



SADC DFRC NEWSLETTER , ISSUE 2, JUNE 2012

Vision

“To be the centre of excellence, which efficiently and pro-actively facilitates development finance solutions for the SADC region”.

Mission

“To provide capacity building, policy research and advisory services in development finance to SADC development finance institutions and Governments—thereby contributing to SADC’s goals of economic growth and sustainable development”.

CEO’s Forum: Lessons From The Far East

The CEOs Forum for SADC DFIs was held in the picturesque tourist town of Kasane in Northern Botswana, on the border with Zambia, Namibia and Zimbabwe.

The Forum focused on the theme ‘Development Finance – Lessons from Asia in which speakers elucidated the role that Development Finance Institutions had played in the development processes of some of the Asian countries, the experiences of networking amongst Asian DFIs and the support extended to the Asian DFIs by the Japanese International Cooperation Agency (JICA).



The workshop was opened on behalf of the Botswana DFIs by Mr Reginald Motswaiso, the Chief Executive Officer of the Botswana Housing Corporation, who urged assembled CEOs to draw lessons from the experiences of successful industrial economies like Japan, which had used its development finance policy and institutions to catalyse its development processes.



Mr Stuart Kufeni, the CEO of the DFRC presented the first paper in which he outlined his experiences of a study tour that JICA had sponsored to Japan and The Philippines. He recognised the role of

PPPs and capital markets, and the high level of participation of banks and the private sector, in infrastructure development, and the significance of a good policy and regulatory environment. He also pointed out that networking amongst the DFIs was vital in promoting regional cooperation, and advocacy of best practices amongst the DFIs. He urged greater engagement with the Association of Development Finance Institutions in Asia and the Pacific to promote information sharing and building of capacity.

The Secretary General of ADFIAP, Mr Octavio Peralta, made a presentation in which he outlined the role of AFIAP as a capacity builder, resource provider, advocate and innovator to the DFIs in the region. He also reported that over the years the ADFIAP had diversified its income streams through training, consultancy, grants and subscription to ensure sustainability.

- Professionalism
- Value and Innovation
- Stakeholder Focus
- Accountability
- Results Driven
- Employee Focus and Teamwork

- Policy Research & Advisory Services
- Capacity Building
- SME Development
- Infrastructure Support

- SME Development and support.
- Infrastructure Development

CEO's Forum continues.....

The Economic and industrial experiences of Japan, especially in the post-war period was presented by Mr Tsutomu Shibata, Chief Consultant at the Japan Economic Research Institute in Tokyo, Japan, in which he outlined the role that DFIs had played in Japan's economic success. He indicated the key elements of success in the contribution of the financial sector was in independence of the DFI management, respect for the market economy, close relationship with government plans as well as targeting of finance to export and import opportunities for the Japanese economies.

In prefacing the discussion on JICAs technical cooperation programme, Mr Toshiyuki Nakamura, JICA's Chief Representative in South Africa, pointed out that JICA was the world's largest bilateral donor. He

said that the Japanese government's overseas development assistance was previously focused on Asia, but was now increasingly prioritising Africa through the Tokyo International Conference on African Development (TICAD). Africa was now the top recipient of Japanese ODA. He also advised that JICA was ready to work with SADC DFIs based on its past experience with Asian DFIs.

Dr Tetsuya Fukunaga, TICAD Advisor at the DBSA from JICA, discussed JICA's experience with supporting DFIs in Asian countries, by elaborating on the technical cooperation in Vietnam and Mongolia. He also proposed technical assistance programme in which a Japanese expert would be assigned to undertake diagnostic studies of selected SADC DFIs, involved in infrastructure development, with a

view to developing training and other interventions which would assist these institutions. He also advised of the availability of financial resources from the Japanese government which could be accessed through bilateral arrangements between the Japanese government and respective SADC governments.

In conclusion, the workshop recognised that DFIs have an important role in the development process. For this to happen, it was necessary for each institution to develop a strategy to ensure independence, integrity and viability through a professional approach to the management of projects and the overall governance of the institution. The workshop was closed by Mr Vinson Hailulu, Board Chair of the DFRC, and CEO of the National Housing Corporation in Namibia.

SADC3P Network Retreat



(L-R) Ms Mphale (Lesotho), Dr Mhilu (Tanzania), Dr Harris (World Bank Institute) and Mr Kufeni during the SADC PPP

**PPP meeting
Highlights in Pictures**



On the 10th to the 12th of June, 2012, a retreat to review the PPP Network strategy was held in Pretoria, South Africa. In attendance were 8 delegates from partner institutions such as; SADC DFRC, GIZ, EPEC, DBSA, World Bank Institute, as well as the SADC 3P Network.

The main purpose and objectives of the retreat was to, among others, review the 3P Network Strategy and create a shared understanding; Interrogate whether the Network is on the right track, and in particular, its relevance and visibility to members; and to come up with a proper action plan, prioritized and with time frames. It also provided the Network to engage with its partners in creating a shared vision of the

Network going forward, and how that vision will be realized.

The retreat also served as an information sharing, brainstorming and networking platform to the progress of the mandate of the SADC 3P Network. There were a lot of fruitful discussions, including updates on recent PPP developments and trends, establishing key success factors for the Network, financing of Network activities, and communication on the Network to key stakeholders.

The review resulted in a draft action plan of events and activities for the Network, including the agenda for the next Steering Committee meeting to be held in September.

SADC DFI Network Meeting held in Botswana, June 2012

THE SADC DFI Network convened the first of its biennial meetings for 2012 at the Northern Botswana tourist town of Kasane at Mowana Lodge.

With representation from Chief Executive Officers of its member SADC DFIs, the meeting was held to review the performance of the Network as a whole, and the capacity building and policy research services provided by the SADC DFRC, and to plan the way ahead.

The meeting was advised that Ernst and Young had completed the audit of the financial statements for 2011/12, and the Board had, at its meeting of 6th June 2012, approved the unqualified

audited statement. It was the opinion of the auditors, based on the financial statements that the DFRC had the ability to continue as a going concern.

The meeting also took note of the approved budget for the DFRC for 2012/13 financial year.

Among the issues of significance raised included the debate on the strategic direction to be taken by the DFRC, and its repositioning as a repository of knowledge and advisor to the SADC governments on matters of development finance, particularly in the emerging development finance architecture in the region.



Mr Kufeni, SADC-DFRC CEO welcoming delegates

SADC DFI Network Meeting continues.....

The deliberations on this matter concluded as follows:

- That the DFRC should promote credit rating of DFI, with the support of AADFI prudential standards and guidelines rating system, as a mechanism to facilitate access to external financial resources;
- That an environmental scan be undertaken to ascertain the current status and challenges that the DFIs are facing;
- That an investigation be undertaken into the operational modalities, structures and capacity of regional development funds vis-a vis the regional development banks around the world with a view to developing a SADC DFI network position on a regional development finance system.

The Secretariat was requested to identify possible resources to finance these activities.

On networking of DFIs, it was agreed to encourage country networks amongst the DFIs to promote consultation on matters of common interest, and to promote coordination and liaison with the DFRC.

The Network was invited to consider a revised system of appointing members to the Board of the DFRC, to allow for a more equitable participation of DFIs in the governance system. It was agreed that the system of predetermined election to the board would be retained, but emphasis would be on the institution, rather than the country. In addition, rotation of the DFIs would be based on the date on which they joined the Network, but there would be no more than one member from each country at any particular time.

The members of the Network commended the Board and Management for the work done in providing services to the DFI Network and maintaining the good financial health of the DFRC through resource mobilisation and prudent financial management.

The SADC-DFRC PPP Network is now fully staffed. It has seen Ms Norma Sephuma Kamushinda being assigned as a PPP Officer and Ms Tshepang Kenyaditswe join as a PPP Intern. At the moment they are both working on the revamp of the network's website which will be developed to be a resource for all PPP practitioners compiling information from the entire globe, which, at the moment, does not exist on the web. It will "go live" at the end of the July and will be a significant achievement for the network in such a short time.

In addition, the network has participated with its partners, the DBSA and the AfDB, in training 30 Zimbabwean officials about PPPs who are currently

tasked with rolling out significant infrastructure projects. The training was opened by the Deputy Prime Minister, Hon. Professor Arthur Mutambara, who also stayed on to participate in the seminar and made a number of very valuable contributions.

The seminar focused on the training on PPPs and on a number of sectors crucial to the Zimbabwean economy. The Deputy Prime Minister noted that transport, water, electricity and telecommunications were the areas that the country wished to make investments in within the next decade in line with the priorities of SADC.

SADC DFI Network Meeting

SADC DFIs Management in Transition

The following changes have taken place in the executive management of the SADC-DFIs;

- Mrs Gladys Kanyongo has been appointed a substantive General Manager of Small Enterprises Development Corporation (Zimbabwe) with effect from 6th January 2012. Mrs Kanyongo replaces Mrs Fortunate Sekeso who retired in August 2011.
- Mr Paul Baloyi, CEO for the Development Bank of Southern Africa retired from DBSA on 31st March 2012, and Mr T P Nchocho is acting until further notice.
- Mr Admassu Tadesse, DBSA Divisional Executive for International Relations and former Deputy Chair for SADC-DFRC has resigned from DBSA, and Ms Josephine Tsele is acting in the position. Mr Tadesse has taken a position as President and Chief Executive Officer at the Eastern and Southern African Trade and Development Bank (PTA Bank).
- Mr Joshua Setipa has been appointed Chief Executive Officer for Lesotho National Development Corporation with effect from 1st January 2012. Mr Setipa took over from Mr Motebang Mokoaleli who was acting CEO.

SADC-DFRC Staff Matters

The following staff appointments have taken place;

- Mr Kogan Pillay, head of PPP commenced duty on 1st April 2012
- Ms Norma Kamushinda commenced duty on 1st June 2012 as a PPP Officer.

SADC DFI Membership

- The Development Bank of Seychelles has joined the SADC DFI network with effect from 1st April 2012
- The Botswana Export Development and Investment Agency (BEDIA) has merged with International Financial Services Centre (IFSC) Botswana to form the Botswana International Trade Centre (BITC). BITC will continue to be a member of the DFI network.



Corporate Governance for DFIs, June 2012, SA

Post Investment Monitoring & Problem Loans-2012

The DFRC in consultation with the Namibian DFIs convened a training programme on the Management of Post-Investment Monitoring and Management of Problem Loans in Windhoek Namibia on 7th – 11th May 2012. The programme was attended by 31 participants from 8 DFIs and 3 countries across the SADC region. The number of participants from Namibia was 23 comprising 6 from Development Bank of Namibia, 8 from National Housing Enterprise, 7 from AgriBank and 2 from BFS NamPro while 3 participants came from the Citizen Entrepreneurial Development Agency (Botswana), 1 from Botswana Export & Development Investment Authority, 3 from Swazi Bank (Swaziland) and 1 from Swaziland Industrial Development Co. Ltd

The programme was resourced by two experts from the Industrial Development Corporation in South Africa, Mr John Mhenyamwa and Mr Haroon H Docrat and one from the Small Enterprise Development Corporation in Zimbabwe, Mr Stanslous Makusha. The Programme was officially opened by Mr Vinson Hailulu, CEO for National Housing Enterprise, who is also Board Chair for the DFRC. Mr David Nuyoma, CEO for the Development Bank of Namibia officially closed the workshop and presented certificates to participants.

PIM & MPL Programme Facilitators -Namibia



Corporate Governance Participants, Centuri-on South Africa



Corporate Governance for Director Skills Development- 2012



Dr Mpuku (Programmes Manager) giving a speech

On the 29th May – 1st June 2012, SADC-DFRC held a workshop on Corporate Governance; Director Skills Programme at Pretoria, South Africa. The programme targeted board members, Senior Management, and Corporate Governance Specialists. The purpose of the programme was to raise awareness of the concept, practice and relevance of good corporate governance in the context of development finance institutions and the challenges they face within the African landscape. The workshop was attended by 22 participants from 12 DFIs and 6 countries across the SADC region. The programme was funded by the SADC/ EU programme on the Implementation of the SADC Protocol on Finance and Investment. The programme was resourced by three experts, Professor YRK Reddy from Academy of Corporate Governance in Hyderabad, India, Mr Mumba Kapumpa and Mr Charles Nyoka.

Mr Stuart Kufeni, CEO for SADC-DFRC officially opened the Programme while Mr Timothy Zwane, Board Chairperson for the Swaziland Industrial Development Co. Ltd presented certificates at the closing, and Dr Herrick Mpuku, Programmes Manager for SADC-DFRC formally closed the workshop.



Corporate Governance for SMEs –2012

As a sequel to the programme on Corporate Governance; Director Skills, a further 4 day programme on Corporate Governance for SMEs was held at Pretoria, South Africa, which commenced on the 4th and ended on the 7th of June 2012. The programme was attended by 19 participants from 11 DFIs and 5 countries across the SADC region. The purpose of the programme was to raise awareness of the concept, practice and relevance of good corporate governance in the context of development finance institutions and the challenges they face within the African landscape, (main focus being on SMEs)

The programme was funded by the SADC/ EU programme on the Implementation of the SADC Protocol on Finance and Investment. The programme was facilitated by two experts, Professor YRK Reddy from the Academy of Corporate Governance in Hyderabad, India, and Mr Joseph Nyamunda, an SME Expert based in Botswana.

Up Coming Programmes Information –2012

CAPACITY BUILDING

Preparations are on-going for the [Corporate Governance Workshop](#) scheduled for 9 – 12 July 2012 to be held at Cape Town, South Africa.

Other planned programmes for 2012/13 are;

- Programme: Project Preparation for PPDF
Venue: South Africa
Date: 25 - 27 July 2012
- Programme: Capacity Building Review
Venue: South Africa
Date: 1 - 3 August 2012
- Programme: Corporate Governance
Venue: Zimbabwe
Date: 20 – 24 August 2012
- Programme: Financial Modelling
Venue: Zimbabwe
Date: 27 - 30 August 2012
- Programme: Prudential Standards and Guidelines Rating Systems - Review
Venue: South Africa
Date: 30 - 31 August 2012
- Programme: Executive Development Management
Venue: South Africa
Date: 5 – 7 September 2012
- Programme: Customer Relations Management
Venue: Botswana
Date: 3 - 5 September 2012
- Programme: Performance Management
Venue: South Africa
Date: 26 - 27 September 2012

Programmes for the whole financial year 2012/13 can be viewed by following the link below;

<http://www.sadc-dfrc.org/index.php?id=581>

PUBLIC PRIVATE PARTNERSHIPS

PPP Programmes for the whole financial year 2012/13 can be viewed by following the link below;

<http://www.sadcppnetwork.org>

Programme Highlights in Pictures

