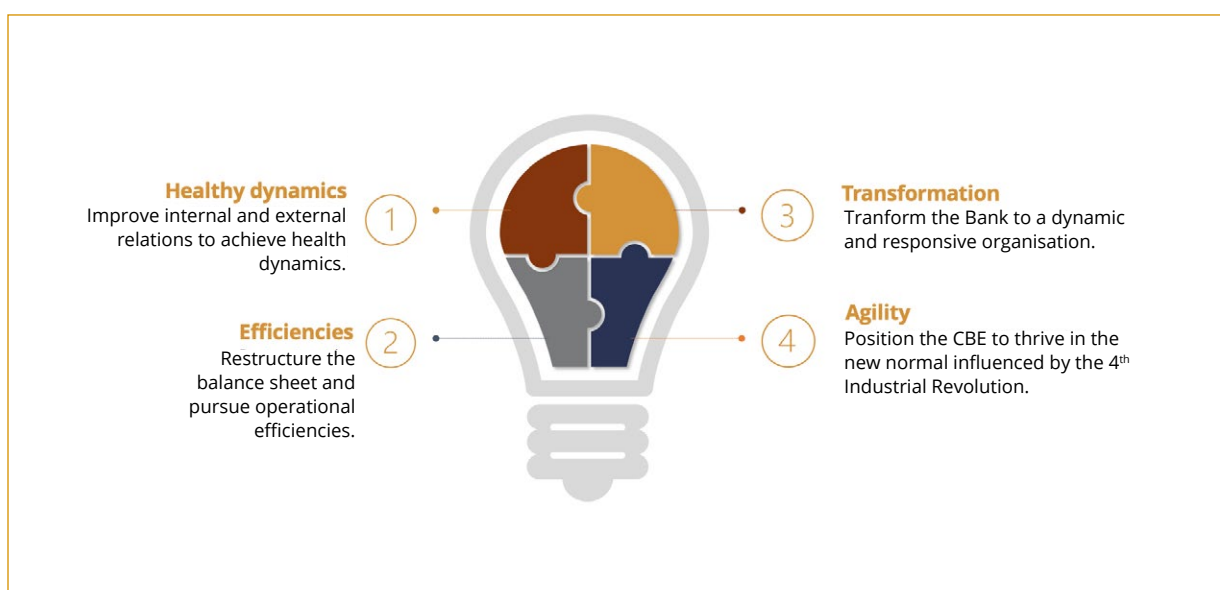


Our Strategy

Our Strategy

The year under review marked the second year of the implementation of our 2021-2024 Strategic plan whose mission is “To foster price and financial stability that is conducive to the economic development of Eswatini”.

Our vision, which is “To have a stable price and self-regulating financial system to foster economic development”, defines the desired future state that enables the Bank to continue and deliver on its mandate. Our strategy is anchored on four key areas, below



From these focus areas, we derived our strategic objectives and action programmes, each with a detailed action plan.

In order to assess the current health status of the Bank and its ability to deliver on its objectives, periodic reviews were undertaken. Our major drive is operational efficiency and strategic relevance. Throughout the year, monthly and quarterly monitoring as well as evaluations to ensure the successful implementation of the strategy were done. We measured our operational targets in terms of achievement and performance outcomes for the period as outlined in the next page.



Operational Targets and Performance Outcomes

	Performance Measure	Unit of Measure	2022/23 Target	2022/23 Actual	Comments
1	Adequate supply of high-quality currency.	%	99.0	100	All cash withdrawal requirements from commercial banks were met.
2	Maintain annual import cover within approved target.	Months	4.00	2.5	- The country's reserves position remained strained throughout 2022/23 on account of lower Southern African Customs Union (SACU) inflows, alongside rising Government budgetary obligations and persistent net Rand outflows to commercial banks. At the end of 2022/23, reserve holdings were sufficient to finance 2.5 months of goods and services, slightly weaker than the 2.6 months recorded at the end of 2021/22. - The outlook remains weak despite the doubling of SACU receipts in 2023/24. Downside risks to the reserves outlook could emanate from the relentless net Rand outflows from trades with commercial banks, sustained Government fiscal challenges, as well as external debt repayment strains, particularly the commencement of the repayment of the IMF loan.
3	Maintain average inflation within target range.	%	3 - 7	5.3	- The average inflation outcome for the financial year 2022/23 was 5.3% after slowing down to an average low of 3.6% recorded in the financial year 2021/22. Inflation rose in the financial year 2022/23 mainly due to pressures emanating from food and oil prices as a result of the outbreak of the Russia-Ukraine war. - Projections indicate that inflation is expected to remain at the same level of 5.3% in 2023/24. - Inflation has trended within the target band and is envisaged to remain within the target range in the short to medium-term.
4	Effective external stakeholder management.	%	75	74	The results show a stable rating of 74%. Areas where the Bank performed well were provision of quality information to stakeholders, timeliness, clarity, ease of understanding, adequacy and relevance of information. Moreover, a majority of our stakeholders have a positive image of the CBE. They believe that the Bank is trustworthy and ethical in the implementation of our mandate. The area of concern was customer service with the understanding and registration of complaints through the Ombudsman office scoring lowest.



5	Improved employee engagements.	%	90	81	This reflects a 5% increase compared to the survey outcomes of the previous year. The highest scoring drivers of engagement were Organisational Environment and Team Relations. Other drivers which fell above the Organisational average of seven (7) are Strategic Alignment, Manager Intent and Resilience. The lowest scoring drivers were Recognition as well as Praise and Change Readiness.
6	Operational expenditure within budget.	%	98	100.045	Actual expenses exceeded budget by 0.045% due to unanticipated staff terminal benefits paid out, litigation and forensic audit costs.
7	Personnel cost to income ratio.	%	41	33	Below projection due to favourable revenue.
8	Personnel cost to total expenses.	%	53	49	As projected and below threshold due to prudent expenditure controls.
9	Cost to income ratio.	%	77	68	Below projection and below threshold due to prudent expenditure controls and favourable revenue.
10	Improve Enterprise Risk Management (ERM) Maturity level.	Level	4.5	5	The 2022 ERM Maturity results indicate a momentous achievement of the level 5 maturity level with 97.9% points attained in the self-assessment tool prescribed by the International Operational Risk Working Group. This is beyond the expected outcome of level 4 having remained in level 3 for the past three years. Significant progress was recorded in 4 of the aspects considered for the maturity assessment being risk management process (with the highest weight), risk reporting, risk culture as well as scope and outcome.

Performance of Strategic Programmes

We execute our strategy through four programmes, namely; culture transformation, digital transformation, business process management and financial sustainability.

The strategic programmes aim to reach our three-year goal, which is to be a dynamic, efficient, and relevant Central Bank in our ecosystem. Within each of the four programmes, there are several smaller projects to assist the programme achieve its overall objective. The Bank has a total of thirteen (13) strategic projects. We monitor the execution of these projects using project management methodologies aimed at ensuring that the projects are completed on time, within budget, and within scope.

Progress on Implementation of Strategic Projects

	SP1 Culture Transformation	SP2 Digital Transformation	SP3 Business Process Management	SP4 Financial Sustainability
Objective	Cultivate sustained healthy relationships and build strong influence in our ecosystem.	Transform the Bank to be effective and efficient in an increasingly digital ecosystem.	Deliver a dynamic organisation that is efficient, coordinated and responsive.	Create a sustainable Bank through effective financial management and efficient utilisation of resources.
Delivery Timeline	31 st January 2025	31 st March 2025	31 st March 2023	30 th June 2023
Projects under the programme	- Living the values (SP1). - Influence Ecosystem (SP2). - Change Management (SP3).	- Developing and Implementing Business Intelligence Framework (SP4). - Implementation of Information Governance & Records Management (IGRM) (SP5). - Digital Transformation Strategy (SP6). - IT Optimisation (SP13).	- Price & Financial Stability System (SP7). - Resource System (SP8). - Intelligence System (SP9). - Relationship System (SP10).	- Balance Sheet Optimisation (SP11). - Culture of Productivity (SP12).



Project Milestones	SP1: Living the Values Project: - The project continued with the implementation of the culture blueprint initiatives. - Conducted Pulse Survey to ascertain the current culture status quo and measures on the extent to which the shared beliefs and values in the organisation enable performance growth. - MANCO 360 Degrees Feedback. - Departmental teambuilding. - Values assessment for all staff members. The average values rating for the financial year 2022/3 was 97%. SP2: Influence Ecosystem Project: Project suspended pending the review of its scope. SP3: Change Management Project: - Diagnostic assessment to determine the organisation's readiness to change. - Development of change management tools. - Training & certification of change agents. - Identification and deployment of change agents. - Socialisation of CBE policies.	SP4: Business Intelligence (BI) Framework Project: - Sourcing and engagement of project consultant. - Establishment of Project Steering Committee. - Requirements Elicitation completed. 80% data source connectivity. - Business Requirements Documentation and sign off. 100% Cloud infrastructure setup. 50% solution design & modelling of data sources. SP5: Information Governance Project: - Concluded User Acceptance Testing (UAT) sessions on the EDRM System (DataSTOR). - Implementation of Communication and Change Management Strategy. - Electronic Documents & Records Management System (EDRMS) implementation. - File plan Enhancements. - On integration, API (in full) deployment concluded. SP6: Digital Transformation Project: - Complete Data Transformation Strategy (DTS) Training. - Development of DTS. - Approved & signed off DTS. SP13: IT Optimisation Project: Project has not yet started as its implementation is dependent on data from the Projects prioritisation and Resource Management System and the development of the Projects Prioritisation Model.	SP7 - SP10 Projects: - Research of process landscape done. - Developed a draft process management framework. - Conducted research on process mapping tools. - Development of Change Management Plan.	SP11: Balance Sheet Optimisation Project: - Collected data and statistics on CBE historical annual statements. - Data on the Southern African Development Community (SADC) benchmark Central Banks collected. - Partial implementation of active management of the Special Drawing Rights (SDR) portfolio. SP12: Culture of Productivity - The project remained at initiation phase with no significant tasks undertaken during the period.
Variance				

Comment

Despite the hybrid work schedule applied by the Bank in the 1st quarter of 2022/23, all culture transformation projects, save for the Influence Ecosystem project, progressed well and recorded 70% implementation. The programme remained within budget.

Within the Digital Transformation programme, the Bank concluded the development of the digital transformation strategy. The Business Intelligence project is on-course and at 60% implementation. The project however, incurred a budget overrun of E1,478,592.00 due to a request change made by the Bank together with the

project consultant. The IT Optimisation project remained on hold, pending completion of other CBE operational projects whose output feed into the project. On the overall, the digital transformation programme showed to be progressing well.

For the Business Process Management Programme, the Bank could not meet its target due to technicality of the project and the difficulties encountered in the integration of all work previously done on CBE processes. The major issue was that various methodologies which were applied. The programme missed its delivery timeline. Since the programme remains relevant in the delivery of our strategy, a review of the projects scope

needs to be done.

Some improvements in the implementation of the Balance Sheet Optimisation project were noted. The project is at 60% implementation. Minimal progress was noted on the Culture of Productivity project. The main challenge in the implementation of the project was due to the hybrid work situation leading to difficulties in the execution of the project. A need to rescope the project was realised. Irrespective of the challenges within the Culture of Productivity project, the Financial Sustainability programme showed steady progress.

Legend

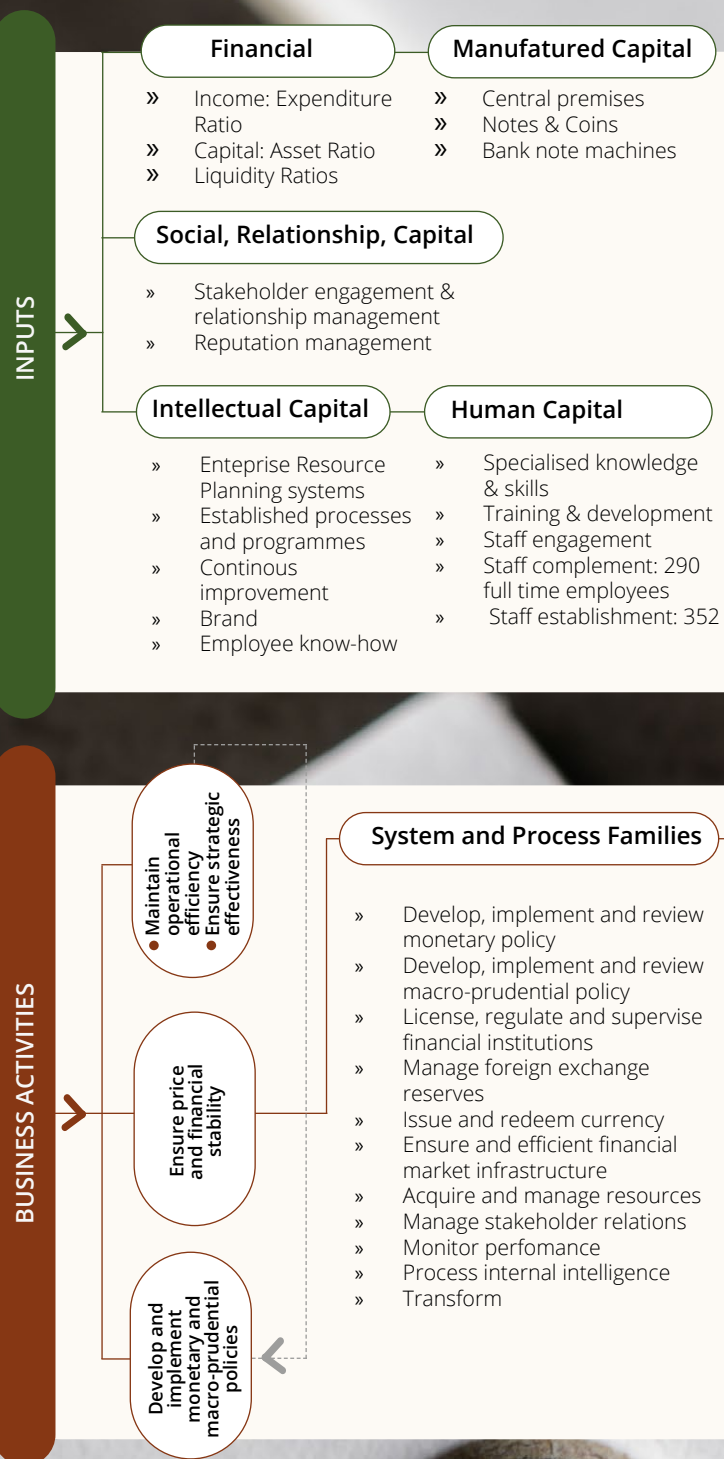
	Target achieved
	Progressing slowly
	Progressing well
	Target not achieved

Our Business Model

The Bank uses monetary and macro-prudential policies to drive the achievement of both price and financial stability within Eswatini. Our Mission captures the mandate of the CBE.

Through our Vision, we have defined a desired future state that enables us to continue to deliver on the mandate. The Bank's strategy seeks to drive operational efficiency and strategic effectiveness. This means striking a balance between running the business and changing it. Operations run the organisation whilst strategy transforms it. We run our operations through business processes / systems and we execute our strategy through programmes.

There is interdependence in the programmes and together they will deliver synergies that shall deliver the goal for this strategic plan. In all our undertakings, business departments remain integral in driving our processes.



OUTPUTS

Mandate

- » Create sound monetary policy that will make the country financially stable
- » Regulate and direct the financial sector in such a way that the financial system stays sound and efficient
- » Issue and redeem currency
- » Hold and manage foreign reserves for the country
- » Be a banker, adviser and agent to Government
- » Create and run an efficient national payments system
- » Act as a lender of last resort to financial institutions and to aid the growth of domestic financial markets
- » Conduct research on monetary, financial and economic matters that will improve monetary policy
- » Engage stakeholders in such a way that the Bank can deliver on its mandate

Business Departments

- » Governors
- » Financial markets
- » Operations
- » Financial regulation
- » Finance
- » Economic policy, research and statistics
- » Information and communication technology
- » Human resources and administration
- » Internal audit
- » Risk management
- » Board secretary and legal
- » Internal affairs and security
- » Strategy and communication

OUTCOMES

Vision

- » To have a stable price and self-regulating financial system to foster economic development

Mission

- » To foster price and financial stability that is conducive to the economic development of Eswatini

To Achieve

- » Sound monetary policy
- » Financial stability
- » Price stability
- » Financial sector stability and supervision
- » Efficient national payments and foreign exchange systems