REPORT OF THE EXECUTIVE COMMITTEE TO THE 59TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT) NOVEMBER 2026

The Report of the Executive Committee on Financial Matters consists of the following:

I. Paper 1: Audited Financial Statements (AFS) for the financial year ended 31st March 2025

The Executive Committee considered and approved the Audited Financial Statements for the financial year ended 31st March 2025, on 24th October 2026, in Johannesburg, South Africa.

Paper 1 and the Audited Financial Statements (Appendix 1) are, therefore, tabled before the 59th Plenary Assembly for noting.

II. Paper 2: Management Accounts for the period 1st April 2025 to 31st March 2026 (financial year ended 31st March 2026)

The Management Accounts for the period 1st April 2025 to 31st March 2026 are tabled before the 59th Plenary Assembly for noting.

III. Paper 3: Management Accounts for the period 1st April 2026 to 30th September 2026

The Management Accounts for the period 1st April 2026 to 30th September 2026 are tabled before the 59th Plenary Assembly for noting.

IV. Paper 4: Financial Report on Donor Funded Projects: SRHR, HIV & AIDS Governance Project and ADA/GIZ Project

The financial report on donor funded projects is tabled before the 59th Plenary Assembly for noting.

V. Paper 5: Budget Proposal for the Financial Year 2027/2028.

The Budget Proposal is tabled before the 59th Plenary Assembly for consideration and approval.



REPORT OF THE EXECUTIVE COMMITTEE TO THE 59TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT)

PAPER 1

REPORT ON AUDITED FINANCIAL STATEMENTS (AFS) AS AT 31ST MARCH 2025

The Audited Financial Statements as at 31st March 2025 are tabled before the Plenary Assembly for noting.

CONTENTS

Appendix 1: The Audited financial Statements (AFS) as at 31st March 2025 are attached hereto as Appendix 1.

The Report on the Audited Financial Statements (AFS) as at 31st March 2025 consists of the following:

1.0. Executive Committee's Responsibilities and Approval
2.0. Auditor's Opinion
3.0. Statement of Financial Position as at 31st March 2025
4.0. Statement of Financial Performance for the Year Ended 31st March 2025
5.0. Management Letter
6.0. Recommendations for the Consideration of the Executive Committee
7.0. Matters for Further Consideration and Decision

1.0. EXECUTIVE COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The financial statements of the SADC Parliamentary Forum (SADC PF) have been audited by Grand Namibia Chartered Accountants. The Executive Committee (EXCO) is requested to note the following responsibilities of the EXCO regarding the management of the finances of the Forum:

1.1. The Executive Committee's responsibilities and approval requirements are outlined in detail in the AFS. The Executive Committee is required, in terms of the SADC Parliamentary Forum's Constitution, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information. It is responsible for ensuring that the annual financial statements fairly present the state of affairs of the Forum as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

1.2. Having confirmed and discharged its responsibilities, the EXCO is required to approve the AFS, which are to be signed on its behalf by the President.

1.3. In approving the AFS, the EXCO is required to acknowledge the following:

i. Nature of business

The Forum was established for the purpose of strengthening capacity of the Southern African Development Community (SADC) by involving parliamentarians of SADC member states in activities that contribute to the well-being of SADC. In this regard, there have been no material changes to the nature of the Forum's business from the prior year.

ii. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Forum's Constitution. The accounting policies have been applied consistently. Full details of the financial position, results of operations and cash flows of the Forum are set out in the annual financial statements.

iii. Internal Financial Controls

The Executive Committee acknowledges that it is ultimately responsible for the system of internal financial control established by the Forum and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the Executive Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Forum and all employees are required to maintain the highest ethical standards in ensuring the Forum's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The Executive Committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against

material misstatement or loss.

iv. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Forum or in the policy regarding their use. At 31st March 2025, the Forum's investment in property, plant and equipment amounted to N$8,955,238 (2024: N$ 9,285,920).

v. Events after the reporting period

The Executive Committee are not aware of any material event which occurred after the reporting date and up to the date of this report.

vi. Going concern

The Executive Committee is required to pronounce itself on the future of the institution as follows:

The Executive Committee believe that the Forum has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Executive Committee members have satisfied themselves that the Forum is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Executive Committee is not aware of any new material changes that may adversely impact the company.

The Executive Committee members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Forum.

vii. Risk Management

The focus of risk management in the Forum is on identifying, assessing, managing and monitoring all known forms of risk across the Forum. While operating risk cannot be fully eliminated, the Forum endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined policy and procedures.

2.0. AUDITOR'S OPINION

In the opinion of the Auditor, “the annual financial statements present fairly, in all material respects, the financial position of SADC Parliamentary Forum as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the SADC PF Constitution”.

3.0. STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2025

The following is worth noting:

3.1. Property, Plant and Equipment

3.1.1. Net Book Value

During the financial year 2024-2025, the Net Book Value (NBV) of Property, Plant and Equipment decreased from N$9,285,920 to N$8,955,238. This decrease in value was a result of the following:

	N$
NBV as at 1st April 2025	9,285,920
Additions during the year	220,929
Disposal during the year	NIL
Depreciation & Impairment	(551,611)
NBV as at 31st March 2025	**8,955,238**

3.1.2. Listing of Property, Plant and Equipment

	N$
Land	2,800,000
Buildings	4,830,678
Furniture and fixtures	551,697
Motor vehicles	475,941
Office equipment	57,679
IT equipment	239,243
Total	**8,955,238**

3.1.3. Land & Buildings: SG Official Residence, 89 JH Ithana, Ludwigsdorf, Klein Windhoek:

The property's book value as at 31st March 2025 stands at N$7,630,678 (representing Buildings valued at N$4,830,678 and Land at N$2,800,000). In comparison, the property was valued at N$7,731,792 (representing buildings valued at N$ 4,931,792 and land valued at N$2,800,000) at 31st March 2024. The buildings have been depreciated by N$101,114.

3.1.4. Motor Vehicle

The personal-to-holder vehicle of the Secretary General (which was procured for N$1,298,021 during 2021/22) was valued at N$475,941 as at 31st March 2025, after depreciation of N$259,605 in 2024/25. The net book value of the vehicle in 2023/24 was N$ 735,546.

3.1.5. Property at 66 Erosweg, Eros Park, Windhoek (Asset Held for sale)

During the financial year 2023/24, the value of the house was revised from N$2,470,000 to N$2,100,000. The valuation was based on income capitalization method in combination with the comparable sales method. In order to comply with International Financial Reporting Standard (IFRS5), the house is classified as 'Asset Held for sale' at a value of N$2,100,000.

3.1.6. Property, plant and equipment encumbered as security-

Nedbank Mortgage: The following assets have been encumbered as security for the secured long-term borrowings: Land and Buildings. The loan is denominated in Namibian dollars (N$), bears interest at 7.50% per annum, is secured over Land and buildings of N$7,733,959 and repayable in remaining installments of 87 months (2024:99 months).

3.1.7. Property, plant and equipment encumbered as security- FNB Motor Vehicle Loan:

The following assets have been encumbered as security for the secured long-term borrowings: Motor Vehicles N$1,276,388: The loan is denominated in Namibian dollars (N$), bears interest at 12.50% per annum, is secured and repayable in remaining installments 36 months (2024:48 months).

3.2. Equity (Retained Earnings & Unrestricted Funds)

3.2.1. **Retained Income** decreased from N$ 6,987,240 as at 31st March 2024 to N$3,425,340 as at 31st March 2025 due to the following:

(i) Total Comprehensive Deficit of N$3,561,899. The deficit is further detailed under "Statement of Financial Performance" at section 5.0. below.

3.2.2. **Unrestricted Funds**

3.2.2.1. Unrestricted Funds represents funds set aside from Retained Income that can be used to finance specific expenditures, as approved by the Executive Committee or Plenary Assembly. In line with the 56th Plenary Assembly approval, a sum of N$5,500,000 was transferred from Retained Earnings to the Unrestricted Fund during the year under review. This transfer reflects the Forum's strategy to ensure financial sustainability and flexibility in funding its recurrent operations and priority activities, particularly in situations where other funding sources may be limited. The approved Budget for the Financial Year, therefore, included the N$5,500,000 use of funds from Retained Income which effectively means that the Total Comprehensive Deficit that was realized was within the approved budget.

3.2.2.2. However, accounting practice does not allow for funds used from Unrestricted Funds or Retained Income to be accounted as Income in the Statement of Profit and Loss as the amount arises from Income already earned in previous financial years. Hence the total expenditure during the year can only be set off against income received during the year (minus any transfer from Retained Funds or Unrestricted Funds) resulting in the amount of N$3,561,899 being accounted as a deficit/loss.

3.2.2.3. In addition, in line with standard accounting practice, the Total Comprehensive Deficit of N$ 3,561,899 was posted to reduce Retained Income, while the Unrestricted Funds remained unaffected at N$5,500,000. This was the preferred treatment by the external Auditor. The balance of Retained Income (N$3,425,340) and Unrestricted Funds (N$5,500,000) make up the total Equity of N$8,925,340.

3.3. Restricted Funds

3.3.1. Restricted Funds represent grants received but not yet spent by the Forum. The restricted funds are released to Income over the period necessary to match them with costs for which they are intended to compensate, on a systematic basis. All the unspent restricted funds at the end of the grant implementation period are refunded to the grantors.

3.3.2. Included in the cash and cash equivalents is an amount of N$ 786,402 (2024: N$1,050,923) of Restricted Funds. The funds are held in designated bank accounts to be used only for the purpose of financing specific projects. The projects are listed at section 4 of the Notes to the Financial Statements.

3.4. Going Concern

The Financial Position as at 31st March 2025 is healthy with Retained Income of N$3,425,340 and Unrestricted Funds of N$5,500,000. The Equity of N$8,925,340 is represented by Total Assets of N$24,315,548 (2024: N$28,844,178) and Total Liabilities of N$ 15,390,208 (2024: N$16,356,938). There is no identified threat on the going concern status of the institution.

4.0. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST MARCH 2025 (STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME)

The following is worth noting:

4.1. The Audited Financial Statements as at 31st March 2025, record total Revenue of N$22,339,556 (2024: N$23,125,080).

4.2. Out of the amount of N$22,339,556, a total of N$21,148,050 (95%) was from Mandatory Annual Member Contributions, while N$821,506 (4%) was grants received from cooperating partners. An amount of N$370,000 for impairment of the Asset held for Sale (in order to adjust the value from N$ 2,470,000 to N$ 2,100,000; refer paragraph 3.1.5) was added to Revenue and deducted from Expenditure. Additional Operating Income amounting to N$563,898 was raised from Administration and Consultancy Income charged to partners. Investment Income totaled N$30,288 only, which was a considerable reduction from N$454,455 in 2024 as the cashflow did not allow for significant investment.

4.3. Total Operating Expenditure for the year was N$25,922,917 compared to

N$24,316,868 in the previous financial year.

4.4. The Comprehensive deficit/Loss for the year amounted to N$3,561,899. The loss is recorded despite the actual Total Expenditure (N$25,922,917) having been below approved Total Budgeted Expenditure for the year (N$27 million) because, due to accounting principles, funds from Retained Income cannot be accounted for as Income and therefore any expenditure approved to be covered by Retained Income/Accumulated Reserves will be recorded as a loss and will serve to reduce the Retained Income (Accumulated Reserves) or the Unrestricted Reserves Fund.

5.0. MANAGEMENT LETTER

5.1. The Management Letter was submitted to the Executive Committee (Appendix 2) for noting.

5.2. The management letter from the auditors is a formal communication issued by external auditors to the Forum's management after the completion of an audit. It outlines the auditors' observations, findings, and recommendations regarding internal controls, accounting systems, and other operational or compliance issues identified during the audit process.

5.3. All the matters raised in the Management Letter have since been addressed.

6.0. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

The Plenary Assembly is advised that the Audited Financial Statements for the year ended 31st March 2025 were considered and approved by the Executive Committee and are submitted to the 59th Plenary Assembly for noting.

7.0. MATTERS FOR FURTHER CONSIDERATION AND DECISION

7.1. RE-ALLOCATION OF ADVANCE PAYMENTS FOR ELECTION OBSERVATION MISSIONS

7.1.1. The Executive Committee (EXCO), at its meeting held on 27th May 2023 at Eden Bleu Hotel in Mahé, Republic of Seychelles, resolved that the Forum should endeavour to observe the elections that year in the Democratic Republic of Congo, Eswatini, Madagascar and Zimbabwe in line with its vision to be the flagbearer of democratisation in the SADC region. In this regard, Member Parliaments were requested to contribute an amount of N$490,000 each to cover four observation missions, on the assumption that at least 10 countries would make a contribution and participate in each mission.

7.1.2. Following the above resolution, a total amount of N$482,700.54 was received from Tanzania.

7.1.3. The Election Observation Missions, however, did not take place as the

number of required countries was not met.

7.1.4. In addition to the above, Seychelles and Angola Parliaments had previously paid amounts of N$36,204.30 and N$ 36,752.64, respectively, towards an Election Observation mission that was to take place in Namibia in 2019. These funds were not utilized as the mission did not also take place.

7.1.5. In view of the above, the amounts paid have remained in the SADC PF books and bank accounts and are currently reflected in the accounting records under "Other Contributions from Member States – Elections", as detailed below:

Date	**Other Contribution from Member States-Elections**	**N$**
01/11/2019	Nam election contr paid Seychelles Parlia	36,204.30
11/12/2019	Nam election contr paid AngolaParlia	36,752.64
28/06/2023	Parliament of Tanzania-elections contribution	482,700.54
	TOTAL	**555,657.48**

7.1.6. RECOMMENDATIONS CONSIDERED AND APPROVED BY THE EXECUTIVE COMMITTEE

Given that the related Election Observation Missions did not take place, the following was considered and approved:

7.1.6.1. **Parliament Seychelles and Parliament of Angola**

The amounts of N$36,204.30 and N$36,752.64, be transferred to the Mandatory Member Contribution accounts of the respective National Parliaments and applied as credits against outstanding annual membership contributions, thereby reducing the balances due from these Member Parliaments.

7.1.6.2. **Parliament of Tanzania**

The 32nd Plenary Assembly held in Mangochi, Malawi, in October 2012, resolved that each Member Parliament should contribute an amount of N$ 440,000 as a Once-off Contribution towards the purchase of the SADC PF Official Residence of the Secretary General. The Parliament of Tanzania is the only Member Parliament that has not yet settled this contribution to date.

The total amount of N$482,700.54 for Tanzania be applied as follows:

(i) That N$440,000 be allocated to the official residence fund.
(ii) The balance of N$42,700.54 to be credited to the Members Mandatory Contribution account. This will reduce the current outstanding balance from N$ 1,501,500 to N$1,458,799.

7.2. UNSPENT BALANCE ON ONCE-OFF CONTRIBUTION FOR SG HOUSE

7.2.1. An amount of N$ 785,888 is available as funds unspent on the SADC Parliamentary Forum Official Residence as summarized below:

Amount received from national parliament (Excl Tanzania)	N$ 5,280,000
Less: Acquisition cost House (N$4,150,000) & Renovation	N$ 4,494,112
Balance available	N$ 785,888

7.2.2. Balance inclusive of Tanzania contribution (subject to EXCO approval)

Balance exclusive of Tanzania Contribution	N$785,888
Add: Tanzania Contribution (refer 7.1.6.2)	N$440,000
Total Balance	N$1,225,888

7.2.3. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

(i) The Plenary Assembly is requested to note that the EXCO approved that the unspent balance of N$1,225,888 be applied towards the Official Residence fund in view of the fact that the mortgage held with Nedbank was settled in August 2026. The fund can be used for the maintenance of the Official Residence, as well as for the replacement of furniture and equipment pertaining to the residence.

7.3. REVISION OF AUTHORIZATION THRESHOLDS TO USE THE CONTINGENCY BUDGET FUND

7.3.1. The SADC PF Accounting Policies and Procedures Manual, at clause 7.3.5.3., currently provides limits on the amount of Contingency that the Secretary General can authorize for use without consulting the Treasurer and the President, currently set at N$30,000 for the whole financial year. Consequently, the SADC PF Contingency Budget for the current Financial Year totals N$30,000 only, as it was aligned with the amount that the Secretary General is authorized to approve without further consultation.

7.3.2. On the other hand, the SRHR Project budget has a provision of Contingency allocation (Flexible Budget) equivalent to 1% of the total budget, which amounts to approximately US$18,254 (N$ 292,064) for the year 2025-2026. This contingency provision is established to meet any unplanned but necessary expenditures that may arise during implementation of SRHR activities across the region. Its purpose is to ensure continuity and efficiency in programme delivery where unforeseen circumstances occur that were not fully anticipated during the planning phase but are, nonetheless, essential for the achievement of approved project objectives.

7.3.3. The use of the SRHR contingency fund is governed by the SADC Accounting Policies and Procedures Manual, which sets out the applicable rules and conditions. However, the current authorization thresholds under clause

7.3.5.3 are very restrictive in relation to operational realities at the time of

implementation. It is therefore proposed that the approval limits be revised as follows:

Expenditure Amount:		Authority:
Existing	**Proposed Revision**	
Up to N$ 30,000	Up to N$ 200,000	Secretary General
N$ 30,001 to N$ 50,000	N$ 200,001 to N$ 400,000	Secretary General in consultation with the Treasurer
Above N$ 50,000	Above N$ 400,000	Secretary General in consultation with the Treasurer and President

7.3.4. This revision is intended to improve operational flexibility in the use of the contingency budget, as well as to facilitate the timely and effective implementation of SRHR activities, while ensuring continued compliance with approved project objectives, financial regulations, and donor requirements.

7.3.5. RECOMMENDATIONS FOR CONSIDERATION OF THE PLENARY ASSEMBLY

The Plenary Assembly is advised to note that the EXCO approved the review of the current authorization thresholds governing the Contingency Budget from N$30,000 to N$60,000.

REPORT OF THE EXECUTIVE COMMITTEE TO THE 59TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT) NOVEMBER 2026

PAPER 2

MANAGEMENT ACCOUNTS FOR THE PERIOD 1ST APRIL 2025 TO 31ST MARCH 2026

The Management Accounts for the period 1st April 2025 to 31st March 2026 are tabled before the Plenary Assembly for noting.

The Management Accounts consist of the following:

1.0. Update on Annual Mandatory Member contributions:

1.1. Background

1.2. Status as at 31st March 2026

1.3. Recommendations

2.0. Budget Performance Report as at 31st March 2026

2.1. Context to the 2025/2026 Budget as approved by the 56th Plenary Assembly, Livingstone, Zambia

2.2. Update on Cost Management Measures and other Related Initiatives

2.3. Budget Variance Report at 31st March 2026 (Income)

2.4. Budget Variance Report at 31st March 2026 (Expenditure)

2.5. Recommendations

3.0. Cashflow Position

3.1. Cashflow Position as at 31st March 2026

1.0. UPDATE ON ANNUAL MANDATORY MEMBER CONTRIBUTIONS

1.1. BACKGROUND

The annual mandatory contributions as at 31st March 2026 from 14 Member Parliaments, stood at N$1,501,500 per annum, per Parliament. Seychelles contribution was N$127,050 per annum. The total revenue from Mandatory Contributions for the financial year 1st April 2025 to 31st March 2026 was, therefore, N$21,148,050.

1.2. STATUS AS AT 31ST MARCH 2026

1.2.1. Contributions Schedule as at 31st March 2026

PARLIAMENT	BALANCE B/F 01-Apr-25	INVOICED AMOUNT	AMOUNT RECEIVED	BALANCE 31-Mar-26	REMARKS
Angola	-	1,501,500		1,501,500	
Botswana	-	1,501,500	1,501,500	-	
DRC	4,504,500	1,501,500	5,678,123	327,877	EXCH DIFF
Eswatini	-	1,501,500	1,501,500	-	
Lesotho	-	1,501,500	1,501,500	-	
Madagascar	1,501,500	1,501,500	1,501,500	1,501,500	
Malawi	-	1,501,500		1,501,500	
Mauritius	-	1,501,500	1,501,500	-	
Mozambique	1,501,500	1,501,500	3,003,000	-	
Namibia	(1,501,500)	1,501,500		-	
Seychelles	(127,050)	127,050	190,575	(190,575)	PRE-PAID
South Africa	-	1,501,500	1,501,500	-	
Tanzania	-	1,501,500		1,501,500	
Zambia	(1,501,500)	1,501,500		-	
Zimbabwe	-	1,501,500	1,501,500	-	
TOTAL	**4,377,450**	**21,148,050**	**19,382,198**	**6,143,302**	**-**

1.2.2. On 1st April 2025, all the 15 Member Parliaments were invoiced for the current Financial Year beginning 1st April 2025 and ending 31st March 2026.

1.2.3. As at 31st March 2026, ten countries, namely, Botswana, DRC, Eswatini, Lesotho, Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe had paid their contributions for the current financial year ending 31st March 2026. However, DRC had an outstanding balance of N$327,877 which was caused by an exchange rate loss at the time of receipt of payment.

1.2.5. Four countries were still owing for the financial year **only,** namely Angola, Madagascar, Malawi, and Tanzania.

1.2.6. Seychelles had pre-paid for the Financial Year beginning 1st April 2026.

1.2.7. In view of the above, a net total of N$ 6,143,302 was owed to the Forum as at 31st March 2026.

1.2.8. Appeal for the Timely Settlement of Contributions
Parliaments are urged to consider settling Annual Mandatory Contributions in a timely manner, preferably in the first half of the financial year, in order to facilitate cashflow management.

1.3. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

1.3.1. The Plenary Assembly is requested to take note of the status of Annual Mandatory Contributions as at 31st March 2026, and also to appreciate the commitment of Member Parliaments in ensuring that contributions are paid.

1.3.2. The Plenary Assembly is requested to note the appeal for the timely payments of Contributions, preferably in the first half of the Financial Year, in order to ensure a healthy cashflow throughout the Financial Year and to urge Member Parliaments to consider the same.

1.3.3. The Plenary Assembly is requested to urge those Member Parliaments with arrears to settle the same as a matter of urgency.

2.0. BUDGET PERFOMANCE REPORT AS AT 31ST MARCH 2026

2.1. Context to the 2025/2026 Budget as approved by the 56th Plenary Assembly, Zambia

The context is important in order for the Membership to fully appreciate what assumptions and implementation measures underpin the 2025/2026 budget, including highlighting the budgetary constraints when compared to the financial resources generated.

2.1.1. Emphasis on Internally Generated Financial Resources
For the year 2025/2026, the budget was anchored on internally generated resources, specifically the Mandatory Annual Contributions, interest earned from investments and accumulated reserves.

2.1.2. Mode of Operations/Implementation of Activities

2.1.2.1. The budget for the 2025/2026 Financial Year ensured that the business of the Forum was conducted within the funds raised from Annual Mandatory Contributions and Accumulated Reserves, with minimal in-kind contribution on the part of Member Parliaments.

2.1.2.2. In view of the limited financial resources, the 56th Plenary Assembly approved that, in the financial year 2025/2026, some of the statutory

meetings of the institution should continue to be held physically while others be held virtually as follows:

i. Both the 57th and 58th Plenary Assemblies to be held physically. *In this regard, the 57th Plenary Assembly was successfully hosted by Zimbabwe, in Victoria Falls, in July 2025 while the 58th Plenary Assembly is to be hosted by South Africa in November/December 2025.*

ii. Two Executive Committee (EXCO) meetings to be held physically with any additional EXCO meetings to be held virtually. The budget provides for two physical and two virtual meetings. *The EXCO met physically in Windhoek, Namibia in April 2025.*

iii. All the EXCO Sub-Committee meetings will take place virtually (FSC, HR & PCD, Legal, & Parliamentary Business).

Some of the EXCO Sub-Committees met virtually as approved, namely the Finance Sub-Committee and the Legal Sub-Committee.

iv. Standing Committees, RPMLOC, and RWPC meetings are all to be held virtually, unless external funding is available for physical meetings. In this regard, the Plenary Assembly noted that some Standing Committees may hold physical meetings while others would only be able to hold virtual meetings. The budget provides for 2 virtual meetings each for the five Standing Committees, the RPMLOC and the RWPC.

The Standing Committees met physically in April 2025 and met again in October 2025 in Johannesburg, South Africa. The Standing Committee meetings in May and October 2025, in Johannesburg, South Africa, were funded by support from various donors/co-operating partners.

v. For all physical meetings, a provision would be made to facilitate participation through a virtual platform (hybrid system).

All the physical meetings took a hybrid format with a provision for participation through the virtual platform, Zoom.

vi. Member Parliaments' in-kind Contribution

As per SADC PF established policy, the costs of participation of the membership in the physical meetings shall be borne by their Member Parliaments unless external funding is made available.

Member Parliaments catered for their Members' and support staff participation at the 57th Plenary Assembly in Zimbabwe and will also cover the 58th Plenary Assembly in South Africa.

2.1.3. Cost Drivers

2.1.3.1. Costs of goods and services continued to rise due to inflation.

The average inflation rate for Namibia in 2025 was 3.4%. The exchange rate of the Namibian Dollar against the United States Dollar fluctuated between 16.7 and 17.5 and has been quite stable during this financial year. Unfortunately, inflation and depreciation of currencies extended to most of the countries in Southern Africa and impacted on the costs of the institution's activities, most of which are held across the member countries pursuant to the policy of the SADC PF.

2.1.3.2. The cost of goods and services also continued to be negatively impacted by various other developments affecting demand and supply, such as the global economic, political and climatic environment. More recently, the suspension of global funding by the US Government has also greatly negatively impacted the donor universe and aid architecture with both donor and recipient countries having to review their priorities.

2.2. UPDATE ON COST MANAGEMENT MEASURES AND OTHER RELATED INITIATIVES

2.2.1. Virtual Meetings: The institution has continued to implement a mix of physical and virtual meetings, which has greatly reduced operational costs. This includes facilitating the engagement of resource persons and interpreters to provide services virtually even where meetings are physical. In addition, physical meetings are scheduled back-to-back, as far as possible, in order to manage travel costs.

2.2.2. Paperless Environment: The institution continues to operate in a paperless environment with all reports and documents for its meetings, including Plenary Assemblies and Committee meetings, being shared electronically. In addition, newsletters produced for activities undertaken are not printed but are instead distributed via emails and social media platforms. This has greatly reduced on printing and distribution costs and is an eco-friendly measure which has reduced the carbon footprint of the institution. It is recognised that SADC PF must also do its part towards mitigating the effects of climate change in line with the Forum's new Strategic Plan (2024-2028).

2.2.3. Collaborations with Co-operating Partners and use of Technical Working Groups.

The institution continues to resource mobilise and collaborate with various partners to share costs to implement its programme activities such as capacity building for MPs, engagement with various stakeholders, development of Model Laws, and other activities, within the framework of its Strategic Plan. The institution has created a network of partners, including youth and women centric organisations, and Technical Working Groups of experts, who are able to assist the Forum to advance its agenda at no extra cost.

2.3. BUDGET VARIANCE REPORT AS AT 31ST MARCH 2026 (INCOME & ALLOCATION FROM RESERVES)

2.3.1. Context

This Budget Variance Report does not include donor funded budgeted income and expenditure but focuses on budgeted income and expenditure from Mandatory Member Contributions and Other Income earned by SADC PF. Financial positions for Donor funding received will be reported in a separate section of this report.

Details of budgeted and actual income are as shown in the tabulation below:

SOURCE	BUDGETED INCOME 2025/26 N$	ACTUAL INCOME RECEIVED/ ALLOCATED N$	VARIANCE N$	VARIANCE %
MANDATORY CONTRIBUTIONS	21,148,050	21,148,050	-	0%
INTEREST	480,000	96,934	(383,066)	-80%
ADMINISTRATIVE FEES (PROJECTS)	-	857,513	857,513	
SALE OF PROPERTY	2,100,000	2,100,000	-	0%
TOTAL BEFORE RESERVES	**23,728,050**	**24,202,496**	**474,446**	
ALLOCATION FROM RESERVES	6,500,000	1,688,014	(4,811,986)	-74%
TOTAL AFTER RESERVES	**30,228,050**	**25,890,510**	**(4,337,540)**	-14%

2.3.2. Total Income & Allocation from Reserves

2.3.2.1. Total **Budgeted** Income amounted to N$ 23,728,050 before allocation from Reservcs. Total Budgeted Income, including budgeted allocation from reserves for the 2025/2026 Budget was N$30,228,050. This consisted of Annual Mandatory Contributions of N$21,148,050, interest of N$480,000, Sale of Property for N$2,100,000 and an amount of N$6,500,000 that was budgeted to be allocated from Reserves.

2.3.2.2. **Actual** income before allocation from reserves amounted to N$24,202,496 resulting in a positive net variance of N$ 474,446. This arose because actual interest was lower than the budgeted interest by N$ 383,066, while unbudgeted Administrative Fees of N$ 857,513 were realised from co-operating partners.

2.3.2.3. Investment income was negatively affected by the cashflow due to the timing of receipt of Contributions, with only half the Parliaments having paid within the first six months of the financial year. The budgeted Interest amount of N$480,000 was based on the interest earned in previous years due to sufficient funds having been allocated to the investments account after some Member Parliaments made advance payments towards their contributions, reinforced by timely payments by other Member Parliaments.

2.3.3. Annual Mandatory Contributions

The total amount of N$21,148,050 from Annual Mandatory Contributions for the Financial Year is accounted as Income in line with the Accruals principle in accounting which recognises income when invoiced.

2.3.4. Budgeted Allocation from Reserves (N$6,500,000)

2.3.4.1. The total budget required an allocation of N$6,500,000 from reserves in order to adequately cater for budgeted expenditure of N$28,064,014 and to leave a minimal surplus of N$64,036. This was because there were no other alternative sources of internally generated income.

2.3.4.2. Actual Allocation from Reserves, based on expected total expenditure for the year is proposed to be N$ 2,000,000 only instead of the budgeted N$ 6,500,000. The proposed amount is rounded off from N$ 1.68 million (expenditure in excess of budgeted Income before Reserves as shown in the table below) in order to cater for additional possible accounting year-end adjustments that are yet to be captured in the Financial Statements.

CALCULATION OF FUNDS USED FROM RESERVES	
DETAILS	**N$**
ACTUAL EXPENDITURE	25,890,510
ACTUAL INCOME BEFORE RESERVES	24,202,496
EXCESS EXPENDITURE BEFORE RESERVES	1,688,014
ACTUAL UTILISATION FROM RESERVES	1,688,014

2.3.4.3. As has been the case in previous years, actual expenditure was lower that the budgeted expenditure due to various cost management measures plus the use of external resources from various partners towards expenditure on statutory and other activities. In budgeting for the financial year, emphasis was laid on the use of internally generated resources due to the uncertainty of funding from donors and other co-operating partners, and hence the provision of N$6.5 million from Reserves.

2.4. BUDGET VARIANCE REPORT AS AT 31ST MARCH 2026 (EXPENDITURE)

2.4.1. The schedule below details the budgeted expenditure, actual expenditure and the variance by budget-line.

	A	B	D	D	E	F	G	H	I
	BUDGET LINE	Total Budget	Supplementary/ bf	Total Revised Budget	Actual YtD Expenditure 31.03.2026	Variance (Balance) 31.03.2026	VAR %	STA-TUS	USAGE RATE
1	Administrative Costs	1,197,000		1,197,000	946,255.67	250,744	21%	F	79%
2	Communication Expenses	522,120		522,120	269,074.65	253,045	48%	F	52%
3	Financial Expenses	594,066		594,066	408,747.85	185,318	31%	F	69%
4	Motor Vehicle Running Costs	144,000		144,000	75,025.52	68,974	48%	F	52%
5	Professional, Consultancy and Legal Expenses	160,000		160,000	72,719.03	87,281	55%	F	45%
6	Staff Emoluments	18,341,020		18,341,020	16,440,095.17	1,900,925	10%	F	90%
7	Travel, Subsistence and Transport	243,000		243,000	242,195.87	804	0%	F	100%
8	Audit	180,000		180,000	91,080.00	88,920	49%	F	51%
9	Insurance	208,000		208,000	142,367.31	65,633	32%	F	68%
10	Plenary Assembly Meetings	3,003,046		3,003,046	2,859,476.48	143,570	5%	F	95%
11	Executive Committee Meetings	485,548		485,548	294,932.15	190,616	39%	F	61%
12	Parliamentary Business/ EXCO Sub-Com	424,480		424,480	76,025.00	348,455	82%	F	18%
13	Standing Committees	444,480		444,480	359,729.36	84,751	19%	F	81%
14	Other Policy Organ Costs/RWPC/RPMLOC/Audit	212,240		212,240	20,600.00	191,640	90%	F	10%
15	Language Translation Costs	234,560		234,560	207,549.61	27,010	12%	F	88%
16	Programme Support	409,440		409,440	144,035.99	265,404	65%	F	35%
17	Capital Expenditure	387,705		387,705	204,766.46	182,939	47%	F	53%
18	Contingencies fund	30,000		30,000	-	30,000	100%	F	0%
19	Mortgage repayment (Capital portion)	558,894	2,100,000	2,658,894	2,774,033	- 115,139	-4%	U	104%
20	Motor Vehicle (Capital portion)	284,415		284,415	261,801	22,614	8%	F	92%
	TOTALS	**28,064,014**	**2,100,000**	**30,164,014**	**25,890,510**	**4,273,504**	14%		86%

2.4.2. Budgeted Expenditure: N$ 30,164,014

The total approved Budgeted Expenditure for the financial year 2025/2026 is N$28,064,014. This results in a budgeted surplus of N$64,036 against the budgeted Income of N$ 28,128,050. An amount of N$2,100,000 was further budgeted for the sale of property at 66 Erosweg, Windhoek, bringing the total budget to N$30,164,014.

2.4.3. Budget Performance Analysis - Total Actual Expenditure as at 31st March 2026: N$25,890,510

i. Total Actual Expenditure as at 28th February 2026 amounted to **N$25,890,510** representing 86% of the total budgeted expenditure for the year, leaving a balance of **N$4,273,504** (14%).

ii. All, except one, budget lines had favourable variances as at 31st March 2026 with utilisation rates ranging from 10% to 100% and averaging 86%.

iii. Members are reminded that some of the expenditure pertaining to Standing Committee meetings, programme activities and salaries for 5 core positions are catered for by external funding, which is not part of this budget analysis as indicated at 2.3.1. above. ***For example, Standing Committees met physically in April 2025 in Johannesburg, South Africa with the support of funding from Sweden under the SRHR, HIV and AIDS Governance Project and other co-operating partners. The total cost for the joint session and statutory meetings of the Standing Committees was N$2.1 million. The favourable total variance is, therefore, made possible with the support towards statutory activities, programmes, operational and administrative expenses from the collaborating partners.***

2.4.4. Budget Performance Analysis: Budget Lines with low utilisation rates worth Noting

2.4.4.1. EXCO Sub-Committees (18%)

The EXCO Sub-Committee budget line shows a low utilisation rate due to the use of the in-house interpreter for its virtual meetings and also because the costs pertaining to most of the documentation were already charged to EXCO budget. Also the EXCO Sub-Committees did not meet as many times as budgeted. Urgent matters affecting human resources and finance were considered through circulation to EXCO members.

2.4.4.2. Other Policy Organs (10%)

The RPMLOC and RWPC met with support from the Sweden funded SRHR, HIV and AIDS Project. The Audit and Risk Committee met virtually at a minimal cost.

2.4.4.3. Programme Support (35%)

Participation at the SADC Summit and IPU were supported by the Sweden funded SRHR, HIV and AIDS Project while attendance to PAP and the P20 was cancelled due to unforeseen circumstances.

2.4.5. Budget Performance Analysis: Budget Line with Unfavourable Variance -Mortgage Repayment- Capital Portion: 4% Unfavourable

2.4.5.1. The amount of N$2.1 million realised from the sale of the property at 66 Erosweg, Eros, Windhoek, was paid towards the balance of the mortgage with NEDBANK Namibia for the Secretary General's Residence, situated at 89 Joseph Mukwayu Ithana Street, Ludwigsdorf. The bank was requested to maintain the total repayment amount while adjusting the Principal (capital portion) and Interest amounts. This resulted in the Principal repayment amount increasing and the Interest amount reducing, and contributing towards the unfavourable variance under Capital Repayment budget (4%) and an increased favourable variance under Financial Expenses budget line (31%).

2.4.5.2. The net effect is that the mortgage will now be cleared in a much shorter period with much lower total interest. In this regard, the remaining loan term for the mortgage was reduced from 63 months to 26 months at the agreed total monthly instalment of N$83054 (subject to fluctuation). The loan balance as at 31st March 2026 was N$1.5 million with a remaining term of 20 months.

2.5. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

2.5.1. The Plenary Assembly is requested to take note of the context of the 2025/2026 budget and the measures put in place to manage the limited financial resources.

2.5.2. The Plenary Assembly is requested to take note of the performance of the budget as at 31st March 2026.

2.5.3. The Plenary Assembly is also requested to appreciate the reasons for the favourable total variance, which include the following:

i. Effective implementation of cost management measures; and

ii. support towards Human Resource, programme, operational and administrative expenses from collaborating partners such as Sweden and the Austrian Development Agency (ADA).

3.0. CASHFLOW POSITION AS AT 31ST MARCH 2026

3.1. The cashflow for SADC PF as at 31st March 2026 was unhealthy with a projected cashflow deficit of NADS 1.8 million. That was the minimum amount of funds that was required to cater for the month of March 2026.

3.2. Out of the NADS 1.8 million was NADS 1.11 million for Salaries. The rest of the projected expenditure was committed expenditure for the month, excluding any other expenditure yet to be incurred during the month.

3.3. RESOLUTION OF THE EXECUTIVE COMMITTEE

3.3.1. In view of the adverse cashflow position as indicated above, the Executive Committee held an emergency virtual meeting on 26th March 2026, at 14 00hrs (CAT), and resolved as follows:

3.3.1.1. That in order to mitigate the cashflow problem for March 2026 and April 2026, due to delayed payment of contributions by five Member Parliaments, arising in a forecast deficit of approximately N$2,000,000, the deficit be financed as follows:

i. That a temporary overdraft facility amounting to N$2,000,000 be secured with Nedbank Namibia Limited; and

ii. The overdraft facility to run from March 2026 to May 2026 and to be cleared once adequate payments are received from Member Parliaments.

3.3.2. The temporary overdraft facility was secured with the conditions outlined at 3.4.1.1. above.

3.4.3. The Plenary Assembly is advised of the following measures that the Secretariat undertook to manage the cashflow and ensure that the conditions for the overdraft facility were met:

3.4.3.1. The Parliaments with outstanding balances for the current financial year ending 31st March 2026 were contacted at the highest level (Clerk and Speaker's Office) to urge them to settle the balances as a matter of urgency.

3.4.3.2. Some countries were approached to consider payment of financial year 2026/2027 contributions in March or April 2026. Zimbabwe and South Africa indicated their willingness to do so and proceeded to process payment.

3.5. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

3.5.1. The Plenary Assembly is requested to note that EXCO continued to urge Member Parliaments to consider paying Mandatory Member Contributions within the first half of the Financial Year in order to ensure a healthy cashflow throughout the year.

3.5.2. The Plenary Assembly is requested to note that EXCO continued to urge those Member Parliaments with arrears to settle the same as a matter of urgency.

REPORT OF THE EXECUTIVE COMMITTEE TO THE 59TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT) NOVEMBER 2026

PAPER 3

MANAGEMENT ACCOUNTS FOR THE PERIOD 1ST APRIL 2026 TO 30TH SEPTEMBER 2026

The Management Accounts for the period 1st April 2026 to 30th September 2026 are tabled before the Plenary Assembly for noting.

The Management Accounts consist of the following:

2.0. Update on Annual Mandatory Member contributions:

2.1. Context

2.2. Status as at 30th September 2026

2.3. Update as at 20th October 2026

2.4. Recommendations

3.0. Budget Performance Report as at 30th September 2026

3.0. Cashflow Position as at 30th September 2026

1.0. UPDATE ON ANNUAL MANDATORY MEMBER CONTRIBUTIONS:

1.1. CONTEXT

Mandatory Member Contributions were increased by 50%, from N$1,501,500 to N$2,252,250 per Member Parliament per annum, effective 1st April 2026. Seychelles contribution was increased from N$127,050 to N$190,575 per annum. The total revenue from Mandatory Contributions for the financial year 1st April 2026 to 31st March 2027 stands at N$ 31,722,075.

1.2. STATUS AS AT 30TH SEPTEMBER 2026

	PARLIAMENT	BALANCE B/F	INVOICED	AMOUNT	BALANCE	PAYMENT
		01-Apr-26	AMOUNT	RECEIVED	20-Oct-26	DATE
		N$	N$	N$	N$	N$
1	Angola	1,501,500	2,252,250	3,753,750	-	10/08/2026
2	Botswana	-	2,252,250	2,252,250	-	22/05/2026
3	DRC	327,877	2,252,250		2,580,127	
4	Eswatini	-	2,252,250		2,252,250	
5	Lesotho	-	2,252,250	2,252,250	-	08/07/2026
6	Madagascar	1,501,500	2,252,250	1,501,500	2,252,250	12/06/2026
7	Malawi	1,501,500	2,252,250	1,501,500	2,252,250	22/05/2026
8	Mauritius	-	2,252,250	2,252,250	-	22/06/2026
9	Mozambique	-	2,252,250	2,252,250	-	12/06/2026
10	Namibia	-	2,252,250		2,252,250	
11	Seychelles	(190,575)	190,575		-	PRE-PAID
12	South Africa	-	2,252,250	2,252,250	-	17/05/2026
13	Tanzania	1,501,500	2,252,250	2,252,250	1,501,500	31/05/2026
14	Zambia	-	2,252,250	2,252,250	-	02/07/2026
15	Zimbabwe	-	2,252,250	2,252,250	-	02/04/2026
	TOTAL	**6,143,302**	**31,722,075**	**24,774,750**	**13,090,627**	

1.2.1. On 1st April 2026, all the 15 Member Parliaments were invoiced for the current Financial Year beginning 1st April 2026 and ending 31st March 2027.

1.2.2. As at 30th September 2026, **nine** countries, namely, Angola, Botswana, Lesotho, Mauritius, Mozambique, Seychelles, South Africa, Zambia and Zimbabwe had paid their contributions for the current financial year ending 31st March 2027 *in full.*

1.2.3. Madagascar and Malawi settled their previous years' contributions during this financial year but are still owing for the current financial year.

1.2.5. Six countries are still owing for the current financial year**,** namely DRC, Eswatini, Madagascar, Malawi, and Namibia. In addition, DRC has an outstanding balance of N$327,877 which was caused by an exchange rate loss at the time of receipt of payment for the financial year ended 31st March 2025.

1.2.6. Tanzania paid N$2,252,250 towards their outstanding balance, leaving an outstanding amount of N$1,501,500 which was the brought forward amount for the previous financial year ended 31st March 2026.

1.2.7. In view of the above, a net total of N$13,090,627 is owed to the Forum as at 30th September 2026.

1.2.8. Appeal for the Timely Settlement of Contributions
Parliaments have been urged to consider settling Annual Mandatory Contributions in a timely manner, preferably in the first half of the financial year, in order to facilitate cashflow management. *In this regard, appreciation is in order to those countries that have already paid the current year's contributions.*

1.3. UPDATE AS AT 20TH OCTOBER 2026

The status as at 20th October 2026 remains the same as at 30th September 2026. No further payments have been received during this period.

1.4. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

1.4.1. The Plenary Assembly is requested to take note of the status of Annual Mandatory Contributions as at 30th September 2026, and the update as at 20th October 2026, and also to appreciate the commitment of Member Parliaments in ensuring that contributions are paid.

1.4.2. The Plenary Assembly is requested to note the appeal for the timely payments of Contributions, preferably in the first half of the Financial Year, in order to ensure a healthy cashflow throughout the Financial Year and to urge Member Parliaments to consider the same. *In this regard, the Plenary Assembly is requested to applaud those countries that have paid the current year's contributions.*

1.4.3. The Plenary Assembly is requested to note that EXCO urges those Member Parliaments with outstanding balances to settle the same as a matter of urgency.

2.0. BUDGET VARIANCE REPORT AS AT 30TH SEPTEMBER 2026

2.1. This report is for the period 1st April 2026 to 30th September 2026, which is half-way through the Financial Year 1st April 2026 to 31st March 2027.

2.2. The schedule below details the budgeted expenditure, actual expenditure and the variance by budget-line.

	A	B	E	F	G	H	I
	BUDGET LINE	Total Budget	Actual YtD Expenditure 30.09.2026	Variance (Balance) 30.09.2026	VAR %	STATUS	USAGE RATE
1	Administrative Costs	1,944,640	827,977	1,116,663	57%	Favourable	43%
2	Communication Expenses	351,300	216,007	135,293	39%	Favourable	61%
3	Financial Expenses	594,066	41,629	552,436	93%	Favourable	7%
4	Motor Vehicle Running Costs	144,000	12,213	131,787	92%	Favourable	8%
5	Professional, Consultancy and Legal Expenses	790,000	2,000	788,000	100%	Favourable	0%
6	Staff Emoluments	21,413,975	10,078,924	11,335,051	53%	Favourable	47%
7	Travel, Subsistence and Transport	206,720	94,556	112,164	54%	Favourable	46%
8	Audit	220,000	-	220,000	100%	Favourable	0%
9	Insurance	218,100	117,062	101,038	46%	Favourable	54%
10	Plenary Assembly Meetings	3,305,046	460,864	2,844,183	86%	Favourable	14%
11	Executive Committee Meetings	581,268	123,634	457,634	79%	Favourable	21%
12	Parliamentary Business/ EXCO Sub-Com	479,200	-	479,200	100%	Favourable	0%
13	Standing Committees	542,400	258,140	284,260	52%	Favourable	48%
14	Other Policy Organ Costs/RWPC/RPMLOC/Audit	305,400	15,305	290,096	95%	Favourable	5%
15	Language Translation Costs	290,400	90,308	200,092	69%	Favourable	31%
16	Programme Support	617,272	128,120	489,152	79%	Favourable	21%
17	Capital Expenditure	490,900	49,583	441,317	90%	Favourable	10%
18	Contingencies fund	30,000	-	30,000	100%	Favourable	0%
19	Mortgage repayment (Capital portion)	558,894	186,298	372,596	67%	Favourable	33%
20	Motor Vehicle (Capital portion)	284,415	-	284,415	100%	Favourable	0%
	TOTALS	**33,367,996**	**12,702,620**	**20,665,376**	62%		38%

2.3. Total Budgeted Expenditure: N$ 33,367,996

The total approved Budgeted Expenditure for the financial year 2026/2027 is N$33,367,996. This results in a budgeted surplus of N$174,079 against the budgeted Income of N$33,542,075.

2.3.1. Budget Performance Analysis - Total Actual Expenditure as at 30th September 2026: N$12,702,620

i. Total Actual Expenditure as at 30th September 2026 amounted to **N$12,702,620** representing 38% utilisation of the total budgeted expenditure for the year, leaving a balance of **N$20,665,376** (62%).

ii. The rate of expenditure for most budget lines is dependent on the scheduling of activities. In this regard, variances by budget line range from 100% to 39% meaning that utlilisation rates range from 0% to 61%.

iii. All budget lines have favourable variances as at 30th September 2026.

2.3.2. Budget Performance Analysis: Budget Lines with low utilisation rates worth Noting

2.3.2.1. EXCO Sub-Committees (0%)

No expenditure is recorded for EXCO Sub-Committees as these were scheduled to meet after 30th September 2026 due to various challenges.

2.3.2.2. Other Policy Organs (RWPC/RPMLOC/AUDIT & RISK) (5%)

The budget line for Other Policy Organs incurred minimal expenditure of 5% (N$15,305). This was expenditure on language costs for the RWPC virtual meeting. It is worth noting that the Audit & Risk Committee meeting was sponsored from external funding on the occasion of the Standing Committee sessions. A meeting of the RPMLOC was also externally funded under SRHR Project funding.

2.3.2.3. Plenary Assembly Meetings (14%)

The 59th Plenary Assembly was postponed to be held in November 2026, and hence the low utilisation rate of 14%. The expenditure of N$460,864 as at 30th September 2026 was incurred on the Advance Party mission that was undertaken to assist the National Assembly of Madagascar in the planning and execution of the 59th Plenary Assembly, prepaid hotel accommodation that was non-recoverable, gowns for the President and Clerks-at-the-Table and translation of documents.

2.3.2.4. Motor Vehicle Capital Portion (0%)

The Motor Vehicle Loan was settled in March 2026 and hence there being no movement on this budget-line. A proposal for variation of the funds to another budget line may be made towards the year end should need arise.

2.3.3. Budget Performance Analysis: Other Budget Lines worth Noting

2.3.3.1. Standing Committees (48%)

Standing Committees met in April 2026 and September 2026 with the support of external funding from Austrian Development Agency & GIZ and Sweden. Other collaborating partners included UNFPA and Civil Society. The total cost of the meetings was approximately N$7.8 million. A total amount of N$258,140 (48%) was spent from Forum funds towards the Standing Committee meetings, which is, however, only 3% of the total expenditure of N$7.8 million.

2.3.3.2. Mortgage Repayment (Capital Portion) (33%)

EXCO may wish to note that the Mortgage for the Official Residence of the Secretary General was settled in August 2026. The expenditure of N$186,298 was incurred on instalments for the period April to July 2026.

2.4. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

2.4.1. The Plenary Assembly is requested to take note of the performance of the budget as at 30th September 2026.

2.4.2. The Plenary Assembly is also requested to appreciate the support towards Standing Committee meetings and other Human Resource,

programme, operational and administrative expenses from collaborating partners such as Sweden, the Austrian Development Agency (ADA) and GIZ.

3.0. CASHFLOW POSITION AS AT 30TH SEPTEMBER 2026

3.1. The cashflow as at 30th September was healthy due to the fact that nine countries paid their contributions for the current financial year in full representing more than 50% of the Membership. The overdraft facility of N$2,000,000 was settled on 1st June 2026.

3.2. Countries owing for the current financial year are urged to consider paying before end of December 2026 to facilitate cashflow management.

3.3. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

3.3.1. The Plenary Assembly is requested to note that EXCO continues to advocate for the timely payment of Mandatory Member Contributions, preferably within the first half of the Financial Year in order to ensure a healthy cashflow throughout the year.

REPORT OF THE EXECUTIVE COMMITTEE TO THE 59TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT) NOVEMBER 2026

PAPER 4

FINANCIAL REPORTS ON DONOR FUNDED PROJECTS

The Financial Reports on Donor Funded Projects are tabled before the Plenary Assembly for noting.

Financial Narrative Report

Project Title: SRHR, HIV and AIDS Governance Project (2023-2026)
Project Number: 14654
Implementing Organization: SADC Parliamentary Forum

1. Summary of the financial statements 2024/2025

The financial statements for the year ending 31 October 2025 for the SRHR project was presented to the last meeting of the Executive Committee. In terms of donor's compliance, the audited financial statements for year ending 31 October 2025 for the SRHR project was submitted to the Swedish Embassy on 30 January 2026 and the annual review meeting (Swedish Embassy & SADC PF) was held on 3rd March 2026.

The total funding received for Year 2 amounted to US$ 1,279,428. This amount was received on 06 May 2025 in our special bank account FNB US Dollar account. This amount was allocated for various project activities as outlined in the approved project budget for Year 1.

A summary of funds received and utilized as shown below:

DETAILS	**2025**	**2024**
	US$	**US$**
Balance b/d	705,829	-
Fund Received	1,279,428	1,820,106
Less: Fund Utilized	(1,578,242)	(1,114,277)
Unused Fund	**407,016**	**705,829**

Total Expenditure

As of 31 October 2025, the total expenditure from fund received amounted to US$ 1,578,242. This expenditure included costs related to Salaries & Allowances, national project activities, regional activities, Monitoring & Evaluation, Development of a model law on Prison Oversight, External Audit, Administrative

fees and other related costs. A summary of the major expenditure categories is as below:

	Actual ($)	Budget ($)
Personnel Costs:	699,690	840,544
National Activities:	166,823	242,848
Regional Activities:	494,451	560,451

Budget Utilization

For the financial Year 2, the project had utilized 79% of the total funds allocated for this period compared to 61% in Year 1. Some brief reasons for the underutilization rate are given above.

- Administrative hurdles/bureaucratic delays at national parliamentary;
- Activities financed by other development partners or covered through national parliamentary budgets, reducing drawdown on Sida's funding.
- Competing parliamentary priorities, such as legislative sessions (budget session), elections, or committee work, reducing time available for project activities

2. Summary of the financial status as at 30 June 2026 (1 November 25-30 June 2026)

This report presents a financial comparison between the approved annual budget and the actual expenditure incurred over a 8-month period. The financial performance is assessed against the grant receivable for the implementation of programme activities under the current funding cycle.

Revenue and Expenditure Analysis

During the financial year 2025-2026 we received a grant of **US$1,745,343** for Year 2 on 09 March 2026.

As at 30 June 2026 (ie 8 months), we have utilized a total amount of US$ 1,008,408 as shown in the Statement of Comparison of Budget and Actual Amounts (SCBAA) at end of this report.

A summary of the major expenditure categories is as below:

	Actual ($)	Budget ($)
Personnel Costs:	473,001	917,142
National Activities:	149,935	313,787
Regional Activities:	354,777	814,520

The Utilization rate as at 30 June 2026 is about 47%. Normally there are fewer activities at national and regional levels during the first four months i.e, November to February. There were a number of planned activities implemented during March, April, May and June 2026 and we expect the utilization rate to increase drastically in the coming months.

3. Conclusion and Outlook

The financial performance of the SRHR, HIV and AIDS Governance Project demonstrates satisfactory progress in the utilization of donor funds and implementation of planned activities. During Year 2, the project utilized 79% of the available funds compared to 61% in Year 1, reflecting an improvement in implementation capacity and increased execution of planned activities at both regional and national parliamentary levels.

SADC PF continues to closely monitor budget execution and maintain regular engagement with national parliamentary to accelerate implementation, address operational bottlenecks, and ensure that available resources are utilized efficiently and in accordance with the approved project objectives and donor requirements.

Overall, the SRHR project remains on track to achieve its intended objectives, with financial utilization expected to improve significantly as planned activities (both at National and Regional level) are projected to complete during the remaining implementation period.

Throughout the implementation process, we have maintained strict adherence to financial guidelines, ensuring transparency, accountability, and compliance with donor requirements. We will continue to uphold sound financial management practices, strengthen monitoring mechanisms, and ensure that available resources are utilized strategically to deliver sustainable results for SADC national parliaments and beneficiaries in the region.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS			
	1 Nov 2025 - 30 Jun 2026		
	BUDGET	**ACTUAL**	**AVAILABLE**
	Year	**8 MONTHS**	**1 JULY 26**
	US$	**US$**	**US$**
REVENUE			
Balance B/f		407,016	
Grant received	2,193,464	1,746,343	
Total funding	**2,193,464**	**2,153,359**	**-**
kdhk			
EXPENDITURE			
Salaries & Allowances	917,142	473,001	444,141
Regional capacity building session	110,137	458	109,679
Regional meetings of the HSDSP Committee	142,738	112,621	30,117
Meeting of SG&Clerks of national Parliaments	15,148	2,027	13,121
Roundtable meeting with technical partners	23,015	13,039	9,976
Joint Session of Standing Committees	51,926	17,128	34,798
Regional Meeting of Clerks-at-the-Table	58,377	43,015	15,362
Adoption of normative SRHR legal standards	10,000	-	10,000
Multi-stakeholder Consultative workshops	97,890	56,428	41,462
Oversight Committee to domesticate legal norms	65,808	18,121	47,687
Roundtable discussions-Parliament & Ministries	21,000	23,105	(2,105)
Capacity development-Researchers, legal drafters	81,558	7,970	73,588
Public hearings Meeting	104,784	36,317	68,467
Conduct public awareness campaigns	28,460	17,281	11,179
Budget analysis retreats for Committees and Staff	70,346	58,145	12,201
Community outreach projects for MPs	36,320	3,956	32,364
Media and advocacy materials- public awareness	31,830	14,778	17,052
Attend regional/ international conference	108,618	42,301	66,317
External Audits & End of Project Evaluation	58,500	-	58,500
Attend Plenary Assembly session	37,872	33,196	4,676
Administrative overheard	33,380	2,726	30,654
Monitoring & Evaluation Consultancy	20,000	11,669	8,331
National working group meetings	25,333	12,849	12,484
E-communication	17,880	8,281	9,599
Domestication experts to RPMLOC	7,148	-	7,148
SRHR Flexible Contingency Fund	18,254	-	18,254
Total expenditure	**2,193,464**	**1,008,408**	**1,185,056**
NET SURPLUS		**1,144,951**	
Utilization Rate		47%	

GIZ/ADA: STRENGTHENING NATIONAL–REGIONAL LINKAGES IN THE SADC PROJECT

FINANCIAL REPORT AS AT 30TH JUNE 2026

The Secretariat secured funding from the Austrian Development Agency (ADA) amounting to **EUR 1,394,434.70** for the project titled **"Strengthening Competencies and Capacities of the SADC Parliamentary Forum for Implementing SADC's Legal and Strategic Framework."** The project is administered by the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** and is being implemented over a **two-year period**, effective from **1 August 2025**.

To date, the Secretariat has received **EUR 346,207.00**, which was deposited into the Nedbank Euro Account. These funds were allocated to various project activities in accordance with the approved Year 1 workplan and budget.

Project Funding Status

Description	Amount (EUR)
Funds Received	346,207.00
Funds Utilised	314,579.55
Unutilised Balance	31,627.45

Total Expenditure

As at **30th June 2026**, total expenditure amounted to **EUR 314,579.55**, representing approximately **91%** of the funds received. Expenditure was incurred on key project activities, including national engagements on the Model Law on Elections, regional activities, lobbying and advocacy missions, meetings of the Joint Transformation Task Force, the development of a Model Law on Constitutionalism and the Rule of Law, monitoring and evaluation, and administrative support costs.

A breakdown of expenditure by major category is provided below:

Expenditure Category	Amount (EUR)
National Engagements on the Model Law on Elections	52,955.21
Regional Activities	97,164.87
Lobbying and Advocacy Missions	4,416.12
Joint Transformation Task Force Meeting	3,758.70
Development of the Model Law on Constitutionalism and Rule of Law	99,484.76
Monitoring and Evaluation	11,187.51
Administrative Fees	45,612.37
Total Expenditure	**314,579.55**

Conclusion

Overall, project implementation during the initial months experienced a relatively slow rate of fund utilisation, largely due to the timing and scheduling of planned activities. However, implementation is expected to accelerate during the remainder of the year, as a substantial number of activities are scheduled for execution. This is anticipated to result in increased utilisation of the available funds while ensuring that project outcomes remain aligned with the approved objectives and strategic priorities.