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BACKGROUND

The Southern African Development Community – Development Finance Resource Centre (SADC DFRC) was founded in 2003 as a subsidiary of Southern African Development Community (SADC). The DFRC is owned by SADC Development Finance Institutions (DFIs) Network, currently at 40 members. Both the DFRC and SADC DFI Network are recognized as SADC institutions under the SADC Finance and Investment Protocol (FIP) as per the responsibilities that follow:

- Strengthen DFIs in all sectors of their respective activities;
- Offer a policy research and analysis capability for the region;
- Effect capacity building and training of DFI staff;
- Facilitate the mobilization and sharing of information through a central hub for ICT;
- Engage in confidence building measures within the region for purposes of supporting investments;
- Offer advisory services to the governments of the state parties and DFIs in respect of development resources and financial services; and
- Identify and promote opportunities for cooperation and coordination in development finance in the region.

The DFRC has therefore developed a new 2019 – 2024 corporate strategy which seeks to align to the FIP objectives previously enumerated. The strategic foundations along with an intent which seeks to describe how the organisation proposes to meet its vision for the defined period are presented below:

MISSION

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

VISION

To be a centre of excellence for development finance solutions.

Underpinned by a culture of:



Innovation



Stakeholder
centric



Transparency



Professionalism



Teamwork

STRATEGIC INTENT

To generate sustainable resources for programme delivery and establishment of regional research and knowledge centre for development finance by 2024.



APPOINTMENTS TO SPEARHEAD SADC-DFRC BOARD AND AUDIT COMMITTEE

Mr Henda Esandju Nicolau da Silva Ingles, Chairman and Chief Executive Officer of the Banco De Desenvolvimento de Angola (BDA) was appointed Deputy Chair of the SADC-DFRC Board in March 2020. Mr Henda brings with him a wealth of experience in matters of institutional governance acquired from various positions including being Head of Structured Operations at the BDA and Chairman of the Board of Directors of the Institute for the Public Business Sector in Angola.



Mr Henda Esandju Nicolau Da Silva Ingles, Deputy Chair of SADC-DFRC Board and Chairman and CEO of the Banco De Desenvolvimento De Angola

Mr Nixon M. Marumoloa, Chief Executive Officer of the Botswana Savings Bank was appointed Chair of the SADC-DFRC Audit and Risk Committee at the March Board meeting. Mr Marumoloa brings with him valuable experience in the banking industry and exposure in Development Finance Institutions (DFI's) and Commodities Trading. He also has board membership and experience across consumer banking, corporate banking, SME banking, credit-risk and trade finance.



Mr Nixon Marumoloa, Chairman of The SADC-DFRC Audit and Risk Committee and Chief Executive Officer for the Botswana Savings Bank



CHANGES IN DFI REGIME

The Network has over the past six months experienced the following changes in Member DFIs Executive Management:

- i) Mr Jaywant Pandoo has been appointed Managing Director of the Development Bank of Mauritius with effect from 20th April 2020, following resignation of Mr Lobin Unmole.
- ii) Dr Samuel Mulenga Bwalya was appointed Managing Director of the Development Bank of Zambia effective 15th May 2020, a position which Mr Edward Mulilo has been acting for.
- iii) Mr Ayanda Kanana has been appointed Chief Executive Officer of the Land and Agricultural Development Bank of South Africa with effect from 1st March, 2020, taking over from Mr Tshokolo Nchocho who has now joined the IDC as its CEO;
- iv) Ms Idia MasehloMeng Penane was appointed Chief Executive Officer for Basotho Enterprises Development Corporation on 3rd February, 2020, taking over from Dr Makatleho Matabooe;
- v) Mr Henda Esandju Nicolan da Silva Ingles has been appointed Chairman and Chief Executive Officer of the Banco De Desenvolvimento de Angola with effect from 21st January, 2020, taking over from Mr Abrahao Gourgel;
- vi) Mr Elfes Chimbera was appointed Acting Chief Executive Officer for Agricultural Bank of Zimbabwe with effect from 1st February, 2020 following the retirement of Mr Somkhosi Malaba; and
- vii) Mr. Gift Sithole was appointed Acting Chief Executive Officer for Small and Medium Enterprises Development Corporation with effect from 1st January 2020, following the resignation of Ms Gladys Kanyongo.



SADC DFI MEMBERS PUT HEADS TOGETHER IN RESPONSE TO COVID-19

On the 24th April 2020, a special meeting of the SADC DFI Network was held through videoconferencing using zoom platform. The meeting focused on COVID-19 pandemic, and was themed “COVID-19 CHALLENGES AND THE ROLE OF THE DFIs”.

The purpose of the meeting was to provide a platform for DFIs to discuss ways of playing a critical role in supporting their Governments to ameliorate the impact of the novel virus in the SADC region. This meeting was attended by thirty six participants from different DFIs in the region.

Mr Patrick Dlamini, the DBSA Chief Executive and Managing Director, chaired the meeting. In welcoming the members, he emphasized the need to meet as a regional body, given the pandemic crippling economies globally, DFIs included, and to come up with a regional perspective on how best to alleviate challenges emanating from this pandemic.

The meeting had some DFIs making presentations on strategies advanced by their respective institutions on the impact of Covid-19. From the presentations it was clear that Covid-19 is quite devastating for developing and emerging economies and that there was need for DFIs to assist Governments in the various areas affected by the pandemic, including the manufacturing of requisite health supplies, resource mobilization, and the development of regional supply chains for health care products and pharmaceuticals;

In his closing remarks, Mr Stuart Kufeni expressed gratitude for the opportunity to meet as Network Members to discuss the topical global pandemic, and in particular the related experiences and interventions shared by DFIs at this meeting.



STAFF MATTERS SADC-DFRC WELCOMES NEW FINANCE OFFICER

**We are
delighted
to have
Mr Tshenolo
Mogotsi
joining the
SADC-DFRC**

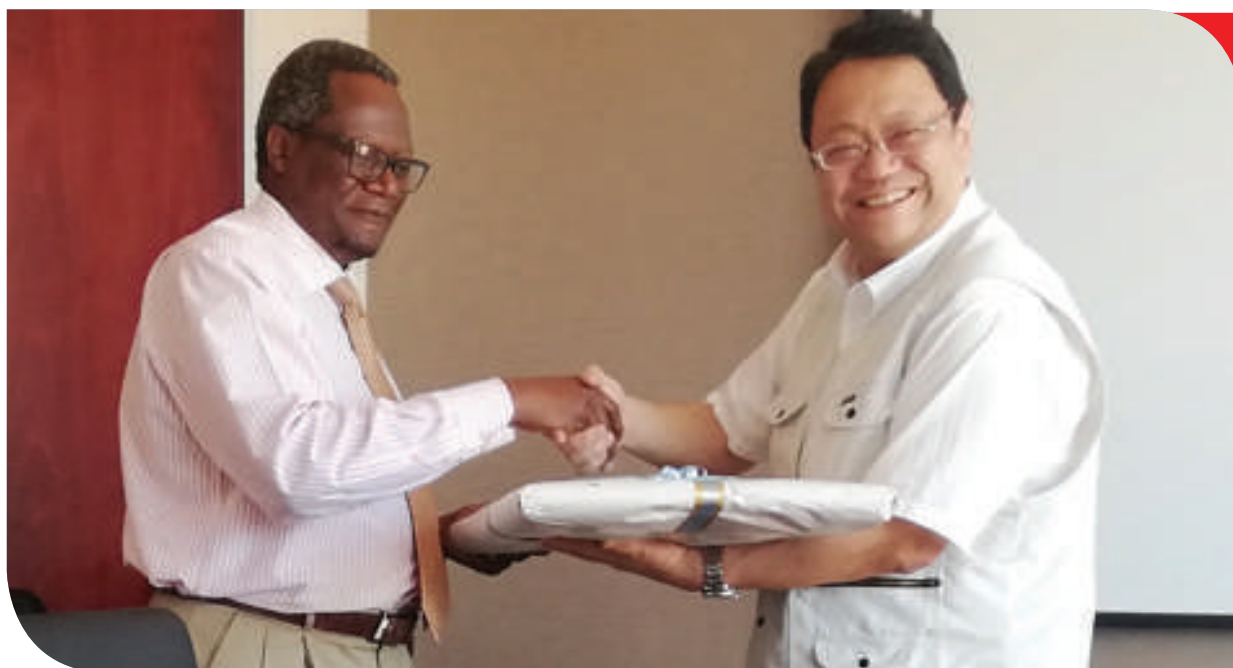
as the new Finance Officer effective 1st April 2020, a position vacated by Ms Thapelo Kerebotswe in February 2020.

Mr Mogotsi is an ambitious young professional with over 5 years experience in financial management, having worked for the Quantity Surveyors Registration Council and International Federation of Red Cross and Red Crescent Societies (IFRC). He also has vast exposure to various accounting software packages.

He is a member of the Botswana Institute of Chartered Accountants (BICA) and currently pursuing Chartered Institute of Management Accountants (CIMA) qualification. He is also a holder of a BA Hons in Accounting and Finance degree and Certificates in Enterprise Risk Management and Corporate Governance and King V.



FAREWELL TO MR TETSUYA FUKUNAGA



Mr Stuart Kufeni, SADC-DFRC CEO handing a farewell gift to Mr Tetsuya Fukunaga, former JICA advisor in development finance to the SADC-DFRC

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The SADC-DFRC bid farewell to Mr Tetsuya Fukunaga, former JICA Development Finance Advisor to the SADC-DFRC. Mr Fukunaga was deployed to the SADC-DFRC by the Japanese International Cooperation Agency for a period of four years. He has had remarkable achievements during his tenure, and in particular, the following among others:

- i) Promotion of SADC-DFRC's participation in the Tokyo International Conference of African Development (TICAD 7);
- ii) Enhancing training programs for SADC DFIs in EAC and COMESA countries in partnership with SADC-DFRC;
- iii) Reviewing of JICA's training programmes and mobilization of participation from the SADC member states;
- iv) Collecting and sharing of best practices of MSMEs promotion in Japan and Asian countries;
- v) Promotion of ODA Loans for infrastructure projects in the SADC region; and
- vi) Exchanging knowledge and experience from Japan and Asian countries.

The SADC DFI Network has substantially benefitted from JICA and extends its appreciation for the continued support.



PUBLIC PRIVATE PARTNERSHIP IN SADC

The SADC-DFRC continues with efforts to promote public private partnerships (PPPs) in the SADC region.

CASE OF BOTSWANA

The SADC-DFRC was instrumental in the establishment of the PPP Unit for the government of Botswana. Its PPP Policy is a product of The Privatisation Master Plan which was adopted by government in 2005. It identified PPP as one of the strategies that will be used for private sector participation in the provision of infrastructure services, especially as it relates to new projects. The Master Plan recognised the need for the development of a clear policy on the implementation of PPPs, the establishment of a legal and regulatory framework that promotes commercial and innovative approaches to service delivery, as well as developing competitive bidding and procedures and guidelines specific to PPPs.

In 2006, the Public Enterprises Evaluation and Privatisation Agency (PEEPA) went ahead to develop an implementation strategy for the PPP programme in Botswana, informed by among others a review of international best PPP practices and an analysis of the application of those best practices within an African country context.



An Infrastructure Project In Botswana

CHALLENGES OF PPP

As the procurement process is lengthy and costly, it is understood that PPPs require complex contractual arrangements due to these. This, therefore, would mean that both government and the private sector will require capacity and skills to undertake PPP procurement and to implement and manage PPPs. Both parties should always engage personnel with relevant skills to undertake projects. Most failures of PPPs, it has been observed, are linked to lack of the needed skills and capacity to implement PPP projects.

Economist Dr Keith Jefferis when interviewed by the Patriot on Sunday Newspaper, said one of the main challenges of the PPP is that its contracts are very complex. He said the challenge would be exacerbated if the project would also entail service delivery, giving an example of a hospital or a school where the private sector would also be required to provide services of those hospitals and schools. "If it is just a building, for example, a road, or any sort of infrastructure, it would be quite straight forward," he said in an interview. Dr Jefferis, who is also former Deputy Governor of Bank of Botswana (BoB), said government has to study contracts before committing to be sure of how it is spending and how to avoid a situation where government ends up paying more than initially calculated.

However, Dr Jefferis said some of the benefits of the PPP are that government literally has got nothing to do on projects being carried out under the PPP, saying responsibility of construction, maintenance and servicing of the project will rest with the private party and this would lead to efficiency in delivery of key infrastructure. Since PPPs are complex by their nature, Dr Jefferis said this would bring the needed international expertise, adding that PPPs cover a wide range of projects which are commonly complex.



PROGRAMMES

The SADC-DFRC in conjunction with the Zimbabwe Cluster of Development Finance Institutions held the Zimbabwean Development Finance School in Harare, Zimbabwe between 4th – 11th March 2020. It included the following training programmes:

i) Finance For Non - Finance Managers Harare, Zimbabwe, 4th-6th March 2020

The aim of the programme was to expose managers with limited or no professional financial training to the essential skills of accounting and financial management for effective interaction with the finance function. Nineteen (19) participants from the region, attended the programme.



Finance for Non Finance Managers
4th-6th March 2020, Harare Zimbabwe

Participants at the Finance for Non-Finance Managers programme

ii) Debt Management Harare, Zimbabwe, 9th-11th March 2020

The Debt Management programme was attended by twenty-two (22) participants from the SADC region. The programme was aimed at enhancing debt management skills to minimise borrowing costs and maintain risk at acceptable levels, as well as to deal with loan workouts and debt restructuring.



Group picture for Debt Management participants



Participants at the Debt Management programme

iii) Credit Risk Management Board Training

Kasane, Botswana, 24th-25th February 2020

The training programme was held for National Development Bank (NDB) and was attended by thirteen (13) members of NDB Board of Directors and Executive Management. It focused on principles and techniques of credit risk management, for those not familiar with the subject matter, and updating/upgrading their knowledge for those well-versed in the topic.



Participants at the Finance for Non-Finance Managers programme

iv) Virtual Public Private Partnership (PPP) Training

5th-8th June 2020

Given the fact that SADC countries have virtually sealed all their borders the SADC-DFRC, in an effort to continue to provide its capacity building services to its clients, decided to provide its first ever virtual training using the Zoom platform. In conjunction with the Eswatini Housing Board (EHB), the training took place on the 5th and 8th of June as trial run to develop the necessary skills and provide further training using the virtual space. The training was on the fundamentals of Public Private Partnerships (PPPs) and how they could be best utilized in the housing sector in Eswatini.

The training was attended by ten senior staff of the EHB and was truncated to better fit the virtual delivery platform. This was done through mutual agreement with the client and all key knowledge elements were retained to ensure the quality of the programme and that the participants derived the maximum value. The first virtual learning was successful and the SADC-DFRC plans to deliver other upcoming courses using the Zoom platform.



A snapshot of online participants for PPP programme



COVID-19: THE WORLD COMES TO A HALT!

The COVID-19 pandemic has spread at alarming speed with adverse economic and humanitarian effects globally. Consequently, national governments world-wide took various measures to combat the pandemic and stem its progress.

On the 11th March 2020, the World Health Organisation declared the COVID-19 outbreak as a global pandemic, resulting in most countries going on lockdown and adopting precautionary measures, bringing economic activity virtually to a stand-still.

Following the declaration of the state of public emergency with extreme social distancing by the President of the Republic of Botswana, His Excellency Dr Mokgweetsi E. K. Masisi, the SADC-DFRC obliged to the regulations and closed office from 02 April 2020 until end of lockdown, on 22nd May 2020.

Prior to office closure, the SADC-DFRC staff undertook training on hygiene and other related Corona Virus precautionary measures, facilitated by Cleanico (Pty) Ltd in Gaborone, Botswana.

CAUTION:

One can be infected by inhaling small respiratory droplets of someone who has COVID-19 if they are within close proximity, or by touching a surface with droplets from an infected person and then eyes, nose or mouth.



SADC-DFRC staff during Hygiene Training practicing social distancing to curb the spread of Covid-19



UPCOMING EVENTS

ACTIVITY	DATE	VENUE
Training on Leadership & Coaching even during Covid 19 Pandemic	7th and 9th July 2020	Virtual
Biannual Network meetings	9th - 10th July 2020	Virtual
Training on Positioning DFI's for the 5th Industrial Revolution	28th-29th July 2020	Virtual
Training on Increasing competitiveness of SMEs as a way of assisting them through the COVID 19 pandemic	August 2020	Virtual
Training on Quality Assurance & Standards for SMEs	August 2020	Virtual
Biannual Network meetings	1st-4th December 2020	To be advised

For more information on the upcoming programmes or requests for customized virtual programmes, please contact Kingsley Mmipi on +267 3191146 or kmmipi@sadc-dfrc.org



The SADC DFRC is a Subsidiary
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