	0	0
20.	Lotsmore International	Malawi	1	1	1	100	0	0
21.	Malawi Agriculture and Industrial Investment Corporation	Malawi	5	5	3	100	2	40

22.	Malawi Investment and Trade Centre	Malawi	1	1	1	100	0	0
23.	Millenium Challenge Account – Lesotho II Authority)	Lesotho	1	1	1	100	0	0
24.	Ministry of Finance and Public Enterprises - NA	Namibia	1	1	0	0	1	100
25.	Ministry of International Relations and Cooperation - NA	Namibia	1	1	1	100	0	0
26.	Namibia Investment Promotion and Development Board	Namibia	1	1	1	100	0	0
27.	National Economic Empowerment Fund Limited	Malawi	7	7	6	83.3	1	16.7
28.	National Treasury -ZA	South Africa	1	1	0	0	1	100
29.	Nsimbi Equipment Traders	South Africa	2	2	2	100	0	0
30.	PSI Consult International	Zimbabwe	1	1	1	100	0	0
31.	Reserve Bank of Malawi	Malawi	1	1	1	100	0	0
32.	RKG Limited	Malawi	1	1	1	100	0	0
33.	Rural Self-Help Development Association	Lesotho	1	1	0	0	1	100
34.	Sable Farming Company Limited	Malawi	1	1	1	100	0	0
35.	SADC Centre for Renewable Energy and Energy Efficiency	Namibia	4	4	3	75	1	25
36.	SADC Development Finance Resource Center	SADC	9	9	4	44.4	5	55.6
37.	SADC Secretariat	SADC	5	5	4	80	1	20
38.	SAT	South Africa	1	1	0	0	1	100
39.	SSV Oil & Foods Limited	Malawi	1	1	1	100	0	0
40.	Standard Bank of Malawi Limited	Malawi	5	5	3	60	2	40
41.	Trade and Development Bank	Kenya	1	1	0	0	1	100
42.	USAID Southern Africa	South Africa	2	2	1	50	1	50
	Total	102	100%	69	69%	33	33%	

Chart 3: Non-Member Participation by Country



Participation by Gender

Chart 4 below shows male participants dominating the DFRC programmes at 60.4%, whilst females represent 39.6%. It is noteworthy that this has been the trend for the past eight years as reflected in Chart 5. Female participation has lowered to 39.6% as compared to 41.4% in the previous year. The Network continues to encourage female participation as per the SADC Gender Policy 50/50 guidelines which recognizes gender equality as an integral part of regional integration, economic growth and social development.

Chart 4: Participation by gender

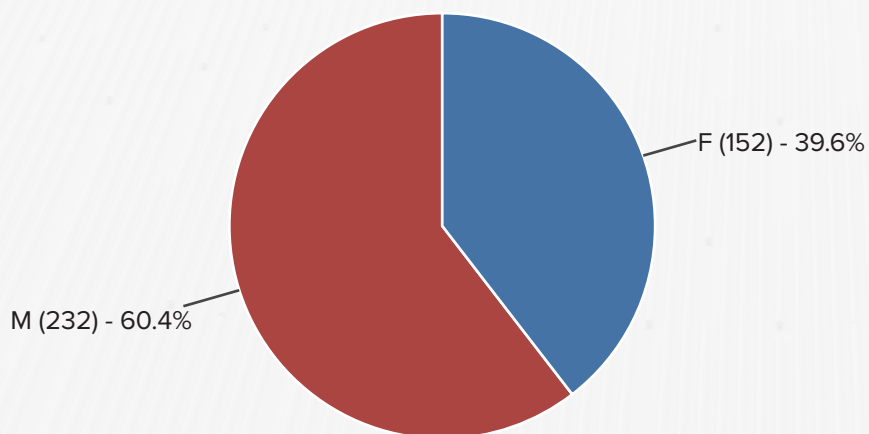


Chart 5: Gender Participation Trends: 2016/17 – 2023/24

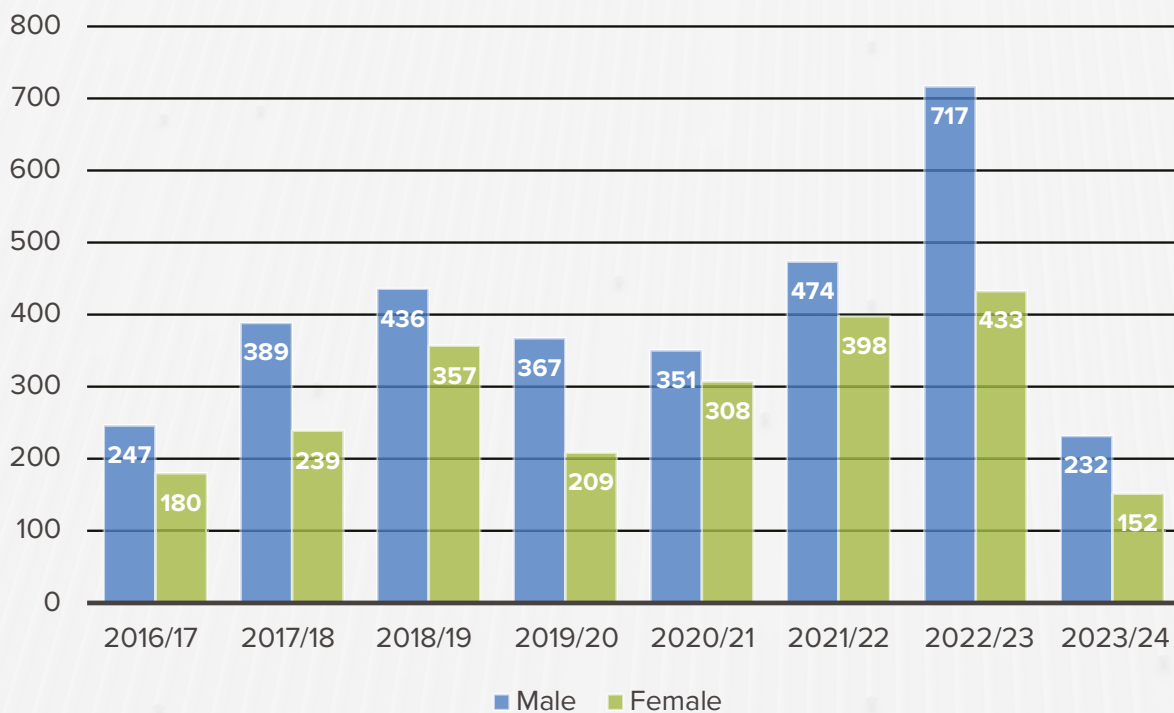
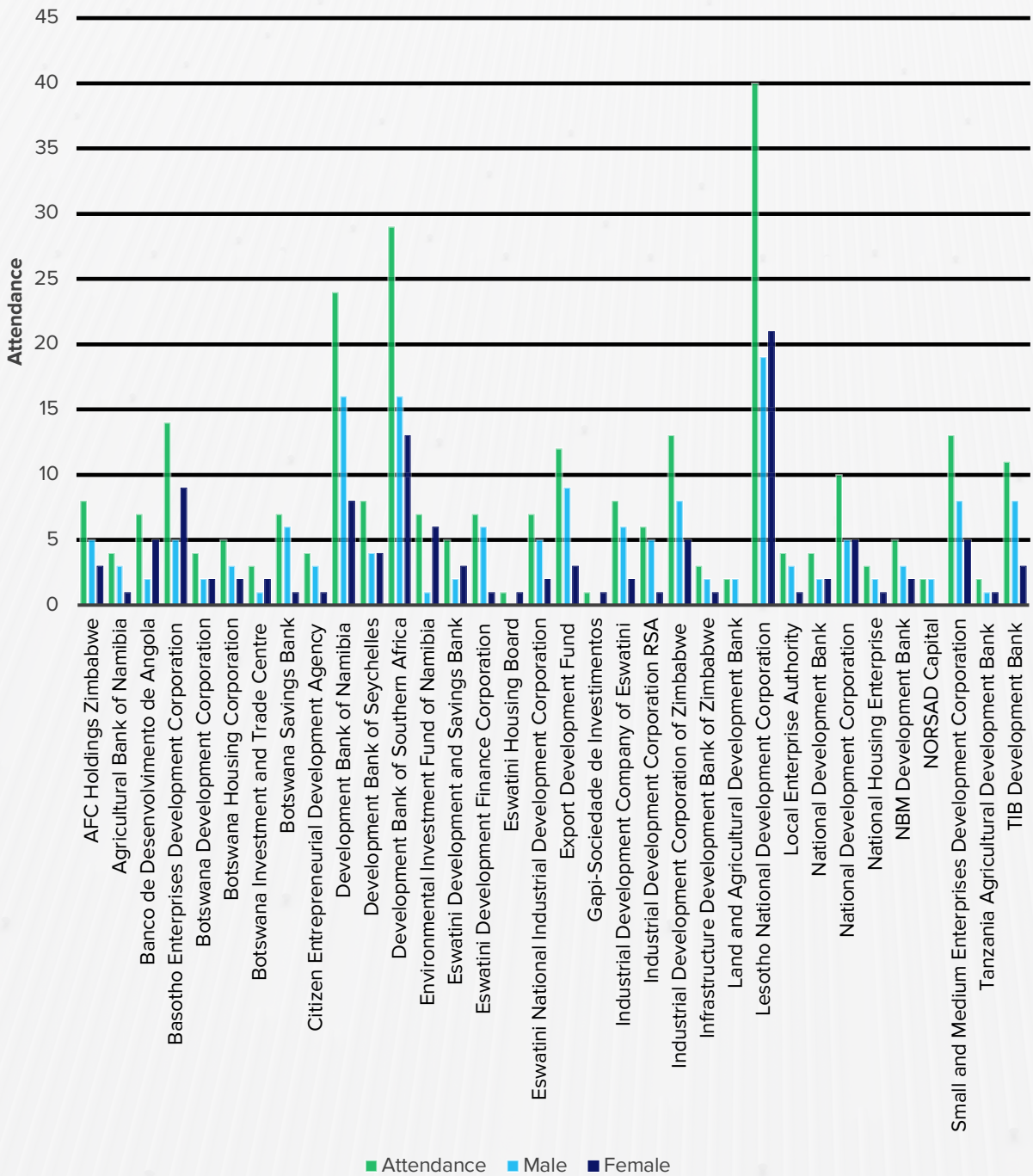


Chart 6: Participation by gender per DFI



CHIEF EXECUTIVE OFFICERS FORUM

During the period under review, the DFRC delivered two Chief Executive Officers Fora which were held back-to-back with the SADC DFI bi-annual Network Meetings under the following themes:

i. Balancing DFI Mandate with Sustainability

The DFRC in collaboration with the Agribank of Namibia, Development Bank of Namibia, National Housing Enterprise and Environmental Investment Fund of Namibia, held a CEOs Forum on the above theme on 8th June 2023 at the Swakopmund Hotel and Entertainment Centre, Namibia.

The objective was to discuss and share experience on how DFIs have been able to mobilise appropriately priced (low cost) capital to meet their developmental mandates and close existing market gaps, particularly in such sectors as SMMEs and infrastructure development that, due to a number of factors such as high risk and long project gestation periods, have traditionally been shunned by commercial banks.

The forum further discussed available resources to DFIs on the domestic and international capital markets, nature, conditions of access and providers such as the Green Climate Fund, among others. It was emphasised that the capital mix – grants/subventions vis-à-vis debt is critical to a DFIs capacity to meet its mandate and at the same time achieve financial sustainability.

It was noted the nature of regulation, supervision and the corporate governance environment, has a bearing on DFI operations and capacity to

effectively deliver on their respective mandates. These particular matters of governance, as demonstrated by past experiences were seen as a potential threat to the DFI Stability. In this regard, the forum considered how DFIs feature under different forms of regulation and governance structures and how these impact their sustainability and explore best practice in these areas.

Panel discussions, consisting largely of the network member DFIs, constituted the main focus and this presented opportunity to share information, knowledge and experience and the adoption of emerging best practices, while keynote address was delivered by Dr Lufeyo Banda, Chief Regional Operations Officer of the African Development Bank.

The forum was officiated by the Honourable Maureen Hinda-Mbuende, Deputy Minister of Finance and Public Enterprises of the Republic of Namibia and chaired by Mr Martin Inkumbi, Chief Executive Officer of the Development Bank of Namibia. Attendance was at sixty-four (64) with an overall rating of 80.4%.

ii. Development Finance Institutions & Regional Cross-Border Investments: Experiences and Challenges

The DFRC, in collaboration with Lesotho National Development Corporation and Basotho Enterprises Development Corporation, hosted the CEOs' Forum at Avani Lesotho Hotel and Casino on 7th December 2023 on the above theme.

The objective was to share experiences and assess to what extent DFIs collaborated on investments in the region and what challenges, including policy, regulatory and institutional-related, they faced as well as proposals to mitigate them. It was noted that not all national DFIs have cross-border mandates and only a handful of DFIs in the Network do. However, this notwithstanding, DFIs with regional mandates always partnered with those that do not have to invest in projects with a regional impact or alternatively that promoted growth of local industries.

Therefore, on one hand, the forum provided a platform, for DFIs such as the Development Bank of Southern Africa, Infrastructure Development Bank of Zimbabwe, Botswana Development Corporation, and the Industrial Development Corporation of South Africa, that have cross-border mandates, and on the other, DFIs that do not but have the capacity to partner with them

in projects, to share experiences. In a way, the forum represented a dip-stick assessment of the DFIs involvement in financing projects in the region and the extent of collaboration amongst themselves as intended under the Finance and Investment Protocol.

The forum also benefitted from the experiences of international financial institutions, particularly their interaction with national DFIs as they seek investment opportunities in the region. This brought about a regional perspective to the discussions and the opportunity to network and look into important areas for strengthening collaboration between national DFIs and international financial institutions.

The forum was Chaired by Mr Molise Ramaili, Chief Executive Officer of the Lesotho National Development Corporation and was officially opened by Honourable Mokhehi Shelile, Minister of Trade and Industry, Business Development and Tourism, of the Kingdom of Lesotho. Attendance was at ninety-eight (98) while the performance evaluation index registered was 92.4%.

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 and governance structures, so as to enhance the efficient mobilisation of resources to support investment. Work by DFRC on this front covered consultations with key stakeholders, implementation of the Prudential Standards Guidelines and Rating System (PSGRS) and contribution to Implementation of Sustainable Development Goals (SDGs).

1. Consultations with key stakeholders

The SADC-DFRC continues to provide policy research and advisory services to meet the prevailing requirements/requests as indicated by individual institutions from the DFI Network. In this regard, robust engagements took place with critical stakeholders, among them the DFI Network membership, the SADC Secretariat, governments and strategic partners. These engagements sought to establish the challenges that DFIs confront and also to come up with possible solutions to address these challenges and thus improve their capacity to deliver on their developmental mandates towards attainment of inclusive growth, employment generation and the general upliftment of standards of living of the populaces.

During the engagements, the following, though not exhaustive, were highlighted as some of the critical areas where the DFIs require DFRC to provide support on.

- Facilitation of secondment and exchange programmes amongst the DFIs;
- Advisory on turnaround strategy for particular DFI institutions;
- Sourcing and availing credible coaches and mentors for individuals and teams within the DFIs;

- Sourcing and availing credible subject matter experts in specific areas, project- or portfolio- related, as per request of the institution; and
- Benchmarking and subsequently providing support to DFIs on critical areas such as policy, memorandum of agreements, service agreements developments etc.

It remains crucial for the DFRC to intensify collaborative engagements with the entire Network as these consultations have significant contribution to the institutions annual plan.

2. Prudential Standards Guidelines and Rating Systems (PSGRS)

To promote adoption by DFIs of best practice governance, regulatory, financial and operational standards, the DFRC continues to support implementation of the PSGRS annually, under the auspices of the Association of African Development Finance institutions (AADFI). In this regard, the DFRC partnered with AADFI to manage the PSGRS process among its member DFIs in the SADC region.

During the period under review, AADFI announced its 13th PSGRS Self-Assessment and Peer Review Report. A total of thirty-four (34) DFIs completed and submitted self-assessments, compared to thirty-two (32) in the previous year from across the continent. Out of the thirty-four DFIs, thirteen (13) were members of the SADC DFI Network as opposed to ten (10) in the previous year. Only five (5) DFIs participated in the rating exercise, as opposed to twenty-two (22) in the previous year.

Among the thirteen SADC DFIs that participated under the Self-Assessment/Compliance exercise, the highest rated, at 92%, was Gapi - Sociedade de Investimentos of Mozambique, followed by Development Bank of Southern Africa (DBSA) and Tanzania Agricultural Development Bank at 91%, each.

As for the rated SADC DFIs, Development Bank of Southern Africa (DBSA) and Development Bank of Namibia (DBN) scored high at AA and A, respectively while the remaining three, Gapi - Sociedade de Investimentos, Infrastructure Development Bank of Zimbabwe and Tanzania Agricultural Development Bank all scored a rating of B+.

The PSGRS is critical as a precursor to international credit ratings, a prerequisite for effective access to capital markets. In this regard, the DFRC will strive to ensure that network members continue to participate in the PSGRS rating and peer review exercise.

3. Sustainable Development Goals (SDGs)

As part of monitoring DFIs contribution to implementation of the United Nations SDGs, the Network received progress updates from the five Working Groups (Agriculture, Resource Mobilization, SME Development, Infrastructure and Industry) on 9th June, 2023 and 8th December, 2023 on the back of the bi-annual meetings of the Network.

The following matters were highlighted in the presentations by the Working Groups:

i. Agriculture – the group is led by AFC Land and Development Bank of Zimbabwe, with Vice Chair, the Industrial Development Company of Eswatini.

The group has its vision as;
“To promote collaborative initiatives that enhance access to catalytic agriculture

financial support through innovative technological interventions across integrated value chains”.

In pursuing this vision, the focuses on attainment of goals 1, 2, 3, 5, and 13. Examples of projects undertaken by respective DFIs under the said goals include: support to farmers from micro to commercial scale by financing irrigation schemes; capacity building initiatives; and investment in management information systems that facilitates gender reporting for effective decision making among others.

The group also invited the Eswatini Water and Agricultural Development Enterprise (EWADE), a company that has been instrumental in developing the Agriculture Sector of Eswatini through its successful water story, to present on its model, including the key mandate, the water story (how it used water as a key enabler of Agricultural Development), successes and challenges, impact to Eswatini families and communities as well as the financing structure of EWADE projects. The group greatly appreciated the learnings.

ii. Industry – the group is led by the Industrial Development Corporation (RSA). The vision and strategy of this group is:

“To enable the development of manufacturing industries and value chains in the region”.

This is achieved through identifying areas where support is required (e.g. technical/market access/financial), facilitating collaboration between member DFIs, and establishing and supporting projects that address most of the 17 SDGs.

Reported projects under the Working Group include the following:

- Construction of a refinery and ancillary infrastructure, including conventional Bouy Mooring, pipeline and tank farm in Angola;

- Smelter to process low grade slag and produce copper cathode in the DRC;
- Development of graphite mine and processing plant in Mozambique and Tanzania;
- Restoration of banana farm and processing in Eswatini;
- Wheat and maize farms and the processing plant to produce maize meal/food products in Lesotho; and
- Medicinal cannabis project and establishment of a limestone mining facility in Malawi.

iii. Resource Mobilization - the group is led by the Development Bank of Southern Africa. The group objectives cover the following:

- Identification and recommendation of viable resource mobilization strategies;
- Development of a clear and coordinated approach to capital raising efforts for regional DFIs;
- Broadening the regional resource base by exploring alternative and innovative sources of funding;
- Leveraging existing pools or regional capital for DFI funding; and
- Enhancing collaboration and knowledge sharing between DFIs.

Progress update revealed the group had a workshop facilitated by Dr Lufeyo Banda, Chief Regional Operations Officer at the African Development Bank, under the theme “Measuring and reporting on DFI’s developmental impact”. The workshop was attended by twelve (12) participants.

In addition, the group has been working on the mapping of climate funds and providing insights into the best approaches to accessing them. The assessment aimed to understand climate funds, their objectives, and how development financing institutions can access them effectively. The work begun by defining climate funds as financial resources allocated specifically to address climate change challenges. The group then focused on identifying various types of climate funds and their respective goals as well as illustrating the diverse range of funding sources available.

The next step involves exploring the eligibility criteria for accessing these funds, highlighting the importance of meeting specific requirements to qualify for the support. It also addresses the challenges organizations may encounter when attempting to access climate funds. To overcome these challenges, the team explored strategies for accessing climate funds, emphasizing the need for careful planning, stakeholder engagement, and alignment with fund priorities. In addition, a case study illustrating a successful example of a Development Finance Institution creating a climate fund was considered.


iv. SME - the group is led by the Eswatini Development Finance Corporation (FINCORP).

The vision of the SME Working group is:

“To ensure that DFIs individually and collectively contribute to the fulfilment of all SME relevant SDGs”

And its mission is:

“To develop a Strategy and Work Program that will promote and accelerate SMEs contribution to the attainment of SDGs”.



The group had two key objectives over the period under review, being:

- a. Benchmarking exercise among the SADC DFIs involved in SMEs – this has been defined as B2B bilateral exchange on specific policy and operational elements of the respective DFIs; and
 - b. Peer review - defined as reviews undertaken among a group of DFIs in order to enhance mandate delivery and improve efficiencies.
- v. **Infrastructure** – the group is led by the Development Bank of Southern Africa, with the Development Bank of Namibia co-chairing.

The group has its vision as:

“Working together to identify, develop and deliver integrated solutions for mutually beneficial and sustainable economic and social infrastructure in SADC.”

Its objectives are centred around and endeavour towards developing smart partnerships, remaining relevant and sustainable, being accountable to relevant stakeholders, developing systematic programmes, and mobilizing resources for infrastructure development.

In addition, the group provided updates on progress made towards collaborative partnerships, capacity building and projects. Projects reported included, among others, the following:

- Bulawayo Student Accommodation complex in Zimbabwe;
- Projects for construction and upgrading Trans Namib Railways, Eswatini Rail Link Project, Tanzania Standard Gauge Railways, Lobito Railway Corridor and Botswana Railways;
- Chinese Iron Ore Mine in Zimbabwe;
- Fuel storage facility in Eswatini;
- Hyphen Energy – Green Hydrogen Project; and
- Erongo RED and CenoRED – Electricity Distributors in Namibia.

DFRC AND REGIONAL INITIATIVES

The DFRC continues with engagements as part of the Network's contribution to regional initiatives. During the period under review, the institution took part in the following, among others:

- i. Consultations on collaborative efforts with the African Development Bank, African Export-Import Bank (Afreximbank), SADC Centre for Renewable Energy and Energy Efficiency (SACREEE), Trade and Development Bank, Export Credit Insurance Corporation of South Africa, BRICS, Japanese International Cooperation Agency, Association of African Development Finance Institutions and the Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA).
- ii. Engagement on SADC initiatives including, TIFI Thematic Group Meeting, Committee of Ministers of Finance Meeting, SADC Financial Integration Programme, SADC Financial Inclusion Subcommittee, and Project Preparatory and Development Facility.
- iii. The DFRC also took part on various SADC Consultancies by contributing to meetings with contracted Consultants, and also facilitating engagements with the Network Members. Consultancies include:
 - Development of recommendations on Business Development Support for Financial access including Financial Literacy;
 - In-depth Financial Sustainability Analysis of SADC Subsidiary Organisations;
 - Environmental Scan of the Development Finance Sector; and
 - Documentation of Best Policies and Practices on SME Financing.

The last two studies were undertaken under the auspices of the DFRC with the support of funding provided under the SADC Secretariat Finance, Investment and Customs (FIC) Directorate and were adopted by the DFI Network at its December bi-annual meeting of December 2023 in Maseru, Lesotho.

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY DEVELOPMENT
FINANCE RESOURCE CENTRE (SADC-DFRC)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

General Information

Nature of business and principal activities	Capacity building, policy research and advisory services for the SADC-Development Finance Institutions and member states
Trustees:	Mr. Rian Coetzee (Chairperson) Ms. Ogone Madisa (Board Member) Dr. Raphael Karuaihe (Board Member) Mr. Mduduzi Dlamini (Board Member) Mr. Frank Nyabundege (Board Member) Mr. Francis Macheke (Ex-officio, SADC DFI Network Chair) Mr. Sadwick Mtonakutha (Ex-officio, SADC Secretariat) Mr. Stuart Kufeni (Chief Executive Officer)
Business address	Plot 54352 West Avenue, Zambezi Towers CBD, Tower A, 7th Floor, South Wing Gaborone, Botswana
Postal address	Private Bag 0034 Gaborone, Botswana
Bankers	Standard Chartered Bank of Botswana Limited First National Bank Botswana Limited AFC Commercial Bank Limited Zimbabwe
Auditors	Forvis Mazars Certified Auditors Plot 139 Gaborone International Finance Park
Country of Incorporation and Domicile	Botswana
Functional and Presentation Currency	United States Dollars

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

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Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Trustees' Responsibilities and Approval

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 Centre's system of 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 Centre will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The Trustees have reviewed the Centre's cash flow forecast and subsequent budget for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Centre has access to adequate resources to continue in operational existence for the foreseeable future.

Our external auditors conduct an examination of the financial statements in conformity with the international standards of Auditing, which includes 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 set out on pages 44 to 67, which have been prepared on the going concern basis, were approved by the board on 26 June 2024 and were signed on their behalf by:



Mr. Rian Coetzee (Chairperson)



Mr. Stuart Kufeni (Chief Executive Officer)

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Trustees Report

The Trustees present their report for the year ended 31 March 2024.

1. Operations

The Centre'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 (Regional Indicative Strategic Development Plan) goals of economic growth, employment generation and poverty alleviation.

2. Events after the reporting period

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. The Trustees are not aware of any matters or circumstances arising since the end of the financial year up until the date these financial statements were authorised for issue, not dealt with in this report or the financial statements that would significantly affect the operations of the Centre or the results of its operations.

3. 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.

A review of subsequent budgets and cashflow forecasts for the next 12 months revealed positive results, as well as the current liquidity and solvency position of the year and do not believe that the loss in the current year would have a significant impact on operations. The entity is a going concern. The entity is in a net asset position.

An increase year reviewed the budgets and cashflow forecast for the next 12 months, as well as the current liquidity and solvency position of the year and do not believe that the loss has adequate financial resources to continue in operation for the foreseeable future. The entity is a going concern. Current year deficit is irrelevant. The entity is in a net asset position.

4. Number of employees

The average number of employees during the period was 9 (Nine).

5. Auditors

Forvis Mazars was appointed auditors initially in to audit the financial year ended 31 March 2022 for the next three (3) years up to financial year end 31 March 2024 in line with the entity's policy.

To the Trustees of Southern African Development Community Development Finance Resource Centre.

Opinion

We have audited the annual financial statements of Southern African Development Community Development Finance Resource Centre (SADC DFRC) (the Centre) set out on pages 44 to 67 which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Southern African Development Community Development Finance Resource Centre (SADC DFRC) as at 31 March 2024, 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 consolidated and separate Financial Statements section of our report. We are independent of the Centre in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of the consolidated and

separate financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. 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 Trustees Report and the Detailed Income Statement. The other information does not include the financial statements and auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The Trustees are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Trustees are responsible for assessing the Centre'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 Centre either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Centre'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 annual 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 organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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.



Forvis Mazars
Certified Auditors
Devaprasad Arakkal (CAP 0036 2024)

Date 3rd September, 2024

Gaborone

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in US Dollar	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	725,400	755,960
Current Assets			
Trade and other receivables	4	168,180	194,847
Bank and cash	5	456,663	567,496
		624,843	762,343
Total Assets		1,350,243	1,518,303
Equity and Liabilities			
Equity			
Revaluation Surplus		27,030	27,030
Accumulated Surplus		935,860	1,068,099
		962,890	1,095,129
Liabilities			
Current Liabilities			
Trade and other payables	6	387,353	423,174
Total Equity and Liabilities		1,350,243	1,518,303

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Statement of Comprehensive Income

Figures in US Dollar	Note(s)	2024	2023
Revenue	7	848,731	892,709
Other operating income	8	39,339	94,190
Other operating gains (losses)	9	(5,643)	17,943
Other operating expenses		(1,014,781)	(1,038,569)
Operating deficit	10	(132,354)	(33,727)
Interest Income		115	193
Interest expense	11	-	(6,193)
Deficit for the period		(132,239)	(39,727)

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Funds

Figures in US Dollar	Revaluation reserve	Accumulated Surplus	Total
Balance at 01 April 2022	27,030	1,107,826	1,134,856
Deficit for the year	-	(39,727)	(39,727)
Other comprehensive income	-	-	-
Total Deficit for the year	-	(39,727)	(39,727)
Balance at 01 April 2023	27,030	1,068,099	1,095,129
Deficit for the year	-	(132,239)	(132,239)
Total Deficit for the year	-	(132,239)	(132,239)
Balance at 31 March 2024	27,030	935,860	962,890

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 2021 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.

No revaluation of the vehicle was done in the current year as management are still confident that the fair value done reflects the current fair value of the vehicle with no significant changes anticipated.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in US Dollar	Note(s)	2024	2023
Operating activities			
Cash (used in)/generated from operations	12	(101,962)	146,851
Interest received		115	193
Interest expense		-	(6,193)
Cash (used in)/generated from operating activities		(101,847)	140,851
Investing activities			
Purchase of property and equipment	3	(4,897)	(3,676)
Sale of property, plant and equipment	3	1,386	-
Cash utilised in investing activities		(3,511)	(3,676)
Financing activities			
Repayment of FNB mortgage loan		-	(130,121)
Cash utilised in financing activities		-	(130,121)
(Decrease)/Increase in cash and cash equivalents for the year		(105,358)	7,054
Cash at the beginning of the year		567,496	557,013
Effect of exchange rate movement on cash balances		(5,475)	3,429
Cash and cash equivalents at end of the year	5	456,663	567,496

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1. Significant accounting policies

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

1.1 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 (\$) except when otherwise indicated. The financial statements are prepared on the historical cost basis, with the exception of motor vehicles which are measured at revalued amounts.

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 54. 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.

1.2 Significant judgements and sources of estimation uncertainty

Fair value estimation.

Certain assets and liabilities of the Centre are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.3 Property, plant and equipment

Property and equipment are tangible assets which the Centre holds for its own use.

An item of property, plant and equipment is recognized as an asset when it is probable that future economic benefits associated with the item will flow to the Centre, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalization of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major

services, additions to or replacements except for motor vehicles of parts of property and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Centre and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Centre. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	12 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6.67 years
Computer equipment	Straight line	3 years
Buildings improvements	Straight line	20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognized in profit or loss unless it is included in the carrying amount of another asset.

1.3 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognized.

Impairment of non-financial assets

The Centre 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 Centre estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets 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 considered. 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 Centre bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Centre'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 recognized 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 recognized 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 recognized impairment losses no longer exist or have decreased. If such indication exists, the Centre estimates the assets 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 recognized.

Accounting Policies

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.

1.4 Financial instruments

Financial instruments carried on the statement of financial position include receivables, cash deposits and term finance liabilities and payables. Financial instruments are recognised when the Centre becomes party to a contractual arrangement that constitutes a financial asset or financial liability for the Centre that is not subject to suspensive conditions. Regular way investment transactions are recognised by using trade date accounting. Financial instruments held by the Centre are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial instruments are classified at initial recognition as measured at amortized cost or fair value through other comprehensive income or fair value through profit and loss. Financial liabilities are initially recognized at amortized cost or fair value through profit and loss.

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

The Centre's financial instruments are financial assets and liabilities held at amortized cost.

Trade and other receivables

Classification

Trade and other receivables, prepayments, are classified as financial assets subsequently measured at amortized cost (note 4).

Recognition and measurement

Trade and other receivables are recognized when the Centre becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost.

Trade and other receivables denominated in foreign currencies

Impairment

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

The Centre recognizes 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 Centre expects to receive, discounted at 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 recognized 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).

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

The Centre considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Centre may also consider a financial asset to be in default when internal or external information indicates that the Centre is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Centre. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

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.

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.

Measurement and recognition of expected credit losses

The Centre makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions

at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 4.

An impairment gains or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 10).

Write off policy

The Centre writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the centre recovery procedures. Any recoveries made are recognized in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 4) and the financial instruments and risk management note (note 14).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortized cost line item.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

Trade and other payables

Classification

Trade and other payables (note 6), are classified as financial liabilities subsequently measured at amortized cost.

Recognition and measurement

They are recognized when the Centre becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.5 Tax

Tax expenses

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

1.6 Impairment of assets

The Centre assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Centre estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.7 Employee benefits

Defined benefit plans

The Centre 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 Employment Act of Botswana (Chapter 47:01). 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, 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.

1.8 Provisions and contingencies

Provisions are recognised when:

- The Centre has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

1.9 Revenue Recognition

The Centre adopted IFRS 15 Revenue from contracts with customers in the previous financial year.

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

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

The Centre earns its fee revenue from member contributions, DFI member and programme contributions, capacity building programmes and interest. The five-step approach is only relevant to DFI member and 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.

1.10 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 Centre using the effective interest rate method on the original settlement amount.

Performance Obligations

DFI member, programme and capacity building contributions are generally accrued at a point in time. The Centre 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 Centre and the DFI members.

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

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 2023.

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.

Impairment Assessment

The ECL provision matrix is initially based on the Centre's historical observed default rates. The Centre 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 is projected in 2023, consequently lead to low default by receivables debtors). However forward-looking information was assessed after grouping receivables based on their geographical areas.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Centre has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	The impact of the amendment is not material.
Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	The impact of the amendment is not material.
Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the amendment is not material.
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
IFRS 17 Insurance Contracts	01 January 2023	The impact of the amendments is not material.
Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2023	The impact of the amendment is not material.
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2023	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The Centre has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Centre's accounting periods beginning on or after 01.01.2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 7 Financial Instruments : Disclosures	01 January 2024	Unlikely there will be a material impact
IFRS 18 Presentation and Disclosure in Financial statements	01 January 2027	Unlikely there will be a material impact
IFRS 16 Leases; Lease liability in a sale and lease back	01 January 2024	Unlikely there will be a material impact
IAS 1 Presentation of financial statements, Classification of liabilities as Current or non current, Classification of long-term debt affected by covenants	01 January 2024	Unlikely there will be a material impact
IAS 21 The Effect Of Changes in Foreign Exchange Rates; Lack of exchangeability	01 January 2025	Unlikely there will be a material impact

**Southern African Development Community
Development Finance Resource Centre (SADC-DFRC)**

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	761,425	(126,904)	634,521	761,425	(111,676)	649,749
Furniture and fixtures	42,269	(32,919)	9,350	42,269	(30,739)	11,530
Motor vehicles	56,375	(49,736)	6,639	56,375	(45,238)	11,137
Office equipment	30,815	(26,051)	4,764	30,556	(23,155)	7,401
IT equipment	104,002	(101,105)	2,897	101,001	(97,735)	3,266
Building Improvements	112,970	(45,741)	67,229	112,970	(40,093)	72,877
Total	1,107,856	(382,456)	725,400	1,104,596	(348,636)	755,960

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	649,749	-	-	(15,228)	634,521
Furniture and fixtures	11,530	-	-	(2,180)	9,350
Motor vehicles	11,137	-	-	(4,498)	6,639
Office equipment	7,401	260	-	(2,897)	4,764
IT equipment	3,266	4,637	(1,554)	(3,452)	2,897
Building improvements	72,877	-	-	(5,648)	67,229
	755,960	4,897	(1,554)	(33,903)	725,400

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Buildings	664,978	-	(15,229)	649,749
Furniture and fixtures	13,777	-	(2,247)	11,530
Motor vehicles	18,447	-	(7,310)	11,137
Office equipment	6,455	3,676	(2,730)	7,401
IT equipment	7,477	-	(4,211)	3,266
building Improvements	78,526	-	(5,649)	72,877
	789,660	3,676	(37,376)	755,960

Additional Information

The Motor Vehicle were revalued on 31 March 2022. If motor vehicles were measured using the cost model, the carrying amount as at 31 March 2024 would as follows.

Cost	35,382	35,382
Accumulated depreciation	(35,382)	(35,382)
	<u>-</u>	<u>-</u>

* Motor Vehicles- The revaluation adjustments related to the accumulated depreciation as at the revaluation date, that was eliminated against the gross carrying amount of the revalued asset.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

4. Trade and other receivables

Financial instruments:

Member contribution receivable	723,666	690,832
Loss allowance	(599,135)	(528,527)
Trade receivables at amortised cost	124,531	162,305

Non-financial instruments:

Recoverable VAT	27,563	30,881
Employee costs in advance	-	607
Prepayments	16,086	1,054

Total trade and other receivables	168,180	194,847
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Split between non-current and current portions

Current assets	168,180	194,847
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	124,531	162,305
Non-financial instruments	43,649	32,542
	168,180	194,847

Credit losses

Contributions amounting to US\$599,135 (2023: US\$528,527) are past due and impaired. Other receivables have no contractual repayment period. Member contributions which are past due and impaired are disclosed on note 17- on credit risk. Management's assessment of the impairment provision has considered each DFIs specific circumstances.

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

Expected credit loss allowance reconciliation	2024	2023
Balance at beginning of the year	528,527	681,226
Recovered & reversed	(80,502)	(74,663)
Impairment losses	151,110	145,187
Write -off from Debtors Irrecoverable	-	(223,223)
Expected credit loss	599,135	528,527

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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5. Bank and cash

Cash and cash equivalents consist of:

Current account	31,565	75,704
Deposits at call	425,097	491,743
Cash on Hand	-	49
	456,662	567,496

Cash at bank earns interest at floating rates based on daily bank deposit rates. The deposits on call are withdrawable on demand.

Exposure to currency risk

US Dollar amount

US Dollar	278,403	392,317
Pula	70,305	120,822
Euro	107,954	54,356
	456,662	567,495

6. Trade and other payables

Financial instruments:

Accrued expense	43,905	31,139
Accrued leave pay	60,012	53,741
Amounts due to DFI's	2,821	2,821
Gratuity Accrued	248,687	274,466
Trade payables	129	140

Non-financial instruments:

Amounts received in advance	31,799	60,867
	387,353	423,174

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	355,554	362,307
Non-financial instruments	31,799	60,867
	387,353	423,174

Trade and other payable terms and conditions

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

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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7. Revenue

Revenue from contracts with customers

DFI Member Contributions	777,399	819,034
DFI's Programmes contribution	71,332	73,675
	848,731	892,709

Disaggregation of revenue

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

The Centre disaggregates revenue from customers as follows:

Timing of revenue recognition

Geographical Area - Over the period

Angola	51,560	109,805
Botswana	116,384	115,316
Eswatini	62,684	62,167
Lesotho	12,452	12,326
Madagascar	11,141	11,001
Malawi	20,655	11,333
Mauritius	17,465	17,332
Mozambique	11,219	11,129
Namibia	55,728	55,109
Seychelles	10,658	10,551
South Africa	308,082	304,461
Tanzania	38,311	37,873
Zambia	11,526	11,419
Zimbabwe	49,534	49,212
DFI Programme Contribution	71,332	73,675
	848,731	892,709

8. Other operating income

Recoveries from defaulting members	39,339	76,025
Sundry Income	-	18,165
	39,339	94,190

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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9. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	3	(168)	-
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Foreign exchange gains (losses)

Net foreign exchange (losses) gains		(5,475)	17,943
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Total other operating gains (losses)		(5,643)	17,943
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10. Operating Surplus (loss)

Operating deficit for the year is stated after charging (crediting) the following, amongst others:

Administration and Operating Expenses

	110,974	108,895
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Employee costs

Staff costs (including gratuity, leave pay, medical aid and other benefits)	583,651	559,801
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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.

Average number of persons employed during the year

Full time	9	10
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Depreciation

Depreciation of property, plant and equipment	33,903	37,376
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Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Staff Costs	583,651	559,801
Depreciation	33,903	37,376
Operating and administration expenses	285,964	278,279
DFI programme expenses -DFRC	111,263	163,113
	1,014,781	1,038,569

Audit fees included in operating and administration expenses amount to US\$8,000 (2023:US\$7,554)

11. Interest expense

Finance charges on Mortgage loan	-	6,193
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Mortgage loan was fully repaid in the prior financial year.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
12. Cash (used in)/generated from operations		
Surplus / Deficit for the period	(132,239)	(39,727)
Adjustments for:		
Depreciation	33,903	37,376
Losses on disposals, scrapplings and settlements of assets and liabilities	168	-
(Gains) losses on foreign exchange	5,475	(3,429)
Interest income	(115)	(193)
Interest expense	-	6,193
Changes in working capital:		
Trade and other receivables	26,667	65,027
Trade and other payables	(35,821)	81,604
	(101,962)	146,851

13. Related parties

Relationships

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

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Amounts due from DFIs	723,666	690,732
Amounts due to DFIs	(2,821)	(2,821)
	720,845	687,911

Related party transactions

Member contributions from DFIs	777,400	818,934
Board member allowances and travel fares	(8,497)	(11,576)
	768,903	807,358

Compensation to key management

Short-term benefits	287,952	323,228
Long-term benefits (Gratuity)	229,797	209,861
	517,749	533,089

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

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14. Financial instruments and risk management

Classification of financial instruments

Financial instruments

2024

	Note(s)	Debt instrument at Amortised cost	Financial liabilities at amortised cost	Total	Fair value
Trade and other receivables	4	124,531	-	124,531	124,531
Cash and cash equivalents	5	456,663	-	456,663	456,663
Gratuity payable		-	(248,687)	(248,687)	(248,687)
		581,194	(248,687)	332,507	332,507

2023

	Note(s)	Debt instrument at Amortised cost	Financial liabilities at amortised cost	Total	Fair value
Trade and other receivables	4	162,305	-	162,305	162,305
Cash and cash equivalents	5	567,496	-	567,496	567,496
Gratuity payable		-	(274,467)	(274,467)	(274,467)
		729,801	(274,467)	455,334	455,334

Financial risk management

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 Centre 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, the financial health of the DFI as well as the economic conditions currently prevailing in the DFIs primary operating economy.

The Centre's maximum exposure to credit risk of the component of the statement of financial position as at 31 March 2024 and 31 March 2023 is the carrying amount as illustrated in Note 8.

Financial instruments designated at fair value through profit or loss.

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

Financial assets pledged as collateral.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar

2024

2023

14. Financial instruments and risk management (continued)

Significant concentrations of credit risk

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

	2024	2023
SMEDCO Zimbabwe	12,412	36,391
Industrial Development Corporation Zimbabwe	358	(6,916)
Eswatini Development & Savings Bank	44,194	44,194
Export Development Fund	-	8,925
Societe Financiere De Developpment	39,046	39,046
BEDCO	45,412	45,412
BANCO Sol	189,737	189,737
National Industrial Development	6,922	(4,257)
BANCO DE POUPANCA E CREDITO	10,588	10,588
Development Bank of Zambia	93,746	82,218
AFC Commercial Bank	12,784	(5,777)
Botswana Saving Bank	501	11,401
Eswatini Development Finance Corporation	1,802	12,908
National Development Bank	14,505	14,505
Societe National de Participations- SONAPAR	22,144	11,001
Tanzania Agricultural Development Bank	12,813	12,788
Development Bank of Mauritius	17,444	17,300
National Development Corporation	13,670	23,819
Industrial Development Company	2,100	19,051
TIB Development Bank	32,311	15,659
	572,489	577,993

Write off Policy

The Centre writes off trade and other receivable balances, and any related allowances for impairment losses, when there is determination that the receivable is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the debtors financial position such that the debtor can no longer pay the obligation.

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

	2024	2023
30-60 days	-	34,580
Above 120 days	96,076	127,725
	96,076	162,305

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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14. Financial instruments and risk management (continued)

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	4	767,315	(599,135)	168,180	723,374	(528,527)	194,847
Cash and cash equivalents	5	456,663	-	456,663	567,496	-	567,496
		1,223,978	(599,135)	624,843	1,290,870	(528,527)	762,343

Impairment of Assessment

The tables above shows the values of the Centre's financial instruments subject to ECL. The total amount of provision using the simplified approach in calculating the ECLs is \$599,135 and is detailed below. A provision was made for impairment of (US\$599,135) based on IFRS 9's expected credit loss model.

Trade and Other receivables Account	Balances at 31 March 2024	Expected credit Loss	Net Receivables
Accounts receivable	767,315	(599,135)	168,180
Balances at 31 March 2023			
Accounts receivable	723,374	(528,527)	194,847

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 Centre define capital as the total accumulated funds of the Centre as noted in the statement of changes in funds. The Centre 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 Centre is not subject to any externally imposed capital requirements.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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14. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering the cash or another financial asset. The Centre monitors its risk of a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables. The Centre's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits and bank loans. As at 31 March 2024, the Centre had available US \$ 456,663 (2023: US \$ 567,496) in cash deposit. The Centre borrowings are short term and will mature in 12 month's time thus funds will not be fully tied towards repayment of the loan but availed to other daily needs of the Centre.

2024

	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	355,554	355,554	355,554

2023

		Total	Carrying amount
Current liabilities			
Trade and other payables	6 362,307	362,307	362,307

Foreign currency risk

The Centre is exposed to the foreign currency risk for transactions that are denominated in a currency other than the reporting currency of the Centre, 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 Centre's exposure to foreign currency risk, based on notional amounts is summarised as follows:

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

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in US Dollar	2024	2023
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14. Financial instruments and risk management (continued)

2024	Euro	Botswana Pula
Cash and cash equivalents	107,954	70,305
2023	Euro	Botswana Pula
Cash and cash equivalents	54,356	120,822
Trade and Other receivables	-	(115,316)
Net exposure	54,356	5,506

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

2024 Foreign currency risk		Increase / (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Botswana Pula	+10%	(6,974)	(6,974)
Change in exchange rate	-10%	6,974	6,974
Euros	+10%	(10,795)	(10,795)
Change in exchange rate	-10%	10,795	10,795
		-	-

2023 Foreign currency risk		Increase / (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Botswana Pula	+10%	(12,082)	(12,082)
Change in exchange rate	-10%	12,082	12,082
Euros	+10%	(5,436)	(5,436)
Change in exchange rate	-10%	5,436	5,436
ZWL dollar	+10%	5	5
Change in exchange rate	-10%	(5)	(5)
		-	-

15. Taxation

The entity is exempt from all taxes.

Southern African Development Community Development Finance Resource Centre (SADC-DFRC)

Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

Figures in US Dollar		2024	2023
Revenue			
	DFI Member contribution	777,399	819,034
	DFIs Programmes contribution	71,332	73,675
7		848,731	892,709
Other operating income			
	Recoveries from defaulting members	39,339	76,025
	Sundry Income	-	18,165
8		39,339	94,190
Other operating gains (losses)			
	Losses on disposal of assets or settlement of liabilities	(168)	-
	Foreign exchange (losses) gains	(5,475)	17,943
9		(5,643)	17,943
Other operating expenses			
	Accounting fees	1,254	1,007
	Bad debts	122,655	145,187
	Depreciation	33,903	37,376
	Recruitment Costs	4,418	-
	Strategic Planning	20,846	-
	IT expenses	1,414	-
	Irrecoverable VAT	-	367
10	Operating expenses	110,974	108,895
	Programmes Expenditure -DFRC	111,263	163,113
	Small Value Assets	1,198	4,404
	Staff costs	583,651	559,801
	Subsistence Allowance	14,708	7,208
	Travelling expenses	8,497	11,211
		1,014,781	1,038,569
10	Operating (loss) profit	(132,354)	(33,727)
	Interest Income	115	193
11	Interest expense	-	(6,193)
	(Loss) profit for the year	(132,239)	(39,727)

The Detailed Income Statement is supplementary information presented and does not form part of the annual financial statements and is unaudited

SADC-DFI NETWORK MEMBERS

ANGOLA

Banco de Desenvolvimento de Angola
Banco de Poupanca e Credito
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 Capital

DEMOCRATIC REPUBLIC OF CONGO

Societe Financiere De Developpment

ESWATINI

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

LESOTHO

Basotho Enterprises Development Corporation
Lesotho National Development Corporation

MADAGASCAR

Société Nationale de Participations

MALAWI

Export Development Fund
NBM Development Bank

MAURITIUS

Development Bank of Mauritius

MOZAMBIQUE

Banco Nacional de Investimento
Gapi-Sociedade de Investimentos

NAMIBIA

Agricultural Bank of Namibia
Development Bank of Namibia
Environmental Investment Fund of Namibia
National Housing Enterprise

SEYCHELLES

Development Bank of Seychelles

SOUTH AFRICA

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

TANZANIA

National Development Corporation
Tanzania Agricultural Development Bank
TIB Development Bank

ZAMBIA

Development Bank of Zambia

ZIMBABWE

AFC Holdings
Industrial Development Corporation of Zimbabwe Limited
Infrastructure Development Bank of Zimbabwe
Small and Medium Enterprises Development Corporation.



The SADC DFRC is a subsidiary Institution of SADC

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