



Tanzania Capital Markets Roundtable and SADC Workshop

Held on 8 February – 01 March, 2024

08:30 – 15:45 (EAT)

Background

The Committee of SADC Stock Exchanges (CoSSE) and FSD Africa, jointly organized a three-day Tanzania Capital Markets Roundtable and Sustainability Workshop, held from February 28 to March 1, 2024, at the Serena Hotel in Dar es Salaam, which was a significant gathering of key stakeholders in the financial sector including key industry leaders, regulators, exchanges, government official, and potential issuers of sustainable and green bonds. The event aimed to delve into various aspects of sustainable finance, innovative climate financing instruments, given the critical role played by capital markets in mobilising both public and private capital.

The Workshop

The first day of the workshop commenced with a welcome address by Keneilwe Baitshenyetsi, CoSSE Coordinator, who set the tone for the event and provided the overview of the session`s objectives. Opening remarks were noted from Mr. Euan Davidson, Head of the British High Commission's Economic Section who underscored the pressing need for financing across both public and private sectors, emphasizing that capital markets serve as indispensable vehicles for addressing these urgent needs. And Mr. Kopano Bolokwe, Head of Product Development at the BSE, on behalf of the CoSSE Chairperson, who emphasized and signified the need for a collective commitment to advancing sustainable finance in the SADC region.

The Guest of Honour, Minister of Education, Science and Technology of the United Republic of Tanzania, Hon. Prof. Adolf Mkenda delivered the opening remarks on behalf of the Minister of Finance. In his opening, Hon Prof. Adolph Mkenda highlighted the importance of the conference in shaping the development of capital markets in the region. He commended the efforts of organizers and participants in promoting sustainable finance and addressing climate change challenges. The morning session

proceeded with a focus on developmental challenges in Africa, FSD Africa's work on sustainable finance, and an exploration of innovative financing instruments.

Notable sessions also included TED-style talks and discussions on opportunities for innovative climate finance, thematic debt instruments, the role of guarantors in sustainable issuances, supporting financial inclusion and Sustainability, and the role of government, regulators, issuers, institutional investors, arrangers and SPO providers in supporting SADC achieve its NDC and Paris Agreement commitments. Through these TED-style talks and discussions, distinguished experts demonstrated innovative solutions across the financing lifecycle of green projects, stimulating a discussion on how to scale-up existing instruments to attract investors, enhance creditworthiness, reduce borrowing costs, support access to capital, and accelerate green economic development in Africa.

Ms. Grace Mdemu, an Associate in Capital Markets at FSD Africa, who moderated the TED-style talks and discussions, further shared insightful remarks highlighting the groundbreaking issuance of East Africa's first Subnational Water Infrastructure Revenue Green Bond by Tanga Urban Water and Sanitation (Tanga UWASA) in the Tanga region. Grace shed light on the significance of leveraging domestic capital markets to raise green finance for sustainable water infrastructure projects, underscoring the crucial role of supportive leadership in fostering such initiatives.

The day concluded with a panel discussion on capital raising using themed instruments, featuring prominent panelists from various financial institutions. The panel session discussion was moderated by Mr. Vimal Parmar, Senior Specialist, Capital Markets with esteemed panelists from regulators (Dar-Es-Salaam Stock Exchange (DSE), Capital Markets Securities Association (CMSA)), investors (British International Investments (BII)), Kelp Blue Namibia and Zambia National Commercial Bank Plc (ZANACO). The panel session discussed the role of various regulators in promoting sustainable bond issuances, the opportunities in raising sustainable finance by potential issuers, and the process involved. The session also provided invaluable insights on the considerations that investors look for when investing in such instruments either through anchoring them or crowding in other investors.

The second day delved into the key components of a sustainable finance framework, emphasizing the use of proceeds, project evaluation, management, and reporting. The day included a training session by Sustaynalitics with a focus on second-party opinions and their role in the sustainable bond issuance process. The day included presentation of the Jamii bond issuance, a case study by NMB. It entailed discussions and Q&A sessions, highlighting challenges, opportunities and success stories based on the business case.

The final day began with an insightful workshop and group discussions by potential SADC issuers with regulators and other market players. Practical exercises incorporated learnings from the previous days, enhancing the understanding of the issuance process and capital raising in the market.

During the Q&A session, participants engaged in a thorough exploration of green bonds and sustainable finance, discussing various aspects and implications of these financial instruments for environmental and social sustainability. One notable query revolved around the utilization of green bond funds and the challenges faced in identifying suitable projects. While discussions highlighted sectors like agriculture, green buildings, and transportation as potential areas for fund allocation, specific data on fund uptake and project identification hurdles were lacking. A more detailed exploration of these challenges could have provided deeper insights into the practical implications of green bond investments. The event concluded with closing remarks, expressing gratitude for the participants' active engagement.

Conclusion

The Tanzania Capital Markets Roundtable and Sustainability Workshop provided a valuable platform for knowledge exchange, collaboration, and exploration of sustainable finance solutions. By harnessing the collective expertise, innovation, and commitment of stakeholders, the workshop laid the groundwork for future progress and impact in advancing sustainable finance objectives, which will ultimately promote sustainable/green bond issuance in the region.

FSD Africa and CoSSE would like to acknowledge the contributions of all sponsors, participants, speakers, and organizers. The knowledge shared during this workshop

is expected to play a pivotal role in shaping the future of sustainable finance in the Tanzanian and SADC markets. We express our sincere gratitude to everyone involved in making this event a success and we specially thank the Key Speakers and Panelists listed below:

- Ms. Mary Njuguna on behalf of Dr. Evans Osano, Director, Capital Markets, FSD Africa
- Hon. Dr. Mwigulu Nchemba, Minister of Eductaion on behalf of Hon. Dr. Mwigulu Nchemba, Minister of Finance
- Euan Davidson, Head of Economic Section, British High Commission
- Mr. Kopano Bolokwe, Head of Product Development at the BSE, on behalf of Mr. Thapelo Tsheole, Chairman CoSSE
- Vimal Parmar, Senior Capital Markets Specialist
- Grace Mdemu, Associate, Capital Markets – Green Finance
- Keneilwe Baitshenyetsi, CoSSE Co-ordinator
- Aziz Chacha, Treasurer – NMB Bank Tanzania
- Mary Mniwasa, Dar es Salaam Stock Exchange
- Ivor Chambwe, Zanaco Zambia
- Cayne Moffat, Kelp Blue
- Dimitri Da Gama Rose, British International Investments

EVENT PARTNERS:



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