



CENTRAL BANK OF LESOTHO  
BANKA E KHOLO EA LESOTHO













# CENTRAL BANK OF LESOTHO REVISED STRATEGIC PLAN 2019-2021



**Promoting a Stable Monetary and Financial System**



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# FOREWORD



At the time of the mid-term review, the global economic conditions have improved significantly compared to the beginning of the Strategy in 2015. There is positive evidence that suggests that the global economy has shrugged off the effects of the global financial crisis. Global economic growth is projected to strengthen and remain high. In advanced economies there are indications that the quantitative easing which has been the main characteristic of the post financial crisis period is coming to an end. Inflation rates are approaching the central banks' targets. Interest rates are expected to begin to rise. However, Lesotho's economy continues to face economic challenges characterised by slow economic growth, high unemployment, large fiscal deficits, low level of foreign reserves and rising sovereign debt which have implications on how the Central Bank of Lesotho pursues its mandate.

Despite these continuing challenges, it is an opportunity for the Central Bank of Lesotho to fast track the remaining financial sector reforms as contained in the Financial Sector Development Strategy (FSDS) 2014-2017 and to monitor the effects on financial inclusion and access to finance. The Central Bank of Lesotho as the regulator of the financial sector hosts the FSDS Secretariat which is tasked with the mandate to coordinate the implementation of the financial sector reforms. During mid-term review, significant progress had been achieved. This includes legislation and regulatory reforms in banking, insurance, pension, anti-money laundering/combating financing of terrorism (AML/CFT) and payment systems.

Other milestones include the launch of Maseru Securities Market (MSM) and the Lesotho Credit Bureau. While there has been some sluggishness in getting the stocks to be listed on the MSM, considerable progress has been achieved in licensing the market participants to the exchange. The slow uptake is understandable given the minimum requirements on governance and financial management for listing companies. This requires significant adjustments by aspiring companies. The credit bureau is already providing benefits to our economy. Lesotho ranking on the World Bank Doing Business report has improved on account of the work of the bureau. Also, credit providers are now able to make informed decisions on the loans and qualifying borrowers are able to access credit which was not a case before.

Work is also continuing in the improvement of the monetary policy framework that saw the introduction of the CBL rate which is the anchor of local rates with the domestic developments. The next steps will be implemented in the next five years. Once completed, it is expected to strengthen the link between money and capital markets with the real side of the economy.

Significant progress was also achieved in the realignment of the Bank structure and processes in an endeavor to improve service delivery. To this end, the Bank has completed the process of reviewing some structures within the Bank resulting in new departments, namely; Department of Human Resources, Department of Payments and Settlement Systems, Department of Banking Supervision and Financial Stability, Department of Other Financial Institutions and the Facilities Management Services Division. With the expanding mandate of the Bank, the realignment will enhance efficiency in the delivery of services to both our internal and external stakeholders. The Bank has also launched the Quantum Central Banking Solution which replaced the Integrated Banking System called MIDAS thus representing a major development towards the modernization of our payment systems. The system has now stabilized and soon the benefits will begin to flow.

The review has also pointed the Bank to a number of emerging issues which need to be taken into account. These include cyber security, AML/CFT issues, and financial innovation. The inability to urgently attend to these issues can reverse some of the gains that the Central Bank of Lesotho has made during this strategic period. The Bank will fast track training of its staff to equip them with the requisite skills in these emerging areas. The Bank will also seek collaboration from the development partners in addressing these areas.



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**A.R. Matlanyane (PhD)**  
Governor

# 1

## INTRODUCTION

The Central Bank of Lesotho has undertaken a midterm review of its Strategic Plan 2015 – 19. A mid-term review of strategic plan is seen as good practice to monitor progress and adapt to changes during a strategic period. In 2014, the Central Bank of Lesotho developed the Strategic Plan 2015-19 which reached the mid-point in 2017. The Strategic Plan had seven objectives, (1) promote a stable monetary and financial system, (2) adapt to changing stakeholder needs, (3) maintain financial sustainability, (4) embed a culture of high performance, (5) use technology effectively, (6) engender a culture of innovation and modernization agenda and (7) deliver services effectively and efficiently.

During this mid-term review of the Strategy, attention was paid to two high level areas, namely strategy effectiveness and system effectiveness. With strategy effectiveness, results and execution were evaluated and adjustments were made for the rest of the strategy period. With the system effectiveness, key Balanced Scorecard System components were evaluated and adjustments made. As such the revised Strategy reflects the changes that have occurred in the Bank environment and incorporates the emerging issues, risk management, and available resources. In addition, the review provided an opportunity for realignment of the Bank Strategy with the Balanced Scorecard Framework. The Board resolved that the planning period shall be 3 years. As such the period of the Revised Strategic Plan shall be 2019-2021.



# 2

## CORPORATE MANDATE

### 2.1 Mandate

The Central Bank of Lesotho (the Bank) was first established as the Lesotho Monetary Authority in 1978, under the Lesotho Monetary Authority Act of 1978 starting operations in 1980. In 1982, through the Act of Parliament, the name Lesotho Monetary Authority was changed to the Central Bank of Lesotho and the Bank was conferred additional functions and responsibilities. In August 2000, the Central Bank of Lesotho Act 2000 (the Act) came into force and bestowed a fair amount of autonomy on the Bank, and defined the primary objective of the Bank as achievement and maintenance of price stability.

In order to support this primary objective, the Bank has been mandated to perform the following functions:

- I. to foster the liquidity, solvency and proper functioning of a stable market-based financial system;
- II. to formulate, adopt and execute the monetary policy of Lesotho;
- III. to issue, manage and redeem the currency of Lesotho;
- IV. to formulate, adopt and execute the foreign exchange policy of Lesotho;
- V. to license, register and supervise financial institutions;
- VI. to own, hold and manage its official international reserves;.
- VII. to act as a banker and advisor to, and as fiscal agent of the Government of Lesotho;
- VIII. to promote the efficient operations of the payments system;

- IX. to promote the safe and sound development of the financial system; and
- X. to monitor and regulate the capital market.

The mandate and functions of the Bank as outlined in Sections 5 and 6 of the Act can be summarised into attainment and maintenance of monetary stability and financial system stability.

## 2.2 Vision

We are a dynamic institution, in pursuit of excellence in central banking.

## 2.3 Mission

We strive to achieve and maintain monetary and financial system stability to support balanced macroeconomic development of Lesotho.

## 2.4 Values

The Board, Management and Staff of the Bank shall conduct themselves with utmost respect, integrity and transparency towards all stakeholders in executing the mandate and functions of the Bank, recognizing that they are accountable to the Government of Lesotho and Basotho.

Table 1 below explains the values and associated behaviours.

Table 1: Values

Value	Narrative	Associated Behaviours
<b>Respect</b>	Treating all stakeholders with dignity, humility & fairness considering, authority, instruments and institutions	<ul style="list-style-type: none"> <li>(a) Consistency</li> <li>(b) Courtesy</li> <li>(c) Accommodating different views and personalities</li> <li>(d) Objectivity</li> <li>(e) Empathy</li> <li>(f) Self-Respect</li> <li>(g) Listening</li> <li>(h) Feedback</li> </ul>
<b>Integrity</b>	<ul style="list-style-type: none"> <li>(a) Walking the talk</li> <li>(b) Unified approaches e.g. compliance to regulations and set standards, especially with regards to other regulators</li> <li>(c) Good image</li> <li>(d) Demonstrating conduct such as trustworthiness and reliability</li> </ul>	<ul style="list-style-type: none"> <li>(a) Consistency</li> <li>(b) Fairness</li> <li>(c) Honesty (truth)</li> <li>(d) Transparency</li> <li>(e) Reliability</li> <li>(f) Trustworthy</li> <li>(g) Financial discipline</li> </ul>
<b>Transparency</b>	The Bank shall communicate with clarity, openness and honesty with its various internal and external stakeholders giving them information that is relevant within acceptable timelines	<ul style="list-style-type: none"> <li>(a) Open communication of relevant information to relevant stakeholders using various mediums of communication</li> <li>(b) Timely production of relevant reports &amp; statistics</li> <li>(c) Encouraging feedback</li> <li>(d) Honest and simple communication acceptable to our stakeholders</li> <li>(e) Engagements with key stakeholders</li> <li>(f) Accuracy</li> <li>(g) Reliable</li> </ul>

Value	Narrative	Associated Behaviours
<b>Accountability</b>	A state of being to openly report on execution of allocated responsibilities by all role players across the Bank	<ul style="list-style-type: none"> <li>(a) Openness</li> <li>(b) Timeliness</li> <li>(c) Correctness</li> <li>(d) Accuracy</li> <li>(e) Reliable</li> </ul>
<b>Stakeholder / Customer focus</b>	<ul style="list-style-type: none"> <li>(a) Place customer/ stakeholder needs as core</li> <li>(b) Timely meet key stakeholder / customer financial obligation</li> <li>(c) Proffer best advice.</li> <li>(d) Keep abreast of all emerging trends</li> </ul>	<ul style="list-style-type: none"> <li>(a) Maintain professionalism</li> <li>(b) Open communication channels</li> <li>(c) Continuous engagement</li> <li>(d) Listening</li> <li>(e) Timeliness</li> <li>(f) Pro-active</li> <li>(g) Reliable</li> <li>(h) Trustworthy</li> <li>(i) Consistency</li> <li>(j) Respect</li> <li>(k) Flexibility</li> </ul>

# 3

## STRATEGIC ASSESSMENT

The methodology followed in the review involved consultations with the Bank’s stakeholders and customers. This has resulted in the customer and stakeholder analysis, SWOT analysis and the identification of the Bank’s functionality, image and relationship with stakeholders/customers. These are discussed in this section.

### 3.1 Customer and Stakeholder Analysis

Table 2 below identifies cutomers and stakeholders needs and resistance issues;

**Table 2 : Customer and Stakeholder Analysis**

	Needs	Resistance(Tension)Issues
<b>Customer</b>	<ul style="list-style-type: none"> <li>(a) Flexibility</li> <li>(b) Embrace innovation</li> <li>(c) Timely and accurate reporting</li> <li>(d) Short turn -around times</li> <li>(e) Reliability of systems</li> <li>(f) Transparency, respect and accountability</li> <li>(g) Consultative engagement</li> </ul>	<ul style="list-style-type: none"> <li>(a) Dictated to on laws and regulations</li> <li>(b) Knowledge gap between regulator and industry</li> <li>(c) Lack of consultation on regulations</li> <li>(d) Slow embracing of innovation</li> <li>(e) Slow turnaround times</li> <li>(f) Stringent Anti- Money Laundering/Combating Financing of Terrorism(AML/ CFT) regulations</li> </ul>
<b>Stakeholders</b>	<ul style="list-style-type: none"> <li>(a) Reliable reporting</li> <li>(b) Supportive legislation</li> <li>(c) Advice and policy guidance</li> <li>(d) Timely communication</li> </ul>	<ul style="list-style-type: none"> <li>(a) Overlapping of roles and responsibilities</li> <li>(b) Processes not aligned with current needs</li> <li>(c) Perception challenges</li> <li>(d) Not adhering to stakeholder needs</li> <li>(e) Poor change management</li> <li>(f) Lack of timely communication</li> </ul>

## 3.2 SWOT Analysis

### Strengths

- (a) The Bank has a good reputation and image, and is seen as a well-run organisation with good financial management with effective controls. It continues to maintain its autonomy and independence.
- (b) The Bank remains in the forefront in central banking by successfully adopting international standards and best practices.
- (c) The Bank has highly skilled, competent and committed staff and its infrastructure is seen as robust and new technologies are embraced.
- (d) The Bank has an effective structure for regulation and supervisory policies are in place.

### Weaknesses

- (a) Coordination of systems and processes can be improved.
- (b) Planning, budgeting and monitoring can be improved.
- (c) Embracing technology and innovation can be enhanced.
- (d) Performance management system needs improvement to take into account earned experience and influence the reward system.
- (e) Change management needs to be improved.

### Opportunities

- (a) Strategic partnerships will help the Bank to have access to improved cooperation and benchmarking opportunities.
- (b) Learning culture and skill levels will help the Bank to achieve its strategic intent.
- (c) Adapting and implementing aligned technology solutions that will enable the Bank to better serve its stakeholders and customers.

## Threats

- (a) The low SACU revenues are leading to unsustainable fiscal deficits and put pressure on the level of foreign reserves.
- (b) Political turnover leads to slow promulgation of laws which increases risk in maintaining a regulated and safe financial sector.
- (c) The Bank has to effectively manage changes in the areas of crypto currencies, cybercrime, money laundering and financing of terrorism.
- (d) Increased costs of compliance by stakeholders.

### 3.3 Customer Value Proposition

The Bank customer value proposition is anchored along three attributes of functionality, image, and relationship with customers. This is presented in table 3 below.

Table 3: Customer Value Proposition

Functionality	Image	Relationship
(a) Responsive to innovation (b) Timely communication (c) Fair regulation and supervision (d) Accurate and timely reporting (e) Regular engagement (f) Short turnaround times	(a) Approachable (b) Knowledgeable (c) Innovative (d) Consistency	(a) Responsive (b) Confidentiality (c) Decisive complaint resolution (d) Cooperative (e) Mutual respect

# 4

## STRATEGIC THEMES

In order to achieve the Bank’s mission, the following four strategic themes or focus areas were identified. Table 4 presents each theme result and supporting objectives.

Table 4: Quadrant of Strategic Themes

Theme 1: Financial and Monetary Stability	Theme 2: Service Excellence
<p><b>Result:</b> The financial system and prices remain stable.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"><li>(a) Attain and maintain NIR level sufficient to underwrite the peg.</li><li>(b) Improve economic policy environment</li><li>(c) Improve participation in financial markets</li><li>(d) Improve financial intermediation process</li><li>(e) Improve quality of regulation and supervision</li><li>(f) Improve monetary policy operations</li><li>(g) Improve stakeholder engagement</li><li>(h) Improve macro-prudential surveillance framework</li></ul>	<p><b>Result:</b> The quality of services and products improves through support processes.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"><li>(a) Improve staff skills and capacity</li><li>(b) Improve staff motivation</li><li>(c) Improve staff and management relationships</li><li>(d) Improve brand awareness and communication</li><li>(e) Improve quality of services</li><li>(f) Improve business processes and decision making</li><li>(g) Improve stakeholder engagement</li><li>(h) Improve cost management</li><li>(i) Improve customer satisfaction</li><li>(j) Improve stakeholder satisfaction</li></ul>



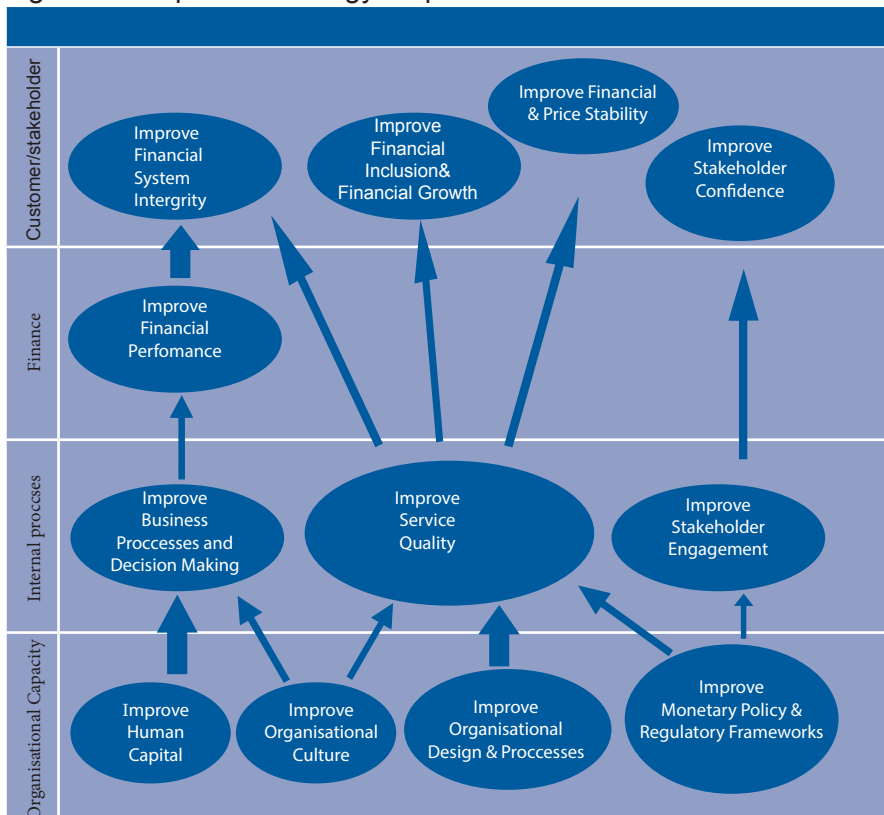
Theme 3: Innovation Excellence	Theme 4: Operational Excellence
<p><b>Result:</b> Innovation and the use of technology support a continuous improvement culture</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>(a) Improve innovation culture</li> <li>(b) Improve organisational system design</li> <li>(c) Improve human resources capacity</li> <li>(d) Improve quality of service delivery</li> <li>(e) Improve business continuity</li> <li>(f) Improve stakeholder engagement</li> <li>(g) Reduce costs</li> <li>(h) Improve customer satisfaction</li> <li>(i) Improve stakeholder satisfaction</li> </ul>	<p><b>Result:</b> Our services and products are efficiently supported by integrated operational and support functions.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>(a) Improve knowledge and skills</li> <li>(b) Improve staff motivation</li> <li>(c) Improve business continuity</li> <li>(d) Improve organisational culture</li> <li>(e) Improve quality of services</li> <li>(f) Improve alignment of systems and processes</li> <li>(g) Improve decision making process</li> <li>(h) Improve governance</li> <li>(i) Reduce costs</li> <li>(j) Improve customer satisfaction</li> <li>(k) Improve stakeholders satisfaction</li> </ul>

# 5

## CORPORATE STRATEGIC OBJECTIVES AND INITIATIVES

The preceding section presented the four strategic themes and the objectives for achieving them. These objectives are then consolidated into twelve corporate strategic objectives mapped into the four perspectives (organizational capacity, internal processes, finance and customer/stakeholder). Figure 1 below presents the corporate strategy map.

Figure 1: Corporate Strategy Map



## **Strategic Objective 1 : Improve financial and price stability**

The Bank remains committed to the achievement of its primary mandate of attaining and maintaining a stable monetary and financial system for the benefit of the economy and the citizens of Lesotho. This entails attaining and maintaining the level of Net International Reserves (NIR) that is sufficient to underwrite the peg, and improving supervision and regulation of the financial sector, (aided by sound regulatory and supervisory framework).

It is recognized that the current economic challenges have put pressure on the level of foreign exchange reserves. The Bank is using monetary policy instruments to curb the negative effects.

The Bank will implement the following initiatives in pursuit of this objective:

- (a) improve quality of economic statistics and analysis;
- (b) carry out relevant research;
- (c) improve channels for communication of policy advice;
- (d) improve financial systems surveillance and oversight; and
- (e) develop crisis management frameworks and safety nets for the entire financial system.

## **Strategic Objective 2 : Improve financial system integrity**

The Bank will ensure that the financial system is safeguarded from the illicit financial transactions so as to protect stakeholders such as depositors and insurance policyholders. To this end, the Bank shall collaborate with the law enforcement agencies and the Financial Intelligence Unit (FIU). It is important that legislative reforms are done timely to adapt to the new standards and ensure that the financial system is not used for money laundering purposes.

The Bank will implement the following initiatives in pursuit of this objective:

- (a) develop and undertake awareness on AML/CFT issues;
- (b) review regulatory and supervisory framework;
- (c) undertake regular examinations;
- (d) improve regulatory and supervisory laws to address AML/CFT issues; and
- (e) develop national and internal payments system infrastructure.

### **Strategic Objective 3 : Improve financial inclusion and financial growth**

The Bank will ensure that the financial sector supports the National Strategic Development Plan objectives by improving financial inclusion and access to finance. The Financial Sector Development Strategy provides the roadmap for the reforms to be implemented.

The Bank recognises that the ongoing financial technology revolution can play a critical role in fast tracking the realisation of this objective. It is also important that significant amount of time is spent on monitoring the effects of the already implemented reforms.

In order to achieve financial inclusion and growth the Bank will implement the following initiatives:

- (a) implement financial literacy programmes;
- (b) monitor progress towards financial inclusion; and
- (c) collect and disseminate disaggregated data.

### **Strategic Objective 4 : Improve stakeholder confidence**

The Bank will ensure that it continues to enjoy the trust of its stakeholders which include Government, financial institutions and Basotho in general. This will be achieved through the overall success of the Bank's operations.

The following initiatives will be carried out:

- (a) develop consumer protection framework;
- (b) undertake customer satisfaction surveys; and
- (c) implement stakeholder engagement plans.

## **Strategic Objective 5 : Improve financial performance**

The Bank strives to remain financially sustainable over the planning period. Financial sustainability will ensure that the Bank is able to meet its objectives and mandate. It involves monitoring financial performance by introducing new financial reporting methods, in line with the best practices, emphasising maximum and coordinated use of resources and improved cost recovery measures.

We recognise that the current global business environment is characterized by rising costs and pressure on revenue and profit margins. The Bank is currently operating in a challenging investment environment of low yields.

In a quest to remain financially sustainable the Bank will:

- (a) implement work plan based budgeting;
- (b) improve financial accounting across the Bank; and
- (c) integrate resource allocation in line with processes.

## **Strategic Objective 6 : Improve business processes and decision making**

The Bank will continuously improve on its business processes. This involves implementing measures aimed at reducing red tape and ineffectiveness due to the centralised decision making. This will be done by aligning and integrating information technology (IT) systems, improving coordination and composition of established committees and delegation of authority within risk tolerance levels of the Bank.

The Bank will implement the following initiatives:

- (a) determine the universe of all business processes;
- (b) reengineer business processes;
- (c) develop a delegation of authority framework;
- (d) update policies across the Bank; and
- (e) align IT systems with business processes.

### **Strategic Objective : 7 Improve service quality**

The Bank will continue to provide service that is timely, accurate and relevant in the most cost effective way. It is recognised that the budgetary conditions are tight due to challenging economic environment.

The following initiatives will be implemented:

- (a) develop registers for Service Level Agreements(SLA) and complaints;
- (b) review of SLAs to ensure adherence to international standards / practices; and
- (c) undertake stakeholder / customer satisfaction surveys.

### **Strategic Objective 8 : Improve stakeholder engagement**

The Bank will open up avenues for efficient communication and participation with its stakeholders. This will ensure that all parties remain accountable.

The Bank will implement the following initiatives in pursuit of this objective:

- (a) conduct awareness programmes on the Bank's activities;
- (b) introduce employee assistance programmes;
- (c) handle enquiries/complaints effectively; and
- (d) establish an effective feedback mechanism to improve the quality of service.

## Strategic Objective 9 : Improve human capital

The Bank will develop its staff to enhance its capacity to attain high performance levels. This entails targeted training as well as recruitment of highly skilled and knowledgeable workforce. Also supporting measures such as proper placing, capacity building and competitive compensation will be considered. The Bank will also engage with staff in order to create a climate conducive for achievement of the Bank's objectives.

The Bank will implement the following initiatives in pursuit of this objective:

- (a) implement skills audit and training plan;
- (b) implement succession plan; and
- (c) implement measures to improve staff motivation.

## Strategic Objective 10 : Improve organisational culture

The Bank will improve the organisational culture. This entails cultivating the organisational values, encouraging the alignment of individual's goals and those of the organisation and team building to remove the silo mentality and develop results oriented performance culture.

The following initiatives will be implemented:

- (a) align individual behavioural attributes to organisational values;
- (b) improve the performance management system to incorporate organisational values;
- (c) undertake periodic surveys amongst internal stakeholders;
- (d) create avenues for collaboration and innovation; and
- (e) cultivate innovative culture.

## **Strategic Objective 11: Improve Organisational design and processes**

The Bank recognises that IT systems should adequately support changes in structural set up and business processes that become necessary to deliver on its mandate.

The following initiatives will be implemented:

- (a) engender change management culture;
- (b) implement business continuity management and systems support; and
- (c) develop ICT strategy.

## **Strategic Objective 12 : Improve monetary policy and regulatory frameworks**

The Bank will improve on the monetary policy and regulatory frameworks. This entails reviewing the legislative and regulatory environment and developing new monetary policy instruments. The ongoing financial technology revolution is putting pressure on the regulator to accommodate new innovations.

It is recognised that the deteriorating fiscal situation requires stronger liquidity management. This involves closer collaboration among the stakeholders.

The Bank will implement the following initiatives:

- (a) improve collaboration through cross-functional teams;
- (b) implement a plan for full compliance with latest compilation manuals;
- (c) implement plan for adherence to appropriate data dissemination standards; and
- (d) identify regulatory gaps to inform revision of regulatory framework.



# ANNEXURE I: CENTRAL BANK OF LESOTHO STRATEGY HOUSE

## VISION

We are a dynamic institution, in pursuit of excellence in central banking

## MISSION

We strive to achieve and maintain monetary and financial system stability to support balanced macroeconomic development of Lesotho

## STRATEGIC THEMES

Financial and Monetary Stability • Service Excellence • Innovation Excellence • Operational Excellence

## STRATEGIC OBJECTIVES

Improve Financial System Integrity

Improve Financial Inclusion and Financial Growth

Improve Financial and Price Stability

Improve Stakeholder Confidence

Improve Financial Performance

Improve Business Processes and Decision Making

Improve Service Quality

Improve Stakeholder Engagement

Improve Human Capital

Improve Organisational Culture

Improve Organisational Design and Processes

Improve Monetary Policy and Regulatory Frameworks

## VALUES

Stakeholder/Customer focus • Transparency • Accountability • Integrity • Respect

ANNEXURE II: HIGH LEVEL STRATEGIC INITIATIVES						
Perspective	2015-2019 Strategic Plan Objectives	Revised Strategic Plan Objectives	Intended Result	Strategic Initiatives	Ultimate Outcome	
Customer / Stakeholder	1. Promote a stable monetary and financial system	1. Improve financial and price stability	Price and currency stability and resilient financial system	1.1 Improve quality of economic statistics and analysis 1.2 Carry out relevant research 1.3 Improve channels for communication of policy advice 1.4 Improve financial systems surveillance and oversight 1.5 Enhance crisis management frameworks and safety nets	Stable monetary and financial system	
		2. Improve financial system integrity	Safe financial systems through increased collaboration between CBL and law enforcement agencies.	2.1 Develop & undertake awareness programs on AML/CFT issues 2.2 Review regulatory and supervisory framework 2.3 Undertake regular examinations 2.4 Improve regulatory and supervisory laws to address AML/CFT issues 2.5 Develop national and internal payments infrastructure		Safe and reliable financial system
		3. Improve financial inclusion & financial growth	Increased stakeholder access to financial literacy information and coordination amongst relevant stakeholders to harmonise policies to support financial inclusion and growth	3.1 Implement financial literacy programmes 3.2 Monitor progress towards financial inclusion 3.3 Collect and disseminate disaggregated data		

ANNEXURE II: HIGH LEVEL STRATEGIC INITIATIVES (continued)					
Perspective	2015-2019 Strategic Plan Objectives	Revised Strategic Plan Objectives	Intended Result	Strategic Initiatives	Ultimate Outcome
Finance	2. Adapt to changing stakeholder needs	4. Improve stakeholder confidence	Stakeholders have more confidence in the Bank	4.1 Develop consumer protection framework 4.2 Undertake customer satisfaction surveys 4.3 Implement stakeholder engagement plans	High stakeholders' confidence in the Bank
	3. Maintain financial sustainability	5. Improve financial performance	Financial accountability and reduced costs through improved financial discipline, reporting and budget monitoring	5.1 Implement work plan based budgeting per strategy 5.2 Improve financial accounting across the Bank 5.3 Integrate resource allocation in line with processes	Sustainable financial performance
Internal processes	7. Deliver services effectively and efficiently 5. Effective use of technology	6. Improve business processes and decision making	Improved business processes and decision making influencing a reduction in turnaround times, improved reporting and reduction in duplication of effort while integrating with technology solutions	6.1 Determine the universe of all business processes 6.2 Reengineer business processes 6.3 Develop the delegation of authority framework 6.4 Update policies across the Bank 6.5 Align IT Systems with business processes	Efficient business processes and decision making
	7. Deliver services effectively and efficiently	7. Improve service quality	Improved quality of service through embracing innovation, technology and implementation of Service Level Agreements (SLA).	7.1 Develop registers for SLAs and complaints 7.2 Review of SLAs to ensure adherence to international standards / practices 7.3 Undertake stakeholder / customer satisfaction surveys	Improved service quality

ANNEXURE II: HIGH LEVEL STRATEGIC INITIATIVES					
Perspective	2015-2019 Strategic Plan Objectives	Revised Strategic Plan Objectives	Intended Result	Strategic Initiatives	Ultimate Outcome
Organisational Capacity		8. Improve stakeholder engagement	A stable financial system through effective policy direction and engagement with stakeholders.	8.1 Conduct awareness programmes on Bank's activities 8.2 Introduce employee assistance programmes (wellness) 8.3 Handle enquiries/complaints effectively 8.4 Establish an effective feedback mechanism to improve the quality of service	Improved stakeholder engagement
	4. Embed a culture of high performance	9. Improve human capacity	The Bank has skilled staff that meets its needs.	9.1 Implement skills audit and develop training plan 9.2 Implement succession plan 9.3 Implement measures to improve staff motivation	Adequate, skilled and competent staff
	4. Embed a culture of high performance	10. Improve organisational culture	The Bank has a culture of high performance where employees contribute effectively to achieve the Bank's objectives	10.1 Align individual behavioural attributes to organisational values 10.2 Improve the Performance Management System to incorporate organisational values 10.3 Undertake periodic surveys amongst internal stakeholders 10.4 Create avenues for collaboration and innovation 10.5 Cultivate innovative culture	High Performance Culture
	6. Engender a culture of innovation and drive a modernisation agenda				

ANNEXURE II: HIGH LEVEL STRATEGIC INITIATIVES (continued)					
Perspective	2015-2019 Strategic Plan Objectives	Revised Strategic Plan Objectives	Intended Result	Strategic Initiatives	Ultimate Outcome
	5. Effective use of technology	11. Improve organisational design and processes	Integrated processes and systems framework that improve performance of the organisation	11.1 Engender change management culture	Improved business processes and systems
	4. Embed a culture of high performance	12. Improve monetary policy and regulatory frameworks		11.2 Implement business continuity management and systems support	
12.1 Improve collaboration through cross-functional teams			12.2 Implement a plan for full compliance with latest compilation manuals	12.3 Implement plan for adherence to appropriate data dissemination standards	
				12.4 Identify regulatory gaps to inform revision of regulatory framework	

ANNEXURE III STRATEGIC INITIATIVE DESCRIPTION		
No.	Strategic Initiative	Initiative Description
<b>Strategic Objective 1 Improve Financial and Price Stability</b>		
1.	1.1 Improve quality of economic statistics and analysis	Align data collection and compilation methodologies with relevant standards, addressing data gaps and introducing new economic indicators.
2.	1.2 Carry out relevant Research	Conduct research on emerging issues to inform policy formulation.
3.	1.3 Improve channels for communication of policy advice	Identifying and implementing effective channels of communications of policy advice.
4.	1.4 Improve financial systems surveillance and oversight.	Development and implementation of macro-prudential frameworks as well as alignment of micro prudential frameworks to best international practice.
5.	1.5 Enhance crisis management frameworks and safety nets	Development of explicit financial crises management and safety nets frameworks.
<b>Strategic Objective 2 Improve Financial System Integrity</b>		
6.	2.1 Develop and undertake awareness programmes	Increase awareness among the financial sector roleplayers (financial institutions, customers and the public) of illicit financial transactions.
7.	2.2 Review regulatory and supervisory framework	Review of laws and regulations to ensure their relevance as well as to enhance their enforcement.
8.	2.3 Undertake regular examinations	Regular on-site examinations of financial entities to assess their system safety and integrity.
9.	2.4 Improve regulatory and supervisory laws to address AML/CFT issues	Review of AML/CFT laws in collaboration with other regulators such as the Financial Intelligence Unit and law enforcement agencies.
10.	2.5 Develop payments infrastructure	Install payments hardware and software that enables monitoring of transactions locally. E.g. Card Switch
<b>Strategic Objective 3 Improve Financial Inclusion &amp; Financial Growth</b>		
11.	3.1 Implement financial literacy programmes.	Promotion of knowledge and understanding amongst stakeholders on financial issues.
12.	3.2 Conduct baseline surveys.	Assess current level of financial inclusion from the supply side.
13.	3.3 Collect and disseminate disaggregated data	Collect disaggregated data and produce reports for dissemination.

### ANNEXURE III STRATEGIC INITIATIVE DESCRIPTION (continued)

#### Strategic Objective 4: Improve Stakeholder Confidence

14.	4.1 Develop consumer protection framework	Develop consumer protection policy and legal framework.
15.	4.2 Undertake customer satisfaction survey.	Undertake consumer satisfaction survey.
16.	4.3 Implement stakeholder engagement plan	Develop and implement a plan for engagement with Bank stakeholders.

#### Strategic Objective 5: Improve Financial Performance

17.	5.1 Implement work plan based budgeting per strategy	Ensure that the Bank's annual budget is aligned to the annual work plan and Strategic Plan.
18.	5.2 Improve financial accounting throughout the Bank	Ensure that all transactions are correctly accounted for in line with adopted international reporting standards.
19.	5.3 Integrate resource allocation in line with processes	Coordinate activities in budgeting

<b>ANNEXURE III STRATEGIC INITIATIVE DESCRIPTION (continued)</b>	
<b>Strategic Objective 6: Improve Business Processes and Decision Making</b>	
20.	6.1 Determine the universe of all business processes Identify and document key business processes across the Bank.
21.	6.2 Reengineer business processes Improve business processes by identifying and removing bottlenecks, eliminating redundancies and introducing new technologies.
22.	6.3 Develop delegation of authority framework Identify and document key decisions making levels.
23.	6.4 Update policies across the Bank Identify and update out-dated policies.
24.	6.5 Align IT systems with business processes Readjust IT systems to support decision making processes
<b>Strategic Objective 7: Improve Quality of Services</b>	
25.	7.1 Develop registers for SLAs and complaints Take stock and review SLAs.
26.	7.2 Review of SLAs to ensure adherence to international standards / practices Continuous review of SLAs to ensure compliance with relevant standards
27.	7.3 Undertake stakeholder / customer satisfaction surveys Undertake stakeholder/customer satisfaction surveys
<b>Strategic Objective 8: Improve Stakeholder Engagement</b>	
28.	8.1 Conduct awareness programmes Publish the Bank's mandate to enhance stakeholder knowledge of the Bank's services.
29.	8.2 Implement Employee Assistance Programmes (Wellness) Engage staff to improve their physical, financial and mental well-being.
30.	8.3 Handling of enquiries/complaints effectively Establish complaints/enquiry handling structures and mechanisms.
31.	8.4 Establish an effective feedback mechanism to improve the quality of service Solicit feedback on the Bank's services



## ANNEXURE III STRATEGIC INITIATIVE DESCRIPTION (continued)

Strategic Objective 9: Improve Human Capital	
32.	9.1 Implement skills audit and training plan Assess current staff skills and develop an appropriate training plan to address identified gaps.
33.	9.2 Implement succession plan Developing staff to assume responsibility at a higher level.
34.	9.3 Implement measures to improve staff motivation Undertake initiatives to improve workforce motivation.
Strategic Objective 10: Improve Organisational Culture	
35.	10.1 Align Individual behavioural attributes to organisational values Implement measures to ensure that staff conduct itself in line with the Bank values.
36.	10.2 Improve the Performance Management System to incorporate organisational values Facilitating assessment of values by ensuring that they form part of the performance management system.
37.	10.3 Undertake periodic surveys amongst internal stakeholders Undertake periodic feedback on how staff is living the values.
38.	10.4 Create avenues for collaboration and innovation Create conducive environment for innovation to occur in the Bank.
39.	10.5 Cultivate innovative culture Define innovation and provide a platform for recognition of innovative ideas.
Strategic Objective 11: Improve Organisational Design and Processes	
40.	11.1 Engender change management culture Develop and implement change management policy and procedures.
41.	11.2 Implement business continuity management and systems support Review and document a comprehensive BCM program to ensure a continuous improvement and consistent BCM process so as improve recoverability timelines.
42.	11.3 Develop ICT strategy Craft ICT strategy to support attainment of the strategic plan

**ANNEXURE III STRATEGIC INITIATIVE DESCRIPTION (continued)****Strategic Objective 12: Improve Monetary Policy and Regulatory Frameworks**

43.	12.1 Improve collaboration through cross-functional teams	Ensure that various departments within the Bank collaborate in the implementation of monetary policy
44.	12.2 Implement a plan for full compliance with latest compilation manuals	Compile data in line with updated manuals.
45.	12.3 Implement plan for adherence to appropriate data dissemination standards	Ensure that the Bank disseminates data in line with international standards.
46.	12.4 Identify regulatory gaps to inform revision of regulatory framework	Monitor developments and identify regulatory gaps to facilitate revision of regulatory frameworks.





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