



REPORT OF THE EXECUTIVE COMMITTEE TO THE 56TH PLENARY ASSEMBLY ON FINANCIAL MATTERS (TREASURER'S REPORT)

11TH DECEMBER 2024

EXECUTIVE SUMMARY

The Treasurer's Report to the 56th Plenary Assembly consists of the following:

- A. Paper 1: Management Accounts for the period 1st April 2024 to 30th September 2024
- B. Paper 2: Budget Proposal for the Financial Year 2025/2026
- C. Paper 3: Proposal for Increment of Mandatory Member Contributions

As the SADC Parliamentary Forum continues to position itself to transform into a Regional Parliament, it will be prudent to ensure that the financial sustainability of the institution is secured. In this regard, the Plenary Assembly is advised that the going concern of the institution is still under threat given the current level of contributions, due to the fact that the institution has now resorted to the use of Retained Earnings to ensure a minimal surplus budget and continues to depend heavily on external funding and collaborations, including to ensure adequate staffing of some core positions and towards the implementation of various operational, statutory and programme activities. In addition, some of the cost management measures, such as the conduct of meetings through virtual means, have negatively impacted the effectiveness of the institution's interventions.

The budget for 2024/2025 had a minimal projected surplus of only N\$24,032. This, despite funds amounting to N\$5,500,000 having been allocated from retained earnings to meet the cost of operations, a situation which is not sustainable at the current level of funding, given that the reserves will be depleted in the budget for the next Financial Year.

Furthermore, while the SADC PF budget for 2024/2025 Financial Year allocated N\$17.45 million for personal emoluments, five core positions were not provided for and are instead financed by the Sida SRHR HIV and AIDS

Project at an annual bill of N\$7.0 million. Should the Sida funding terminate, the SADC PF budget which has a surplus of only N\$24,032 would be far inadequate to cover the additional salaries bill of N\$7.0 million. In this regard, with the current level of contributions, the financial sustainability of the institution beyond October 2026 when the Sida project terminates is a matter of concern, especially given the fact that, in addition to the salaries, many programme activities are also financed by the Swedish funding. Furthermore, this situation puts the organisation in a predicament to seek programme assistance from other donors, since the sustainability of the organisation appears to depend at least partly on Swedish funding and partners.

In view of the above, it is therefore imperative that the Membership considers the financial position of the institution, and the risk to the going concern 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.

PAPER 1

MANAGEMENT ACCOUNTS FOR THE PERIOD 1ST APRIL 2024 TO 30TH SEPTEMBER 2024

The Management Accounts for the period 1st April 2024 to 30th September 2024 consist of the following:

- 1.0. Update on Annual Mandatory Member contributions:
 - 1.1. Background
 - 1.2. Status as at 30th November 2024 (Updated from 30th September 2024).
 - 1.3. Appeal for the timely Settlement of Contributions

- 2.0. Budget Performance Report as at 30th September 2024
 - 2.1. Context to the 2023/2024 Budget as approved by the 54th Plenary Assembly
 - 2.2. Update on Cost Management Measures and other Related Initiatives
 - 2.3. Budget Variance Report as at 30th September 2024 (Income)
 - 2.4. Budget Variance Report as at 30th September 2024 (Expenditure)

- 3.0. Financial Reports for Donor-funded Programmes/Projects
SIDA: Sexual Reproductive Health & Rights (SRHR), HIV and AIDS Governance Project

1.0. UPDATE ON ANNUAL MANDATORY MEMBER CONTRIBUTIONS

1.1. BACKGROUND

The current annual mandatory contributions from 14 Member Parliaments, stand at N\$1,501,500 per annum, per Parliament. Seychelles contribution is N\$127,050 per annum. The total revenue from Mandatory Contributions for the financial year 1st April 2024 to 31st March 2025 is therefore N\$21,148,050.

1.2. STATUS AS AT 30TH NOVEMBER 2024

1.2.1. Contributions Schedule as at 30th November 2024

PARLIAMENT	BALANCE B/F 01-Apr-24	INVOICED AMOUNT	AMOUNT RECEIVED	BALANCE 26-Nov-24	REMARKS
Angola	1,201,200	1,501,500	2,702,700	-	PAID
Botswana	-	1,501,500	1,501,500	-	PAID
DRC	3,003,000	1,501,500	-	4,504,500	
Eswatini	-	1,501,500	1,501,500	-	PAID
Lesotho	1,501,500	1,501,500	3,003,000	-	PAID
Madagascar	3,003,000	1,501,500	1,501,500	3,003,000	
Malawi	1,501,500	1,501,500	1,501,500	1,501,500	
Mauritius	-	1,501,500	1,501,500	-	PAID
Mozambique	-	1,501,500	-	1,501,500	
Namibia	(1,501,500)	1,501,500	-	-	PAID
Seychelles	-	127,050	127,050	-	PAID
South Africa	-	1,501,500	1,501,500	-	PAID
Tanzania	-	1,501,500	1,501,500	-	PAID
Zambia	(1,501,500)	1,501,500	-	-	PAID
Zimbabwe	-	1,501,500	1,501,500	-	PAID
TOTAL	7,207,200	21,148,050	17,844,750	10,510,500	-

- 1.2.2. As at 30th November 2024, eleven Parliaments are up to date with their contributions, having cleared their contributions for the current financial year beginning 1st April 2024 and ending 31st March 2025. These are Angola, Botswana, Eswatini, Lesotho, Mauritius, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.
- 1.2.3. This means that four countries are owing for the current financial year, namely DRC, Madagascar, Malawi and Mozambique.
- 1.2.4. Madagascar is, therefore, still owing for two financial years, namely for the year ended 31st March 2024 and the current financial year ending 31st March 2025.
- 1.2.5. DRC is, therefore, still owing for three financial years ended 31st March 2023 and 31st March 2024, and the current financial year ending 31st March 2025.
- 1.2.6. **The Plenary Assembly is advised that the EXCO has engaged those Parliaments with outstanding balances to settle the same as a matter of urgency. Both the DRC and Madagascar have indicated that the settlement of the arrears will be given priority.**
- 1.4. Appeal for the timely Settlement of Contributions**
- 1.3.1. The Forum experienced cashflow problems as at 31st October 2024, due to the fact that a total amount of N\$15,142,050 remained outstanding from Member Contributions as at that date. Out of this amount, N\$4,504,500 was from prior years (DRC N\$3,003,000 and Madagascar N\$1,501,500). This meant that N\$10,637,550 was owing for the current year ending 31st March 2025, representing 50% of total Annual Mandatory Contributions. As October is more than half-way through the financial year, at least some of the remaining 50% should have been paid by end of October 2024 in order to facilitate expenditure from the 7th month going forward. As indicated above, the adverse cashflow situation was exacerbated by the arrears owing by the DRC and Madagascar.
- 1.3.2. **The EXCO is, therefore, requesting Parliaments 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 and wishes to encourage Parliaments to consider paying in advance where possible.**

1.4. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

- 1.4.1. The Plenary Assembly is requested to consider and take note of the status of Annual Mandatory Contributions as at 30th November 2024 and to appreciate the commitment of Member Parliaments in ensuring that contributions are paid.**
- 1.4.2. The Plenary Assembly is requested to note that both the DRC and Madagascar have been engaged to settle outstanding arrears for the previous financial years and have both agreed to give the matter priority.**
- 1.4.3. 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.**

2.0. BUDGET PERFORMANCE REPORT AS AT 30TH SEPTEMBER 2024

2.1. Context to the 2024/2025 Budget as approved by the 54th Plenary Assembly, Mauritius

The context is important in order for the Membership to fully appreciate what assumptions and implementation measures underpin the 2024/2025 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 2024/2025, the budget was anchored on internally generated resources, specifically the Mandatory Annual Contributions, interest earned from investments and retained earnings.

2.1.2.Mode of Operations/Implementation of Activities

- 2.1.2.1.** The budget for the 2024/2025 Financial Year ensured that the business of the Forum was conducted within the funds raised from Annual Mandatory Contributions and Retained Earnings, with minimal in-kind contribution on the part of Member Parliaments.
- 2.1.2.2.** In view of the limited financial resources, the 54th Plenary Assembly approved that, in the financial year 2024/2025, some of the statutory meetings of the institution should continue to be held physically while others be held virtually as follows:
- i.** Both the 55th and 56th Plenary Assemblies to be held physically.
In this regard, the 55th Plenary Assembly was successfully hosted

by Angola, in Luanda, while the 56th Plenary Assembly is to be held in Livingstone, Zambia, in December 2024.

- 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 Cape Town, South Africa in June 2024. The EXCO is scheduled to meet again in Johannesburg, South Africa on 23rd and 24th November 2024.

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

All the EXCO Sub-Committee meetings have been conducted virtually as approved, with meetings held in June 2024 and November 2024 before the EXCO meetings and the 55th and 56th Plenary Assemblies respectively.

- 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 Committee on FANRCA, RPMLOC and RWPC met physically in May 2024 and met again in October 2024 by virtual means. The Standing Committee meetings in May 2024, that took place physically in Johannesburg, South Africa, were funded by support from donors/co-operating partners, specifically Sida and SAFAIDS. All Standing Committee meetings in October 2024 were held virtually.

- 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 55th Plenary Assembly and are expected to cater for same during the 56th Plenary Assembly.

2.1.3. Cost Drivers

2.1.3.1. Costs of goods and services continue to rise due to inflation and depreciation of the 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 policy of the SADC PF.

The average inflation rate for Namibia in 2024 has been 4.9%. The exchange rate of the Namibian Dollar against the United States Dollar averaged 18 Namibian Dollars per United States Dollar in 2024. Other currencies in the region were similarly affected.

2.1.3.2. The cost of goods and services also continue to be negatively impacted by various other developments affecting demand and supply, such as the global economic, political and, more recently, climatic environment.

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.

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).

2.3. BUDGET VARIANCE REPORT AS AT 30TH SEPTEMBER 2024 (INCOME)

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 2022/23 N\$	INCOME RECEIVED/ ALLOCATED N\$	VARIANCE N\$	VARIANCE %
MANDATORY CONTRIBUTIONS	21,148,050	21,148,050	-	0%
INTEREST	480,000	19,859	(460,141)	-96%
ALLOCATION FROM RESERVES	5,500,000	5,500,000	-	0%
TOTAL	27,128,050	26,667,909	(460,141)	

2.3.2.Total Income

2.3.2.1. Total Budgeted Income for the 2024/2025 Budget was N\$27,128,050. This consisted of Annual Mandatory Contributions of N\$21,148,050, interest of N\$480,000 and an amount of N\$5,500,000 that was to have been allocated from Retained Earnings. Actual income was N\$26,667,909, resulting in a deficit of N\$460,141. This was because interest received as at 30th September 2024 of N\$19,859 was only 4% of the budgeted amount of N\$480,000.

2.3.2.2. This minimal interest situation arose because the cashflow did not have enough funds to facilitate allocation to the Investment Account due to arrears owed by some Member Parliaments. The budgeted Interest amount of N\$480,000 was based on the interest earned in the previous year due to sufficient funds having been allocated to the investments account after some Member Parliaments made advance payments towards their contributions, namely Namibia and Zambia, 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\$5,500,000)

The total budget required an allocation of N\$5,500,000 from reserves in order to adequately cater for budgeted expenditure of N\$27,104,018 and to leave a minimal surplus of N\$24,032. This was because there were no other alternative sources of internally generated income.

2.4. BUDGET VARIANCE REPORT AS AT 30TH SEPTEMBER 2024 (EXPENDITURE)

	A	B	F	G	H	I	J
		Total Budget	Actual YtD Expenditure	Variance (Balance)	VAR %	STATUS	Actual Exp % of Budget
	BUDGET LINE		30.09.2024	30.09.2024			
1	Administrative Costs	1,027,560	858,481	169,079	16%	Favourable	84%
2	Communication Expenses	462,955	143,468	319,487	69%	Favourable	31%
3	Financial Expenses	673,381	324,647	348,734	52%	Favourable	48%
4	Motor Vehicle Running Costs	120,000	17,970	102,030	85%	Favourable	15%
5	Professional, Consultancy and Legal Expenses	190,000	0	190,000	100%	Favourable	0%
6	Staff Emoluments	17,450,285	7,355,263	10,095,022	58%	Favourable	42%
7	Travel, Subsistence and Transport	201,000	164,431	36,569	18%	Favourable	82%
8	Audit	214,500	64,752	149,748	70%	Favourable	30%
9	Insurance	88,810	112,292	- 23,482	-26%	Unfavourable	126%
10	Plenary Assembly Meetings	2,999,676	1,638,562	1,361,114	45%	Favourable	55%
11	Executive Committee Meetings	442,740	224,932	217,808	49%	Favourable	51%
12	Parliamentary Business/ EXCO Sub-Com Meetings	452,000	138,427	313,573	69%	Favourable	31%
13	Standing Committees	590,000	439,920	150,080	25%	Favourable	75%
14	Other Policy Organ Costs/RWPC	339,000	256,486	82,514	24%	Favourable	76%
15	Language Translation Costs	76,000	51,565	24,435	32%	Favourable	68%
16	Programme Support	488,640	392,601	96,039	20%	Favourable	80%
17	Election Observation Missions	-	-	-			
18	Capital Expenditure	505,477	202,161	303,316	60%	Favourable	40%
19	Contingencies fund	30,000	-	30,000	100%	Favourable	0%
20	Mortgage repayment (Capital portion)	498,453	199,532	298,921	60%	Favourable	40%
21	Motor Vehicle (Capital portion)	253,541	122,831	130,710	52%	Favourable	48%
	TOTALS	27,104,018	12,708,322	14,395,696	53%		47%

2.4.1. Budgeted Expenditure: N\$ 27,104,018

The total approved Budgeted Expenditure for the financial year 2024/2025 is N\$27,104,018. This results in a budgeted surplus of N\$24,032 against the budgeted Income of N\$ 27,128,050.

2.4.2. Budget Performance Analysis - Total Actual Expenditure N\$12,708,322

- i. Total Actual Expenditure as at 30th September 2024 is **N\$12,708,322** representing 47% of the total budgeted expenditure for the year, leaving a balance of N\$14,395,696 (53%). The percentage of expenditure is within the anticipated total expenditure for the period of 6 months from April to September 2024, which is halfway through the financial year.
- ii. The Committee is 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. The favourable total variance is, therefore, made possible with the support towards operational and administrative expenses from collaborating partners such as the Swedish, outside of the SADC PF budget.

2.4.3. Budget Performance Analysis - Unfavourable Variances

The following budget line has an unfavourable variance

2.4.3.1. Insurance Expenses (26%)

The budget for Insurance Expenses was N\$88,810 while the expenditure as at 30th September 2024 amounted to N\$112,292 resulting in an unfavourable variance of N\$23,482 (26%). This was caused by additional insurance premiums following the insurance of furniture and equipment procured during the financial year. There is no further expenditure anticipated for the year as the premiums have already been paid, except for any hitherto unforeseen replacement of equipment such as laptops.

2.4.4. Budget Performance Analysis - Favourable budget lines with more than 50% of the budget spent

The following budget lines are worth noting:

2.4.4.1. Administrative Costs (84%)

- i. N\$858,481 was spent out of a budget of N\$1,027,560, representing 84% expenditure. The high rate of spending in the first half of the financial year is due to the following expenditure totalling N\$381,922 that had to be incurred in the first half of the year, some of which was not anticipated:

Repairs/renovations to Eros Property for Compliance Certificate
– N\$125,504

Payment to Mrs Chiviya for outstanding relocation benefits - N\$141,956

Recruitment & Relocation of Programme Manager (TIFI)- N\$114,462

- ii. The remaining balance of N\$169,079 may not be enough to cater for the remainder of expenses anticipated for the remainder of the financial year. In this regard, an update will be provided as at 31st December 2024, to the EXCO meeting in February 2025, and any variations of budget lines will be then proposed.

2.4.4.2. Travel, Subsistence & Transport (82%)

- i. N\$164,431 was spent out of a budget of N\$201,000, representing 82% expenditure. The Secretariat participated in various networking meetings and engagements towards creating and sustaining partnerships. These included attendance of the SADC Summit in Zimbabwe, Pan African Parliament in South Africa, UNFPA meeting in Oslo, and lobbying mission in Botswana.
- ii. For the remaining six months, costs include participation at the 149th Inter Parliamentary Union Conference in Geneva in October 2024. The bulk of the costs pertaining to the IPU will be funded from the SRHR Project, while the balance on the Forum budget of N\$36,569 will go towards expenditure that is disallowable under the project such as Business Class top-up in line with the Forum's administrative rules.
- iii. Any further travel this financial year beyond the statutory meetings will be restricted to fully externally sponsored trips.

2.4.4.3. Plenary Assembly (55%)

- i. An amount of N\$1,638,562 was spent from a budget of N\$2,999,676 representing 55% of the budgeted amount. The 55th Plenary Assembly was held physically in Luanda, Angola. The hosting and cost-sharing agreements were adhered to with both the Host Parliament and the Secretariat putting in extra efforts to ensure the success of the Plenary Assembly. Secretariat costs included support staff costs, transcribers costs, interpretation & translation costs, and costs of documentation, including reports and newsletters, among others.
- ii. The balance of N\$1.36 million is adequate to cover SADC PF Secretariat costs towards the 56th Plenary Assembly to be hosted by Zambia in Livingstone, with the cost management measures

put in place such as scheduling of travel dates to ensure shorter stay in Livingstone, sourcing of interpreters locally, and use of more support staff from the Parliament of Zambia.

iii. Additional expenditure pertaining to the 55th Plenary Assembly amounting to approximately N\$500,000 (US\$27,000) was covered by the SRHR Project. Furthermore, an amount of N\$243,000 is being contributed by the SRHR Project towards the 56th Plenary Assembly.

2.4.4.4. EXCO Meetings (51%)

i. N\$ 224,932 was spent from a budget of N\$442,740 representing 51%. The EXCO met physically in Cape Town, South Africa, in June 2024. The EXCO is also scheduled to meet physically again on 23rd and 24th November 2024, in Johannesburg, South Africa.

ii. The balance of N\$217,808 on this budget line is adequate to cater for the meeting in Johannesburg in November 2024.

iii. However, the incoming EXCO is likely to meet in early 2025. It is anticipated that additional funds will be available under EXCO Sub-Committees, which has a balance of N\$313,573 as at 30th September 2024. According to estimates, expenditure on Sub-Committees, scheduled to meet virtually in November 2024, will amount to less than N\$100,000.

iv. In this regard, it is proposed that an amount of N\$200,000 be varied from the Sub-Committee budget line to EXCO Meetings Budget line to cater for the expenditure for the incoming EXCO meeting in 2025 as Sub-Committees are not anticipated to meet again this financial year; Sub-Committee meetings are usually scheduled to meet in May/June and October/November of each year and will, therefore, be catered for in the budget for 2025/2026.

2.4.4.5. Standing Committees (75%) and Other Policy Organs/RWPC (76%)

i. N\$439,920 was spent on Standing Committees from a budget of N\$590,000 representing 75%. Standing Committees met virtually in May 2024 under this budget, with the exception of the FANRCA and HSDSP, which met physically with funding from the SRHR Project. In addition, the HSDSP Committee met physically in September 2024 under SRHR Project funding, while all other Standing Committees were scheduled to meet virtually in October 2024 under this budget line.

- ii. On the other hand, N\$256,486 was spent from a budget of N\$339,000 under Other Policy Organs/RWPC representing 76%. The RWPC met virtually in May 2024 and was scheduled to meet again in October 2024. The RPMLOC met physically in May 2024 and again in September 2024, supported by funding from the SRHR Project.

- iii. The balance as at 30th September 2024 of N\$150,080 for Standing Committees plus N\$82,514 for Other Policy Organs is adequate to cater for the October 2024 virtual meetings.

2.4.4.6. Language Translation Costs (68%)

- i. Translation is a necessary expenditure in view of the SADC PF policy regarding the use of the three official languages in all its communication. Under this budget-line, N\$51,565 was spent out of N\$76,000 representing 68%.

- ii. However, translation costs are also budgeted under the various activities and meetings to which they directly relate and are expensed accordingly. In this regard, it is worth noting that the total translation costs amounted to N\$794,238 as at 30th September 2024. Translation costs continue to be high in view of the number of documents produced and the volume of communication to various stakeholders.

2.4.4.7. Programme Support (80%)

- i. Expenditure is N\$392,601 against a budget of N\$488,640 representing 80%. This budget line was used towards secretariat, administrative, logistical and other support for meetings of the various policy organs that support programme activities including EXCO and Standing Committees and also for attendance of various networking meetings and engagements, including for resource mobilisation missions such as meetings with donors and co-operating partners.

- ii. Many programme activities are supported by external funding, including in-kind support. Hence some of the balance of N\$96,039 will be used as SADC PF contribution towards some of the externally supported activities where necessary.

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 2024/2025 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 risk to the going concern, exacerbated by the ever-rising costs of goods and services due to inflation and the depreciation of the Namibian dollar *vis a vis* the USD, without a corresponding increase in revenue, amid the continued heavy dependence on external funding and in-kind contributions from collaborating partners.

2.5.3. The Plenary Assembly is requested to consider and take note of the performance of the budget as at 30th September 2024, specifically the reasons for the favourable total variance, which include support towards operational and administrative expenses from collaborating partners such as the Swedish.

3.0. FINANCIAL REPORTS FOR DONOR FUNDED PROJECTS

3.1. SRHR, HIV and AIDS Governance Project (2023-2026)

- i. Project Number: 14654
- ii. Implementing Organization: SADC Parliamentary Forum
- iii. Reporting Period: 1 November 2023 to 30 September 2024

3.2. Summary of Funding

The total funding received for Year 1 amounted to US\$ 1,820,106 (SEK 19,000,000), equivalent to N\$32,761,908. This amount was received on 30th November 2023 and was allocated for various project activities as outlined in the approved project budget for Year 1.

3.3 Expenditure Overview (Total Expenditure)

As of 30 September 2024, the total expenditure amounted to US\$ 857,637 (N\$15,437,466). This expenditure includes 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 detailed breakdown of these expenditures is provided below.

3.4. Expenditure Breakdown

3.4.1. Personnel Costs: US\$ 477,008 (N\$8,586,144)

- i. Description: US\$477,008 was spent on Salaries and Allowances for project staff, including Policy & Legal Analyst, Project Accountant, Media & Communication Manager, Manager FANRCJ, Internal Auditor and Researchers based at national parliaments.
- ii. Variance Explanation: The Salaries and Allowance costs are lower than budget (for 11 months) because of the following: (i) delay in recruitment of Manager FANRCA, Internal Auditor and (ii) end of contract of Researcher from Seychelles, (iii) resignation of Researcher from Namibia (new Researcher by August 2024), (iv) Researchers not yet recruited from 4 national parliaments (Mauritius, South Africa, Tanzania and Botswana)

3.4.2. National project activities Costs: US\$ 82,104 (N\$1,477,872)

- i. Description: Costs associated with national project activities includes *Roundtable discussions -National Parliament/Ministries, Multi-stakeholder Capacity development workshop, Public Hearing, Public Awareness, National working group, and Community outreach projects for MPs.*
- ii. Variance Explanation: *Funds utilization has been very low at national parliaments level but there are a number of planned activities for October 2024. See Appendix B*

3.4.3. Regional project activities Costs: US\$ 238,297 (N\$4,289,346)

- i. Description: The SRHR budget provides for regional activities such as Regional Capacity building, HSDSP standing Committee, meeting of Clerks, Capacity development by technical partners, Attendance to Regional and International conferences on SRHR, attendance Plenary Assembly, etc.
- ii. Variance Explanation: *Although actual budget is slightly lower than budget, there are a number of planned activities during October 2024. We expect budget funds will be accordingly utilized by end of October 2024. See Appendix B*

3.4.4. Monitoring & Evaluation US\$ 20,000 (N\$360,000)

- i. Description: This cost refers to the payment to M&E Consultant.
- ii. Variance Explanation: *This budget line is being used as per budget and as such there is no variance except some timing difference as payment are made upon receipt of satisfactory deliverables.*

3.4.5. Development of a model law on Prison Oversight US\$ Nil

- i. Description: The Development of a model law on Prison Oversight budget covers the legal consultant fees but also the consultative meetings.
- ii. Variance Explanation: *There has been a slight delay in the recruitment of legal consultant. Once, the recruitment process is finalized (October 2024), disbursement of fund will be done based on contract performance, where needed we will request for some fund to be accrued at year end (ringfenced for Year 1).*

3.4.6. External Audit US\$ Nil

- i. Description: This cost relates to the fees payable to Our external auditors Grand Namibia after completion of the audit of the SRHR project. monitoring project progress and evaluating outcomes, including data collection and analysis.
- ii. Variance Explanation: *This will be only paid after the completion of the audit of the SRHR project for the year ended 31 October 2024. As in the past, this amount is accrued at year end and paid when due. This is a fixed rate contract and there will be no variance on this budget line.*

3.4.7. Administrative fees US\$ 25,885 (N\$465,930)

- i. Description: Administrative fees are paid to SADC PF for partly covering (15%) the ICT and communication costs incurred by SADC PF. It also covers partly Administrative and HR salary costs. Once paid, this amount is accounted as administrative fee Income (Unrestricted Fund) in the book of SADC PF.
- ii. Variance Explanation: *This is a fixed amount payable to SADC PF and there is no variance arising.*

3.4.8. Budget Utilization

- i. The project has utilized only 51% of the Budget of US\$1,676,151 (N\$30,170,718) with total expenditure of US\$ 857,637 (N\$15,437,466). This is 47% of the total funds allocated for Year 1 amounting to US\$1,820,106 (N\$32,761,908). Year 1 ends on 31st October 2024. However, there are a number of planned activities at national parliament level and regional level during the month of October 2024 (CPA, IPU, COP29).

3.5. Conclusion

In summary, the project has progressed slowly during the eleven months, from 1st November 2023 to 30th September 2024, in terms of effective utilization of the funds provided. This is largely due to the onboarding process

of national Parliaments including the signature of Project Implementation Agreements and the recruitment of SRHR Researchers. As indicated at 3.4.8. above, there are a number of activities scheduled for implementation during the month of October 2024 which will further improve the fund utilisation. The Project has adhered to financial guidelines and ensured transparency in the utilisation and accounting of the project finances.

3.6. RECOMMENDATIONS FOR THE CONSIDERATION OF THE PLENARY ASSEMBLY

- 3.6.1. The Plenary Assembly is requested to appreciate and take note of the implementation of the SRHR, HIV and AIDS Governance Project funding agreement with Sweden effective 1st November 2023.**
- 3.6.2. The Plenary Assembly is requested to express its appreciation to the Swedish and the various other donors and cooperating partners for their continued commitment and support.**

ANNEXURE SRHR 1

Fund Accountability Statement & Variance Analysis

FUND ACCOUNTABILITY STATEMENT		BUDGET	ACTUAL	BALANCE	USAGE
DETAILS		YEAR 2023-2024	Nov 23- Sep 24	Available funds	12 months %
REVENUE					
	Grant received (SEK 19 million)	1,676,152	1,820,106		
	TOTAL RECEIPTS	1,676,152	1,820,106		
EXPENDITURE					
1	Salaries & Allowances	720,600	477,008	243,592	66%
2	Regional capacity building session	53,985	36,583	17,402	68%
3	HSDSP Committee	88,032	73,697	14,335	84%
4	Meeting SG and Clerks/SG National Parliament	6,832	7,619	- 787	112%
5	RPMLOC	16,820	9,968	6,852	59%
6	Regional Meeting of Clerks	39,416	11,508	27,908	29%
7	Roundtable meeting technical partners/Donors	7,648	1,369	6,279	18%
8	Capacity development by technical partners	34,110	4,997	29,113	15%
9	Joint Session of Regional Standing Committees	19,648	-	19,648	0%
10	Adoption of normative SRHR legal standards	6,425	-	6,425	0%
11	Roundtable discussions-N. Parliament/Ministries	21,000	3,990	17,010	19%
12	Multi-stakeholder Capacity development workshop	63,550	16,265	47,285	26%
13	Conduct Public hearings on SRHR bills	104,484	35,327	69,157	34%
14	Public awareness constituency campaigns by MPs	64,680	14,000	50,680	22%
15	Budget analysis retreats	24,480	31,358	- 6,878	128%
16	National Working Group meetings	25,333	3,011	22,322	12%
17	Community outreach projects for MPs	36,287	9,511	26,776	26%
18	Media and advocacy materials	16,800	5,144	11,656	31%
19	Attend regional/ international conference on SRHR	97,676	26,588	71,088	27%
20	Attend 6 plenary Assembly session	27,072	24,379	2,693	90%
21	Domestication experts attend the RPMLOC Cttee	6,748	5,088	1,660	75%
22	Development of a model law on Prison Oversight	88,265	-	88,265	0%
23	Monitoring & Evaluation Consultant	20,000	20,000	-	100%
24	Conduct external financial audits	13,000	-	13,000	0%
25	E-Communication	23,280	8,091	15,189	35%
26	Administrative overhead	33,385	30,493	2,892	91%
27	Flexible Funds for Contingency	16,596	1,643	14,952	10%
	TOTAL EXPENDITURE	1,676,152	857,637	818,515	51%
	UNUTILIZED FUNDS AS AT 30 SEPTEMBER 2024	0	962,469		

Ends.