



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

PAPER 2

**BUDGET PROPOSAL FOR THE FINANCIAL YEAR 1ST APRIL 2026 TO 31ST
MARCH 2027**

1.0. EXECUTIVE SUMMARY

- 1.1. The 56th Plenary Assembly, on 13th December 2025, in Livingstone, Zambia, resolved to increase Mandatory Member Contributions by 50% effective 1st April 2026. This decision was taken in view of the fact that the going concern of the institution was under threat given the *then* level of contributions. In addition the institution had resorted to the use of Accumulated Reserves to ensure a minimal surplus budget and had continued to depend heavily on external funding and collaborations. It was also realised that some of the cost management measures, such as the conduct of meetings through virtual means, had negatively impacted the effectiveness of the institution's interventions. In addition, the Forum was in an advanced stage of the transformation into a Regional Parliament given that the Agreement to Amend the SADC Treaty to Establish the SADC Parliament came into force in August 2024 and the finalization of the protocol to establish the Regional Parliament was in process.
- 1.2. The following matters emphasised in the Treasurer's Report to the 56th Plenary Assembly in making the case for the urgent need to increase Mandatory Member Contributions, apply to the 2026/2027 budget considerations:
- i. The need for the Forum to reduce dependence on external funding and to be able to implement statutory activities and support core operations, including human resources, within the funding from Mandatory Member Contributions; In this regard, while external funding is desirable and appreciated, such funding is meant as support towards programme and non-core operations, especially also in view of the dwindling donor universe and changing donor priorities;

- ii. The need to ensure that adequate financial resources are available without resorting to the use of Accumulated Reserves for operations, in order to secure the going concern;
 - iii. The need to ensure that any increase in contributions is not misconstrued to be a result of the transformation of the SADC PF into a Regional Parliament but rather be recognized as a necessary adjustment arising from the increase in costs due to inflation and depreciation of currencies within the region and global economic environments over the last five years since the last increment in 2020; and finally;
 - iv. The need to prepare adequately for the transformation into a Regional Parliament.
- 1.3. The increase in contributions will result in an increase in total revenue from Mandatory Member Contributions of N\$10,574,025.00 per annum, and, will, therefore, address some of the concerns raised regarding the going concern and the capacity of the Forum to effectively deliver on its mandate.
- 1.4. Highest on the agenda for 2026 and the next few years is the implementation of the transformation agenda and roadmap. In this regard, it is important that the Forum is able to practically demonstrate its sustainability and effectiveness during and post transformation into a Regional Parliament. There is need, therefore, to provide in the budget, for the development of various Parliamentary instruments and administrative policy, including restructuring of the current organisational structure and operational systems, to align to that of a regional parliament.
- 1.5. The Membership is advised that the increase provides an opportunity for the Forum to improve its salary structure. In order to ensure that the salary bill is within an acceptable percentage of total revenue, a restructuring exercise of existing job profiles, aimed at ensuring that the lean staff compliment is able to deliver on the priority areas, and aligned to the operations of a Regional Parliament, will continue to be implemented. This will include opportunities for secondment of key staff by Member Parliaments on a full-time, full-cost basis.
- 1.6. While the transformation is ongoing, the Forum is still meanwhile required to effectively deliver on its current mandate, including operationalising the 2024 to 2028 Strategic Plan as approved by the 54th Plenary Assembly, in addition to ensuring its efficacy in the transformation into a SADC Parliament. As indicated in previous reports, 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.

- 1.7. In the financial year 1st April 2026 to 31st March 2027, the Forum Secretariat, as the implementing arm, will continue to exercise financial prudence with the guidance of the Executive Committee based on the following principles:
- i. The need for the Executive Committee to effectively exercise oversight over the operations of the institution and to continuously monitor fiscal and operational risks to enhance its prudential framework;
 - ii. The necessity to manage costs by implementing all statutory activities of the Forum by a combination of online and physical meetings, with the effort of keeping visible meetings such as the Plenary Assembly in physical format;
 - iii. The requirement for national Parliaments to continue to contribute towards the participation of their Members, where meetings are organised in physical form, except where a meeting is sponsored through donor/external resources;
 - iv. In addition, the practice where Member Parliaments support the implementation of the Forum's core activities such as the Plenary Assemblies, EXCO meetings and Standing Committee Meetings by facilitating the participation of their Members at the cost of the Parliament as necessary;
 - v. Pursuing of Secondment arrangements with national Parliaments to manage the human resource costs of the organisation. In addition, the Secretary General to continue, with the agreement of relevant staff, to attribute to staff, duties which are best dispensed by them in line with the objective to achieve operational efficiency;
 - vi. As provided for in the Strategic Plan, exploration of innovative avenues in order to deal intelligently with the financial resources of the Forum.

1.8. *The Budget Proposal for 2026/2027 takes into consideration the above and is, hereby, submitted for the consideration of the Executive Committee.*

2.0. ASSUMPTIONS AND OTHER CONSIDERATIONS

2.1. Sources of Finance

- 2.1.1. This budget provides for all known and confirmed sources of finance for the financial year 2026/2027. The budget proposal takes into account the 50% increase and therefore, the new level of total Mandatory Annual Contributions amounting to N\$31,722,075.00 (representing N\$10,574,025 increase per annum).

2.1.2. Additionally, a minimal allocation from the Accumulated Reserves of N\$1.1 million is proposed to cater for non-recurrent operational expenditure specific to the financial year 2026/2027 and related to re-engineering of processes to align with the transformation agenda and new developments in ICTs . Details are contained at section 4.6.

2.2. Mode of Operations/Implementation of Activities

2.2.1. The budget for the 2026/2027 Financial Year ensures that the core business of the Forum is conducted within the funds raised from Annual Mandatory Contributions, with continued in-kind contribution on the part of Member Parliaments where necessary.

2.2.2. 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 2026/2027, some of the statutory meetings of the institution continue to be held physically while others to be held virtually as follows:

2.2.2.1. Both the 59th and 60th Plenary Assemblies are proposed be held physically.

2.2.2.2. 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 2 virtual meetings.

2.2.2.3. 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.

2.2.2.4. Standing Committee, RPMLOC, RWPC, and Audit & Risk Committee meetings are all proposed to be held virtually, unless external funding is available for physical meetings. In this regard, the Membership 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 four of the five Standing Committees (HSDSP is externally supported for the financial year 2026/2027)).

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

2.3. Member Parliaments' in-kind Contribution

2.3.1. As per SADC PF established policy, the costs of participation of the membership in the Plenary Assembly and other statutory physical meetings shall be borne by Member Parliaments unless external funding is made available. In this regard, Member Parliaments are urged to ensure their Members' participation.

2.4. Networking and Visibility

As the Forum transitions into a Regional Parliament, there continues to be 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, it is anticipated that 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.

2.5. Cost Drivers and Context

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.

2.6. Risk Assessment

2.6.1. Emerging Risk: Lack of participation in Forum Activities by Members due to inadequate financial incentives

Members have expressed concern at the inadequate financial incentive to participate in Forum activities especially when compared with incentives such as Sitting Allowances that are offered at national level. The risk of reduced numbers of MPs at SADC PF meetings is flagged as medium but the trend is growing. In order to mitigate the risk, Member Parliaments are urged to consider reviewing internal policies on incentives for Members participating at SADC PF meetings.

3.0. BUDGET PROPOSAL 2026/2027

3.1. The proposed Budget for the financial year 2026/2027 is attached hereto as **Annexure B001 with support schedules A to D and 1 to 20**. Below, at 3.2, is the Master Budget summary schedule. The notes to the budget are detailed in section 4.0.

3.2

MASTER BUDGET-YEAR ENDING 31 MARCH 2027					
		A	B	C	D
ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	INCOME				
A	Annual Mandatory Contributions	21,148,050	31,722,075	10,574,025	50%
B	Interest Receivable	480,000	720,000	240,000	50%
C	Other Income - Allocation from Reserves	6,500,000	1,100,000	- 5,400,000	-83%
D	Donor Income	31,763,340	43,194,604	11,431,264	36%
	TOTAL REVENUE	59,891,390	76,736,679	16,845,289	28%
	ADMINISTRATIVE OVERHEAD EXPENSES	3,248,186	4,468,826	1,220,640	38%
1	Administration and office expenses	1,197,000	1,944,640	747,640	62%
2	Communication & ICT expenses	522,120	351,300	- 170,820	-33%
3	Financial expenses	594,066	594,066	-	0%
4	Motor vehicle running expenses	144,000	144,000	-	0%
5	Professional, consultancy and legal expenses	160,000	790,000	630,000	394%
6	Travel, subsistence and transport	243,000	206,720	- 36,280	-15%
7	Audit Fees	180,000	220,000	40,000	22%
8	Insurance	208,000	218,100	10,100	5%
	STAFF EMOLUMENTS	18,341,020	21,413,975	3,072,955	17%
9	Staff emoluments	18,341,020	21,413,975	3,072,955	17%
	DIRECT OPERATIONAL EXPENSES	5,213,794	6,120,986	907,192	17%
10	Plenary Assembly Meetings	3,003,046	3,305,046	302,000	10%
11	Executive Committee Meetings	485,548	581,268	95,720	20%
12	Parliamentary Business/ EXCO Sub-Com Meetings	424,480	479,200	54,720	13%
13	Standing Committees	444,480	542,400	97,920	22%
14	Other Policy Organs/RWPC/RPMLOC/COC/AUDIT	212,240	305,400	93,160	44%
15	Language Translation Costs	234,560	290,400	55,840	24%
16	Programme Support	409,440	617,272	207,832	51%
	OTHER NON RECURRING EXPENSES	1,261,014	1,364,209	103,195	8%
17	Capital Expenses	387,705	490,900	103,195	27%
	Contingencies fund	30,000	30,000	-	0%
18	Mortgage repayment (Capital portion)	558,894	558,894	-	0%
19	Motor Vehicle Loan repayment (Capital portion)	284,415	284,415	-	0%
	DONOR EXPENDITURE	31,763,340	43,194,604	11,431,264	36%
20	SRHR, HIV & AIDS Gov. Project Expenditure	31,763,340	29,433,155	- 2,330,185	-7%
21	ADA/GIZ Enhancing Regional Integration Project	-	13,761,449	13,761,449	
	TOTAL EXPENDITURE	59,827,354	76,562,600	16,735,246	28%
	SURPLUS/(DEFICIT)	64,036	174,079	110,043	172%

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. SUMMARY OF BUDGETED INCOME

MASTER BUDGET-YEAR ENDING 31 MARCH 2027					
		A	B	C	D
ITEM	EXPENDITURE/INCOME	CURRENT	PROPOSED	INCREASE/	INCREASE/
NO.	CATEGORY	APPROVED	BUDGET	(DECREASE)	(DECREASE)
		2025-2026	2026-2027		
		N\$	N\$	N\$	%
	INCOME				
A	Annual Mandatory Contributions	21,148,050	31,722,075	10,574,025	50%
B	Interest Receivable	480,000	720,000	240,000	50%
C	Other Income - Allocation from Reserves	6,500,000	1,100,000	- 5,400,000	-83%
D	Donor Income	31,763,340	43,194,604	11,431,264	36%
	TOTAL REVENUE	59,891,390	76,736,679	16,845,289	28%

4.3. Total Revenue: N\$76,736,679

4.3.1. Total revenue is N\$76,736,679. Out of this amount, N\$31,722,075 is from Mandatory Member Contributions, N\$1,100,000 allocation from Reserves, N\$720,000 estimated interest from Investments and N\$43,194,604 is donor funds that have already been secured. The donor funds are restricted and have separate budgets and therefore, the whole amount is also reflected as expenditure, resulting in a zero net effect on the budget.

4.3.2. Despite the 50% increase in Annual Mandatory Member Contributions, the total increase in Total Revenue is only 28% for the following reasons:

- i. The allocation from Reserves is reduced by 83% from N\$5.5 million to N\$1.1 million.
- ii. Donor Income has increased by only 36% with the addition of funding from Austrian Development Agency/GIZ.

4.4. Mandatory Contributions: N\$31,722,075

The total Mandatory Member Contributions stand at N\$31,722,075 in the Financial Year 2026/2027, with each of the fourteen Member Countries contributing an amount of N\$2,252,250 per annum. Seychelles contribution is pegged at N\$190,575 per annum.

4.5. Interest from Investments N\$720,000

This estimate is based on the interest received from investing Member Contributions in an interest earning bank account as per SADC PF established policy. The amount of interest is dependent on the cashflow which determines how much can be invested. It is important, therefore, for Member Parliaments to pay their contributions earlier in the financial year, especially the first three months.

4.6. Allocations from Accumulated Reserves N\$1,100,000

- 4.6.1. Other Income constitutes a proposed allocation from Accumulated Reserves of N\$1,100,000. This is a reduction of N\$5.4 million (83%) from the previous year's allocation.
- 4.6.2. While the increase in Mandatory Annual Member Contributions is sufficiently covering operational costs in the year 2026/2027, there is need to upgrade the HR and financial Accounting system to cater for emerging requirements such as generating electronic payment vouchers which can be approved online. This will ensure that processing of accounting transactions are not interrupted when staff are out on mission and will serve to mitigate the risk of fraud and mistakes. Additionally, there is need to automate more administrative and Human Resource functions in addition to salaries processing, including job profiling, leave, overtime, and performance management. Upgrade of the HR and Finance & Accounting system has been quoted at N\$600,000. This is a once off expenditure, with maintenance costs for the first year also included. The amount is under the budget line for Administration and Office Expenses.
- 4.6.3. In addition, a provision of N\$500,000 has been made for the development of parliamentary systems, policy and procedures in preparation for the transformation into a Regional Parliament. It is envisaged that Member Parliaments will avail the necessary expertise in this regard and hence the provision is to facilitate meetings of a Technical Working Group, among other processes. The amount is budgeted under Professional, Consultancy and Legal Fees.

4.7. Donor Funding: N\$43,194,604

- 4.7.1. The inclusion of N\$43,194,604 donor funds as income in the budget is to facilitate transparency and accountability and also to acknowledge the support of the partners. As also indicated at 4.3, the exact amount of N\$43,194,604 is then included under expenditure, resulting in a zero net effect on the budget. Details of donors are contained in Schedule D.
- 4.7.2. The reflection of Donor funds also presents an opportunity to compare the donor contribution against contributions from Member Parliaments. It is worth noting that the donor funds are 136% of Member Contributions.
- 4.7.3. Donor budgets and expenditure are compiled and reported separately according to the respective Agreements signed.

5.0. NOTES TO THE BUDGET: BUDGETED EXPENDITURE

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

EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
ADMINISTRATIVE OVERHEAD EXPENSES	3,248,186	4,468,826	1,220,640	38%
STAFF EMOLUMENTS	18,341,020	21,413,975	3,072,955	17%
DIRECT OPERATIONAL EXPENSES	5,213,794	6,120,986	907,192	17%
OTHER NON RECURRING EXPENSES	1,261,014	1,364,209	103,195	8%
DONOR EXPENDITURE	31,763,340	43,194,604	11,431,264	36%
TOTAL EXPENDITURE	59,827,354	76,562,600	16,735,246	28%
SURPLUS/(DEFICIT)	64,036	174,079	110,043	172%

5.2. Total budgeted expenditure: N\$76,562,600

- 5.2.1. Total budgeted Expenditure, including donor funding, is N\$76,562,600 compared to total budgeted expenditure of N\$59,827,354 in the 2025/2026 budget, an increase of 28%.
- 5.2.2. Budgeted Expenditure excluding donor funding is N\$33,367,996 compared to N\$28,064,014 in 2025/2026, an increase of 18.90%. The increase in total income, excluding donor income, from N\$28,128,050 in 2025/2026 to 33,542,075 in 2026/2027 represents 19.25%.
- 5.2.3. Excess of budgeted Revenue over Expenditure is negligible at N\$174,079, after providing for a Contingency of only N\$30,000.

5.3. Administrative Overheads: N\$4,468,826

5.3.1. The table below shows the Expenditure budget for Administrative Overhead Expenses for 2026/2027 and compares with the 2025/2026 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	ADMINISTRATIVE OVERHEAD EXPENSES	3,248,186	4,468,826	1,220,640	38%
1	Administration and office expenses	1,197,000	1,944,640	747,640	62%
2	Communication & ICT expenses	522,120	351,300	- 170,820	-33%
3	Financial expenses	594,066	594,066	-	0%
4	Motor vehicle running expenses	144,000	144,000	-	0%
5	Professional, consultancy and legal expenses	160,000	790,000	630,000	394%
6	Travel, subsistence and transport	243,000	206,720	- 36,280	-15%
7	Audit Fees	180,000	220,000	40,000	22%
8	Insurance	208,000	218,100	10,100	5%

5.3.2. The budget provides for total Administrative Overheads of N\$4,468,826 compared to N\$3,248,186 in the previous year's budget representing a 38% increase. The Secretariat will continue with cost management measures already in place to ensure expenditure is within budget. The Administrative Overhead expenses are for the operations of the Secretariat and include upgrade of computerised operational and ICT systems, general office expenses, communication costs, motor vehicle running expenses, travel and subsistence allowance expenses, audit and insurance expenses. The following are the details:

5.3.2.1. Administrative and Office Expenses (N\$1,944,640)

The Administrative and Office Expenses budget is increased by 62% from N\$1,197,000 to N\$1,944,640. An amount of N\$600,000 for upgrade of the HR and Accounting System to a more suitable system is included under this budget line with funds proposed to be allocated from Reserves (as part of the N\$1.1 million allocation, refer section 4.6). This budget line also covers a wide range of recurrent expenditure categories including promotion of corporate image, security, water and electricity, repairs and maintenance costs, advertising and office supplies, among others. These provisions have been budgeted to a minimum.

5.3.2.2. Communication and ICT expenses (N\$351,300)

The Budget has reduced by 33% from N\$522,120 to N\$351,300 as some expenditure relating to ICT systems for HR and Finance have been budgeted under Administrative expenses. ICT continues to be increasingly necessary for the normal conduct of business and has contributed greatly to ensuring that meetings are held without the restriction of physical meetings. On the other hand, telephone and other communication costs will be strictly managed. Costs include telephone

and annual licenses and support services for the internet, Zoom and Microsoft.

5.3.2.3. Financial Expenses (N\$594,066)

The provision is maintained at N\$594,066. The bulk of this provision is interest on the mortgage for the SG's residence which amounts to N\$464,895. Also included in this budget line is interest on the motor vehicle loan, bank charges and provision for exchange losses.

5.3.2.4. Motor Vehicle Running Expenses (N\$144,000)

This budget line caters for running expenses, such as fuel and maintenance, for the SG's personal-to-holder vehicle. The provision has been maintained at N\$144,000.

5.3.2.5. Professional, Consultancy and Legal Fees (N\$790,000)

The proposed budget is increased by a considerable 394% from N\$160,000. This is due to the fact that the budget line has provided for N\$500,000 for the development of parliamentary systems, policy and procedures in preparation for the transformation into a Regional Parliament. The N\$500,000 is to be funded from Reserves (refer section 4.6). Also provided for is a retainer for legal services and provision for other consultancies related to Programmes, HR and finance.

5.3.2.6. Travel, Subsistence and Transport (N\$206,720)

The amount has been reduced by 15% from N\$243,000 to N\$206,720. This budget caters for participation in meetings at regional and international level that are not otherwise provided for under the statutory and programme activities. This includes meetings with partners, most of which are part-funded by the partners, and meetings with Member Parliaments.

5.3.2.7. Audit fees (N\$220,000)

The allocation is increased from N\$180,000 to N\$220,000 in anticipation of an increase in audit fees for the year.

5.3.2.8. Insurance Costs (N\$218,100)

This budget covers insurance premiums for all SADC PF insured assets and has increased by 5% from N\$208,000 to N\$218,100 based on actual premiums and as a result of new furniture and equipment being added to the insurance.

5.4. Staff Emoluments: N\$21,413,975

5.4.1. The table below shows the Expenditure budget for Staff Emoluments for 2026/2027 and compares with the 2025/2026 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	STAFF EMOLUMENTS	18,341,020	21,413,975	3,072,955	17%
9	Staff emoluments	18,341,020	21,413,975	3,072,955	17%

5.4.2. The proposed total budget for Staff Emoluments amounts to N\$21,413,975 representing an increase of N\$3,072,955 (17%) from the financial year 2025/2026 budget which amounted to N\$18,341,020.

5.4.3. The salary structure is proposed to be adjusted to 80% of benchmarks from the current 70% of benchmarks pursuant to the decision of the Plenary Assembly for the timely review of the salaries in order to ensure that conditions of service conform, as much as possible, to the standard of similar regional institutions and to cater for the ever rising cost of living. This is in line with Rule 6.1.1. of the SADC PF Administrative Rules and Regulations.

5.4.4. Rule 6.1.1. (ii) provides that “In determining the SADC PF salary scales and conditions of service, consideration shall be given to conditions of service in comparable regional and international organizations”. Further at rule (vi), that “The SADC PF must institute a salary review exercise every four (4) years, or when deemed necessary, taking into consideration cost of living adjustments”. The last salary review was effected in 2021.

5.4.5. The budget for 2026/2027 provides for the current staff on board.

5.4.6. The secondment of staff by Member Parliaments, on a full cost, full time basis, continues to be an option. Parliaments are encouraged to second staff for identified positions, under the Secondment Policy and within the guidelines provided by the Secretariat.

5.4.7. 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 October 2024 to September 2025 is 3.4%, while the notches increase by 2%.

5.5. Direct Operational Expenses: N\$ 6,120,986

5.5.1. The table below shows the Expenditure budget for Direct Operational Expenses for 2026/2027 and compares with the 2025/2026 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
	DIRECT OPERATIONAL EXPENSES	5,213,794	6,120,986	907,192	17%
10	Plenary Assembly Meetings	3,003,046	3,305,046	302,000	10%
11	Executive Committee Meetings	485,548	581,268	95,720	20%
12	Parliamentary Business/ EXCO Sub-Com Meetings	424,480	479,200	54,720	13%
13	Standing Committees	444,480	542,400	97,920	22%
14	Other Policy Organs/RWPC/RPMLC/COC/AUDIT	212,240	305,400	93,160	44%
15	Language Translation Costs	234,560	290,400	55,840	24%
16	Programme Support	409,440	617,272	207,832	51%

5.5.2. The Direct Operational Expenses represent the core business of the Forum and include the statutory meetings of all the organs. The total budget has been increased by 17% from N\$5,213,794 in 2025/2026 to N\$6,120,986 for 2026/2027 financial year.

5.5.3. The increase in the total Direct Operational Expenses budget is partly because of the inclusion of the Audit and Risk Committee for 2 virtual meetings. Anticipated increases in language costs (interpretation and translation) are taken into account, noting that these are a major cost for virtual meetings. Also expected to increase is the cost of travel for Secretariat support staff to the one physical EXCO meeting.

5.5.4. Plenary Assembly Meetings (N\$3,305,046)
The Plenary Assembly budget has been increased by 10% from N\$3,000,046 to N\$3,305,046. The budget caters for two Plenary Assemblies at an average of N\$1.65 million each. The Secretariat will service the meetings with minimal numbers of staff and reduced number of days as a cost management measure. This will entail that the host Parliament avails more support staff to assist the Secretariat. Costs include interpretation and translations costs, transcription and transcriber costs, travel costs, documentation costs, and costs related to media, communication, and corporate promotion.

5.5.5. EXCO Meetings (N\$581,268)
EXCO meetings budget of N\$581,268 has increased by 20% from N\$485,548. The budget for EXCO provides for only one Executive Committee meeting to be held physically, while two are proposed to be held virtually.

5.5.6. EXCO Sub-Committee Meetings (N\$479,200)
EXCO Sub-Committee meetings budget of N\$479,200 has increased by 13% from N\$424,480. All EXCO Sub-Committee meetings will be held virtually.

- 5.5.7. Standing Committee meetings (N\$542,400)
Standing Committee meetings budget has increased by 22% from N\$444,480 in 2025/2026 to N\$542,400. This budget line caters only for statutory meetings of Standing Committees, which will be held virtually unless external funding is secured. The increase in budget is due to the projected increase in language costs and other virtual meeting related costs. Some Standing Committee meetings will be financed by the SRHR Project, namely FANRCA and HSDSP. The Committees are budgeted to meet twice only.
- 5.5.8. Other Policy Organs (RPMLOC, RWPC and Audit & Risk Committee) (N\$305,400)
The budget for Other Policy Organs is N\$305,400 representing an increase of 44% from N\$212,240 in 2025/2026. This is because of the addition of the Audit & Risk Committee as well as the projected increase in language costs. All meetings are budgeted to be held virtually. The Committees are budgeted to meet twice each only.
- 5.5.9. Translation and Interpretation costs (N\$290,400)
This budget line caters for general translation and interpretation costs. The budget has significantly increased by 24% from N\$234,560 in 2025/2026 to N\$290,400 based on the trend in the financial year 2025/2026 where actual translation and interpretation costs were very high. In addition, interpretation and translation costs for statutory meetings and scheduled activities are also budgeted under the specific meetings' and activities' budget lines *in line with the Activity Based Budgeting principle adopted by SADC PF*.
- 5.5.10. Programme Support (N\$617,272)
The budget is increased by 51% from N\$409,440 for 2025/2026 to N\$617,272. This budget is required 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. The increase in budget is due to the projected increase in travel costs. Necessary cost management measures will include reducing the number of travellers thereby encouraging participation by virtual means where possible, use of most economic travel options, and reduction in meeting days.
- 5.5.11. Election Observation Missions budget
The budget for seed funding for Election Observation Missions has unfortunately been removed from the 2026/2027 budget, as was the case with 2025/2026, in view of the lack of support from Member Parliaments towards making contributions for Election Observation since 2023.

5.6. NON-RECURRENT EXPENDITURE: N\$1,364,209

5.6.1. The table below shows the Expenditure budget for Non Recurrent Expenditure for 2026/2027 and compares with the 2025/2026 approved provisions.

ITEM NO.	EXPENDITURE/INCOME CATEGORY	CURRENT APPROVED 2025-2026 N\$	PROPOSED BUDGET 2026-2027 N\$	INCREASE/ (DECREASE) N\$	INCREASE/ (DECREASE) %
		-			
	OTHER NON RECURRING EXPENSES	1,261,014	1,364,209	103,195	8%
17	Capital Expenses	387,705	490,900	103,195	27%
	Contingencies fund	30,000	30,000	-	0%
18	Mortgage repayment (Capital portion)	558,894	558,894	-	0%
19	Motor Vehicle Loan repayment (Capital portion)	284,415	284,415	-	0%

5.6.2. Capital Expenses: N\$490,900

Capital expenditure budget provides for procurement of various ICT equipment including laptops and server upgrading, and procurement of office furniture and equipment. The budget has been increased by 27% from N\$387,705 in 2025/2026 to N\$490,900. The budget includes framing and mounting of photos that capture the history of the Forum, an exercise that has been pending for many years due to lack of funding.

5.6.3. Contingency Amount N\$30,000

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

5.6.4. Mortgage Repayment N\$558,894

5.6.4.1. The principal amount on mortgage repayments to Nedbank in respect of the Official Residence of the Secretary General amounts to N\$558,894 in 2026/2027 as was the case in 2025/2026. The interest payable per annum is provided for under the budget line for Finance Charges.

5.6.4.2. An amount of N\$2.1 million was paid towards the mortgage for the Official Residence following the sale of the property at 66 Erosweg, Eros, Windhoek. In this regard, the remaining term of the mortgage has been reduced from 63 months to 26 months at the current instalment. This will result in a saving of total interest of approximately N\$333,000.

5.6.5. Motor Vehicle Loan Repayment N\$284,415

5.6.5.1. An annual loan repayment amount of N\$284,415 on the principal amount for the vehicle for the Secretary General has been provided as was the

case for 2025/2026 based on the projected average. The interest payable per annum is provided for under the budget line for Finance Charges.

6.0. RECOMMENDATIONS FOR THE CONSIDERATION OF THE EXECUTIVE COMMITTEE

- 6.1. The EXCO is requested to consider and approve the Budget for the Financial Year 1st April 2026 to 31st March 2027 and to submit the same to the Plenary Assembly for its consideration and approval.
- 6.2. The EXCO is requested to take note of the external funding from donors/cooperating partners which is included in the budget for information only, and to submit the same to the Plenary Assembly for noting.

Attachments:

- Annexure BOO1: Budget Summary
- Schedules A to C and 1 to 19: Detailed Budget schedules

MASTER BUDGET FOR THE YEAR 01 APRIL 2026 TO 31 MARCH 2027

INDEX: LIST OF BUDGET SCHEDULES

	Budgeted Income Schedules
B001	Income and Expenditure Forecast budget by Expenditure Type
A	Revenue Schedule
B	Interest Receivable
C	Other Income
D	Donor Income
	Budgeted Expenditure Schedules:
1	Administration and office expenses
2	Communication expenses
3	Financial expenses
4	Motor vehicle running expenses
5	Professional, consultancy and legal expenses
6	Travel, subsistence and transport
7	Audit Fees
8	Insurance
9	Staff emoluments
10	Plenary Assembly Meetings
11	Executive Committee Meetings
12	Parliamentary Business Committee/EXCO Sub Committees
13	Standing Committees
14	Other Policy Organ Costs-RWPC, RMLOC, COC, Audit & Risk
15	Language Translation Costs
16	Programme Support
17	Capital Expenses
18	Mortgage Repayment Schedule
19	Motor Vehicle Loan Schedule
20	Donor Expenditure

SCHEDULE A

ANNUAL MANDATORY CONTRIBUTIONS

	MEMBER STATE	ANNUAL CONTRIBUTIONS 2026/2027 ZAR/NS
1	ANGOLA	2,252,250
2	BOTSWANA	2,252,250
3	DRC	2,252,250
4	ESWATINI	2,252,250
5	LESOTHO	2,252,250
6	MADAGASCAR	2,252,250
7	MALAWI	2,252,250
8	MAURITIUS	2,252,250
9	MOZAMBIQUE	2,252,250
10	NAMIBIA	2,252,250
11	SOUTH AFRICA	2,252,250
12	TANZANIA	2,252,250
13	ZAMBIA	2,252,250
14	ZIMBABWE	2,252,250
15	SEYCHELLES	190,575
	TOTALS	31,722,075

SCHEDULE B

INTEREST RECEIVABLE		
SOURCE	AMOUNT PER MONTH	ANNUAL
	N\$	N\$
NEDBANK INVESTMENT ACCOUNT	60,000	720,000

SCHEDULE C

OTHER INCOME: ALLOCATION FROM RESERVES	
SOURCE	AMOUNT N\$
ACCUMULATED RESERVES	1,100,000

SCHEDULE D

DONOR INCOME					
DONOR	SWEDISH KRONA	EURO	USD	EXC RATE	N\$
SWEDEN	16,000,000		1,711,230	17.20	29,433,155
AUSTRIAN DEV AGENCY/GIZ		698,416		19.70	13,761,449
TOTAL					43,194,604

SCHEDULE 1		Amount	Amount
ITEM	Expenditure Budget Line	N\$	N\$
1.00	Administration Expenses		1,944,640
1.01	Corporate Promotion		285,000
	▶ Country flags, Country stand, Banners, etc	50,000	
	▶ Promotional Regalia	120,000	
	▶ Annual Report of SADC PF (3 languages)	100,000	
	▶ Business cards	15,000	
1.02	Office Refreshments: Tea and coffee		93,000
	▶ Tea and coffee supplies	45,000	
	▶ Mineral water	24,000	
	▶ Guest lunch and dinners	24,000	
1.03	Gifts and Donations		10,000
	▶ Sundry gifts to visitors	10,000	
1.04	Printing and Stationery		86,000
	▶ Regular Stationery (Paper, pens and files)	36,000	
	▶ Proforma stationery (orders, CA, GRN, etc)	6,000	
	▶ Printer toner cartridges	36,000	
	▶ Sundry unspecified stationery	8,000	
1.05	Security: Office premises		13,800
	▶ G4: Alarm Monitoing	8,400	
	▶ G4: General response visits	5,400	
1.06	Security: Staff houses		19,800
	▶ G4 SG Residence Armed Response	8,400	
	▶ G4 SG Residence, Alarm Monitoring	5,400	

	▶ SG Residence, Security staff supplies	6,000	
1.07	Subscriptions, Newspapers and Magazines		20,240
	▶ ACCA subscriptions: Acc	9,120	
	▶ CIMA subscriptions: DFCS	9,120	
	▶ Various magazines	2,000	
1.11	Training		30,000
	▶ Training Local/online	10,000	
	▶ Training Regional (SADC region)	20,000	
1.12	Water and Electricity- SG Residence		96,000
	▶ Residence: Secretary General	96,000	
1.13	Water and Electricity- Office		-
	▶ Offices premises		
1.14	R & M: Office Building and Property		57,800
	▶ Computer equipment (accessories etc)	20,000	
	▶ Furniture and fittings	6,000	
	▶ Sundry routine maintenance	7,800	
	▶ Building maintenance	24,000	
1.15	R & M: Household Buildings and Property		48,000
	▶ Pool and Garden: SG Residence	30,000	
	▶ routine maintenance	18,000	
1.16	Sundry Office Expenses		6,000
	▶ Cutlery, crockery, other kitchen	6,000	
1.17	Home Leave/Relocation: Regionally Recruited Staff Relocation		195,000

	▶ Employee 1- & family members	150,000	
	Homeleave		
	▶ Home Leave- 2 Regional Employees	45,000	
1.18	Recruitment Costs		- -
	Advertising, Virtual Interviews, interpretation		
1.18	Rent, Rates,Refuse,Sewerage and Corporate fees		108,000
	▶ Residence: Secretary General- Municipality	108,000	
1.19	Office Cleaning Expenses		72,000
	▶ Cleaning materials	36,000	
	▶ Other hygienic consumables (Tissues, mops etc)	36,000	
1.20	Photocopying Costs		138,000
	▶ Monthly charges: Minolco	78,000	
	▶ Phocopies charge: Minolco	60,000	
1.21	Procurement support		30,000
	▶ Advertisements	30,000	
1.22	Casual labour		36,000
	▶ Cleaning services	36,000	
	▶ Driving services		-
1.24	Strengthening key Systems, procedures & key processes		
	Upgrade of Accounting &HR System (ACUMATICA)	600,000	600,000

SCHEDULE 2			
ITEM	Expenditure Budget Line	Amount N\$	Totals N\$
2.00	Communication Expenses		351,300
2.01	Telephone Bills-Offices	30000	30,000
2.02	Telephone Rental-Offices		4,000
	▶ Switchboard	4,000	
2.03	Courier		12,000
	▶ Courier charges	12,000	
2.04	E-mail/Internet Bills		80,000
	▶ Internet connectivity	80,000	
2.05	Postage		2,500
	▶ Postage stamp	1,500	
	▶ Renewal of private bag	1,000	
2.06	Telephone Expenses-Staff houses		54,000
	▶ SG-Rentals	12,000	
	▶ SG-Bills	24,000	
	▶ Internet	18,000	
2.07	Computer annual licenses renewals and support		168,800
	▶ Zoom licenses & support	64,800	
	▶ Accounting package licenses (Acumatica under Admin)		
	▶ Softflne VIP payroll package licenses	84,000	
	▶ Other licenses & support services	20,000	

SCHEDULE	Expenditure Budget Line	Amount N\$
3.00	Financial Charges	594,066
3.01	Bank Charges ▶ Main Account	60,000
3.02	Loan interest/Repayment ▶ Secretary General's Residence	464,895
	▶ Secretary General's Vehicle	22,171
3.03	Exchange losses: Realised ▶ Exchange fluctuations	20,000
3.04	Exchange losses: Unrealised ▶ Exchange fluctuations	15,000
3.05	Current year adjustments and write offs ▶ Sundry write-offs and adjustments	6,000
3.06	Prior year adjustments and write offs ▶ Sundry write-offs and adjustments	6,000
4.00	Motor vehicle running and transport costs	144,000
4.01	Fuel and oil ▶ Fuel and oil costs	72,000
4.02	Maintenance costs	72,000

SCHEDULE	Expenditure Budget Line	Amount N\$
5.00	Professional and consultancy fees	790,000
5.01	Legal fees ▶ Legal fees-general	100,000
5.02	Consultancy fees - transformation agenda	
	HR Policy development (2 consultants)	90,000
	Parliamentary Systems Development	500,000
	▶ Sundry consultancy services	100,000

SCHEDULE	Expenditure Budget Line	Amount N\$
6.00	Travel, subsistence and transport	206,720
	(Meetings with regional & international institutions)	
6.01	Missions within region	206,720
	▶ Airfares	50,000.00
	▶ Perdiems	57,888.00
	▶ Accommodation	86,832.00
	▶ Ground Transport	12,000.00
7.00	Audit Fees	220,000
	External Audit fees	220,000
	▶ Audit fees & Expenses	

SCHEDULE	Expenditure Budget Line	Amount N\$
8.00	Insurance expenses	218,100
8.01	Buildings & Household SG's Residence	12,600
8.02	Group Life Dismemberment	107,100
8.03	Money	6,000
8.04	Motor vehicle	15,750
8.05	Non Motor Vehicle	57,750
8.06	Householders	18,900

SCHEDULE 9

	Expenditure Budget Line	Amount 2025/2026	Amount 2026/2027
		NS	NS
9.00	Staff emoluments		
9.01	Basic Salaries	8,803,004.35	10,452,238.82
9.02	Housing allowances	1,858,935.68	2,260,637.60
9.03	Medical aid	2,248,094.64	2,134,262.64
9.04	Utilities allowance	129,423.32	160,150.54
9.05	Car/Transport allowance	1,091,804.17	1,292,237.20
9.06	Entertainment allowance	29,283.07	34,604.22
9.07	Education allowance	1,198,478.86	1,431,373.29
9.08	Mobile & Telephone allowance	84,799.41	232,909.61
9.09	Gratuity	1,986,310.02	2,354,583.55
9.10	Assignment allowance	524,864.37	637,911.56
9.11	Domestic	76,215.49	91,866.21
9.12	Top-up	30,410.64	-
9.13	Leave provision	183,395.92	217,754.98
9.16	Employee Death Benefits Scheme	96,000.00	113,444.57
	TOTAL SALARIES	18,341,019.95	21,413,974.78

SCH 10 PLENARY ASSEMBLY BUDGET

	PLENARY 1	PLENARY 2	TOTAL
	N\$	N\$	N\$
TOTAL PLENARY ASSEMBLY MEETING COSTS	1,652,523	1,652,523	3,305,046
Secretariat Costs	684,115	684,115	1,368,230
Secretariat Staff			
Airfares	216,000	216,000	432,000
Accommodtion	267,494	267,494	534,989
Per Diem	200,621	200,621	401,242
		-	-
Transcriber Costs	116,722	116,722	233,443
		-	-
English, French & Portuguese		-	-
Airfares	15,000	15,000	30,000
Accommodtion	16,718	16,718	33,437
Per diem	13,003	13,003	26,006
Fees	72,000	72,000	144,000
		-	-
Interpretation Costs	351,686	351,686	703,373
English, French & Portuguese			
Airfares	60,000	60,000	120,000
Accommodtion	66,874	66,874	133,747
Per diem	52,013	52,013	104,026
Fees	172,800	172,800	345,600
		-	-
Media & Communication Costs	20,000	20,000	40,000
Media & Communication Costs	20,000	20,000	40,000

		-	-
Translation Costs	450,000	450,000	900,000
		-	-
Reports to Plenary	400,000	400,000	800,000
Newsletter & flyers	50,000	50,000	100,000
		-	-
Contingency	30,000	30,000	60,000
Contingency	50,000	50,000	100,000

SCHEDULE	Expenditure Budget Line	Value N\$
	11.00 Executive Committee Meetings Total	581,268.00
	Physical Meetings x 1	
	(Travel & Accommodation for MPs & national support staff by Member Parliaments)	351,028.00
	11.01 Airfares	45,000.00
	11.02 Accommodation & DSA	56,808.00
	11.03 Communication	1,500.00
	11.04 Translation costs	54,000.00
	11.05 Interpretation costs (@ US\$480)	69,120.00
	11.06 Support Staff Allowances	3,600.00
	11.07 Conferencing costs	81,000.00
	11.08 ICT Support for hybrid meetings - equipment & services	40,000.00
	Virtual meeting costs only for 2 meetings, 2 days each	230,240.00
	11.07 Translation costs	90,000.00
	11.08 Interpretation costs	138,240.00
	11.09 Administrative support	2,000.00

SCHEDULE	Expenditure Budget Line	Value N\$
12.00	EXCO Sub-Committees (FSC, LSC, HR, PB)	
	Virtual meeting costs only for 4 Comm X 2 meetings each	479,200.00
12.01	Translation costs	216,000.00
12.02	Interpretation costs	259,200.00
12.03	Administrative support	4,000.00
13.00	Standing Committee Meetings	
	Virtual meeting costs only for 4 Committees x 2 meetings each	542,400.00
13.01	Translation costs	259,200.00
13.02	Interpretation costs	259,200.00
13.03	Administrative support	24,000.00
13.04	Experts/Resource Persons	-
14.00	Other Policy Organs/RWPC, RMLOC, Audit & Risk	
	Virtual meeting costs only for 3 Comm X 2 meetings each	305,400.00
14.01	Translation costs	108,000.00
14.02	Interpretation costs	194,400.00
14.03	Administrative support	3,000.00
14.04	Experts/Resource Persons	-
15.00	Translation & Interpretation Costs (General)	290,400.00
15.01	Interpretation costs	
	▶ Hire of interpreters -- communication with Parliaments	194,400.00
15.02	Translation costs	
	▶ Document translation-outsourcing	96,000.00

SCHEDULE 16

16.0.PROGRAMME SUPPORT		
16.01	Missions outside the region (eg IPU, UN, etc)	TOTAL
	▶ Airfares	100,000
	▶ DSA	172,800
	▶ Ground Transport	6,768
	▶ Other travel cost - visa, covid	6,000
		285,568
16.02	Missions within region (eg. PAP) and Transformation Activities (SADC Summit)	
	▶ Airfares	90,000
	▶ DSA	216,000
	▶ Ground Transport	20,304
	▶ Other travel cost - visa, covid	5,400
		331,704
TOTAL		617,272

17 CAPITAL BUDGET

Office Furniture	Quantity	Unit Price 2025 ESIMATE	TOTAL BUDGET
Office desk & Chairs (SG's Office)	1	50,000	50,000
Kitchen Equipment	1	5,000	5,000
Photos and Framing	1	100,000	100,000
Reception décor		20,000	20,000
TOTAL OFFICE FURNITURE			175,000
ICT Budget			
	Quantity	Unit Price 2025 ESIMATE	TOTAL BUDGET
Laptops (25,000 each)	3	30,000	90,000
CCTV Update (5 cameras)	5	1,500	7,500
Server & Other Upgrades			
Server Storage Upgrade (10TB)	3	3,300	9,900
Remote Storage (6TB)	3	4,000	12,000
UPS (Uninterruptible Power Supply)	1	10,500	10,500
48-Port Switch	1	8,500	8,500
Boardroom Upgrades			75,000
Telephone handsets	15	3,500	52,500
TOTAL BUDGET ICT			265,900
Official Residence			50,000
TOTAL CAPITAL BUDGET			490,900

SCHEDULE 18**HOUSE LOAN REPAYMENTS**

Months	Principal	Interest	Total
Apr-26	43,409	41,907	85,316
May-26	45,171	40,145	85,316
Jun-26	44,274	41,041	85,316
Jul-26	46,017	39,299	85,316
Aug-26	45,156	40,160	85,316
Sept-26	45,597	39,719	85,316
Oct-26	47,309	38,006	85,316
Nov-26	46,505	38,811	85,316
Dec-26	48,196	37,120	85,316
Jan-27	47,430	37,886	85,316
Feb-27	47,893	37,423	85,316
Mar-27	51,937	33,379	85,316
TOTAL	558,894	464,895	1,023,789

SCHEDULE 19**MOTOR VEHICLE LOAN REPAYMENTS**

Months	Interest	Capital	Total
Apr-26	2,963	22,586	25,549
May-26	2,727	22,821	25,549
Jun-26	2,490	23,059	25,549
Jul-26	2,249	23,299	25,549
Aug-26	2,007	23,542	25,549
Sept-26	1,762	23,787	25,549
Oct-26	1,514	24,035	25,549
Nov-26	1,263	24,285	25,549
Dec-26	1,010	24,538	25,549
Jan-27	755	24,794	25,549
Feb-27	497	25,052	25,549
Mar-27	2,935	22,614	25,549
TOTAL	22,171	284,415	306,586

SCHEDULE 20- DONOR

DONOR	SWEDISH KRONA	EURO	USD	EXC RATE	NS
SWEDEN	16,000,000		1,711,230	17.20	29,433,155
AUSTRIAN DEV AGENCY/GIZ		698,416		19.70	13,761,449
TOTAL					43,194,604