

CABRI  
SECRETARIAT  
**ANNUAL REPORT**  
**2022/23**

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# Highlights and Executive Overview

**This report provides a detailed overview of the CABRI Secretariat's output for the annual financial year 1 April 2022 to 31 March 2023.**

**We are pleased to present this Secretariat report to our member countries in Africa, funding partners and stakeholders. This year, more than ever, presented CABRI with challenges including matters such as delays in funding receipts and leadership changes. Through it all, we proudly delivered our standard high-quality work.**

Our programmes of work over the year continued, with the Building Public Finance Capability Programme, expanding and now including work on Voluntary Tax Compliance, Programme-Based Budgeting and cohorts of various Africa country-teams working together to solve Public Finance problems. We continued our focus on keeping abreast of ongoing dialogues and research on double-streaming Climate Change Financing and Gender, in completion of the implementation phase of our Climate Change Programme. Our work on Sustainable Debt continued, with engaging discussions on critical regional debt issues faced by African debt managers.

One main aspect of our work that we would have liked to do more on during this period, was our Policy Dialogues, which provide a platform for peer learning and exchange between Public Financial Management (PFM) country practitioners.

In the next year, our goal is to hold more frequent Policy Dialogues on critical PFM issues, especially those faced by our member countries. Our priority is to engage more and be even more cognisant of the needs of our member countries, which we aim to achieve through a more proactive consultative process.

We invite our members and partners, to visit the [CABRI PFM Knowledge Hub](#) for articles, blogs and key lessons on all events that took place during the course of the reporting period.

Lastly, we have continued to lead the way in applying the Problem-Driven Iterative Adaptation (PDIA) approach to solving Public Finance problems in Africa. This, together with collaborations with new and former technical partners, provided the opportunity for CABRI to collaborate and participate in the technical partnerships, shown in Table 1.



Table 1: Technical Partnerships

PARTNER	AREA OF WORK
AfDB/ADI	Prudential public budgeting
ATAF, AFROPAC, AFROSAI-E, AfroSAI, AUC, GIZ	Illicit Financial Flows
COP27	Climate Change
FAO	Government expenditure in agriculture, mainstreaming gender equality
IMF/WB	Fiscal Transparency
IntoSAI/IDI	PDIA
Rebuild/OPM	Disaster-resilient PFM
SA National Treasury	Gender responsive budgeting
SARS	PDIA
UNDP	Climate Change
Indonesian government	Gender equality, social inclusion, climate budgeting



01



5th and 6th Network engagements of public debt managers in Africa

02



Partnership agreement with the African Development Bank for Phase II of the RISPPG programme

03



International Capability Building Programme on Voluntary Tax Compliance – Authorisers of various African countries study visit to Sweden.

08



Official launch and inception of the strengthening capabilities for the implementation of programme-based budgeting in childhood sectors in Algeria (CABRI-UNICEF partnership).

04



Partnership with INTOSAI Development Initiative on strengthening Supreme Audit Institutions' implementation capabilities using the PDIA approach, including a week-long workshop in Oslo, Norway.

## Highlights during the year

07



High-level Forum presentation of CABRI's work on Climate Change Financing and Gender-based budgeting and lessons from the IBFCCA inception phase.

06



Unqualified 2021/22 IFRS audit – 7th in a row since adoption of International Financial Reporting Standards.

05



Statutory meetings with the CABRI Management Committee and CABRI General Assembly.

## Building Public Finance Capabilities



# CABRI Programmes

The Building Public Finance Capabilities (BPFC) Programme aims to build capabilities of teams of public senior budget officials to solve locally nominated public finance problems, using a unique approach to reforms, known as the Problem-driven Iterative Adaption approach (PDIA). This problem-centric approach facilitates the emergence of local solutions, whilst considering the local context and the political, administrative, and societal constraints.

A growing number of partnerships with regional and international organisations materialised in 2022/2023 giving rise to new capability building programmes, namely with United Nations Children’s Fund (UNICEF) Eastern and Southern Africa Office (ESARO) and the UNICEF Algeria Office, in addition to the existing programme with the Swedish Tax Agency (STA).

In response to growing interest from regional and international partners, CABRI has also engaged widely to share insights on institutional capabilities in various PFM areas and on the PDIA approach to public finance reform in Africa.

### Introducing the PDIA to supreme audit institutions

The International Development Institute of Supreme Audit Institutions (INTOSAI) recognising the importance of fully understanding local context and acting within existing institutional constraints when drawing up international standards, approached CABRI to share the principles and practices used in our BPFC programme. This was done through a four-day training workshop from 12-15 September 2022 in Oslo, Norway with INTOSAI, African Supreme Audit Institute-Anglophone (AfroSAI-E) and Conseil Régional des Associations et Institutions de Formation en Afrique<sup>1</sup> (CREFI AF) staff and officials from peer country SAIs, including Kenya, Gabon, Latvia, Tunisia, Senegal, Sweden, Morocco, United Kingdom, Norway, Netherlands and Turkey.

To impart understanding of the BPFC process, the training simulated the process that BPFC teams go through in nominating a problem, deconstructing it, and considering ideas to begin resolving it. The problems chosen included that: the National Assembly in The Gambia does not follow up on audit recommendations, limiting the impact of report findings; jurisdictional control in Madagascar is missing or delayed, limiting the functioning of agencies; in South Sudan SAI personnel salaries are not paid or paid late, affecting staff morale and the SAI’s ability to execute its mandate; audit recommendations are often not implemented in Somalia compromising service delivery and the value of the audit to the its citizens; and in the Democratic Republic of Congo (DRC) there have never been judgements issued on the public accountants, enabling corruption and impunity.

### Collaboration with Centre for Excellence in Finance on “Leadership Challenges for Structural Reforms”

In March 2023, CABRI participated in a webinar that highlighted the non-technical factors influencing decision-making in country Economic Reform Programmes (ERP) processes, the emphasis was on how the approach can be incorporated by country ERP coordinators in their leadership role in reform processes.



## International Capability Building Programme: Voluntary Tax Compliance







CABRI and the STA continued to jointly implement the highly successful International Capability Building Programme (ICBP) on Voluntary Tax Compliance (VTC), which spans from 2020 and will continue until 2024. The collaboration with the STA provides a platform for country-teams, comprising of officials from both finance ministries and revenue authorities, to improve VTC in their respective countries.

Over the reporting period, the second iteration of the programme saw the participation of the four participating country-teams from Kenya, Nigeria, South Africa and Zambia, continuing to do work on various tax compliance issues. Their new areas of analysis are reported in Table 2. A virtual benchmarking workshop was held in April 2022 where the four teams presented on progress achieved, challenges, next steps, and further opportunities for peer exchange. In addition, the teams travelled to Sweden in May 2022 to better understand the Swedish approach to VTC. Teams also participated in a regional workshop in October, which explored strategies for measuring and evaluating trust in institutions and the transparency linkage between taxes and service delivery.

In September 2022, a workshop for the Authorisers of the projects from the various countries was held in Sweden, in recognition of the importance of high-level support in the success of the ICBP. The workshop involved reflecting on: the first two years of the programme; deepening the Authorisers' understanding of the PDIA approach; setting out what is required of their teams and themselves in future iterations (there are 4 planned in total); sharing how the VTC approach has helped the STA to increase its revenue collection, and, most importantly, considering problem areas for the third cohort with new individuals participating in each of the teams, from Kenya, Nigeria, South Africa and Zambia.

The third iteration of the programme started in November 2022, with a five-week online course, which provided participants with knowledge on tax administration reforms and the PDIA approach. The teams also participated in a Framing Workshop, which was held in their respective countries and facilitated by CABRI and the STA. In February 2023, teams attended a two-week virtual Regional Workshop where participants were presented with key factors affecting voluntary compliance, drawing inspiration from various presenters at the STA, the Danish Tax Agency, African Tax Administration Forum (ATAF), CABRI and the International Budget Partnership (IBP).

**Table 2: ICBP VTC 2022 problem statements and progress**

COUNTRY	PROBLEM STATEMENT	PROGRESS
<b>Kenya</b> 	<p>"70% of tax refund claims take more than 90 days to process. This impacts the business cash flow, their opportunities to invest and thus the economy at large. The delayed Tax refunds cost the state 1% interest/month."</p>	<p>The team carried out a pilot project with auditors, earmarked to audit companies that requested tax refunds which reduced their company balances by 60% or more. They also developed and implemented a model for automatic risk assessment of companies that requested tax refunds.</p>
<b>Nigeria</b> 	<p>"The equivalent of 70% of total government revenue is lost annually to tax expenditures, granted with undetermined benefits, in the context of a small and shrinking tax base."</p>	<p>The team developed a template to be used by all institutions deciding on whether to grant tax exemptions/ tax incentives for companies. The aim is to enable a cost-benefit analysis of the country's large tax exemptions/ tax incentives, granted to enable the companies to attract investment.</p>
<b>South Africa</b> 	<p>"The current registration and verification process makes it difficult for the traders to access both the domestic and international trading space."</p>	<p>The team's work has led to the cumbersome registration process and licensing for traders being reduced to seven steps, from the previous 21 steps.</p>
<b>Zambia</b> 	<p>"Since the introduction of Withholding VAT in 2017, about 60% of the Withheld VAT per annum was remitted late, partially remitted or not remitted at all. This has contributed to loss of revenue for the Government and affected timely payment of refunds to VAT registered suppliers thereby adversely impacting their operations."</p>	<p>The team's work led to a set of recommendations to improve an underperforming VAT Withholding system. These recommendations are now part of ongoing work to develop a new system.</p>

## Programme-Based Budgeting – UNICEF Algeria



A partnership between CABRI and UNICEF Algeria commenced in June 2022 to support the National Economic, Social, Environmental Council (CNESE) and the National Body for the Promotion and Protection of Childhood (ONPPE) on strengthening programme-based budgeting (PBB). CABRI has designed seven training modules on the various steps of good PBB and on the design of a satellite account for childhood sectors.

This training programme falls within ongoing public finance reform in Algeria, framed by the organic finance law and the draft National Plan for Action (NPA) for children under the authority of ONPPE. The “Childhood satellite account” will facilitate the analysis of economic and budgetary data in the framework of the national accounting system and national social and economic accounts.

In addition to the training programme, CABRI has developed an online platform to support participants with the training modules and enhance reflections on the implementation of PBB in their own context.

Approximately forty members of the Childhood Commission and budget officers in the 16 ministries within the ambit of the Commission, as well as representatives of the budget office at the Ministry of Finance have enrolled in the training programme.

Module 1 on Understanding PBB concepts and tools took place in July 2022 for three days. The sessions held covered the: (i) link between PBB and public financial management (PFM) as well as key lessons learned in PFM reforms; (ii) key definitions of PBB concepts; and (iii) enabling environment for- and sequencing of steps of PBB reform.

Module 2 on the Preparation for PBB took place in September 2022 for three days, the aim being to equip participants to: (i) design and prepare a PBB; (ii) develop medium-term expenditure estimates for PBBs and economic classifications; and (iii) achieve value for money.

Module 3 on the execution of the programme budgets took place in October 2022 and explored issues related to the: (i) strategic allocation of resources, (ii) spending controls, (iii) alignment of reforms to improve accountability and (iv) role of institutions and various programme managers in the programme-based budget.

Module 4, on monitoring, reporting and analysis of programme budgets, took place in November 2022 and explored: (i) the role of information on performance in PFM, (ii) how to define performance measures and good practices for the design of performance indicators in the social sector and (iii) the functions and systems to be put in place for planning and monitoring and evaluation:

The experiences of Tunisia, South Africa and Rwanda featured throughout the different modules, highlighting the processes, technical and other challenges and the iterations that are still underway for the implementation of PBB in those countries.

The remaining modules of the training programme will take place in 2023/2024.





## Building Public Finance Capabilities for Improved Social Services for Children (BPFCC) with UNICEF ESARO



Strengthening public finance systems and capabilities is key to providing critical social services for children. CABRI and UNICEF Eastern and Southern Africa Regional Office (ESARO) established a joint programme in November 2022, to tackle public finance problems in key social sectors that particularly affect children- such as education, nutrition, health and social protection. The programme includes teams from Malawi, Somalia, Mozambique, Zambia and Zimbabwe. Each of the country-teams comprises of officials from ministries of finance, sector ministries and/or local government agencies.






The 12-month programme kicked off with a four-week online course in November 2022. The teams were introduced to the PDIA approach, the improvements that come with focusing on the Functionality rather than merely the Form of PFM reforms and began to collect data to understand the nature and impact of their nominated problem.

The teams came together in person for the first time in February 2023 for the Framing Workshop. During this three-day workshop, they further refined their problem statements (shown in Table 3), deconstructed them into their causes and sub-causes, and identified which of these causes they have the greatest space to act on, and began identifying action ideas.

In 2023/24, we will undertake in-country check-ins to learn more about the work the teams are doing, continue our bi-weekly coach meetings together with the UNICEF coaches, and bring the teams together in June 2023 and November 2023- to learn about the progress they have made and facilitate further peer-learning and exchanges. Progress in addressing the problem statements will be reported in next year's Secretariat Report.

In collaboration with UNICEF, a Policy Dialogue on "Early Childhood Development (ECD) Financing" was held in March 2023, in Sandton, South Africa, with officials from Botswana, Burundi, Eswatini, Ethiopia, Kenya, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Zambia and Zimbabwe in attendance. This three-day workshop brought together officials to share experiences, good practices and lessons learned in planning, costing, financing and budgeting for ECD services. The Policy Dialogue aimed at enhancing the capacity of government officials and development partners, to regularly monitor and measure public and private investments in ECD as well as to discuss how to embed ECD in ongoing PFM reforms, such as programme/output-based budgeting, medium-term expenditure planning, and public investment management planning. The event also focused on discussions on strategies for expanding fiscal space to invest in ECD and improve equity and efficiency of ECD spending. CABRI's presentation on "The role of robust PFM systems in delivering ECD services" was well received by all participants and the logistical support provided by us ensured the ultimate success of this event.

**Table 3: BPFCC problem statements**

COUNTRY	PROBLEM STATEMENT
Malawi 	Inequitable and insufficient financial resources for service delivery units, such as PHC facilities, limits the autonomy of facilities to plan and forecast their needs, budget, execute projects in line with funding, and monitor expenditure.
Mozambique 	Lack of coordination in the implementation of PBB has led to inefficiencies, including duplication, inequitable allocation and ineffective spending.
Somalia 	Execution rates for donor-funded projects in health and education were 16% and 35% in 2022, respectively. This has contributed to 60% of children being out of school and one of the highest under-five-year-old mortality rates in SSA.
Zambia 	Low own-source revenue and a collection efficiency rate of only 37% in local authorities has led to inadequate provision of social services, ultimately perpetuating poverty.
Zimbabwe 	Under-utilisation of the non-wage budget for primary and secondary education contributes to an insufficient number of schools, inadequate infrastructure and learning materials, and more than two million children out of school.

## Sustainable Debt Management



The 5<sup>th</sup> Network Engagement of Public Debt Managers in Africa was held in April 2022 with officials from 14 African countries. This event focused on executing prudent debt management strategies in the face of uncertainty. Debt officials from Morocco and Rwanda reflected on how they seek to achieve their post-pandemic economic recovery, debt sustainability and liquidity requirements. Morocco emphasized the flexibility in adjusting their funding strategy in 2020 in the wake of the COVID-19 pandemic. Rwanda provided an update on the proactive debt management stance it took to reduce the risk of debt distress.

CABRI published the 5<sup>th</sup> Newsletter for Public Debt Managers in Africa titled “Taking advantage of the improved credit rating outlook to prudently manage government debt” in June 2022. The newsletter covered international and regional debt capital market developments, debt issuance by African governments and sovereign credit rating developments. The country spotlight for the 5<sup>th</sup> newsletter shone on Kenya with a focus on how public debt initiatives help accelerate economic recovery for the improved livelihoods of the Kenyan people. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) contributed useful insight on increasing domestic resource mobilization, to reduce high debt levels and debt-related costs.

## Climate Change Financing



As part of CABRI’s Inclusive Budgeting and Financing for Climate Change in Africa (IBFCCA) Programme, we continued to contribute to the gender and climate finance policy debate at the global, regional and national level. CABRI co-hosted an event at the Africa Climate Week with the United Nations Development Programme (UNDP), the African Union Commission (AUC) and the NDP Partnership. CABRI also contributed to preparatory consultations for COP27, led by the Ministry of Finance in Egypt and provided input to the work led by the Coalition of Finance Ministers on “strengthening the role of ministries of finance in driving climate action”. CABRI presented the key learnings from our Programme at numerous peer learning and exchange events in Africa and Asia-Pacific, on platforms led by national governments, the Food and Agriculture Organization of the United Nations (FAO), UNDP and UNFCCC.

Our proposal for an additional three years following on implementation phase of the IBFCCA Programme is currently under appraisal with Swedish International Development Cooperation Agency (Sida). Through the programme, together with our partners UNDP and International Institute for Environment and Development (IIED), we hope to expand our support to countries in strengthening gender responsive climate budgeting.

CABRI, in collaboration with GIZ, hosted the 6<sup>th</sup> Network Engagement of Public Debt Managers in Africa in October 2022 with 14 African countries. It centred on (i) increased debt vulnerabilities in Africa and the potential for default; (ii) Understanding the commitment of China and other key creditors in extending infrastructure loans in Africa and the way debt restructuring is treated. Based on data and research sourced from the China Africa Research Initiative (CARI) and the Global Development Policy Centre, CABRI led a discussion on understanding the commitment of China in extending infrastructure loans in Africa, while Zimbabwe and Liberia shared how they manage increasing debt vulnerabilities.



# Knowledge Generation

Our PFM Knowledge Hub continued to attract interest in this reporting period, with 114 000 users and 121 000 page views. Our Budgets in Africa (BiA) section, which presents a tool that provides up-to-date and regular information and analysis on African national budgets, generated 9 890 downloads. We continue to develop publications with the aim of raising awareness and sharing knowledge on PFM issues, and in this quarter, our publication reports were downloaded 1 876 times.

Two more of our most popular PFM tools in our PFM Knowledge Hub are the Africa Debt Monitor (ADM) and the COVID-19 Response Monitor. The ADM features multiple tools that facilitate peer-learning and exchange regarding debt management and provides investors and researchers convenient and user-friendly access to **centralised** information on the debt portfolio of governments in Africa. This tool includes (i) individual country debt profiles; (ii) cross-country comparison of debt management practices and procedures; (iii) individual country data tables; (iv) the Debt data explorer; and (v) ADM Analysis reports. The ADM currently covers 20 African countries and will be updated annually, with the intent of adding additional countries each year. The ADM was visited 18 102 times this year.

CABRI's COVID-19 landing page provides an overview of the fiscal impacts and responses to COVID-19 in African countries and shares expert insights into effectively managing extraordinary budgetary pressures.

Although most countries are experiencing some form of reprieve from the impacts of COVID-19, planning effectively and noting the budgetary pressures pandemics put on national budgets, it is good to see that the COVID-19 PF Response Monitor continues to be visited - with 58, 592 searches during the reporting period.

CABRI envisions 2023 to be a year where new and old partners come together to work on the programmes planned and set out in the new annual workplan. They will be executed with the same traction that our team and stakeholders are accustomed to, and which will realise an increase in our publications.

Our social media traffic across the three main platforms continues to grow, with a total of over 100,000 page likes on Facebook and a reach of just over 1.4 million people. With over 6,000 followers on Twitter, our tweet impressions totalled 31,025. CABRI's growing number of LinkedIn followers reached 4,331 with a total impression of nearly 72,000.

CABRI produced an extensive list of publications, alongside several blogs and regular newsletters, in the reporting period and these are the foundation of the Knowledge Hub.

Table 4 details the various knowledge products finalised over the 2022/23 reporting period. We invite you to follow the links to find out more.

**Table 4: Knowledge Products**

REPORTS	
→	Africa Debt Monitor Analysis : The state of public debt transparency and accountability in Africa
→	Africa Debt Monitor Analysis : Managing risks of ever-changing debt portfolios in ADM participating countries
→	Forecast Bias and Budget Credibility in Rwanda, Senegal and Uganda- Results from a New Fiscal Database
→	CABRI Secretariat Annual Report 2021/22
→	Building Public Finance Capabilities in Africa-2023 Brochure
BLOGS	
→	Top 2 key takeaway messages from the fifth network engagement meeting with public debt managers in Africa
→	ICBP goes to Sweden
→	Insights from the Africa Debt Monitor in 2022: Rising debt levels and the importance of risk management and transparency
→	Country Spotlight: How public debt initiatives in Kenya help accelerate economic recovery for improved livelihoods
→	Programme-based budgeting training with CNESE and UNICEF Algeria
→	Introducing the Problem-Driven Iterative Adaptation (PDIA) approach to Supreme Audit Institutions
→	International Building Capabilities Programme authorisers' week in Sweden
→	Launch : Building Public Finance Capabilities in Africa 2023
→	Building Public Finance Capabilities for Improved Service for Children: UNICEF and CABRI collaboration
→	International Capability Building Programme Framing Workshop on Voluntary Tax Compliance
NEWSLETTERS	
→	Special edition of Notes on PFM in Africa – Become a CABRI member country
→	Notes on PFM in Africa – June, September, October 2022 and March 2023
→	5th newsletter for Public Debt Managers in Africa on <i>“Taking advantage of improved sovereign credit rating outlook to prudently manage government debt”</i>

# Network Governance



## Management Committee and General Assembly

CABRI continues to value the importance of governance and appreciates the oversight of our member countries that form the CABRI General Assembly (GA) and the CABRI Management Committee (MC). The annual CABRI General Assembly meeting was held virtually in May 2022, with most member countries present to ratify the annual workplan, budget and annual financial statements.

Four meetings of the CABRI MC were held, with one held in-person, in Sandton, South Africa. Approvals obtained, amongst others, include those provided in table 5 below.

**Table 5**

February 2022	May 2022	August 2022	November 2022
Secretariat's annual workplan and budget	Revised and updated CABRI rules and procedures manuals	Quarterly progress and year-to-date financial reports	Adjustments budget
Expenditure report for the period	Secretariat Report 2021/22	Human Resources processes	Quarterly progress and year-to-date financial report
			Annual financial statements

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

## Finance, including development partners and membership fees

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

Expenditure for 2022/23 against the MC approved Adjusted Budget, is shown in **Annexure 1**.

Extensive negotiations with development partners were undertaken to re-forecast estimated expenditure.





## Development Partners

For the 2022/23 period, the main sources of revenue were grant funding from the African Development Bank, GIZ, Swedish International Development Cooperation Agency (Sida), and Membership Fees. New partnerships were formed with UNICEF Algeria and UNICEF ESARO- details of these projects were described above. CABRI remains grateful to our partners for their continuous support.

During the reporting period, we engaged with long-term partner, the Bill & Melinda Gates Foundation, on re-establishing our partnership. Our discussions included new and priority areas in the field of PFM, and areas our work has been focused on, such as health financing. Our discussions will carry on, into the new year, with the aim of aligning our strategies and defining new areas of support and collaboration for the benefit of CABRI member countries and of Africa.

In 2019/20, CABRI was invited by the GIZ Good Financial Governance Programme in 2020, to partner with the Good Financial Governance in Africa Partner Networks including: the African Tax Administration Forum (ATAF), the African Organisation of Supreme Audit Institutions, the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI and AFROSAI-E), the African Organisation of Public Accounts Committees (AFROPAC), to develop a programme on Illicit Financial Flows. The Programme has taken shape over the past few months and aims to support the coordination of continental anti-IFF activities and to foster collaboration of Pan-African Institutions on the issue. CABRI is currently developing its scope of work through the BPF program.



## Human Resources

At the end of June 2022, CABRI bid farewell to Mr. Neil Cole as Executive Secretary of CABRI. Mr. Cole informed the General Assembly of his departure in its May 2022 meeting. General Assembly members shared their well wishes and thanked Mr. Cole for pioneering an exemplary organisation that continues its strive towards PFM reform on the continent.

The Management Committee appointed Mrs. Soonsyra Lowe Nicolas, Stakeholder Liaison Manager, as Acting Executive Secretary. Mrs. Lowe Nicolas served in both positions from 5 July 2022 to 1 April 2023. During her tenure, Mrs. Lowe Nicolas, with support from the Secretariat, ensured, amongst others, that the Secretariat's workplan was executed.

During the transitional period, the Management Committee actioned a rigorous recruitment process for an Executive Secretary, a Head of Technical and Head of Operations. On 1 April 2023, the Secretariat welcomed Dr. Kay Brown and Ms. Rajeshree Subramoney, former Financial Manager. Mr. Andisile Best, as Head of Technical, commenced in the beginning of May 2023. We thank our partners and member countries, for the support during the interim period and look forward to working together with CABRI's new leadership.



## Annexure 1: Expenditure Report 2022/23

	Actual				Adjusted Budget	YTD Actual	Remaining Budget	% Budget Used
	Q1	Q2	Q3	Q4				
<b>1. BUILDING PFM CAPABILITIES IN AFRICA</b>	<b>2 900</b>	<b>38 825</b>	<b>30 406</b>	<b>86 429</b>	<b>265 262</b>	<b>158 560</b>	<b>106 702</b>	<b>60%</b>
Framing Workshop	-	-	-	5 000	13 974	5 000	8 974	36%
<b>UNICEF - ESARO</b>								
Framing Workshop	-	-	-	77 970	86 300	77 970	8 330	90%
In Country Check-ins	-	-	-	784	9 900	784	9 116	8%
<b>UNICEF - Algeria</b>								
Trainings	2 900	24 367	28 533	2 674	132 820	58 474	74 346	44%
<b>INTOSAI</b>								
Trainings	-	14 458	1 873	-	22 268	16 331	5 937	73%
<b>2. POLICY DIALOGUES, PRACTICES &amp; PROCEDURES</b>	<b>1 785</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>68 113</b>	<b>1 960</b>	<b>66 153</b>	<b>3%</b>
<b>VFM - Agriculture Orientation Index</b>								
Peer learning & exchange	-	-	-	-	66 158	-	66 158	0%
<b>Sustainable Debt Management</b>								
Network outreach & Collaboration	1 785	-	176	-	1 955	1 960	-5	100%
<b>3. KNOWLEDGE DEVELOPMENT &amp; EXCHANGE</b>	<b>7 377</b>	<b>1 905</b>	<b>1 684</b>	<b>90</b>	<b>103 653</b>	<b>11 056</b>	<b>92 597</b>	<b>11%</b>
PFM Knowledge Hub	6 040	1 905	1 684	90	31 537	9 718	21 819	31%
Africa Debt Monitor - Marketing & Translations	-	-	-	-	48 250	-	48 250	0%
Sustainable Debt Management - Comm & Dissemination	1 338	-	-	-	-	1 338	-1 338	100%
Budgets in Africa - Documents update and Database clean-up	-	-	-	-	18 866	-	18 866	0%
PFM Capability Assessment - Reports & Africa fiscal database	-	-	-	-	5 000	-	5 000	0%
<b>4. NETWORK GOVERNANCE</b>	<b>25 719</b>	<b>51 340</b>	<b>27 599</b>	<b>30 096</b>	<b>261 895</b>	<b>134 754</b>	<b>127 141</b>	<b>51%</b>
<b>Sustainable CABRI Network</b>								
MC & GA	4 360	17 376	3 865	2 236	45 000	27 837	17 163	62%
<b>Visibility &amp; Network Building</b>								
Enhanced CABRI knowledge products	1 399	1 267	1 922	1 283	32 295	5 870	26 425	18%
Publications Library	-	-	-	-	600	-	600	0%
<b>Corporate Services - Operational</b>	<b>19 959</b>	<b>32 697</b>	<b>21 813</b>	<b>26 577</b>	<b>184 000</b>	<b>101 046</b>	<b>82 954</b>	<b>55%</b>
<b>STAFF COST</b>	<b>212 983</b>	<b>179 069</b>	<b>175 833</b>	<b>271 889</b>	<b>1 057 438</b>	<b>839 774</b>	<b>217 664</b>	<b>79%</b>
Network Governance	29 090	7 001	2 138	110 336	303 156	148 564	154 592	49%
Technical	84 221	72 177	74 242	61 881	348 153	292 522	55 631	84%
Operational	99 672	99 891	99 453	99 672	406 129	398 688	7 441	98%
<b>TOTAL</b>	<b>250 763</b>	<b>271 139</b>	<b>235 698</b>	<b>388 503</b>	<b>1 756 361</b>	<b>1 146 104</b>	<b>610 257</b>	<b>65%</b>



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Collaborative Africa Budget Reform Initiative  
Annual Financial statements  
for the year ended 31 March 2022

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	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.
<b>Management committee members</b>	Federal Republic of Nigeria - Chairperson Republic of South Africa Republic of Kenya Republic of Rwanda Republic of Benin Mr NG Cole - Ex-officio member
<b>Member countries</b>	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
<b>Business address</b>	Southdowns Ridge Office Park Cnr of John Vorster & Nelimapius Drive Centurion South Africa 0062
<b>Postal address</b>	Southdowns Ridge Office Park Cnr of John Vorster & Nelimapius Drive Centurion South Africa 0062
<b>Auditor</b>	Mazars Registered Auditors
<b>Preparer</b>	The annual financial statements were internally compiled by: Ms R. Subramoney Financial Manager
<b>Issued</b>	15 November 2022



# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

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The reports and statements set out below comprise the annual financial statements presented to the members of the management committee:

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# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Responsibilities and Approval

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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.

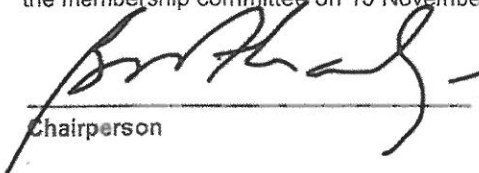
The members of the management committee acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members of the management committee to meet 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 on page 19.

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

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

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The members of the management committee have pleasure in submitting their report on the annual financial statements of Collaborative Africa Budget Reform Initiative and its members for the year ended 31 March 2022.

### 1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities ('IFRS for SME's') 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 company are set out in these annual financial statements.

### 2. Executive summary

#### Highlights and Executive Overview

- 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-monthly 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

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 is 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

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 4 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:

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

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	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Raised awareness around the need to consider co-financed public investments across different departments in the MoH and MoF.</li> <li>• 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.</li> </ul>
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	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Organized 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.</li> <li>• Advocated for the reduction of the number of unauthorized and inactive accounts and commissioned a study on the impact of closing these accounts on commercial banks.</li> </ul>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

<p><b>Central African Republic</b></p>	<p>Long-term differences between the projected procurement, commitment and cash plans, do not allow for effective management of the State's financial resources</p>	<ul style="list-style-type: none"> <li>• Developed a simulation for the development of sectoral engagement plans to understand how this could be scaled up and engaged 5 pilot Ministries.</li> <li>• Increased awareness regarding the need for coordination between the three provisional plans (cash plans, commitment plans and procurement plans)</li> <li>• Mapped out the challenges related to cash management practices, which can be easily articulated to senior management and MDAs</li> </ul>
<p><b>Guinea</b></p>	<p>Healthcare expenditure is a burden on household incomes despite the growing budget allocated to the health sector</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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 centers which</li> </ul>
		<p>centralized payment of user fees. The aim is to push for the implementation of one stop shops across all public health centers in Guinea.</p>
<p><b>Lesotho</b></p>	<p>Prolonged infrastructure project duration leads to delayed service delivery and hinders access to essential services such a health, education, information and communication</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Organised a technical stakeholder workshop as well as a senior management meeting to present the findings and raise awareness of the problem.</li> <li>• 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.</li> </ul>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

<p><b>Malawi</b></p>	<p>Cash position uncertainties leading to high borrowing costs and poor decision making by management in terms of fund releases</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• 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.</li> </ul>
<p><b>Seychelles</b></p>	<p>Limited fiscal discipline and ineffective cash management impede the ability of the GoS to optimise service delivery.</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Identified need to review the existing non-tax revenue forecasting model and began to update the model.</li> <li>• 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.</li> </ul>

### *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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

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The problem statements and progress of the ICBP teams are set out in table 3:

Table 3: ICBP problem statements and progress

Country	Problem Statement	Progress
Kenya	SME tax filing and payment compliance is very low in Kenya, particularly in East and South Nairobi.	<ul style="list-style-type: none"><li>• 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 SMS's and repackaged them to draw attention to important information sent to them via email.</li><li>• 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.</li><li>• A dedicated feedback mechanism was established to enable tracking of queries and responses.</li></ul>
Nigeria	85% of Micro and Small taxpayers in Nigeria do not remit VAT which effectively limits resource mobilization and the ability of government to fund development projects.	<ul style="list-style-type: none"><li>• 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 summarizes, in simple language, the process of complying with the various tax laws.</li><li>• Worked in conjunction with the Career &amp; 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.</li><li>• 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.</li></ul>



# Collaborative Africa Budget Reform Initiative

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## Management Committee's Report

<p><b>South Africa</b></p>	<p>On time filing 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.</p>	<ul style="list-style-type: none"> <li>• Analyzed log calls and taxpayer queries to assess most common challenges faced in being compliant with CIT and PIT.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>Zambia</b></p>	<p>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</p>	<ul style="list-style-type: none"> <li>• Held an authoriser engagement workshop to present the problem, findings and propose way forward</li> <li>• Worked on assessing the potential tax base for excise duties in order to improve target setting for ZRA. The first phase focused</li> </ul>
	<p>average annual loss of revenue of K 746 Million”</p>	<p>primarily on production data and, in a second phase the team reviewed external literature and surveys on consumption data.</p> <ul style="list-style-type: none"> <li>• Ongoing review of tax exemptions within excise duties, particularly in terms of classes of products excluded to ascertain revenue foregone.</li> </ul>

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.

### 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:

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

**Table 4: Peer-learning events**

Topic	Event format and hyperlink	Participants	Main peer-learning areas
COVID-19 vaccine financing, procurement and distribution	<a href="#">Online peer-learning</a>	Finance and health officials from 16 countries, including experts from the WHO.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Financing options available to African countries and the implications of these, both in the short and medium term.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Gender and climate change financing	<a href="#">Online peer-learning</a>	Finance, environment, gender officials from 17 countries. Experts from UNDP, UNEP, UNECA, UNCDF, UNDRR, GIZ, AfDB, IACE, IIED, IBP	<ul style="list-style-type: none"> <li>• Actions and methods used to implement gender responsive budgeting and/or gender responsive climate budgeting.</li> <li>• Coordinating the integration of gender and climate change into public financial management systems, especially the planning and budgeting phase.</li> </ul>
Managing and raising debt for post-COVID recovery	<a href="#">Online peer-learning</a>	Public debt managers from 21 countries, academics, regional and international experts.	<ul style="list-style-type: none"> <li>• Managing refinancing risks in a volatile and uncertain environment.</li> <li>• Exploring innovative funding opportunities in 2021 and beyond.</li> <li>• Improving investor relations and market communication during a crisis.</li> <li>• Taking stock of recent sovereign debt restructurings and relief operations.</li> </ul>
Strengthening climate change budgeting reforms, transparency and accountability	<a href="#">Online peer-learning</a>	Finance, environment and gender officials from 17 countries. Experts from UNDP, UNEP, UNECA, GIZ, AfDB, IIED, IBP.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Explored how the climate accountability ecosystem can be strengthened by bringing together the key formal and informal actors.</li> </ul>

# Collaborative Africa Budget Reform Initiative

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## Management Committee's Report

Gender and climate change in program design and appraisal	<u>Online training</u>	Finance, environment and gender officials from 17 countries	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Taking stock of COVID-19 vaccine financing, procurement and distribution in Africa	<u>Online peer-learning</u>	Finance and health officials from 15 African countries, WHO, BMGF, World Bank and UNICEF.	<ul style="list-style-type: none"> <li>• Follow on from our April peer-exchange and learning event.</li> <li>• Provided an update on where we find ourselves now in terms of COVID-19 vaccine financing, procurement and distribution</li> <li>• Reflected on the key public finance-related challenges that African governments have faced in vaccinating their citizens against COVID-19.</li> </ul>
COP26: Increasing funding for climate resilience	<u>Hybrid in-person and virtual high-level panel</u>	Finance and environment officials and COP26 attendees	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Resources allocated through the national budget are insufficient to meet the financing needs identified to address the climate change challenge.</li> <li>• Private and international public financing will need to be explored and the necessary capabilities to manage these partnerships will be needed.</li> </ul>
COP26: Budgeting and finance for climate change adaptation that is inclusive and gender responsive	<u>Virtual</u>	Finance and environment officials and COP26 attendees	<ul style="list-style-type: none"> <li>• Gender and climate change are two cross-sectoral priorities which are essential to achieving the SDGs.</li> <li>• Gender responsive climate budgeting offers an opportunity to learn from and build on the experience with gender budgeting.</li> </ul>
Negotiating fair and balanced contracts with creditors/investors	<u>Online peer-learning</u>	Public debt managers, and credit ratings agencies	<ul style="list-style-type: none"> <li>• Technical skills identified, as well as institutional and legal frameworks</li> <li>• Transparency and mutual accountability to build trust</li> <li>• Improve understanding of negotiation powers</li> </ul>

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](#).

# Collaborative Africa Budget Reform Initiative

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## Management Committee's Report

### Knowledge Generation

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.

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	Blogs	Newsletters
<ul style="list-style-type: none"> <li>• <a href="#">Opportunities for coordinating the integration of gender and climate change into budgeting and finance</a></li> <li>• <a href="#">Integration of climate change into budgeting and finance</a></li> <li>• <a href="#">Expanding the Institutional Coverage of Information Systems in PFM: Lessons from Benin, Nigeria and Ghana</a></li> <li>• <a href="#">South Africa's financial management information architecture: Workable transversal system or outdated legacy system?</a></li> <li>• <a href="#">Institutional and personnel capabilities for programme budgeting and monitoring in Ethiopia.</a></li> <li>• <a href="#">COVID-19: Streamlining Public Procurement Processes: Balancing Efficiency and Accountability</a></li> <li>• <a href="#">COVID-19: Vaccine Financing, Procurement and Distribution</a></li> <li>• <a href="#">COVID-19: Trends and tools of reallocating budgets</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Debt reforms and management of risks in the public debt portfolio in Benin</a></li> <li>• <a href="#">PDIA Journey: Managing the challenge of consolidating resources collected by public institutions on the Single Treasury Account (CUT) in the Central African Republic</a></li> <li>• <a href="#">Lessons for PFM reforms – the PDIA approach in Africa (IMF blog page)</a></li> <li>• <a href="#">Double mainstreaming – why gender and climate change?</a></li> <li>• <a href="#">COVID-19 vaccination in Africa: bumps and bridges in budgeting</a></li> <li>• <a href="#">Launch of PFM Capabilities Assessment Report - Key takeaways</a></li> <li>• <a href="#">Where is the money?</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">July 2021</a></li> <li>• <a href="#">October 2021</a></li> <li>• <a href="#">5 newsletters for Public Debt Managers in Africa</a></li> </ul>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

<ul style="list-style-type: none"> <li>• <u>COVID-19: Ensuring business continuity in the finance ministry</u></li> <li>• <u>Exploring environmental, social and governance and sustainable finance solutions for African sovereigns</u></li> <li>• <u>It Takes a Pandemic: Debt Relief in Response to COVID-19</u></li> <li>• <u>Managing refinancing risk in a volatile and uncertain environment within the West African Economic and Monetary Union (WAEMU) region</u></li> <li>• <u>China's approach to sovereign lending and debt restructuring: A primer for African public debt managers</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Country spotlight: Morocco's public debt remains sustainable amid COVID-19 crisis (extracted from Newsletter for Debt Managers in Africa)</u></li> <li>• <u>Country spotlight: Angola's commitment to prudent and proactive public debt management (extracted from Newsletter for Debt Managers in Africa)</u></li> <li>• <u>Tracking the climate relevance of expenditure: key choices countries must make</u></li> <li>• <u>Country spotlight: Strengthening the Debt Management Office of the Government of Liberia</u></li> </ul>
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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.

### Network Governance

#### 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
<ul style="list-style-type: none"> <li>• 2020/21 annual performance</li> <li>• 2021/24 draft Strategic Plan</li> <li>• 2021/22 annual work plan and budget</li> <li>• Human Resources related matters</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-year performance and expenditure report</li> <li>• Revised annual workplan and budget</li> <li>• 2020/21 Audited Financial Statements and Audit report</li> <li>• Update and review of CABRI's Rules and Procedures and Organisational Development Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources audit report</li> </ul>	<ul style="list-style-type: none"> <li>• Report on 2021/22 Quarter 3 performance</li> <li>• 2022/23 annual workplan and budget</li> </ul>

The record 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

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### *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 for SME's) in 2015/16. Prior to the adoption of the IFRS for SME's, 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

### Annexure 1: Expenditure Report 2021/22

		ACTUAL				MC Approved Budget	YTD Actual	Remaining Budget	% Budget
		Q1	Q2	Q3	Q4				
<b>CABRI - Collaborative Africa Budget Reform Initiative</b>									
<b>EXPENDITURE REPORT AS AT 31 MARCH 2022</b>									
<b>CABRI</b> 									
CONNECT • SHARE • REFORM									
<b>1. BUILDING PFM CAPABILITIES</b>		<b>129,406</b>	<b>116,044</b>	<b>116,062</b>	<b>95,822</b>	<b>610,834</b>	<b>457,334</b>	<b>153,500</b>	<b>75%</b>
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%
<i>Framing Workshop</i>		68,300	4,566	-	-	69,650	72,866	-3,216	105%
<i>Mid Term Review</i>		3,120	55,017	200	-	69,393	58,337	11,056	84%
<i>In Country Check ins</i>		-	9,425	11,966	2,436	55,541	23,827	31,714	43%
<i>Peer Review Seminar</i>		734	700	60,209	47,774	135,074	109,664	25,410	81%
Diffusion (Benin)		2,375	-	-	-	72,867	2,375	70,492	3%
<i>Framing Workshop</i>		2,375	-	-	-	72,867	2,375	70,492	3%
<b>2. POLICY DIALOGUES, PRACTICES &amp; PROCEDURES</b>		<b>42,683</b>	<b>116,683</b>	<b>118,294</b>	<b>135,773</b>	<b>454,381</b>	<b>413,433</b>	<b>40,948</b>	<b>93%</b>
Value for Money									
Public Health		8,416	-	-	-	21,382	8,416	12,966	89%
<i>Covid-19 vaccine online peer exchange</i>		8,416	-	-	-	12,781	8,416	4,365	66%
<i>Health Budget Survey</i>		-	-	-	-	8,601	-	8,601	0%
Youth Employment		-	13	-	-	30,043	13	30,030	0%
<i>Peer learning &amp; exchange</i>		-	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%
<i>Implementation phase preparation</i>		-	-	27,322	-	40,000	27,322	12,678	68%
<i>Peer learning &amp; exchange</i>		30,472	60,413	31,527	-	93,481	122,413	-28,932	131%
<i>Peer learning &amp; exchange (IBP/HED/UNDP)</i>		-	17,283	1,602	-	20,000	18,885	1,115	94%
<i>Climate Change Intergration</i>		-	-	16,212	-	40,975	16,212	24,763	40%
<i>Transfer - HED</i>		-	-	-	73,940	37,661	73,940	-36,279	196%
<i>Transfer - IBP</i>		-	-	-	61,833	37,661	61,833	-24,172	164%
Large Emerging Economies - Fiscal Policy Forum		-	-	-	-	15,000	-	15,000	0%
<i>Background research</i>		-	-	-	-	15,000	-	15,000	0%
Sustainable Debt Management		3,450	37,711	39,952	-	92,290	81,113	11,177	88%
<i>Raising and managing debt</i>		3,450	15,050	-	-	19,290	18,500	790	96%
<i>Negotiating loan agreements</i>		-	1,941	11,893	-	16,387	13,834	2,553	84%
<i>Network outreach</i>		-	-	-	-	47,473	-	47,473	0%
<i>Communication and dissemination</i>		-	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%
<i>Research</i>		346	1,263	1,678	-	25,888	3,287	22,601	13%

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Management Committee's Report

<b>3. KNOWLEDGE DEVELOPMENT &amp; EXCHANGE</b>	<b>11,033</b>	<b>38,528</b>	<b>47,724</b>	<b>64,188</b>		<b>226,095</b>	<b>161,474</b>	<b>64,621</b>	<b>71%</b>
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%
<b>4. NETWORK GOVERNANCE</b>									
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%
<b>STAFF COST</b>									
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%
<b>TOTAL</b>	<b>515,617</b>	<b>602,365</b>	<b>585,188</b>	<b>740,718</b>		<b>2,784,205</b>	<b>2,443,890</b>	<b>340,315</b>	<b>88%</b>

### 3. 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.

### 4. 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.

### 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 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.

### 7. Auditors

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



# **Collaborative Africa Budget Reform Initiative**

Annual Financial Statements for the year ended 31 March 2022

## **Management Committee's Report**

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### **8. 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.

## mazars

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 21, forms part of our auditor's report.

The logo for Mazars, featuring the word "Mazars" in a stylized, handwritten-style font.

**Mazars**  
**Partner: Daniel Tekie**  
**Registered Auditor**  
**21 February 2023**  
**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 organisations 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 organisations 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Statement of Financial Position as at 31 March 2022

Figures in US Dollar	Notes	2022	2021
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	13 905	25 146
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	-
		<b>3 079 504</b>	<b>4 913 805</b>
<b>Total Assets</b>		<b>3 093 409</b>	<b>4 938 951</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		2 100 652	2 294 393
<b>Liabilities</b>			
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
		<b>992 757</b>	<b>2 644 558</b>
<b>Total Equity and Liabilities</b>		<b>3 093 409</b>	<b>4 938 951</b>

# 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)
<b>Operating (loss)/ profit</b>	12	<b>(200 494)</b>	<b>427 592</b>
Investment revenue	13	6 753	10 567
<b>(Loss) profit for the year</b>		<b>(193 741)</b>	<b>438 159</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(193 741)</b>	<b>438 159</b>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Statement of Changes in Equity

Figures in US Dollar	Retained income	Total equity
<b>Balance at 01 April 2020</b>	<b>1 856 234</b>	<b>1 856 234</b>
Profit for the year	438 159	438 159
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>438 159</b>	<b>438 159</b>
<b>Balance at 01 April 2021</b>	<b>2 294 393</b>	<b>2 294 393</b>
Loss for the year	(193 741)	(193 741)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(193 741)</b>	<b>(193 741)</b>
<b>Balance at 31 March 2022</b>	<b>2 100 652</b>	<b>2 100 652</b>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Statement of Cash Flows

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



# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 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

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# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 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:

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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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 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 11.8(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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 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 (separately).

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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 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 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## 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)	22 170
Leasehold improvements	-	-	-	30 707	(30 707)	-
<b>Total</b>	<b>115 565</b>	<b>(101 660)</b>	<b>13 905</b>	<b>144 173</b>	<b>(119 027)</b>	<b>25 146</b>

#### 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	(12 024)	11 405
	<b>25 146</b>	<b>2 099</b>	<b>(13 340)</b>	<b>13 905</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	6 199	-	(5 268)	931
Office equipment	2 899	-	(854)	2 045
IT equipment	22 541	13 853	(14 224)	22 170
	<b>31 639</b>	<b>13 853</b>	<b>(20 346)</b>	<b>25 146</b>

### 3. Trade and other receivables

Trade receivables	539 883	555 770
Deposits	8 334	8 376
Sundry debtors receivable	29 826	455 996
	<b>578 043</b>	<b>1 020 142</b>

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

Trade receivables - US Dollar	1 766 728	1 632 645
Trade receivables impaired	(1 226 845)	(1 076 875)
Trade receivables after impairment	<b>539 883</b>	<b>555 770</b>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in US Dollar

	2022	2021
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	67	67
Bank balances	2 023 022	3 893 596
	<u>2 023 089</u>	<u>3 893 663</u>

The carrying amount of cash and cash equivalents are denominated in the following currencies and converted to USD 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)	1 618 048	7 471 798
United States 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, CABRI 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
	<u>148 520</u>	<u>347 597</u>

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	<u>173 098</u>	<u>1 645 742</u>
Deutsche Gesellschaft für 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.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in US Dollar

	2022	2021
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### 8. Provisions

#### Reconciliation of provisions - 2022

	Opening balance	Utilised during the year	Total
Provision for leave pay	61 219	(5 080)	56 139

#### 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

Membership fees invoiced in advance	425 000	415 000
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### 10. Amounts received in advance

Membership fees received in advance	190 000	175 000
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### 11. Revenue

Grants received	2 266 105	2 631 610
Membership fees	590 000	589 974
	<b>2 856 105</b>	<b>3 221 584</b>

### 12. Operating (loss)/ profit

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

#### Operating lease charges

##### Premises

• Contractual amounts	73 201	96 515
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Profit (loss) on exchange differences	35 376	(103 645)
Depreciation on property, plant and equipment	13 339	20 346
Employee costs	1 131 256	1 189 474

### 13. Investment revenue

#### Interest revenue

Bank	6 753	10 567
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# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021
<b>14. Cash used in operations</b>		
(Loss) profit before taxation	(193 741)	438 159
<b>Adjustments for:</b>		
Depreciation and amortisation	13 339	20 346
Interest received	(6 753)	(10 567)
Movements in provisions	(5 080)	27 551
<b>Changes in working capital:</b>		
Trade and other receivables	442 100	(556 360)
Trade and other payables	(199 077)	319 276
Deferred income	(1 472 644)	(437 553)
	<b>(1 421 856)</b>	<b>(199 148)</b>
<b>15. Auditor's remuneration</b>		
Fees	44 716	30 239
<b>16. Taxation</b>		
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.		
<b>17. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- 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.		
<b>18. Related parties</b>		
<b>Relationships</b>		
Members of management and other officials	Mr NG Cole - Executive Secretary Ms R Subramoney - Financial Manager	
<b>Related party balances and transactions with other related parties</b>		
<b>Related party transactions</b>		
<b>Remuneration and tax compensation paid to members of management and other officials</b>		
Mr NG Cole	158 546	163 088
Ms R Subramoney	106 985	108 420
Ms A Gajeelee	-	76 685
<b>19. Categories of financial instruments</b>		
<b>Debt instruments at amortised cost</b>		
Trade and other receivables	578 043	1 020 142
Cash and cash equivalents	2 023 089	3 893 663
	<b>2 601 132</b>	<b>4 913 805</b>

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in US Dollar	2022	2021
<b>19. Categories of financial instruments (continued)</b>		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	148 518	347 596

### 20. Going concern

CABRI is awaiting the renewal of its GIZ and African Development Bank funding, and CABRI is in the process of submitting funding proposals to SIDA to start in 2023. CABRI 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 CABRI.

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 CABRI and his services ended 30 June 2022.

# Collaborative Africa Budget Reform Initiative

Annual Financial Statements for the year ended 31 March 2022

## Detailed Income Statement

Figures in US Dollar	Note(s)	2022	2021
<b>Revenue</b>			
Grants income		2 266 105	2 631 610
Membership fees		590 000	589 974
	11	<b>2 856 105</b>	<b>3 221 584</b>
<b>Other income</b>			
Profit and loss on exchange differences		-	103 645
<b>Operating expenses</b>			
Advertising		(13 355)	(22 294)
Auditors remuneration	15	(44 716)	(30 239)
Bad debts		(149 970)	(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)
		<b>(3 056 599)</b>	<b>(2 897 637)</b>
<b>Operating (loss)/ profit</b>	12	<b>(200 494)</b>	<b>427 592</b>
Investment income	13	6 753	10 567
<b>(Loss)/ profit for the year</b>		<b>(193 741)</b>	<b>438 159</b>