



**54TH PLENARY ASSEMBLY SESSION
22ND TO 26TH NOVEMBER 2023
PORT LOUIS, MAURITIUS**

**EXECUTIVE COMMITTEE REPORT ON FINANCIAL MATTERS
(TREASURER'S REPORT)**

**PAPER 2: BUDGET PROPOSAL FOR THE FINANCIAL YEAR 1ST APRIL
2024 TO 31ST MARCH 2025**

PREAMBLE

Hon. Members of EXCO are requested to note that Strategic Objective 7 of the Forum entreats the organisation to “*ensure the financial and human resource sustainability of the SADC-PF through good governance and prudential planning.*” In accordance with the Forum’s governance structure, it accordingly befalls on EXCO to ensure that the organisation is equipped and prepared for emerging financial risks as part of planning to avoid the onset of a systemic event that negatively impacts on the organisation (prudential planning).

Prudential planning will thus warrant that irrespective of external factors (*what may happen in the future*), the Forum is able to use its current resources to manage the organisation efficiently and maintain its core services.

Consequently, EXCO is requested to consider prudential measures to achieve the following, notably that:

- a) The Secretariat is capable of running its directorates, including programmes, efficiently, by allowing staff to transition to available positions, by mutual agreement;
- b) The Forum is able to implement all its statutory activities, through virtual and physical meetings, bearing in mind that where funds are available, physical meetings should be preferred to virtual ones;
- c) EXCO is able to continuously monitor fiscal and operational risks to enhance its prudential framework.

The following Paper contains such measures which are submitted for EXCO's consideration.

1.0. EXECUTIVE SUMMARY

- 1.1. The Committee is requested to consider the budget proposal for the financial year 1st April 2024 to 31st March 2025.
- 1.2. The budget proposal assumes no increase in Member Contributions due to concerns raised by the membership regarding the economic status of member countries amid various competing priorities.
- 1.3. According to a July 2023 report by the *African Development Bank Group (ADB)*, in a bulletin titled "*The 2023 Southern Africa Economic Outlook*", "*the Southern Africa region has seen a slowdown in economic growth over the past year. Electricity crises and natural disasters, among others, have contributed to dampen prospects for the region. While in 2022, the Southern Africa region's GDP growth barely reached 2.7 percent, a level much lower than global and African averages of 3.4% and 3.8 %, growth in the region is expected to slow down further in 2023 to 1.6%, followed by a slight improvement to 2.7% in 2024. Weighing down the environment further is the external debt burden which is forecast to remain high across the Southern Africa region. In 2022 it stood at 48%.*" The trend in a decrease in economic growth has been corroborated by other financial observers such as the IMF in its *Regional Economic Outlook for Southern Africa (October 2023)*. In addition, the Namibian Dollar and other currencies of the region have continued to lose value, with the exchange rate of the US Dollar to the Namibian Dollar being at N\$20/1 US\$ as at 30th September 2023.
- 1.4. The Forum has also been affected by the dwindling donor universe which has made it very difficult to secure external funding for its programme activities.
- 1.5. However, although the Forum, like many other institutions, has been negatively impacted by the current state of the global and regional economic environment, the institution is still required to effectively deliver on its mandate within the available financial and other resources, including ensuring its transformation into a SADC Parliament. The institution is required to function at par with other inter-parliamentary bodies such as the Pan African Parliament, EALA, or the ECOWAS Parliament in view of representing the SADC's interests at the international and global levels. In order to effectively deliver on its mandate, the Forum must, therefore, still maintain the financial strength and resource capability to function effectively and efficiently. In

view of this, various cost management measures are to be implemented and Management continue to innovate and create opportunities for cost cutting and operational efficiencies wherever possible.

2.0. ASSUMPTIONS AND OTHER CONSIDERATIONS

2.1. Sources of Finance

This budget provides for all known and confirmed sources of finance for the financial year 2024/2025.

2.2. Emphasis on Internally Generated Financial Resources

The SADC PF and its membership continues to embrace change in view of the ever evolving global political, economic, social and technical environment. As indicated in previous years' budgets, the current global trends have warranted a rethinking of the way the Forum structures its budget so that it has progressively become less reliant on donor funding, with donor funding being only used as a safety net for thematic projects, rather than for running its core operations. **For the year 2024/2025, the budget recognises the absence of external funding and falls back on its internal resources.**

2.3. Mode of Operations/Implementation of Activities

2.3.1. The budget for the 2024/2025 Financial Year ensures that the business of the Forum is conducted within the funds raised from Annual Mandatory Contributions and Retained Earnings, with minimal in-kind contribution on the part of Member Parliaments.

2.3.2. Pursuant to the resolution of the Executive Committee, at its meeting held on 13th November 2021, in Johannesburg, South Africa, and subsequent resolutions made by the EXCO and the Plenary Assembly, it is proposed that in the financial year 2024/2025, some of the statutory meetings of the institution be held physically while others be held virtually as follows:

2.3.2.1. Both the 55th and 56th Plenary Assemblies are proposed be held physically.

2.3.2.2. Only one Executive Committee meeting is proposed to be held physically, with any additional EXCO meetings to be held virtually. The budget provides for 1 physical and 3 virtual meetings.

2.3.2.3. All the EXCO Sub-Committee meetings will take place virtually (FSC, HR & PCD, Legal, & Parliamentary Business). The budget provides for 2 virtual meetings for each Sub-Committee.

2.3.2.4. Standing Committee, RPMLOC, and RWPC meetings are all proposed to be held virtually, unless external funding is available for

physical meetings. In this regard, the Committee may wish to note that some Standing Committees may hold physical meetings while others will 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.

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

2.4. Member Parliaments' in-kind Contribution

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

2.5. Staff Emoluments

2.5.1. The institution continues to recognise the key role that the Secretariat plays in the management, sustainability and growth of the institution. It is the strength of the Secretariat and the robust human resource skeleton of the Forum which in large part makes the Forum attractive to be the recipient of donor funding. The budget for 2024/2025 provides for the current staff on board only.

2.5.2. Further, the Secretariat has secured funding from the Swedish to cater for four key positions in the approved Secretariat Structure to strengthen the Human Resource capacity of the institution, details of which will be reported by the Human Resources & Capacity Building Sub-Committee. The funding agreement is effective 1st November 2023.

2.5.3. Additionally, in order to further manage the salary bill, the position of French Languages Officer is proposed to remain vacant in the financial year 2024/2025, with the preferred option of outsourcing assignments to external interpreters and translators. This will create a saving of N\$905,000 and ensure that the increase in the salaries budget from 2023/2024 is only 2% instead of 8%. In this regard, the Portuguese Languages Officer, who is also fluent in French, will continue to be engaged to assist with French where necessary, in addition to outsourcing.

2.5.4. There is no provision made for allowances for seconded staff. In this regard, any secondments will be at the full cost of Member Parliaments.

2.6. Networking and Visibility

As the Forum transitions into a Regional Parliament, there has been an increasing demand for the Forum to participate in the meetings of other regional and global Parliamentary bodies such as the SADC, PAP, CPA and the IPU in order to promote collaboration and visibility. In addition, the Task Team on Transformation composed of SADC Secretariat and SADC PF Secretariat staff will also continue to meet, pursuant to the resolution of the 41st SADC Summit of Heads of State and Government and the Council of Ministers which met in August 2021 in Malawi.

2.7. Cost Drivers and Context

2.7.1. Costs of goods and services continue to rise due to inflation and depreciation of the South African Rand/Namibian Dollar against major currencies such as the British Pound and US Dollar. Unfortunately, inflation and depreciation of currencies extends to almost all the countries in Southern Africa and impacts on the costs of the institution's activities, most of which are held across the member countries pursuant to the tradition of the SADC PF.

2.7.2. As was the case with the 2023/2024 Budget proposal, the approach in preparing the 2024/2025 Budget Proposal has been a cautious one. The Secretariat has been innovative in ensuring the management of costs, which has fortunately been enhanced by the new way of doing business incidentally occasioned by the COVID19 pandemic. In addition, the core business of the Forum has been prioritised.

2.8. Risk Assessment

2.8.1. Major Risk: Staff Emoluments

2.8.1.1. It should be highlighted that the business Model of organisations of similar standing as the Forum has always been to have a robust salary structure which can attract elite professionals to join the organisation, especially as few individuals have the niche skills required to interact with Parliaments and build the capacity of MPs. Comparatively, the salary bill of the Forum continues to be much less than the salary bill of other inter-parliamentary organisations or other SADC organs such as the SADC Secretariat. The business model of inter-parliamentary organisations in general require the institutions to maintain a competitive salary structure in order to preserve certain crucial skills to keep the organisation afloat and render it attractive to implementing partners, collaborators and potential donors and investors.

2.8.1.2. The proportion of the salary Bill with regards to the overall revenue of the organisation, *including donor funding*, has in the past years been at most 30%. However, without donor funding, the percentage of salaries to Member Contributions is at 82.5% compared to 81% in the 2023/2024 budget. The minimal increase in the salaries bill of

2% (instead of 8%) is a result of cost management measures proposed by the Secretariat, such as the outsourcing of the French Languages function as opposed to full time employment.

2.8.1.3. The percentage of salaries to the total budgeted income for 2024/2025, including retained income is 64%. It is projected that the salary bill, in the absence of increases in Member Contributions and further cost cutting measures, will be at 99% of Contributions by 2026.

2.8.2. **Financial Sustainability and Going Concern:**

2.8.2.1. The proposed budget for 2024/2025 has a minimal projected surplus compared to previous years. It is therefore imperative that the Membership considers the financial position of the institution in view of the resolution not to increase Member Contributions vis-à-vis the ever-increasing costs due to inflation, depreciation of the local currency, rising interest rates and absence of donor funding. By 2026, a strategy must already be executed to address the risks to the going concern.

3.0. **BUDGET PROPOSAL 2024/2025**

The proposed Budget for the financial year 2024/2025 is attached hereto as **Annexure B001 with support schedules A to C and 1 to 20.**

4.0. **NOTES TO THE BUDGET: BUDGETED INCOME**

4.1. **Article 21 of the SADC PF Constitution provides as follows regarding its Sources of Finance**

The Finances of the Forum shall accrue from the following sources:

- (a) annual mandatory contributions from Member Parliaments, which shall be determined by the Plenary Assembly on the recommendation of the Executive Committee;
- (b) grants or donations from Governments, SADC, other international organisations and charitable institutions including international parliamentary groupings;
- (c) various fund-raising activities approved by the Plenary Assembly as recommended by the Executive Committee; and
- (d) any other sources approved by the Plenary Assembly.

4.2. **Mandatory Contributions: N\$21,148,050**

The Mandatory Member Contributions stand at N\$21,148,050 in the Financial Year 2024/2025, with each of the fourteen Member Countries contributing an amount of N\$1,501,500 per annum. Seychelles contribution is pegged at N\$127,050 per annum.

4.3. Other Income N\$ 5,500,000

4.3.1. Allocations from Retained Earnings

Other Income constitutes a proposed allocation from Retained Earnings of N\$5,500,000.

- (i) Retained Income as at 31st March 2023 amounted to N\$13 million. Out of this amount, N\$ 7 million was allocated to the budget for the financial year 2023/2024. In this regard, only N\$6 million is available for allocation to the 2024/2025 budget.
- (ii) The proposal to allocate Retained Earnings to the budget is necessitated partly by the lack of external funding towards Standing Committee and programme activities, networking and policy development processes. The trend in past financial years has been to fund Standing Committee meetings from external funds; however although resource mobilisation is in process, there is currently no confirmed external funding for the financial year 2024/2025.

4.3.2. Income from Donor Funding: Zero

There is no income from donors/co-operating partners reflected in the budget for 2024/2025. Even where it has been included in the previous years’ budgets, the net effect is zero as an exact corresponding amount has been included under expenditure. Donor budgets and expenditure are compiled and reported separately according to the respective Agreements signed. This also aligns with the recommendation to discontinue the consolidation of SADC PF Main Accounts with donor funded accounts in the Audited Financial Statements.

4.3.3. Total Revenue: N\$27,128,050

The total Budget for 2024/2025 anticipates a total revenue of N\$27,128,050 compared to N\$28,388,050 for the financial year 2023/2024. The decrease of N\$1.26 million (4%) is caused mainly by the reduction in funds allocated from Retained Earnings, while Interest Receivable is projected to double. Details are provided in the schedule below:

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED	PROPOSED BUDGET BUDGET	INCREASE/ (DECREASE)	INCREASE/ (DECREASE)
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		2023-2024	2024-2025 N\$	N\$	%
	INCOME				
A	Annual Mandatory Contributions	21,148,050	21,148,050	-	0%
B	Interest Receivable	240,000	480,000	240,000	100%
C	Other Income	7,000,000	5,500,000	1,500,000	-21%
				-	
	TOTAL REVENUE	28,388,050	27,128,050	1,260,000	-4%

5.0. NOTES TO THE BUDGET: BUDGETED EXPENDITURE

5.1. Budgeted Expenditure is as summarised in the Schedule below:

EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2023-2024	PROPOSED BUDGET BUDGET 2024-2025 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
ADMINISTRATIVE OVERHEAD EXPENSES	3,897,615	2,978,206	- 919,409	-24%
STAFF EMOLUMENTS	17,037,848	17,450,285	412,437	2%
DIRECT OPERATIONAL EXPENSES	6,460,200	5,388,056	- 1,072,144	-17%
OTHER NON RECURRING EXPENSES	867,225	1,287,470	420,245	48%
			-	
TOTAL EXPENDITURE	28,262,888	27,104,018	- 1,158,870	-4%
SURPLUS/(DEFICIT)	125,162	24,032	- 101,130	-81%

5.2. Total budgeted expenditure: N\$27,104,018

5.2.1. Total budgeted Expenditure is **N\$27,104,018** compared to total budgeted expenditure of N\$28,262,888 in the 2023/2024 budget.

5.2.2. Excess of budgeted Revenue over Expenditure is negligible at N\$24,032, after providing for a Contingency of only N\$30,000.

5.3. Staff Emoluments: N\$ 17,450,285

5.3.1. The proposed total budget for Staff Emoluments amounts to N\$17,450,285 representing an increase of N\$412,437 (2%) from the financial year 2023/2024 budget which amounted to N\$17,037,848. As indicated at 2.5 above, the budget for 2024/2025 provides for the current staff on board.

- 5.3.2. Additionally, in order to further manage the salary bill, the position of French Languages Officer is proposed to remain vacant in the financial year 2024/2025, with the preferred option of outsourcing assignments to external interpreters and translators. This will create a saving of N\$905,000 and ensure that the increase in the salaries budget from 2023/2024 is only 2% instead of 8%. In this regard, the Portuguese Languages Officer, who is also fluent in French, will continue to be engaged to assist with French where necessary, in addition to outsourcing.
- 5.3.3. The salary structure is adjusted annually in line with the CPI and notch increment (recommendations of the Job Evaluation and Salary Review exercises as approved by the Executive Committee at its meeting on 12th and 13th November 2021). The average CPI for Namibia for the twelve months from August 2022 to July 2023 is 6.58%, while the notches increase by 2%.
- 5.3.4. The budget for 2023/2024 caters for a total of 15 full-time employees. This means that there are at least 8 vacant key positions, namely 5 Committee Secretary & Programme Managers, 1 Accountant, 1 internal Auditor (previously seconded by Parliament of Mozambique) and 1 French Languages Officer (proposed to be outsourced). As indicated at 2.5.2. above, the Secretariat has secured funding from the Swedish to cater for four key positions in the approved Secretariat Structure to strengthen the Human Resource capacity of the institution, details of which will be reported by the Human Resources & Capacity Building Sub-Committee. The funding agreement is effective 1st November 2023.
- 5.3.5. The remaining vacant positions cannot be filled as the financial position is such that the current revenue base cannot cater for the additional salaries. In addition, contracts for any additional staff beyond those already provided for cannot be guaranteed for the required minimum five-year term. This is in view of the Plenary Assembly decision not to increase Mandatory Member Contributions in the next few years.
- 5.3.6. Regarding the position of one Programme Manager that is already provided for in the 2023/2024 budget, recruitment is in process. However, due to the fact that a five-year contract cannot be guaranteed, there may be need to invoke the provision for Temporary Employment in order to have flexibility over the contract term. Temporary employment contracts are already provided for by Rule 7.2.4 of the Administrative Rules of the Forum. The Rules provide that the contracts must be signed by the Secretary General and the employee, must be for a definite period, and must be contain all conditions of employment of the employee. The move to temporary employment contracts for new employees will also be in line with other

international organisations which operate through a mixture of a pool of permanent employees, temporary employees and consultants. This mode of employment will also apply to any project sponsored positions which will be determined by the term of the project agreement.

5.4. Administrative Overheads: N\$2,978,206

5.4.1. The budget provides for total Administrative Overheads of N\$2,978,206 compared to N\$3,897,615 in the previous year's budget representing a 24% decrease. The Secretariat is proposing to implement cost cutting measures to significantly decrease the Administrative Costs by an amount of N\$919,409. The Administrative Overhead expenses are for the operations of the Secretariat and include general office expenses, communication costs, motor vehicle running expenses, travel and subsistence allowance expenses, audit and insurance expenses.

5.4.2. Administrative and Office Expenses (N\$1,027,560)

The Administrative and Office Expenses budget is reduced from N\$1,732,352 to N\$1,027,560 (41%). Recruitment and relocation costs have been removed. In this regard, any interviews for recruitment or consultancies will be conducted virtually. In addition expenditure on office supplies will be reduced to a minimum.

5.4.3. Communication and ICT expenses (N\$462,955)

Telephone and other communication and ICT costs will be strictly managed. Costs include telephone and annual licenses for the internet, Zoom and Microsoft, Sage Accounting Package and Softline VIP Payroll package.

5.4.4. Financial Expenses (N\$673,381)

The bulk of this provision is interest on the mortgage for the SG's residence which amounts to N\$525,336. Also included in this budget line is interest on the motor vehicle loan, bank charges and provision for exchange losses.

5.4.5. Motor Vehicle Running Expenses (N\$120,000)

This budget line caters for running expenses, such as fuel and maintenance, for the SG's personal-to-holder vehicle.

5.4.6. Professional, Consultancy and Legal Fees (N\$190,000)

The budget provides for a retainer for legal services, provision for policy development and production of the annual report.

5.4.7. Travel, Subsistence and Transport (N\$201,000)

This budget caters for participation in meetings at regional and international level that are not otherwise provided for under the statutory and programme activities.

5.4.8. Audit fees (N\$214,500)

The allocation is reduced from N\$303,000 to N\$214,500 based on actual audit fees for the year ended 31st March 2023 with an adjustment for inflation. In addition, the 2023/2024 Audit Fees budget included a secondment allowance which has since been removed due to the policy of 100% secondment by a Member Parliament in view of the scarce resources.

5.4.9. Insurance Costs (N\$88,810)

This budget covers insurance premiums for all SADC PF insured assets.

5.4.10. The table below shows the Expenditure budget for Administrative Overhead Expenses for 2024/2025 and compares with the 2023/2024 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2023-2024	PROPOSED BUDGET BUDGET 2024-2025 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	ADMINISTRATIVE OVERHEAD EXPENSES	3,897,615	2,978,206	- 919,409	-24%
1	Administration and office expenses	1,732,352	1,027,560	- 704,792	-41%
2	Communication & ICT expenses	524,755	462,955	- 61,800	-12%
3	Financial expenses	662,178	673,381	11,203	2%
4	Motor vehicle running expenses	120,000	120,000	-	0%
5	Professional, consultancy and legal expenses	306,000	190,000	- 116,000	-38%
6	Travel, subsistence and transport	162,500	201,000	38,500	24%
7	Audit Fees (External and Internal Audit)	303,000	214,500	- 88,500	-29%
8	Insurance	86,830	88,810	1,980	2%

5.5. Direct Operational Expenses: N\$5,388,056

5.5.1. The Direct Operational Expenses represent the core business of the Forum and include the statutory meetings of all the organs. The total budget has reduced by N\$1,072,144 from N\$ 6,460,200 in 2023/2024 to N\$5,388,056, representing a 17% decrease.

5.5.2. The decrease in the total Direct Operational Expenses budget arises from the reduction in the number of physical meetings and support Secretariat staff as detailed in the following paragraphs. Refer also to 2.3 above. It is worth noting that the major direct costs for virtual meetings are interpretation and translation costs.

5.5.3. Plenary Assembly Meetings (N\$2,999,676)

The Plenary Assembly budget has been decreased by 2% from N\$3,068,000 to N\$2,999,676. This is in view of the reduction in the number of Secretariat staff and days at the venue as a cost management measure. This will entail that the host Parliament avails more support staff to assist the Secretariat. The provision also takes into account the travel costs to the expected host countries using the cheapest acceptable option possible.

5.5.4. EXCO and Sub-Committee Meetings (N\$442,740 and N\$452,000)

EXCO meetings budget of N\$442,740: Only one Executive Committee meeting will be physical, while the other three will be held virtually. All EXCO Sub-Committee meetings will be held virtually with a budget of N\$452,000.

5.5.5. Standing Committee meetings (N\$590,000)

Standing Committee meetings budget has significantly reduced from N\$1,020,000 to N\$590,000 (42%). This is because all meetings are budgeted to be held virtually. The Committees are budgeted to meet twice only.

5.5.6. Other Policy Organs (RPMLOC and RWPC) (N\$339,000)

The budget for Other Policy Organs has also significantly reduced from N\$643,000, by N\$304,000 (47%) to N\$339,000. This is because all meetings are budgeted to be held virtually. The Committees are budgeted to meet twice only.

5.5.7. Translation costs (N\$76,000)

This budget line caters for general translation costs; this is because translation costs for documents for statutory meetings and scheduled

activities are budgeted under the specific meetings' and activities' budget lines.

5.5.8. Programme Support (N\$488,640)

The budget is increased by 43% from N\$341,000 to N\$488,640 to cater for attendance of the SADC Summit and related meetings and participate in other activities that promote networking in view of the transformation agenda. Transformation of the SADC PF into a Regional Parliament continues to rank high in priority and hence this budget under Programme Support. Attendance of meetings of other regional/global parliamentary bodies such as the IPU and CPA will also be charged to Programme Support.

5.5.9. Election Observation Missions budget

The budget for seed funding for Election Observation Missions has unfortunately been removed from the 2024/2025 budget in view of the lack of support from Member Parliaments towards making contributions for Election Observation. In 2023, only Tanzania paid their contribution.

5.5.10. The table below shows the Expenditure budget for Direct Operational Expenses for 2024/2025 and compares with the 2023/2024 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2023-2024	PROPOSED BUDGET BUDGET 2024-2025 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	DIRECT OPERATIONAL EXPENSES	6,460,200	5,388,056	-1,072,144	-17%
10	Plenary Assembly Meetings	3,068,000	2,999,676	68,324	-2%
11	Executive Committee Meetings	804,600	442,740	361,860	-45%
12	Parliamentary Business/ EXCO Sub-Com Meetings	235,600	452,000	216,400	92%
13	Standing Committees	1,020,000	590,000	430,000	-42%
14	Other Policy Organ Costs/RWPC/RPMLC/COC	643,000	339,000	304,000	-47%
15	Language Translation Costs	48,000	76,000	28,000	58%
16	Programme Support	341,000	488,640	147,640	43%
17	Election Observation Missions	300,000	-	300,000	-100%

5.6. Capital Expenses: N\$505,477

5.6.1. Capital expenditure budget provides for procurement of various ICT equipment including laptops and server upgrading, and procurement of office furniture and equipment.

5.7. Contingency Amount N\$30,000

A minimal contingency amount of N\$30,000 is provided for any unforeseen circumstances that may arise.

5.8. Mortgage Repayment N\$498,453

The principal amount on mortgage repayments to Nedbank in respect of the Official Residence of the Secretary General amounts to N\$498,453 in 2024/2025. The interest payable per annum is provided for under the budget line for Finance Charges.

5.9. Motor Vehicle Loan Repayment N\$253,541

An annual loan repayment amount of N\$253,541 on the principal amount for the vehicle for the Secretary General has been provided. The interest payable per annum is provided for under the budget line for Finance Charges.

6.0. KEY CONSIDERATIONS

6.1. Prioritisation of Activities

- 6.1.1. During the financial year 2024/2025, the Forum will continue to restructure its operations in order to become more cost-efficient and effective in the delivery of its statutory and programme activities. It is important that statutory activities such as the Plenary Assemblies, EXCO and Standing Committee meetings are held *without fail*.
- 6.1.2. Key considerations include ensuring that other priority activities such as those towards the accomplishment of the transformation of the SADC PF into a Regional Parliament are also implemented.
- 6.1.3. A motivated staff compliment is also key to achieving the objectives of the Forum. In this regard, it is important that the salary structure continues to be competitive and aligned to other institutions of similar standing. In the meantime, the Forum will continue to request for secondment of positions from Member Parliaments as well as recruit through temporary employment contracts, such as contracts of 6 months or 1 year, which may be renewed each time for the same period.
- 6.1.4. Resource Mobilisation: Implementation of the Resource Mobilisation Strategy may involve meetings with various stakeholders in order to

strengthen efforts and ensure results. Unfortunately, donor funding is necessary as the Forum cannot depend entirely on Member Contributions for its programme related activities. This has been clearly demonstrated in the budget for 2024/2025 which has a minimal surplus.

6.2. Cash flow: Importance of timely payment of Contributions

6.2.1 Timely payments of Annual Mandatory Contributions is of utmost importance. Fortunately, the current year has seen an improvement in the timing of payments and settlement of outstanding balances, a trend which is encouraging and which is envisaged to continue.

6.2.2 Those Parliaments with outstanding balances are urged to settle them as a matter of priority to facilitate a healthy cashflow. The EXCO has been kindly requested to play a mediation role in this regard.

7.0. DECISION FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

The Plenary Assembly is requested to consider and approve the Budget for the Financial Year 1st April 2024 to 31st March 2025.

Attachments:

- Annexure BOO1: Budget Summary
- Annexure B002: Projected Cashflow Statement 1st April 2024 to 31st March 2025
- Schedules A to C and 1 to 19: Detailed Budget schedules