



SIBE

Impact Summary



A document prepared on behalf of the SIBE Consortium (comprising of FinMark Trust as Lead Partner, GFA Consulting, and Southern Africa Trust) to highlight early impacts of the SIBE Project.

Contents

| | |
|--|-----------|
| List of Figures | 4 |
| List of Tables | 5 |
| Acronyms | 6 |
| Executive Summary | 7 |
| 1.0 Introduction | 8 |
| 1.1 About SIBE | 8 |
| 1.2 Objectives of this Document | 9 |
| 1.3 Approach to Assessing Impact | 10 |
| 1.4 Constraints to the Assessment | 11 |
| 2.0 Overview of identified impact areas | 12 |
| 2.1 In Brief – 23 Identified Impact Areas | 12 |
| 2.2 Presentation Template | 13 |
| 3.0 Detailed Impact Areas and Learnings | 14 |
| 3.1 Key Result Area 1: Investment | 14 |
| 3.1.1 Update of Member State investment policies | 14 |
| 3.1.2 Support to showcase Member State investment potential | 16 |
| 3.1.3 Tools for smart use of investment incentives | 17 |
| 3.1.4 SADC Tax Expenditure Model | 18 |
| 3.1.5 Double Tax Avoidance Agreements | 19 |
| 3.1.6 Investment Scorecard to encourage International Best Practices | 20 |
| The SADC Investment Scorecard | 21 |
| 3.2 Key Result Area 2: Financial Markets | 22 |
| 3.2.1 Development of Non-Bank Sector Model Laws | 22 |
| The SADC Financial Market Development Index | 24 |
| 3.2.2 Capacity to address Money Laundering and Terrorism Finance deficiencies | 25 |
| AML/CFT Efforts in the region | 27 |
| 3.2.3 Elevation of Money Laundering and Terrorism Finance issues in SADC | 30 |
| 3.2.4 Renewal of SADC Payments platforms | 31 |
| The SADC-Real Time Gross Settlement System | 33 |
| 3.3 Key Result Area 3: Financial Inclusion | 35 |
| 3.3.1 Alignment of National Financial Inclusion Frameworks and Practice | 35 |
| SADC Strategy on Financial Inclusion and SMEs Access to Finance 2023-2028 | 37 |
| 3.3.2 Regional Consumer Protection Guidelines | 40 |
| 3.3.3 Stock Exchanges' capacity to serve SMEs | 42 |
| SADC Stock Exchange Capacity to serve SMEs | 44 |
| 3.3.4 Participation of young people in stock markets | 44 |
| 3.3.5 Capacity to deploy digital technology for financial inclusion | 46 |
| 3.4 Key Result Area 4: Cross-cutting Learnings | 47 |
| 3.4.1 Efficiency gains from using SADC Based Experts | 48 |
| 3.4.2 Efficiency and Sustainability through Resource Blending | 50 |
| Synergy with the Macroeconomic Stability and Financial Integration Project | 52 |
| 3.4.3 Efficiencies by Leveraging a Consortium with a diverse mix of skills and reach | 53 |
| 3.4.4 Effectiveness through Proactive Budget Management | 54 |
| 3.4.5 Sustainability by Identifying Successor Programmes | 55 |

| | |
|--|-----------|
| 3.5 Additional Learnings and achievements | 56 |
| 3.5.1 SADC Pioneer of Virtual Programme Implementation | 56 |
| 3.5.2 Strong Partner Programme Linkages | 58 |
| 3.5.3 Flexibility in Contracting and Procurement | 60 |
| 4.0 Conclusions and Observations | 62 |
| 5.0 Annexures | 63 |
| 5.1 SIBE M&E Indicators | 63 |
| 5.2 Impact Level Categorisation Matrix | 64 |
| 5.3 FATF Big-6 AML/CFT Recommendations | 65 |
| Member States compliance with FATF Recommendations | 66 |
| Effectiveness of AML/CFT systems | 66 |



List of Figures

| | |
|---|----|
| Figure 1: Assessment Process | 10 |
| Figure 2: Overview of 23 identified impact areas | 12 |
| Figure 3: Estimated Level of Impact categorisation matrix | 64 |



List of Tables

| | |
|---|----|
| Table 1: Summary of Activities implemented under SIBE | 9 |
| Table 2: Impact area presentation template | 13 |
| Table 3: SADC Member States with low AML/CFT compliance as at June 2022, % | 27 |
| Table 4: Improvements on Big-6 FATF Recommendations in SADC Member States during SIBE | 28 |
| Table 5: FATF Big-Six Recommendations | 65 |
| Table 6: SADC countries compliance with the FATF key recommendations | 66 |
| Table 7: Effectiveness of AML/CFT systems in SADC Member States | 67 |



Acronyms

| Term | Description |
|---------|--|
| AfDB | African Development Bank |
| AIM | Annual Investment Meeting |
| AML | Anti-Money Laundering |
| AML/CFT | Anti-Money Laundering and Combating the Financing of Terrorism |
| BEPS | Base Erosion and Profit Shifting |
| BSE | Botswana Stock Exchange |
| CCBG | SADC Committee of Central Bank Governors |
| CISNA | Committee of Insurance, Securities and Non-Banking Financial Authorities |
| CMA | Common Monetary Area |
| CoSSE | SADC Committee of SADC Stock Exchanges |
| DRC | Democratic Republic of Congo |
| DTAA | Double Taxation Avoidance Agreements |
| ESAAMLG | Eastern and Southern Africa Anti-Money Laundering Group |
| EU | European Union |
| FATF | Financial Action Task Force |
| FDI | Foreign Direct Investment |
| FIC | Finance, Investment and Customs Directorate (at SADC Secretariat) |
| FDI | Foreign Direct Investment |
| FIP | SADC Finance and Investment Protocol |
| GDP | Gross Domestic Product |
| KPI | Key Performance Indicators |
| KRA | Key Result Area |
| LTE | Long Term Expert |
| M&E | Monitoring and Evaluation |
| ML/TF | Money Laundering / Terrorism Finance |
| MS | Member State |
| MSFI | AfDB Macroeconomic Stability and Financial Integration Project |
| MSME | Micro, Small and Medium Enterprise |
| NAPI | National Action Plan on Investment |
| OECD | Organization for Economic Co-operation and Development |
| OMFIF | Official Monetary and Financial Institutions Forum (an independent think tank) |
| RTGS | Real-Time Gross Settlement (system) |
| SADC | Southern African Development Community |
| SIBE | Support to Improving the Investment and Business Environment |
| SME | Small and Medium Enterprise |
| STE | Short Term Expert |
| TCIB | SADC Transactions Cleared on an Immediate Basis |
| ToT | Trainer of Trainers |

Executive Summary

The SADC Support to Improving the Investment and Business Environment (SIBE) Programme is a five-year, EU funded programme implemented by the SADC Secretariat between 2019 and 2025. Following completion of various SIBE activities, this assessment has been prepared to summarise early impacts observed across the programme's activities.

The assessment has been conducted in a collaborative manner with the SIBE implementation team. It includes areas where early outcomes show promise in line with the SIBE Log frame Impact i.e. progress towards promoting inclusive growth; jobs; investments; industrialisation; and / or regional Integration.

A total of 23 such areas have been identified, across the three Key Result Areas (KRAs) of SIBE, as well in cross cutting areas. They include among them important impacts on the region already, and some lessons learnt during implementation. The assessment will be used as a learning opportunity by SADC secretariat and the Consortium.





1.0 Introduction

1.1 About SIBE

The SADC Support to Improving the Investment and Business Environment (SIBE) Programme is a five-year Programme launched on 6 August 2019 and managed by the SADC Secretariat through its Finance, Investment and Customs (FIC) Directorate. The project was implemented between 2019 and 2025, and was financed by the EU under the 11th European Development Fund (EDF) for a total amount of €14 million. It covers all the 16 SADC Member States (MS).

The overall objective of the Programme is to achieve sustainable and inclusive growth and support job creation in the SADC region. The specific objective of the Programme is to develop the region into an investment zone, promoting intra-regional investment and Foreign Direct Investment. To achieve these objectives the Programme focused on three Key Results Areas (KRAs):

- KRA1- Enabling investment policy framework across SADC Member States, covering activities such as dialogue on investment and business environment; harmonising investment and business environment related laws and regulations; and enhancing the SADC tax regime
- KRA2 - Enhanced integration of financial markets in the SADC region, where the programme assisted in developing financial markets; policies and strategies to enhance financial stability; and in strengthening the regional financial sector structures.
- KRA3 - Enhanced financial inclusion focusing on the development of national financial inclusion strategies and data; harmonisation and capacity building; and the monitoring of progress on financial inclusion in the region.

Technical activities in these KRAs commenced in January 2021, led by the SADC Support Consortium, consisting of FinMark Trust (Lead Partner), GFA Consulting Group GmbH and Southern Africa Trust (i.e. “the Consortium”). The Consortium provided technical leadership and experts, in the form of 3 Long Terms Experts (LTEs) attached to the programme throughout the implementation phase, and Short-Term Experts (STEs) deployed to specific activities of the Programme. Seventy six activities were implemented through 85 STEs, at regional and Member State level.

The activities implemented under SIBE are summarised in Table 1 below. Only two activities were not completed by the programme end as of February 2025.

| Area | KRA 1 | KRA 2 | KRA 3 | Total |
|------------|-------|-------|-------|-------|
| Activities | 33 | 22 | 23 | 78 |

Table 1: Summary of Activities implemented under SIBE

1.2 Objectives of this Document

The high level M&E assessment presented in this document was commissioned by the Consortium in 2024 to estimate the impact SIBE programme has had so far. The assessment focuses on how various activities may have contributed to, or shown potential to contribute to the Programme’s high level objectives, particularly towards an improved enabling investment environment, introduction of business-friendly reforms, harmonised financial markets, enhanced financial inclusion and improved access to finance for Small and Medium Enterprises (SMEs).

The assessment achieves the following objectives:

- (i) For SADC Secretariat and Consortium members, it documents and enables the sharing of key learnings emanating from the Programme;
- (ii) For the Programme implementation team, it will help to inform the SIBE Closing Report; and
- (iii) For partners such as the EU and SADC, it will be useful to inform any formal evaluations that may be undertaken in the future.

The document summarises both the identified early impacts, as well as key learnings from an implementation perspective.



1.3 Approach to Assessing Impact

The assessment was conducted in a collaborative manner with the SIBE implementation team i.e

- Officials from the SADC Secretariat including the Programme Task Manager, and officials responsible for the financial sector, financial markets, and tax.
- Long-Term Experts responsible to coordinate and manage the implementation of SIBE activities across the 3 result areas
- The Consortium, i.e. senior staff of FinMark, GFA Consulting, and Southern Africa Trust

Areas were shortlisted through a questionnaire that guided discussion on where activities have shown progress in line with the SIBE Log frame Impact, i.e. those showing progress towards promoting inclusive growth; jobs; investments; industrialisation or regional Integration. The SIBE M&E log frame that informs this process is included as Annexure 1.

Positive outcomes are evidenced by the emergence of common standards/practices in support of Regional Integration, and policy adjustments, interventions or behaviour change that will support achievement of the objectives. The shortlisting was then firmed up through workshops (Figure 1).



Figure 1: Assessment Process



1.4 Constraints to the Assessment

It should be noted that this assessment differs from a standard impact assessment in several respects. Firstly and most important, many of the Programme Activities were concluded in 2021 – 2023, and hence it is too early to adequately measure impact of the SIBE programme. Thus the assessment has focused on likely positive impacts.

Secondly, the assessment has not attempted to quantify the impact given the above comment. The analysis attempts to estimate likelihood of change towards impact by way of early outcomes. Proof of the early outcomes is presented by way of relevant key performance indicators. The positive early outcomes are then conceptually linked to anticipated longer term outcomes and impact that are in line with the SIBE theory of change. For learnings a similar process is followed, however the emphasis is on the lesson learnt or implication rather than impact.



2.0 Overview of identified impact areas

2.1 In Brief – 23 Identified Impact Areas

A total of 23 areas of impact were identified, Figure 2. These span the three main KRAs, with 6, 4 and 5 positive impacts each identified under the KRAs 1 – 3. There are also additional impacts/learnings in cross cutting areas, which include KRA 4 management related impacts/learnings (5), and additional impacts/learnings (3). These latter observations emanated from processes that were not necessarily linked to any of the KRAs but that nevertheless offer important lessons.

The type of impact has also been categorized into three colours: green, yellow, or grey depending on the following factors.

- The linkage between an expected outcome and the SIBE long term impact. This estimates the extent to which the intervention of this type is likely to contribute towards the SIBE long term goals. As an example, showcasing of investment opportunities could directly lead to more investment, while economic inclusion of all citizens will promote inclusive growth.
- An estimation of how much impact an intervention has already had, especially given its design and implementation approach.

Areas scoring high on both dimensions are coloured green and marked as high priority, indicating that these are the most fruitful areas to date. Those scoring high in one of the two dimensions are coloured yellow, while those that will require substantially more time for their impact to fully be felt are marked grey. Figure 2 and Annexure 2 summarise the classification of each impact area.

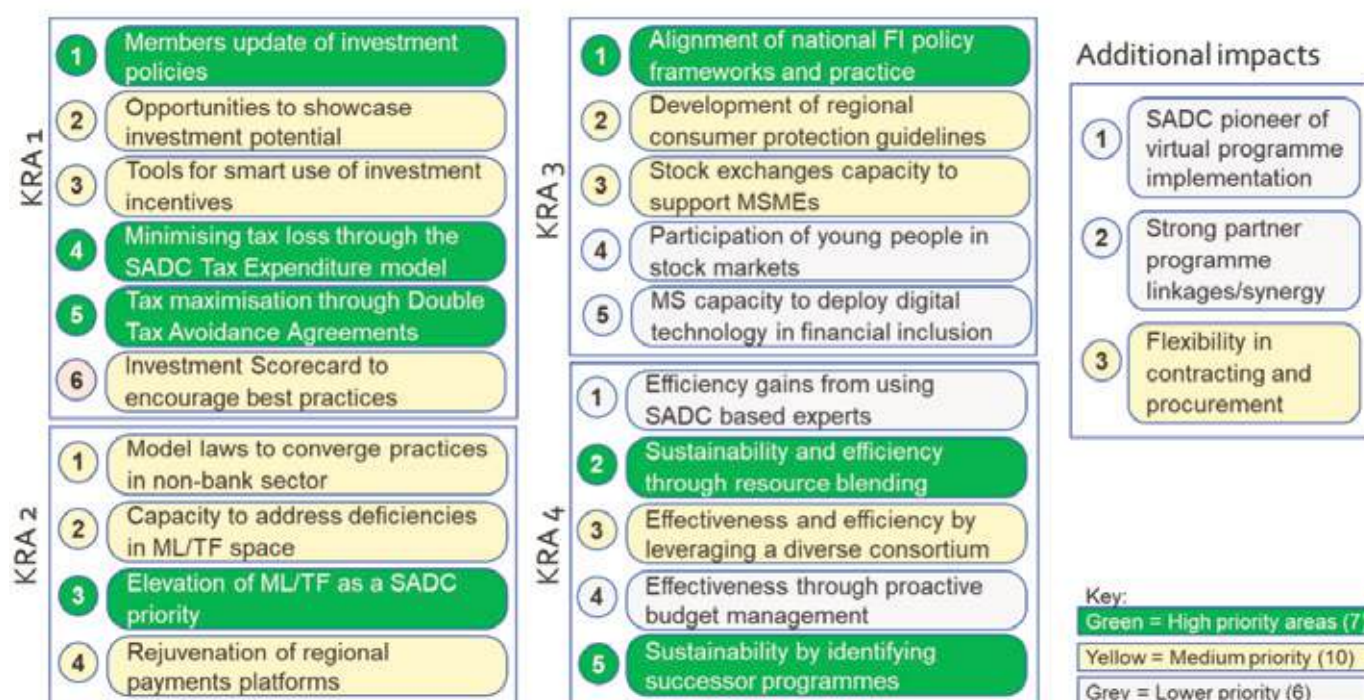


Figure 2: Overview of 23 identified impact areas

2.2 Presentation Template

The following sections detail each impact area, describing the SIBE intervention that led to the impact, the early outcomes observed, and how these lead to anticipated long term outcome and impact. A standard presentation template is employed as shown in Table 2. For lessons learnt, an implication or lesson learnt is summarised rather than the impact.

| Impact Area 1.1: Short description of the impact | |
|--|--|
| SIBE intervention summary | Impact level: category |
| Description of the SIBE intervention(s) that led to the impact | |
| Immediate outcome | Evidence / KPIs |
| Description of the immediate or early outcome observed | Proposed metric that demonstrates the early impact that is claimed |
| Anticipated medium term outcome | Description of anticipated longer term outcome |
| Anticipated long term impact | Description of anticipated longer term impact |

Table 2: Impact area presentation template



3.0 Detailed Impact Areas and Learnings



3.1 Key Result Area 1: Investment

KRA 1 focus is on strengthening the enabling investment policy framework across SADC Member States. Activities under this Result Area include promoting dialogue on investment and business environment issues in SADC; harmonising Member State investment and business environment related laws and regulations; and enhancing the SADC tax regime. Six areas where early impact has been observed are presented, where Member States:

- Are catalysed to update and harmonise their investment frameworks in support of national action plans on investment developed under SIBE
- Are supported to showcase investment opportunities with global and regional investors, with potential to close mutually beneficial investment deals
- Become interested in smarter use of investment incentives, and plan to start tracking the benefits promised by investors in their respective jurisdictions
- Start to roll out frameworks aligned to the SADC Tax Expenditure model, to track use of tax incentives, and to support policy making and budgeting
- Are empowered to renegotiate double taxation avoidance agreements, and to close related tax loopholes
- Participate in a new SADC investment scorecard which is helping them to increase visibility of their business environments and investment friendly reform

3.1.1 Update of Member State investment policies

SIBE support was provided to Member States to enable them to domesticate the SADC Investment Policy Framework. The support enabled 11 Member States to develop their national action plans on investment (NAPI), which will promote increased harmonisation of the SADC investment market. As an early outcome, the process catalysed 6 Member States to update their investment frameworks, 3 of them with SIBE support. This will help to improve the investment climate in SADC Member States and ultimately in the SADC region, and attract more investments to the region.

Impact Area 1.1: Member States are catalysed to update and harmonise their investment frameworks in support of newly developed national action plans on investment (NAPI) developed under SIBE

SIBE intervention summary

Impact level: Green

In an effort to domesticate the SADC Investment Policy Framework among Member States, 9 countries were supported under SIBE to develop National Action Programmes on Investment (NAPI) i.e. Eswatini, Lesotho, Madagascar, Malawi, Namibia, Seychelles, Tanzania, Zambia, and Zimbabwe

| Immediate outcome | Evidence / KPIs |
|--|--|
| Development of the NAPIs is promoting harmonisation and improvement of investment related laws, regulations and practices, and sparked MS interest to review their investment policies | <ul style="list-style-type: none"> • SADC Investment Policy Framework domesticated into NAPIs in 11 Member State, promoting harmonisation - Eswatini, Lesotho, Madagascar, Malawi, Namibia, Seychelles, Tanzania, Zambia, Zimbabwe with SIBE support, plus Botswana and Mauritius. • SIBE support requested by 3 Member State to review investment policies - Lesotho, Eswatini and Namibia¹. • 3 other Member States used their own resources to review their investment policies - Tanzania, Zambia and Zimbabwe. |
| Anticipated medium term outcome | Improved investment related policies, laws, regulations and practices will result in an improved investment climate |
| Anticipated long term impact | Increased investment |

Impact Stories

Improved Investment Climate in Zambia

The SIBE Programme has contributed to creating a more investment-friendly environment in Zambia by supporting policy dialogue and regulatory reforms. Resultant efforts to streamline business registration and reduce bureaucratic barriers have encouraged private sector investment. The Zambia Development Agency (ZDA) has been working on investment facilitation measures that align with SADC regional integration goals.

Zambia financial sector survey respondent, April 2025

¹ Lesotho had an investment policy that was revised to take into consideration issues raised under the SADC process. In Eswatini and Namibia, new Investment policies were proposed.

3.1.2 Support to showcase Member State investment potential

Under this initiative, SIBE support was provided to Member States to show case their investment business case and opportunities to potential investors. Member States through their investment promotion agencies were able to show case to international and regional investors through 2 events in Dubai and in South Africa respectively. The engagement led to discussions on new investments deals, with potential to increase Foreign Direct Investment and Intra SADC Investment.

Impact Area 1.2: Member states supported to showcase investment opportunities with global and regional investors, with potential to close investment deals

SIBE intervention summary

Impact level: Yellow

Through SIBE, Member States and their investment promotion agencies were supported to show case investment potential at two forums:

- (i) The Annual Investment Meeting (AIM) held in Dubai in May 2023 under the theme “The Investment Paradigm Shift: Future Investment Opportunities to Foster Sustainable Economic Growth, Diversity and Prosperity”; and
- (ii) The inaugural SADC Investment Forum on Mineral Beneficiation Value-Chains held in Johannesburg, South Africa in March 2024

Immediate outcome

Member States successfully showcased their investment potential to global investors at AIM, while at the Forum held in South Africa they became encouraged through the exposure and discussions to explore and potentially close mutually beneficial intra SADC investment deals

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- During AIM, 4 Member States used the SADC Regional Focus Forum to organize their respective Investment Destination Forums during which they had dedicated panels to present their investment opportunities
 - DRC, Lesotho, Namibia, Zimbabwe.
- During the South Africa Forum, 3 SADC Member States expressed interest in a joint industrial copper plant and demonstrated interest to cooperate with each other in specific investment opportunities
 - South Africa, Namibia and Zimbabwe.

Increased interest in investment opportunities in SADC by global and intra-SADC investors will result in new investments deals being closed

Increased Foreign Direct Investment and Intra SADC Investment

3.1.3 Tools for smart use of investment incentives

During SIBE support to develop NAPIs in 9 Member States (as described in Section 3.1.1), Member States realised the need to improve their use of investment incentives, and to start tracking the various benefits promised by the benefitting investors. As a result, Member States became interested in tools that can enable smart use of investment incentives, and to track the promised investor benefits. This will lead to a higher quality of investments, and better use of limited incentives to attract larger amounts of investments.

Impact Area 1.3 Member states become interested in tools to enable smart use of investment incentives, and plan to start tracking the benefits promised by investors

SIBE intervention summary

Impact level: Yellow

SIBE supported 9 Member States to develop National Action Programmes on Investment (NAPI). The discussion during this support led to the realisation by Member States of the need to improve their use of investment incentives, and to start tracking promised benefits

Immediate outcome

The NAPI process led to increased demand for tools to enable cost-benefit analysis for incentives; and to track outcomes as a result of having used the investment incentives i.e.

- Demand for a regional guideline on smart use of incentives
- Integration and prioritization of locally important investment issues in investment discourse
- Demand for an update of the SADC tax expenditure model for the tax use case

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- Lesotho incorporated the smart use of incentives in the revision of its investment policy
- Namibia prioritised local land ownership, and use of pension funds for development (i.e. government bonds)
- The Regional Tax Expenditure Model was updated and adopted by 2 Member States (see Section 3.1.4).

Increased use of tools that enable smart use of investment incentives will help to align investment with national interest

Increased quantity / quality of investments in SADC region and in Member States

3.1.4 SADC Tax Expenditure Model

Responding to Member State demand, the SIBE Programme reviewed the SADC Tax Expenditure model of 2015 and supported two Member States to implement national frameworks, addressing capacity constraints that had resulted in low uptake of the previous version of the model. The support enables members to make better use of tax incentives, and to deal with emerging issues such as Base Erosion and Profit Shifting (BEPS) and digitalisation. This will lead to reduced misuse of tax incentive, better alignment of incentives to national priorities, less crowding out of local investors, and ultimately higher quality of investments.

Impact Area 1.4: Member states roll out frameworks to track use of tax incentives, in alignment to the updated SADC Tax Expenditure model

SIBE intervention summary

Impact level: Green

As a result from demand from Member States, SIBE reviewed the SADC Tax Expenditure model of 2015 and corresponding frameworks in Member States. The assessment found that the SADC model was out of date, and it had not been adopted by many members due to their lack of capacity to implement. The review also found few tax expenditure tracking tools in place, and the few present were largely inadequate. SIBE updated the Model of 2015, and supported Member States to adopt it by developing National Frameworks.

Immediate outcome

Tax Expenditure model of 2015 was updated and Member States rolled out national level frameworks

Evidence / KPIs

- SADC Tax Expenditure model was updated, and incorporates emerging issues such as BEPS, and can support policy making and budgeting;
- 8 Member State requested assistance³ and 2 were supported to develop National Frameworks [Eswatini, Zambia]⁴

Anticipated medium term outcome

Increased tracking/monitoring and evaluation of tax incentives, leading to reduced misuse. Improved alignment of incentives to national priorities e.g. taxes, jobs, exports, skills transfer. Common practices in SADC (harmonisation).

Anticipated long term impact

Increased domestic resource mobilisation. Less crowding out of local competitors. Higher quality investments.

³ Zimbabwe, Madagascar, Lesotho, Namibia, Mozambique, Seychelles, Zambia and Eswatini requested assistance but budget was limited and only 2 could be supported

⁴ The Eswatini Framework was adopted by Stakeholders in October 2024 while the Zambia validation was done in December 2024

3.1.5 Double Tax Avoidance Agreements

The SIBE Programme reviewed existing Double Taxation Avoidance Agreements (DTAA) in SADC, and capacitated members on emerging tax developments. This led to an interest by members to renegotiate existing DTAA to incorporate best practices which SIBE could not fully support, and a Trainers of Trainers (ToT) Manual was developed instead. The enhanced interest by Member States to review their tax frameworks, and their improved understanding of tax avoidance mechanisms will lead to added capacity to close tax loopholes and to renegotiate DTAA beyond the SIBE programme timeline, and increased tax revenue collection.

Impact Area 1.5: Member States are empowered to renegotiate double taxation avoidance agreements, and to close related tax loopholes

SIBE intervention summary

Impact level: Green

The SIBE Programme reviewed existing Double Taxation Avoidance Agreements (DTAA) in SADC and found that a majority of the 59 in place are dated and did not capture emerging issues such as Base Erosion and Profit Shifting (BEPS) and digitalisation. It recommended they should be renegotiated / adjusted but a key barrier to renegotiation was technical capacity. SIBE also capacitated members on new tax developments including BEPS and the Organization for Economic Co-operation and Development (OECD) Framework on Effectiveness of Tax incentives. The high demand for support to renegotiate DTAA that emerged could not be met under SIBE due to budget constraint. A Trainers of Trainers (ToT) Manual was developed to cascade learnings.

Immediate outcome

The capacity building and review of DTAA catalysed Member State interest to update existing agreements to incorporate best practices, and enhanced understanding of emerging tax issues, including ways to close tax loopholes.

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- 8 Member State requested and 4 were supported to renegotiate DTAA (funds were insufficient for all 8) [Botswana/ Mauritius, Malawi/Lesotho]⁵
- 60 officials from Member States underwent Trainer of Trainer DTAA training in November 2024 to become Trainers in their countries.

Enhanced understanding of tax avoidance mechanisms used by corporates; Added capacity to combat tax evasion / profit shifting; Increased tax revenue collection; Capacity to renegotiate DTAA; More / updated DTAA in the region

Increased tax revenue collection i.e. domestic resource mobilisation

⁵ SIBE facilitated and assisted with negotiations. Once signed these 2 will take number of DTAA to 61

3.1.6 Investment Scorecard to encourage International Best Practices

SIBE support to develop a SADC Investment Climate Scorecard enabled all Member States to identify areas they need to reform to align to international best practices, and increased visibility on the openness of the SADC business environment for potential investors. The regional and national Scorecards were done in partnership with organizations that possess world class expertise in this area, including the World Bank which previously implemented the Ease of Doing Business Report, and the OECD who is a globally recognized expert in the area. Improved visibility and openness of the business environment will result in increased investments in the region.

Impact Area 1.6 Member states participate in a new SADC investment scorecard which is enabling increased visibility to investors, and investment friendly reforms

SIBE intervention summary

Impact level: Yellow

To encourage dialogue and best practices in the region, SIBE supported the development of a SADC Investment Climate Scorecard which filled the gap left by the World Bank's discontinued 'Ease of Doing Business Report'. Member States completed a survey that scored them on investment climate related indicators. The Scorecards provide visibility for potential investors and also highlight weak areas for reform. A region wide [SADC Investment Climate Scorecard 2024](#) was also developed. The Scorecard was implemented in partnership with OECD and the World Bank.

Immediate outcome

The Investment Scorecard facilitates benchmarking and learning from each other and against OECD standards. It also raises visibility and awareness on the openness of the business environment in SADC, and encourages investment policy reform to align to international standards

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- SADC Investment Climate Scorecard 2024 was completed and published, with 15 Member State participating and with World Bank and OECD support⁶.
- Based on the Scorecard, 15 participating Member States identified specific issues to be addressed, including corruption and pace of implementation of policies

Reform of investment policies / frameworks in line with international best practice; Increased visibility to investors of the investment climate

Increased investment as a result of improved business environment and investment climate

⁶See World Bank. 2024. *SADC Investment Climate Scorecard*. © Washington, DC: World Bank. <http://hdl.handle.net/10986/42181>. SIBE supported only one iteration due to time and cost requirements and the initiative could benefit from a successor programme for future funding

The SADC Investment Scorecard

The 2022 SADC Investment Climate Scorecard report was prepared under the SIBE programme with the support of the World Bank and the OECD to enhance investment in the region. The Scorecard analysis found that despite ongoing efforts by many SADC Member States to improve investment competitiveness, Foreign Direct Investment (FDI) inflows into the region have been low and volatile, and in relative terms lower than the rest of Sub-Saharan Africa given the size of the economy. Preparation of the Scorecard recognizes that governments play a key role in attracting foreign direct investments by creating a conducive and enabling business environment. The Scorecard is a tool for tracking the progress achieved by SADC Member States in improving their investment and business environment through removing identified legal and regulatory barriers to FDI, examining improvements in each country's investment frameworks across the economy and in 22 listed economic sectors.

While the OECD tool - which has been at the forefront of measuring statutory restrictions on foreign investment across the globe - focused on the Foreign Direct Investment Regulatory Restrictiveness Index (FDIRRI), the tool established a baseline restrictiveness rate of 25% (the ideal would be 0%). Member States felt that the focus was on negative aspects. Therefore, they recommended that the focus and emphasis of interpreting and using the tool developed for SADC be on positive aspects i.e. on the progress in removing the restrictions and opening their economies to FDI. The negative baseline restrictiveness index (FDIRRI) of 25%, translates to a baseline FDI Openness Index (FDIOI) for the SADC region of 75%. This level of openness is quite encouraging and serves a baseline for Member States to progressively remove the identified barriers. This would be tracked on an annual basis.

OECD estimates that even partial liberalisation of foreign investment restrictions can significantly increase investment. The FDIOI derived using the SADC Investment Scorecard allows governments and academics to benchmark progress in removing legal and regulatory barriers across countries, quantify the potential impacts of investment policy reforms, and track the pace of foreign direct investment liberalisation over time. The Scorecard therefore, fills an important knowledge gap by systematically mapping restrictions using the FDIOI index in all 15 SADC Member States.

The Scorecard highlighted impediments to foreign direct investment across the following four categories: foreign equity ownership, screening and approval, limitations on employment of foreigners as key personnel and directors, and other operational restrictions. On average, SADC Member States have a high level of restrictiveness compared to global average, particularly in mining, manufacturing, construction, distribution, hotels, food and tourism services. The report also found some impediments that were more prevalent in SADC compared to other regions, for example preferential treatment of domestically owned companies in public procurement, higher minimum capital requirements on foreign direct investment, and limits on access to local finance by foreign owned companies.

The Scorecard highlights ongoing reforms to improve investment competitiveness. These include for example Botswana's establishment of an Investment Facilitation Centre, establishment of the Mauritius Financial Services Commission (FSC) Single Window (one-stop-shop service), and Zimbabwe's amendment to the Indigenization and Economic Empowerment Act (2008). Important reforms are also noted in Namibia and Madagascar who have taken steps to improve the rules regarding foreign direct investment entry and operations i.e. relaxations on requirements for

ownership by Black Namibians in companies seeking mining exploration licenses and restrictions on foreign exchange transfer in Madagascar.

The SADC Investment Climate Scorecard provides a solid basis for Member States to determine their future reform options, while considering the findings across the four policy categories covered in the Scorecard, their stage of development and broader socioeconomic goals.

3.2 Key Result Area 2: Financial Markets

KRA 2 focus is on enhancing the integration of financial markets in the SADC region. Activities under this Result Area assisted in strengthening regional level substructures, interventions and infrastructure that underpin financial markets in the region, and to develop policies and strategies to address financial integrity and financial stability. Four areas emerged where early impact has been observed and these are as follows.

- Development of SADC non-bank sector model laws is promoting harmonisation, best practices and growth in the non-bank sector as elements are implemented by Member States
- Gap assessment and tailored capacity development in the Money Laundering and Terrorism Financing (ML/TF) area is contributing to improvements in compliance with Financial Action Task Force (FATF) recommendations
- A review of implementation progress under the SADC Finance and Investment Protocol (FIP), contributing to elevation of ML/TF issues as a SADC priority
- Contribution to the renewal of the regional payments platforms, leading to their increased relevance and usage especially through participation of non-banks

3.2.1 Development of Non-Bank Sector Model Laws

The non-bank sector is an important sector on which many otherwise economically excluded SADC citizens depend on for access to formal financial services. SIBE supported the development of 8 model laws to anchor development in the sector, and an update of the SADC Pensions' Model Law. These developed model laws include:

- Regional framework for Microfinance Institutions
- Regional guidelines for Savings and Credit Cooperative Organization (SACCO) operation and registration
- Regional guidelines for Micro Lending institutions
- Model Law for Insurance
- Regional Medical Aid Schemes Model Law
- Regional Framework for SMEs Listing Requirements
- Regulatory Requirements for Financial Intermediaries, and
- Model Law for Debt Listing Requirements.

Although localisation of the laws is still at an early stage, elements of the model laws are being implemented through policies and instruments coming up for review in Member States, promoting harmonisation, resource mobilisation through increased capital intermediation, and best practices in an important sector.

Impact Area 2.1 New non-bank sector model laws promoting harmonisation, best practices and growth in the non-bank sector

SIBE intervention summary

Impact level: Yellow

SIBE supported the development and formal adoption by SADC of 8 model laws for the non-bank sector, and update to the pensions model law. The model laws are guided by international best practices promoted by the relevant international sector bodies. The purpose of the model laws is to promote harmonisation of the SADC non-bank sector legal and regulatory framework towards regional standards as envisaged under the FIP, and to underpin development of the non-bank sector.

Immediate outcome

The model laws have been formally adopted by SADC and Member States. Localisation has started in context of laws that are coming up for review, thereby promoting best practices and harmonisation in the region

Evidence / KPIs

- Namibia adopted recommendations under the pensions law through the Namibia Financial Institutions Supervisory Authority (NAMFISA) which introduced guidelines for 40% of funds be invested in government bonds
- Botswana has mandated all pensions funds to invest 40% of funds in government bonds
- Introduction of the SADC financial market development index by ABSA / OMFIF⁷ to encourage information availability and market development in the non-bank sector

Anticipated medium term outcome

Increased adoption of best practices, and regional harmonisation

Anticipated long term impact

Increased regional harmonisation and integration will attract investment into SADC; Economic inclusion of all will lead to inclusive growth; Increased domestic resource mobilisation.

⁷The Official Monetary and Financial Institutions Forum is an independent think tank organization

The SADC Financial Market Development Index

The SADC Financial Market Development Index⁸ is a market development measure based on the Absa Africa Financial Markets Index⁹ which has become a benchmark for the investment community to gauge African countries' market infrastructure and for policy-makers to learn from developments across the continent. It measures the accessibility, transparency and openness of financial markets, monitoring its evolution over time. The SADC index is informed by the scores and rankings used in the Absa Africa Financial Markets Index, with over 40 indicators across six pillars: Market depth; Access to foreign exchange; Market transparency, tax and regulatory environment; Pension fund development; Macroeconomic environment and transparency; and Legal standards and enforceability.

Participation by SADC Member States in the index is important as they benefit from a standardised methodology to measure themselves against and to align to international best practice, with the overall goal to reduce barriers to investment. With this in mind in 2021 the SADC Council of Ministers of Finance approved funding assistance for three SADC Member States that were not already on the Absa Index (Democratic Republic of Congo, Madagascar and Zimbabwe) to be on-boarded. Since 2022 edition all 15 SADC countries are now included in the index. This in turn has facilitated the development of a sub-index for the SADC Region which can be used to compare with other Regional Economic Communities (RECs) in Africa.

Three iterations of the Index have been prepared and these show that between 2022 and 2024 there has been general improvement in the SADC region's financial markets. South Africa and Mauritius retained their top two positions between 2022 and 2024 but other Member State scores have also improved across important dimensions since 2022. For example, the index highlights that countries in the SADC region are advancing sustainable finance through product diversity and enhanced regulatory frameworks. The report estimates that as of September 2024 ten SADC Member States¹⁰ have now implemented Environmental, Social and Governance (ESG) measures into their financial markets, while sustainable financial products are available in six SADC Member States, up from four in 2022. Greater product diversity will help countries to attract new sources of investment, and support sustainable economic growth.

Use of technology is also increasing, and at present 11 countries in the index have implemented, or are developing, mobile-based or online applications that ease retail investor access to domestic financial assets. Nevertheless, there is room for improvement, especially in Member State pension fund development and legal systems.



Impact Stories

Enhancement of the non-bank sector regulatory framework in Zambia

The development of regional model laws has led to the enhancement / broadening of the Zambian regulatory framework. Previously and before the enactment of the Insurance Act No.38 of 2021 (it became effective in December 2022), the Pensions and Insurance Authority was not licensing certain categories of licenses such as underwriting agents. This has been addressed in line with the model laws. In addition the Authority will soon finalize the regulatory framework for the supervision of microinsurance and medical schemes in Zambia.

The SIBE sponsored model laws have helped the county to have a reference point in developing/ refining new laws, promoting access to finance and inclusive growth. SIBE has supported regional integration by ensuring that Zambian Financial Sector Regulators are transparent, accountable and alive to the developments in the region. SIBE is ensuring that laws in the region are in harmony through the model laws which act as a benchmark.

Zambia financial sector survey respondent, April 2025

3.2.2 Capacity to address Money Laundering and Terrorism Finance deficiencies

SIBE supported ML/FT capacity gap assessments in Member States based on FATF recommendations¹¹. The assessments allowed countries to focus attention on their most urgent needs, receiving tailored technical capacity support from SIBE and other partnerships. This has enabled the closure of some of the gaps that were identified, increasing Member State compliance against the big-6 FATF recommendations. The increased ability to address deficiencies in the ML/TF space will lead to long term improvements in FATF assessments indicating increased financial integrity, thereby improving the investment climate, and ultimately investment in the region.



Impact Area 2.2 SIBE gap assessment and capacity development in Member States on ML/TF has contributed to improvements in compliance

SIBE intervention summary

Impact level: Yellow

SIBE supported all 15 Member States with assessments of capacity gaps for compliance with FATF recommendations. The Member States also received tailored capacity support to close the identified gaps, and this included peer learning from leader countries such as Mauritius. A colour-coded monitoring tool (SADC ML/TF Matrix) was put in place to track how Member States improve over time in six of the key FATF recommendations, termed the Big-6. Additional specific support was provided to the 6 Member States on the FATF grey list¹².

Immediate outcome

Gap identification allowed Member States to concretize the changes that were needed to become compliant, and capacity gaps in respect of these changes. It also provided a framework for them to request further assistance from SADC and others. The SADC ML/TF Matrix has been useful as it allows easy tracking of progress in priority areas

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- Assessments were completed and gaps identified in 15 Member States, with capacity provided in synergy with assistance from other partners to help address gaps e.g. cybercrime
- 2 Member States were capacitated to develop AML strategies; and to address Virtual Assets and Virtual Asset Service Providers. [Eswatini and Lesotho]
- Over the duration of the capacity building (2021 – 2024) 6 Member States showed a net improvement in at least 2 of the Big 6 FATF Recommendations – See Table 4

Enhanced capacity to address deficiencies in the ML/TF space, leading to improvements in FATF assessments

Enhanced financial integrity in the region, leading to an improved investment climate, and increased investment



AML/CFT Efforts in the region

At the outset SIBE implemented assessments to guide regional effort towards FATF AML/CFT compliance and worked closely with ESAAMLG which is the FATF style body responsible for assessments in 14 SADC countries, and Groupe d'Action contre le blanchiment d'Argent en Afrique Centrale (GABAC) responsible for the DRC. The assessments found that the level of technical compliance varied across countries, with support needed to ensure uniformity across the SADC region, and to capacitate poor performing countries. Poor performance across the 40 FATF Recommendations leads to grey listing, however certain recommendations are viewed as vital building blocks for a functional AML/CFT regime, regardless of the risk and context. These recommendations make up the “big six”, and a country rated as partially compliant or worse on 3 or more of these “big six” is at significant risk of being grey listed.

As of June 2022 none of the SADC Member States were listed on the FATF List of Countries with strategic AML deficiencies (i.e. grey listed)¹³, however 9 of 15 Member States were already rated as Non-Compliant or Partially Compliant on three or more of the big six: Angola; DRC; Eswatini; Madagascar; Mozambique; South Africa;

Tanzania; Lesotho; and Namibia¹⁴. The compliance of these countries against the full list of 40 recommendations was also low, as further illustrated below.

| Country | NC | PC | LC + C | LC + C (%) |
|------------------------------|----|----|--------|------------|
| Democratic Republic of Congo | 15 | 21 | 4 | 10.0% |
| Eswatini | 7 | 19 | 14 | 35.0% |
| Madagascar | 13 | 14 | 13 | 32.5% |
| Mozambique | 9 | 21 | 10 | 25.5% |
| South Africa | 5 | 15 | 20 | 50.0% |
| Tanzania | 9 | 17 | 14 | 35.0% |
| Angola | 15 | 21 | 4 | 10.0% |
| Lesotho | 13 | 14 | 13 | 32.5% |
| Namibia | 9 | 21 | 10 | 25.5% |

Table 3: SADC Member States with low AML/CFT compliance as at June 2022, %

Note: NC=Non-Compliant; PC=Partially Compliant; LC=Largely Compliant; C=Compliant

Source: Kazadi V., SADC Secretariat Report Reference: 003/STE/DFR, October 2022

⁸Developed in collaboration with the Official Monetary and Financial Institutions Forum (OMFIF)

⁹<https://cib.absa.africa/home/insights-and-events/absa-africa-financial-markets-index-2024/>

¹⁰The Absa Financial Markets Index Survey of 2024 was conducted between June and September 2024 \

¹¹These include FATF Recommendations R.3, R.5, R.6, R.10, R.11, and R.20. See Annex 3.

¹²FATF grey list has 6 countries (South Africa, Angola, Mozambique, Tanzania, Namibia and DRC) as at January 2025

¹³DRC, Mozambique and Tanzania were grey listed In October 2022, and South Africa in February 2023

SIBE recommended the creation of support structures/platforms for engagement and information sharing on ways to fast track the compliance status of those countries falling behind in specific areas of technical compliance and to address key constraints. There was also need to support implementation of important FATF Recommendations, risk-based approaches and guiding supervisory frameworks.

Coordination is also crucial for consistent implementation, particularly of risk based approaches. The AML committee as outlined in Annex 12 of the FIP was therefore operationalised. SADC also implemented activities to build the capacity of relevant regulators on AML/CFT/PF approaches, with a focus on facilitating country risk assessments, regional evidence, common approaches to applying the risk based approaches, and digitalisation.

Over the period that SIBE provided ML/FT capacity support, 9 Member States showed significant improvements in the Big-6 FATF recommendations, with 6 improving in at least 2 dimensions each (Table 4). These include the Democratic Republic of Congo (DRC) which improved across each of the big six, Tanzania which improved against 4, South Africa (3), Namibia (3), Mozambique (2) and Madagascar (2). As of February 2025, South Africa has largely addressed all the big six¹⁵.

| Member State | Report date | Big-6 FATF Recommendations | | | | | | # of areas improved |
|--------------|-------------|----------------------------|-------------------|-----|---------------------|------|------|---------------------|
| | | R.3 | R.5 | R.6 | R.10 | R.11 | R.20 | |
| DRC | Apr/23 | C | PC | PC | PC | LC | C | 6 |
| DRC | Apr/21 | PC | NC | NC | NC | PC | PC | |
| Madagascar | Apr/24 | LC | PC | NC | LC | C | LC | 2 |
| Madagascar | Dec/20 | LC | PC | NC | NC | PC | LC | |
| Malawi | Apr/24 | C | PC | LC | LC | C | LC | 1 |
| Malawi | Sep/19 | PC | PC | LC | LC | C | LC | |
| Mozambique | Jul/23 | PC | PC | PC | PC | LC | C | 2 |
| Mozambique | Jun/21 | PC | PC | NC | PC | LC | PC | |
| Namibia | Apr/24 | LC | C | LC | LC | LC | C | 3 |
| Namibia | Jan/23 | LC | PC | PC | LC | LC | PC | |
| Seychelles | Apr/24 | LC | LC | PC | LC | C | C | 1 |
| Seychelles | Sep/21 | LC | PC | PC | LC | C | C | |
| South Africa | Nov/24 | LC | C | LC | LC | LC | LC | 3 |
| South Africa | Oct/21 | LC | PC | NC | PC | LC | LC | |
| Tanzania | Sep/23 | C | LC | PC | LC | LC | LC | 4 |
| Tanzania | Jun/21 | PC | PC | NC | PC | LC | LC | |
| Zambia | Sep/23 | C | PC | PC | LC | LC | C | 0 |
| Zambia | Jun/19 | C | LC | PC | PC | LC | C | |
| | | | | | | | | 22 |
| Key: | | C | Compliant | PC | Partially compliant | | | |
| | | LC | Largely compliant | NC | Non-compliant | | | |

Table 4: Improvements on Big-6 FATF Recommendations in SADC Member States during SIBE

Source: FATF, last updated 23 Dec 2024. Available at and

<https://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-ratings.html>

The Big-6 FATF Recommendations are further explained in Annex 3.

“The support SIBE provided to strengthen our AML/CFT effort has helped us to address various concerns particularly on virtual assets and virtual providers”.

Lesotho policy maker at a financial inclusion forum

Impact Stories

AML/CFT/PF Technical Compliance in Mauritius

SIBE has supported Mauritius’ policy alignment and technical compliance by facilitating an in-depth review of Mauritius’s implementation of FATF recommendations. This helped identify gaps and tailor reforms, especially around beneficial ownership transparency, proliferation financing, and sectoral risk assessments. The risk assessment guidelines and supervisory frameworks developed under SIBE are enabling Mauritius to better manage and mitigate ML/TF risks. The technical compliance (TC) tracking tool is improving Mauritius’s ability to monitor FATF recommendation implementation and track national progress. Workshops on Proliferation Financing (PF) and Trade-Based Money Laundering (TBML) have enhanced institutional awareness and capacity.

SIBE provided technical guidance that informed the development of risk-based supervisory approaches and national AML/CFT strategies in Mauritius. The country benefitted from sessions on beneficial ownership registration and asset recovery frameworks, leading to discussions on legal reforms and improved inter-agency collaboration. Encouragement for the operationalisation of AML/CFT committees with clear terms of reference has advanced dialogue within the Ministry of Finance and other key stakeholders.

Sharing experiences from countries like Seychelles, Botswana, and Zambia on overcoming grey listing challenges provided Mauritius with practical strategies to enhance national coordination and legal reforms. Through the regional FATF compliance assessment process, Mauritius engaged with other Member States, fostering a unified understanding of technical challenges and effective implementation measures. The capacity building programme designed under SIBE aligns with ESAAMLG frameworks and promotes peer-to-peer support and experience sharing. Mauritius collaborated on sectoral risk assessments for gambling and proliferation financing, benefiting from technical input and cross-country expertise. - *Mauritius financial sector survey respondent, April 2025*

Awareness and sensitisation around ML and FT issues in Angola

SIBE facilitated cooperation between Angola and Zambia, through the implementation of study-visits and the updating of an information exchange memorandum with results within the scope of ESAAMLG. SIBE initiatives have also contributed to greater awareness and sensitization on matters of combating ML-FT, to the relevant authorities and also to the public. SIBE is also helping to reinforce implementation of Angolan policies in the area of AML/CFT.

As regards regional integration, Angola will be hosting the 3rd meeting of the SADC AML-CFT Committee on 26 – 27 June 2025. This will help to strengthen Angola’s integration into the region by strengthening the fight against money laundering and financing of terrorism and proliferation, and raise awareness among public and private institutions. - *Angola financial sector survey respondent, April 2025*

¹⁴ Kazadi V., *Consultancy to assess the level of risk to the implementation of the FATF Recommendations to ensure effective and proportionate measures against ML, TF and PF in the SADC region are commensurate with ML/TF risks. Final Report, Report Reference: 003/STE/DFR, October 2022.*

¹⁵ https://www.treasury.gov.za/comm_media/press/2025/2025022101%20Media%20Statement%20-%20FATF%20Greylisting%20Progress%20Update%20for%20South%20Africa.pdf

3.2.3 Elevation of Money Laundering and Terrorism Finance issues in SADC

The Review of the SADC Finance and Investment Protocol (FIP) completed in 2022 built capacity and awareness in regard to the FIP, including the importance of implementing its Annex 12, i.e. operationalising the SADC AML Committee. This outcome together with the grey listing of several SADC Member States by FATF highlighted the need for elevation of ML/TF issues, leading to the operationalisation of the committee. Operationalisation of the committee will lead to enhanced and sustainable SADC level focus on ML/TF issues, and ultimately enhanced financial integrity, improved investment climate, and increased investments in the region.

Impact Area 2.3 Review of the implementation progress and relevance of the FIP protocol contributed to the elevation of ML/TF a SADC priority

SIBE intervention summary

Impact level: Green

SIBE supported an assessment of the implementation status and ongoing relevance of the SADC Protocol on Finance and Investment (FIP). The review was completed in 2022, and in parallel with the grey listing of members by FATF highlighted the need for prioritisation of ML/TF issues in SADC. This led to the operationalisation of the AML/CFT Committee as was originally provided for under the FIP Annex 12.

Immediate outcome

The FIP review built capacity and awareness of Member States in regard to the FIP, paving the way for review of Annex 12. The SADC AML/CFT Committee was consequently operationalised to enable increased focus and harmonisation on ML/TF issues in SADC. ML/TF issues has also been prioritised in Member States, and in various other SADC substructures

Evidence / KPIs

- The inaugural AML/CFT Committee meeting was held on 21-23 February 2024 in Johannesburg, South Africa¹⁶, and among its aims is to harmonise AML/CFT policies, laws and regulatory practices in SADC, in line with international standards and FATF recommendations. It also aims to develop sustainability pathways for related activities e.g. financing of capacity building activities
- Engagements that raised awareness of the FIP were held in 15 Member States, addressing previously low levels of Member State engagement with the instrument brought about by staff changes in Member States.

Enhanced SADC level focus and coordination on ML/TF issues will lead to improved FATF assessments

Anticipated medium term outcome

Anticipated long term impact

Enhanced financial integrity in SADC, improved investment climate, and increased investment

¹⁶ <https://www.sadc.int/latest-news/sadc-fortifies-region-against-money-laundering-and-terrorism-financing>

“SIBE re-emphasised the importance of AML/CFT in regional integration and cooperation. It was also important in helping the region establish the AML Committee. We can now collaborate across the region much more effectively”.

SADC official

3.2.4 Renewal of SADC Payments platforms

SIBE support for the renewal of the regional payments systems was based on a plan adopted at a sector conference in Namibia in 2023, also in part supported by SIBE. The support has contributed to the renewal of the SADC Real-time Gross Settlement (RTGS) payments platform, increasing its relevance and usage. SIBE has also contributed to facilitating participation of non-bank institutions in RTGS (microfinance institutions and stock exchanges), and to harmonising the payments environment in SADC. This is already seeing increased uptake of RTGS services, while SADC is on track to meet ISO20022 deadline of November 2025.



Impact Area 2.4 SIBE support has contributed to the renewal of the regional payments platforms, leading to increased relevance and usage

SIBE intervention summary

Impact level: Yellow

SIBE has provided technical capacity to support the renewal of the RTGS payments platform to increase its relevance and usage, and to future proof the platform. Support included the seminal SADC Payment Systems Annual Regional Conference in Namibia in February 2023 that outlined the long term plan. SIBE subsequently deployed an expert to support the renewal, and has funded studies that are facilitating the participation of non-bank institutions in RTGS. SIBE also supported the harmonisation of national Balance of Payments / International Investment Position (BOP/IIP) formats to promote comparability and static treatment of balance of payment transactions. Support via SWIFT resulted in development of national ISO20022 migration roadmaps, a critical aspect for international compliance and to enable AML controls through more structured and standardized data. A further data analytics study with the Bank for International Settlements (BIS) will allow improved tracking and benchmarking.

Immediate outcome

SADC RTGS has seen increased uptake with the renewal process, and non-bank players are anticipated to join the platform (currently exclusively banks) in the coming months. SADC countries are on track to meet ISO20022 deadline of November 2025, which will also enhance increased availability of data and statistics.

Evidence / KPIs

- Seminal SADC Payment Systems Annual Regional Conference¹⁷ in Namibia in Feb 2023
- Average number of RTGS transactions per day doubled between Jan 2021 and July2024: [1,223 / R 4.97 billion to 2,330 / R 9.55 billion]
- RTGS platform nearing ready to admit Non-Bank Financial Institutions
- 9 Member States including the Common Monetary Area (CMA) countries have adopted the SADC Harmonised code and exchanged information on transfers in a uniform and standardized way, enabling improved statistics and increased use.
- All 15 Member State are on track to meet ISO 20022 migration deadline of November 2025.
- Duration of RTGS settlements has reduced from 3 days to 1 day, which will encourage usage, and increased circulation of money in countries with high inbound transactions.

Anticipated medium term outcome

Increased usage of RTGS payments platform by both banks and non-banks will facilitate increased cross border capital flows, and cross border trade. It will also help to lower the cost of cross border remittances

Anticipated long term impact

Increased investment due to increased regional integration; ease of capital flows; and increased growth as a result of increased trade.

¹⁷ <https://www.sadc.int/latest-news/sadc-convenes-payment-systems-annual-regional-conference>

The SADC-Real Time Gross Settlement System

Launched in 2013, the SADC-Real Time Gross Settlement (RTGS) has been a SADC flagship project. The system plays a crucial role in promoting inclusive cross border payments, by helping address the cost, speed, access, and transparency of such transactions. A renewal programme for the platform was launched in June 2021 with the objectives of implementing a technology refresh on the 10-year old platform; increasing access for non-bank players; increasing cyber and operational resilience; facilitating ISO 20022 migration¹⁸; and to meet increasing customer demands¹⁹. The renewal programme that was strongly supported under SIBE aimed to promote competition, minimise risk, and widen the reach of digital services.

Addressing the exclusion of non-bank institutions in regional payments platforms has required infrastructural enhancements, and enabling regulatory reform at SADC level and in Member States. Such participation of non-bank players, and increased usage of the platform by all players are crucial to ensure the platform's relevance, and to lower per unit transactions costs. Access by non-bank players in regional payments platforms will help increase competition and innovation in retail payments. The RTGS renewal programme has also targeted multi-currency settlement, which lowers cost by eliminating the need to convert between currencies. The South African Rand is already available, while other currencies such as the Angolan Kwanza and the United States Dollar are being implemented.

As at September 2024, SADC-RTGS processed 142,413 monthly transactions to the value of ZAR 210 billion, with a total of 15 participating countries and 88 participating banks. With SIBE support, non-bank financial institutions are poised to become participants in the near future.



¹⁸ISO 20022 migration is a global initiative which aims to harmonize standards for the exchange of high-value payment messages. By November 2025 all messages, both sending and receiving must be based on ISO 20022.

¹⁹N Skenjana, *Modernisation of SADC RTGS – what lies ahead*, SADC RTGS Operator, SADC Payment Systems Annual Regional Conference 2022, 13 February 2023

Impact Stories

Impact on CCBG work on Regional payments infrastructure

SIBE has provided important support to the SADC CCBG Subcommittee on Payments particularly in regard to the ISO20022 migration project for the region, funding for the SWIFT Business Intelligence (BI) report, and the expert secondment for the SADC-RTGS renewal programme. SIBE also supported the subcommittee through the development of the updated SADC mobile money guidelines. The funding provided for ISO20022 migration programme will enable Member States' payment systems to remain integrated and relevant. - *CCBG Payments Subcommittee survey respondent, April 2025*

ISO20022 migration in Seychelles

A SIBE sponsored initiative which has had positive impact was the training workshops on SWIFT's ISO20022 migration. This contributed to the enhancement of staff's knowledge and understanding, as well as creating a platform for peer-to-peer exchanges between SADC member states on developing a migration plan and tackling challenges along the way. Moreover, the ISO20022 migration initiative ensured that Member States are adequately equipped and doing the necessary to migrate towards the new messaging standards. - *Bank of Seychelles impact survey respondent, April 2025*

Exchange controls in Namibia and Mozambique

In Namibia, the SIBE programme elaborated on the theoretical concepts underlying exchange controls which has assisted in "developing business friendly policies in the area of Exchange Controls". Stakeholders' understanding has expanded, helping to create "more fruitful deliberation on exchange control policies focus and direction". - *Namibia financial sector survey respondent, April 2025*

In Mozambique, there was SIBE impact in exchange rate policies, liberalization of the Capital Account Balance of Payments, and harmonization of classification codes for exchange rate transactions. Mozambique appreciated SIBE's financing of training, seminars and technical assistance, and found the "training in the interpretation of the exchange rate liberalization index - ECLI - most useful". The support enabled the country to prepare for the new Exchange Rate Liberalisation Index to be adopted in SADC region and to be better prepared for the implementation of the harmonization of Balance of Payments Codes at the SADC regional level.. - *Mozambique financial sector survey respondent, April 2025*

3.3 Key Result Area 3: Financial Inclusion

The focus of KRA 3 focus is enhanced financial inclusion, which supports inclusive growth, economic participation of all citizens, and access to finance for SMEs. Activities under this Result Area assisted in the development of National Financial Inclusion Strategies and data; harmonisation and capacity building; and the monitoring of progress on financial inclusion in the region. Five areas of impact were identified in this Result Area as follows:

- National financial inclusion policy and data frameworks were supported, strengthened and aligned to a regional standard, promoting best practices and regional convergence
- Regional Consumer Protection guidelines were developed and adopted, and are helping Member States to align and strengthen their national consumer protection frameworks
- Stock Exchanges were provided with benchmarks, capacity and awareness to better serve SMEs, leading to increased interest to review listing requirements to accommodate SMEs in the stock markets
- An online Application was launched in partnership with Stock exchanges to provide youth with simulation experience and relevant information to increase their interest in participating on the stock markets
- Updated Mobile Money Guidelines and related capacity support to Member States is helping to encourage the latest best practices in the digital space

3.3.1 Alignment of National Financial Inclusion Frameworks and Practice

SIBE has supported the development of the Regional Strategy for Financial Inclusion and SMEs Access to Finance 2023 – 2028, several national financial inclusion strategies, and collection and use of both supply and demand side data to support evidence based policy making. This has helped to align frameworks and practices in the region to a SADC level best practice. The convergence also includes prioritisation at national level of issues identified as being important at the regional level, as well as common data standards, wider use of benchmarking, and governance platforms. The work is supporting regional integration of financial markets, and economic participation of all citizens. The developed strategies will also in the longer term lead to increased intermediation and resource mobilisation, and inclusive growth.

Impact Area 3.1 Support to update national financial inclusion policy and data frameworks is promoting best practices and regional convergence

SIBE intervention summary

Impact level: Green

SIBE supported the development of the Regional Strategy for Financial Inclusion and SMEs Access to Finance 2023 – 2028, to promote economic participation of vulnerable citizens, enhance access to finance for SMEs, and support regional integration and industrialisation. SIBE also helped to develop aligned national strategies in several Member States, and the increased collection and availability of supply and demand side data to support evidence based policy making.

Immediate outcome

SIBE support has enabled alignment of national financial inclusion frameworks, related governance mechanisms, and the reform agenda. Up-to-date financial inclusion data using the FinScope methodology has helped to align on a common methodology, and is underpinning improved common practices such as evidence based policy, regular M&E data collection, tracking of progress, and wider use of country benchmarking

Evidence / KPIs

- 1 Regional and 7 National Financial Inclusion Strategies (NFIS) were developed and aligned
 - Regional Strategy for Financial Inclusion and SMEs Access to Finance 2023 – 2028
 - Angola National Financial Inclusion Strategy 2024 - 2028
 - Botswana National Financial Inclusion Strategy and Roadmap: 2024- 2030
 - Eswatini National Financial Inclusion Strategy II 2023-2028
 - Lesotho National Financial Inclusion Strategy 2024–2028
 - National Financial Inclusion Strategy of Madagascar NFIS 2024-2028
 - Malawi National Strategy for Financial Inclusion III 2024 - 2028
 - Namibia Financial Sector Transformation Strategy 2024 – 2034 (includes National Financial Inclusion Strategy)
- 4 Member State have up-to-date demand side data based on FinScope methodology
 - FinScope Consumer Survey Malawi 2023
 - FinScope Micro, Small and Medium Enterprise (MSME) Eswatini 2023
 - FinScope MSME Lesotho 2023
 - FinScope MSME Botswana 2024
 - SADC M&E Data Portal in final testing; 15 Member State submitting M&E data at least annually
- Data availability to catalyse new initiatives e.g. USD 80 million MSME fund in Malawi, Angola National FI committee chaired by the President

Anticipated medium term outcome

Improved regional financial sector integration; adoption of best practices; and increased intermediation of funds

Anticipated long term impact

Increased regional integration; and Inclusive growth through financing of MSMEs and wider economic participation of vulnerable segments

SADC Strategy on Financial Inclusion and SMEs Access to Finance 2023-2028

A regional strategy for financial inclusion and SME access to finance developed under the SIBE programme was approved by the SADC Council of Ministers of Finance and Investments in August 2023. The strategy highlighted that the level of financial inclusion in SADC continues to increase, and as of 2021 an estimated 70% of adults had access to financial services. Nevertheless significant gaps remain, and considerable variation between Member States. These gaps are most significant among rural populations, youth, women and vulnerable segments such as people with disabilities, and forcibly displaced persons.

A further challenge to be addressed is the translation of financial inclusion access to usage, and ultimately to impact on people's lives. Usage of financial services should result in inclusive and sustainable growth, and improved livelihoods. The strategy therefore aligns to regional goals outlined in the SADC Industrialization Strategy and Roadmap 2015 – 2063, and the United Nations Sustainable Development Goals.

An important finding was that while progress was made in implementing various activities as planned in 2016 (71% of activities outlined were in progress or had been completed), many of the more significant components only progressed due to funding under the SIBE programme. This underscores the positive and lasting impact of SIBE to the region's financial inclusion sector. Examples of such activities initiated and/or progressed under SIBE include:

- Establishment of the financial inclusion subcommittee, and its 4 Task teams to coordinate and guide financial inclusion activities in the region.
- Scaling of SADC RTGS and launch of the SADC Transactions Cleared on an Immediate Basis (TCIB) retail real time instant payments platform.
- Implementation of the 2016 Mobile money guidelines in Malawi, Lesotho, Zimbabwe, Eswatini and Botswana, and their renewal in 2024.
- Assessment of viable regional digital financial identification approaches.
- Prioritization of financial inclusion research and data collection, and development of national level strategies across SADC [Angola, Botswana, DRC, Eswatini, Lesotho, Madagascar, Malawi, and Mozambique].
- Establishment of a SADC financial inclusion portal.
- Harmonization of various regulations, e.g. AML/CFT, Balance of Payments reporting and consumer protection.

The strategy is an important instrument to guide Member States towards cohesive interventions under a common vision, with activities prioritised across four strategic areas: Harmonisation in support of regional objectives such as financial integrity, innovation and use of technology; Regional projects including the payments platforms; Support to Member States for example to develop and implement aligned national financial inclusion frameworks; and the creation of an enabling environment where stakeholders have adequate capacity including for data collection and evidence based policy making. These interventions support increased trade, investments, and inclusive growth in the region.

“The outcomes of the FinScope surveys were very useful to Malawi. They allowed us to review our policy interventions and to align them to our findings”

Malawi policy maker at a financial inclusion forum

“SIBE has invested a lot in helping us update the FinScope data. Many Member States had out of date data that made comparisons futile. The updated data is really useful for peer comparisons”

FI Subcommittee member at a SADC Forum



Impact Stories

New financial inclusion interventions in Zambia

Through the SMEs Access to Finance initiative, the SIBE Programme has facilitated policy discussions and stakeholder engagement to improve access to finance for SMEs. As a result, Zambia has been working on developing mechanisms to support SME financing, such as credit guarantee schemes to encourage lending to SMEs, and financial literacy programs. The Bank of Zambia (BoZ) in collaboration with stakeholders has also been working on expanding financial inclusion initiatives, including digital financial services and alternative lending mechanisms.

SIBE has promoted regional integration through financial sector reforms in Zambia to improve cross-border transactions and trade financing. Efforts to expand digital financial services (e.g., mobile money and fintech innovations) are helping Zambia to align with regional financial inclusion goals, and to collaborate with regional payment systems. - *Zambia financial sector survey respondent, April 2025*

Improved inclusion dialogue in Malawi

Malawi has benefited from the support provided to implement the Malawi FinScope consumer Survey Report of 2023, and the National Strategy for Financial Inclusion. Through these tools, government and the private sector are able to make informed decision regarding interventions to improve financial inclusion. - *Malawi financial sector survey respondent, April 2025*

Improving financial inclusion data practices in Mozambique

Mozambique participated in regional trainings and contributed national data to the development of the SADC financial inclusion data portal. These initiatives fostered knowledge sharing and laid the technical foundation for progress tracking and regional integration. The training on the SADC Financial Inclusion Data Portal, held in Swakopmund, Namibia, from 25 to 27 March 2024, was particularly useful, promoting conceptual harmonization and technical dialogue between countries. The articulation of the regional data portal is also noteworthy, although it is not yet operational.

The knowledge acquired in the training is being used to reinforce the analysis of data on access to financial services at the Bank of Mozambique.

SIBE is contributing to regional integration through methodological and technical alignment among SADC member countries, especially in the area of financial inclusion indicators. The harmonization promoted by technical training brings countries closer to regional standards. - *Mozambique financial sector survey respondent, April 2025*

Impact Stories

Operational improvements in Development Finance Institutions in Namibia

The SIBE supported benchmarking for regional Development Finance Institutions (DFIs) is guiding the Development Bank of Namibia (DBN) in designing and implementing a risk-based pricing model and an automated credit risk scoring matrix. The initiative aims to improve operational efficiency through process optimisation, secure automation, and digitalisation, while strengthening risk management.

SIBE has been “an eye-opener for Namibia, offering valuable insight into improving DBN’s lending and loan monitoring practices”. Through continuous benchmarking with regional DFIs, DBN is focusing on earlier interventions for high-risk clients to improve loan book performance. Additionally, DBN is prioritising the use of IT systems to implement an automated credit risk assessment matrix, enhancing oversight and supporting faster, more informed decisions.

SIBE has also influenced the Bank’s strategic focus over the next four years to zoom into sectors, projects, and businesses of national interest, particularly those that stimulate socio-economic development in underserved and underdeveloped regions. The programme has also prompted DBN to re-evaluate its development impact matrix on a continuous basis to ensure it remains aligned with national priorities and delivers measurable developmental outcomes.

These initiatives support SIBE’s broader goals of promoting access to finance, inclusive growth, and an investment-friendly environment. SIBE has helped Namibia to align more closely with regional standards by exposing DBN to best practices from other DFIs through benchmarking, aimed at promoting greater regional integration and readiness for cross-border collaboration within the SADC region. - *Development Finance Institution survey respondent from Zambia, April 2025.*

3.3.2 Regional Consumer Protection Guidelines

Development of Regional financial Consumer Protection Guidelines was identified by SADC as a priority area to help Member States to address existing low levels of trust in the formal financial sector. Lack of trust inhibits financial inclusion and SMEs access to finance. Member States have started to align their consumer protection frameworks to the guideline which promotes best practices such as risk-based approaches to market conduct supervision. This will contribute to increased consumer trust in the formal financial services sector, and consequently increased financial inclusion of individuals and MSMEs, and inclusive growth.

²⁰ SADC Market Conduct & Financial Consumer Protection Guidelines, 2022, SADC

Impact Area 3.2 The development of Regional Consumer Protection Guidelines is helping Member States to align and to strengthen their national frameworks

SIBE intervention summary

Impact level: Yellow

SIBE supported the development of Regional Financial Consumer Protection Guidelines²⁰ as a priority area for Member State to implement harmonised best practices. Existing frameworks in the region are fragmented, spread across different regulatory authorities, and sometimes outdated. Addressing this area was crucial given the existing low level of trust in the formal financial sector that inhibits financial inclusion and SMEs access to finance. SIBE identified the need for increased transparency and fair practices, and for regulators to address emerging risks associated with digital technologies such as cybercrime, data protection and over indebtedness. The guidelines propose an update to the practices in line with a risk-based approach to market conduct supervision.

Immediate outcome

The regional guideline was adopted by SADC, and Member States have started to align their local consumer protection frameworks as their respective frameworks become due for renewal, enabling the adoption of best practices

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- Regional guidelines adopted by SADC
- 2 Member States have updated their consumer protection laws to align to the new regional framework [Eswatini, Lesotho]

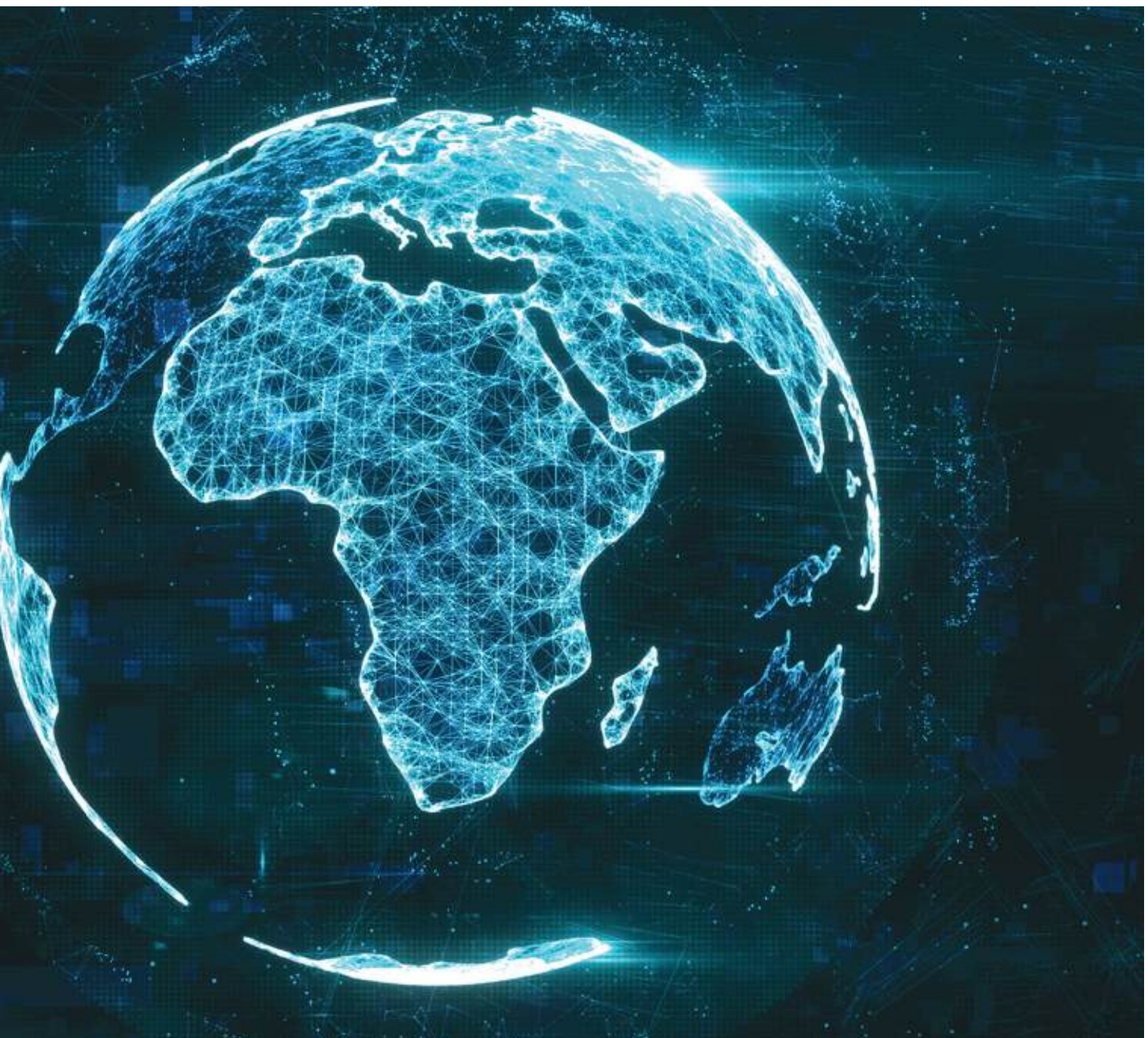
Enhanced financial consumer protection;
Increased consumer trust in the formal financial services sector; Increased uptake of financial services by individuals and MSMEs.

Increased intermediation of funds; Inclusive growth.



3.3.3 Stock Exchanges' capacity to serve SMEs

SIBE implemented several studies to enhance SADC Stock Exchanges' ability to serve SMEs. Following an initial assessment of trading rules and type of products available for SMEs on the Exchanges, SIBE provided capacity support to raise awareness and to explore ways to make stock markets more accessible to SMEs. A Model law was also developed. This has led to increased interest by Stock Exchanges to review their listing requirements, which should translate into the relaxation of SME listing conditions across exchanges, launch of new products, SMEs' participation in stock exchanges, and ultimately a new source of financing for entrepreneurs. This project was implemented in synergy with the African Development Bank's (AfDB) Macroeconomic Stability and Financial Integration (MSFI) Project, and its outcomes strengthen those of the MSFI (See Section 3.4.2).



Impact Area 3.3 SIBE support to Stock Exchanges is leading to increased interest to review listing requirements to accommodate SMEs in the stock markets

SIBE intervention summary

Impact level: Yellow

SIBE supported an assessment of trading rules and type of products available for SMEs in SADC Stock Exchanges, and provided capacity support to explore challenges to wider participation of SMEs, raise awareness on best practices, and to identify ways that individual Exchanges could enhance participation of SMEs. SIBE brought together the key players led by Committee of SADC Stock Exchanges (CoSSE), and through the Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA) developed a Model Law²¹ to make SME listing more flexible. This initiative is in synergy with a number of other initiatives. It helped to support and amplify the impact of AfDB's MSFI project aimed at interconnectivity and integration of stock exchanges in the region. It also worked in synergy with the Financial Sector Deepening (FSD) Africa's work on developing green finance products in the SADC region, and the development of SADC guidelines for sustainable bonds. Lastly it supported another SIBE project which aims to develop Environmental, Social and Governance Bonds and Carbon Markets in the SADC region.

Immediate outcome

Stock exchanges increased their awareness and capacity to serve SMEs – through direct capacity building, availability of resources and materials, and peer exchange. Barriers and best practices were identified, leading to interest review SME listing requirements

Evidence / KPIs

- Feedback given by participants at a major capacity building workshop to share findings on the issue indicated that Member States were keen to explore flexible listing requirements for SMEs in their exchanges:
- 76% of delegates intend to implement the strategies discussed, while 92% identified specific areas that they wish to replicate²²
- The Financial Securities Exchange Limited (FINSEC) – a private entity registered with Securities and Exchange Commission of Zimbabwe – was identified as an SME Funding platform for benchmarking.
- The capacity building activities related to SMEs listing was in synergy with several projects, and supported work under the Macroeconomic Stability and Financial Integration (MSFI) Project (see section 3.4.2).

Anticipated medium term outcome

Reforms to relax SME listing conditions and launch of new products, increasing SMEs participation in stock exchanges.

Anticipated long term impact

Increased availability of finance for investment by entrepreneurs, fuelling inclusive growth

²¹ Model Law for SME Access to Finance

²² Chirume AD, Consultancy to build capacity of SADC Stock Exchanges In developing products for SMEs' participation In Capital Markets: Validation Workshop Report on Capacity Building, 28 October, 2023, Report Reference: 005/STE/VWR.

SADC Stock Exchange Capacity to serve SMEs

SMEs help drive growth, competition, and job creation, but they often lack access to capital. Securing business loans is onerous, but wider sources of capital are also generally needed if SMEs are to achieve their full potential. SMEs participation in the region's capital markets is therefore very important for a balanced and fast growing economy. Their participation in turn supports the development of capital markets, an objective that is highlighted in the SADC Protocol on Finance and Investment (FIP).

SIBE commissioned research on hindrances to SMEs access to capital markets in the region. The Study found that although Member States have the necessary capital market products and a majority have established SME Boards, only a few Member States had SMEs listed on the SME Boards (South Africa, Mauritius and Zimbabwe). Recommendations made highlight the need for each Member State to have an SME exchange, with reduced regulatory and cost burden for SMEs, and simplified regulations that make it easier to access stock exchange listings. Supporting actions are also essential, such as establishing public-private investment alternatives prior to listing to prepare SMEs for capital markets, establishing national credit database/rating schemes, financial literacy and investment culture, and making available public incentives, and environmental, social and governance (ESG) products which are becoming increasingly important.

3.3.4 Participation of young people in stock markets

SIBE in conjunction with the Committee of SADC Stock Exchanges (CoSSE) conducted an assessment of the barriers preventing youth from participating in capital markets. To address the identified challenges such as lack of awareness and financial literacy, the Smart Youth Platform was developed. This is an App through which youth could simulate trading and get information about stock markets. The app also links any youth interested to start trading with their national stock exchanges who in turn have started to consider lower denomination products to increase affordability by the youth. Through the platform, young people in SADC will be encouraged to participate in stock markets, leading to wider economic participation for a critical market segment, and increased availability of finance for investment.



Impact Area 3.4 An Online App developed to provide youth with information and simulated trade will help increase their interest to trade on stock markets

SIBE intervention summary

Impact level: Grey

SIBE in conjunction with CoSSE conducted an assessment of the barriers preventing youth from participating in capital markets. Key challenges such as low awareness and lack of adequate financial literacy were identified, and strategies developed to address these through wider availability of information and to increase exposure of youth to capital markets. This resulted in the development of the Smart Youth Platform, an App through which youth engage with capital markets through simulated experience. The App was registered with Google and piloted by the Botswana Stock Exchange (BSE). It was launched in June 2024

Immediate outcome

Stock exchanges became interested in attracting youth, and participated in the development and launch of the App which combines an information hub with a simulation platform. A further outcome (unintended) has been that member Exchanges recognized affordability as a key challenge for youth, and are now developing plans to allow progressive (bite-size) investment

Anticipated medium term outcome

Anticipated long term impact

Evidence / KPIs

- Smart Youth Platform was registered with Google, piloted by the Botswana Stock Exchange, and launched in June 2024
- At least 2 Member States are considering smaller denomination investments [Angola, Zimbabwe]
- Stock exchanges expressed interest in having the App linked with their own Stock Exchange Apps for actual trading. This was not possible due to trading rules and related cross border barriers. The App was therefore modified to link youth who are interested in trading to their respective national stock exchanges.

Young people in SADC are encouraged to participate in stock markets, increasing the inclusiveness of stock markets

Economic inclusion of youth; Availability of finance for investment by SMEs; Inclusive growth

3.3.5 Capacity to deploy digital technology for financial inclusion

SIBE supported SADC to review the Mobile Money Guidelines of 2016, updating them and providing related technical capacity in digital technology, particularly in the areas of inter-sectoral collaboration, data privacy, consumer protection, cybersecurity, and others. Member States in parallel also received capacity support on financial technology. The support will encourage increased and responsible use of digital technologies in the region to enhance innovation, financial inclusion of MSMEs and individuals, and intermediation of funds, leading to inclusive growth and job creation.

Impact Area 3.5 The Mobile Money Guidelines and the related capacity support is helping to encourage the latest best practices in the digital space

SIBE intervention summary

Impact level: Grey

SIBE supported SADC to review the 2016 Mobile Money Guidelines, and provided related capacity building for Member States. The 2016 guidelines had become dated, and since adoption in 2016 had gained limited traction in terms of adoption by Member States as they were deemed to be out of date. The updated mobile money guidelines promote the latest best practices in digital technology, including inter-sectoral collaboration, data privacy, consumer protection, distribution of interest earned on trust accounts, ML/TF and cybersecurity. SIBE in parallel also capacitated Member State on financial technology, in areas such as crypto assets, digital ledger technologies and cyber security. Combined, this work will encourage further uptake and responsible use of digital technologies in the region.

Immediate outcome

Stakeholders increased their capacity on the latest best practices in the digital space, while revised mobile money guidelines will help them to assess areas of improvement to accelerate digital transformation

Evidence / KPIs

- Capacity building activities held in 15 countries
- Revised SADC Mobile Money Guidelines were adopted at the SADC Committee of Central Bank Governors' meeting in September 2024
- The revised mechanisms for distribution of interest from mobile money trust accounts was incorporated into Lesotho NFIS 2024 - 2028

Anticipated medium term outcome

The Revised Mobile Money Guidelines will help update national legal and regulatory frameworks; support adoption of best practices, and increased and responsible use of digital technology.

Anticipated long term impact

Increased innovation and financial inclusion of MSMEs and individuals, leading to inclusive growth and job creation

Impact Stories

SIBE impact on E-Money Regulations in Seychelles

When preparing the policy paper for its E-Money Regulations, the Central Bank of Seychelles considered the updated SADC Mobile Money Guidelines. The Regulations were enacted in 2022 and have since then been instrumental in guiding licensees and prospective applicants on the minimum requirements in terms of capital, liquidity, internal controls and information systems, amongst others. The regulations also cover matters of risks, transaction limits and reporting as well as appropriate safeguards of funds stored on e-wallets. The framework is enabling enhanced development within the Seychelles' payments landscape and financial inclusion. It aligns with the country's digital economy and cash-lite agenda.

The support has contributed to greater regional alignment and integration. The SADC Mobile Money Guidelines ensure that mobile money framework/policy across SADC member states are aligned.

Bank of Seychelles impact survey respondent, April 2025

3.4 Key Result Area 4: Cross-cutting Learnings

The SIBE Programme was carefully managed so that 98 percent of planned activities were completed by the end of the programme in January 2025. Valuable lessons were learnt through the implementation process, and these are summarised as follows:

- Due to COVID-19 related challenges, SIBE was almost entirely reliant on SADC based experts, resulting in significant cost savings due to reduced travel, however this also shortened learning curves and yielded context sensitive recommendations
- By working with International Cooperation Partners (ICPs) and encouraging Member State or partner co-funding on project activities, SIBE demonstrated that resource blending with other large programmes and with Member States can help increase joint impact, providing adequate planning time is allowed
- The SIBE implementing partnership combined a diverse range of skills, expertise, and regional and international presence, which enabled quick project mobilisation and leveraging of existing technical and institutional linkages, translating to cost and time efficiency
- The complexity of SIBE in ensuring ongoing activity relevance, equitable budget utilisation across categories, and to meet prefunding commitments mean that a good forecast should be maintained, to ensure partners meet their obligations
- SIBE interventions had well-defined timeframes, however impact often requires continuity of effort, necessitating a careful plan on how activities with carry over portions are supported beyond the programme intervention date

3.4.1 Efficiency gains from using SADC Based Experts

COVID-19 challenges severely restricted travel across international borders at the beginning of SIBE implementation, with many international consultants becoming reluctant to travel. Thus although procurement was open to all African, Caribbean and Pacific (ACP) countries, the situation resulted in SADC based experts being used more extensively than was intended, to implement the programme. An unintended outcome of this was that there were significant savings on travel, while SIBE benefitted from the experts' local knowledge and quicker learning curves. Future programmes, where not otherwise restricted, should consider prioritising locally based experts to increase value for money.



Impact Area 4.1 SIBE utilised SADC based experts, resulting in significant travel cost savings, quicker learning curves, and relevant recommendations

SIBE intervention summary

Impact level: Grey

The SIBE – EU contract signed in 2019 specified that programme consultants should be sourced from ACP countries through a competitive process. However at commencement of activity implementation in October 2020 – January 2021 the COVID-19 pandemic had severely restricted travel across borders, and in other instances required onerous Covid-19 tests. There were also various border closures implemented globally. In response, an extensive local database of experts was developed by the SIBE implementing partners.

During programme implementation in this phase and in the following phases, SIBE issued advertisements that called for consultants from all ACP countries to respond to Terms of References for Programme activities. However given the above mentioned environment, and the extensive network of consultants created, a majority of the experts that responded to the Terms of reference requirements came from the SADC region.

An unintended consequence of this was that the programme ended up having a high proportion of Experts from SADC countries compared to non-residents. Most of the experts were hired to work on projects in their countries of residence, and sometimes in neighbouring countries within the region. This resulted in significant travel cost savings that were repurposed for programme activities. SIBE also benefitted from the consultants' local context, knowledge and networks. This approach also enabled SIBE to offer a unique opportunity to expose local experts to international work.

Immediate outcome

By using SADC based consultants, there were significant savings as the travel duration and cost of travel tickets was lower than for international consultants. Local consultants working in their own countries also did not require travelling as often as those from abroad. Increased use of SADC based experts provided SIBE with quicker learning curves, and in many cases context sensitive recommendations

Lesson Learnt

Implication

Evidence / KPIs

- Although SIBE procurement was open to all ACP countries, of the 85 short term experts that were hired (as at July 2024), a total of 79 were SADC residents, mainly as a result of Covid-19²³: Of these 79, only 2 had their contracts terminated for cause (slow progress), while 8 Experts did 2 or 3 assignments based on good performance
- The Investment Scorecard project required extensive travel to all 15 Member State and was difficult to implement with international experts due to budget constraints; SADC based experts easily accessed local government and private sector offices to collect the necessary information in their respective official languages
- There were substantial travel cost savings as a result of shorter durations of travel and lower costs related to local SADC travel, while SIBE benefitted from consultants' local context, knowledge and networks

Use of local experts achieved higher efficiency due to reduced travel, and can be more effective

Future programmes, where viable, could prioritise locally based consultants

3.4.2 Efficiency and Sustainability through Resource Blending

SIBE effectiveness in managing large projects was clearly demonstrated by its ability to blend resources, including with International Cooperation Partners (ICPs) and with Member States. SIBE in some instances facilitated co-financing from partners or Member States, and in other cases worked in close synergy with other large projects to deploy resources towards common objectives. This has helped to increase the impact of SIBE, and self-sufficiency of Member states. The key lesson is that by allowing adequate cooperation space and alignment in planning, especially in terms of budget and result cycles, partners and Member States can coordinate and co-finance activities. This improves programme impact, sustainability and efficiency.

“The project helped Member states to lobby their counterparts to allocate national resources to data collection, instead of exclusively depending on donors.”

FMT staff member



²³ Non-resident experts included four consultants from East African Community, and two from Europe

Impact Area 4.2 SIBE demonstrated that through adequate planning and working closely with ICPs and Member States, effective resource blending can be achieved

SIBE intervention summary

Impact level: Green

Due to limited budget, SIBE required financial contribution from partners or Member States to implement certain project components. The SIBE components that required cash or in-kind contributions by Member States and their partners include demand side data collection (FinScope), development of NAPIs, and validation of national studies completed under SIBE. This ensured that limited SIBE budget could achieve more by leveraging additional funds from Member States, but it also encouraged increased self-sufficiency in financing developmental activities.

In other instances SIBE worked closely with other large project partners (ICPs) towards common objectives. This included the SADC Investment Scorecard where leading international partners on this topic worked with SIBE to develop a scorecard for SADC the region (i.e. World Bank and OECD). SIBE also worked with the AfDB MSFI project towards common results on the interconnection of the region's capital markets (see further details below)

Immediate outcome

SIBE contributed to partner activities while Member States and partners also contributed resources to SIBE activities. Allowing adequate timelines was essential to match national and partner project and budget cycles.

Evidence / KPIs

- SIBE successfully supported the AfDB Macroeconomic Stability and Financial Integration (MSFI) Project to achieve its objectives, including the programme design, and an enabling environment and preparedness of stock exchanges for MSFI implementation (see below)
- SIBE was able to blend resources with the World Bank in the development of SADC Investment Climate Scorecard, attracting USD 200,000 from the World Bank which was used to pay for OECD consultants in a 3-way partnership
- By providing seed capital to Member States, SIBE was able to get them to approach many local public and private sector partners from within their jurisdictions to seek funding for FinScope studies. 4 Member States were successful:
 - FinScope Consumer Survey Malawi 2023
 - FinScope MSME Eswatini 2023
 - FinScope MSME Lesotho 2023
 - FinScope MSME Botswana 2024
- SIBE obtained financial and other support from the government of Mozambique and the GIZ in support of the 10 year celebration anniversary for the SADC-RTGS, in Maputo in November 2023
- SIBE successfully encouraged Member States to make additional in-country cost contributions, sourcing such funding from their existing budgets, or bringing on board local donors
 - The hosting of critical meetings – including all validation meetings for in-country activities – were carried by Member States including for 7 NFIS and 9 NAPIs
 - 3 investment policy design processes were funded by Member States

Lesson Learnt

Effective resource blending is possible if Member States and ICPs are engaged in time to allow planning and matching of budget cycles

Implication

Sustainability and efficiency can be improved through resource blending and co-financing if partners and project beneficiaries are engaged in a timely manner

Synergy with the Macroeconomic Stability and Financial Integration Project

The Macroeconomic Stability and Financial Integration (MSFI) Project is an AfDB regional initiative running from 2022 to 2026. The project is designed to enhance SADC region's capability to implement macroeconomic convergence and financial integration programmes, in two areas: macroeconomic stability and convergence, and the development of integrated financial markets. SIBE programme cooperated most closely with AfDB on this second objective, particularly on the following components:

- Operationalisation of the interconnectivity of stock exchanges through the hub and spoke platform
- Harmonisation of listing requirements
- Development of a framework for reporting on sustainability and inclusion

Adopting an approach that successfully blended resources and results from across the two programmes, teams from both projects planned and sequenced their activities to avoid duplication, with SIBE results feeding into MSFI. As an example, findings from the studies to "assess trading rules and type of products available in the region in order to develop products for SMEs to participate in the capital markets" and "assessment and diagnosis of SADC capital market architecture to define a baseline for harmonization of capital markets in the region" assisted during the conception phase of the MSFI Project.

Further support was provided towards the interconnection of stock exchanges and harmonisation of listing requirements, through SIBE effort towards harmonisation of the stock exchange legal and regulatory frameworks, and practices. All 14 Stock Exchanges members of CoSSE were also capacitated to enhance SMEs Access to Finance, and to explore the potential of a SADC regional commodity Exchange. The capacity building was further boosted with the development of a model law. These efforts helped raise awareness among the target beneficiaries, including the stock exchanges themselves but also other stakeholders at Member State level. The harmonisation and capacity efforts will ultimately enable the harmonisation and interconnectivity of the stock exchanges.

The SADC RTGS renewal has made it possible for the RTGS platform to be used by Non-Bank Financial Institutions, including stock exchanges. This provides important infrastructure to support integration of the capital financial markets. Through its interventions to renew regional RTGS payments platforms, and to support the migration to ISO 20022 by central banks, SIBE has made it possible to transmit electronic transactions more cost effectively further enabling this effort.

3.4.3 Efficiencies by Leveraging a Consortium with a diverse mix of skills and reach

The SIBE Support Consortium comprised of 3 entities with a regional and international presence, a wide range of existing skills, experience, networks and platforms. The consortium proved particularly effective in the way it leveraged the technical strengths of each member. Consortium members were also able to contribute existing linkages in various technical areas. This led to operational and technical synergies, and allowed the project to mobilise and move at speed, and cost-effectively. The key lesson learnt is that the selection of a consortium with such an existing wide mix of skills, presence and linkages can increase efficiency and effectiveness.

Impact Area 4.3 By combining existing consortium skills and linkages, SIBE was able to mobilise quickly and maximise cost and time efficiency

SIBE intervention summary

Impact level: Yellow

The SIBE implementation partner procurement process ultimately produced a successful bidder that comprised a consortium of 3 entities: FinMark Trust with a regional presence and financial sector experience as lead, GFA Consultants based in Germany as investment experts, and Southern Africa Trust based in South Africa as financial markets expert. The consortium has proven effective in the way it leveraged the strengths of each member, each contributing existing linkages and specialisation in various technical areas. This produced operational and technical advantages and synergies.

| Immediate outcome | Evidence / KPIs |
|---|--|
| <p>A consortium of 3 partners with a diverse mix of skills, presence and experience meant that their reach, existing relationships, available skills, and consultant networks were able to respond quickly to demands of the SIBE programme. This enabled the project to mobilise and move at speed. Consortium members leveraged existing technical and institutional linkages with SADC and other programmes, and platforms, faster than an external organisation could have done. This translated to cost efficiency and faster speed of implementation.</p> | <ul style="list-style-type: none"> • Consortium members utilised their institutional linkages within the SADC region to ensure SIBE delivered, being able to link with other institutions and ICPs in the SADC region to ensure SIBE was prioritised • FinMark contributed the FinScope platform expertise, which were mobilised quicker than would otherwise have been possible, and that were critical for data collection components of the programme • The Consortium developed a large pool of local consultants across a wide range of expertise within a short period of time • Consortium members increased their own capability to deal with similar, large projects in future, including credentials and existing pool of consultants with a track record. |
| Anticipated medium term outcome | Through the selection of a consortium with a wide mix of skills, presence and linkages, SIBE was able to mobilise quickly and implement efficiently |
| Anticipated long term impact | Consider prioritising consortium of organisations that combine geographic presence, existing institutional linkages, local networks and knowledge, and a diverse range of required skills |

3.4.4 Effectiveness through Proactive Budget Management

SIBE budget exhibited significant complexity given multiple project partners, budget categories, and pre-funding requirements. These all demanded careful management of budget lines and cash flows. The experience demonstrated that a good expenditure management and forecast process should be in place. The key learning is that the SADC Secretariat could bolster this area in future, especially with improved processes for expenditure approval.

Impact Area 4.4 The complexity of ensuring ongoing activity relevance, budget utilisation, and to meet prefunding agreements requires strong finance processes

SIBE intervention summary

Impact level: Grey

The SIBE budget is split between the SADC Secretariat and the Consortium; and across categories such as Long Term Experts, Short Term experts, Workshops, Travel and conferences, and Miscellaneous. The budget is also allocated per activity implemented. The budget allocation and utilisation across these different dimensions must each be managed carefully to ensure that all activities are completed, and that they are within budget. SADC and the Consortium additionally have to pre-fund a portion of the budget (20% of their total), which necessitates careful management of cash flows in the Consortium and at the Secretariat.

The Consortium were contracted for a set number of professional fee days for Expert assignments, while SADC had a separate budget for other activities such as workshops. SADC overspent its portion of the budget, thereby depleting part of the Consortium's professional fee budget. The challenge identified is that the SADC project approval procedure was not robust enough to stop budget over runs, as it lacked a requirement for the finance officer to pre-approve activities i.e. after confirming budget and cash flow availability.

Finance reconciliation against budget was only done at the end of the finance period, when it was too late to correct for any over runs.

Immediate outcome

As the project approached the end, discussions in regard to balances in various budget categories, budget utilisation, balance of activities and prefunding took a significant portion of management time. These discussions make it clear that processes should be improved to ensure proactive processes

Lesson Learnt

Implication

Evidence / KPIs

- The budget was well managed, however gaps in approval process led to budget overspend on the SADC related categories. Thus some Expert assignments could not proceed:
 - Consortium could only allocate 9094 of 10283 total contract days
 - Short Term Expert budget shortfall of USD 867,990
 - 2 STE assignments were cancelled (in part also caused by political unrest in Mozambique), while a few others were reduced in scope.
- Budget utilisation projected at the end of project was 94%, with corresponding activity completion rate of 98%

Current process where project managers seek senior management approval for activity implementation without finance office confirmation of budget and cash flow should be improved to require finance office approval before senior management approval

SADC Secretariat should revise internal procedures

3.4.5 Sustainability by Identifying Successor Programmes

With the SIBE programme nearing its end, the project team started to work on a plan to ensure carry through of key activities and interventions emanating from SIBE that needed to be carried forward. A sudden closure of activities without contingency plans could compromise the impact of some of these activities. A key learning is that such a succession plan should be prioritised in the Programme Closing Report.

Impact Area 4.5 SIBE interventions have well-defined timeframes but continuity of effort is needed for impact, necessitating careful carry-over plans for key activities

SIBE intervention summary

Impact level: Green

With the project end date nearing, there is need for a plans to be developed to ensure carry through of key activities and interventions emanating from the SIBE programme. This should ensure longer term sustainability. A sudden closure of the programme without successor programmes and contingency plans could compromise the impact of already invested funds in some areas.

Immediate outcome

Activities with a carry-over requirement beyond the programme closing date should be planned for.

Lesson Learnt

Implication

Evidence / KPIs

- A sustainability plan should be developed based on the inventory of activities that have carry over potential beyond programme:
- Where possible an existing successor programme should be identified²⁴, with a clear handover plan and documentation
- Where activities fit within the mandate of an existing institution, formal proposals should be made indicating how the activities should be adopted by the institution
- For the remaining open items, these should be documented and used as input for a fund-raising effort to potentially create a new successor programme(s)

An assessment of all activities with a carry-over potential should be made as part of the Closing Report, with adequate plans based on the key themes of the programme.

Large programmes such as SIBE should make deliberate plan for post-project handover as part of their closing activities.

²⁴ For example the Capital markets integration and payments, expected in 2026

3.5 Additional Learnings and achievements

There are additional learnings and achievements of the SIBE Programme that are worth noting, although they do not represent direct impact in terms of the Outputs envisaged under the Theory of Change. These include the following:

- SIBE successfully pioneered virtual project implementation with the SADC Secretariat due to COVID-19, repurposing its budget responsibly and sharing learnings with other projects that faced similar challenges
- SIBE was able to operate in a multi donor environment, aligning its work with other major programmes to maximise synergy and learnings
- SIBE highlighted the need for flexibility in the programme's contracting and procurement procedures, to ensure adaptability in the face of changing realities

3.5.1 SADC Pioneer of Virtual Programme Implementation

SIBE successfully pioneered virtual programme implementation within the SADC Secretariat after COVID-19 occurred, successfully pivoting its activities and budget, and providing learnings to other projects at SADC.



Impact Area 5.1 SIBE successfully pioneered related virtual project implementation at the SADC Secretariat, repurposing budget and sharing learnings

SIBE intervention summary

Impact level: Grey

Covid-19 made SIBE to innovate and pioneer virtual programme implementation at SADC Secretariat. SIBE experimented with and adapted to the virtual operating environment, pioneering the use of in-country experts and virtual focus group discussions (FGD) to facilitate data collection by the STEs and LTEs. Where activities extended beyond one country, in-country data collection assistants were engaged, drawing lessons from the successful model utilised in the development of the SADC Investment Scorecard. The Scorecard activity utilised 15 STEs (one in each Member State) who were coordinated on a virtual basis in bi-weekly workshops involving the implementing partners (SADC, EU, World Bank and OECD), as well as through weekly and/or daily contact by the LTEs. These methods of execution were utilised throughout the Covid-19 period.

Whilst this was not planned nor ideal, it is notable that the programme was able to implement virtually, meeting its major targets. Other programmes at the Secretariat faced similar challenges and SIBE by being a successful pioneer was able to guide and support them towards programmatic impact

Immediate outcome

Budget was successfully repurposed, and key objectives were met by using the virtual implementation mode. Project work continued uninterrupted during COVID-19, and the programme has been able to achieve its main objectives within planned timeline:

Implication

Evidence / KPIs

- Other programmes benefitted from SIBE's experience, with close collaboration and sharing of the strategies with:
- Sister programmes in the FIC Directorate and within the SADC Programme Planning and Resource Mobilisation (PPRM) division e.g. Trade Facilitation Programme (TFP)
- Sharing of experience at monthly meetings of more than 20 programmes being implemented by the SADC Secretariat.
- Reprioritisation due to COVID-19 resulted in a doubling of Expert days from 5,315 to 10,640 days
- Anticipated end of project budget utilisation of 94% and activity completion rate of 98%

SIBE successfully pioneered virtual project implementation at the SADC Secretariat

3.5.2 Strong Partner Programme Linkages

As part of its mandate the SIBE programme maintained a close relationship with other major programmes that were ongoing in parallel within the SADC region. SIBE focused on maximising synergies and alignment of results.

Impact Stories

Awareness of regional interventions in Angola

The Through CISNA, there has been increased awareness of the importance of a Real Time Gross Settlement System (RTGS) for cross-border payments, cross-border capital market listing, as well as other harmonization efforts. Activities related to investor protection and financial inclusion are also leading to positive impact.

Angola financial sector survey respondent, April 2025



Impact Area 5.2 Operated successfully in a multi programme environment, aligning work with other major programmes to maximise synergy and learnings

SIBE intervention summary

Impact level: Grey

SIBE programme maintained strong linkages with partner programmes, ensuring that outputs and objectives were in synergy with these programmes, and encouraging sharing of information. This increased impact and sustainability.

Immediate outcome

SIBE was able to maintain synergy and alignment with 5 key programmes

Evidence / KPIs

- Strengthened the outputs of the programme for interconnection of Stock Exchanges in the region by CoSSE and AfDB
- SIBE parallel components included Stock Exchange harmonisation and capacity building, a model law, renewal of regional payments platforms, and plans for a SADC commodity Exchange
- Supported the CCBG regional initiatives especially the RTGS renewal programme and the SADC Transactions Cleared on an Immediate Basis (TCIB) Payment Scheme
- SIBE deployed experts for the renewal, Balance of Payments harmonisation, ISO20022 migration, Data analytics, TCIB awareness raising, and to strengthen the ML/FT program in the region.
- Supported the CCBG, CoSSE and CISNA regional programmes
- SIBE supported the development of their 5-year plans and provided some funding for implementation of the plans.
- Supported Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) work on improving FATF compliance in the region with capacity building
- SIBE support included capacity gap assessments, capacity building, and establishment of SADC AML Committee
- Implemented in synergy with FSD Africa who worked on green finance and SADC guidelines for sustainable bonds
- SIBE interventions included facilitating SME access to stock exchanges, Carbon Markets, and green bond capacity building.

Implication

Large programmes cannot be implemented in isolation and early planning allowed SIBE to establish virtuous partnerships with at least 5 other major projects which improved outcomes for both counterparts

3.5.3 Flexibility in Contracting and Procurement

Procurement and contract processes were generally smooth under SIBE however there were also areas of challenge. The significant changes needed to respond to COVID-19 were proactively managed and successful, however smaller programme changes proved difficult to push through, and this constrained adaptability. In addition procurement at times was onerous impacting on available activity implementation time. There is need therefore to be as flexible with contracting and procurement as possible, whilst ensuring that good governance principles are adhered to.

Impact Area 5.3 SIBE highlighted need for flexibility in contracting and procurement, to ensure programme adaptability in the face of changing realities

SIBE intervention summary

Impact level: Yellow

Procurement and contract requirements were sometimes onerous and impacted on the pace of project implementation and flexibility.

- Procurement by the SADC Secretariat of the eventually successful SIBE Consortium took a long period (16 months), as a result of COVID-19 related challenges. Since the programme time envelop (2019 – 2025) was pre-set, this had the effect of shortening available programming time available for activities.
- Evaluation of short term experts was generally efficient, however it lagged in some cases due to unavailability of some evaluators. This also had the effect of shortening the time available for programme activity.

Immediate outcome

Procurement and contracting resulted in SIBE experiencing some delays, resulting in reduced implementation timeline and / or abandoned plans to adapt to changing priorities

Implication

Evidence / KPIs

- SIBE formally commenced in September 2019, however implementing partners were only on-boarded in January 2021. This reduced implementation timeline by 16 months.
- Evaluation of Short-Term-Experts on occasion took longer than the targeted 3 days, either shortening time available for activity implementation or resulting in delays in the overall project plan.

Funders could consider excluding the time required to on-board the main implementing partners from the formal Programme Execution period, to allow more time for implementation.

There is also need for flexibility with contracting and procurement processes, particularly in terms of procurement panels



4.0 Conclusions and Observations



The SIBE Programme has been a truly transformative initiative for stakeholders in the SADC region, and is already yielding important results for the SADC region as a whole, and for the 15 Member States who were supported through various initiatives. The EU funded Programme has been particularly instrumental in raising awareness on the SADC investment climate, building the capacity of stakeholders, and identifying areas of further reform in the policy environment to position SADC as an investment zone.

This assessment has been completed towards the end of the formal SIBE programme duration, which means that the impacts identified across the Programme Result Areas are all still at a very early stage. Nevertheless the seeds of long term impact have been successfully planted, into receptive soil, and are starting to germinate as demonstrated in this report. The full impact of these initiatives will only be felt in a number of years, when the foundations laid are utilised to transform SADC into a zone that is attractive for both local and international investors. This will require the enhancement of national policy frameworks, collaboration with partners, and the development of new initiatives to enable investors to prioritise the region and catapult it to the next level of growth and industrialisation.

The assessment highlights areas where early outcomes show promise in promoting investments, job creation, inclusive growth, industrialisation, and regional Integration. It also highlighted key learning opportunities. It is hoped that the SADC Secretariat and the Consortium will in due course revisit these important areas and measure progress made as a result of the interventions made under the SIBE programme.

5.0 Annexures

5.1 SIBE M&E Indicators

SIBE Programme Indicators

Overall

Economic growth in the SADC region as measured by:

- a) % increase in real GDP in the SADC region
- b) % employment rate in the SADC Region

KRA 1

- a. Net Average total investment in the SADC region as a percent of Regional GDP
- b. Status of Tax Expenditure Model document
- c. Number of additional Double Taxation Avoidance Agreements (DTAA) negotiated.
- d. Number of Member States with Validated National Action Programmes on Investment (NAPI)
- e. Status of the FIP Roadmap to anchor the future work programme of the Ministers of Finance and Investment
- f. Number of country assessment reports on FDI regulatory restrictiveness Index (SADC Investment Scorecard)
- g. Number of capacity building workshops on Investment Promotion, Facilitation, Targeting and Services

KRA 2

- a. Number of harmonized non-banking financial sector supervision laws and regulation for the NBFIs.
- b. Number of Banks (Commercial Banks and Central Banks) participating in the SADC RTGS
- c. Number of legal and regulatory frameworks to support the roll-out of the SADC Real Time and Gross Settlement
- d. Number of countries assessed with the new ECLIV2 tool to assess the level of liberalisation of current and capital accounts.
- e. Number of Members states assessed against the 40+9 FATF regulation.
- f. Number of countries with road maps created in order to support the process of current and capital account liberalization

KRA 3

- a. Number of regional frameworks on financial inclusion developed
- b. Number of Member States supported in domesticating the SADC Strategy on Financial Inclusion and SMEs Access to Finance
- c. Status of the SADC Financial Inclusion Data Portal
- d. Number of regional capacity building programmes on Financial Inclusion undertaken
- e. Number of Member States supported on Financial Inclusion Surveys

5.2 Impact Level Categorisation Matrix

The approximate impact level categorisation of the various areas is illustrated below. On the x-axis, an estimate is made of the extent to which the area has already yielded substantial benefits, ranging from “less” to “higher” impact. Clearly some areas will require more time for impact to be fully felt, such as the concept of having more youth across SADC participate in Stock markets. Others such as regional guidelines already have an impact as members are using them in the process of renewing their national frameworks.

On the y-axis the alignment of the area with the overall theory of change is estimated. The showcasing of investment opportunities is very well aligned with the overall mandate, however the full impact of the effort will take some time to materialise.

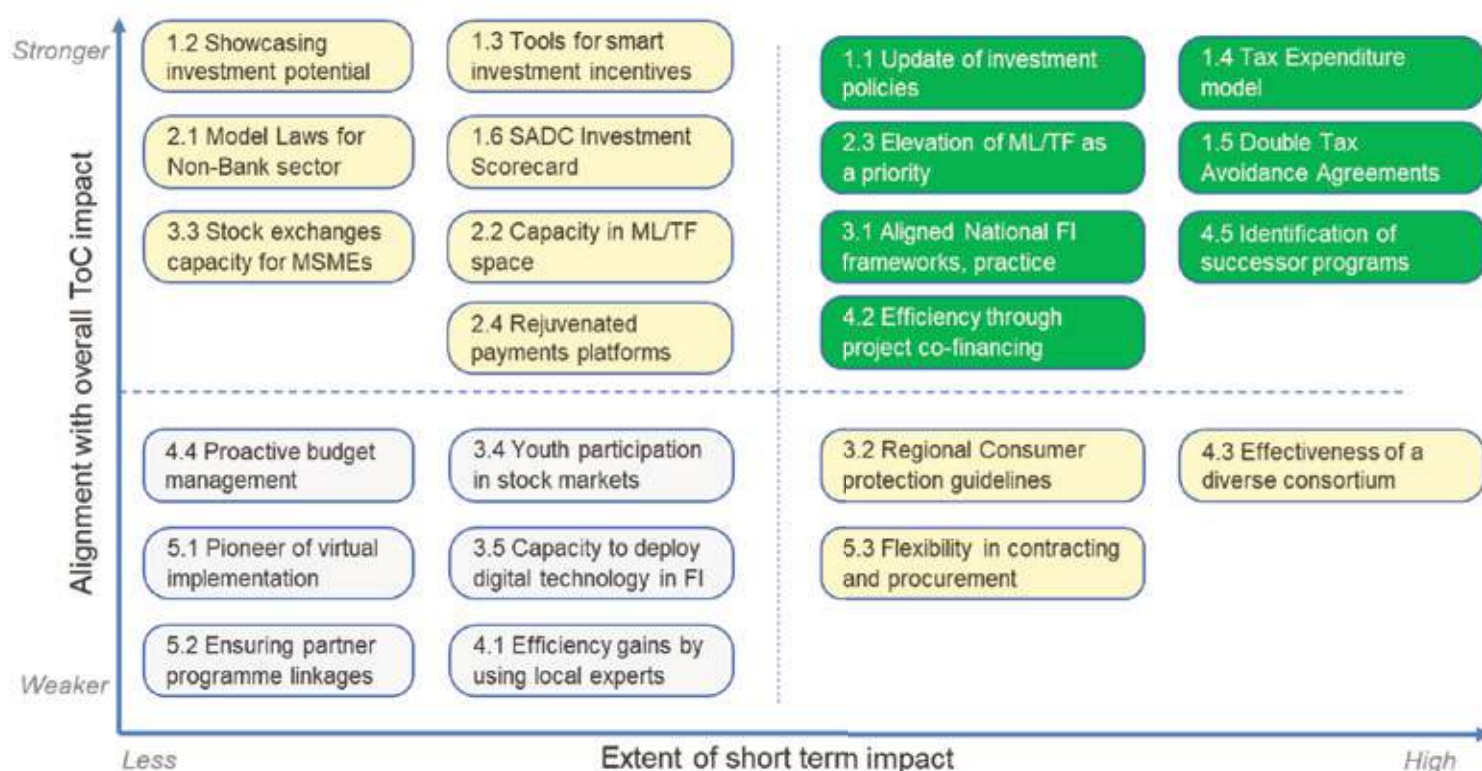


Figure 3: Estimated Level of Impact categorisation matrix

5.3 FATF Big-6 AML/CFT Recommendations

SADC has prioritised for tracking the Big-Six FATF Recommendations. These are selected FATF Recommendations (R.3, R.5, R.6, R.10, R.11, and R.20) viewed as vital building blocks for a functional AML/CFT regime regardless of a jurisdiction’s risk and context. These recommendations correspond to criminalising ML & TF offences, targeted financial sanctions for Terrorism Finance, customer due diligence and record keeping measures, and reporting of suspicious transactions (Table 5).

| Recommendations | |
|-----------------|---|
| | Money Laundering and Confiscation |
| R.3 | Money laundering offence |
| | Terrorist Financing and Financing of Proliferation |
| R.5 | Terrorist financing offence |
| R.6 | Targeted financial sanctions related to terrorism & terrorist financing |
| | Preventive Measures |
| R.10 | Customer due diligence |
| R.11 | Record keeping |
| R.20 | Reporting of suspicious transactions |

Table 5: FATF Big-Six Recommendations



Member States compliance with FATF Recommendations

The status as of SADC Member States as of October 2024 is shown below.

| Member States/Recommendation | R.3 | R.5 | R.6 | R.10 | R.11 | R.20 |
|------------------------------|-----|-----|-----|------|------|------|
| Angola | PC | PC | PC | LC | C | PC |
| Botswana | C | C | LC | LC | LC | C |
| Democratic Republic Congo | PC | NC | NC | NC | PC | PC |
| Eswatini | LC | PC | NC | PC | LC | C |
| Lesotho | PC | C | PC | LC | LC | PC |
| Madagascar | LC | C | NC | LC | C | LC |
| Malawi | C | PC | LC | LC | C | LC |
| Mauritius | C | C | C | C | LC | C |
| Mozambique | C | C | C | LC | LC | C |
| Namibia | LC | C | LC | LC | LC | C |
| Seychelles | LC | LC | PC | LC | C | C |
| South Africa | LC | C | LC | LC | LC | LC |
| Tanzania | C | LC | C | LC | LC | LC |
| Zambia | C | PC | PC | LC | LC | C |
| Zimbabwe | C | LC | C | C | C | C |

Table 6: SADC countries compliance with the FATF key recommendations

| | |
|----|--|
| C | Compliant |
| LC | Largely compliant - There are only minor shortcomings. |
| PC | Partially compliant - There are moderate shortcomings. |
| NC | Non-compliant - There are major shortcomings. |

Source: FATF, ESAAMLG, October 2024

Effectiveness of AML/CFT systems

SADC with SIBE support is also tracking Effectiveness of AML/CFT systems, through the FATF Methodology which identifies 11 immediate outcomes that an effective framework should achieve to protect the financial system from abuse. The status as at October 2024 is shown below. Member States still face challenges in this respect and are either at moderate level of effectiveness or low level of effectiveness in terms of the 11 immediate outcomes.

| Member State/IO | IO1 | IO2 | IO3 | IO4 | IO5 | IO6 | IO7 | IO8 | IO9 | IO10 | IO11 |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| Angola | LE | LE | LE | LE | LE | ME | LE | ME | ME | LE | LE |
| Botswana | LE | ME | LE | LE | LE | ME | LE | LE | LE | LE | LE |
| Democratic Republic Congo | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE |
| Eswatini | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE |
| Lesotho | LE | LE | ME | ME | LE | LE | LE | LE | LE | LE | LE |
| Madagascar | LE | LE | LE | LE | LE | ME | LE | LE | LE | LE | LE |
| Malawi | ME | ME | ME | ME | LE | ME | ME | ME | LE | LE | LE |
| Mauritius | LE | ME | LE | ME | LE | ME | ME | LE | LE | LE | LE |
| Mozambique | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE | LE |
| Namibia | ME | ME | LE | ME | LE | ME | ME | ME | LE | LE | LE |
| Seychelles | LE | LE | LE | ME | LE | LE | LE | LE | LE | LE | LE |
| South Africa | ME | ME | ME | ME | LE | ME | ME | ME | LE | LE | ME |
| Tanzania | LE | ME | LE | LE | LE | LE | LE | ME | LE | LE | LE |
| Zambia | ME | ME | ME | ME | LE | ME | ME | ME | ME | ME | LE |
| Zimbabwe | LE | LE | LE | LE | LE | LE | LE | LE | ME | ME | LE |

Table 7: Effectiveness of AML/CFT systems in SADC Member States

ME Moderate level of effectiveness - Achieved to some extent. Major improvements needed.

LE Low level of effectiveness - Not achieved / negligible extent. Fundamental improvements needed.

| | |
|-------------|--|
| IO1 | Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation. |
| IO2 | International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets. |
| IO3 | Supervisors appropriately supervise, monitor and regulate financial institutions, DNFBPs and VASPs for compliance with AML/CFT requirements commensurate with their risks. |
| IO4 | Financial institutions, DNFBPs and VASPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions. |
| IO5 | Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments. |
| IO6 | Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations. |
| IO7 | Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions. |
| IO8 | Proceeds and instrumentalities of crime are confiscated. |
| IO9 | Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions. |
| IO10 | Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector. |
| IO11 | Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs. |

SIBE

Impact Summary



Contact information

Mr. Mário Lironel, LLM | Senior Programme Officer-Finance and Investment
Directorate of Finance Investment and Customs (FIC)

Southern African Development Community (SADC) | Plot 54385 New CBD
Private Bag 0095 Gaborone, BOTSWANA | Tel: +267 395 1863
www.sadc.int
