



SADC Committee of Insurance, Securities  
and Non-Banking Financial Authorities  
Set-up under SADC Protocol on Finance and Investment



# CISNA MEETING APRIL 2025

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## CISNA VALIDATION WORKSHOP AND BI-ANNUAL MEETING APRIL 2025

The Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA) is organising a Validation Workshop on 10 and 11 April 2025 in Ebene, Mauritius. To ensure alignment with expectations of Member States and programme objectives, the workshop aims to review and validate the findings and recommendations from the CISNA projects funded by SADC Secretariat under the SIBE Programme. Key activities include presentations of draft findings, stakeholder feedback sessions, and collaborative refinement of recommendations, culminating in a summary of outcomes and the next steps to enhance the project's impact and relevance. Following the Validation Workshop, the reports will be submitted to the SADC Secretariat for approval by the SADC Committee of Ministers of Finance and Investment.

# INTRODUCTION

CISNA is a key structure within the Southern African Development Community (SADC), established in 1998 under Annex 10 of the Protocol on Finance and Investment. CISNA forms part of the Directorate of Finance, Investment and Customs and reports to the SADC Committee of Ministers of Finance and Investment. It comprises 27 Member Authorities responsible for regulating and supervising non-bank financial services across 14 SADC Member States. Our primary objective is to harmonize and enhance regulatory frameworks within the insurance, pensions, capital markets, microfinance, and other non-bank financial sectors across the region.

## MANDATE AND OBJECTIVES

CISNA's mandate is to ensure that the non-bank financial services regulatory frameworks within SADC Member States are harmonised and comply with best international practices, standards, and principles as set by relevant international standard-setting bodies. This involves promoting effective exchange of experiences and cooperation in the supervision and regulation of the insurance and pension sectors, capital markets, and other non-banking financial institutions.

**CISNA WAS ESTABLISHED OUT OF THE WILLINGNESS AND DETERMINATION OF THE SADC GOVERNMENTS TO PROMOTE EFFECTIVE EXCHANGE OF EXPERIENCES AND COOPERATION IN THE SUPERVISION AND REGULATION OF INSURANCE AND PENSION, CAPITAL MARKETS AND OTHER NON-BANKING FINANCIAL INSTITUTIONS, SO AS TO ACHIEVE THE OBJECTIVES OF THE SADC REGION. THUS, CISNA HAS AN INTEGRAL ROLE IN CONTRIBUTING TO A BETTER REGULATION AND INCREASED COOPERATION AMONGST THE MEMBER STATES, COVERING AREAS THAT INCLUDE MARKET INFRASTRUCTURE AND LIQUIDITY OF MARKETS IN THE REGION, PRUDENTIAL AND FINANCIAL SYSTEM STABILITY POLICIES, RISK ASSESSMENT IN THE REGIONAL FINANCIAL SYSTEMS, TRAINING INITIATIVES AND DEVELOPMENT WITHIN THE REGION.**

CISNA's mandate is elaborated in the Annex 10 of the FIP. Since the FIP lies at the heart of the SADC vision to create a common market, changes within the finance and investment sectors potentially have a great catalytic value to realise that vision. CISNA's role, therefore, is to strive to ensure that all regulatory frameworks within SADC are harmonised and comply with best international practices, standards and principles as set by the relevant international standard setting bodies. As a Committee of SADC, CISNA is mandated by the MMoUs and Protocols. CISNA meets on an annual basis and acts to support the implementation of SADC's strategy.

# CISNA MISSION AND VISION

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## Vision

“A financially stable region with a harmonised regulatory and supervisory framework for Non-Banking Financial Institutions.”

## Mission

“To promote financial stability by effectively and efficiently championing a process of collaboration, engagement and co-ordination between the NBFIs regulators and stakeholders through policy research, capacity building and market development initiatives”

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# THE OBJECTIVES OF CISNA ARE:

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- promote harmonisation of regulatory and supervisory regimes by –
  - developing principles, standards and guidance for the regulation and supervision of NBFIs;
  - supporting the implementation and practical application of its principles and standards;
  - developing methodologies for the assessment of the compliance of its principles and standards, and facilitate assessment processes;
- promote development of financial products and services;
- promote access to financial products and services by the majority of the population of Member States;
- encourage cross-border cooperation, exchange of information and experience sharing among regulatory authorities;
- promote sound corporate governance of NBFIs;
- promote relationship with international bodies and compliance with international standards;
- enhance capacity building, through training and education of regulatory authorities staff;
- promote AML/CFT/CFP supervision of financial institutions in compliance with international standards on combatting money laundering and the financing of terrorism and proliferation; and
- promote consumer financial education and protection.

## SIBE PROGRAMME

The Support to Improving the Investment and the Business Environment (SIBE) programme is an EU-funded initiative aimed at improving the business and investment climate in the SADC region. SIBE seeks to achieve sustainable and inclusive growth to support job creation by transforming SADC into a vibrant investment hub. The programme focuses on promoting intra-regional investment and Foreign Direct Investment (FDI), especially for Small and Medium Enterprises (SMEs).

SIBE aims to create a favourable investment climate to expand and diversify the region's economies, develop infrastructure, and enhance Member States' participation in regional and global value chains.

**How CISNA Benefits from SIBE** CISNA benefits from the SIBE programme through its institutional arrangements, which provide a structured and collaborative environment for achieving its objectives. These benefits include:

- **Capacity Building:** SIBE provides funding and resources for training and capacity-building initiatives, enhancing the skills and knowledge of regulators and stakeholders within the non-bank financial sector.
- **Project Support:** The programme funds key projects that align with CISNA's objectives, such as developing regulatory frameworks, feasibility studies, and creating enabling environments for new financial technologies.
- **Regional Integration:** By promoting harmonized regulatory frameworks and best practices, SIBE helps CISNA achieve greater regional integration and cooperation among member states.
- **Economic Development:** The projects supported by SIBE contribute to economic growth and development in the SADC region, aligning with CISNA's goal of fostering a stable and inclusive financial environment.

## SIBE PROGRAMME

### Key Projects

CISNA, with the assistance of the SADC Secretariat under the SIBE programme, has completed the following projects:

## REGIONAL AGRICULTURAL COMMODITY DERIVATIVES EXCHANGE

The Regional Agriculture Commodity Derivatives Report examines the feasibility of creating a Regional Agricultural Commodity Derivatives Exchange (RACDE) in the SADC region. It highlights the benefits, challenges, and success factors, emphasizing the need for a supportive policy environment, sufficient production volumes, and a liquid derivatives market for better price risk management and finance access.

The report identifies requirements, current status, challenges, and options for RACDE, based on consultations with stakeholders. It discusses the commodity exchange ecosystem, stressing the importance of policy support, grading standards, storage infrastructure, and regulatory frameworks. Ten critical requirements for RACDE are outlined, including commodity supply, regulatory framework, price volatility, storage infrastructure, and knowledgeable personnel.

Key aspects of a derivative exchange, such as traded instruments (futures and options) and participant types, are explored. The report reviews past regional commodity exchange initiatives and lessons learned. Differences between spot and derivatives exchanges are explained, along with challenges faced by spot exchanges in Africa.

The report analyses indicative costs and potential revenue for RACDE, presenting three options: independent exchanges, a regional exchange with a new clearing house, and leveraging an existing exchange. It recommends collaborating with an existing exchange like the JSE. The way forward includes securing government support, engaging the private sector, and negotiating with existing exchanges. The report concludes that leveraging an existing derivatives exchange ecosystem is the most feasible approach.



## MICROFINANCE STUDY IN THE SADC REGION

The report "Microfinance Study in the SADC Region" explores several benefits to the SADC region, particularly in enhancing the microfinance landscape and promoting financial inclusion. Key benefits include:

- 1. Improved Regulatory Frameworks:** The report evaluates existing frameworks and recommends refinements to create a conducive environment for MFIs, ensuring clear and effective regulations.
- 2. Enhanced Monitoring and Reporting:** It highlights challenges in monitoring and suggests improvements for better insights, transparency, and accountability.
- 3. Support for Financial Inclusion:** Emphasizes the role of MFIs in economic growth and offers recommendations to enhance their impact, expanding access to financial services and reducing poverty.
- 4. Alignment with International Best Practices:** Compares SADC practices with international guidelines, attracting investment and support by aligning with global standards.
- 5. Capacity Building and Technical Assistance:** Identifies the need for training programs and technical assistance to improve regulatory effectiveness and MFI operations.
- 6. Data Collection and Transparency:** Stresses the importance of reliable data collection for better policy formulation and transparency.
- 7. Recommendations for Sustainable Growth:** Offers practical recommendations for regulatory improvements, monitoring, financial inclusion, and capacity building.
- 8. Promoting Collaboration and Harmonization:** Encourages cooperation among member states to achieve regulatory consistency and a unified microfinance landscape.

In summary, the report provides valuable insights and recommendations to improve regulatory frameworks, enhance monitoring, support financial inclusion, align with best practices, build capacity, promote data transparency, and foster collaboration, contributing to the sustainable growth of the microfinance sector in the SADC region.

## **DEVELOPMENT AND APPLICATION OF FINTECHS AND MAPPING OF RELATED CYBERCRIME LEGAL LANDSCAPE**

The report "Guidance on Development and Application of FinTechs and Mapping of Related Cybercrime Legal Landscape" aims to create an enabling environment for FinTech in the SADC region and map the related cybercrime legal landscape. It highlights FinTech's potential to transform the financial sector and promote financial inclusion while addressing cyber risks.

The report's primary objective is to foster sustainable growth, job creation, and industrialisation in the SADC region by developing policies for FinTech and cybersecurity. Key issues identified include the lack of a single regulatory framework, inadequate ICT infrastructure, challenges in accessing credit for FinTech start-ups, insufficient digital infrastructure, and weak enforcement of cybercrime legislation.

The report recommends closer collaboration between regulators and FinTech firms, investing in broadband expansion, subsidising connectivity costs, enhancing mobile network coverage, promoting payment system interoperability, strengthening cybersecurity frameworks, and implementing ICT infrastructure projects. It also suggests promoting digital literacy, facilitating access to affordable devices, harmonising regulations, creating regulatory sandboxes, and enhancing cybercrime legislation enforcement.

To address regulatory gaps, the report advises developing a regional regulatory framework, creating regulatory sandboxes, and implementing training programmes for regulatory bodies. It also recommends establishing a unified electronic identification system across the SADC region to streamline customer due diligence and promote financial inclusion.

The report includes a syllabus for FinTech Enabling Environment Workshops and annexures with stakeholder insights, an analysis of cybercrime legislations, and details of engaged stakeholders.



## DEVELOPMENT OF TRAINING & CERTIFICATION MODEL FOR NBFIs IN SADC REGION

The report aims to establish a regional training and certification system for NBFIs in the SADC region to enhance skills and support industrialization, aligning with the SADC Financial Inclusion and Industrial Development Strategies. It highlights the crucial role of NBFIs in economic growth but identifies constraints such as gaps in digital transformation, risk management, and financial literacy.

To address these issues, the report uses a literature review and case studies from Zambia and South Africa, emphasizing regulatory enforcement and regional coordination. It finds that the NBFi sector in Africa is underdeveloped due to a lack of knowledge and skills, stressing the need for targeted training and certification.

The proposed model focuses on cost, availability, access, and quality of training, and the importance of organizational culture. It advocates for a harmonized regional system using the Functional, Organizational, and Political Approaches (FOPA) model to align systems and policies. The report outlines structural implementation models to ensure certifications are portable and internationally recognized.

Training programs will include core and sector-specific subjects, with emerging topics like digital finance and climate risk. A blended learning model with online and in-person components is suggested, along with a regional licensing system and certification registry.

The report concludes with a 24-month work plan for implementation, covering needs assessment, framework development, accreditation, pilot implementation, and full rollout, emphasizing the importance of professionalizing the NBFi sector to enhance skills, align with international standards, and promote regional integration.

## CAPACITY BUILDING FOR GREEN FINANCE AND CARBON CREDITS

The Report focuses on enhancing the capacity of regulators and the private sector in accessing green finance and carbon credits within the SADC region, as part of the SIBE Programme. This initiative aims to transform SADC into an investment zone, promoting intra-regional investment and foreign direct investment (FDI), particularly benefiting SMEs.

Key objectives included developing a work plan, engaging stakeholders, collecting and analysing data, and preparing training materials. Although planned workshops were not completed, the final report synthesizes findings, lessons learned, and recommendations. The methodology involved inception planning, literature review, virtual interviews, and group discussions.

The report highlights several key conclusions and lessons learned. In terms of green finance, the region faces challenges such as a lack of standardized green definitions, diverse readiness levels among member states, and misaligned regulatory frameworks. However, there are opportunities for growth, as the existence of green financial instruments suggests an underutilized potential.

Regarding carbon credits, the report notes the potential for SADC Member States to channel international capital to local environmental projects, thereby increasing FDI and addressing environmental challenges. A roadmap has been developed to enable the growth of African carbon markets, focusing on harmonized strategies, regulations, capacity building, stakeholder engagement, and technology investment. The report recommends focusing on narrower themes for deeper analysis and including the private sector and local governments in future assignments.

### Contact CISNA Secretariat

#### Secretary General

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