



**REPORT OF THE
FINANCE SUB- COMMITTEE TO THE EXECUTIVE COMMITTEE
ON FINANCIAL MATTERS (TREASURER'S REPORT)**

PAPER 1

**MANAGEMENT ACCOUNTS FOR THE PERIOD 1ST APRIL 2025 TO 30TH
SEPTEMBER 2025**

The Management Accounts for the period 1st April 2025 to 30th September 2025 consist of the following:

1.0. Update on Annual Mandatory Member contributions:

- 1.1. Background
- 1.2. Status as at 30th September 2025
- 1.3. Recommendations

2.0. Budget Performance Report as at 30th September 2025

- 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 as at 30th September 2025 (Income)
- 2.4. Budget Variance Report as at 30th September 2025 (Expenditure)
- 2.5. Recommendations

3.0. Update on Sale of Property at 66 Erosweg, Eros, Windhoek, Namibia

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 2025 to 31st March 2026 is therefore N\$21,148,050.

1.2. STATUS AS AT 30TH SEPTEMBER 2025

1.2.1. Contributions Schedule as at 30th September 2025

	PARLIAMENT	BALANCE B/F 01-Apr-25	INVOICED AMOUNT	AMOUNT RECEIVED	BALANCE 30-Sep-25	REMARKS
1	Angola	-	1,501,500		1,501,500	CURRENT
2	Botswana	-	1,501,500		1,501,500	CURRENT
3	DRC	4,504,500	1,501,500	5,678,123	327,877	EXCHANGE RATE DIFFERENCE
4	Eswatini	-	1,501,500	1,501,500	-	PAID
5	Lesotho	-	1,501,500	1,501,500	-	PAID
6	Madagascar	1,501,500	1,501,500	1,501,500	1,501,500	CURRENT
7	Malawi	-	1,501,500		1,501,500	CURRENT
8	Mauritius	-	1,501,500		1,501,500	CURRENT
9	Mozambique	1,501,500	1,501,500		3,003,000	ONE YEAR ARREARS
10	Namibia	(1,501,500)	1,501,500		-	PAID
11	Seychelles	(127,050)	127,050		-	PAID
12	South Africa	-	1,501,500	3,003,000	(1,501,500)	PRE-PAID
13	Tanzania	-	1,501,500		1,501,500	CURRENT
14	Zambia	(1,501,500)	1,501,500		-	PAID
15	Zimbabwe	-	1,501,500	1,501,500	-	PAID
	TOTAL	4,377,450	21,148,050	14,687,123	10,838,377	

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 30th September 2025, only **Mozambique**, has outstanding arrears while the rest of the Membership is current in their contributions.

1.2.4. Eight countries, namely, DRC, Eswatini, Lesotho, Namibia, Seychelles, South Africa, Zambia and Zimbabwe had paid their contributions for the current financial year beginning 1st April 2025. However, DRC has 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. Six countries owe for the current financial year **only**, namely Angola, Botswana, Madagascar, Malawi, Mauritius, and Tanzania.
- 1.2.6. Mozambique is still owing for two financial years, namely for the year ended 31st March 2025 and the current financial year ending 31st March 2026.
- 1.2.7. 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 EXECUTIVE COMMITTEE

- 1.3.1. **The EXCO is requested to consider and take note of the status of Annual Mandatory Contributions as at 30th September 2025, and also to appreciate the commitment of Member Parliaments in ensuring that contributions are paid.**
- 1.3.2. **The EXCO 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 EXCO is requested to submit the above to the Plenary Assembly for its consideration and approval, or noting, as the case may be.**

2.0. BUDGET PERFORMANCE REPORT AS AT 30TH SEPTEMBER 2025

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.

2.2.4. Financing of five core Secretariat staff positions by the Sweden SRHR HIV and AIDS Project at an annual bill of N\$7.0 million.

Five core Secretariat staff positions are financed by the Sweden SRHR HIV and AIDS Project at an annual bill of N\$7.0 million. However, once the Sweden funding terminates in October 2026, the SADC PF will have to consider whether or not to maintain these positions. In the same vein, the expiry of the Sweden funding will affect the programme activities and Standing Committees.

2.3. BUDGET VARIANCE REPORT AS AT 30TH SEPTEMBER 2025 (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:

DETAILS	BUDGET	ACTUAL	VARIANCE	VARIANCE
	N\$	N\$	N\$	%
Income: Annual Mandatory Contributions	21,148,050	21,148,050	0	0%
Income: Interest Receivable	480,000	77,618	402,382	84%
Allocation from Reserves	6,500,000	6,500,000	0	0%
TOTAL	28,128,050	27,725,668	402,382	1.43%

2.3.2. Total Income & Allocation from Reserves

2.3.2.1. Total **Budgeted** Income plus allocation from reserves for the 2025/2026 Budget was N\$28,128,050. This consisted of Annual Mandatory Contributions of N\$21,148,050, interest of N\$480,000 and an amount of N\$6,500,000 that was to be allocated from Reserves. Actual income was N\$27,725,668, resulting in a deficit of N\$402,382. This was because interest received of N\$77,618 was only 16% of the budgeted amount of N\$480,000.

2.3.2.2. 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)

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.

2.4. BUDGET VARIANCE REPORT AS AT 30TH SEPTEMBER 2025 (EXPENDITURE)

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

	A	B	E	F	G	H	I
		Total Budget	Actual YtD	Variance	VAR %	STATUS	USAGE
	BUDGET LINE		Expenditure	(Balance)			RATE
			30.09.2025	30.09.2025			
1	Administrative Costs	1,197,000	459,132	737,868	62%	Favourable	38%
2	Communication Expenses	522,120	118,989	403,131	77%	Favourable	23%
3	Financial Expenses	594,066	256,467	337,599	57%	Favourable	43%
4	Motor Vehicle Running Costs	144,000	12,648	131,352	91%	Favourable	9%
5	Professional, Consultancy and Legal Expenses	160,000	22,783	137,217	86%	Favourable	14%
6	Staff Emoluments	18,341,020	8,175,297	10,165,723	55%	Favourable	45%
7	Travel, Subsistence and Transport	243,000	143,210	99,790	41%	Favourable	59%
8	Audit	180,000	91,080	88,920	49%	Favourable	51%
9	Insurance	208,000	112,037	95,963	46%	Favourable	54%
10	Plenary Assembly Meetings	3,003,046	1,257,860	1,745,187	58%	Favourable	42%
11	Executive Committee Meetings	485,548	220,965	264,583	54%	Favourable	46%
12	Parliamentary Business/ EXCO Sub-Com	424,480	6,971	417,509	98%	Favourable	2%
13	Standing Committees	444,480	81,454	363,026	82%	Favourable	18%
14	Other Policy Organ Costs/RWPC/RPMLC/Audit	212,240	-	212,240	100%	Favourable	0%
15	Language Translation Costs	234,560	81,956	152,604	65%	Favourable	35%
16	Programme Support	409,440	5,151	404,289	99%	Favourable	1%
17	Capital Expenditure	387,705	131,495	256,210	66%	Favourable	34%
18	Contingencies fund	30,000	-	30,000	100%	Favourable	0%
19	Mortgage repayment (Capital portion)	558,894	269,625	289,269	52%	Favourable	48%
20	Motor Vehicle (Capital portion)	284,415	139,095	145,320	51%	Favourable	49%
	TOTALS	28,064,014	11,586,217	16,477,798	59%		41%

2.4.2. Budgeted Expenditure: N\$ 28,064,014

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.

2.4.3. Budget Performance Analysis - Total Actual Expenditure as at 30th September 2025: N\$11,586,217

- i. The budget performance analysis takes into account that the period 1st April 2025 to 30th September 2025 is halfway through the financial year. However, timing of expenditure is not evenly spread throughout the financial year but depends on the scheduling of activities, with the exception of certain fixed recurrent monthly expenditure.
- ii. Total Actual Expenditure as at 30th September 2025 amounted to **N\$11,586,217** representing 41% of the total budgeted expenditure for the year, leaving a balance of **N\$16,477,798** (59%).
- iii. All budget lines had favourable variances as at 30th September 2025 with utilisation rates ranging from 0% to 59% and averaging 31%. This trend is not concerning as more expenditure is anticipated for all budget lines in the remaining six months.

- iv. 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 worth Noting

2.4.4.1. EXCO Sub-Committees N\$6,971 (2%)

The Parliamentary Business Sub-Committee met at a minimal cost (translation) of N\$6,971 due to the use of the in-house interpreter and also because the costs pertaining to most of the documentation were already charged to EXCO (same documentation). The other EXCO Sub-Committees are yet to meet this financial year. Urgent matters affecting human resources and finance were considered through circulation to EXCO members.

2.4.4.2. Other Policy Organs (Zero Expenditure)

The RPMLOC and RWPC met with support from the Sweden funded SRHR, HIV and AIDS Project. The Audit and Risk Committee is yet to meet this financial year.

2.4.4.3. Programme Support N\$5,151 (1%)

Expenditure is expected for participation at the IPU meeting in October 2025. Participation at the SADC Summit were supported by the Sweden funded SRHR, HIV and AIDS Project while attendance to PAP and the P20 was cancelled due to unforeseen circumstances.

2.5. RECOMMENDATIONS FOR THE CONSIDERATION OF THE EXECUTIVE COMMITTEE

2.5.1. The EXCO 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 EXCO is requested to consider and take note of the performance of the budget as at 30th September 2025.

2.5.3. The EXCO 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.**

2.5.4. The EXCO is requested to submit the above to the Plenary Assembly for its consideration and approval, or noting, as the case may be.

3.0. UPDATE ON SALE OF PROPERTY AT 66 EROSWEG, EROS, WINDHOEK, NAMIBIA

3.1. EXCO is advised that following approval by circulation, the sale of the property at 66 Erosweg, Eros, Windhoek, was concluded on 1st September 2025.

3.2. The amount of N\$2.1 million realised from the sale was paid towards the Mortgage for the Secretary General's Residence, situated at 89 Joseph Mukwayu Ithana Street, Ludwigsdorf. In this regard, the remaining loan term for the mortgage has been reduced from 63 months to 26 months at the current monthly instalment of N\$83 054.

3.3. RECOMMENDATIONS FOR THE CONSIDERATION OF THE EXECUTIVE COMMITTEE

EXCO is requested to record that the matter is now closed and to submit the same to the Plenary Assembly for noting.

Ends.