

## Welcome to the first edition of the SADC-DFRC Newsletter



Following the establishment of the SADC-Development Finance Resource Centre (DFRC) as the secretariat and hub of the SADC Development Finance Institutions Network (DFI), it has become necessary for us to establish a mechanism for communication and exchange of information amongst the member DFIs and the SADC-DFRC.

The DFRC has, therefore, considered it necessary to launch a quarterly Newsletter through which it can circulate information about upcoming events and report on ongoing and completed activities of the Centre to all DFI Network members and other stakeholders. This Newsletter will be circulated electronically and in hardcopy so as to reach the widest possible coverage in the shortest possible time so that all stakeholders are kept current on the activities of the DFRC. The Newsletter will also welcome submissions from member DFIs who wish to share their experiences and other matters of interest with other DFIs.

It is, therefore, my pleasure to launch the newsletter and to invite you to enjoy reading the first issue of the Newsletter. I look forward to your participation and support in our efforts to communicate with one another through this Newsletter.

Dr. Rosalind Thomas  
Chief Executive Officer

### Vision

*"To be the centre of excellence, aimed at catalyzing the SADC-DFI members collective efforts to be at the cutting edge of financial services delivery in the priority areas set by the RISDP".*

## Official Launch of DFRC on 19th of January 2006

The DFRC will be officially launched on the 19th of January 2006 at the new DFRC offices located at BIFM/Fairground Office Park, Block B. During this event, our DFI members and other invited guests will have the opportunity to inspect the premises and review some of our capacity building activities through a promotional video.

Invited guests include the Ministers of Finance in the region, SADC Governments and Botswana Government Representatives, Members of the Diplomatic Corps present in Botswana, International Cooperating Partners and our DFI Network Members.

### New Address

SADC-DFRC has moved offices.

You can find us at:

Plot 50676  
First floor, Block B  
BIFM/Fairground  
Office Park,  
Gaborone, Botswana

## DFRC hosted Investment Appraisal and Risk Analysis Workshop

The DFRC, in association with the John Deutsch International Executive Programs of Queens University in Canada, hosted an international training programme on Investment Appraisal and Risk Analysis at the Eskom Leadership Development Centre from 7th November to 18th November 2005.

This was the second module of a two-part programme, with the first module having been held in July 2005 in Midrand, South Africa.



It is the first time that the programme is being brought to Southern Africa for the benefit of SADC DFI's by the DFRC. The programme is conducted by internationally recognized experts, led by Dr Glenn Jenkins, Professor of Economics, and Director of the Program on Investment Appraisal and Risk Analysis at Queens University. The purpose of this intensive workshop is to train participants on how to conduct financial, economic risk and stakeholder evaluation of investments and to gain skills in the design and testing of risk management contracts, and the evaluation of project financing options.

At the end of the programme, it is expected that participants' operational skills will be enhanced so that they are able to plan and assess all aspects of investment projects, add value through the re-design of projects, prepare project financing agreements and design strategies to address stakeholder concerns. Apart from lectures, the team used applied case studies, group discussions and computer based exercises to enable participants gain practical knowledge and obtain a global perspective of recent developments in these fields. These case studies have also been tailored to develop understanding of infrastructure and PPP projects. *(article continues on next page)*

The SADC-DFRC is an autonomous SADC institution, established under the SADC Principle of Subsidiarity

### Mandate

*"Through technical and capacity building support, as well as policy research and advisory services, the DFRC's mandate is to promote the effective mobilisation of resources by the DFI's for investment in key areas with the potential to stimulate growth, generate employment and alleviate poverty in the SADC region".*



From left to right: Michael Humavindu, Gottlieb Hinda and John Mbango celebrating Hinda's achievement as Most Outstanding Participant 2005.

Thirty four participants from DFI's in the SADC region, and one from the Public Private Infrastructure Advisory Facility (World Bank office) in Kenya participated in both Modules and successfully completed all the workshop assignments and examinations.

The most outstanding participant in both modules was Mr. Gottlieb Hinda, Portfolio Manager from the Development Bank of Namibia, who walked away with the floating trophy for 2005.

In closing, DFRC Chief Executive Dr Rosalind Thomas advised that the DFRC was developing a training of trainers programme for the high performers on the programme; these would in future be called upon to assist in consultancy and training assignments that would arise.

## SME Development: Institutional support to CEDA

Following meetings between the DFRC and management of the Citizen Entrepreneurial Development Agency (CEDA) of Botswana, a Technical Assistance (TA) programme of institutional support to CEDA has been designed and agreed to. The programme will involve familiarization visits by CEDA to three member DFIs, the Small Enterprises Development Corporation (SEDCO) of Zimbabwe; Small Industries Development Organization (SIDO) of Tanzania and IDC (RSA) and the DFRC facilitating the engagement of regional expertise/consultants to work with CEDA in reviewing and implementing their Strategic Plan starting in the new year 2006.

With a new Board just appointed, CEDA management is keen to ensure that there is quick delivery on the turnaround strategy the Institution has embarked upon. In his message to the new Board, Baledzi Goalathe, the Minister of Finance and Development Planning, told the new board members that CEDA was an organization with assets worth well over P1 billion and that its challenges will keep them on their toes. He reminded them that CEDA's objective was to develop citizen entrepreneurship and the process of carrying out the task requires a culture of transparency and accountability.

The DFRC through its professional support and use of the SADC DFI infrastructure will mobilize maximum support for CEDA management to help them deliver on their mandate. The programme of assistance is a challenge to one of the DFI Network stated missions; "to collaborate on the establishment of appropriate institutional arrangements and mechanisms to facilitate cooperation and development finance needs in the region". The success of this TA to CEDA will give strength to the DFRC's efforts to provide similar assistance to the other member DFIs.

## SADC-DFRC plans more Capacity Building Programmes in the New Year

### Project Appraisal for SMEs Workshop

The DFRC will be hosting the Workshop on Project Appraisal from 19<sup>th</sup> February to 24<sup>th</sup> February 2006. The Workshop on Project Appraisal aims at improving the skills of loan officers dealing with SME financing.

The programme will cover the whole range of operational issues from the submission of the loan application, through evaluation of the various aspects of the application, such as screening, applicant interviews, credit checks, etc, right through to the evaluation of the market and industry, as well as the personnel and financial analysis. Field visits and practical case studies will also be used in the programme to evaluate key issues arising from the classroom interaction.

The programme will draw its resource persons from experts and practitioners in project appraisal for SMEs from the region's institutions, including the DFI's, Universities, and Multilateral Organizations. The venue will be announced in due course.

### Corporate Governance Workshops

The DFRC will be holding follow-on workshops on Corporate Governance for Board members of member DFI's. This follows the successful hosting of a workshop for Board Chairpersons in June 2005 in Johannesburg, South Africa. The first of such workshops are planned for Botswana and Namibia in early February. The workshop will be run by the DFRC in collaboration with the Institute of Directors in South Africa.

### Risk Management Workshops

The DFRC is currently in the process of developing follow-on programmes for the Risk management training which was held in Cape Town, South Africa, in November 2004. It is planned to hold two workshops on Credit Risk Management and Asset-and-Liability Management in March 2006, primarily, but not exclusively, for alumni of the Cape Town workshop. The DFRC will collaborate with regional and national development banks in the development and implementation of the programme.

## Mission

To be a lean virtual organization providing capacity building and policy research, and advise to the DFI Network and SADC Governments in support of financial and operational effectiveness and efficiency, so as to enhance their contribution to economic growth and development in the SADC region.

## Key Focal Areas:

- Financial sector reforms and strengthening, and capital markets development.
- Institutional support, encompassing capacity building.
- SME Development and support.
- Infrastructure / PPP delivery.

## CONTACT US:

Physical Address:  
Plot 50676  
First floor, Block B  
BIFM/Fairgrounds  
Office Park  
Gaborone, Botswana

Postal Address:  
Private Bag 0034  
Gaborone, Botswana

Tel: (267) 3191146  
Fax: (267) 3191147  
info@sadc-dfrc.org  
www.sadc-dfrc.org

Questions or comments?

Please email us at  
info@sadc-dfrc.org or call  
+267 31 911 46