

## PROJECT OBJECTIVES

The main objectives of the SADC Payment System Project are to define;

- a domestic payment strategy for the development of the payment, clearing and settlement systems for each individual SADC country;
- A regional approach to cross-border payments, taking into consideration the implications for trade, central bank policy, foreign exchange positions and controls.

The Project has followed a phased developmental programme, covering three phases.

- The first phase involved the commencement of the Project, which included such activities as the sensitisation of a large cross-section of the financial system stakeholders in each member country in respect of payment system issues; information gathering and stock-taking as well as capacity building. It should be noted; however that capacity building is an on-going process throughout the phases of the Project.
- The second phase involved the formulation of the vision and strategy for payment system for each country. Whilst recognising that payment systems share common elements and functions, each country was able to take into consideration its unique circumstances and its economic objectives in defining its vision and strategy for payment, clearing and settlement systems.
- The third phase aims at meeting the long-term objective of the Project including the implementation of the vision and strategy for each country, taking into account that it has to support the free-trade within the region. This phase includes developments towards harmonised payment, clearing and settlement systems. This includes;
  - *Cross-border initiatives*. This will require that member-countries should consider and agree on an acceptable cross-border model for payment systems in the region.
  - *Financial Sector Assessment programme (FSAP)*. This will enable countries in the region to identify the strengths and weaknesses within their national payment systems thereby allowing themselves to make improvements where applicable.
  - *Other* initiatives such as the legal framework, payment system oversight initiatives, memorandum of understanding, etc are also in process.