CABRI

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ANNUAL REPORT

1 APRIL 2018–31 MARCH 2019

The Collaborative Africa Budget Reform Initiative (CABRI) works with African finance and budget ministries in developing and implementing reforms that lead to more functional public financial management systems. We facilitate peer learning and exchange and utilise problem-driven and iterative approaches to solving context-specific challenges.

Contents

Foreword

The…approach has made it possible for me to showcase the expertise and skills that I possess, [and] which I use to the advantage of my country. Henceforth I will feel proud each time that I see any administrative infrastructure that has been rebuilt or rehabilitated using state resources.

Thierry Lobaka, Directorate-General for Budget, Central African Republic

CABRI is at the coalface of efforts to improve the capabilities of countries to manage public finance resources.

Over the 2018/19 reporting period (1 April 2018 to 31 March 2019) CABRI has built on more than a decade-long commitment to provide member and participating countries with a platform for exchanging experiences and learning, in an environment of respect, appropriateness, openness and ownership. We have built, and continue to build, a unique community of peers striving together to discover what works (when and how), and together we are supporting the establishment of functional public financial management (PFM) across the African continent.

CABRI provides qualitative interventions that take the form of:

- Country teams tackling real PFM problems in their respective countries
- Peer-exchange and learning opportunities that focus on critical policy and implementation challenges
- Leading knowledge products on budgets, budget processes and procedures, and public debt management in Africa.

The reporting period of the Annual Report covers the first year of our three-year (2018/19 to 2020/21) strategic plan, a plan that increasingly places the emphasis on building the capabilities of finance ministry officials while improving the functionality of PFM systems. The strategic plan applies a theory of change that is based on the belief that it is the practitioners on the ground – the officials actually responsible for PFM in their countries – who are best placed to identify context specific challenges, and to develop and implement functional approaches to address them. Our theory of change, thus, places the practitioner at the front, centre and back of all that we do. At the core of the approach is a problem-driven, iterative and adaptive (PDIA) mindset that is captured by Thierry Lobaka, a participant in our 2018 Building PFM Capabilities programme. Despite having a 'best-practice' procurement law in the Central African Republic (CAR), the country was spending only around 3 percent of an already small investment budget. Understanding the real problem and its causes and sub-causes gave a team of officials a much better chance of making progress and solving the problem of underspending, with the support of a CABRI coach.

The suitability of our approach to solving real PFM problems in African countries is further emphasised by Anta Taal from The Gambia.

With the support of CABRI coaches, our team was guided to adopt home-grown solutions to address real problems affecting our country's PFM. This has been a unique experience, enriching and engaging us as public servants.

Anta Taal, Directorate of Public Private Partnership, The Gambia

Thierry and Anta were two of the 491 participants in various CABRI engagements that covered 34 African countries over the reporting period.

CABRI's work moving forward will continue to focus on strengthening the capabilities of government officials through programmes that apply innovative approaches to address the real PFM problems.

Neil Cole
Executive Secretary

2018/19 WORKPLAN

CABRI set an ambitious workplan for the reporting period. In addition to our Building Public Finance Management Capabilities (BPFMC) programme, we expanded and enhanced the coverage of our Policy Dialogues and knowledge products. It was also an ambitious workplan for a small secretariat staff and a limited budget.

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The workplan for 2018/19 is summarised in Table 1.

TABLE 1: 2018/19 workplan

PROGRAMME OUTPUT		PLANNED
Building PFM Capabilities	...in Africa	6 country teams participated in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
	...in The Gambia	2 teams from The Gambia participated in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
	...in South Africa	3 teams from SA participated in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
	Benin-Guinea Partnership for Greater Transparency	Peer-exchange and learning programme for two countries to support each other in the design and implementation of transparency plans`
Policy Dialogues	Water, Sanitation and Hygiene (WASH)	2 peer-exchange and learning events on policy and funding strategies to improve WASH service delivery
	Appropriation and Diffusion of Programme-Based Budgeting (PBB)	Peer-exchange and learning event on implementation of PBB in West African Economic and Monetary Union (WAEMU) member countries
	Cash-management Forecast Training	Train cash managers in use of the forecasting tool employed by the South African National Treasury
	Strategies to Increase the Investor Base	Peer-exchange and learning event for public debt managers, central banks and investors
	Role of Legislatures in the Budget Process	Peer-exchange and learning for budget managers, parliamentary staff and members of legislatures
	Role of Governments and Budgets in Promoting Value Chains in Agriculture	Peer-exchange and learning for budget/finance and agriculture managers
Knowledge Generation	Budgets in Africa	Quarterly updating of our central depository of publicly available budget documents
	Africa Debt Monitor	Launch the Africa Debt Monitor
	Leaderships Stories	Stories of 4 budget managers' contributions to reform in their countries
	Public Health Budget Practices and Procedures	Publish the finding of survey on budget practices and procedures in health
	Social Media	Grow our social media presence

DEVELOPMENT PARTNERS

Several development partners contributed to the work of CABRI over the reporting period. Table 2 provides a description of the type of support and the length of the partnerships. Having a nominal country membership fee, the support from our development partners contributed significantly to our ability to deliver our programmes. Support from development partners has also enabled non-member countries to benefit from their participation in CABRI programmes.

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TABLE 2: Development partners

PARTNER	TYPE	2018/19 CONTRIBUTION (US$)	CURRENT AGREEMENT ENDS	PARTNER SINCE
African Development Bank	Project finance	1 676 339	March 2020	2016
Gates Foundation	Budget support	1 234 087	October 2020	2012
GIZ (BMZ/EU)	Finance agreements	85 166	December 2019	2006
GIZ (BMZ/EU)	In-kind			
Hewlett Foundation	Budget support	200 00	July 2021	2012
National Treasury (RSA)	Budget support	89 399		2004
SECO	Budget support	587 934	March 2019	2015

We hope to continue our existing partnerships and establish new ones as we expand our work with finance, budget and planning ministries and a select number of line-ministries. These partnerships will be critical in our ability to build an African institution that leads in efforts to ensure that public financial resources are managed with integrity, transparency and accountability, which, ultimately, contributes to efficient and effective service delivery, sustainable economic growth and development.

MONITORING AND REVIEW

CABRI has a comprehensive monitoring system that has been adapted to its programme outputs and approach. The system involves the collection of responses from participants to determine: (i) relevance of subject matter and materials to their context, (ii) acquisition of new knowledge, and (iii) applicability of new knowledge and how it can be used to improve policy design and implementation. Both qualitative and quantitative measures are used. This is the main monitoring mechanism of our Policy Dialogues.

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The monitoring mechanism of the BPFMC programme uses both qualitative and quantitative data that country teams and CABRI coaches capture on the Canvas online platform. We track the progress that the teams are making in solving their locally nominated PFM problems. In addition, participating officials are encouraged to contribute blogs that capture the impact of the programme.

The CABRI Secretariat undertakes quarterly reviews and reports. The reports are submitted to our management committee, general assembly and development partners. In addition, annual reports are prepared in accordance with the requirements of our development partners.

In 2017, CABRI also undertook an independent evaluation of the 2015/16 to 2017/18 strategic plan. Based on feedback obtained by the independent evaluators (www.khulisa.com), over 70 percent of respondents from both member and non-member countries confirmed that:

- CABRI activities were highly relevant to their priorities, needs and context
- Participation in a CABRI event had strengthened their capabilities in PFM
- CABRI is a highly effective way for actors at the country and regional level to build commitment towards better PFM
- New skills were acquired as a result of participating in CABRI
- CABRI is an effective way for actors at the regional level to learn from each other as peers.

Importantly, the survey also provided insights into areas of improvement, based on the findings that only 50 to 60 percent of respondents felt that CABRI:

- Has been effective in building country capacity to manage public resources
- Interventions had built relationships between budget and other officials in finance, budget and line-ministries (to a medium to high degree).

The evaluation provided critical insights that informed our new medium-term plan. It confirmed that which we do well and how it has led to success and guided the strengthening of those areas of work that should remain central to our mission, such as peer-learning and exchange.

An independent evaluation for the period 2018/19 to 2020/21 will commence in 2020.

PROGRAMME OUTPUTS AND ACHIEVEMENTS

- BUILDING PFM CAPAPBILITIES
- POLICY DIALOGES
- KNOWLEDGE GENERATION

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BUILDING PFM CAPABILITIES (BPFMC)

The BPFMC programme makes use of the PDIA approach and provides extensive opportunities for peer-learning and exchange. Over the reporting period, the programme was comprised of four sub-components: (i) the BPFMC in Africa programme, which brought together six teams from the same number of countries, (ii) the BPFMC in The Gambia programme, which was comprised of two teams from that country, (iii) three teams from South Africa, which started the BPFMC programme in the fourth quarter of the reporting period, and (iv) a partnership that involved teams from Guinea and Benin supporting each other to improve budget transparency.

The various outputs of each of the components of the BPFMC programme are set out in Table 3.

TABLE 3: Outputs of the BPFMC programme

OUTPUT	LOCATION	PARTICIPATING COUNTRIES	OFFICIALS
FIRST QUARTER: 1 April – 30 June 2018			
Building PFM Capabilities in Africa: Framing Workshop	Pretoria	Central African Republic, Côte d'Ivoire, Ghana, Lesotho, Liberia and Nigeria	48 (comprising of 6 teams)
Building PFM Capabilities in The Gambia: Framing Workshop	Banjul	The Gambia	12 (comprising of 2 teams)
Partnership for Budget Transparency: Framing Workshop	Cotonou	Benin and Guinea-Conakry	18 (comprising of 2 teams)
SECOND QUARTER: 1 July – 30 September 2018			
Building PFM Capabilities in Africa: Country Visits		Central African Republic, Côte d'Ivoire, Gambia, Ghana, Liberia, Lesotho, and Nigeria	48 (comprising of 7 teams), as well as country peers from line-ministries in each country
Building PFM Capabilities in The Gambia: Country Visit	Banjul	The Gambia	12 (comprising of 2 teams) as well as peers from line-ministries in The Gambia
Partnership for Budget Transparency: Co-host budget training for 20 CSOs	Cotonou	Benin	60 civil society representatives and officials
THIRD QUARTER: 1 October – 31 December 2018			
Building PFM Capabilities: Peer Review Seminar	Dakar	Central African Republic, Côte d'Ivoire, Gambia, Ghana, Lesotho, Liberia and Nigeria	51 (comprising of 9 teams)
FOURTH QUARTER: 1 January – 31 March 2019			
Building PFM Capabilities in South Africa: Framing Workshop	Johannesburg	South Africa	18 (comprising 3 teams)
Partnership for Budget Transparency: CSO Training in Guinea	Conakry	Guinea Conakry	41 civil society representatives and officials
Building PFM Capabilities in Africa: Nigeria V4M in Health	Abuja	Federal government and 5 states covering the 6 geographical regions of Nigeria	102 officials from the federal and state government and development partners

Building PFM Capabilities in Africa

We launched our second BPFMC programme in 2018 with six teams. The four Anglophone teams were from countries that were part of the programme in 2017, which can be attributed to the value that the previous teams had gained. The new teams from these countries nominated different problem statements.

Two francophone teams joined the programme in 2018, following the translation of the online course and materials into French and the designation of French-speaking coaches to the two teams.

This programme provides a continuous and structured engagement for country teams, whereby they are exposed to various tools that they can use to solve complex problems. The programme entailed the following:

a. Six teams submitted an application describing their local problems (see Table 4) and the names of the team members and their authoriser, who in most cases was the Minister of Finance/Budget or Director-General/Permanent Secretary.

b. All six teams enrolled in an online PDIA course that supported the team and individual members in understanding the concepts and construction of their problem. The online facility was used throughout the programme for: (i) team assignments, (ii) progress reports, (iii) 'coach' reflections and 'check-in' reports, and (iv) grading.

c. Following the three-week online course, the country teams convened to improve the framing of their problems and to deconstruct their main causes. A vital part of the framing workshop in Pretoria was for teams to also identify what 'problem-solved' would look like. Ideas for action were identified and timeframes agreed with the coaches assigned to each team. The framing workshop also provided an opportunity for the teams to exchange experiences and learn from their peers.

d. With the support of their coaches, the teams started implementing the first of their actions almost as soon as they got back to their respective countries. Coaches undertook bi-weekly telephonic check-ins with their teams to establish and probe: (i) progress made, (ii) challenges and lessons, and (iii) next steps.

e. At least two country visits were undertaken by the coaches. These visits involved: (i) a more in-depth examination of the problem and progress made, (ii) meetings with the authoriser, relevant ministries, departments and agencies (MDAs) and parliamentary committees, and (iii) agreement on next steps. During these visits, the coaches encouraged teams to use the PDIA tool and newly acquired capabilities to tackle different problems and also share experiences of the programme with their peers.

f. The country teams were convened at the end of the programme in Dakar to report on progress made and to identify further support needed from the coaches.

More than training, the programme makes it possible for us to identify the causes of the problems which destabilise budget management and, by a process of iteration, will provide us with the means to solve them from the inside. The better we are at identifying difficulties internally, the more appropriate the ensuing solutions will be.

Claude-François N'Goumissa Directorate of Budget Reform and Modernisation of Public Management, Côte d'Ivoire

The progress that teams have made and their ongoing work can be followed on the CABRI PFM Knowledge Hub, and is summarised in Annex A.

Building on the success of our 2017 and 2018 teams, the 2019 BPFMC in Africa programme applications for the third cohort of countries were received by the CABRI Secretariat in the fourth quarter of 2018/19. Participating countries will be Benin, Central African Republic, Ethiopia, Ghana, Guinea, Mali and Rwanda. Problem statements of these teams relate to: domestic resource mobilisation, linkages between plans, budgets and service delivery, and implementation of investment projects.

TABLE 4: Local problem statements

Ghana	Overspending by MDAs leading to budget overruns, which impede service delivery
Côte d'Ivoire	Budgets allocated to MDAs are not contributing to expected results
Liberia	Limited allocation of funds for public sector investments and underutilisation of allocated funds
Central African Republic	Deviation between planned and actual capital expenditure
Lesotho	Ministry of Finance does not know how much or when MDAs require cash
Nigeria	Inadequate funding of health sector resulting in poor primary health care outcomes

Building PFM Capabilities in The Gambia

Two teams from The Gambia participated in a separate programme that followed the same activities described above (a to f). The two problem statements of The Gambia teams are shown in Table 5.

TABLE 5: Locally nominated problems from The Gambia

Gambia (1)	Weak oversight of state-owned enterprises (SOEs), increasing the risk of contingent liabilities that limit fiscal space
Gambia (2)	High debt service cost crowding out other priority spending

These problems had been around for a long time, despite the introduction of several 'best practice' reforms that had been supported by bilateral and multilateral agencies. The problems are complex and will take a tremendous effort from the teams to solve. The BPFMC programme provided the teams with the necessary tools to identify the causes of the problems and strategies that can be applied in order to make progress in finding a solution. Importantly, the teams, their peers and authorisers are acutely aware that the ownership of the problems and ability to solve them are within their grasp.

The progress that the two teams have made and next steps are summarised in Annexure A.

Building PFM Capabilities in South Africa

In the third quarter of 2018/19, three teams from the National Treasury started working on a single, locally nominated problem – weak compliance by public entities. They attended the problem-framing and deconstruction workshop in the fourth quarter, and started to implement their actions in April 2019.

At the first check-in by the CABRI coaches, which all three teams attended with their authorisers, the teams reported on the progress they had made in collecting relevant data and further deconstruction of their problems into sub-causes.

Partnership for Budget Transparency

The partnership between Guinea and Benin provided both countries with an opportunity to share experiences and lessons from the design and implementation of their respective budget transparency policies and plans. Starting with a framing workshop to share policies and plans, the two country teams agreed on a peer-review mechanism to assess progress with the implementation of their budget transparency action plans.

The next two outputs were comprised of training programmes for civil society organisations (CSOs) on the plans and current budget practices and procedures in Cotonou and Conakry.

CABRI and Benin (Budget Directorate) co-hosted a budget training workshop for CSOs working in Benin. The training focused on budget formulation and also covered the policies and practices that would need to be addressed for Benin to improve its Open Budget Index score.

CABRI and Guinea (Ministry of Budget) co-hosted a budget training workshop for CSOs working in Guinea. The training focused on budget formulation and also covered the policies and practices that would need to be addressed for Guinea to improve its Open Budget Index score.

POLICY DIALOGUES

Building on almost a decade of experience in peer-exchange and learning through the use of various approaches, our Policy Dialogues are comprised of:

a. Research and development of case studies that provided critical lessons of policy implementation, and practices and procedures that demonstrated, amongst others, allocative and technical efficiency in the implementation of spending plans
b. A peer-exchange and learning event that was attended by officials from finance, budget and the respective line-ministry
c. Training or country peer review that is tailored to address specific needs identified at the peer-exchange event
d. Voluntary and demand-led twinning of countries to deepen the peer-learning and exchange opportunities
e. Regular and timely follow-up with participants to assess the application of knowledge and skills acquired.

The Policy Dialogues have provided an essential platform for practitioners from ministries of finance and budget (and a select number of line-ministries) to share and learn from the experiences of their peers and, where appropriate, to apply the lessons learnt.

When it comes to peer learning through regional networks, CABRI has a comparative advantage in facilitating change by bringing together practitioners with experience in similar contexts and confronting similar PFM challenges (whether across or within countries or organisations). The voluntary nature of the organisation has ensured that the participating budget/finance and line-ministry officials engage openly and constructively and are committed to taking back what they have learned to their countries

The various outputs of our Policy Dialogues are shown in Table 6.

TABLE 6: Outputs of Policy Dialogues

OUTPUT	LOCATION	PARTICIPATING COUNTRIES	OFFICIALS
FIRST QUARTER: 1 April – 30 June 2018			
WASH Peer Review Workshop (anglophone)	Cape Town	Botswana, Gambia, Ghana, Lesotho, Kenya, Mauritius, Nigeria, South Africa	21
WASH Peer Review Workshop (francophone)	Kigali	Burkina Faso, CAR, Côte d'Ivoire, DRC, Guinea-Conakry, Mali, Rwanda	16
WAEMU Workshop on Appropriating and Diffusing Programme-Based Budgeting	Abidjan	Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Morocco, Seychelles, Togo, Tunisia	14
SECOND QUARTER: 1 July – 30 September 2018			
Cash-management Forecast Training	Pretoria	The Gambia, Kenya, Lesotho, Liberia, Malawi, Mauritius, Namibia, Nigeria, Sierra Leone, South Africa, Uganda, Zambia	24
THIRD QUARTER: 1 October – 31 December 2018			
Strategies to Broaden the Investor Base	Nairobi	Botswana, Côte d'Ivoire, Kenya, Mali, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tunisia, Uganda and Zambia	39
Role of the Legislature in the Budget Process	Nairobi	Burkina Faso, DRC, The Gambia, Ghana, Guinea-Conakry, Liberia, Malawi, Mali, Nigeria, South Africa, Uganda and Zambia	59
FOURTH QUARTER: 1 January – 31 March 2019			
Role of Governments and Budgets in Developing Value Chains in Agriculture	Addis Ababa	Benin, Central African Republic, Côte d'Ivoire, Ethiopia, Guinea, Kenya, Liberia, Mauritius, Morocco, Nigeria, South Africa	19

Policy Dialogues on Value for Money in Public Spending

Two country reviews followed the Policy Dialogue on WASH financing that took place in Accra in November 2017. The review with a group of anglophone countries was held in Cape Town from 6 to 8 June and provided an opportunity for officials from finance ministries and WASH MDAs to share case studies on strategies, budgeting and implementation challenges in the WASH sector. The review also examined more closely the response of two cities in South Africa to the 2016/17 water shortages and sanitation challenges; in addition, it provided an opportunity for participants to visit an innovative, low-cost water treatment and reticulation project in an informal housing settlement.

The second review took place in Kigali from 20 to 22 June with francophone government officials and followed a format similar to that of the Cape Town gathering. Participants reviewed the key constraints in making the case for increased funding for WASH, alongside the need to develop credible sector plans and programmes. The Kigali workshop also provided an opportunity to share challenges and experiences in tracking financial flows in the sector, which is highly decentralised in many countries.

The Policy Dialogue on Appropriating and Diffusing Programme-Based Budgeting in the West African Economic and Monetary Union (WAEMU) region was held in Abidjan on 10 and 11 April 2018. The dialogue focused on several challenges that WAEMU member countries experience when implementing programme-based budgeting (PBB), including technical issues, such as decentralisation of expenditure controls, pre- and co-conditions, and the neglected non-technical change-management aspects. The dialogue also considered the local context of each of the WAEMU member countries, which were expected to have implemented PBB by 2017 but have done so with varied and limited success.

In addition to the five WAEMU member countries that attended, four non-WAEMU countries were invited to share case studies on the design and implementation of PBB in their countries. The participation of Côte D'Ivoire in the BPFMC programme follows on from the challenges that they identified at the Policy Dialogue held in Abidjan.

The Policy Dialogue on the Role of Governments in Developing Agriculture Value Chains for Employment Creation and Poverty Reduction was held in Addis Ababa on 26 and 27 March. It brought together officials from 11 anglophone and francophone countries working in the ministries of finance, budget, national planning and agriculture. Through the use of case studies and facilitated discussions, the dialogue addressed the key policy and institutional challenges faced by governments when adopting a value-chain approach.

Faced with limited resources and capacity, the state has to strategically select sustainable interventions that will have the largest impact in the chain. A government's ability to select and successfully implement policies is central in this regard. Emphasis has been placed on building lasting, beneficial relationships with the private sector and development partners as a way of leveraging limited resources.

Some of the main areas of intervention identified at the dialogue include providing support to: (i) smallholder farmers in overcoming the challenges posed by fragmented production, and (ii) to processors to increase investment in domestic processing and value addition.

Governments, in addition, face PFM challenges associated with adopting a value-chain approach such as multi-sector budgeting. A review based on the capacity and knowledge gaps identified during the dialogue took place in July 2019.

Policy Dialogues on Budget Transparency for Greater Accountability and Participation

The Policy Dialogue on the Role of the Legislature in the Budget Process was attended by senior budget managers from finance/budget ministries and legislatures, and public representatives from public accounts committees and budget and finance committees. The dialogue was opened by the Cabinet Secretary for the Kenyan Treasury, Mr Henry Rotich. Over the two-day event, presentations and facilitation of group work was undertaken by participants and CABRI staff. Case studies of Burkina Faso, Kenya and Nigeria were used to facilitate the sessions on the preparation of budgets under different legislative systems.

Some of the key takeaways from the dialogue are that:

- An earlier engagement by legislatures in the budget process improves budget hearings and can contribute to budgets being approved within the stipulated timeframe. Earlier engagement also limits the 'parachuting' of infrastructure projects that have not been adequately conceptualised and appraised into the executive's budget.
- There is less tension between the executive and legislature under a parliamentary system, as opposed to a presidential system, but this does not mean that the one is more effective than the other.
- Functioning budget offices in Parliament play an important role in helping the various legislative committees to understand the fiscal framework and budget allocations, and improve their oversight role. Several participants who work for parliamentary budget offices (PBOs) urged CABRI to assist in helping PBOs to become more functional.

Two events are planned as follow-ups to the Policy Dialogue. The first is a training event to be held in Mali on improving the functionality of PBOs. The second event is a partnership between Liberia and Nigeria to exchange their experiences of how to enhance the role of the legislature in the budget process within a presidential system.

Policy Dialogues on Sustainable Public Debt Management

Following the Policy Dialogue in Accra on Improving the Co-ordination between Cash and Debt Management, and in response to a request from participants for training in cash-flow forecasting, CABRI provided training for 11 countries on the forecasting tool that is used by the South African National Treasury.

The Policy Dialogue on Strategies to Broaden the Investor Base was attended by officials from public debt offices, central banks, stock exchanges and other market participants. Building a sound local investor base for government securities is one of the key building blocks when developing local debt currency markets. Over the two-day event, panel discussions, presentations and facilitation of group work was undertaken by participants and CABRI staff. Case studies of Côte D'Ivoire, Kenya, Morocco and South Africa were used to facilitate the different sessions.

Some of the key takeaways from the dialogue are that:

- Primary dealers can do more than trade government bonds, they can also serve an important advisory role and educate other market players
- It is critical for countries to understand who their potential investors are and what tools they use to obtain information or data
- A mix of foreign and domestic investors is key for stability, as their investment decisions typically do not move in the same direction at the same time
- Introducing different financial instruments allows governments to target the different sources of savings available in a country.

A follow-up training course on Strengthening Primary-Dealer Systems was held in Morocco in April 2019.

KNOWLEDGE GENERATION

Budgets in Africa

Budget documents from the Budgets in Africa database were downloaded 9 571 times during the reporting period, which represents a nearly 38 percent year-on-year increase.

PFM Knowledge Hub

The CABRI PFM Knowledge Hub (www.cabri-sbo.org) registered 58 493 users during the reporting period, which is a 197 percent increase compared to the previous period. Documents available on the hub were downloaded 16 770 times, representing a 62 percent year-on-year increase.

Leadership Stories

Leadership stories of former and serving senior finance officials from Benin, Liberia, Malawi and South Africa were finalised in the first quarter and have been published on the CABRI PFM Knowledge Hub as 15-minute videos. These stories illustrate the leadership role of each of the officials in specific PFM reforms, as outlined in Table 7.

TABLE 7: Leadership Stories

Benin	Improving budget transparency
Liberia	Travel policy reform leading to a reduction of 35 percent in related costs
Malawi	Design and implementation of programme-based budgeting
South Africa	Introducing medium-term budgeting in the post-1994 period

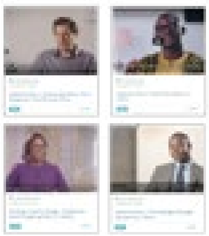
Africa Debt Monitor

Following the completion of the Africa Debt Monitor survey by 20 countries, a validation (of the data) workshop was held in Mauritius in November. Data validation of the five countries that did not attend the Mauritius workshop will be undertaken separately with each of the countries. The Africa Debt Monitor was launched in September 2019.

Public Health Budget Practices and Procedures

Delays in contracting of service providers resulted in the roll-over of this project into the 2019/20 financial year. Following the completion of the survey, the report on Public Health Budget Practices and Procedures in Africa will be completed in 2020.

Publications



Social Media

TABLE 8: Social media audience and reach

Facebook	Number of page likes: 104 879 ; Total reach (page): 12 765 877
Twitter	Number of followers: 4 730 ; Total Tweet impressions: 2 318 900
LinkedIn	Number of followers: 884 ; Total impressions: 267 180

NETWORK GOVERNANCE

- MANAGEMENT COMMITTEE AND GENERAL ASSEMBLY
- FINANCIAL MANAGEMENT AND AUDIT
- HUMAN RESOURCE MANAGEMENT

05

MANAGEMENT COMMITTEE AND GENERAL ASSEMBLY

Our two-yearly Management Committee (MC) and annual General Assembly (GA) meetings were held in Pretoria on 8 and 9 May 2018, respectively. In addition to the consideration and approval of the annual workplan and budget for 2018/19, audited financial report for 2016/17, new policies and staff appointments, the GA also elected a new MC that is comprised of Burkina Faso, Côte d'Ivoire (chairperson), Guinea-Conakry, Nigeria and South Africa.

The MC met on 26 November 2018 in Nairobi to approve the 2017/18 audit report and annual financial statements, to renew the contract of the Executive Secretary for a three-year term (1 April 2019–31 March 2022) and to ratify the appointments of new CABRI staff.

FINANCIAL MANAGEMENT AND AUDIT

Morar Incorporated (https://morar.co.za) was appointed by the MC for the 2017/18 International Financial Reporting Standards (IFRS) audit. An Unqualified Audit Report and the Annual Financial Statements were presented to the MC at its meeting in November 2018.

The 2018/19 IFRS audit will commence in July 2019. The audit report for the reporting period was presented to the MC at its meeting in November 2019.

The unaudited financial statement for the period 2018/19 is attached as Annexure 2.

HUMAN RESOURCE MANAGEMENT

At its May 2018 meeting, the MC endorsed the appointment of Ms Awa Touray (Programme Officer) and Ms Nthabiseng Masinge (Communications and Marketing Assistant).

Four new appointments were endorsed by the MC at its November 2018 meeting in Nairobi:

- Dr Biniam Bedasso (PFM Specialist),
- Ms Erika Venter (PA to the Executive Secretary),
- Ms Jade Naidoo (Finance and Admin Assistant), and
- Dr Shanaz Broermann (PFM Officer).

In addition, Ms Charmaine Ferreira (Finance Officer) was contracted until the end of December 2019 as the position is supported by AfDB funding. Ms Joana Bento was promoted to Programme Manager in November, following an interview process.

PARTNERSHIPS

Complementing our workplan for the 2018/19 financial year, CABRI partnered with several regional and international organisations to share our knowledge on PFM in Africa and promote the greater involvement of practitioners. Table 9 describes our collaboration with partners across our three result areas: (i) value for money in public spending, (ii) budget transparency for greater participation and accountability, and (iii) sustainable public debt management.

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TABLE 9: Collaboration with partner organisations

OUTPUT	PARTNER ORGANISATION/S	CABRI ROLE
SIWI World Water Week	Water Integrity Network, GIZ, Kenya Water and Sanitation Civil Societies Network, Sanitation and Water for All, BMZ	Presentation on PFM and financing issues in WASH using materials from our Policy Dialogue and two Reviews on WASH
African Network of Parliamentary Budget Offices Conference	PBOs from Mozambique, Zimbabwe, Tanzania, Zambia, Uganda, Kenya, Ghana and South Africa	Presentation on the Role of Budget and Fiscal Institutions
Training of Public Accounts Committees	GIZ and parliamentarians affiliated to the Southern African Organisation of Public Accounts Committees (South Africa, Namibia, Mozambique, Angola, Botswana, Lesotho, Malawi, Mauritius, Zambia)	• Lecture on PFM • Panel discussion on Budgeting for the SDGs
PFM for Social Spending	International Labour Organisation: International Training Centre	Lecture on budget formation and implementation of spending plans
Strengthening Governance Arrangements for the Peace Fund	African Union	Advisory services
IFF: Country Risks Tool	ATAF, AFROSAI, AFROPAC, GIZ	Lead the pilot exercise for the completion of the Country Risks Tool by Morocco, Gabon and Kenya
Training of Public Accounts Committees	Parliament of Ghana, AFROPAC, GIZ	Lecture on PFM

Annexures

Annexure A: Summary of BPFMC teams' progress and next steps

COUNTRY	PROBLEM STATEMENT	PROGRESS	NEXT STEPS
CAR	Deviations between planned and actual capital expenditure	• Introduced new processes to streamline the procurement of capital investments • Installed regular communication on investment projects between MDAs and the procurement office • Targeted training to MDA and procurement officers	• Minister to approve recommendations of MDA co-ordination workshop • Install an investment spending accountability committee
CÔTE D'IVOIRE	Budgets allocated to MDAs are not contributing to expected results	• Set-up of a co-ordination structure between the Budget and Public Investments directorates • Provided targeted training to MDA credit managers on project information requirements • Set up and pilot sectoral committees (5) for improved oversight of investment projects	• Support pilot sectoral committees in charge of investment budget allocation • Ensure co-ordination with the Public Investment Directorate • Continue with training for MDA credit managers on project information requirements • Engage MDAs on issues related to virements based on data analysis
GAMBIA (1)	Weak oversight of SOEs increasing the risk of contingent liabilities	• Reviewed the SOE Act, gathered inputs for SOE performance measurement • Designed a simplified cash-flow reporting template • Increased the frequency of SOE reporting from quarterly to monthly	• Ensure approval of the SOE Act • Introduce SOE performance measurement • Renew SOE board members

COUNTRY	PROBLEM STATEMENT	PROGRESS	NEXT STEPS
GAMBIA (2)	High debt-service cost crowding out priority spending	• Finalised the memorandum of understanding (clarify the co-operation between the Ministry of Finance and the Central Bank) • Introduced an M&E framework • More regular engagement with local investors	• Improve expenditure forecasts • Ensure implementation of the M&E framework and the memorandum of understanding with the Central Bank • Review and update the Medium-Term Debt Strategy
GHANA	Overspending by MDAs leading to budget overruns impeding service delivery	• Reduced the number of last-minute requests by MDAs affecting budget envelope by creating a buffer during the allocation of budget ceilings • Identified areas of improvement during the budget formulation stage, which led to an improved relationship between the finance ministry and spending ministries in managing commitments and expenditures	• Reinforced monitoring of cash allotments • More updated analysis of expenditure reports
LESOTHO	Ministry of Finance does not know how much MDAs require or when cash is required	• Liquidity Management Committee resuscitated with terms of reference • Communication and co-ordination with MDAs improved • Database and classification of bank accounts developed with 178 accounts closed • Increase in quantity and quality of expenditure plan submissions by MDAs • Introduction of monthly reconciliation	• Diffusion programme to be rolled out in 2019 • Expenditure planning and reconciliation guidelines to be developed with MDAs • Incorporation of all bank accounts into IFMIS • Strengthening of PFM laws to address gaps discovered during BPFMC programme

COUNTRY	PROBLEM STATEMENT	PROGRESS	NEXT STEPS
LIBERIA	Limited allocation of funds for public sector investment projects and underutilisation of allocated funds	• Increase in the approval of procurement plans and in the completion of public sector investment projects • Dedicated help desk for PSIP implementing SEs at the Public Procurement Concessions Commission • 24-hour turnaround time for procurement requests • Greater awareness of causes of procurement non-compliance and delays	• Monitor the performance of budget committees • Conduct targeted procurement training • Support further accountability of investment budget execution • Set up regular engagements with Liberia Revenue Authority
NIGERIA	Inadequate funding of health sector resulting in poor primary health care outcomes	• Adopted an aid transition plan supported by an inter-ministerial technical working group • Facilitated an increased allocation to the health sector budget for 2019 by 8% • Greater co-operation between Ministry of Budget and National Planning, Health, and National Primary Health Care Development Agency • Improvement in data collection • Value for Money workshop to share findings of work undertaken by team	• Support of procurement processes and implementation of the Financial Accountability Framework for the donor Transition Plan • Identify alternative funding sources • Research reasons for large difference in immunisation coverage

Annexure B: Audited financial statements

CABRI

CONNECT • SHARE • REFORM

Collaborative Africa Budget Reform Initiative
Annual Financial Statements
for the year ended 31 March 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Collaborative Africa Budget Reform Initiative is an intergovernmental organisation the provides a platform for peer learning and exchange for African ministries of finance and planning.
Member countries	Burkina Faso Central African Republic Kingdom of Lesotho Republic of Côte d'Ivoire Republic of Ghana Republic of Kenya Republic of Liberia Republic of Mali Republic of Mauritius Republic of Rwanda Republic of Senegal Republic of South Africa Republic of The Gambia Republic of Guinea Federal Republic of Nigeria Republic of Benin
Management Committee members	Republic of Côte d'Ivoire - Chairperson Federal Republic of Nigeria Burkina Faso Republic of South Africa Republic of Guinea Mr NG Cole - Ex-officio member
Business address	Southdowns Ridge Office Park Cnr of John Vorster & Nellmapius Drive Centurion South Africa 0062
Postal address	Southdowns Ridge Office Park Cnr of John Vorster & Nellmapius Drive Centurion South Africa 0062
Auditor	Morar Incorporated Chartered Accountants (S.A.) Registered Auditor
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Agreement Establishing the Collaborative Africa Budget Reform Initiative.

General Information

Preparer	The annual financial statements were internally compiled by: Ms R. Subramoney Financial Manager
Issued	19 August 2019

Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2019

Contents

Management Committee's Responsibilities and Approval

The members of the management committee are required in terms of the Agreement Establishing the Collaborative Africa Budget Reform Initiative to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members of the management committee acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members of the management committee to meet these responsibilities, the committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members of the management committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members of the management committee have reviewed the organisation's cash flow forecast for the year to 31 March, 2020 and, in light of this review and the current financial position, they are satisfied that the organisation has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 21 to 22.

The annual financial statements set out on pages 24 to 44, which have been prepared on the going concern basis, were approved by the board on 29/11/2019 and were signed on their behalf by:

Chairperson

Pereira
Member

Management Committee's Report

The members of the management committee have pleasure in submitting their report on the annual financial statements of Collaborative Africa Budget Reform Initiative for the year ended 31 March 2019.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Agreement Establishing the Collaborative Africa Budget Reform Initiative. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

2. Executive summary

Executive overview

The PDIA approach has made it possible for me to showcase the expertise and skills that I possess, [and] which I use to the advantage of my country. Henceforth I will feel proud each time that I see any administrative infrastructure that has been rebuilt or rehabilitated using state resources.

Thierry Lobaka, Directorate-General for Budget, Central African Republic

CABRI is at the coalface of efforts to improve the capabilities of countries to manage public finance resources.

Over the 2018/19 reporting period, 1 April 2018 to 31 March 2019, CABRI built on more than a decade of commitment to providing member and participating countries with a platform for the exchange of experiences and learning, in an environment of respect, appropriateness, openness and ownership. We continue to build a unique community of peers striving to discover what works (when and how) and, together, we support the establishment of functional PFM across the African continent.

CABRI provides qualitative interventions that take the form of:

country teams tackling real PFM problems in their respective countries;

peer-exchange and learning opportunities that focus on critical policy and implementation challenges; and

leading knowledge products on budgets, budget processes and procedures, and public debt management in Africa.

The reporting period of the annual report covers the first year of our three-year (2018/19 to 2020/21) strategic plan – a plan that increasingly places the emphasis on building the capabilities of finance ministry officials, while improving the functionality of PFM systems. The strategic plan applies a theory of change based on the belief that it is the practitioners on the ground – the officials actually responsible for PFM in their countries – who are best placed to identify context-specific challenges, and to develop and implement functional approaches to address them. Our theory of change, therefore, places the practitioner at the front, centre and back of all that we do. At the core of the approach is a problem-driven, iterative and adaptive (PDIA) mindset that is captured above by Thierry Lobaka, a participant in our 2018 Building PFM Capabilities (BPFMC) programme. Despite having a 'best-practice' procurement law, the Central African Republic was spending only around 3 per cent of an already small investment budget. Understanding the real problem and its causes and sub-causes gave a team of officials a much better chance of making progress and solving the problem of underspending, with the support of a CABRI coach.

The suitability of our approach to solving real PFM problems in African countries is further emphasised by Anta Taal from The Gambia.

With the support of CABRI coaches, our team was guided to adopt home-grown solutions to address real problems affecting our country's PFM. This has been a unique experience, enriching and engaging us as public servants.

Anta Taal, Directorate of Public Private Partnership, The Gambia

Thierry and Anta were two of the 491 participants in various CABRI engagements that involved 34 African countries over the reporting period.

Management Committee's Report

2018/19 workplan

CABRI set an ambitious workplan for the reporting period. In addition to our BPFMC programme, we expanded and enhanced the coverage of our policy dialogues and knowledge products. It was also an ambitious workplan for a small secretariat staff and a limited budget.

The workplan for 2018/19 is summarised in Table 1.

Table 1: 2018/18 workplan

	Programme output	*Planned*
BPFMC	...in Africa	6 country teams participate in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
BPFMC	...in Gambia	2 teams from The Gambia participate in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
BPFMC	...in South Africa	3 teams from RSA participate in 8-month programme using the PDIA approach to make progress in solving their locally nominated PFM problem
BPFMC	Benin-Guinea Partnership for Greater Transparency	Peer-exchange and learning programme for two countries to support each other in the design and implementation of transparency plans
Policy dialogues	Water, sanitation and hygiene (WASH)	2 peer-exchange and learning events on policy and funding strategies to improve water, sanitation and hygiene (WASH) service delivery
Policy dialogues	Appropriation and diffusion of programme-based budgeting	Peer-exchange and learning event on implementation of programme-based budgeting (PBB) in West African Economic and Monetary Union (WAEMU) member countries
Policy dialogues	Cash management forecast training	Training of cash managers in the forecasting tool used by the National Treasury (RSA)
Policy dialogues	Strategies to increase the investor base	Peer-exchange and learning event for public debt managers, central banks, and investors
Policy dialogue	Role of legislatures in the budget process	Peer-exchange and learning for budget managers, parliamentary staff and members of legislatures

Management Committee's Report

Policy dialogue	Role of governments and budgets in promoting value chains in agriculture	Peer-exchange and learning for budget/finance and agriculture managers
Knowledge generation	Budgets in Africa	Quarterly updating of our central depository of publicly available budget documents
Knowledge generation	Africa Debt Monitor	Launch of the Africa Debt Monitor
Knowledge generation	Leadership stories	Stories of 4 budget managers' contributions to reform in their countries
Knowledge generation	Public health budget practices and procedures	Publishing the findings of a survey on budget practices and procedures in health
Knowledge generation	Social media	Growing our social media presence

Development partners

Several development partners contributed to the work of CABRI over the reporting period. Table 2 provides a description of the type of support and duration of the partnerships. In the light of CABRI's nominal country membership fee, the support of development partners contributed significantly to our ability to deliver our programmes. Support from development partners has also enabled non-member countries to benefit from their participation in CABRI programmes.

Table 2: Development partners

Partner	Type	2018/19 contribution (US$)	Current agreement ends	Partner since
African Development Bank	Project finance	1,676,339	March 2020	2016
Gates Foundation	Budget support	1,234,087	October 2020	2012
GIZ (BMZ/EU)	Finance agreements	85,166	December 2019	2006
GIZ (BMZ/EU)	In-kind			
Hewlett Foundation	Budget Support	200,000	July 2021	2012
National Treasury (RSA)	Budget support	89,399		2004
SECO	Budget support	587,934	March 2019	2015

We hope to continue with our existing partnerships and establish new ones as we expand our work with finance, budget and planning ministries and a select number of line-ministries. These partnerships will be critical to our ability to build an African institution that leads in efforts to ensure that public financial resources are managed with integrity, transparency and accountability, and that ultimately contributes to efficient and effective service delivery, sustainable economic growth and development.

Monitoring and review

CABRI has a comprehensive monitoring system that has been adapted to its programme outputs and approach. The system involves the collection of responses from participants to determine: (i) relevance of subject matter and materials to their context; (ii) acquisition of new knowledge; and (iii) applicability of new knowledge and how it can be used to improve policy design and implementation. Both qualitative and quantitative measures are used. This is the main monitoring mechanism of our policy dialogues.

The monitoring mechanism of the BPFMC programme uses both qualitative and quantitative data that country teams and CABRI coaches capture on the Canvas online platform. We track the progress that the teams are making in solving their locally nominated PFM problems. In addition, participating officials are encouraged to contribute blogs that capture the impact of the programme.

The CABRI secretariat undertakes quarterly reviews and reports, which are submitted to our management committee, general assembly and development partners. In addition, annual reports are prepared in accordance with the requirements of our development partners.

Starting in 2017, CABRI also undertook an independent evaluation for the 2015/16 to 2017/18 strategic plan. Based on feedback obtained by the independent evaluators, Khulisa Management Services (www.khulisa.com), more than 70 per cent of respondents from both member and non-member countries confirmed that:

CABRI activities were highly relevant to their priorities, needs and context;

participation in a CABRI event had strengthened their capabilities in PFM;

CABRI is an effective way for actors at the country and regional level to build commitment towards better PFM (to a high extent);

new skills were acquired as a result of participating in CABRI; and

CABRI is an effective way for actors at the regional level to learn from each other (peer-learning).

Importantly, the survey also provided insights into areas for improvement, based on the findings that only 50–60 per cent of respondents felt that CABRI:

has been effective in building country capacity to manage public resources; and

interventions had built relationships between budget and other officials in finance, budget and line-ministries (medium to high extent).

The evaluation provided critical insights that informed our new medium-term plan. It confirmed what we do well and how it has led to success and guided the strengthening of those areas of work that should remain central to our mission, such as peer-learning and exchange.

An independent evaluation for the period 2018/19 to 2020/21 will commence in 2020.

Programme outputs and achievements

Building PFM Capabilities (BPFMC)

The BPFMC programme makes use of the PDIA approach and provides extensive opportunities for peer-learning and exchange. Over the reporting period, the programme was comprised of four sub-components: (i) the BPFMC in Africa programme, which brought together six teams from the same number of countries; (ii) the BPFMC in The Gambia programme, which was comprised of two teams from that country; (iii) three teams from South Africa, which started a BPFMC programme in the fourth quarter of the reporting period; and (iv) a partnership that involved teams from Guinea and Benin supporting each other in improving budget transparency.

The various outputs of each of the components of the BPFMC programme are set out in Table 3.

Management Committee's Report

Table3: Outputs of the BPFMC programme

Quarter	*Output*	*Location*	*Participating countries*	*Officials*
1st : 1 April to 30 June 2018	Building PFM Capabilities in Africa: Framing workshop	Pretoria	Central African Republic, Côte d'Ivoire, Ghana, Lesotho, Liberia and Nigeria	48 (comprising of 6 teams)
	Building PFM Capabilities in The Gambia: Framing workshop	Banjul	The Gambia	12 (comprising of 2 teams)
	Partnership for Budget Transparency: Framing workshop	Cotonou	Benin and Guinea-Conakry	18 (comprising of 2 teams)
2nd : 1 July to 30 September 2018	Building PFM Capabilities in Africa: Country visits		Central African Republic, Côte d'Ivoire, Gambia, Ghana, Liberia, Lesotho, and Nigeria	48 (comprising of 7 teams), as well as country peers from line ministries in each country
	Building PFM Capabilities in The Gambia: Country visit	Banjul	The Gambia	12 (comprising of 2 teams) as well as peers from line ministries in The Gambia
	Partnership for Budget Transparency: Co-host budget training for 20 CSOs	Cotonou	Benin	60 civil society representatives and officials
3rd: 1 October to 31 December 2018	Building PFM Capabilities: Peer review seminar	Dakar	Central African Republic, Côte d'Ivoire, Gambia, Ghana, Lesotho, Liberia and Nigeria	51 (comprising of 9 teams)
4th 1 January to 31 March 2019	Building PFM Capabilities in South Africa: Framing workshop	Johannesburg	South Africa	18 (comprising of 3 teams)
	Partnership for Budget Transparency: CSO training in Guinea	Conakry	Guinea Conakry	41 civil society representatives and officials
	Building PFM Capabilities in Africa: Nigeria Value for Money in Health	Abuja	Federal government and 5 states covering the 6 geographical regions of Nigeria	102 (comprising of officials from the federal and state government of Nigeria and development partners)

Building PFM Capabilities in Africa

We launched our second Building PFM Capabilities programme in 2018 with six teams. The four Anglophone teams were from countries that were part of the programme in 2017, which can be attributed to the value that the previous teams had gained. The new teams from these countries nominated different problem statements

Management Committee's Report

Two Francophone teams joined the programme in 2018, following the translation of the online course and materials into French, and the designation of French speaking coaches to the two teams.

This programme provides a continuous and structured engagement for country teams, whereby they are familiarised with various tools that they can use to solve complex problems. The programme entailed the following:

Six teams submitted an application describing their local problems (see Table 4) and the names of the team members and their authoriser, who, in most cases, was the minister of finance/budget or director-general/permanent secretary;

Table 4: Local problem statements

Ghana	Overspending by MDAs leading to budget overruns that impede service delivery
Côte d'Ivoire	Budgets allocated to MDAs are not contributing to expected results
Liberia	Limited allocation of funds for public sector investments and underutilisation of allocated funds
Central African Republic	Deviation between planned and actual capital expenditure
Lesotho	Ministry of finance does not know how much MDAs require or when cash is required
Nigeria	Inadequate funding of health sector resulting in poor primary health care outcomes

All six teams enrolled in an online PDIA course that supported the team and individual members in understanding the concepts and construction of their problem. The online facility was used throughout the programme for: (i) team assignments; (ii) progress reports; (iii) 'coach' reflections and 'check-in' reports; and (iv) grading.

Following the three-week online course, the country teams convened to improve the framing of their problems and the deconstruction of its main causes. A vital part of the framing workshop in Pretoria was for teams to identify what 'problem-solved' would look like. Ideas for action were identified and timeframes agreed upon with the coaches assigned to each team. The framing workshop also provided an opportunity for the teams to exchange experiences and learn from their peers.

With the support of their coaches, teams started implementing their first actions almost as soon as they returned to their respective countries. Coaches undertook a bi-weekly telephonic check-in with their teams to establish and probe: (i) progress made; (ii) challenges and lessons; and (iii) next steps.

At least two country visits were undertaken by the coaches. These visits involved: (i) a more in-depth examination of the problem and progress made; (ii) meetings with the authoriser, relevant ministries, departments and agencies, and parliamentary committees; and (iii) agreement on next steps. During these visits, the coaches encouraged teams to use the PDIA tool and newly acquired capabilities to tackle different problems and also to share experiences of the programme with their peers.

At the end of the programme, the country teams were convened in Dakar to report on progress made and to identify further support needed from their coaches.

The progress that teams have made and their ongoing work can be followed on the CABRI PFM Knowledge Hub, and summarised in Annexure A.

Building on the success of our 2017 and 2018 teams, the 2019 BPFMC in Africa programme applications for the third cohort of countries were received by the CABRI Secretariat in the fourth quarter of 2018/19. Participating countries will be Benin, Central African Republic, Ethiopia, Ghana, Guinea, Mali and Rwanda. Problem statements of these teams relate to: (i) domestic resource mobilisation; (ii) linkages between plans, budgets and service delivery; and (iii) implementation of investment projects

Building PFM Capabilities in The Gambia

Two teams from The Gambia participated in a separate programme that followed the same activities described in the bulleted list above. The two problem statements of these teams are shown in Table 5.

Management Committee's Report

Table 5: Locally nominated problems from The Gambia

Gambia (1)	Weak oversight of SOEs, increasing the risk of contingent liabilities that limit fiscal space
Gambia (2)	High debt service cost crowding out other priority spending

These problems had been around for a long time, despite the introduction of several 'best practice' reforms that had been supported by bilateral and multilateral agencies. The problems are complex and will take a tremendous effort from the teams to solve. The BPFMC programme provided the teams with the necessary tools to identify the causes of the problems and strategies that can be applied in order to make progress. Importantly, the teams, their peers, and authorisers are acutely aware that the ownership of the problems and the ability to solve them is within their grasp.

The progress that the two teams have made and their next steps are summarised in Annexure A.

Building PFM Capabilities in South Africa

Three teams from the national treasury started in the third quarter of 2018/19 to work on a single, locally-nominated problem – weak compliance by public entities. They attended the problem-framing and deconstruction workshop in the fourth quarter, and started to implement their actions in April 2019.

At the first check-in by the CABRI coaches, which all three teams attended with their authorisers, the teams reported on the progress that they had made in collecting relevant data and further deconstruction of their problem into sub-causes.

Partnership for budget transparency

The partnership between Guinea and Benin provided both countries with an opportunity to share experiences and lessons from the design and implementation of their respective budget-transparency policies and plans. Starting with a framing workshop to share these, the two country teams agreed on a peer review mechanism to assess progress with the implementation of their budget transparency action plans.

The next two outputs were comprised of training programmes for civil society organisations on the plans and current budget practices and procedures in Cotonou and Conakry.

CABRI and Benin (budget directorate) co-hosted a budget training workshop for civil society organisations working in Benin. The training focused on budget formulation and also covered the policies and practices that would need to be addressed for Benin to improve its Open Budget Index score.

CABRI and Guinea (ministry of budget) co-hosted a budget training workshop for civil society organisations working in Guinea. The training focused on budget formulation and also covered the policies and practices that would need to be addressed for Guinea to improve its Open Budget Index score

Policy dialogues

Building on almost a decade of experience in peer-exchange and learning through the use of various approaches, our policy dialogues were comprised of:

research and development of case studies that provided critical lessons on policy implementation, and practices and procedures that demonstrated, amongst others, allocative and technical efficiency in the implementation of spending plans;

a peer exchange and learning event that was attended by officials from finance, budget and the respective line ministry;

training or country peer review that is tailored to address specific needs identified at the peer exchange event;

voluntary and demand-led twinning of countries to deepen peer-learning and exchange opportunities; and

regular and timely follow-up with participants to assess the application of knowledge and skills acquired.

The policy dialogues have provided an essential platform for practitioners from ministries of finance and budget (and a select number of line ministries) to share and learn from the experiences of their peers and, where appropriate, to apply the lessons.

Management Committee's Report

When it comes to peer learning through regional networks, CABRI has a comparative advantage in facilitating change by bringing together practitioners with experience in similar contexts and confronting similar PFM challenges (whether across or within countries or organisations). The voluntary nature of the organisation has ensured that the participating budget/finance and line-ministry officials engage openly and constructively and are committed to taking back what they have learned to their countries

The various outputs of our policy dialogues are shown in Table 6.

Table 6: Outputs of policy dialogues

Quarter	*Output*	*Location*	*Participating countries*	*Officials*
1st : 1 April to 30 June 2018	WASH peer review workshop (Anglophone)	Cape Town	Botswana, The Gambia, Ghana, Lesotho, Kenya, Mauritius, Nigeria, South Africa	21
	WASH peer review workshop (Francophone)	Kigali	Burkina Faso, CAR, Côte d'Ivoire, DRC, Guinea-Conakry, Mali, Rwanda	16
	WAEMU workshop on appropriating and diffusing programme-based budgeting	Abidjan	Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Morocco, Seychelles, Togo, Tunisia	14
2nd: 1 July to 30 September 2018	Cash management forecast training	Pretoria	The Gambia, Kenya, Lesotho, Liberia, Malawi, Mauritius, Namibia, Nigeria, Sierra Leone, South Africa, Uganda, Zambia	24
3rd : 1 October to 31 December 2018	Strategies to broaden the investor base	Nairobi	Botswana, Côte d'Ivoire, Kenya, Mali, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tunisia, Uganda, Zambia	39
	Role of the legislature in the budget process	Nairobi	Burkina Faso, Democratic Republic of Congo, Gambia, Ghana, Guinea-Conakry, Liberia, Malawi, Mali, Nigeria, South Africa, Uganda, Zambia	59
4th: 1 January to 31 March 2019	Role of governments and budgets in developing value chains in agriculture	Addis Ababa	Benin, Central African Republic, Côte d'Ivoire, Ethiopia, Guinea, Kenya, Liberia, Mauritius, Morocco, Nigeria, South Africa	19

Management Committee's Report

Policy dialogues on value for money in public spending

Two country reviews followed the policy dialogue on WASH financing that took place in Accra in November 2017. The first review with a group of Anglophone countries was held in Cape Town from 6 to 8 June, and provided an opportunity for officials from finance ministries and WASH ministries, departments and agencies to share case studies on strategies, budgeting and implementation challenges in the WASH sector. The review also examined more closely the responses of two cities in South Africa to the 2016/17 water shortages and sanitation challenges, and provided an opportunity for participants to visit an innovative and low-cost water treatment and reticulation project in an informal housing settlement.

The second review took place in Kigali from 20 to 22 June with Francophone government officials, and followed a format similar to that of the Cape Town gathering. Participants reviewed the key constraints in making a case for increased funding for WASH, alongside the need to develop credible sector plans and programmes. The Kigali workshop also provided an opportunity to share challenges and experiences in tracking financial flows in the sector, which is highly decentralised in many countries.

A policy dialogue on appropriating and diffusing programme-based budgeting in the WAEMU region was held in Abidjan on 10 and 11 April 2018. The dialogue focused on several challenges that WAEMU member countries have experienced when implementing programme-based budgeting, including technical issues, such as decentralisation of expenditure controls, pre- and co-existing conditions, and the neglected non-technical change-management aspects. The dialogue also considered the local context of each of the WAEMU member countries, which were expected to have implemented programme-based budgeting by 2017 but had done so with varied and limited success.

In addition to the five WAEMU member countries that attended, four non-WAEMU countries were invited to share case studies on the design and implementation of programme-based budgeting in their countries. The participation of Côte D'Ivoire in the BPFMC programme followed on from the challenges that they identified at the policy dialogue held in Abidjan.

The policy dialogue on the role of governments in developing agriculture value chains for employment creation and poverty reduction was held in Addis Ababa on 26 and 27 March 2019. It brought together officials from 11 Anglophone and Francophone countries working in the ministries of finance, budget, national planning and agriculture. Through the use of case studies and facilitated discussions, the dialogue addressed the key policy and institutional challenges faced by governments when adopting a value-chain approach.

Faced with limited resources and capacity, the state has to strategically select sustainable interventions that will have the largest impact in the chain. The government's ability to effectively select and implement policies is central. Emphasis has been placed on building lasting beneficial relationships with the private sector and development partners as a way of leveraging limited resources.

Two of the main areas of intervention identified at the dialogue were providing support to smallholder farmers in overcoming the challenges posed by fragmented production, and to processors in increasing investment in domestic processing and value addition.

In addition, governments face PFM challenges associated with adopting a value-chain approach such as multi-sector budgeting. A review based on the capacity and knowledge gaps identified during the dialogue will take place in July 2019.

Policy dialogues on budget transparency for greater accountability and participation

On 27 and 28 November 2019, a policy dialogue on the role of the legislature in the budget process was attended by senior budget managers from finance/budget ministries and legislatures, and public representatives from public accounts committees and budget and finance committees. The dialogue was opened by the cabinet secretary for the Kenyan treasury, Mr Henry Rotich. Over the two-day event, presentations and facilitation of group work were undertaken by participants and CABRI staff. Case studies of Burkina-Faso, Kenya and Nigeria were used to facilitate the sessions on the preparation of budgets under different legislative systems.

Some of the key takeaways from the dialogue were as follows:

Earlier engagement by legislatures in the budget process improves budget hearings and can contribute to budgets being approved within the stipulated timeframe. Earlier engagement also limits the 'parachuting' of infrastructure projects that have not been adequately conceptualised and appraised into the executive budget.

Management Committee's Report

There is less tension between the executive and legislature under a parliamentary system, as opposed to a presidential system, but this does not mean that the one systems is more effective than the other.

Functional budget offices in Parliament play an important role in helping the various legislative committees to understand the fiscal framework and budget allocations, and improve their oversight role. Several participants who work for parliamentary budget offices (PBOs) urged CABRI to assist in helping PBOs to become more functional.

Two follow-up events are planned. The first is a training event to be held in Mali on improving the functionality of PBOs; the second is a partnership between Liberia and Nigeria to exchange their experiences of how to enhance the role of the legislature in the budget process within a presidential system.

Policy dialogues on sustainable public debt management

Following the policy dialogue on improving the co-ordination between cash and debt management held in Accra on 21 and 22 March 2018, and in response to a request from participants for training in cash-flow forecasting, CABRI provided training for 11 countries on the forecasting tool that is used by the South African National Treasury.

The policy dialogue on strategies to broaden the investor base, held in Nairobi on 14 and 15 November 2018, was attended by officials from public debt offices, central banks, stock exchanges and other market participants. Establishing a sound local investor base for government securities is one of the key building blocks when developing local debt currency markets. Over the two-day event, panel discussions, presentations and facilitation of group work were undertaken by participants and CABRI staff. Case studies of Côte D'Ivoire, Kenya, Morocco and South Africa were used to facilitate the different sessions.

Some of the key takeaways from the dialogue were as follows:

primary dealers can do more than trade government bonds, they can also serve an important advisory function and educate other market players;

it is critical for countries to understand who their potential investors are and what tools they use to obtain information or data;

a mix of foreign and domestic investors is key for stability, as their investment decisions typically do not move in the same direction at the same time; and

introducing different financial instruments allows governments to target the different sources of savings available in a country.

A follow-up training course on strengthening primary dealer systems is planned for Morocco in April 2019.

Knowledge generation

Budgets in Africa

Budget documents from the Budgets in Africa database were downloaded 9 571 times during the reporting period, which represents nearly a 38 per cent year-on-year increase.

PFM Knowledge Hub

The CABRI PFM Knowledge Hub () registered 58 493 users during the reporting period, which is a 197 per cent increase compared to the previous period. Documents available on the hub were downloaded 16 770 times, representing a 82 per cent year-on-year increase.

Leadership stories

Leadership stories of former and serving senior finance officials from Benin, Liberia, Malawi and South Africa were finalised in the first quarter and have been published on the CABRI PFM Knowledge Hub as 15-minute videos. These stories illustrate the leadership role of each of the officials in specific PFM reforms, as outlined in Table 7.

Table 7: Leadership stories

Benin	Improving budget transparency
Liberia	Travel policy reform leading to a reduction of 35 per cent in related costs

Management Committee's Report

Malawi	Design and implementation of programme-based budgeting
South Africa	Introducing medium-term budgeting in the post-1994 period

Africa Debt Monitor

Following the completion of the African Debt Monitor survey by 20 countries, a validation (of the data) workshop was held in Mauritius on 31 October and 1 November 2018. Data validation of the 5 countries that did not attend the Mauritius workshop will be undertaken separately with each of the countries. The uploading of data is underway and the launch of the Africa Debt Monitor is planned for June 2019.

Public health budget practices and procedures

Delays in contracting service providers resulted in the roll-over of this project into the 2019/20 financial year. Following the completion of the survey, the report on budget practices and procedures in Africa will be completed in 2019.

Publications

Social media

Table 8: Social media audience and reach

Facebook	Number of page likes: 104 879; Total reach (page): 12 765 877
Twitter	Number of followers: 4 730; Total Tweet impressions: 2 318 900
LinkedIn	Number of followers: 884; Total impressions: 267 180

Network governance

Management committee and general assembly

Our biannual management committee (MC) and annual general assembly (GA) meetings were held in Pretoria on 8 and 9 May 2018, respectively. In addition to the consideration and approval of the annual workplan and budget for 2018/19, audited financial report for 2016/17, new policies and staff appointments, the GA also elected a new MC comprised of Burkina Faso, Côte d'Ivoire (chairperson), Guinea-Conakry, Nigeria and South Africa.

The MC also met on 26 November 2018 in Nairobi to approve the 2017/18 audit report and annual financial statements, two renew the contract of the executive secretary for a three-year term (1 April 2019 to 31 March 2022) and to ratify the appointments of new CABRI staff.

Financial management and audit

Morar Incorporated (https://morar.co.za) was appointed by the management committee for the 2017/18 International Financial Reporting Standards (IFRS) audit. An unqualified audit report and the annual financial statements were presented to the MC at its meeting in November 2018.

Management Committee's Report

The 2018/19 IFRS audit will commence in July 2019. The audit report for the reporting period will be presented to the MC at its meeting in November 2019.

Unaudited financial statements for the period 2018/19 are attached as Annexure B.

Human resources management

At its May 2018 meeting, the MC endorsed the appointment of Ms Awa Touray (programme officer) and Ms Nthabiseng Masinge (communications and marketing assistant).

Four new appointments were endorsed by the MC at its November 2018 meeting in Nairobi:

Dr Biniam Bedasso (PFM specialist);

Ms Erika Venter (PA to the executive secretary);

Ms Jade Naidoo (finance and administration assistant); and

Dr Shanaz Broermann (PFM officer).

In addition, Ms Charmaine Ferreira (finance officer) was contracted until the end of December 2019 as the position is supported by AfDB funding. Ms Joana Bento was promoted to programme manager in November, following an interview process.

Partnerships

Complementing our workplan for the 2018/19 financial year, CABRI partnered with several regional and international organisations to share our knowledge on PFM in Africa and to promote the greater involvement of practitioners. Table 9 describes our collaboration with partners across our three result areas: (i) value for money in public spending; (ii) budget transparency for greater participation and accountability; and (iii) sustainable public debt management.

Table 9: Collaboration with partner organisations

	Partner organisation/s	CABRI's role
SIWI World Water Week	Water Integrity Network, GIZ, Kenya Water and Sanitation Civil Societies Network, Sanitation and Water for All, BMZ	Presentation on PFM and financing issues in WASH, using materials from our policy dialogue and two reviews on WASH
African Network of Parliamentary Budget Offices Conference	PBOs from Mozambique, Zimbabwe, Tanzania, Zambia, Uganda, Kenya, Ghana, and South Africa	Presentation on the role of budget and fiscal institutions
Training of public accounts committees	**GIZ and parliamentarians affiliated to the Southern African Organisation of Public Accounts Committees (South Africa, Namibia, Mozambique, Angola, Botswana, Lesotho, Malawi, Mauritius, Zambia)**	**Lecture on PFM** **Panel discussion on budgeting for the SDGs**
PFM for social spending	International Labour Organisation: International Training Centre	Lecture on budget formation and implementation of spending plans
Strengthening governance arrangements for the Peace Fund	African Union	Advisory services
Illicit financial flows: Country risks tool	ATAF, AFROSAI, AFROPAC, GIZ	Led the pilot exercise for the completion of the country risks tool by Morocco, Gabon and Kenya

Training of public accounts committees	Parliament of Ghana, AFROPAC, GIZ	Lecture on PFM

Annexures

Annexure A: Summary of BPFMC teams' progress and next steps

Country	Problem statement	Progress	Next steps
Central African Republic	Deviations between planned and actual capital expenditure	Introduced new processes to streamline the procurement of capital investments Installed regular communication on investment projects between MDAs and the procurement office Targeted training to MDAs and procurement officers	Minister to approve recommendations of MDA co-ordination workshop Install an investment spending accountability committee
Côte d'Ivoire	Budgets allocated to MDAs are not contributing to expected results	Set up a co-ordination structure between the budget and public investments directorates Provided targeted training to MDAs' credit managers on project information requirements Set up and piloted sectoral committees (5) for improved oversight of investment projects	Support pilot sectoral committees in charge of investment budget allocation Ensure co-ordination with the public investment directorate Continue with training for MDA credit managers on project information requirements Engage MDA on issues related to virements based on data analysis
Gambia (1)	Weak oversight of SOEs increasing the risk of contingent liabilities	Reviewed the SOE Act, and gathered inputs for SOE performance measurement Designed a simplified cash-flow reporting template Increased the frequency of SOE reporting from quarterly to monthly	Ensure approval of the SOE Act Introduce SOE performance measurement Renew SOE board members
Gambia (2)	High debt service cost crowding out priority spending	Finalised the memorandum of understanding (MoU) (clarify the co-operation between the ministry of finance and the central bank) Introduced an M&E framework More regular engagement with local investors	Improve expenditure forecasts Ensure implementation of the M&E framework and the MoU with the central bank Review and update the medium-term debt strategy

Management Committee's Report

Ghana	Overspending by MDAs leading to budget overruns which impede service delivery	Reduced the number of last-minute requests by MDAs affecting budget envelope by creating a buffer during the allocation of budget ceilings Identified areas of improvement during the budget formulation stage, which led to an improved relationship between the finance ministry and spending ministries in managing commitments and expenditures	Reinforced monitoring of cash allotments More updated expenditure reports analysis.
Lesotho	Ministry of finance does not know how much MDAs require or when cash is required	Liquidity management committee resuscitated with terms of reference Communication and co-ordination with MDAs improved Database and classification of bank accounts developed with 178 accounts closed Increase in quantity and quality of expenditure plan submissions by MDAs Introduction of monthly reconciliation	Diffusion programme to be rolled out in 2019 Expenditure planning and reconciliation guidelines to be developed with MDAs Incorporation of all bank accounts into IFMIS Strengthening of PFM laws to address gaps discovered during BPFMC programme.
Liberia	limited allocation of funds for public sector investment projects and underutilisation of allocated funds.	Increase in the approval of procurement plans and in the completion of public sector investment projects through: Dedicated help desk for PSIP implementing SEs at the Public Procurement Concessions Commission 24-hour turnaround time for procurement requests Greater awareness of causes of procurement non-compliance and delays	Monitor the performance of budget committees Conduct targeted procurement training Support further accountability of investment budget execution Set up regular engagements with Liberia Revenue Authority

Management Committee's Report

Nigeria	Inadequate funding of health sector resulting in poor primary health care outcomes	Adopted an aid transition plan supported by an inter-ministerial technical working group	Support of procurement processes and implementation of the financial accountability framework for the donor transition plan
		Facilitated an increased allocation of 8 per cent to the health sector budget for 2019	Identify alternative funding sources.
		Greater co-operation between ministry of budget and national planning, health, and the national primary health care development agency	Research reasons for large difference in immunisation coverage
		Improvement in data collection	
		VfM workshop to share findings of work undertaken by team	

3. Management committee

The members in office at the date of this report are as follows:
Members

Mr C N'goumissa - Chairperson	Republic Cote d'Ivoire
Mr O Ayodele	Nigeria
Mr PTE Vokouma	Burkina Faso
Mr R Ferreira	Republic of South Africa
Mr A Barry	Republic of Guinea
Mr NG Cole - Ex-officio member	Executive Secretary

This new Management Committee was appointed on 9 May 2019 at CABRI's annual General Assembly meeting. The Management Committee will serve for a period of 2 year.

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the corporation or in the policy regarding their use.

5. Events after the reporting period

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

6. Going concern

The members believes that the corporation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members are satisfied that the corporation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the organisation. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

7. Auditors

Morar Incorporated continued in office as auditors for the organisation for 2019.

Management Committee's Report

8. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the members on Tuesday, 05 November 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.

9. Acknowledgements

Thanks and appreciation are extended to all staff, suppliers and members for their continued support of the organisation.

morar incorporated
Chartered Accountants (SA)
Registered Auditors

Accounting | Auditing | Tax | Company Secretarial Services
Public Sector Consulting | Forensics | ICT | Training
Risk Management | Internal Audit

Reg. No: 2000/008551/21
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Durban
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Rustenburg
Mbombela
Mahikeng

Directors:
R. Morar CA (SA), CFE
M. Naidoo CA (SA)
C. Machiri CA (SA)
S. Maharaj CA (SA)
K. Naidoo CA (SA)
V. Samarjith CA (SA)
J. Reddy CA (SA)
N. Cupido CA (SA)
B. Temba CA (SA)
M. Naicker CA (SA)
A. Bikram CA (SA)
S Oosthuizen CA (SA)

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF COLLABORATIVE AFRICAN BEDGET REFORM INITIATIVE (CABRI)

Opinion

We have audited the financial statements of CABRI set out on pages 5 to 43, which comprise the Statement of Financial Position as 31 March 2019, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CABRI as at 31 March 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of CABRI in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

We believe that the evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management committee is responsible for the other information. The other information comprises the Management Committee Report and the Detailed Income Statement which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management Committee for the Financial Statements

The management committee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and requirements of the Agreement Establishing the Collaborative Africa Budget Reform Initiative, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Morar Incorporated has been the auditor of CABRI for four financial years.

Per: Roshan Morar
Director
Morar Incorporated
Chartered Accountants (S.A.)
Registered Auditors

29 November 2019

Statement of Financial Position as at 31 March 2019

Figures in US Dollar	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	28,642	41,606
Intangible assets	4	15	1,305
		28,657	**42,911**
Current Assets			
Trade and other receivables	5	675,923	729,542
Cash and cash equivalents	6	3,519,790	4,288,615
		4,195,713	**5,018,157**
Total Assets		**4,224,370**	**5,061,068**
Equity and Liabilities			
Equity			
Retained income		1,788,280	1,490,621
Liabilities			
Current Liabilities			
Trade and other payables	7	250,609	257,308
Deferred income	8	1,521,536	2,674,677
Provisions	9	46,234	42,738
Amounts received in advance	10	617,711	595,724
		2,436,090	**3,570,447**
Total Equity and Liabilities		**4,224,370**	**5,061,068**

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar	Note(s)	2019	2018
Revenue	11	3,928,614	3,285,415
Profit/ (loss) on exchange differences	12	(157,635)	131,487
Other operating expenses		(3,528,651)	(3,792,273)
Operating profit (loss)	13	**242,328**	**(365,371)**
Investment income	15	55,329	60,469
Profit (loss) for the year		**297,657**	**(304,902)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**297,657**	**(304,902)**

Statement of Changes in Equity

Figures in US Dollar	Retained income	Total equity
Balance at 01 April 2017	**1,795,523**	**1,795,523**
Loss for the year	(304,902)	(304,902)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(304,902)**	**(304,902)**
Balance at 01 April 2018	**1,490,623**	**1,490,623**
Profit for the year	297,657	297,657
Other comprehensive income	-	-
Total comprehensive income for the year	**297,657**	**297,657**
Balance at 31 March 2019	**1,788,280**	**1,788,280**

Note(s)

Statement of Cash Flows

Figures in US Dollar	Note(s)	2019	2018
Cash flows from operating activities			
Cash (used in)/generated from operations	16	(676,508)	1,318,407
Interest income		55,329	60,469
Profit/ (loss) on exchange differences		(157,633)	131,487
Net cash from operating activities		**(778,812)**	**1,510,363**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(12,000)	(14,310)
Cash flows from financing activities			
Movement in amounts received in advance		21,987	-
Total cash movement for the year		**(768,825)**	**1,496,053**
Cash at the beginning of the year		4,288,615	2,792,562
Total cash at end of the year	6	**3,519,790**	**4,288,615**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Agreement Establishing the Collaborative Africa Budget Reform Initiative of South Africa, as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Accounting Policies

1.3 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	5 years

1.5 Financial instruments

Financial instruments held by the organisation are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the organisation's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the organisation becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 7), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The organisation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the organisation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the organisation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the organisation retains substantially all the risks and rewards of ownership of a transferred financial asset, the organisation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

Accounting Policies

1.7 Impairment of assets

The organisation assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the organisation estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the organisation also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 Provisions and contingencies

Provisions are recognised when:

- the organisation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

Accounting Policies

1.10 Government grants

Grants are recognised when there is reasonable assurance that:

- the organisation will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the profit or loss (separately).

Grants received before the organisation will comply with the conditions attached to them are satisfied, are recognised as deferred income.

1.11 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
The source used for foreign exchange rates in the accounting was obtained from the South African Reserve Bank.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

Figures in US Dollar 2019 2018

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the organisation has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018

2. New Standards and Interpretations (continued)

• Amendments to IAS 40: Transfers of Investment Property	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Foreign Currency Transactions and Advance Consideration	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 17 Insurance Contracts	01 January 2021	Unlikely there will be a material impact
• Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	01 January 2019	Unlikely there will be a material impact
• Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	01 January 2019	Unlikely there will be a material impact
• Prepayment Features with Negative Compensation - Amendment to IFRS 9	01 January 2019	Unlikely there will be a material impact
• Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	01 January 2019	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018

3. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	29,331	(17,864)	11,467	27,096	(12,553)	14,543
Office equipment	5,389	(1,636)	3,753	1,769	(1,193)	576
IT equipment	45,414	(31,992)	13,422	51,816	(33,198)	18,618
Leasehold improvements	30,707	(30,707)	-	30,707	(22,838)	7,869
Total	**110,841**	**(82,199)**	**28,642**	**111,388**	**(69,782)**	**41,606**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	14,543	2,236	(5,312)	11,467
Office equipment	576	3,620	(443)	3,753
IT equipment	18,618	6,143	(11,339)	13,422
Leasehold improvements	7,869	1	(7,870)	-
	41,606	**12,000**	**(24,964)**	**28,642**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	20,300	-	(5,757)	14,543
Office equipment	168	651	(243)	576
IT equipment	13,862	13,659	(8,903)	18,618
Leasehold improvements	18,363	-	(10,494)	7,869
	52,693	**14,310**	**(25,397)**	**41,606**

4. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	6,998	(6,983)	15	7,143	(5,838)	1,305

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software	1,305	(1,290)	15

Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Computer software	2,705	(1,400)	1,305

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018

5. Trade and other receivables

Trade receivables	629,926	402,500
Deposits	8,854	9,475
Prepayments	430	12,013
Sundry Debtors Receivable	36,713	305,554
Total trade and other receivables	**675,923**	**729,542**

Split between non-current and current portions

Current assets	675,923	729,542

The ageing of trade and other receivables is as follows:

0 - 30 days	34,930	303,442
30 - 60 days	-	-
60 - 90 days	327,862	402,500
120+ days	313,131	23,600

Non-payment of fees can be for various reasons, including political or economic or environmental difficulties that a country is facing which then requires the country to redirect funding to resolving this challenge. In these cases, the member country would communicate to members at the MC/GA meeting or via a correspondence to the Secretariat. Until such communication is received, the Secretariat is not in a position to unilaterally write off overdue membership fees.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 12 months past due are not considered to be impaired. At 31 March 2019, $ 0.00 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Trade and other receivables impaired

As of 31 March 2019, trade and other receivables of $ 763,730 (2018: $ 793,350) were impaired and provided for.

The carrying amount of trade and other receivables are denominated in the following currencies:

Trade receivables - United states dollar	1,393,656	1,195,850
Trade receivables Impaired	(763,730)	(793,350)
Trade receivables after impairment	629,926	402,500

The aging of these trade and other receivables is as follows:

12 months past due	348,548	260,000
24 months past due	138,350	195,000
36 months past due	276,832	338,350

Notes to the Annual Financial Statements

Figures in US Dollar		2019	2018

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018
Bank balances	3,519,790	4,288,615

The carrying amount of cash and cash equivalents are denominated in the following currencies and converted to USD as at 31 March 2019 for the 2018/19 financial year at the following rates:

		2019	2018
South African Rand	R 14.5968 = $1	10,214,329	9,870,854
United States dollar		2,761,813	1,281,749
Great British pound	GBP 0.7683 = $1	790	2,790
Swiss Frank	CHF 0.9960 = $1	56,949	404,632

7. Trade and other payables

	2019	2018
Financial instruments		
Trade payables	221,289	141,895
Accrued expenses	29,320	115,413
	250,609	**257,308**

The net carrying amounts, of trade payables, are denominated in the following currencies.

	2019	2018
South African Rand	938,827	1,134,254
Euro	43,586	4,110
Uinted States dollar	99,931	-
	1,082,344	**1,138,364**

8. Deferred income

	2019	2018
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	-	2,988
National Treasury (Republic of South Africa)	68,447	113,105
FirstRand Limited	-	11,720
Bill and Melinda Gates Foundation	797,924	2,100,032
The William and Flora Hewlett Foundation	200,000	-
Swiss State Secretariat of Economic Affairs	-	438,475
African Development Bank	455,165	8,357

Deferred income consists of funding received from various donors to be utilised by the organisation in terms of the agreement between the donors and the organisation.

The deferred income for Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is for expenses incurred in the 2018/19 financial year and the remaining funds to be received in 2019/20.

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018

9. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Total
Provision for leave pay	42,738	3,496	46,234

Reconciliation of provisions - 2018

	Opening balance	Additions	Total
Provision for leave pay	23,171	19,567	42,738

10. Amounts received in advance

	2019	2018
Membership fees invoiced in advance	590,000	565,000
PDM Hosting fees invoiced in advance	27,711	30,724
	617,711	595,724

11. Revenue

	2019	2018
Revenue from contracts with customers		
Grants received	3,351,114	2,769,165
Membership fees	577,500	526,250
	3,928,614	**3,295,415**

12. Other operating gains (losses)

	2019	2018
Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(157,635)	131,487

13. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

	2019	2018
Auditor's remuneration - external		
Audit fees	21,138	20,008
Remuneration, other than to employees		
Consulting and professional services	25,078	32,111
Employee costs		
Employee costs	1,099,481	969,269
Leases		
Operating lease charges		
Premises	97,271	108,389
Depreciation and amortisation		
Depreciation of property, plant and equipment	24,964	25,397
Amortisation of intangible assets	1,290	1,400
Total depreciation and amortisation	**26,254**	**26,797**

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018
14. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	24,964	25,397
Amortisation		
Intangible assets	1,290	1,400
Total depreciation, amortisation and impairment		
Depreciation	24,964	25,397
Amortisation	1,290	1,400
	26,254	**26,797**
15. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	55,329	60,469
16. Cash (used in)/generated from operations		
Profit before taxation	297,657	(304,902)
Adjustments for:		
Depreciation and amortisation	26,254	26,797
Losses (gains) on foreign exchange	157,635	(131,487)
Interest income	(55,329)	(60,469)
Movements in provisions	3,496	19,567
Changes in working capital:		
Trade and other receivables	53,619	98,914
Trade and other payables	(6,699)	170,403
Deferred income	(1,153,141)	1,499,584
	(676,508)	**1,318,407**

17. Commitments

Operating leases – as lessee (expense)

	2019	2018
Minimum lease payments due		
- within one year	99,992	93,074
- in second to fifth year inclusive	193,750	-
	293,742	**93,074**

Operating lease payments represent rentals payable by the organisation for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Notes to the Annual Financial Statements

Figures in US Dollar	2019	2018

18. Related parties

Relationships

Members of management committee and other officials	Mr NG Cole - Executive Secretary Ms N Patel-Manga - Chief Operating Officer Ms R Subramoney - Financial Manager

Related party transactions

Remuneration and tax compensation paid to members of management and other officials	2019	2018
Mr NG Cole	149,461	117,317
Ms N Patel-Manga	116,907	93,414
Ms R Subramoney	84,758	68,747

19. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	675,923	675,923	675,493
Cash and cash equivalents	6	3,519,790	3,519,790	3,519,790
		4,195,713	**4,195,713**	**4,195,283**

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	729,542	729,542	717,529
Cash and cash equivalents	6	4,288,615	4,288,615	-
		5,018,157	**5,018,157**	**717,529**

Categories of financial liabilities

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	7	250,609	250,609	-

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	7	257,308	257,308	-

Notes to the Annual Financial Statements

Figures in US Dollar		2019	2018

19. Financial instruments and risk management (continued)

Capital risk management

The organisation's objectives when managing capital are to safeguard the organisation's ability to continue as a going concern in order to provide benefits for other stakeholders and to maintain an optimal capital structure.

The capital structure of the organisation consists of debt, which includes the borrowings, cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the organisation may reduce the amount of operating costs and obtain additional funding. The funding strategy of the organisation is to approach donors and obtain funding before the start of each three yearly strategic plan.

There are no externally imposed capital requirements.

There have been no changes to what the organisation manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The difference of 99% in the gearing ratio is due to the decrease in cash and cash equivalents. The decrease in the cash and cash equivalents is due to funding that ended on 31 March 2019.

Trade and other payables	7	250,609	257,307
Cash and cash equivalents	6	(3,519,790)	(4,288,615)
Net borrowings		**(3,269,181)**	**(4,031,307)**
Equity		1,788,282	1,490,623
Gearing ratio		(183)%	(270)%

19. Financial instruments and risk management (continued)

Financial risk management

The organisation's activities expose it to a variety of financial risks: market risk (including currency risk etc.), credit risk and liquidity risk.

The organisation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the organisation's financial performance. Risk management is carried out by a central financial department under policies approved by the Management Committee. Organisation's financial department, identify and evaluate financial risks in close co-operation with the organisation's operating units. The Management Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The organisation only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, organisation treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The organisation's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the organisation's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2019

		Carrying amount
Current liabilities		
Trade and other payables		250,609

2018

		Carrying amount
Current liabilities		
Trade and other payables	7	257,308

Foreign currency risk

The organisation operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (USD), Swiss Frank (CHF) and Great Britain Pound (GBP). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The company does not hedge foreign exchange fluctuations.

Notes to the Annual Financial Statements

Figures in US Dollar		2019	2018

19. Financial instruments and risk management (continued)

Exchange rates used for conversion of foreign items were:

South African Rand	14.5966
Great Britain Pound	0.7683
Swiss Frank	0.9960
Euro	0.8907

The organisation reviews its foreign currency exposure on an ongoing basis.

Foreign currency exposure at the end of the reporting period

	Note	2019	2018
Current assets - $1/ ZAR			
Cash and cash equivalents		10,214,329	9,870,854
Trade and other payables		938,827	1,134,254
Current assets - $1/ GBP			
Cash and cash equivalents	6	790	2,790
Current assets - $1/ CHF			
Cash and cash equivalents		56,949	404,632
Current assets - $1/ Euro			
Trade and other payables	7	43,586	4,110

Interest rate risk

As the organisation has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

The organisation is not overly exposed to price risk and manages its exposure through internal control processes.

20. Fair value information

The estimated fair values as at 31 March 2018 have been determined using available market information and appropriate valuation methodologies, but are not necessarily indicative of amounts that the organisation could realise in the normal course of business. The fair value of almost all financial instruments equals their carrying value, either because of the short-term nature and normal trade terms thereof or the market-related interest rates attached to it. All financial instruments are categorised at a level in the fair value hierarchy.

21. Events after the reporting period

In the 2017/18 Annual Financial Statements, under contingent liabilities, the amounts of 1 month's salary $6349.05 (R75,000) and $23279.83 (R275,000) for tax compensation were reflected for a litigation between J Stott and CABRI. Subsequently on 10 May 2019 the CCMA dismissed the case.

22. Taxation

No provision has been made for taxation as the organisation is exempt from income taxation in accordance with Section 5(3) of the Diplomatic Immunities and Privileges Act, 2001 and Article 6(2) of the Agreement.

Detailed Income Statement

Figures in US Dollar	Note(s)	2019	2018
Revenue			
Grants received		3,351,114	2,769,165
Membership fees		577,500	526,250
	11	**3,928,614**	**3,295,415**
Other operating gains (losses)			
Foreign exchange (losses) gains		(157,635)	131,487
Other operating expenses			
Advertising		(37,404)	(6,156)
Amortisation		(1,290)	(1,400)
Asset expenditure		(620)	-
Auditors remuneration	13	(21,138)	(20,008)
Computer expenses		(19,655)	(17,914)
Consulting and professional fees		(12,674)	(28,968)
Consulting and professional fees - legal fees		(12,404)	(3,143)
Consulting fees - Technical		(358,981)	(472,584)
Depreciation		(24,964)	(25,397)
Editorial services		(9,193)	(31,077)
Employee costs		(1,099,481)	(969,269)
Entertainment		(55,068)	(33,972)
Flights		(431,727)	(493,590)
General expenses		(27,554)	(27,200)
Ground transport		(34,785)	(28,400)
IT expenses		(7,004)	(10,636)
Lease rentals on operating lease		(97,271)	(108,389)
Municipal expenses		(19,480)	(17,056)
Partnership agreement		(321,091)	(281,708)
Postage		(1,647)	(191)
Printing and stationery		(7,588)	(1,556)
Provision for bad debts movements		29,620	(438,350)
Publications		(65,805)	(43,084)
Relocation costs		(30,073)	(15,250)
Security		(351)	(113)
Telephone and fax		(25,680)	(19,010)
Translation		(65,501)	(63,553)
Travel - local		(5,116)	(3,692)
Venue and conference costs		(764,726)	(630,607)
		(3,528,651)	**(3,792,273)**
Operating profit (loss)	13	**242,328**	**(365,371)**
Investment income	15	55,329	60,469
Profit (loss) for the year		**297,657**	**(304,902)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

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