

**SPEECH BY MR. ERNESTO GOVE, GOVERNOR OF THE CENTRAL BANK
OF MOZAMBIQUE AT THE OFFICIAL OPENING OF THE SADC DFRC
MEETINGS -18TH JUNE 2015, RADISSON BLU HOTEL
MAPUTO, MOZAMBIQUE**

Honourable Chairman da SADC DFI Network

Honourable Chairman do Board of Trustees of DFRC

Honourable Chief Executive Officer of DFRC

Honourable Members of the SADC DFI Network

Ladies and Gentlemen

We feel greatly honoured to welcome the distinguished delegates and invited guests to this important forum of the senior managers of the SADC DFIs. This is particularly gratifying because the DFRC -Development Finance Resource Centre- as a SADC related organization decided to meet in Maputo to consider current issues of this regional organization and to further reflect about the development of SMEs in our region.

In December 2011, we had the opportunity and privilege to host the CEO's Forum held in Maputo, whose theme was the Emerging Development Finance System in the SADC Region and the role of DFIs. Since then to this date, the various financial institutions in SADC, including the Central Banks have come to understand and recognize more profoundly the importance of development finance in our countries.

The role and contribution of the DFRC and its members to the discussion around the setting up of the Regional Development Fund have been extremely laudable. Moreover, staff from our institutions have been benefiting from training programs sponsored by the DFRC network of partners.

We also would like to commend DFRC's commitment, together with the African Association of DFIs (AADFI), to enhance governance within the national DFIs. The self-assessment initiative known as the "Prudential Standards, Guidelines and Rating System" (PSGRS) has contributed to the national DFIs to improve their governance and heighten their reputation. Indeed, to improve DFIs governance is an ongoing challenge for continuous improved performance in their role as strategic partners of governments in their development programs and to streamline the financing systems.

It is with satisfaction that we are witnessing to the growing acknowledgment of DFRC's contribution to improve the financial systems of the region. The remarkable role you play in our region is evidenced by the growing number of DFIs acceding to the principles and obligations of the organization. The fact that Mozambique is now participating in the DFRC with two institutions: Gapi and BNI, bears witness to the recognition and interest of various entities in our country towards your mission and accomplishments.

As this is the second time that this forum is held in Maputo and on this occasion focusing on the contribution by DFIs in support to SMEs in our region, we can conclude that DFRC members are paying attention to the challenges faced by our economies and societies.

In fact, at the SADC level a fair attention has been paid to the need to develop infrastructures to assist in harnessing our resources and enable the movement of goods and services. However, such infrastructures can only be meaningful and they will also serve and benefit the growth of a large number of SMEs. The economies in our region should not rely solely on large international investments. It is our considered view that growth in SADC starts with the local economic development within each of our countries.

The Government and the Bank of Mozambique have been supporting Gapi as a development finance institution that specializes in the promotion of SMEs. The role played by Gapi, which this year celebrates its 25th anniversary and has been a member of the DFRC since 2007, represents an example of the importance that we in Mozambique attach to development finance and, in particular, to the contribution that we expect from the DFIs to develop our business landscape through the expansion of the SMEs.

The hosting of this event here in Maputo, less than a month away from the Third International Development Finance Conference to be held in Addis Ababa, Ethiopia and which will bring together Heads of State and other government leaders and multilateral institutions that are relevant to the world economy constitutes a happy coincidence and an opportunity for us to get better prepared for the post-2015 Development Agenda.

Some 13 years have now elapsed since 2002, when in Monterrey, in Mexico, more than 50 Heads of State and over 200 ministers met for the first International Development Finance Conference. This conference was a global landmark event in the understanding between developed and developing countries where both acknowledged their responsibilities in key areas such as trade, aid, debt relief and institutional development.

It was not by chance that the SADC Ministers of Finance agreed to subsequently operationalize the DFRC, which materialized in 2003. Therefore, DFRC, as an entity that brings together and supports the setting up of DFIs, reflects the commitment of our governments to implement what is known as the Monterrey Consensus.

In 2008, during the Second International Development Finance Conference held in Doha, it was realized that despite the economic growth in most development countries, social inequalities have been exacerbated. This realization should lead to greater attention being paid to SMEs, as these create a greater number of jobs, which is vital to address the challenges societies face in Southern Africa.

The vigorous demographic growth means that every year there are more youngsters looking for job opportunities. To invest in activities that generate more jobs and more competitive economies is a challenge that DFIs need to look into with determination.

With these brief notes I only wanted to share with you our recognition of the important role that DFRC and all its members and partners play towards a balanced and sustainable development in our societies.

I wish you all successful deliberations as you go through the items planned for this forum and as you consider ways and means to strengthen the DFRC and its members as development support institutions in the countries of the SADC region.

It is my single honour to now declare this meeting officially open.