

# 2020 INTEGRATED REPORT

DIGITAL EDITION



**NEPAD**  
BUSINESS  
FOUNDATION

# Integrated Reporting



An Integrated Report (IR) is a concise communication about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

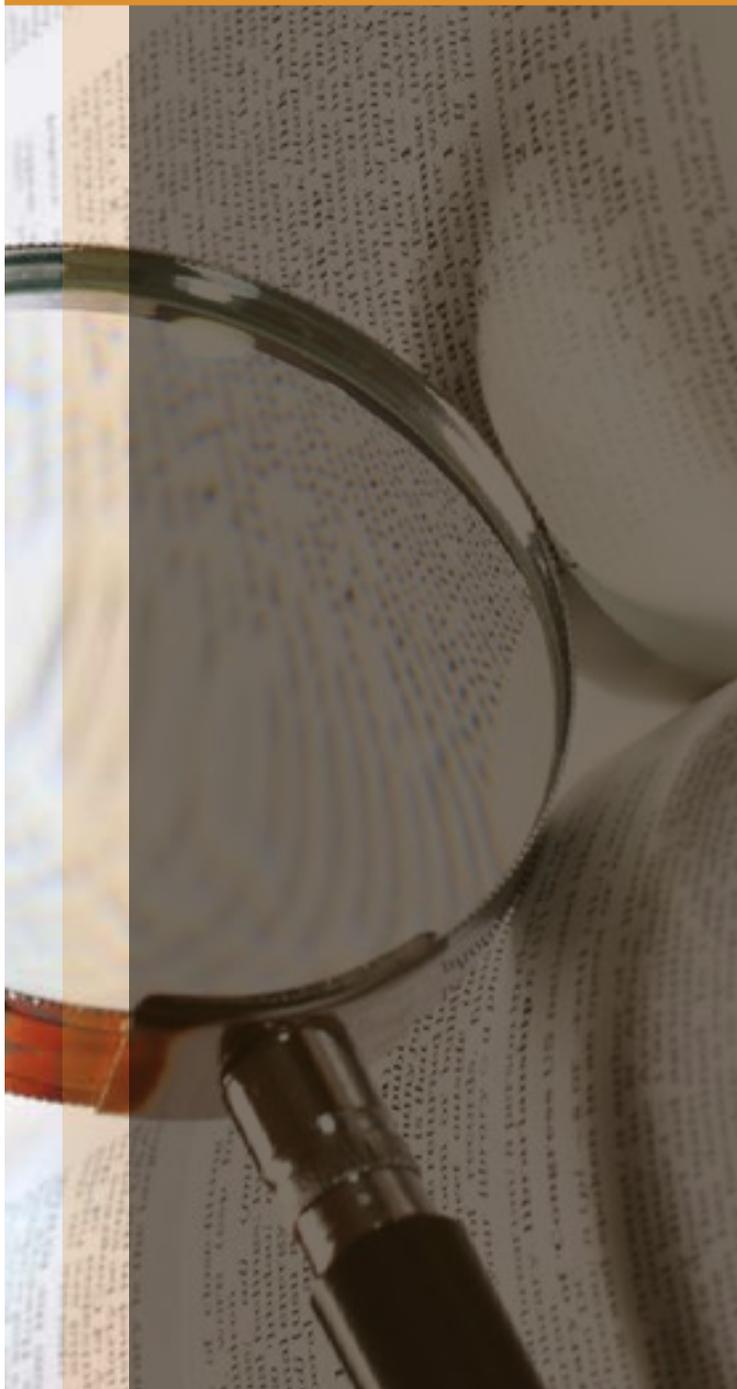
The aim of this IR is to tell a clear and simplified story of the NEPAD Business Foundation (NBF), what it does and how it creates value to stakeholders. This IR also documents the NBF's opportunities, risks and business model against the organisation's strategic objectives in a way that gives stakeholders a holistic view of the company and its future.

The NBF's 2020 IR provides an overview of the organisation's operational, social, financial and environmental performance in a single report. Initiated in 2012, the report highlights outputs and the associated outcomes in a way that outlines the value proposition that the NBF delivers to its members and stakeholders.

This integrated report allows the organisation to contextualise its risks and opportunities and how these influence its business strategy. The process was informed by and continues to be guided by principles of integrated reporting as set out in the International Integrated Reporting Committee's discussion paper and the guidance offered in the framework discussion paper published by the Integrated Reporting Committee of South Africa.

This integrated report does not form part of any statutory reporting requirement.

# Acronyms



- (AfCFTA)** African Continental Free Trade Area
- (ACGN)** African Corporate Governance Network
- (AU)** African Union
- (AUDA-NEPAD)** African Union Development Agency
- (APMG)** Association of Project Managers Group
- (ARC)** Audit and Risk Committee
- (CEO)** Chief Executive Officer
- (CLF)** Coal Leadership Forum
- (DELRRD)** Department of Agriculture, Land Redistribution and Rural Development
- (DEDT)** Department of Economic Development of the Mpumalanga Province
- (DMRE)** Department of Minerals and Energy
- (DWS)** Department of Water and Sanitation
- (DFIs)** Development Finance Institutions
- (DEFF)** Department of Environment, Fisheries and Forestry
- (HOSG)** Heads of State and Government
- (ICT)** Information and Communications Technology
- (IR)** Integrated Report
- (JOC)** Joint Operations Center
- (LED)** Local Economic Development
- (MoU)** Memorandum of Understanding
- (MWCB)** Mine Water Coordinating Body
- (NBF)** NEPAD Business Foundation
- (NEPAD)** New Partnership for Africa's Development
- (NPC)** Non-Profit Company
- (NTBs)** Non-Tarif Barriers
- (NSC)** North-South Rail Corridor
- (OPSCO)** Operations Committee
- (PIDA)** Programme for Infrastructure Development in Africa
- (PMU)** Project Management Unit
- (PPP)** Public-Private Partnership
- (RVCs)** Regional Value Chains
- (SADC BC)** SADC Business Council
- (SIW)** SADC Industrialisation Week
- (SARS-CoV-2)** Severe Acute Respiratory Syndrome Coronavirus 2
- (SADC)** Southern African Development Community
- (SIWI)** Stockholm International Water Institute
- (SWPN)** Strategic Water Partners Network
- (SIPS)** Support to Industrialisation and Productive Sectors
- (URT)** United Republic of Tanzania
- (WRC)** Water Research Commission
- (ZAZIBONA)** SADC Collaborative Medicines Registration Process

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The NBF has worked tirelessly to become one of the most trusted advisors and neutral facilitators that promote cooperation and partnership between governments and businesses in Africa.

## NEPAD BUSINESS FOUNDATION



### PUBLIC SECTOR

The NBF works with continental, regional and national governments to achieve NEPAD aligned objectives across the continent.



### PRIVATE SECTOR

The NBF operates as a Host, Secretariat and Project Management Unit (PMU) for private sector-led interventions in Africa.



### FUNDERS

The NBF works with Sponsors, Donors and DFIs to fund high-impact programmatic projects and initiatives.

## About the NBF

The NEPAD Business Foundation (NBF) is an independent non-profit organisation that coordinates private sector efforts aimed at Africa's economic growth and development in alignment with the New Partnership for Africa's Development (NEPAD) thematic areas. The objective of the NBF is to support public sector endorsed plans and projects by mobilising private sector resources (finance, expertise and information) towards Africa's economic growth and development.

# CURRENT NBF FOCUS AREAS

## INFRASTRUCTURE

The NBF is currently involved in regional infrastructure initiatives which include projects in the rail and gas sectors. The NBF is also a Host to two water programmes, the Strategic Water Partners Network of South Africa and the Mine Water Coordinating Body.

## INDUSTRIAL VALUE CHAINS

The NBF is a supporting partner of the SADC Industrialisation Strategy to and coordinates business efforts to build RVCs in key sectors that include mineral beneficiation, agribusiness and pharmaceuticals. Current NBF activities are centred around the gas sector and the pharmaceutical industry in the SADC region.

## TRADE FACILITATION

As host of the SADC Business Council, the NBF is mobilising private sector resources and efforts in alignment to government endorsed initiatives. The NBF plays a key role in the identification and resolution of Non-Tarif Barriers (NTBs) in the SADC region on behalf of the business community.



**NEPAD**  
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## Role of the NBF

The NBF is a neutral 'Implementing Agent' for public-private development initiatives in Africa. It does this by facilitating project executions, providing project management services and by removing blockages to project implementation. The NBF is ideally positioned to accelerate project execution on behalf of various stakeholders and funders.

# NBF Programmes and Initiatives

## North-South Rail Corridor (NSC)

The NSC Rail Project is being implemented to reduce the cost of trade in the region.

## SADC Pharmaceutical Working Group

Collaborative platform to increase pharmaceutical value chain investments by identifying pharmaceutical investment barriers and solutions to identified challenges.

## Mine Water Coordinating Body (MWCB)

Collaborative public-private platform to address environmental, social and economic challenges that arise from mine closure including long-term mine water management and regional mine closure.

## SADC Regional Gas Task Force

The SADC Regional Gas Task Force is a multi-stakeholder platform for public-private sector dialogue designed to enable and support the monetization of the natural gas resources within the SADC region.

## SADC Business Council (SADC BC)

The SADC BC is a Regional Apex body of national business associations of the 16 SADC Member States and Regional Business Associations in Southern Africa.

## CP<sup>3</sup>P PPP Training

NBF is an accredited institution to provide training for the internationally recognised APMG PPP Certification.

## Local Economic Development (LED) Project

The development of an enabling environment for delivering LED in the planning, procurement and implementation of infrastructure projects.

## Strategic Water Partners Network (SWPN)

A partnership between the public and private sectors and civil society to close a 17% gap between water supply and demand (2030).

## African Corporate Governance Network (ACGN)

The ACGN is a collaborative network of director membership organisations that promote effective corporate governance on the African continent.

# The NBF is a leading continental development Project Management Unit

Through signed MoU's with the African Union (AU), African Union Development Agency (AUDA-NEPAD) and the SADC Secretariat, among others, the NBF and its private sector stakeholders are able to support the implementation of interventions that complement the development efforts by governments across the continent.

# Programmatic milestones in the 2019-2020 reporting period

Programmes have continued to deliver desired results which has allowed us to maintain our relevance.

Work continues despite the disruptions of COVID-19 and our interventions remain on track.

	<b>North-South Rail Corridor (NSC)</b>	Facilitation and Project Management	<b>Since 2013</b>
<ul style="list-style-type: none"> <li>Funding and Institutional Structuring Study concluded</li> <li>Additional DFI funding secured for feasibility level analysis</li> <li>Procurement commenced for execution of feasibility level analysis</li> <li>Agreements was reached on commercial terms for backhaul volumes to aid the process of capturing the market.</li> <li>Clear deviation analysis developed for through NSC transit per-formance reports</li> </ul>			
	<b>SADC Pharmaceutical Working Group</b>	Facilitation and Project Management	<b>Since 2018</b>
<ul style="list-style-type: none"> <li>Promoted the expansion of the ZAZIBONA Medicines Registration process and understood support required</li> <li>Provided input into the 2019 SADC Industrialization Week Declarations on pharmaceuticals</li> </ul>			
	<b>Strategic Water Partners Network (SWPN)</b>	Host	<b>Since 2011</b>
<ul style="list-style-type: none"> <li>Developed Polokwane Municipality Water Conservation and Water Demand Management strategy and business plan</li> <li>Successful Annual Water Stewardship Event</li> <li>Approved new strategy and aligned Thematic Working Groups with the strategy</li> <li>15 Stakeholder meetings were successfully conducted</li> </ul>			
	<b>CP<sup>3</sup>P Public-Private Partnership (PPP) Training</b>	Trainer	<b>Since 2013</b>
<ul style="list-style-type: none"> <li>Trained over 130 African professionals during the period</li> <li>Hosted a total of 14 classes, including CP<sup>3</sup>P Foundation, Preparation and Execution courses</li> </ul>			
	<b>Project Finance Advisory Services</b>	Advisory	<b>Since 2016</b>
<ul style="list-style-type: none"> <li>Supported the development of the Africa Infrastructure Desk's project, the North South Corridor with institutional and financial structuring options analysis</li> </ul>			

	<b>SADC Regional Gas Task Force</b>	Facilitation and Project Management	<b>Since 2017</b>
<ul style="list-style-type: none"> <li>Appointment of consultants for DBSA funded Study</li> <li>Draft Regional Gas Masterplan Phase 1 concluded</li> <li>ENH Study for Mozambique concluded</li> </ul>			
	<b>SADC Business Council (SADC-BC)</b>	Host	<b>Since 2018</b>
<ul style="list-style-type: none"> <li>Officially launched in August 2019</li> <li>Developed institutional documents that include: Heads of Terms, Rules of Engagement, and the Constitution</li> <li>Successfully co-hosted the annual SADC Industrialisation Week (SIW) in Dar es Salaam, Tanzania in August 2019</li> <li>Hosted Non-Tariff Barriers (NTB) workshops in member states in collaboration with SADC Secretariat and GIZ-CESARE</li> </ul>			
	<b>Mine Water Coordinating Body (MWCB)</b>	Host	<b>Since 2017</b>
<ul style="list-style-type: none"> <li>Established a Collaborative Platform for the sector</li> <li>Completed the Regional Water Model</li> <li>Completed the Regional Economic Closure Model</li> <li>Developed a Sustainable Regional Closure Model</li> </ul>			
	<b>African Corporate Governance Network</b>	Facilitation and Project Management	<b>Since 2014</b>
<ul style="list-style-type: none"> <li>Review of the membership criteria and made amendments to ACGN governance structures to enable financial sustainability</li> <li>Conducted a comprehensive constitutional review which culminated into a new ACGN Constitution</li> </ul>			
	<b>Engagement Platforms</b>	Events	<b>Since 2007</b>
<ul style="list-style-type: none"> <li>Hosted three Nedbank-NBF Networking Forums</li> <li>Co-organised the 4<sup>th</sup> Annual SADC Industrialisation Week in Dar es Salaam, Tanzania</li> <li>Supported the 5<sup>th</sup> Annual Water Stewardship Event</li> </ul>			

# SUSTAINABLE DEVELOPMENT GOALS

Using two primary modes, the [Programme Management Unit](#) model and the [Secretariat/Host](#) model, NBF activities deliver on **14 of the 17 SDGs**.



## Project Management Unit (PMU):

The NBF has the capacity to develop programmes and projects with resources and proven methodologies that ensure successful implementation.

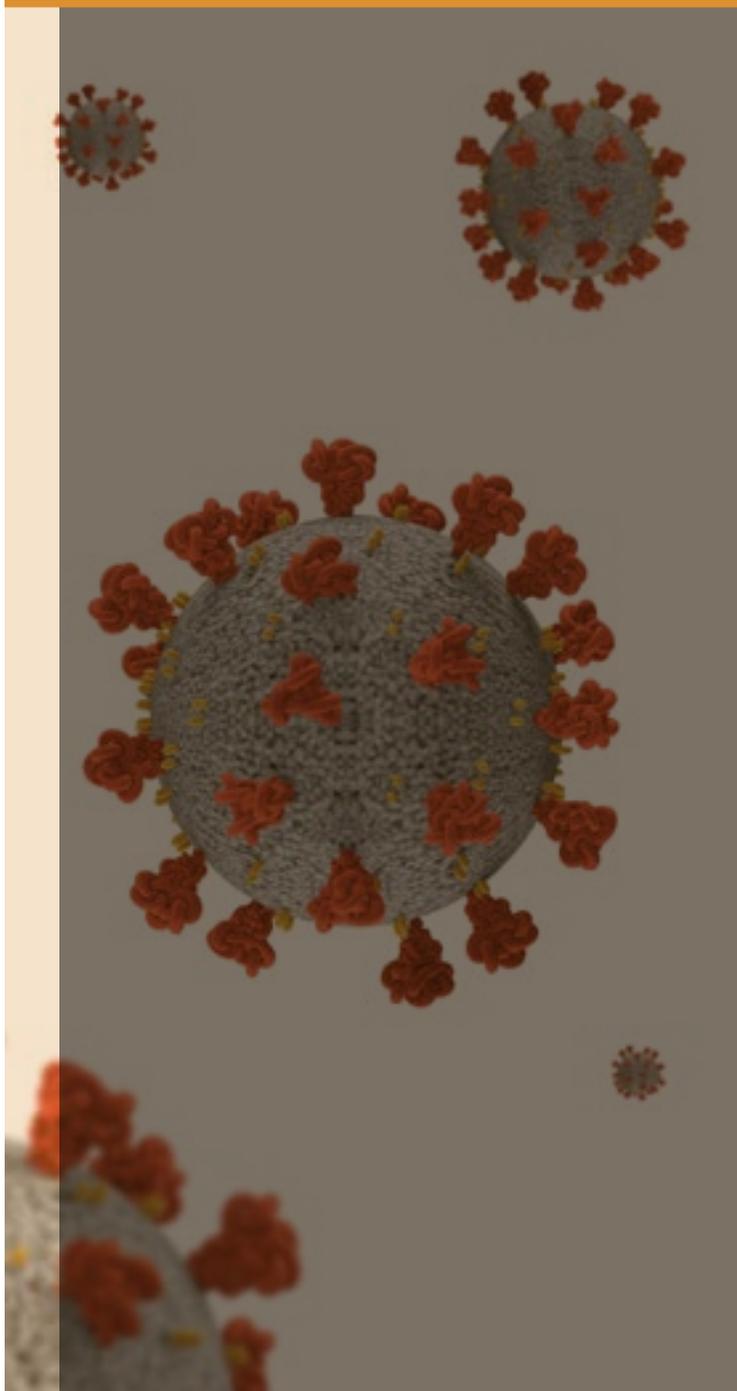
 <b>North-South Rail Corridor (NSC)</b>	5 8 9 10
 <b>SADC Regional Gas Task Force</b>	5 7 8 9 10
 <b>SADC Pharmaceutical Working Group</b>	3 5 9 10 17
 <b>Engagement Platforms</b>	1 2 3 4 5 6 7 8 9 10 12 13 16 17
 <b>Project Finance Advisory Services</b>	5 8 9 10
 <b>CP<sup>3</sup>P Public-Private Partnership (PPP) Training</b>	4 6 7 8 9 10

## Host:

The NBF has a proven track record of managing multi-donor funds as well as significant convening power that enables the organisation to operate as a Host for other programmes and initiatives.

 <b>SADC Business Council (SADC-BC)</b>	1 2 3 4 5 6 7 8 9 10 12 13 16 17
 <b>Strategic Water Partners Network (SWPN)</b>	1 2 3 5 6 9 10 12 13 17
 <b>Mine Water Coordinating Body (MWCB)</b>	1 2 5 6 7 9 10 12 13 17
 <b>African Corporate Governance Network</b>	4 5 8 10 17

# COVID-19 Response



2020 has been impacted by COVID-19, which has slowed down global trade, disrupted supply chains and constricted the movement of people around the world.

In response to this pandemic, the NBF and its programmes have been actively working with various players by initiating discussions on business responses and participating in strategic planning for what comes next.

The NBF engaged strategic stakeholders, and using various virtual workshops, deliberated on ways to mitigate the impact of the pandemic within the mandate of existing NEPAD initiatives.

The SADC Business Council (SADC BC) released a communique on the regional and national preparedness and initial responses to the outbreak of the coronavirus in SADC. The communique also gave recommendations for regional governments and private sector interventions for minimizing the economic impact of COVID-19.

The SADC BC also produced a document with Post COVID-19 Economic Recovery recommendations for the SADC region which was shared with the SADC Secretariat. The SADC BC also worked with the SADC and GIZ on a project that assisted regional private sector companies with the production of COVID-19 related products.

The SADC BC also facilitated Regional Trade and Transport webinars as well as doing work on Non-Tarif Barriers for the movement of essential goods and services in that region.

The SADC Pharmaceutical Working Group, a programme of the NBF, worked on Non-Tarif Barriers workshops targeting the pharmaceutical sector. One of the key outcomes of these sessions was for the working group to share information on mechanisms for companies to report NTBs to the SADC Secretariat in real-time.

As part of the NBF's COVID-19 response, the North-South Rail Corridor (NSC) promoted rail as a viable alternative for transporting essential cargo and trade goods between countries in the region during the border closures and lockdown period.

Finally, the SWPN conducted an assessment of member actions in response to the pandemic for the purpose of sharing COVID-19 response best-practices in the water sector.

## COVID-19 IMPACT ON THE NBF

The NBF Board noted the impact of COVID-19 in its going concern assessment but found no reason to believe that it posed a significant threat to the NBF in the forth coming period.



# COMMENTARIES

# Chairman's Overview



**Geoff Rothschild**  
Chairman

The world is a far different place since 31 December 2019 when the World Health Organization (WHO) announced that the 'Coronavirus Disease 2019' (COVID-19) was an evolved strand of the 'Severe Acute Respiratory Syndrome Coronavirus 2' (SARS-CoV-2). Stemming from a few cluster cases in Wuhan City, China, COVID-19 has become a global pandemic which has irrevocably transformed the world and Africa is no exception.

Africa's prevalent problems with poverty and unemployment have been exacerbated by the coronavirus and it is up to business and government to once again place joblessness and economic growth at the top of the agenda.

The disruption in global supplies has also shown that Africa needs to redouble efforts in improving intra-African trade. To this end, the success of the African Continental Free Trade Area (AfCFTA) is paramount to the sustainable growth of the continent. The AfCFTA has the ability to develop Regional Value Chains (RVCs), improve cross-border infrastructure and resolve barriers to trade in Africa.

Key to this continental integration agenda is going to be energy and generation and power supply. The developing of RVCs will increase the continent's production and manufacturing capacity which will

certainly lead to higher demands on Africa's power grids. It is fortuitous that gas is now being seriously considered as a potential source of energy, especially in the SADC region where large gas reserves have been identified in Mozambique.

RVCs are also going to play a huge role in the production and distribution of pharmaceuticals in Africa. Post COVID-19, medicine manufacturing and healthcare will see a significant increase in investments, particularly in the local pharmaceutical industry. This is good news for Africa as it will lead to a faster resolution of longstanding issues such as the harmonisation of medicine registrations and improvements in the research and development of local medicines.

Regarding public-private partnerships, the pandemic has shown us that it is possible for government-to-government and business-to-government cooperation when goals are aligned. During the nationwide lockdowns we have seen that both public and private sector have the capacity to achieve positive results with very short turnaround times. This sort of teamwork will have to be maintained going forward as it will allow both parties to build the trust necessary to work effectively together.

# Chairman's Overview

Without losing momentum, we must shift into high gear and take advantage of the fourth industrial revolution. The pandemic has proven that all sectors require innovation and that agility in adapting to changing business environments is the only way to survive in the prevailing world. At the moment, most governments and businesses are now looking at investing in the Information and Communications Technology (ICT) and that is the right direction for Africa to take.

The NBF will continue to strengthen relationships with the African Union (AU), African Union Development Agency (AUDA-NEPAD) and the SADC Secretariat. We will work with our strategic partners to support their COVID-19 recovery frameworks for the SADC region and the continent.

We will also be looking at developing initiatives that are in line with the changing business landscape including a stronger position on Pharmaceuticals, Gas, Regional Integration through the AfCFTA and digital infrastructure.

Our message to our stakeholders is this, 'Survive the aftermath and you will be all the stronger for it'. There is much work to do in the rebuilding of our continent and we must work together to recover what we lost and to gain what we aspire to.



# CEO's Report



**Peter Varndell**  
Chief Executive Officer

## **NBF mandate and role**

The NEPAD Business Foundation (NBF) is a non-profit organisation that was formed in 2004 in order to mobilise private sector resources in support of government endorsed initiatives.

We specifically seek to accelerate programmes and projects where there is an intersection of interest between public and private sector stakeholders. These initiatives include African development masterplans such as those of the African Union (AU), African Union Development Agency (AUDA-NEPAD), SADC and the South African National Development Plans.

Our objective is to stimulate inclusive and sustainable economic growth in Africa and we mainly focus on interventions in infrastructure and industrial value chains. We strongly believe that making these mega-projects happen will fundamentally change the lives of our fellow African people.

Our unique project execution model is built around being agile in order to respond to the varied and specific needs of project sponsors to implement their projects. Our role is to act as neutral facilitators/ programme managers and we actively look to collaborate with relevant partners wherever possible.

Typically, NBF funding is sourced from corporates with an aligned vision to promote Africa's economic development and we leverage our relationships with donors and DFIs in order to fund specific project work.

The NBF provides value in two primary ways: firstly, through our Project Management Unit model where we have the demonstrated capacity to successfully develop and implement programmes; secondly, where required, we also act as Host for other programmes and initiatives where the NBF has a proven track record of managing multi-donor funds as well as having significant convening power.

## **Key successes during the period**

I am extremely proud that the NBF and its diverse programmes have continued to deliver remarkable results during the reporting period and wish to share some of the highlights:

### **North-South Rail Corridor:**

The North-South Rail Corridor (NSC) project concluded the Funding and Institutional Structuring Study, secured additional DFI funding and commenced procurement for the feasibility level analysis.

# CEO's Report

In parallel, in order to improve efficiency and rail cargo volumes, NBF assisted the development of clear deviation analysis for NSC transit performance, as well as facilitating agreement of commercial terms for backhaul volumes to aid the process of capturing additional rail friendly cargo.

## **SADC Regional Gas Task Force:**

The NBF is playing an active role in the development of the gas sector in the SADC region. Under the SADC Regional Gas Task Force, the NBF assisted with the appointment and management of consultants for a DBSA funded SADC Regional Gas Masterplan Study. The NBF also supported ENH with the Gas Market and Infrastructure Requirements Study.

## **SADC Pharmaceutical Working Group:**

The Working Group further developed relationships with key stakeholders in order to better position potential private sector support to promote the expansion of the ZAZIBONA Medicines Registration initiative. The NBF also facilitated input into the 2019 SADC Industrialisation Week Declaration on pharmaceuticals.

## **SADC Business Council (SADC BC):**

Since its official launch in August 2019, the SADC BC is rapidly becoming a key institution for addressing

SADC regional initiatives. This is particularly true in relation to Non-Tarif Barriers (NTBs) and trade facilitation.

Key activities to date have included developing the organisation's institutional documents, successfully co-hosting the annual SADC Industrialisation Week, development of the Dar Es Salaam Declaration which is shared at the SADC Ordinary Summit of the Heads of State and Government, and holding Non-Tariff Barriers (NTB) workshops in member states in collaboration with SADC Secretariat and GIZ-CESARE.

## **PPP Training:**

14 CP<sup>3</sup>P training courses were delivered to over 130 African professionals. This brings the total number of people trained to date to over 450.

Similarly, the initiatives that the NBF hosts have made significant progress:

## **Strategic Water Partners Network (SWPN):**

The SWPN is developing the Polokwane Municipality Water Conservation and Water Demand Management strategy and Business Plan. It also approved a new strategy and aligned its existing Thematic Working Groups to that strategy.

## **Mine Water Coordinating Body (MWCB):**

The MWCB successfully completed its first three-year phase which included establishing the Collaborative Platform, completing the Regional Water and the Regional Economic Closure Models, and developing the Sustainable Regional Closure Model.

## **African Corporate Governance Network (ACGN):**

With strategic support from the NBF, the ACGN amended its governance structures to better enable financial sustainability. This culminated into a new ACGN Constitution.

## **Looking ahead**

The overall strategy for the organisation remains the same. We will continue to support the AU by cooperating and partnering with them on their initiatives. With the updating of our MoU with AUDA-NEPAD, we intend to strengthen the collaborative efforts between our aligned programmes in the areas of infrastructure (transport, energy, water and ICT), regional industrial value chains (gas, pharmaceuticals, agriculture) and regional trade.

# CEO's Report

In particular, we hope to support the current AU Chair, His Excellency, President Cyril Ramaphosa, by delivering results in aligned areas beyond his term. This includes:

- *Driving the Delivery of Regional Infrastructure Projects by continuing our support to the North-South Rail Corridor Project, reviving the SADC PIDA Acceleration Programme (focussing on the North-South Corridor) and establishing a NSC Corridor Management Institution / Private Sector Platform*
- *Supporting execution of the Africa Continental Free Trade Area (AfCFTA) by implementing initiatives in alignment with the AfCFTA and resolving non-tariff barriers to regional trade*
- *Supporting the Africa Artificial Intelligence Forum through establishing and supporting a Digital Infrastructure programme*

## COVID-19 Impact

Like all organisations, we are mindful of the impact of COVID-19 on Africa. The effects of this pandemic are going to be strongly felt by businesses and society for a long time to come. Seemingly, it has exposed Africa's dependence on global value chains, and, whilst the current situation is challenging, it has endorsed the need for implementation of many of the plans that have already been well conceived at a regional and continental level.

Never before has the importance of partnerships between the public and private sector been more important and relevant. We are experiencing this first-hand and are extremely pleased with our strengthened relations with both the AUDA-NEPAD and the SADC Secretariat where we are supporting their respective COVID-19 response plans.

Our specific areas of support include coordinating information on regional manufacture of COVID-19 related products, resolving regional trade and transport challenges experienced by businesses transporting essential goods and services, and supporting post COVID-19 economic recovery responses.

## Conclusion

As another successful year comes to a close, we wish to recognise the valuable vision and contribution of our members, funders and partners. We sincerely thank you and remain guided by the original NBF vision that envisaged an "African powerhouse that utilizes all its resources to generate innovative economic growth that engenders socio-political stability and sustainable livelihood for all its people".

As our work continues to evolve, grow and be recognised, we are positive that our value is unbound and we will continue to strive to find aligned partners so that we can do more.

Finally, I wish to thank the NBF Board, Patrons and Staff for your continued commitment to our valuable cause. Your individual tenacity and ingenuity have been the key to our ongoing success.

*P. J. Varnell*



**PROGRAMME  
ACTIVITIES**

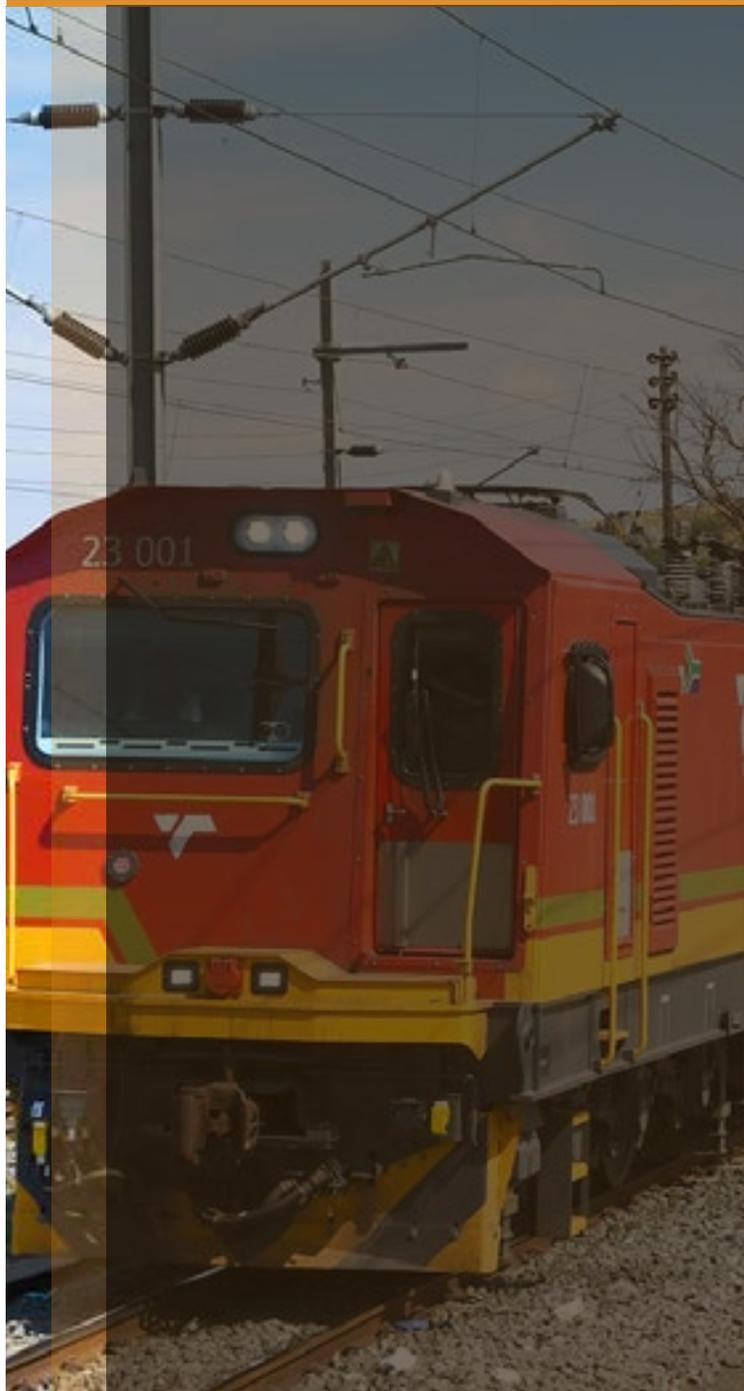
# THE BACKBONE OF SADC TRADE ROUTES



## North-South Rail Corridor (NSC)

The NSC is a rail network that covers six countries spanning over 4,000km. The network includes two deep sea ports and multiple inland terminals.

# North-South Rail Corridor (NSC)



## About the North-South Rail Corridor

The North-South Rail Corridor (NSC) project is focused on the optimisation, rehabilitation and upgrade of the NSC railway network. The corridor is defined as the main railway line connecting the mining district of Kolwezi in the DRC to the ports of Durban and Richards Bay in South Africa.

## Programme Overview

The corridor runs through DRC, Zambia, Zimbabwe, Botswana, South Africa and Swaziland. It is a key regional project that will unlock trade, job creation, industrial development and overall economic growth within the SADC region.

The NSC project is a rail network of over 4,000 km including two deep sea ports and multiple inland terminals. The network covers six countries and the NBF is working with seven rail operators (Societe Nationale des Chemins de fer du Congo, Zambia Railways Limited; National Railways of Zimbabwe, Beitbridge Bulawayo Railways, Botswana Railways, Eswatini Railways and Transnet, to deliver a seamless, safe, predictable, reliable and competitive railway service.

## 2019 - 2020 Activities

- *Funding and institutional structuring study concluded*
- *Generation of NSC transit performance reports in partnership with the NSC Joint Operations Center (JOC)*
- *Hosting and driving workshops/telecons to discuss and agree commercial terms for backhaul volumes*
- *Various engagements and activities to progress and find next steps identified by the Pre-Feasibility and the Funding and Institutional Structuring studies.*
- *Additional DFI funders secured for feasibility level analysis*
- *Procurement commenced for execution of feasibility level analysis*

# POWER FOR THE REGION



## Southern Africa Regional Gas Task Force

A government recognised and business endorsed initiative established to develop the SADC gas sector and convert the natural gas resources within the SADC region as fuel for industrialisation, job creation and affordable energy supply.

# Southern Africa Regional Gas Task Force



## About the Gas Task Force

The Southern Africa Regional Gas Task Force is a multi-stakeholder platform for public-private sector dialogue designed to enable and support the monetisation of the natural gas resources within the SADC region.

## Programme Overview

The objective of the Southern Africa Regional Gas Task Force is for the NBF to facilitate the development of the natural gas based economies in Mozambique and the SADC region as this holds significant opportunity for skills development, economic growth and a reduction in poverty across the region.

Acting as an independent and neutral facilitator, the NBF achieves the objectives of the SADC Regional Gas Task Force through efforts which include:

- *Determining sources of gas available for consideration by Governments/Industry including volume profiles and timing associated with each supply option*
- *Understanding the market dynamics of the economies of the SADC states including demand profiles, switching considerations and timing/tenure of off take*

- *Determining the logistics, infrastructure, pricing and regulatory requirements to bridge the gap between supply and demand nodes*

## 2019 - 2020 Activities

- **SADC Regional gas masterplan:** *This phase 1 study intends to define the conceptual and policy framework that is influenced by the gas supply and demand dynamics, together with the infrastructure, market and regulatory enablers, over a 30-year horizon for the SADC region.*
- **ENH SADC Gas Market and infrastructure study:** *The ENH Regional Gas Market Study is focussed on determining options (projects) to monetise the Mozambique Rovuma Basin domestic gas to achieve Mozambique and regional economic development.*

# AMPLIFYING THE VOICE OF THE BUSINESS COMMUNITY IN SADC

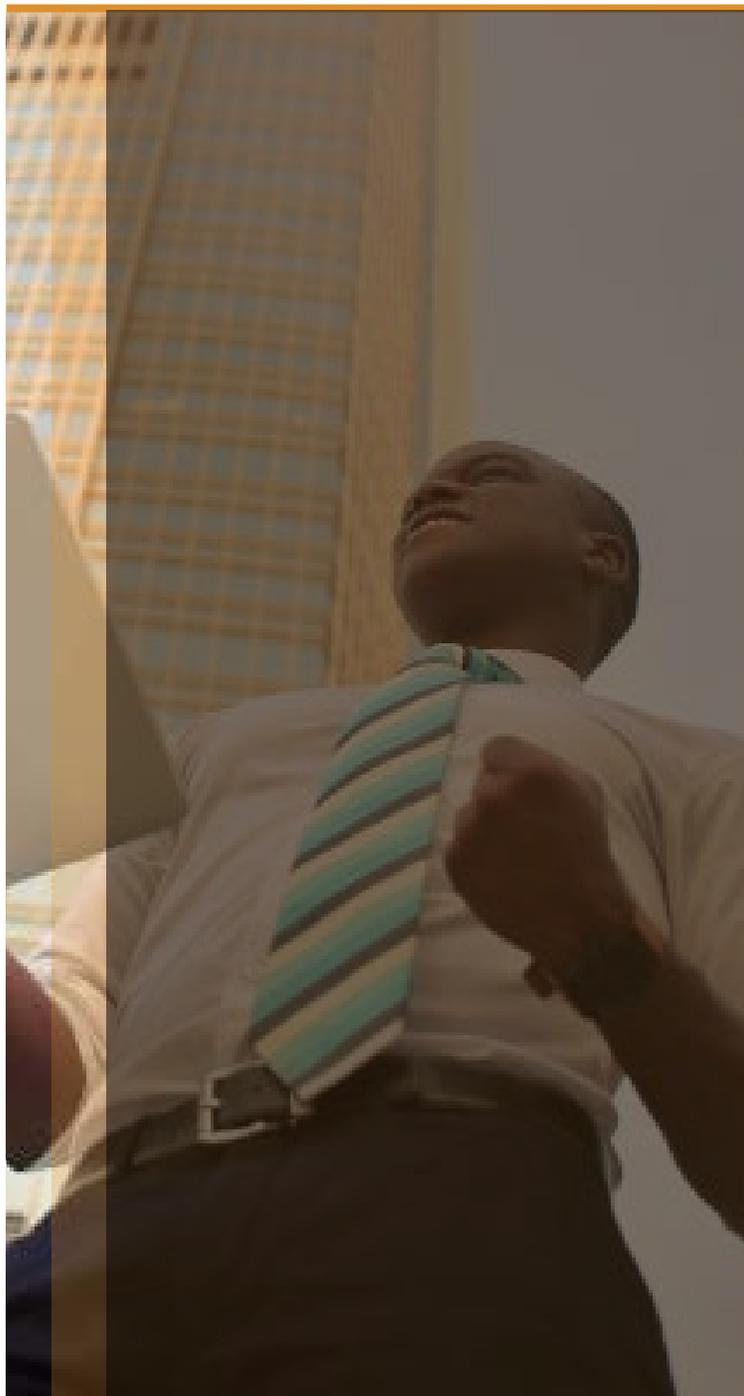


## SADC Business Council (SADC BC)

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Apex body of national business associations of the 16 SADC Member States and Regional Business Associations in Southern Africa.

# SADC Business Council (SADC BC)



## Origin of the SADC BC

In 2017, the SADC Council of Ministers issued a directive to SADC to develop a private sector engagement mechanism to better involve the private sector in the implementation of the SADC Regional Integration Agenda and the Industrialisation Strategy and Roadmap 2015-2063.

In November 2018, the SADC Business Council (SADC BC) held its founding meeting in Johannesburg, South Africa and the NEPAD Business Foundation was elected as the interim secretariat of the SADC BC.

The SADC BC was officially launched in August 2019 by his Excellency, the President of the United Republic of Tanzania, Hon John Pombe Joseph Magufuli during the 4<sup>th</sup> annual SADC Industrialisation Week held in Dar es Salaam, Tanzania.

## About the SADC BC

The SADC BC is a Regional Apex body of national business associations of the 16 SADC Member States and Regional Business Associations in Southern Africa.

## SADC BC Overview

The purpose of the SADC BC is to be the central regional private sector platform to act on matters of regional economic development and industrialisation.

## SADC BC Objective

The primary objective of the SADC BC is to advocate and promote private sector interests to improve the enabling and competitive business environment by engaging regional, national and local policy organs in SADC to the extent that it impacts on regional policies.

## 2019 - 2020 Activities

- Co-organised the 2019 annual SADC Industrialisation Week (SIW) with SADC Secretariat and the government of the United Republic of Tanzania
- Development of the Dar es Salaam Declaration which will be shared at the next SADC Ordinary Summit of the Heads of State and Government (HOSG)
- Hosted Non-Tariff Barriers (NTB) workshops in member states in collaboration with SADC Secretariat and GIZ-CESARE
- Officially launched the SADC BC in August 2019
- Hosted inaugural SADC BC AGM
- Developed institutional documents that include: Heads of Terms, Rules of Engagement and the Constitution

# SUPPORTING THE GROWTH AND DEVELOPMENT OF THE SADC PHARMACEUTICAL SECTOR

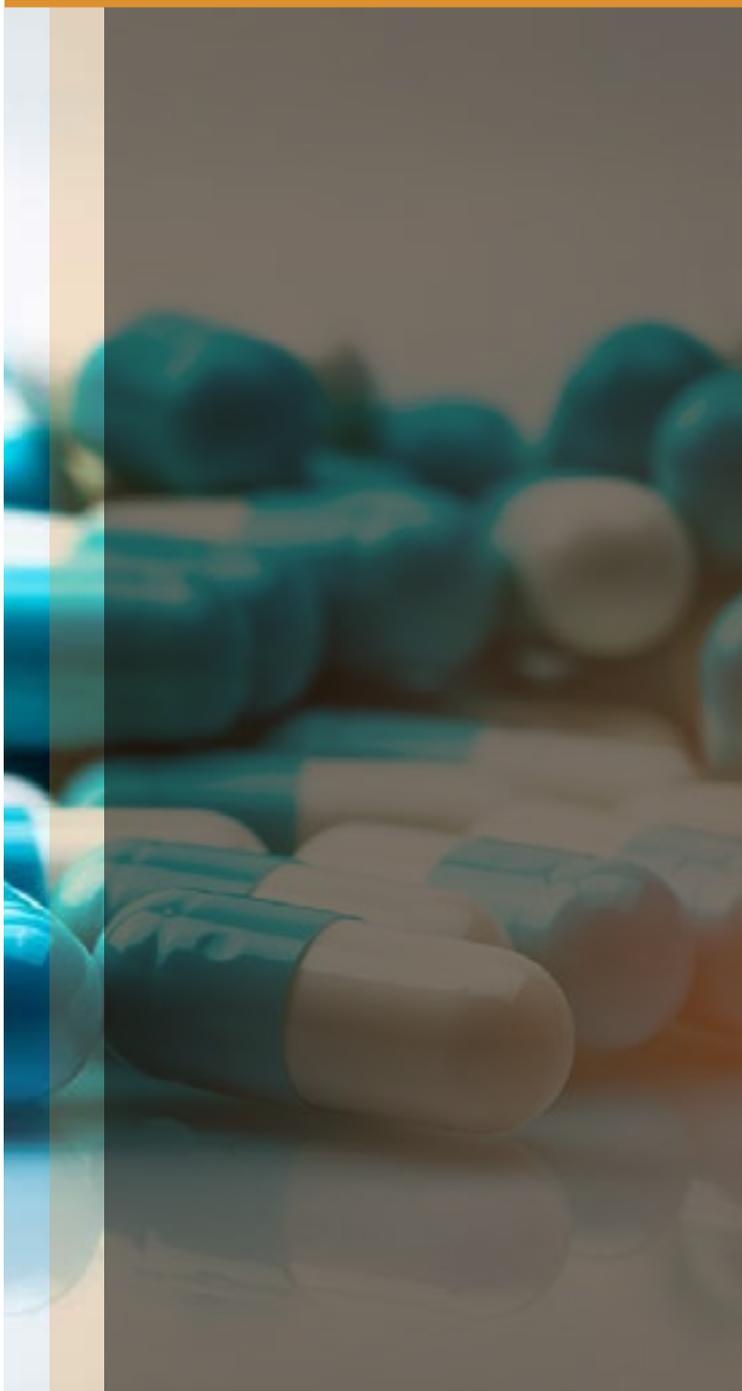


## SADC Pharmaceutical Working Group

A collective of pharmaceutical stakeholders who work jointly to increase pharmaceutical value chain investments in SADC.



# SADC Pharmaceutical Working Group



## About the SADC Pharmaceutical Working Group

The SADC Pharmaceutical Working Group is a collective of pharmaceutical stakeholders who work jointly to increase pharmaceutical value chain investments in SADC by identifying pharmaceutical policy and investment barriers and finding solutions.

Participants include private companies, pharmaceutical associations, healthcare companies and SADC officials who are working together to identify and resolve operational barriers.

## Working Group Objectives

The Pharmaceutical Working Group aligns its objectives with those of the SADC Pharmaceutical Business Plan and the African Union's African Medicines Regulatory Harmonisation Initiative (AMRH) and include the following:

- *Reduce delays in the medicine's registration process*
- *Increase local participation in the value chain*
- *Promote the manufacturing of pharmaceuticals*
- *Promote SADC as an attractive site for clinical development*
- *Advocate for increased Research and Development expenditure levels*

## 2019 - 2020 Activities

- *Promoted the expansion of the ZAZIBONA Medicines Registration process and understood support required*
- *Provided input into the 2019 SADC Industrialization Week Declarations on pharmaceuticals*
- *Aligned with SADC partners in the implementation of the 'Support towards Industrialisation and the Productive Sectors in the SADC region' (SIPS) initiative*

# CLOSING SOUTH AFRICA'S WATER GAP BY 2030



## Strategic Water Partners Network (SWPN)

A multi-stakeholder partnership working collectively to close a 17% gap between water supply and demand that is anticipated to manifest by the year 2030 in South Africa.

# Strategic Water Partners Network (SWPN)



## About the SWPN

The Strategic Water Partners Network (SWPN) was established in 2011 as a multi-stakeholder (public, private and civil society) partnership working collectively to close a 17% gap between water supply and demand that is anticipated to manifest by the year 2030 in South Africa.

The National Water Resources Strategy (2012) formally identifies the SWPN as the key platform to facilitate water management partnerships between the Department of Water and Sanitation (DWS), the private sector, civil society and other key stakeholders. The SWPN convenes stakeholders, carries out participatory problem and opportunity analyses and develops and scales out projects to improve water security.

## SWPN Projects

The SWPN is hosted by the NBF. The four key focus areas of the platform are:

- *Water use efficiency and leakage reduction*
- *Effluent and wastewater management and Sanitation*
- *Agricultural supply chain*
- *Water stewardship*

## 2019 - 2020 Activities

- *Executed the Polokwane Water Partnership non-revenue water project (financed by Anglo & SAB)*
- *Developed a new strategy for the SWPN*
- *Co-hosted the 5<sup>th</sup> Annual Water Stewardship Conference in Johannesburg*
- *Developed and launched an official SWPN website*



# FACILITATING SUSTAINABLE MINE CLOSURE



# Mine Water Coordinating Body (MWCBC)

## About the MWCBC

The MWCBC is a public-private collaborative platform that was formed to address environmental, social and economic challenges that could arise from coal mine and power plant closure including long-term mine affected water management and regional mine and power plant closure planning in the Upper Olifants Catchment, Mpumalanga Province, South Africa.

The current partners of the MWCBC are AngloCoal, Exxaro, ESKOM, Glencore, SASOL, South32, SWPN, the Water Research Commission (WRC), the Department of Water and Sanitation (DWS), the Department of Minerals and Energy (DMRE), Department of Environment, Fisheries and Forestry (DEFF), Department of Agriculture, Land Redistribution and Rural Development (DELRRD), the Department of Economic Development of the Mpumalanga Province (DEDT) and Minerals Council of South Africa.

## Programme Overview

MWCBC Phase 2 (2020 until 2023) was approved by the Coal Leadership Forum (CLF) in Dec 2019. Phase 2 will focus on the finalisation of Bankable Feasibility Studies and implementation of the 5 identified socio-economic projects utilising mine

water, land and infrastructure. These projects aim to ensure a Just Energy Transition in the Upper Olifants Basin, Mpumalanga during and after mine and Power Station closure.

## 2019 - 2020 Activities

- *Collaborative Platform Established*
- *Regional Water Model Completed*
- *Regional Economic Closure Model Completed*
- *Sustainable Regional Closure Model Developed*



# **APMG Public-Private Partnerships Certification Program**

**Building APMG Certified PPP professionals  
to tackle infrastructure challenges**

The NBF is an accredited trainer of the CP<sup>3</sup>P Courses

# APMG CP<sup>3</sup>P Certified PPP Professional



## About the CP<sup>3</sup>P Training

The NBF and its Head Trainer, Andre Kruger were accredited by APMG International, the World Bank appointed agent, during February 2017.

The NBF has successfully delivered up to thirty PPP training courses and has trained over 450 infrastructure practitioners from the public and private sector, representing Albania, Angola, Bangladesh, Botswana, DRC Congo, Ethiopia, France, Ghana, Ireland, Kenya, Korea, Malawi, Namibia, Niger, Nigeria, Rwanda, South Africa, Sweden, Switzerland, Tanzania, Zambia and Zimbabwe.

The NBF has developed specialised courses for the following sectors:

- *Electricity generation, transmission and distribution PPPs*
- *Light rail PPPs*
- *Water and sanitation PPPs*
- *Affordable Housing PPPs*

## CP<sup>3</sup>P Training Courses

The NBF represents one of six international training companies that are accredited to also deliver the advanced CP<sup>3</sup>P Preparation and the CP<sup>3</sup>P Project Execution Courses.

## 2019 - 2020 Activities

- Hosted seven CP<sup>3</sup>P Foundation Courses
- Hosted four CP<sup>3</sup>P Preparation Course
- Hosted three CP<sup>3</sup>P Execution Courses
- Trained 136 people in 2019-2020



**A NETWORK OF MORE  
THAN 20,500 MEMBERS  
IN 19 COUNTRIES**

## **African Corporate Governance Network (ACGN)**

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Africa's largest collaborative network dedicated towards the promotion and development of corporate governance across the continent.

# African Corporate Governance Network (ACGN)



## About the African Corporate Governance Network (ACGN)

The ACGN is a collaborative network of director membership organisations that promote effective corporate governance on the African continent and has 19 members and 9 affiliate members from 19 African countries representing over 20,500 senior executives and directors across the continent.

## Programme Focus

The ACGN provides policy makers and market participants with an important forum to exchange experiences and best practices aimed at addressing ongoing corporate governance challenges in Africa.

## Challenges and Potential Solutions

The growing trend of inter-continental business transactions and the increase in the flow of FDI in Africa highlights the importance of economic and corporate governance in the continent. It has become imperative to develop and implement Africa-wide corporate governance guidelines at par with global standards and best practice to enable the African corporate sector to fully participate and contribute to African economic development.

## 2019 - 2020 Activities

- *The ACGN continued to focus on its most pressing issues related to funding sustainability via a review of the membership criteria and amendments to its Governance structures through a comprehensive constitutional review.*
- *The NBF provided strategic advisory support to the ACGN.*
- *The NBF undertook the ACGN Constitutional review which culminated into a new ACGN Constitution which was adopted unanimously by the ACGN at its meeting on 21 July 2020.*

# PROVIDING FINANCIAL SOLUTIONS THAT ENABLE THE EXECUTION OF DEVELOPMENT PROJECTS

## Financial Advisory Services

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As part of the NBF's Project Management Unit (PMU), the organisation also provides financial advisory services for development projects.

# Financial Advisory Services



## NBF Financial Advisory Services

As part of the NBF's Programme Management Unit services, the organisation also provides financial advice and services to programmatic clients according to the needs of particular projects and initiatives.

Some of the financial advisory services that have been successfully delivered in the past include the following:

### UK Prosperity Fund:

The NBF finalised an assignment to improve the South African PPP training material and capacitate key municipalities in developing major infrastructure projects

### USAID-WashFin:

The NBF completed a study regarding South African municipal credit worthiness and participated in the National Treasury initiative to develop long-term capital plans for the intermediary cities. The NBF also delivered 6 water and sanitation PPP training programs also utilising USAID, WashFin and Grundfos sponsorship.

### Stockholm International Water Institute (SIWI):

The NBF provided long term financial consulting services for SIWI and SIDA delivering the Africa EU

Water Partnership project. This task concerns supporting mega project development, specifically the institutional and financial structuring aspects of the following projects:

- *Lesotho Botswana Water Transfer Scheme led by Orasecom Songwe River Basin Development Programme led by the Songwe River Basin Commission*
- *UK – China Infrastructure Alliance promoting trilateral UK-South Africa-China infrastructure cooperation and partnerships to support sustainable, inclusive economic development in South Africa and increase infrastructure trade and investment.*

## 2019 - 2020 Activities

The NBF continued to provide financial advisory services for the ongoing infrastructure programme:

### Africa Infrastructure Desk:

Supporting the development of the North South Corridor institutional and financial structuring options analysis. This activity is undertaken to support the development of a more detailed pre-feasibility study.

A group of diverse business professionals in a meeting, with an orange overlay containing the text 'ENGAGEMENT PLATFORMS'. The background shows a blurred office setting with people in business attire. The text is centered on a semi-transparent orange rectangular area.

# ENGAGEMENT PLATFORMS

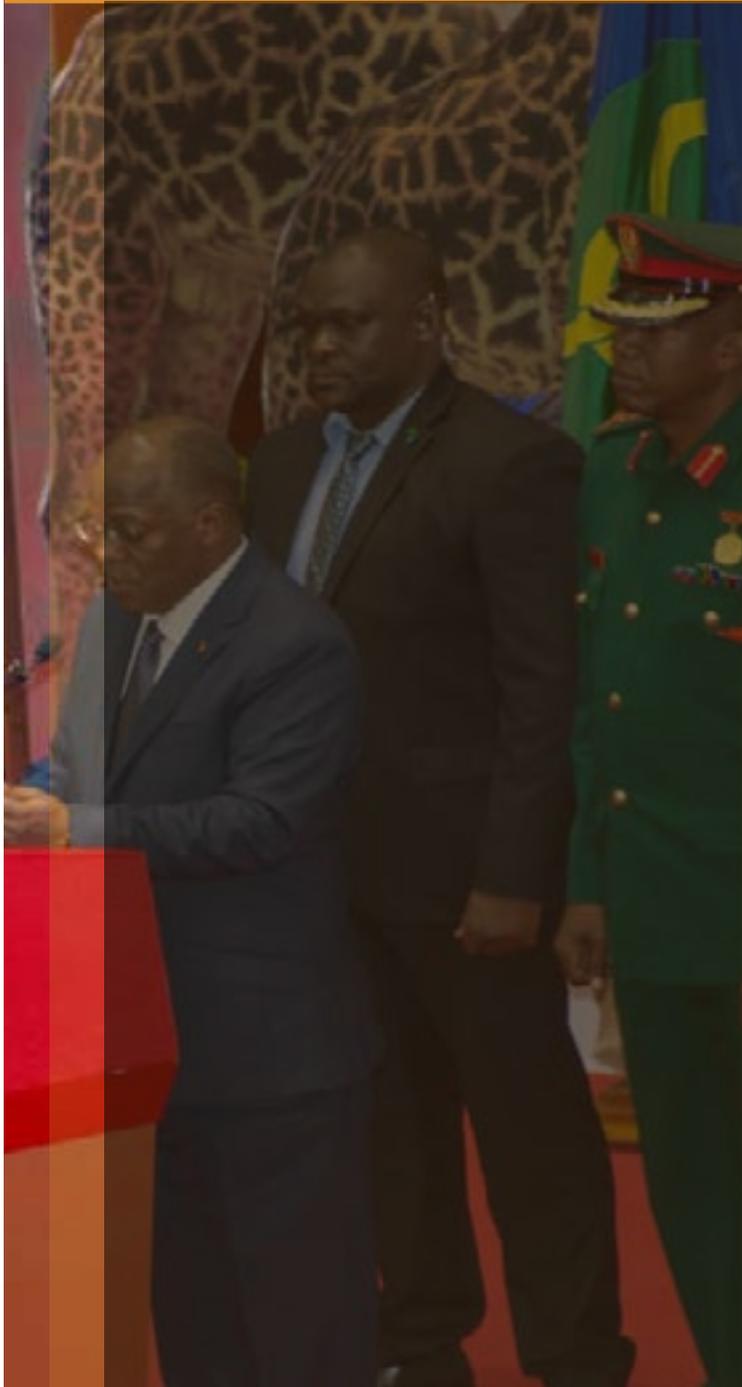
# THE LARGEST ANNUAL INDUSTRIALISATION EVENT IN THE REGION



## Annual SADC Industrialisation Week (SIW)

Largest public-private annual regional event centred on promoting, advancing and executing the SADC Industrialisation Strategy.

# Annual SADC Industrialisation Week (SIW)



## About the SADC Industrialisation Week (SIW)

The SIW is an annual public private engagement platform aimed at fostering new opportunities for Intra-African trade, developing cross border value chains and identifying investment opportunities in Southern Africa.

Annually, the SIW brings together leading private sector experts, regional and global policy makers, Development Finance Institutions, SADC officials, donors, civil society and leading industrialists and captains of industry in SADC and in the continent to identify investment opportunities, industrialisation bottlenecks and jointly recommend solutions.

All SIW engagements are designed to lead to the formulation of practical next steps which include kick starting private sector led working groups, projects and programmes.

## Objective of the SIW

The main objective of the SIW events is to provide an outline of the main challenges faced by businesses when conducting trade in the region. This process cumulates into Declarations whose outputs are fed into the SADC Heads of State and Government summits for actioning.

## 2019 - 2020 Activities

The SADC Business Council (Hosted by the NBF), together with the SADC Secretariat and the United Republic of Tanzania through the Ministry of Industry and Trade, co-organised the 4<sup>th</sup> SADC Industrialisation Week which was held in August 2019 in Tanzania.

The event was hosted under the theme 'A Conducive Environment for Inclusive and Sustainable Industrial Development, Increased Intra-regional Trade and Job Creation'.

Key highlights of the event included:

- Officially opened by His Excellency President of the United Republic of Tanzania (URT) Dr. John Pombe Joseph Magufuli
- Officially closed by His Excellency President of the Revolutionary Government of Zanzibar Dr. Dr Ali Mohamed Shein
- Development of the Dar Es Salaam Declaration which is shared at the next SADC Ordinary Summit of the Heads of State and Government (HOSG)
- Organised over 15 factory site visits in the United Republic of Tanzania and Zanzibar
- More than 3000 delegates including senior level government officials and captains of industry attended the event
- Hosted over 1400 exhibitors from regional MSMEs and large corporates

# BRINGING LIKE-MINDED THOUGHT LEADERS TOGETHER



## Nedbank-NBF Networking Forums

A private sector-led platform for like-minded, high-level government and business delegates to deliberate on topical developmental issues in Africa.

# Nedbank-NBF Networking Forums



## Nedbank-NBF Networking Forums

The Nedbank-NBF Networking Forums are a private sector-led platform for like-minded, high-level government and business delegates to deliberate on topical issues related to the NEPAD objectives and Africa's growth and development.

Initiated in 2011, the platform hosts quarterly events and is supported by Nedbank Ltd at their offices in Sandton.

The platform attracts foreign dignitaries and senior level business executives as well as government officials and creates a conducive environment for the exchange of ideas among pan-African individuals.

## 2019 - 2020 Activities

During the 2019-2020 period, the Nedbank-NBF Networking Forum hosted topical sessions of high interest themes which included:

- *The Africa's 'Transport and Logistics' PPP Workshop which shared insights into some of Africa's transport and logistics challenges as well as opportunities and best practices from leading industry experts.*
- *The 'Water Sustainability Solutions for Africa' Session which focused on water sustainability*

*solutions for South Africa.*

- *The tenth NBF AGM was a platform for members and stakeholders to review organisation's results for the period 2018 - 2019.*
- *The energy-focused 'Advancing Transmission Lines in Southern Africa' Workshop.*



**GOVERNANCE**

# Governance

## Principles of Business

The NBF is a not for profit company that strives to promote sustainable economic development in Africa through the private sector. It utilises a comprehensive framework of policies and procedures, systems and internal controls to guide and manage its responsibilities.

Adherence to these as well as a strong ethical code embedded in the organisation enables us to assure stakeholders that our integrity and corporate governance mechanisms remain sound.

Our communications and transparency are fundamental to the ongoing success of the business as is the professionalism of our board, management and staff.

## Guiding Principles

### **Compliance with relevant laws and regulations:**

The NBF rigorously pursues compliance with relevant laws and regulations and seeks professional counsel in matters beyond the knowledge and expertise of the staff and Board.

### **Considering opportunities based on economic and developmental impact:**

The NBF prioritises opportunities on the basis of economic viability and social impact, and stakeholders are obliged to understand such criteria when engaging with the NBF.

### **Active policy lobbying without using political tactics:**

The NBF is a neutral platform for the benefit of both the public and private sectors. We therefore refrain from using political tactics to achieve our mandate while endeavouring to identify and bring to the fore the key imperatives of both groupings.

### **Acting with honesty, integrity and fairness in all our dealings:**

Employees and Board members of the NBF are obliged to act with honesty, integrity and fairness in all dealings.

### **Service excellence:**

The NBF provides service efficiently and to the highest levels. Consequently, management and staff of the NBF regularly monitor the needs and objectives of stakeholders as they interact with them and strive for service excellence.

# Governance

## Governance Structure

The NBF is a Non-Profit Company (NPC) and a membership-based organisation.

The NBF's active members are the equivalent of its shareholders and have voting rights at general meetings, similar to those of other shareholders. The NBF is committed to the highest standards of corporate governance relating to ethics, professionalism and integrity. The Board takes overall responsibility for the NBF while its operations are further overseen by an Operations Committee. The Audit and Risk Committee oversees the organisation's internal controls, financial reporting and risk framework. These committees of the Board provide continuing leadership to the NBF management as it undertakes activities in the best interest of the NBF and all stakeholders.

## Patrons

The NBF is supported by four Patrons who are non-members and are well respected individuals sharing our mission of promoting sustainable economic development in Africa through the private sector.

Our Patrons lend their support and expertise in the development of our mission and vision to achieve the NBF strategic objectives.

**Dr. Nkosana Moyo** is the founder of the Mandela Institute for Development Studies (MINDS), former Minister of Trade in Zimbabwe and former Deputy President of the African Development Bank. His vast experience in the development of Africa and his commitment to a vision of a fully economically integrated Africa, allows him to provide the NBF with wisdom, guidance and strategic input to ensure the NBF delivers its objectives of an economically and socially developed continent.

**Mama Graça Machel** whose passion for social development in Africa has increased the visibility of the institution to new stakeholders. Her continued personal contribution to the NBF and our work in providing support to rural women farmers in Mozambique, is a testimony of her longstanding commitment to the development of women in Africa.

**Dr Reuel Khoza** is a distinguished thought leader, businessman, President of the Institute of Directors in South Africa (IoDSA), Africanist, public speaker and change agent at the forefront of transformation in the South African political economy. Dr Khoza has been hailed as a role model in respect of the duties and responsibilities that a citizen can and should take on in the public and national interest. Dr Khoza is a former Chairman of the NBF.

**Stanley Subramoney** qualified as a Chartered Accountant (SA) in 1987 and was appointed audit partner at PwC, serving a number of the firm's large clients both in the public and private sectors. During his 27 years in the audit profession as audit partner and later as member of the Exco of PwC, he led large and complex assignments, and gained valuable experience across the various sectors.

He represented the Southern African firm in a number of PwC's African and global structures. These roles provided Stanley with a wide international view and exposure to global clients. Stanley is currently the CEO of Menston Holdings (Pty) Limited, an investment holding company. Stanley is a former Chairman of the NBF.

# Governance

## Board Structure

The NBF has a unitary Board that consists of a total of fourteen directors – thirteen non-executives and one executive director.

### Directors

During the year, Kirti Narsai resigned as a director. During the same period, the NBF also appointed Aluwani Museisi as a new director. All non-executive directors offer their expertise on a pro-bono basis.

### Independent Advice

The Board recognises that there may be occasions where directors consider it necessary to obtain independent professional advice. This is done at the NBF's expense or with pro-bono assistance from highly qualified external parties commissioned by the Operations Committee.

### Board Meetings

The Board holds a minimum of three meetings per year. Three meetings of the Board were held in the period under review on 27 June 2019, 19 September 2019 and 9 March 2020.

### Board Committees

All committees operate under Board approved terms of reference, which are updated from time to time to keep pace with organisational dynamics and best practice.

### Operations Committee

During the period under review, the Operations Committee (OPSCO) comprised the Chairperson, the Chief Executive Officer (CEO) and five Non-Executive Directors. A special permanent invitation was granted to the Financial and Operations Controller and to the Company Secretary.

OPSCO meets every alternate month, except over the December/January break and its responsibilities are to:

- *manage the NBF's operations*
- *develop strategy and policy proposals*
- *direct senior management and employees*
- *implement and monitor policies, procedures and internal controls*
- *review and advise programmes and projects being designed and implemented by Programme Heads*

## Audit and Risk Committee

During the year under review, the Audit and Risk Committee (ARC) consisted of four Non-Executive Directors. The CEO, the Financial and Operations Controller and Company Secretary also attend these committee meetings. Representatives from the external auditors periodically attend the committee meetings by invitation.

The auditors have unrestricted access to the ARC.

The ARC responsibilities are to:

- *oversee the existence and effectiveness of internal controls and risk management processes*
- *review and examine audited financial statements prior to submission and approval by the Board to ensure compliance with all applicable legal requirements and standards*
- *provide oversight to internal financial controls and audit functions*
- *guide and ensure statutory and regulatory compliance*
- *evaluate the independence and appointment of external auditors*

The ARC was satisfied that adequate internal controls and risk mitigating measures were maintained during the year. In addition, the ARC was satisfied with the audit work performed by the independent external auditors, KPMG Inc.

# Governance

## Auditors

**KPMG Inc.** again undertook the audit of the NBF for the period to 31 March 2020. The NBF is grateful to KPMG and acknowledges that this was done on a pro bono basis.

## Internal Control

Management adopts internal controls including policies, procedures and processes to provide reasonable assurance in safeguarding assets, the accuracy and completeness of accounting records and the reliability of financial statements.

## Risk Assessment and Management

The Board is responsible for the process of risk management which incorporates internal control and audit functions. The ARC assists the Board in fulfilling its responsibilities by regularly monitoring decisions and processes designed to ensure the integrity of financial reporting and sound systems of internal control and risk management.

NBF maintains a corporate risk management strategy which controls risks associated with the company as well as its relationship with its stakeholders and the management of new and existing business relationships.

The responsibility for the creation, maintenance and periodic review of this risk management strategy is held by the executive management of NBF. The strategy is reviewed on an annual basis and changes are ratified when required, through review by the OPSCO and ARC.

A full risk analysis has been undertaken and a risk framework has been established and is regularly updated and presented to the OPSCO and ARC for the appropriate mitigation, actions and decisions to be taken.

The key risks identified which require monitoring are as follows:

- *Sustainability*
- *Reputational*
- *Financial, including grant compliance and systems*
- *Operational, including legislative compliance*
- *Environmental, including political, economic and social impacts, and Human capital*

These risks are being addressed in the following ways:

- *Sustainability plan and going concern assessment*
- *Engagement with NBF stakeholders to ensure alignment with the stakeholder value proposition*
- *Quality control framework to manage exposure to reputational damage*
- *Branding guidelines review and compliance*
- *Succession planning to manage the transition of key personnel*
- *Donor funded projects accounted for on a project by project basis with ringfenced bank accounts*
- *Monthly management accounts for review by programme managers and OPSCO*
- *Competent and experienced staffing and oversight of the NBF finance function*
- *Services of external legal advisors who are consulted to ensure legislative compliance*
- *Competent programme managers employed to manage specific programme objectives, direction and deliverables*
- *Strategic stakeholder engagement with key regional and pan-African organisations through MOU's and regular interaction*
- *Board succession planning*
- *Staffing needs identified at a programme level when developing the workplan and budget*

# Governance

## Other governance

### Conflict of Interest

The NBF has a conflict of interest policy in place to which both employees and Directors are expected to comply.

All Directors are required to disclose any conflicts of interest at the start of every Board or Committee meeting and on an annual basis.

### Statement of Remuneration Philosophy

OPSCO is responsible for approving changes to employees' remuneration and for payment of bonuses, as submitted to them by management. Employees are rewarded for their contribution to the NBF's performance, based on their performance against annual Key Performance Indicators, performance appraisals and the NBF's financial position.

The NBF's Non-Executive Directors are not remunerated for serving on the Board and respective Committees. The remuneration of NBF's Executive Director is disclosed in the audited financial statements and is available upon request.

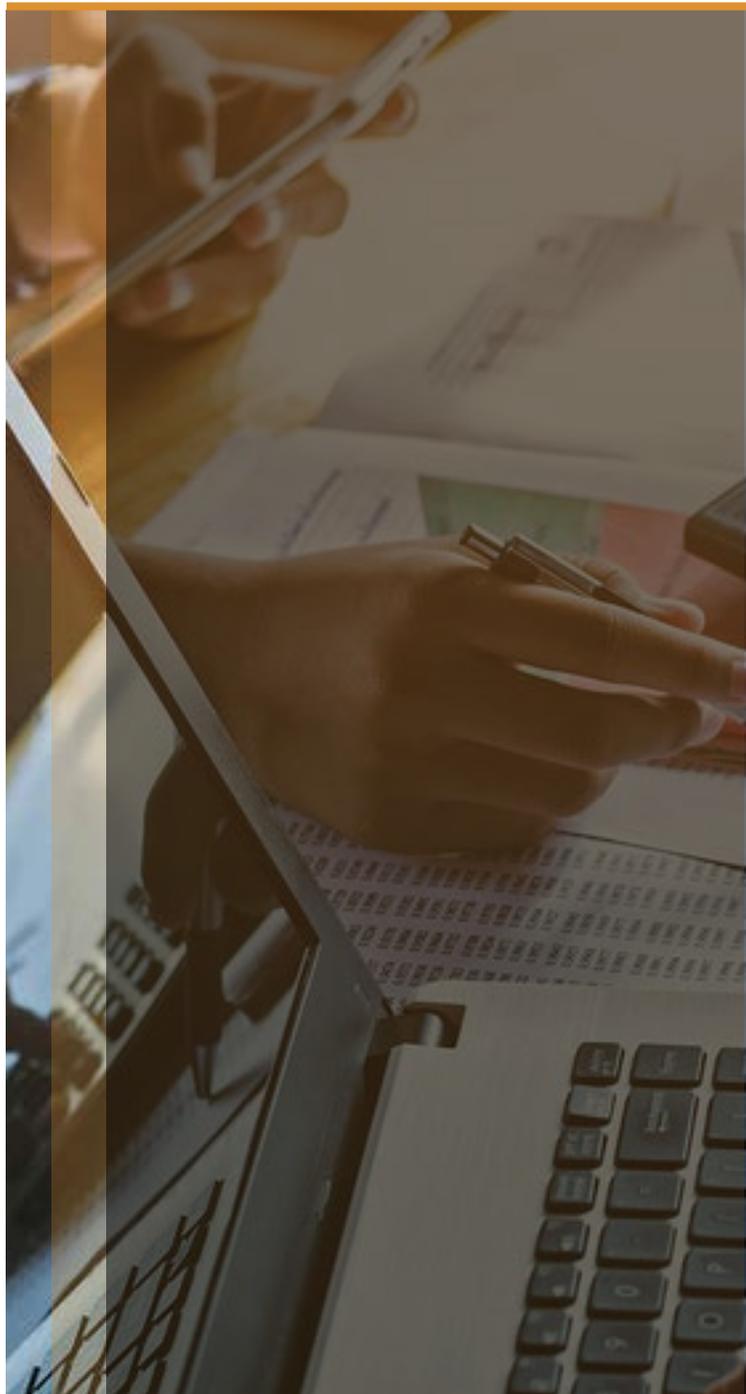
### Company Secretary

In the year under review, all directors had unrestricted access to the advice and services of the Company Secretary, who was accountable to the Board for ensuring compliance with procedures and applicable statutes and regulations. Cheryl Faias continued as Company Secretary in 2020.



**FINANCIALS**

# Financial Position



**NEPAD Business Foundation (NPC)**  
**Statements of Financial Position**  
 as at 31 March 2020

	2020 R	2019 R
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	758 029	1 346 903
Trade and other receivables	88 913	88 913
<b>Total non-current assets</b>	<b>846 942</b>	<b>1 435 816</b>
<b>Current assets</b>		
Trade and other receivables	530 876	5 342 381
Grants receivable	52 720	59 269
Cash and cash equivalents	23 247 944	15 735 610
<b>Total current assets</b>	<b>23 831 540</b>	<b>21 137 260</b>
<b>Total assets</b>	<b>24 678 482</b>	<b>22 573 076</b>
<b>FUNDS AND LIABILITIES</b>		
<b>Funds</b>		
Accumulated surplus	6 947 539	6 142 231
<b>Total funds</b>	<b>6 947 539</b>	<b>6 142 231</b>
<b>Non-current liabilities</b>		
Finance lease obligations	93 835	1 157 785
<b>Total non-current liabilities</b>	<b>93 835</b>	<b>1 157 785</b>
<b>Current liabilities</b>		
Trade and other payables	1 009 931	763 829
Finance lease obligations	576 960	-
Grants received in advance	16 050 217	14 509 231
<b>Total current liabilities</b>	<b>17 637 108</b>	<b>15 273 060</b>
<b>Total funds and liabilities</b>	<b>24 678 482</b>	<b>22 573 076</b>

# Surplus or Deficit



**NEPAD Business Foundation (NPC)**  
**Statements of Surplus or Deficit**  
 Year to 31 March 2020

	<b>2020</b>	<b>2019</b>
	R	R
Income	19 907 884	23 361 453
Administrative expenses	(1 728 206)	(1 358 477)
Other expenses	(18 313 381)	(23 278 122)
Other gains and (losses)	48 279	31 237
<b>Deficit from operating activities</b>	<b>(85 424)</b>	<b>(1 243 873)</b>
Investment income	979 540	674 370
Financial costs	(88 808)	-
<b>Surplus/(deficit) for the year</b>	<b>805 308</b>	<b>(569 503)</b>

# Grant Analysis 2020

## NEPAD Business Foundation (NPC)

Grant analysis  
Year to 31 March 2020

	ACGN R	AFRI-ID R	AVID R	SWPN R	SADC BC R	PHARMA R	MWCB R	NBF R	TOTAL R
<b>Income</b>									
Net grant received - Income statement	475 840	5 328 342	-	4 024 455	(137 317)	559 322	2 254 865	-	12 505 507
New grants received	500 000	4 494 450		8 197 456	(74 550)	506 602	429 085	-	14 053 043
Cash flow movement grant	(24 160)	833 892		(4 173 001)	(62 767)	52 720	1 825 780	-	(1 547 536)
Probono revenue	-	-	-	-	-	-	-	1 593 573	1 593 573
Events income	-	-	-	-	1 042 815	-	-	-	1 042 815
SIWI Consulting Revenue	-	-	723 324	-	-	-	-	-	723 324
PPP Training Revenue	-	-	3 701 811	-	-	-	-	-	3 701 811
Subscriptions from members	-	-	-	-	-	-	-	340 001	340 001
Other income	-	-	-	-	16 725	-	-	32 406	49 131
Interest received	-	39 206	-	-	-	-	-	940 334	979 540
<b>Total Income</b>	<b>475 840</b>	<b>5 367 548</b>	<b>4 425 135</b>	<b>4 024 455</b>	<b>922 223</b>	<b>559 322</b>	<b>2 254 865</b>	<b>2 906 314</b>	<b>20 935 702</b>
<b>Expenditure</b>									
Total intercompany fees	(124 680)	(1 872 822)	(1 035 748)	(1 143 865)	(520 783)	(359 410)	(606 426)	5 663 734	-
Shared services fees paid	(93 000)	(1 602 807)	(1 007 866)	(988 197)	(192 819)	(282 000)	(537 586)	4 704 275	-
Management fees paid	(31 680)	(270 015)	(27 882)	(155 668)	(327 964)	(77 410)	(68 840)	959 459	-
Auditing fees	-	-	-	-	-	-	-	(1 437 603)	(1 437 603)
Consulting fees	(192 500)	(1 453 798)	(372 877)	(1 043 913)	-	-	(130 749)	(735 750)	(3 929 587)
Depreciation and amortisation	-	-	-	-	-	-	-	(689 509)	(689 509)
Employee and related costs	(41 568)	(1 636 117)	(1 754 714)	(1 702 456)	(166 363)	(184 235)	(1 425 206)	(3 753 520)	(10 664 179)
Expected credit loss	-	-	-	-	-	-	-	-	-
Operating expenditure for property	-	-	-	-	-	-	-	(283 459)	(283 459)
Exam fees	-	-	(514 425)	-	-	-	-	-	(514 425)
Meetings and events	-	(34 112)	(13 870)	(22 569)	(68 173)	(1 950)	(40 616)	(130 000)	(311 290)
Travel and accommodation	(112 020)	(368 104)	(261 974)	(95 680)	(157 029)	(13 547)	(39 232)	(28 081)	(1 075 667)
Finances costs- Leases	-	-	-	-	-	-	-	(88 808)	(88 808)
Other expenditure	(5 972)	(2 595)	(285 618)	(15 972)	(9 875)	(180)	(12 636)	(803 919)	(1 135 867)
<b>Total expenditure</b>	<b>(475 840)</b>	<b>(5 367 548)</b>	<b>(4 239 226)</b>	<b>(4 024 455)</b>	<b>(922 223)</b>	<b>(559 322)</b>	<b>(2 254 865)</b>	<b>(2 286 915)</b>	<b>(20 130 394)</b>
<b>Net surplus</b>	<b>-</b>	<b>-</b>	<b>185 909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619 399</b>	<b>805 308</b>

# Grant Analysis 2019

## NEPAD Business Foundation (NPC)

Grant analysis  
Year to 31 March 2019

	ACGN R	AFRI-ID R	AVID R	SWPN R	SADC BC R	PHARMA R	MWCB R	NBF R	TOTAL R
<b>Income</b>									
Net grant received - Income statement	1 400 019	5 936 999	-	5 933 556	1 224 258	-	2 394 965	-	16 889 797
New grants received	-	6 484 832	-	5 638 128	1 023 517	-	3 027 700	-	16 174 177
Cash flow movement grant	1 400 019	(547 833)	-	295 428	200 741	-	(632 735)	-	715 620
Probono revenue	-	53 744	-	15 400	-	-	45 220	2 043 991	2 158 355
Events income	-	-	-	-	-	-	-	-	-
SIWI Consulting Revenue	-	-	1 200 092	-	-	-	-	-	1 200 092
PPP Training Revenue	-	-	2 613 467	-	-	-	-	-	2 613 467
Subscriptions from members	-	-	-	-	-	-	-	385 000	385 000
Other income	-	-	-	-	-	-	-	146 015	146 015
Interest received	-	-	-	-	-	-	-	674 370	674 370
<b>Total Income</b>	<b>1 400 019</b>	<b>5 990 743</b>	<b>3 813 559</b>	<b>5 948 956</b>	<b>1 224 258</b>	<b>-</b>	<b>2 440 185</b>	<b>3 249 376</b>	<b>24 067 096</b>
<b>Expenditure</b>									
Total intercompany fees	(217 500)	(1 864 939)	(999 310)	(1 112 108)	(595 287)	-	(659 060)	5 448 204	-
Shared services fees paid	(215 500)	(1 191 178)	(761 270)	(862 868)	(264 000)	-	(460 800)	3 757 616	-
Management fees paid	-	(673 761)	(238 040)	(249 240)	(331 287)	-	(198 260)	1 690 588	-
Auditing fees	-	-	-	-	-	-	-	(961 436)	(961 436)
Consulting fees	-	(1 277 802)	(550 925)	(3 419 986)	-	-	(212 600)	(288 532)	(5 749 845)
Depreciation and amortisation	-	-	-	-	-	-	-	(57 583)	(57 583)
Employee and related costs	(1 017 273)	(2 299 116)	(2 395 014)	(1 073 270)	(401 020)	-	(1 344 063)	(3 871 920)	(12 401 676)
Expected credit loss	-	-	-	-	-	-	-	(193 334)	(193 334)
Operating expenditure for property	-	-	-	-	-	-	-	(953 495)	(953 495)
Exam fees	-	-	(302 581)	-	-	-	-	-	(302 581)
Meetings and events	(93 285)	(26 847)	(523 313)	(131 620)	(4 123)	-	(96 817)	(20 131)	(896 136)
Travel and accommodation	(48 919)	(365 274)	(262 493)	(141 870)	(164 935)	-	(48 370)	-	(1 031 861)
Finances costs- Leases	-	-	-	-	-	-	-	-	-
Other expenditure	(23 042)	(156 765)	(116 437)	(70 102)	(58 893)	-	(79 275)	(1 584 138)	(2 088 652)
<b>Total expenditure</b>	<b>(1 400 019)</b>	<b>(5 990 743)</b>	<b>(5 150 073)</b>	<b>(5 948 956)</b>	<b>(1 224 258)</b>	<b>-</b>	<b>(2 440 185)</b>	<b>(2 482 365)</b>	<b>(24 636 599)</b>
<b>Net surplus</b>	<b>-</b>	<b>-</b>	<b>(1 336 514)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>767 011</b>	<b>(569 503)</b>

The image features a modern office interior with large windows. In the foreground, several business professionals are silhouetted against the bright light from the windows. On the left, a man sits on a ledge. In the center, three people stand together, looking at a document. On the right, a woman and a man stand together, also looking at a document. The background shows a cityscape through the windows. A large, semi-transparent orange rectangle is overlaid on the left side of the image, containing the text 'HUMAN CAPITAL' in white, bold, uppercase letters.

# HUMAN CAPITAL

# NBF Board and Patrons



- Patron
- Chairman
- NBF Board
- Operations Committee (OPSCO)
- Audit and Risk Committee (ARC)



● **Geoff Rothschild**  
● Chairman of NBF  
● Former Chairman of the Johannesburg Stock Exchange



● **Andile Sangqu**  
● Deputy Chairman of NBF  
● Executive Head of Anglo American South Africa



● **Gregory Nott**  
● Chairman of NBF OPSCO  
● Director of Norton Rose Fulbright SA



● **Trevor Brown**  
● Chairman of NBF ARC  
● Chairman of Deloitte Africa



● **Dr Nkosana Moyo**  
● Patron of NBF  
● Founder of the Mandela Institute for Development Studies



● **Dr Reuel Khoza**  
● Patron of NBF  
● CEO of AKA Capital



● **Graca Machel**  
● Patron of NBF  
● Founder of the Graca Machel Trust



● **Stanley Subramoney**  
● Patron of NBF  
● CEO of Menston Holdings



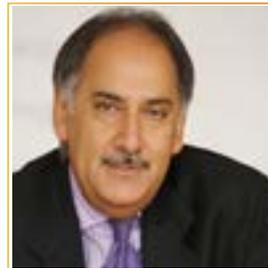
● **Peter Varndell**  
● Member of NBF Board  
● OPSCO and ARC  
● CEO of the NBF



● **Sabine Dall'Omo**  
● Member of NBF Board and OPSCO  
● Chief Executive Officer of Siemens Southern and Eastern Africa



● **Dr Martyn Davies**  
● Member of NBF Board and OPSCO  
● Managing Director of Emerging Markets and Africa  
● Deloitte



● **Cas Coovadia**  
● Member of NBF Board and ARC  
● Managing Director  
● The Banking Association of South Africa



● **Sean Murphy**  
● Member of NBF Board and ARC  
● Divisional Manager:  
● Sub-Saharan Africa  
● Mott-MacDonald



● **Kirti Narsai**  
● Member of NBF Board and OPSCO  
● Senior Director, Government Affairs & Policy, Sub-Saharan Africa, Johnson & Johnson  
● (Resigned 09/03/2020)



● **Dr Yvonne Mhinga**  
● Member of NBF Board  
● Managing Director of Chaka  
● Chaka Promotions and Princess of Africa Foundation



● **Aluwani Museisi**  
● Member of NBF Board and OPSCO  
● Senior Manager, Government Affairs & Policy, Sub-Saharan Africa, Johnson & Johnson  
● (Appointed 09/03/2020)



● **Koko Khumalo**  
● Member of NBF Board and ARC  
● CEO of Motlano Inc.



● **Khaya Ngema**  
● Member of NBF Board  
● Group Executive: Strategy  
● Transnet SOC



● **Prof Mahomed Jahed**  
● Member of NBF Board and OPSCO  
● Director: Parliamentary Budget Office, Parliament of South Africa

# NBF Staff



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NBF CEO and  
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Council



**Samuel Cornew**  
Financial and  
Operations Controller



**Cheryl Faias**  
Finance and Office  
Manager



**Kudzanayi Bangure**  
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Africa Infrastructure  
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**Thembisile Mkhize**  
Programme Manager:  
Strategic Water Partners  
Network



**Carla Hudson**  
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Coordinating Body



**Tulo Makwati**  
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SADC Business Council  
and SADC Pharmaceutical  
Working Group



**Andre Kruger**  
Trainer:  
CP<sup>3</sup>P PPP Training



**Terrence Mutuswa**  
Marketing and  
Communications Officer



**Jackie Kanusu**  
P.A. to NBF CEO



**Mashudu Molaudzi**  
Junior Office Assistant



**Sisipho Moleshe**  
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**Michelle Proude**  
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**Chris Carnegie**  
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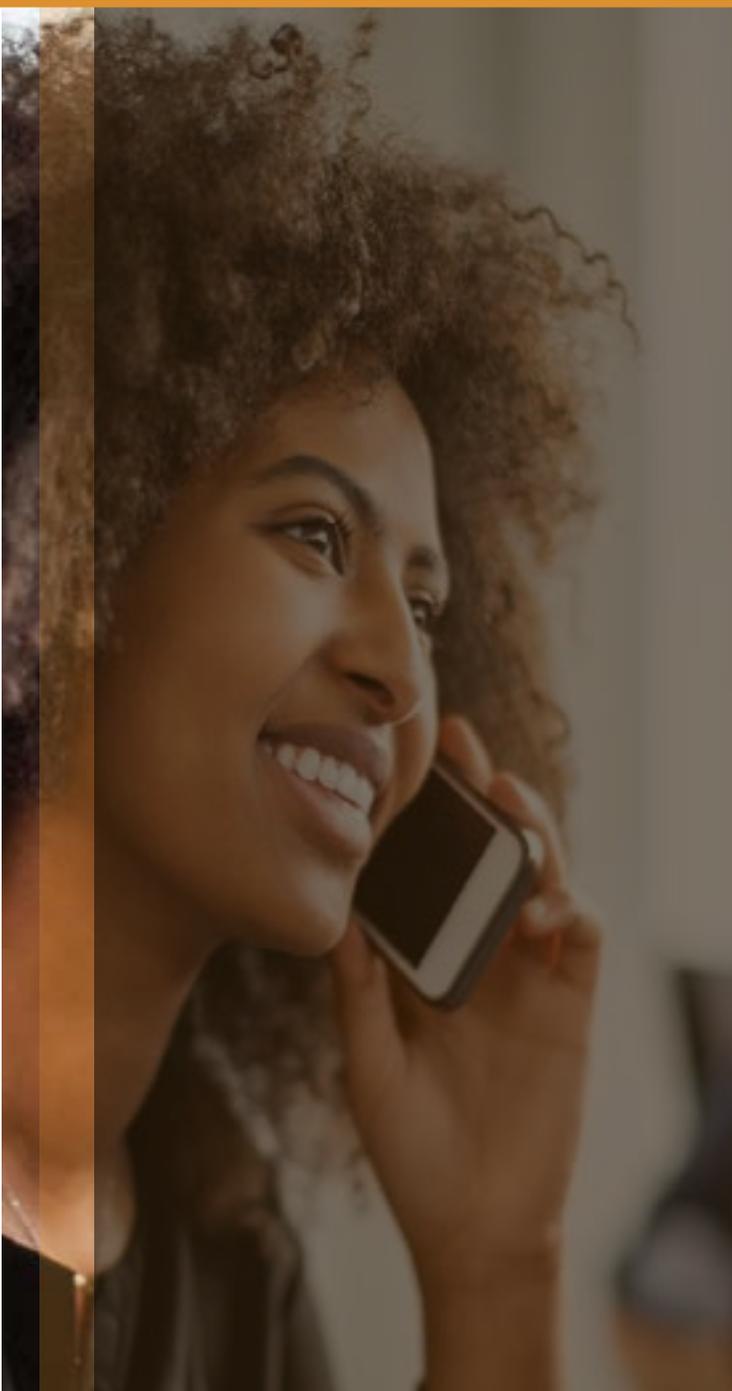
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**NEPAD**  
BUSINESS  
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