2021/22

CABRI SECRETARIAT

ANNUAL REPORT

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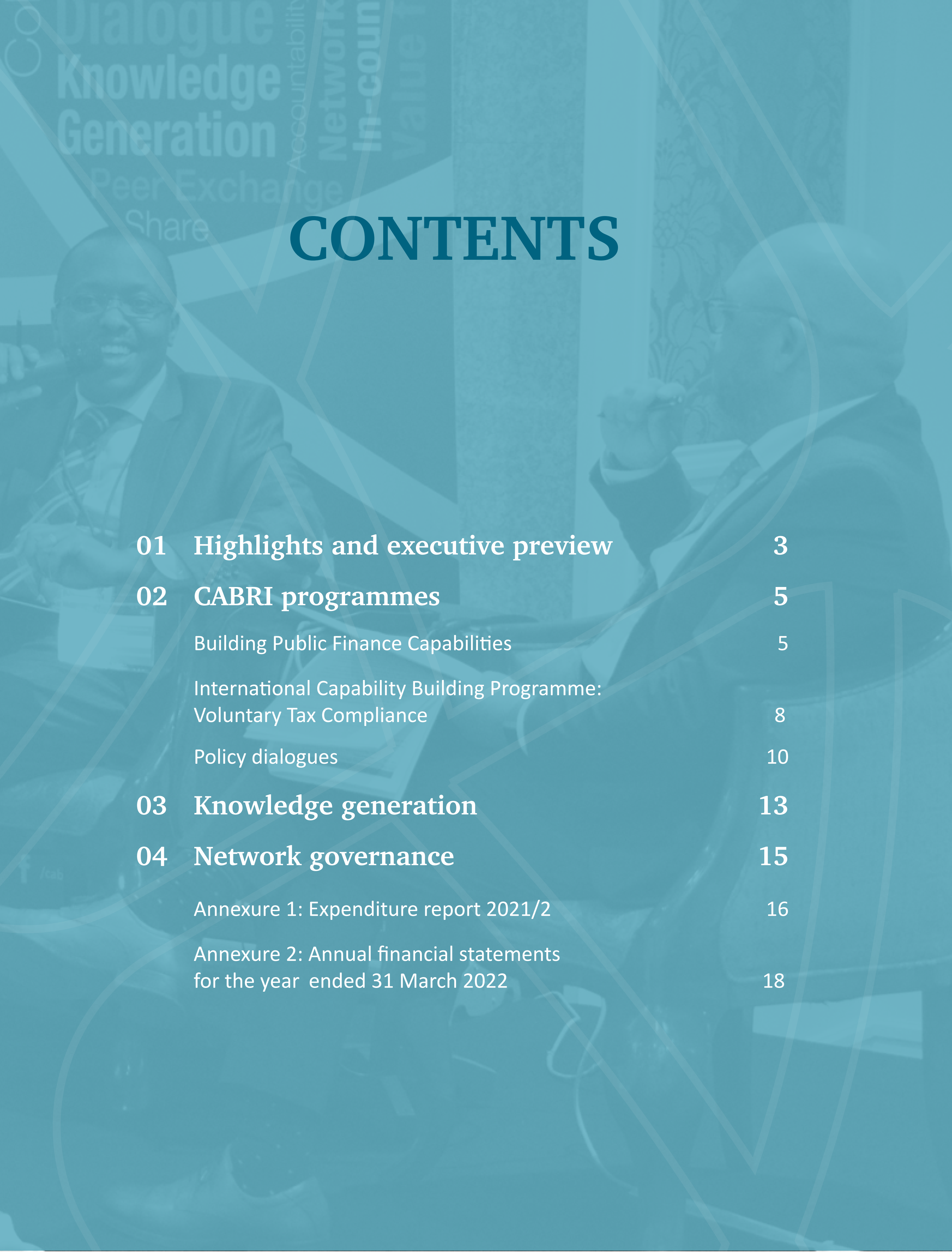
Dialogue
Knowledge
Generation
Peer Exchange
Share
Accountability
Network

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Highlights and executive overview

01

- **The 5th cohort of country teams completed the twelve-month Building Public Finance Capabilities (BPFC) programme.**
- **The 1st cohort of the joint CABRI and Swedish Tax Agency completed the twelve-month International Capability Building Programme (ICBP) on voluntary tax compliance.**
- **Inception phase of the Inclusive Budgeting and Financing for Climate Change in Africa (IBFCCA) programme culminated in three COP26 high-level events, organised jointly by CABRI and the International Institute for Environment and Development (IIED).**
- **Policy dialogues covered pressing issues in public debt, COVID-19 vaccine financing, public finance information systems, and climate-change budgeting and financing.**
- **Consolidated our partnerships with several UN and AU agencies, African Development Bank, and World Bank, amongst others.**
- **In addition to the unqualified IFRS audit for the 2020/21 financial year, CABRI also received separate unqualified audits for our AfDB and SIDA funded projects.**
- **Started a comprehensive review of the operational rules and procedures and organisational development strategy of the Secretariat.**

With many African countries experiencing second and third waves of COVID-19 infections, the governance and programme outputs over the reporting period continued to be held virtually. In particular, CABRI was able to convene the General Assembly meeting that was postponed in 2020 due to COVID-19 restrictions, and four meetings of the Management Committee between April 2021 and March 2022.

Although the virtual platform initially reduced the benefits of in-person activities, such as the social interactions that bring about longstanding peer-alliances, innovative programme formats and virtual meetings software have been able to recreate some of the peer-learning experiences. A good example of these are the online 'bi-laterals' between country teams participating in the various BPFC programme outputs.

As we emerge from the COVID-19 pandemic and countries relax lockdown regulations, the return to in-person outputs will need to recognise the opportunity and benefit of a hybrid delivery model that includes both in-person and virtually delivered outputs, without compromising the benefits of peer-learning. Several factors will need to be considered such as: ability of airlines to recover and service pre-pandemic routes; pace of vaccination programmes; robustness of internet connectivity; and overall health and safety concerns.

Over the reporting period, CABRI outputs covered: (i) eleven country teams tackling locally-nominated public financial management challenges in the BPFC and ICPB programmes; (ii) eleven peer-exchange and learning opportunities focusing on policy and implementation issues in climate change, public debt, and health; and (iii) the generation and distribution of various knowledge products that range from capability assessment reports, policy briefs, newsletters, and blogs. In addition, we continued our response to the public finance challenges caused by the COVID-19 pandemic with a series of peer-learning events and knowledge products focused on vaccine costing, procurement and distribution.

CABRI's leadership in public finance in Africa, especially in the use of peer-learning and the PDIA approach, has led to an increase in partnerships with several regional and international institutions. Our partnerships over the reporting period are shown in Table 1.

Table 1: Partnerships

PARTNER	AREA OF WORK
African Development Bank	Public finance in times of crisis
ATAF, AfrOSAI, AUC, GIZ	Illicit Financial Flows
Judicial Institute for Africa (JIFA)	Public finance and budget training to Senior Court Officials
International Labour Organisation (ILO)	Public finance and budget training on Social Protection Financing course
IMF	Fiscal transparency
OECD	COVID-19: managing budgetary pressures
ODI, WAEMU, MEFMI	Public debt management
WHO, WB, UNICEF	COVID-19 vaccine financing and procurement
SUN, AUDA/NEPAD	Nutrition financing
UNICEF	Program-based budgeting & BPFC programme
Swedish Tax Agency (STA)	PDIA, voluntary tax compliance
IIED, UNDP, IBP	Climate change financing and budgeting
SA School of Government	Public finance and budget training for members of the Executive and provincial executives

CABRI programmes

02

Programme outputs were almost exclusively delivered on a virtual platform in the form of peer learning, training, report launches, and webinars. In addition to the planned outputs, several unplanned webinars and peer learning events relating to the COVID-19 pandemic were also delivered.

Building Public Finance Capabilities

The BPFC programme aims to improve capabilities using a unique approach to reforms, known as the Problem-driven Iterative Adaption approach (PDIA). This problem-centric approach aims to find locally emerging solutions that consider the local context – political, administrative and societal factors.

The 2021 BPFC cohort consisted of seven country teams working on locally-nominated problems related to three critical areas in public finance: cash and liquidity management; implementation of capital projects; and public finance issues in health. Over the reporting period, country teams completed a five-week online training course and participated in a peer-learning workshop to improve the framing of their problem statements. Teams also identified causes and entry points and the first actions to be taken. Following the peer-learning workshop, country teams implemented their plans to solve their locally-nominated public finance problems, which included engagements with various stakeholders. With relaxed travel restrictions, CABRI was able to visit four country teams to engaged key stakeholders and authorisers. Country teams were convened in December 2021 to share their progress with peers, and will continue to apply actions that will lead to continued progress in the problem resolution.

The problem statements and progress of teams are set out in Table 2.

Table 2: BPFC local-nominated problem statements and progress

COUNTRY	PROBLEM STATEMENT	PROGRESS SUMMARY
Benin	*Inefficient co-financed public investments counterpart management within the health sector leads to a delay in the implementation of financial agreements*	• Started an in-depth review of a co-financed public investment project cycle in terms of planning, budgeting, and implementation to uncover existing practices and challenges. • Raised awareness around the need to consider co-financed public investments across different departments in the MoH and MoF. • Improved dialogue and collaboration between the Ministry of Health and Ministry of Finance around the efficiency of budget planification tools for co-financed public investments.
Burkina Faso	*No comprehensive and timely information and control over all of the State's liquid assets, making it difficult to ensure an active cash management*	• Collected data on the various bank accounts and cash balances and met stakeholders in the of the Central Treasury Accounting Agency (ACCT) Reform Directorate to understand the capability gaps in tracking cash balances. • Worked to put in place a mechanism to monitor the application of the terms of the agreement with the commercial banks and to improve visibility on available balances. This was done through the creation of a dedicated workstation within the treasury department. • Organised a participatory workshop with the financial authorities, the customs and tax departments in order to develop and adopt a mechanism to streamline the levelling circuit (automatic daily transfer) of cash balance balances available in the commercial banks towards the central account of the Treasury. • Advocated for the reduction of the number of unauthorised and inactive accounts and commissioned a study on the impact of closing these accounts on commercial banks.
Central African Republic	*Long-term differences between the projected procurement, commitment and cash plans, do not allow for effective management of the State's financial resources*	• Developed a simulation for the development of sectoral engagement plans to understand how this could be scaled up and engaged 5 pilot Ministries. • Increased awareness regarding the need for coordination between the three provisional plans (cash plans, commitment plans and procurement plans). • Mapped out the challenges related to cash management practices, which can be easily articulated to senior management and MDAs.

COUNTRY	PROBLEM STATEMENT	PROGRESS SUMMARY
Guinea	*Healthcare expenditure is a burden on household incomes despite the growing budget allocated to the health sector*	• Analysed historical data and determined the extent of and number of days/weeks of delays in the transfer of funds from the Ministry Planning and Budget to the Ministry of Health. This was identified as a key reason for the health centre's deviation from pricing guidelines for various health services across the country. • This information gave them evidence to discuss problems between the two Ministries and how to improve collaboration for timely submission of cash plans and release of funds. • Identified a case of positive deviance and is organising a workshop to diffuse the approach of establishing a single window/one stop shop in public health centres which centralised payment of user fees. The aim is to push for the implementation of one stop shops across all public health centres in Guinea.
Lesotho	*Prolonged infrastructure project duration leads to delayed service delivery and hinders access to essential services such a health, education, information and communication*	• Undertook a data collection exercise to understand the total number of government projects, projects that have undergone an appraisal process, data on performance and identified entry points to work on. • Organised a technical stakeholder workshop as well as a senior management meeting to present the findings and raise awareness of the problem. • Is working on a tool/evaluation table for prioritisation of capital projects during the project appraisal phase, aligned to the National Strategic Development Plan II.
Malawi	*Cash position uncertainties leading to high borrowing costs and poor decision making by management in terms of fund releases*	• Collected and analysed data on all bank accounts at the Central Bank. This revealed a significant number of dormant accounts, misclassified accounts, and multiple donor accounts for a single project. • Held extensive engagement with MDAs on bank account management (through bilateral meetings, workshops and a survey) to understand the problem and find working solutions. Engaged with other key stakeholders such as the Central Bank and the IFMIS project team. • Contributed to the MoU with commercial banks on revenue transfer which was aimed at addressing some of the challenges around payment processes, in particular the collection and transfer of payments to the Central Bank.
Seychelles	*Limited fiscal discipline and ineffective cash management impede the ability of the GoS to optimise service delivery.*	• Adjusted and improved tax revenue forecasting techniques – this was done in consultation with the tax authority, after the team identified a misalignment in the timing of cash forecasting models. • Identified need to review the existing non-tax revenue forecasting model and began to update the model. • Sensitised senior management on need for a dedicated cash management committee and unit with dedicated staff. Relevant staff have now been allocated to this function, which will meet on a regular basis to monitor cash plans and deviations.

International Capability Building Programme: Voluntary Tax Compliance

CABRI and the Swedish Tax Agency (STA) officially launched the International Capability Building (ICBP) programme on voluntary tax compliance in September 2020 , including the participation of the African Tax Administration Forum (ATAF). The programme will span over four years and will see a collaboration with more than 15 African country teams.

The collaboration with the STA provides a platform for country teams, made up of officials from finance ministries and tax authorities, to improve voluntary tax compliance in their respective countries. Over the reporting period, the ICBP held a benchmarking workshop where the four country-teams presented on progress achieved, challenges and next steps, and further opportunities for peer exchange. In addition, the teams participated in two regional progress workshops and participated in facilitated sessions on measuring and evaluating trust and the transparency linkage between taxes and service delivery.

The problem statements and progress of the ICBP teams are set out in Table 3.

In response to a growing interest from regional and international partners, CABRI has been sharing insights on capabilities and the PDIA approach in relation to public finance reforms. A new BPFC will be launched in the 2022/23 planning period with UNICEF. The collaboration will consist of four countries, initially, and expand over the medium-term into a leading partnership in public finance reforms in Africa.

Table 3: ICBP problem statements and progress

COUNTRY	PROBLEM STATEMENT	PROGRESS SUMMARY
Kenya	*SME tax filing and payment compliance is very low in Kenya, particularly in East and South Nairobi.*	• Letters and emails were sent by the tax service office to all taxpayers notifying them of various tax obligations however, most of them end up not being read as this is not a key means of communication for SME. The team reviewed existing SMSs and repackaged them to draw attention to important information sent to them via email. • Obtained and analyzed specific data for the nil filers that were targeted in communication campaigns by KRA to monitor compliance and impact of the new communication approach. • A dedicated feedback mechanism was established to enable tracking of queries and responses.
Nigeria	*85% of Micro and Small taxpayers in Nigeria do not remit VAT which effectively limits resource mobilisation and the ability of government to fund development projects.*	• Worked on with the Taxpayers Service Department to develop 'Tax Compliance Nuggets' for distribution to both tax officers and taxpayers across the country. The Tax Compliance Nuggets is a pamphlet that summarises, in simple language, the process of complying with the various tax laws. • Worked in conjunction with the Career & Skills Development Department of the Service to realign the training roster to address the capacity deficiencies identified through the programme particularly in the service offering to taxpayers. • Appointing staff trained as compliance champions of the Service that will in turn train their peers in their respective offices and ensure taxpayers get fair treatment from the FIRS. The compliance champions will bring ownership to the concept of compliance monitoring and provide direction to others in ensuring that taxpayers get fair treatment.
South Africa	*On time filling rates of small businesses for Income Tax have been declining over the years, with PIT at 52.8% and CIT at 38.5%. The revenue loss resulting from the noncompliance of registered small businesses represents at least 12.5%* of the R1.112 trillion SARS revenue target for 2020/21.*	• Analyzed log calls and taxpayer queries to assess most common challenges faced in being compliant with CIT and PIT. • Reviewed information provided to taxpayers across various sources to understand gaps in communication. Identified groups of taxpayers (control and experiment) where they will test new communication and messaging to registered small businesses with a compliance information pack on PIT and CIT filing. • Held a high-level authorisers workshop which gathered heads of departments from South African Revenue Service (SARS) as well as National Treasury to present the problem, progress, and ideas. Team members have since then been having in continuous engagements to get SARS operations team (OEPP) on board/in support of the work.
Zambia	*In spite of the attempted shift in focus towards consumption taxes, the collection of excise taxes in Zambia has averaged 82% of expected revenue over the last 5 years and has resulted in an average annual loss of revenue of K 746 million.*	• Held an authoriser engagement workshop to present the problem, findings and propose way forward • Worked on assessing the potential tax base for excise duties in order to improve target setting for ZRA. The first phase focused primarily on production data and, in a second phase the team reviewed external literature and surveys on consumption data. • Ongoing review of tax exemptions within excise duties, particularly in terms of classes of products excluded to ascertain revenue foregone.

Policy dialogues

Our policy dialogues are our leading peer-exchange and learning platform for multiple stakeholders to deliberate on the most pressing public finance challenges in Africa. The full package of a policy dialogue comprises of the: preparation of case-studies; a peer-exchange and learning event; and a training or in-country review. Six peer-learning events were held over the reporting period, as shown in Table 4.

In addition to the series of policy dialogues, CABRI also hosted four network engagements with public debt managers. These four engagements explored the most pressing policy and implementation challenges that are faced by debt managers and helped to shape CABRI's response.

All related policy dialogue papers, case-studies, presentations, key lessons, and blogs can be downloaded from the CABRI PFM Knowledge Hub.

Table 4: Peer-learning events

TOPIC	EVENT FORMAT AND HYPERLINK	PARTICIPANTS	MAIN PEER-LEARNING AREAS
COVID-19 vaccine financing, procurement and distribution	Online peer-learning	Finance and health officials from 16 countries, including experts from the WHO.	How countries are and can more accurately cost all aspects of the COVID-19 vaccine programme and how these have been included in national budgets. Financing options available to African countries and the implications of these, both in the short and medium term. Vaccine procurement arrangements, how these have been decided on during the current crisis, and how concerns around efficiency and accountability in procurement are approached during an emergency. Financial implications of rolling out the vaccine, including how countries can cost and budget for the roll-out, utilise non-governmental actors, and ensure funds flow efficiently to service-delivery centres.
Gender and climate change financing	Online peer-learning	Finance, environment, gender officials from 17 countries. Experts from UNDP, UNEP, UNECA, UNCDF, UNDRR, GIZ, AfDB, I4CE, IIED, IBP	Actions and methods used to implement gender responsive budgeting and/or gender responsive climate budgeting. Coordinating the integration of gender and climate change into public financial management systems, especially the planning and budgeting phase.
Managing and raising debt for post-COVID recovery	Online peer-learning	Public debt managers from 21 countries, academics, regional and international experts.	Managing refinancing risks in a volatile and uncertain environment. Exploring innovative funding opportunities in 2021 and beyond. Improving investor relations and market communication during a crisis. Taking stock of recent sovereign debt restructurings and relief operations.
Strengthening climate change budgeting reforms, transparency and accountability	Online peer-learning	Finance, environment and gender officials from 17 countries. Experts from UNDP, UNEP, UNECA, GIZ, AfDB, IIED, IBP.	Share the lessons from the ongoing in-country work and considered how the methodologies applied can further be developed and refined for a more consistent and methodological approach to climate budgeting reforms in Africa. Explored how the climate accountability ecosystem can be strengthened by bringing together the key formal and informal actors.

TOPIC	EVENT FORMAT AND HYPERLINK	PARTICIPANTS	MAIN PEER-LEARNING AREAS
Gender and climate change in program design and appraisal	Online training	Finance, environment and gender officials from 17 countries	Training opportunity for officials from across the continent working in finance, budget, gender, environment/climate ministries and agencies, to gain practical experience in applying the gender and climate change impact assessment method and provide feedback on how it can be strengthened.
Taking stock of COVID-19 vaccine financing, procurement and distribution in Africa	Online peer-learning	Finance and health officials from 15 African countries, WHO, BMGF, World Bank and UNICEF.	Follow on from our April peer-exchange and learning event. Provided an update on where we find ourselves now in terms of COVID-19 vaccine financing, procurement and distribution Reflected on the key public finance-related challenges that African governments have faced in vaccinating their citizens against COVID-19.
COP26: Increasing funding for climate resilience	Hybrid in-person and virtual high-level panel	Finance and environment officials and COP26 attendees	Developing countries have found innovative ways to integrate climate change into their national planning and budgeting processes. Initiatives span the entire budget cycle although the pace and direction of reforms varies across countries. Resources allocated through the national budget are insufficient to meet the financing needs identified to address the climate change challenge. Private and international public financing will need to be explored and the necessary capabilities to manage these partnerships will be needed.
COP26: Budgeting and finance for climate change adaptation that is inclusive and gender responsive	Virtual	Finance and environment officials and COP26 attendees	Gender and climate change are two cross-sectoral priorities which are essential to achieving the SDGs. Gender responsive climate budgeting offers an opportunity to learn from and build on the experience with gender budgeting.
Negotiating fair and balanced contracts with creditors/ investors	Online peer-learning	Public debt managers, and credit ratings agencies	Technical skills identified, as well as Institutional and legal frameworks. Transparency and mutual accountability to build trust. Improve understanding of negotiation powers.

Knowledge generation

03

Over the reporting period, website users totalled just over 69 000, with 18 800 budget documents downloaded from the Budgets in Africa database.

Compared with 2020/21, the number of CABRI publications downloaded increased from 2 573 to 3 040.

Our social media traffic across the three main platforms continue to grow, with a total of 102 708 page likes on Facebook and a reach of just over 3 million-people.

With 6 318 followers on Twitter, our tweet impressions reached 100 099. CABRI's growing number of LinkedIn followers reached 3 938, with a total impressions of 126 521.

The extensive list of publications produced over the twelve month reporting period, complements the three knowledge products, namely, the Budgets in Africa database, Africa Debt Monitor, and the COVID-19 PF Response Monitor launched at the start of lockdown restrictions in early 2020.

CABRI produced an extensive list of publications, alongside several blogs and regular newsletters. Table 5 details the various knowledge products finalised over the 2021/22 reporting period.

Table 5: Knowledge products

REPORTS
• Opportunities for coordinating the integration of gender and climate change into budgeting and finance • Integration of climate change into budgeting and finance • Expanding the Institutional Coverage of Information Systems in PFM: Lessons from Benin, Nigeria and Ghana • South Africa's financial management information architecture: Workable transversal system or outdated legacy system? • Institutional and personnel capabilities for programme budgeting and monitoring in Ethiopia. • COVID-19: Streamlining Public Procurement Processes: Balancing Efficiency and Accountability • COVID-19: Vaccine Financing, Procurement and Distribution • COVID-19: Trends and tools of reallocating budgets • COVID-19: Ensuring business continuity in the finance ministry • Exploring environmental, social and governance and sustainable finance solutions for African sovereigns • It Takes a Pandemic: Debt Relief in Response to COVID-19 • Managing refinancing risk in a volatile and uncertain environment within the West African Economic and Monetary Union (WAEMU) region • China's approach to sovereign lending and debt restructuring: A primer for African public debt managers
BLOGS
• Debt reforms and management of risks in the public debt portfolio in Benin • PDIA Journey: Managing the challenge of consolidating resources collected by public institutions on the Single Treasury Account (CUT) in the Central African Republic • Lessons for PFM reforms – the PDIA approach in Africa (IMF blog page) • Double mainstreaming – why gender and climate change? • COVID-19 vaccination in Africa: bumps and bridges in budgeting • Launch of PFM Capabilities Assessment Report- Key takeaways • Where is the money? • Country spotlight: Morocco's public debt remains sustainable amid COVID-19 crisis (extracted from Newsletter for Debt Managers in Africa) • Country spotlight: Angola's commitment to prudent and proactive public debt management (extracted from Newsletter for Debt Managers in Africa) • Tracking the climate relevance of expenditure: key choices countries must make • Country spotlight: Strengthening the Debt Management Office of the Government of Liberia
NEWSLETTERS
• July 2021 • October 2021 • Five newsletters for Public Debt Managers in Africa

Network governance

04

Management Committee and General Assembly

Four virtual meetings of the Management Committee (MC) took place on 5 May 2021, 9 November 2021, 24 November 2021 (continuation), and 22 February 2022. Matters considered and approved amongst others, included:

5 MAY 2021	9 NOVEMBER 2021	24 NOVEMBER 2021	22 FEBRUARY 2022
• 2020/21 annual performance • 2021/24 draft Strategic Plan • 2021/22 annual work plan and budget • Human Resources related matters	• Mid-year performance and expenditure report • Revised annual workplan and budget • 2020/21 Audited Financial Statements and Audit report • Update and review of CABRI's Rules and Procedures and Organisational Development Strategy	• Human Resources audit report	• Report on 2021/22 Quarter 3 performance • 2022/23 annual workplan and budget

The records of the four MC meetings are captured in the respective Minutes.

The annual General Assembly (GA) for 2021 was held on 6 May 2021 where new members of the MC were nominated for a period of two years: Benin, Kenya, Nigeria, Rwanda and South Africa, with Nigeria serving as Chair of the MC.

Finance, including development partners and membership fees

CABRI received an unqualified audit for the period. This is the sixth unqualified audit since the adoption of the International Financial Reporting Standards (IFRS) in 2015/16. Prior to the adoption of the IFRS, an 'agreed upon procedures' audit was undertaken.

Expenditure for 2021/22 was 88% of the MC-approved adjusted budget, as shown in Annexure 1. The low expenditure is a result of COVID-19 restrictions on travel and in-person conferencing.

Extensive negotiations with development partners have been undertaken to reforecast estimated expenditure and where necessary, apply for no-cost-extensions.

Development partners

For the 2021/22 period, the main sources of revenue were grant funding from the African Development Bank, Bill and Melinda Gates Foundation, GIZ, Swedish International Development Cooperation Agency (Sida), and Membership Fees.

New funding from SIDA covered the IBFCCA partnership with UNDP, IIED, and IBP. CABRI's partnership programme with the Swedish Tax Agency on voluntary tax compliance is also funded by SIDA.

Human resources

One new appointment and one resignation over the 12-month reporting period.

Annexure 1:
Expenditure report 2021/22

CABRI - Collaborative Africa Budget Reform Initiative

EXPENDITURE REPORT AS AT 31 MARCH 2022

	ACTUAL					MC Approved Budget	YTD Actual	Remaining Budget	% Budget Used
	Q1	Q2	Q3	Q4					
1. BUILDING PFM CAPABILITIES	**129 406**	**116 044**	**116 062**	**95 822**		**610 834**	**457 334**	**153 500**	**75%**
Support to BOF Nigeria	**54 877**	**46 336**	**43 440**	**45 612**		**208 309**	**190 265**	**18 044**	**91%**
Africa	**72 154**	**69 708**	**72 375**	**50 210**		**329 658**	**264 694**	**64 964**	**80%**
Framing Workshop	68 300	4 566	-	-		69 650	72 866	-3 216	105%
Mid Term Review	3 120	55 017	200	-		69 393	58 337	11 056	84%
In Country Check-ins	-	9 425	11 966	2 436		55 541	23 827	31 714	43%
Peer Review Seminar	734	700	60 209	47 774		135 074	109 664	25 410	81%
Diffusion (Benin)	**2 375**	**-**	**-**	**-**		**72 867**	**2 375**	**70 492**	**3%**
Framing Workshop	2 375	-	-	-		72 867	2 375	70 492	3%
2. POLICY DIALOGUES, PRACTICES & PROCEDURES	**42 683**	**116 683**	**118 294**	**135 773**	**-**	**454 381**	**413 433**	**40 948**	**93%**
Value for Money									
Public Health	**8 416**	**-**	**-**	**-**		**21 382**	**8 416**	**12 966**	**89%**
Covid -19 vaccine online peer exchange	8 416	-	-	-		12 781	8 416	4 365	66%
Health Budget Survey	-	-	-	-		8 601	-	8 601	0%
Youth Employment	**-**	**13**	**-**	**-**		**30 043**	**13**	**30 030**	**0%**
Peer learning & exchange	-	13	-	-		30 043	13	30 030	0%
IBF Climate Change in Africa	**30 472**	**77 696**	**76 663**	**135 773**		**269 778**	**320 604**	**-50 826**	**119%**
Implementation phase preparation	-	-	27 322	-		40 000	27 322	12 678	68%
Peer learning & exchange	30 472	60 413	31 527	-		93 481	122 413	-28 932	131%
Peer learning & exchange (IBP/IIED/UNDP)	-	17 283	1 602	-		20 000	18 885	1 115	94%
Climate Change Intergration	-	-	16 212	-		40 975	16 212	24 763	40%
Transfer - IIED	-	-		73 940		37 661	73 940	-36 279	196%
Transfer - IBP	-	-		61 833		37 661	61 833	-24 172	164%
Large Emerging Economies - Fiscal Policy Forum	**-**	**-**	**-**	**-**		**15 000**	**-**	**15 000**	**0%**
Background research	-	-	-	-		15 000	-	15 000	0%
Sustainable Debt Management	**3 450**	**37 711**	**39 952**	**-**		**92 290**	**81 113**	**11 177**	**88%**
Raising and managing debt	3 450	15 050	-	-		19 290	18 500	790	96%
Negotiating loan agreements	-	1 941	11 893	-		16 387	13 834	2 553	84%
Network outreach	-	-	-	-		47 473	-	47 473	0%
Communication and dissemination	-	20 720	28 059	-		9 140	48 779	-39 639	534%
Informations Systems in PFM	**346**	**1 263**	**1 678**	**-**		**25 888**	**3 287**	**22 601**	**13%**
Research	346	1 263	1 678	-		25 888	3 287	22 601	13%
3. KNOWLEDGE DEVELOPMENT & EXCHANGE	**11 033**	**38 528**	**47 724**	**64 188**		**226 095**	**161 474**	**64 621**	**71%**
PFM Capability Assessment	**2 782**	**4 330**	**8 775**	**35 600**		**50 022**	**51 487**	**-1 465**	**103%**
Budgets in Africa	**-**	**4 864**	**8 955**	**-**		**15 837**	**13 820**	**2 017**	**87%**
Africa Debt Monitor	**-**	**-**	**5 840**	**24 215**		**46 232**	**30 055**	**16 177**	**65%**
Covid 19 Response Monitor	**6 855**	**11 979**	**12 411**	**-**		**70 577**	**31 245**	**39 332**	**44%**
IBFCCA Knowledge Portal	**297**	**10 791**	**6 869**	**-**		**20 000**	**17 957**	**2 043**	**90%**
PFM Knowledge Hub	**1 099**	**6 565**	**4 874**	**4 373**		**23 427**	**16 910**	**6 517**	**72%**
4. NETWORK GOVERNANCE									
Sustainable CABRI Network	**61 630**	**81 416**	**67 766**	**64 919**		**402 483**	**275 731**	**126 752**	**69%**
MC & GA									
Visibility & Network Building	6 705	977	5 316	2 549		9 000	15 547	-6 547	173%
Enhanced CABRI knowledge products									
Stakeholder Engagement	2 353	2 361	2 090	453		17 984	7 257	10 727	40%
Evaluation & Strategy	120	1 275	-	-		6 000	1 395	4 605	23%
Strategy Development 2021-2024									
IBFCCA Monitoring and Evaluation	-	39	-	30 000		29 896	30 039	-143	100%
IBFCCA Steering Committee Meetings	-	-	-	-		2 161	-	2 161	0%
Corporate Services - Operational	-	-	-	-		3 000	-	3 000	0%
	52 452	**76 764**	**60 360**	**31 917**		**334 442**	**221 493**	**112 949**	**67%**
STAFF COST									
Network Governance	**270 865**	**249 694**	**235 342**	**380 016**		**1 090 412**	**1 135 918**	**-45 506**	**104%**
Technical	29 090	29 090	29 090	178 469		158 537	265 740	-107 203	168%
Operational	140 753	116 829	108 376	102 757		426 056	468 714	-42 658	110%
	101 022	103 775	97 876	98 790		505 819	401 464	104 355	79%
TOTAL									
	515 617	**602 365**	**585 188**	**740 718**		**2 784 205**	**2 443 890**	**340 315**	**88%**

Annexure 2:
Annual financial statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Collaborative Africa Budget Reform Initiative is an intergovernmental organization that provides a platform for peer learning and exchange for African ministries of finance and planning.
Management committee members	Federal Republic of Nigeria - Chairperson Republic of South Africa Republic of Kenya Republic of Rwanda Republic of Benin Mr NG Cole - Ex-officio member
Member countries	Burkina Faso Central African Republic Kingdom of Lesotho Republic of Cote 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 Republic of Malawi
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	Mazars Registered Auditors
Preparer	The annual financial statements were internally compiled by: Ms R. Subramoney Financial Manager
Issued	15 November 2022

Management Committee's Responsibilities and Approval

The members of the management committee are required by 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 2023 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has 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 auditor and their report is presented below.

The annual financial statements set out on page 22, which have been prepared on the going concern basis, were approved by the membership committee on 15 November 2022 and were signed on their behalf by:

Chairperson

Management Committee's Report

1. Management committee

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

Members	
Mr BI Akabueze • Chairperson	Federal Republic of Nigeria
Ms S Thipe	Republic of South Africa
Mr S Kiiru	Republic of Kenya
Mr R Namutebi	Republic of Rwanda
Mr R Chaou	Republic of Benin

This new Management Committee was appointed on 6 May 2021 at CABRI's annual General Assembly meeting. The Management Committee will serve for a period of 2 year.

2. Property, plant and equipment

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

3. 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.

4. Going concern

The members believe that the organisation 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 have satisfied themselves that the organisation 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.

5. Auditors

Mazars continued in office as auditors for the organisation for 2022.

6. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the members on Tuesday, 15 November 2022. No authority was given to anyone to amend the annual financial statements after the date of issue.

Independent Auditor’s Report

31 March 2022

To the Members of the Management Committee of Collaborative Africa Budget Reform Initiative (CABRI)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CABRI set out on pages 22 to 35, which comprise the statement of financial position as at 31 March 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 the organisation 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 corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management are responsible for the other information. The other information comprises the information included in the document titled “Collaborative Africa Budget Reform Initiative Annual Financial Statements for the year ended 31 March 2022” which includes the Management Committee’s Report and the Detailed Income Statement. The other information does not include the consolidated or the separate financial statements and our auditor’s reports 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 Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as management 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, management is responsible for assessing the organisations ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 ISAs 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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor’s report. This description, which is located at page 3, forms part of our auditor’s report.

Mazars
Partner: Daniel Tekie
Registered Auditor
Pretoria

Auditor’s Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, 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 organisation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements 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 management 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.

Statement of Financial Position as at 31 March 2022

Figures in US Dollar	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	13 905	25146
Current Assets			
Trade and other receivables	3	578 043	1 020 142
Cash and cash equivalents	4	2 023 089	3 893 663
Other asset	5	478 372	
		3 079 504	**4 913 805**
Total Assets		**3 093 409**	**4 938 951**
Equity and Liabilities			
Equity			
Retained income		2 100 652	2 294 393
Liabilities			
Current Liabilities			
Trade and other payables	6	148 520	347 597
Deferred income	7	173 098	1 645 742
Provisions	8	56 139	61 219
Amounts invoiced in advance	9	425 000	415 000
Amounts received in advance	10	190 000	175 000
		992 757	**2 644 558**
Total Equity and Liabilities		**3 093 409**	**4 938 951**

Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

Statement of Comprehensive Income

Figures in US Dollar	Notes	2022	2021
Revenue	11	2 856 105	3 221 584
Foreign exchange gain			103 645
Operating expenses		(3 056 599)	(2 897 637)
Operating (loss)/ profit	12	**(200 494)**	**427 592**
Investment revenue	13	6 753	10 567
(Loss) profit for the year		**(193 741)**	**438159**
Other comprehensive income			
Total comprehensive (loss) income for the year		**(193741)**	**438159**

Statement of Changes in Equity

Figures in US Dollar	Retained income	Total equity
Balance at 01 April 2020	**1856234**	**1856234**
Profit for the year	438159	438 159
Other comprehensive income		
Total comprehensive income for the year	**438159**	**438 159**
Balance at 01 April 2021	**2 294 393**	**2 294 393**
Loss for the year	(193 741)	(193 741)
Other comprehensive income		
Total comprehensive loss for the year	**(193741)**	**(193 741)**
Balance at 31 March 2022	**2100 652**	**2 100 652**

Statement of Cash Flows

Figures in US Dollar	Notes	2022	2021
Cash flows from operating activities			
Cash used in operations	14	(1 421 856)	(199 148)
Interest income		6 753	10 567
Net cash from operating activities		**(1 415 103)**	**(188 581)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 099)	(13 853)
Purchase of other asset		(478 372)	
Net cash from investing activities		**(480 471)**	**(13 853)**
Cash flows from financing activities			
Movement in amounts invoiced in advance		10 000	(25 000)
Movement in amounts received in advance		15 000	25 026
Net cash from financing activities		**25 000**	**26**
Total cash movement for the year		**(1 870 574)**	**(202 408)**
Cash at the beginning of the year		3 893 663	4 096 071
Total cash at end of the year	4	**2 023 089**	**3 893 663**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Agreement Establishing the Collaborative Africa Budget Reform Initiative. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs and incorporate the principal accounting policies set out below. They are presented in US Dollar.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

The preparation of annual financial statements 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.

1.2 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 period.

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 initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less 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 company.

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

Accounting Policies

1.2 Property, plant and equipment (continued)

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.

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 de recognised 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 de recognised.

1.3 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 accumulated amortisation and accumulated 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, as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 years

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.4 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.B(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 Leases .

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.6 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.

Accounting Policies

1.7 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 leave pay 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 because of past performance.

1.8 Provisions and contingencies

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event; it is probable that the organisation will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.9 Revenue

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

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 (separetely).

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

Membership fees

Membership fees are invoiced in the current financial year for the following financial year, that collection takes place by March and can be used for expenses that incurs in the following financial year. According to the rules and procedures, the membership fees should be paid by 31 March.

Accounting Policies

1.10 Foreign exchange

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 arming 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 penod 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.

Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	30 171	(28 861)	1 310	29 331	(28 400)	931
Office equipment	5 389	(4 199)	1 190	5 389	(3 344)	2 045
IT equipment	80 005	(68 600)	11 405	78 746	(56 576)	22170
Leasehold improvements				30 707	(30 707)	
Total	**115 565**	**(101 660)**	**13 905**	**144173**	**(119027)**	**25146**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	931	840	(461)	1 310
Office equipment	2 045		(855)	1 190
IT equipment	22 170	1 259	(12024)	11 405
	25146	**2 099**	**(13340)**	**13 905**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	6199		(5 268)	931
Office equipment	2 899		(854)	2 045
IT equipment	22 541	13 853	(14 224)	22 170
	31 639	**13 853**	**(20 346)**	**25146**

3. Trade and other receivables

	2022	2021
Trade receivables	539 883	555770
Deposits	8 334	8 376
Sundry debtors receivable	29 826	455 996
	578 043	**1 020 142**

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

	2022	2021
Trade receivables - US Dollar	1 766 728	1 632 645
Trade receivables impaired	(1 226 845)	(1 076 875)
Trade receivables after impairment	539 883	555770

Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	67	67
Bank balances	2 023 022	3 893 596
	2 023 089	**3 893 663**

The carrying amount of cash and cash equivalents are denominated in the following currencies and converted to USO as at 31 March 2022 for the 2021/22 financial year at the following rates:

South African Rand: R 14.4705 = $1 (2021: R 14.8369 = $1)	1618048	7 471 798
United Stated Dollar	1 911 205	3 387 922
Great British Pound: (2021: GBP 0.7264 = $1)		792
Swiss Franc: (2021: CHF 0.9634 = $1)		949

5. Other asset

In line with the grant agreement, GABRI paid for expenses which was reimbursed after year end by the Bill and Melinda Gates Foundation.

6. Trade and other payables

Trade payables	120 406	325 754
Accrued expenses	28 114	21 843
	148 520	**347 597**

The net carrying amounts, of trade payables, are denominated in the following currencies.		
South African Rand	52 687	81 763
Great British Pound		2 475
United States Dollar	67 720	316 676

7. Deferred income

Deferred income	173 098	1 645 742

Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH		90 510
Bill and Melinda Gates Foundation		804 991
African Development Bank		93 891
Swedish International Development Cooperation Agency	173 098	656 350

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.

Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021

8. Provisions

Reconciliation of provisions - 2022

	Opening balance	Utilised during the year	Total
Provision for leave pay	61 219	(5 080)	56139

Reconciliation of provisions - 2021

	Opening balance	Utilised during the year	Total
Provision for leave pay	33 668	27 551	61 219

9. Amounts invoiced in advance

	2022	2021
Membership fees invoiced in advance	425 000	415 000

10. Amounts received in advance

	2022	2021
Membership fees received in advance	190 000	175 000

11. Revenue

	2022	2021
Grants received	2 266 105	2 631 610
Membership fees	590 000	589 974
	2 856105	**3 221 584**

12. Operating (loss)/ profit

Operating (loss)/ profit for the year is stated after accounting for the following:

	2022	2021
Operating lease charges		
Premises		
• Contractual amounts	73 201	96 515
Profit (loss) on exchange differences	35 376	(103 645)
Depreciation on property, plant and equipment	13 339	20 346
Employee costs	1131 256	1189 474

13. Investment revenue

	2022	2021
Interest revenue		
Bank	6 753	10 567

Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021

14. Cash used in operations

(Loss) profit before taxation	(193 741)	438159
Adjustments for:		
Depreciation and amortisation	13 339	20346
Interest received	(6 753)	(10 567)
Movements in provisions	(5 080)	27 551
Changes in working capital:		
Trade and other receivables	442100	(556 360)
Trade and other payables	(199 077)	319 276
Deferred income	(1 472 644)	(437 553)
	(1 421 856)	**(199 148)**

15. Auditor's remuneration

Fees	44 716	30 239

16. 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.

17. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year		64 456

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.

18. Related parties

Relationships

Members of management and other officials	Mr NG Cole - Executive Secretary Ms R Subramoney - Financial Manager

Related party balances and transactions with other related parties

Related party transactions

Remuneration and tax compensation paid to members of management and other officials		
Mr NG Cole	158 546	163 088
Ms R Subramoney	106 985	108 420
Ms A Gajeelee		76 685

19. Categories of financial instruments

Debt instruments at amortised cost

Trade and other receivables	578 043	1 020 142
Cash and cash equivalents	2 023 089	3 893 663
	2601132	**4 913 805**

Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021

19. Categories of financial instruments (continued)

Financial liabilities at amortised cost

Trade and other payables	148 518	347 596

20. Going concern

GABRI is awaiting the renewal of its GIZ and African Development Bank funding, and GABRI is in the process of submitting funding proposals to SIDA to start in 2023. GABRI is also on a drive to collect outstanding membership fees.

Given the restrictions imposed due to the Covid-19 pandemic, project related travel expenditure will be reduced as programmatic work is done via virtual meetings and webinars. Therefore, the effects of the Covid-19 pose no risk to the going concern for GABRI.

Management and the Management Committee believe that the organisation 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. Management and the Management Committee are not aware of any new material changes that may adversely impact the organisation. They 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.

21. Events after the reporting period

NG Cole (Executive secretary) resigned from GABRI and his services ended 30 June 2022.

Detailed Income Statement

Figures in US Dollar	Note(s)	2022	2021
Revenue			
Grants income		2 266 105	2 631 610
Membership fees		590 000	589 974
	11	**2856105**	**3 221 584**
Other income			
Profit and loss on exchange differences			103 645
Operating expenses			
Advertising		(13355)	(22 294)
Auditors remuneration	15	(44 716)	(30 239)
Bad debts		(149970)	(97 537)
Computer expenses		(49 746)	(39 985)
Consulting and professional fees		(1 181 799)	(928 977)
Depreciation		(13 339)	(20 346)
Employee costs		(1 131 256)	(1 189 474)
Entertainment		(2 236)	(1 859)
Venue and conference costs		(201 045)	(210 806)
Publications		(24 301)	(25 891)
Editorial services		(3 554)	(24 400)
Flights		(3 036)	(37 209)
Translation		(83 346)	(102 110)
Ground transport		(191)	(10 478)
Tender costs			(2 127)
Relocation costs		(583)	(6 500)
Asset expenditure			(268)
General expenses		(6 586)	(6 239)
IT expenses		(9 711)	(16 727)
Insurance		(138)	(102)
Lease rentals on operating lease		(73 201)	(96 515)
Legal expenses		(3 130)	(3 607)
Municipal expenses		(7 629)	(6 692)
Postage		{13)	(175)
Printing and stationery		(664)	(366)
Foreign exchange loss		(35 376)	
Security		(388)	(497)
Telephone and fax		(16 368)	(13 588)
Travel - local		{922)	(2 629)
		(3 056 599)	**(2 897 637)**
Operating (loss)/ profit	12	**(200 494)**	**427 592**
Investment income	13	6 753	10 567
(Loss)/ profit for the year		**(193 741)**	**438 159**

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

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