



# ANNUAL REPORT 2021/22



## CENTRE FOR ECONOMIC GOVERNANCE AND ACCOUNTABILITY IN AFRICA

Non-profit Trust Registration Number: IT867/2006. NPO Registration Number: 064-456-NPO

Email:  
[admin@cega.org](mailto:admin@cega.org)  
Website:  
[www.cega.org](http://www.cega.org)

Tel: +27 33 342 4470  
+27 73 198 7219  
Office Suite E3, 157 Pietermaritz Street  
Pietermaritzburg, 3201 RSA

## Foreword by the Executive Director

CEGAA continues to keep its focus on attaining effective, rights-based and developmental public financing in Africa through active public participation in budget processes and increased efficacy in the use of financial resources by governments. Our objectives of creating or enhancing civil space in budget matters and improving budget accountability continue to drive our effort.

There has been a growing recognition of our work, though non-financially, also seen through many invitations to speak in conferences and webinars. As we remain relevant in the public financing and advocacy sectors, with our special skill on budget accountability, we plan to revitalize our relationships with past funding partners and identify new potential partners to work with us in achieving our mission and vision.

CEGAA has sustained its programme of supporting the South African government with financial capacity building and technical support to improve financial planning, costing allocations, and management of expenditures for HIV and TB and provincial and district levels. We have also kicked off a very important programme of ending stunting among children under five years of age, by working with global partners to advocate for improved policy development, budgeting and spending for good food security, nutrition and water, sanitation and hygiene (WASH) outcomes.

I would like to thank our funding and strategic partners for their contributions in achieving CEGAA's mission and vision. Thanks also go to our incredible implementing partners who work tirelessly with CEGAA to improve economic governance, transparency and accountability for efficient use of public resources for well-being.

**Sincerely,**

.....  
**Nhlanhla Ndlovu**  
**Executive Director, CEGAA**

# Annual Report

## Purpose

The Annual Report ("AR") aims to provide a record of activities, achievements and challenges faced in achieving CEGAA's strategic objectives. It reflects how the organisation is pursuing its mission around ensuring accountable, efficient use of resources for public wellbeing.

## REPORT STRUCTURE

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1. Reflection On CEGAA's Strategic Objectives

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# About Us

## 1. REFLECTION ON CEGAA'S STRATEGIC OBJECTIVES

The organisation was formed to respond to the needs of African states and organisations requiring skills and support in budget monitoring and expenditure tracking (BMET) of health financing in general, and HIV/AIDS funding in particular. CEGAA has vast experience in BMET, having worked in East and Southern Africa, and has supported governments, international financing institutions, international organisations and civil society partners in various places around the world. CEGAA is using its expertise to support the partners to enhance their capacity in resource tracking to improve both social and financial accountability.

### *Mission*

To contribute to the attainment of efficient and equitable public financing in Africa to enable a comprehensive response to ill-health and poverty by contributing to an empowered civil society and skilled public service, through trainings or capacity enhancements, research and advocacy with and by civil society, government and legislatures.

### *Vision*

Our vision is for a world where the economic policies and financial systems allow for effective economic governance in governments in Africa and elsewhere, that lead to improved quality of life and health for people, particularly for those affected by poverty and illnesses like HIV/AIDS, TB, maternal, adolescent and child health and development problems.

*The strategic result pillars of CEGAA are:*

- Enhanced stakeholder capacity to engage in resource tracking efforts (Training and technical support).
- Improved generation and use of high-quality evidence for effective and efficient allocations and spending on public needs (Evidence generation and utilisation).
- Increased multi-stakeholder participation in government budgeting and expenditure processes (Participation providing key budget engagement opportunities at various levels).
- Increased budget allocations & spending for a multi-sectoral developmental response to ill-health and poverty (Enhanced domestic financing and reduced donor dependency for sustainability).
- Increased transparency and accountability of governments and other stakeholders for public spending (Open governmental and non-governmental budgets).

# Staff affairs and governance

## 2. STAFF AFFAIRS AND ORGANISATIONAL WELLBEING

The CEGAA Board of Trustees ensures that CEGAA is a safe and conducive environment for productive and satisfied staff. It does this through sound organisational policies and practice. CEGAA's organisational culture allows for an environment of learning and high-quality performance whilst simultaneously ensuring staff wellbeing and protection from any form of danger or harm in the workplace.

Policies are in place to protect CEGAA staff and its clients or stakeholders from any form of abuse or inappropriate behaviour. Disciplinary measures are in place to ensure that inappropriate behaviour is punished. Such behaviour may include verbal and non-verbal action, such as sexual harassment, verbal abuse, or any form of action by a CEGAA member that is seen as offensive to the other, including women and children. CEGAA does not tolerate inappropriate behaviour and will take all necessary action, including suspension, firing and legal procedures in a court of law to punish such behaviour.

The CEGAA team is made up of a Board of Trustees responsible for overall governance and oversight of the organisation, ensuring proper policies, systems and processes are in place for good governance and efficient performance on CEGAA's mission and vision. On the operational level CEGAA has a wide range of skilled personnel, including administrative and financial staff, health economics and public finance experts, programme development managers, and French translators working in the multi-country Right2Grow project.

# Overview of CEGAA Activities

## 3. MISSION MOMENT

CEGAA continues to keep its focus on attaining effective, rights-based and developmental public financing in Africa through active public participation in budget processes and increased efficacy in the use of financial resources by governments. Our objectives of creating or enhancing civil space in budget matters and improving budget accountability continue to drive our effort. There has been a growing recognition of our work, though non-financially, also seen through many invitations to speak in conferences and webinars. As we remain relevant in the public financing and advocacy sectors, with our special skill on budget accountability, we plan to revitalize our relationships with past funding partners and identify new potential partners to work with us in achieving our mission and vision.

## 4. REPORT ON PROGRAMME ACTIVITIES

CEGAA has some good stories to tell. It would be naive to not recognize the impact that COVID-19 has had on our progress, but the successes far outweigh the challenges we have faced, as presented in the programme updates below.

### 4.1 RIGHT2GROW (R2G) PROGRAMME

#### *Funding and lifespan*

CEGAA plays a crucial role in the R2G consortium, leading the budget accountability wing of the programme in six countries (Bangladesh, Burkina Faso, Ethiopia, Mali, South Sudan and Uganda). We have secured five-year funding to play this role. Our Year 1 budget was approximately R9.8 million, with a large component remaining unspent by the end of the year because of COVID-19 related restriction. The funder (Government of the Netherlands) approved roll-over of funds from Year 1 (2021) to Year 2 (2022). We have funding until 2025, though the funding will be reducing from year to year, until we close out the project in 2025 with a budget of just above R5 million. This assumes that most costs would have been covered in the initial years, e.g., on training and technical support costs, and countries would be sufficiently equipped with skills to start sustaining budget advocacy activities without CEGAA.

### *Country activities*

COVID-19 imposed a lot of delays in all six countries. However, some important activities have taken place in 2021, with some being rolled over to 2022. All R2G countries have received training on CEGAA's approach of Budget Monitoring and Expenditure Tracking (BMET) and are now being provided with technical support to ensure learnt skills are used. Uganda is currently in the lead, with great progress in creating civil space to participate in budget decisions and challenging decision-makers to invest more in food security, nutrition and WASH intervention. We have received an invitation to train members of parliament on BMET so that they can better understand their role in budgeting and help advance the agenda on food security, nutrition and WASH financing.

### *Leading role in R2G*

CEGAA's presence in the R2G consortium has also received new recognition, where we have been nominated to play a bigger coordination role in the consortium as the only southern partner in the consortium. CEGAA now houses a Global Co-Facilitator of the consortium located in Uganda, and two French translators who have a big task of ensuring that Francophone countries in the project are not left behind in our communications. One translator is based in Uganda and the other is in the Netherlands.

### *Publicity*

We have participated in numerous international online conferences on food security, nutrition and WASH where we promote budget transparency, accountability and public participation. We use the platform to mobilise many organisations from different places to incorporate budget advocacy to be more effective in their advocacy strategies while showcasing CEGAA's work in Africa and elsewhere.

## **4.2 FINCAP PROJECT**

The FINCAP project in South Africa has seen its 10th year. There is great progress achieved at provincial level where we have contributed to resolving big problems in financial planning, management and reporting. Our efforts from 2013 seem to have paid off at provincial level, confirmed by reduced number of requests from provinces to be assisted with their problems. The greatest need is now at the district level which has become the focus of this year's USAID/HERO funding. Ironically some challenges have been faced in cascading the project down to districts, where new authorization letters are needed before we can expand the work. So, there were serious delays in reaching out to districts in most provinces. But there was

good engagement building up in Gauteng, Eastern Cape and Mpumalanga Provinces, where we were requested by provinces to assist their districts.

#### **4.3 NATIONAL AIDS SPENDING ASSESSMENT (NASA) SOUTH AFRICA 2021**

We secured a R2,5 million NASA project in 2020, in partnership with Teresa Guthrie, rolled out in 2021 with funding from SANAC/UNAIDS and Global Fund (administered by NACOSA). It was a difficult project because it was hard to reach government officials who had expenditure records needed to perform NASA because of COVID-19 lockdowns. Despite the challenges our NASA team did their best to complete the project, with strong technical and analytical support from Teresa. The NASA report was finalised in November 2021 and is being used in different platforms to inform budget allocation decisions in both the public and donor sectors.

#### **5. CHALLENGES**

COVID-19 imposed a lot of problems on the speed at which we work. In 2021 we had to revise our plans on an ad-hoc basis in line with COVID-19 restrictions. To cover for unforeseeable health impact of COVID-19, we sourced travel insurance that gives some protection, should one get infected during travel outside South Africa. Quarantine and related costs are covered in the insurance package, reducing the financial risk for CEGAA should staff get into COVID-19 related issues.

## 6. PRIORITIES FOR 2022/23

R2G remains the most demanding project for our effort. The second year of action will ensure that CEGAA's BMET becomes part and parcel of the whole country approach in the project countries, instead of being seen as a separate activity. We plan to intensify technical support provision and facilitate exchange visits between countries for what we call 'linking and learning' and 'mutual capacity development'.

We also seek to increase our effort on FINCAP, despite the reducing budget, to remain relevant and to ensure our contribution strengthens all efforts that USAID and other US agencies are implementing in South Africa.

### *Strategic review*

It is time to review and develop a new or an enhanced strategic plan for CEGAA. The board will partake in this important reflection and planning exercise of the organisation to ensure CEGAA remains relevant and impactful.

### *Financial sustainability*

We will re-introduce ourselves to our past donors, and present our 'expanded approach', which has moved beyond health to cover other social determinants of health such as education, food security and water affairs. Our strategic review and planning meeting will inform this activity moving forward.

As part of fundraising, we will develop more funding proposals and document lessons learnt from our work to better inform priorities for funding.

# Finances

## 7. FINANCES AND AUDIT STATEMENT

In 2021/22 CEGAA has managed to stay afloat, despite the difficulties faced by many organisations and businesses due to COVID-19. We owe our fluidity to our strong partners and short-term consultancies. Specifically, we thank our long-standing funder USAID through HE<sup>2</sup>RO for the FINCAP project which supports provincial and district health managers with capacity strengthening and technical support on HIV and TB financing, and our new partnership with five global partners working in the Right2Grow programme in six countries, with funding from the Ministry of Foreign Affairs (MoFA) of The Netherlands.

CEGAA completed its 2021 audit exercise in August 2021 and once again achieved a clean audit. Congratulations to our Finance and Admin Team, managers and teams for achieving this audit status!

The full audit report is attached to this report.