



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

Annual Report 2015

Securing Africa's future through capacity development





THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

The 2015 Annual Report captures ACBF's role in Africa's capacity building and shares lessons and best practices.

ACBF at a Glance

Established on 9 February 1991, ACBF builds human and institutional capacity for good governance and economic development in Africa. The Foundation has empowered governments, parliaments, civil society, private sector, and higher education institutions in more than 45 countries and six regional economic communities in Africa. It supports capacity development through grants, technical assistance, and knowledge generation across the continent.

Vision

Africa capable of achieving its own development.

Mission

To build strategic partnerships, offer technical support, and provide access to relevant knowledge related to capacity building in Africa.

Membership

The following international organizations and countries have honored ACBF with their support:

Multilateral Partners



*Empowered lives.
Resilient nations.*

Bilateral Partners

Austria, Canada, Denmark, Finland, France, Greece, India, Ireland, the Netherlands, Norway, Sweden, the United Kingdom, and the United States of America.

African Partners (as at December 2015)

Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, Republic of Congo, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

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Letter of Transmittal to the Board of Governors

20 June 2016

Dear Chair:

I have the honor of presenting to the ACBF Board of Governors the Annual Report of the ACBF Executive Board for the period 1 January 2015 to 31 December 2015. The audited financial statements and the report of the external audit firm are in the annexes.

Please accept, Mr. Chair, the assurances of my highest consideration.



*Prof. Callisto Enias Madavo
Chair, ACBF Executive Board*

Abbreviations and Acronyms

AACES	Australia Africa Community Engagement Scheme	CADERDT	Centre Autonome d'Études et de Renforcement des Capacités pour le Développement au Togo
ACBF	African Capacity Building Foundation	CAMERCAP-PARC	Cameroon Policy Analysis and Research Centre
ACI	Africa Capacity Index	CAN	Capacity Needs Assessment
ACR	Africa Capacity Report	CAP	Common African Position
AEC	African Economic Community	CAPEC	Cellule d'Analyse de Politiques Économiques du CIRES
AERC	African Economic Research Consortium	CAPES	Centre d'Analyse de Politiques Économiques et Sociales
AfCoP	African Community of Practice	CAR	Central African Republic
AFCoP–MfDR	African Community of Practice on Managing for Development Results	CD	Capacity Development
AfDB	African Development Bank	CDCSP	Country Delivery Capacity Support Programme
Afreximbank	African Export–Import Bank	CEPA	Centre for Policy Analysis
AfriK4R	Africa for Results Forum	CEPOD	Centre d'Études de Politiques pour le Développement
AGO	African Governance Outlook	CERCAP	Centre d'Études et de Renforcement des Capacités d'Analyse et de Plaidoyer
APTA	Asia-Pacific Trade Agreement	CIRES	Centre Ivoirien de Recherches Économiques et Sociales
ARC	Africa Risk Capacity	CMT	Core Management Team
ASEAN	Association of Southeast Asian Nations	CODESRIA CBP	Council for the Development of Social Science Research in Africa Capacity Building Project
ATTN	Africa Think Tank Network	COMESA	Common Market for Eastern and Southern Africa
AU	African Union	CPIA	Country Policy and Institutional Self-Assessment
AU-CAP	African Union Capacity Building Project	CREAM	Centre de Recherches, d'Études et d'Appui à l'Analyse Économique à Madagascar
AUC	African Union Commission	CSO	Civil Society Organization
AUD	Australian Dollar		
AWDF	African Women's Development Fund		
BMGF	Bill & Melinda Gates Foundation		
BIDPA	Botswana Institute for Development Policy Analysis		

CTCA	Centre for Tobacco Control in Africa	HESPI	Horn Economic and Social Policy Institute
CTFK	Campaign for Tobacco Free Kids	HCA	Host Country Agreement
DFAT	Department of Foreign Affairs and Trade	IASB	International Accounting Standards Board
DRC	Democratic Republic of the Congo	ICT	Information and Communication Technology
DRM	Domestic Resource Mobilization	IFRIC	International Financial Reporting Interpretations Committee
EAC	East African Community	IFRS	International Financial Reporting Standard
EAC-CBP	East African Community Capacity Building Project	IGAD	Intergovernmental Authority on Development
EB	Executive Board	IMS	Information Management System
ECCAS	Economic Community of Central African States	IPAR	Institute for Policy Analysis and Research
ECO	Economic Cooperation Organization	ISSER	Institute of Statistical, Social and Economic Research
ECOWAS	Economic Community of West African States	KGSP	Knowledge Generation and Sharing Programme
EDRI	Ethiopian Development Research Institute	KIPPR	Kenya Institute for Public Policy Research and Analysis
EFTA	European Free Trade Association	KM	Knowledge Management
EPA	Economic Partnership Agreement	LensCD	Learning Network on Capacity Development
EPM	Economic Policy Management	LTSV	Long Term Strategic Vision
ESA	Eastern and Southern Africa	MDG	Millennium Development Goal
EU	European Union	M&E	Monitoring and Evaluation
EVD	Ebola Virus Disease	MEFMI	Macroeconomic and Financial Management Institute
EWA	Empowering Women in Agriculture	MfDR	Managing for Development Results
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network	MINDS	Mandela Institute for Development Studies
FARDC	Forces Armées de la République Démocratique du Congo	MOU	Memorandum of Understanding
FCTC	Framework Convention on Tobacco Control	MPRAP	Malawi Policy Research Analysis Project
FfD3	Financing for Development Conference	MTEF	Medium-Term Expenditure Framework
GDP	Gross Domestic Product	MWECS	Mathiwos Wondu-Ye Ethiopia Cancer Society
GIMI	Galilee International Management Institute	NCIC	National Cohesion Integration Commission
GIMPA	Ghana Institute of Management and Public Administration	NEPAD	New Partnership for Africa's Development
GoSS	Government of South Sudan	NGO	Nongovernmental Organization
		NILS-CBP	National Institute of Legislative Studies Capacity Building Project



The African Capacity Building Foundation

NPCA	NEPAD Planning and Coordination Agency	SPLA	Sudan Peoples' Liberation Army
NPTCI	Nouveau Programme de Troisième Cycle Inter-universitaire en Economie	SPLM	Sudan Peoples' Liberation Movement
OPD	Operations Department	SSC	South-South Cooperation
PEP	Partnership for Economic Policy	SSCAP	South Sudan Capacity Building Project
PFM	Public Financial Management	SSG	Strategic Studies Group
PFNCD	Parliamentary Forum on Non-Communicable Diseases	STPC	Strategic Transformation and Policy Centre
PIC	Policy Institutes Committee	STRIP	Sustainable Transformation and Regional Integration Program
PM&D	Performance Management and Development	TAC	Treatment Action Campaign
PRLRP	Project Rehabilitation and Loan Recovery Process	TC	Tobacco Control
PSCS	Private Sector and Civil Society Contributions Programme	TCP	Tobacco Control Program
PSL-CBP	Parliament of Sierra Leone Capacity Building Project	TOR	Terms of Reference
PSMTP-ENA	Public Sector Management Training Program, École Nationale d' Administration	TPSF	Tanzania Private Sector Foundation
PSMTP-GIMPA	Public Sector Management Training Program, Ghana Institute of Management and Public Administration	TTCSP	Think Tanks and Civil Societies Program
REC	Regional Economic Community	UAT	User Acceptance Test
SADC-PF	Southern African Parliamentary Forum	UCT	University of Cape Town
SCI	Social Cohesion Index	UMA	Union du Maghreb Arabe
SDGs	Sustainable Development Goals	UNDP	United Nations Development Programme
SEPARC	Swaziland Economic Policy Analysis and Research Centre	UNECA	United Nations Economic Commission for Africa
SIDA	Swedish International Development Agency	WAEMU	West African Economic and Monetary Union
SMTM	Strategic Medium Term Plan	WAIFEM-CBP	West African Institute for Financial and Economic Management Capacity Building Project
SNEEG	Strategy for Gender Equality and Equity 2015-2025	WAMI-CAP	West African Monetary Institute Capacity Building Project
		WCA	West and Central Africa
		WCTOH	World Conference on Tobacco or Health
		WHO	World Health Organization
		ZEPARU	Zimbabwe Policy and Analysis Research Unit

Board of Governors

Country/Institution	Governor
Malawi	Hon. Goodall Gondwe (Chair)
AfDB	Prof. Mthuli Ncube, and later Dr. Steve Kayizzi Mugerwa
Australia	Hon. Julie Bishop
Austria	Hon. Sebastian Kurz
Benin	Hon. Komi Koutché
Botswana	Hon. Ontefetse Kenneth Matambo
Burkina Faso	Hon. Jean Gustave Sanon
Burundi	Hon. Abdallah Tabu Manirakiza
Cameroon	Hon. Nganou Djoumessi Emmanuel
Canada	Mr. Robert Nicholson
Central Africa Republic	Hon. Florence Limbio
Chad	Hon. Mariam Mahamat Nour
Congo (Brazzaville)	Hon. Gilbert Ondongo
Congo (DRC)	Hon. Olivier Kamitatu
Cote d'Ivoire	Hon. Madame Niale Kaba
Denmark	No representative in 2015
Djibouti	Hon. Ilyas Dawaleh
Ethiopia	Hon. Sufian Ahmed
Finland	Mr. Jorma Suvanto
France	Hon. Laurent Fabius
Gabon	Hon. Christian Magnagna
The Gambia	Hon. Abdou Kolley
Ghana	Hon. Seth Terkper
Greece	H. E. Leonidas Contovounesios
Guinea (Conakry)	Hon. Mohamed Diaré
Guinea-Bissau	Hon. Geraldo Martins
IMF	Ms. Antoinette Sayeh
India	H. E. Ambassador Jeitendra Kumar Tripathi

Country/Institution	Governor
Ireland	Hon. Charles Flanagan T. D.
Kenya	Hon. Henry Rotich
Liberia	Hon. Amara M. Konneh
Madagascar	Hon. Raveloharison Herilanto
Mali	Hon. Mamadou Diarradit Igor
Mauritania	Hon. Sid' Ahmed Ould Raiss
Mauritius	Hon. Vishnu Lutchmeenaraidoo
Namibia	Mr. Tom Alweendo
The Netherlands	Hon. Bert Koenders
Niger	Hon. Dr. Amadou Boubacar Cisse
Nigeria	No representative in 2015
Norway	No representative in 2015
Rwanda	H. E. Ambassador Claver Gatete
São Tomé & Príncipe	Hon. Agostinho Quaresma dos Santos Afonso Fernandes
Senegal	Hon. Amadou Ba
Sierra Leone	Hon. Foday B. L. Mansaray
Sudan	Mr. Badredeen Mahmoud
Swaziland	Hon. Martin G. Dlamini
Sweden	H. E. Ambassador Lars Ronnås
Tanzania	H. E. Saada Salum
Togo	Hon. Adji Otèth Ayassor
Uganda	Hon. Matia Kasaija
United Kingdom	Mr. Richard Dewdney
UNDP	Mr. Abdoulaye Mar Dieye
USA	Ms. Becky Erkul
World Bank	Mr. Makhtar Diop
Zambia	Hon. Alexander B. Chikwanda
Zimbabwe	Hon. Patrick Anthony Chinamasa

Executive Board



Independent Members of the Audit and Risk Committee





Honorable Goodall Gondwe
Chair, ACBF Board of Governors

Message from the Chair of the Board of Governors

It has been my great honor to serve as chair of the Board of Governors of the African Capacity Building Foundation (ACBF) since my appointment in September 2015. I am happy to have been part of a year when the ACBF championed building the capacity to help sustain Africa's economic growth. I also wish to recognize my predecessor, Hon. Christian Magnagna, for his dedicated support to the Foundation during his tenure as the chair of the Board of Governors.

In the 2015 financial year, the ACBF recorded tremendous growth in the number of African countries, civil society organizations, and private firms that have approached the Foundation to help steer their capacity development needs.

2016 is the last year of the Foundation's Strategic Medium Term Plan 2012–2016 (SMTP III), and ACBF is coming up with a new strategic plan for 2017–2021 to focus on the continent's capacity needs. It will be crucial for African member countries to continue increasing their ownership in the Foundation by meeting their financial commitments and ensuring that the Foundation keeps tackling capacity challenges in a sustainable manner. Indeed, all countries must honor their pledges to the Foundation for SMTP III.

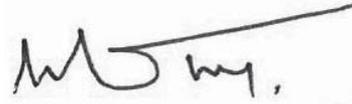
The political support of African countries remains important for ACBF's resource mobilization efforts and for continuing and consolidating cooperation with multilateral and non-African partners. To revitalize the Foundation's resource mobilization, new capacity building avenues need to be considered in line with the Foundation's strategic direction—among them, preparing and managing

infrastructure projects, managing complex contracts, developing the private sector, mobilizing domestic resources, pursuing environment-friendly industrialization, and supporting Africa's engagement with the rest of the world.

Indeed, financing the next Strategic Plan requires great efforts from all of us, not only to meet our obligations to active members of the Foundation's Board of Governors, but also and above all to attract the support of bilateral and multilateral partners.

To efficiently mobilize resources, a joint effort by all the governance organs—the Board of Governors, the Executive Board, and the Secretariat—is mandatory. In 2015, the Foundation had all its governing arms fully involved in its resource mobilization, and this must be carried forward to the next financial year.

I thank my fellow members of the Board of Governors for their steadfast trust in me, as chair. Special appreciation also goes to the Board's resource mobilization committee and to the Executive Secretary for his dedication and his belief that Africa can come up with its own solutions to foster economic development. I would also like to thank the staff for their hard work and commitment to the Foundation's vision.



*Honorable Goodall Gondwe
Malawi Finance Minister
Chair, ACBF Board of Governors*



Prof. Callisto Enias Madavo
Chair, ACBF Executive Board

Message from the Chair of the Executive Board

This has been yet another year of continued support and dedication to building capacity for Africa by Africans. The African Capacity Building Foundation has proven once more that it is completely dedicated to finding solutions for an Africa capable of achieving its own development.

ACBF continues to drum the relevance of Africans making the continent “The Africa, We Want.” For the African Union’s Agenda 2063—a strategy to optimize use of Africa’s resources for the benefits of all Africans—ACBF remains committed to raise awareness of the importance of capacity for Africa’s development and demonstrate its role in supporting the implementation of Agenda 2063.

On the resource mobilization front, the Foundation recorded encouraging African contributions, with the 2015 target met five months before the deadline. Partnership with the Bill & Melinda Gates Foundation yielded additional financing for the tobacco control operation and a new agreement to support the capacity building of its implementing partners in Africa.

ACBF continues to benefit from the financial support of its multilateral partners, as well as from member and nonmember African and non-African countries. These contributions have contributed to ACBF’s sustainability and are critical for carrying out its mandate. Many African member states have responded to the Foundation’s continued call to meet their financial obligations and are eager to strengthen their ownership of and contributions to capacity development on the continent.

The Foundation is close to the end of its third Strategic Medium Term Plan 2012–2016 (SMTP III). This moment affords an opportunity to reflect on progress to stay in line with SMTP III’s objectives regardless of the continent’s financial challenges and changing priorities. The next Strategic Plan has already been drafted, as the ACBF strategically prepares the best ways of meeting the capacity needs for a developed Africa.

For ACBF to start its new strategy for 2017–2021 on a sound financial standing, the contributions of African member countries are extremely important. On behalf of the ACBF Secretariat, I would like to thank all African member states for their continued support to the Foundation through their pledges—and even more for honoring them.

Until the year under review, ACBF has mainly been recognized for its contributions to policy formulation and implementation by supporting think tanks across Africa. As demonstrated at the African Think Tanks Summit in Addis Ababa on 6–8 April 2015, think tanks confirmed their increasing relevance to Africa. They identified ACBF support as critical in helping them create alternative thinking on Africa’s development and in generating policies that improve the lives of Africans. And it is with pride to note that nine of the 45 think tanks supported by ACBF were ranked among the top 20 in Sub-Saharan Africa in the 2015 Global Go To Think Tanks Index Report.

In 2014 and 2015, the Foundation embarked on a road to self-transformation—to become an efficient and results-oriented organization. It implemented a series of internal reforms such as

resizing and restructuring its management team, increasing board meetings for better oversight, and improving governance. It also took measures to improve project design and enhance grantee capacity for the effective implementation and monitoring of projects. And it acted to continually improve the quality of evaluation.

Most activities planned for 2015 were implemented. The Foundation supported 66 national and regional projects in 26 African countries—as well as partnerships with the Australian Government, through the Department of Foreign Affairs and Trade, and the Bill & Melinda Gates Foundation.

ACBF continued to prioritize its capacity-building interventions within a defined footprint to enhance effectiveness and demonstrate results. The key projects and programs the Foundation implemented in 2015 were based on its areas of comparative advantage, demonstrated evidence of stakeholder ownerships, and commitments to scale up or sustain interventions after their initial support.

The knowledge and learning services of ACBF during the period under review focused on responding to the needs of the Foundation’s clients and mainstreaming and using lessons and evidence from ACBF’s interventions to drive its capacity building initiatives. The Foundation produced and published a number of strategic knowledge products including a study of the capacity imperatives for domestic resource mobilization in Africa, a risk assessment of the African Union Agenda 2063 and Capacity Needs Assessment for Agenda 2063. All the reports were well received by the clients, who are currently using them.

It is in this light that we want to maintain the Foundation's high performance in responding to Africa's capacity needs. On behalf of the Executive Board members, I wish to thank ACBF staff and especially the Executive Secretary for providing the needed strategic direction for the Foundation. The continued support of the Foundation's Board of Governors is highly appreciated. I look forward to counting more gains for Africa and for ACBF by the end of 2016.



*Prof. Callisto Enias Madavo
Chair, ACBF Executive Board*



Prof. Emmanuel Nnadozie
Executive Secretary, ACBF

Message from the Executive Secretary

In 2015, the African Capacity Building Foundation's focus was on being a more efficient and better governed organization that pays attention to results. It was a year of stabilization for the Foundation, after years of deep reforms from 2012 to 2014. Those reforms helped us focus on the new landscape for capacity building in Africa and make us more efficient and effective in addressing the continent's capacity challenges.

During the year under review, ACBF contributed to the generation and use of research-based evidence for policymaking and programming at national and regional levels. It supported the creation of inclusive engagement platforms that enhanced the voices of the private sector and civil society in the national development discourse.

Also in 2015, ACBF enhanced its position as a leading partner of the African Union Commission (AUC) for capacity development. We stepped up our strategic engagement with the Commission through numerous joint events, including the January and June African Union Summits, the endorsement of ACBF's review of AU resolutions, and the AU's participation in the 24th ACBF Annual Meetings. We also conducted two important studies at the request of the Chairperson of the AUC—one on the capacity imperatives and division of roles for implementation of Agenda 2063, and one on the risks and opportunities associated with Agenda 2063. This work has positioned the Foundation as a partner that is consulted for advisory input and guidance on the capacity dimensions of the continent's development priorities.

The outstanding work already done by ACBF to support implementation of the AU's Agenda 2063 demonstrates that we have the ideal strategic partner to enhance capacity building efforts at the three levels of our pan-African, regional, and national institutions.

In the 2015 financial year, the impressive support from the African member states increased resources for the Strategic Medium-Term Plan for 2012–16. In fact, African member states reached their target contributions for the entire year by July 2015, making their largest financial contribution since 2013. It is crucial for African member countries to continue increasing their ownership in the Foundation by meeting their financial commitments to enable us to keep tackling the continent's capacity challenges.

ACBF has in the past 25 years made significant contribution to building human, institutional, and soft capacities. It has supported the development and implementation of policies and programs that have spurred economic development and growth in many African countries. Indeed, Africa recently recorded good economic growth, and the forecast for most countries in the continent is very encouraging. But it is up to Africa and its leaders to seize and benefit from this window of opportunity.

Going forward, we will significantly invest in building implementation capacity at country, regional, and continental levels to help accelerate structural transformation and ensure that development

programs really lead to evident positive change in the lives of Africans. Industrialization is viewed by many as the only way for the continent to achieve structural transformation and lift itself from poverty and inequality. It can also reduce youth unemployment, which currently stands at 11.9 percent.

On behalf of the Board of Governors, the Executive Board and the staff, I want to express our sincerest appreciation to all the partners that continued to support the Foundation during this transitional period. They include African member countries, the World Bank, the African Development Bank, the Bill & Melinda Gates Foundation, and the Swedish International Development Agency. It is my hope that some of the partners that supported the ACBF from its inception in 1991 to 2011—Austria, Canada, Denmark, Finland, France, India, Ireland, the Netherlands, Norway, Sweden, the United Kingdom, and the United States of America—will find in the new and reformed ACBF their partner of choice in making their support to capacity building in Africa more effective. I can assure them that ACBF will give them value for money in implementing its next five-year Strategic Plan covering 2017–2021.



Prof. Emmanuel Nnadozie
Executive Secretary, ACBF



The African Capacity Building Foundation



2015 Highlights—Our Year in Perspective

ACBF's Support to Agenda 2063

During the Organization of the African Union's 50th anniversary in 2013, Agenda 2063 was adopted as a continent-wide, long-term development framework that is expected to set a development course for the African continent over the next 50 years. The African Union Commission has embarked on implementing the first 10-year plan, which will be followed by four 10-year plans running to 2063. The Union-wide plan, in addition to creating synergies and fostering collaboration, is expected to enhance impacts on the ground.

ACBF has worked closely with the AUC in assessing the capacity requirements and risks associated with the effective implementation of the Agenda 2063. The purpose was to assess the capacities required first at institutions at the continental and regional level and subsequently at the national level in implementing Agenda 2063. For this assessment, ACBF produced four documents that were submitted to the AUC and later considered by various committees.

- Capacity Requirements for the New African Vision: Agenda 2063—"The Africa We Want."
- African Critical Technical Skills: Key Capacity Dimensions Needed for the First 10 Years of Agenda 2063.
- Capacity Development Plan Framework: Buttressing Implementation of the First 10-Year Plan—"The Africa We Want."
- Assessment of Internal and External Risks Associated with the Implementation of the African Union's Agenda 2063.

The four documents were subsequently received by the Executive Council Retreats and Meetings and later considered at the Head of States Assembly in June 2015 in Johannesburg and in January 2016 in Addis Ababa. During the January 2016 AU Summit, the Executive Council Retreat deliberated on the comprehensive report on capacities for implementing Agenda 2063. The Retreat called on member states to develop a continental initiative on critical technical skills and to prioritize investments to develop skills, especially in the STEM areas, including vocational skills and technical skills, and in designing and managing large-scale projects.



The AUC was also asked to draw on the reports to present concrete and actionable decisions to the Executive Council. The Decision urged “Member States, RECs, the Commission, the NEPAD Planning and Coordination Agency (NPCA), in partnership with the UNECA, AfDB, and ACBF to validate and integrate recommendations of the Capacity Assessment Study into the curricula (education systems) at different levels in order to make education system responsive to the national, regional, and continental needs.”

The documents were confirmed at a stakeholders’ feedback workshop that examined the major points and recommendations emerging from the capacity review by the ACBF/AUC Senior Team that worked on the study. One major outcome of the workshop was an action plan to guide the way forward.

The evolving partnership between ACBF and the Commission is solidified by a memorandum of understanding between the two institutions. Signed on 27 July 2010 in Kampala, the MoU aims “to facilitate cooperation and collaboration between the parties to establish the arrangements necessary to ensure effective cooperation between ACBF and the AUC in areas of mutual interest.” The importance of capacity building in the successful implementation of Agenda 2063 provides an opportunity for enhanced cooperation between ACBF and the AUC. Indeed, the AU is an honorary member of the ACBF Board of Governors (as an observer), while ACBF is an observer at the AU.



Performance of ACBF-Supported Think Tanks

As organizations engaged in public policy research, analysis, and advice, think tanks operate all over the world, study every imaginable topic, and exercise influence publicly and behind the scenes. Given their recognized efficiency, independence, and quality in influencing policy formulation, ACBF has supported these institutions since its inception. In 2015, ACBF support has been translated into encouraging performance in think tank rankings. Though there is no unanimously accepted methodology for assessing the influence and performance of think tanks, researchers and institutions have continued to try various measures.

The Global Go To Think Tank Index Report assesses world think tanks. Produced by the Think Tanks and Civil Societies Program of the University of Pennsylvania, the 2015 Report shows that the Kenya Institute for Public Policy Research and Analysis (KIPPRA), an ACBF-supported think tank, was ranked as the best think tank in Sub-Saharan Africa. Other ACBF-supported think tanks among the top five include the Council for the Development of Social Science Research in Africa (CODESRIA) (Senegal) at the third place, and the Botswana Institute for Development Policy Analysis (BIDPA) at the fourth place. A closer look at the rankings shows that ACBF supports nine of the 20 top ranked think tanks in Sub-Saharan Africa.

The following 25 think tanks are, for the majority, also members of the ACBF-supported Policy Institutes Committee (PIC) and among the best ranked think tanks in 2015:

- Kenya Institute for Public Policy Research and Analysis (Kenya)
- Council for the Development of Social Science Research in Africa (Senegal)
- Botswana Institute for Development Policy Analysis (Botswana)
- Centre for Policy Analysis (Ghana)
- African Economic Research Consortium (Kenya)
- Food, Agriculture, and Natural Resource Policy Analysis Network (South Africa)
- Ethiopian Development Research Institute (Ethiopia)
- Economic Policy Research Center (Uganda)
- Ethiopian Economics Association (Ethiopia)
- Centre Ivoirien de Recherches Économiques et Sociales (Côte d'Ivoire)
- Institute of Statistical, Social and Economic Research (Ghana)
- Economic and Social Research Foundation (Tanzania)
- Strategic Transformation and Policy Centre (Cabo Verde)
- Centre d'Études de Politiques pour le Développement (Senegal)
- Nouveau Programme de Troisième Cycle Inter-universitaire en Économie (Burkina Faso)
- Centre de Recherches, d'Études et d'Appui à l'Analyse Économique à Madagascar (Madagascar)
- Centre Autonome d'Études et de Renforcement des Capacités pour le Développement au Togo (Togo)
- Macroeconomic and Financial Management Institute of Eastern and Southern Africa (Zimbabwe)
- Mandela Institute for Development Studies (South Africa)



- Swaziland Economic Policy Analysis and Research Centre (Swaziland)
- Institute for Policy Analysis and Research (Rwanda)
- Cellule d'Analyse de Politiques Économiques du CIRES (Côte d'Ivoire)
- Centre d'Analyse de Politiques Économiques et Sociales (Burkina Faso)
- Centre d'Études et de Renforcement des Capacités d'Analyse et de Plaidoyer (Mali)
- Institute of Policy Analysis and Research (Rwanda)

Though ACBF-supported think tanks have done relatively well in the 2015 Global Go To Think Tank Index Report, Africa still has the least number of think tanks among other world regions. The largest numbers were in the United States (1,835), China (435), and the United Kingdom (288). Sub-Saharan Africa has 615, with only 92 of them ranked.

Besides the expert rankings in the Global Go To Think Tank Index Report, two other approaches assess think tank performance—quantitative metrics and qualitative assessments. The quantitative metrics mainly use the number of citations in traditional mass media. The qualitative assessments are based on an expert panel, which reviews a small number of nominees in depth and honors those deemed to have contributed significantly to the debate. For now, there is no comprehensive ranking of African think tanks using the quantitative metrics or the qualitative assessments, suggesting the need to conduct such assessments. A discussion of the performance of ACBF-supported think tanks using these metrics is therefore not possible.

Improving Procurement Skills for ACBF-Supported Institutions

In 2015, the ACBF Procurement Unit contributed to the Foundation's goal of enhancing the project portfolio through the provision of capacity development technical and advisory services to projects. The unit provided the projects with onsite and offsite technical support to ensure timely responses to procurement issues and to implement procurement activities and report on achievements.

The unit set up a procurement dashboard, which captures procurement-related information for all active projects and provides a snapshot of the quality of the ACBF Portfolio risk rating and general implementation progress. The dashboard was prepared and updated with 61 active projects, classified by their risk rating. Of those projects, 40 percent were rated as high risk, 26 percent as medium risk, and 17 percent as low risk, with the rest still classified as some grants are yet to be signed.

The major contributing factor to this risk rating is due to several factors, chief among them, absence of detailed procurement assessments at projects' appraisal stage and low procurement capacity as evidenced by the poor quality of procurement documents submitted for prior review and as noted during the procurement missions. The dashboard, updated continually, enables the unit to adopt a more focused strategy to build grantee procurement capacities. It can identify projects requiring more attention and narrow the areas of weakness that need to be addressed.



The unit undertook several targeted activities to build the procurement capacity of grantees, which involved face to face and e-training sessions, remote procurement reviews and assessments, and the provision of simplified sample procurement document templates to all projects. It facilitated a five-day procurement training workshop for all active grantees in July 2015—a notable success as participants testified to the usefulness of the course content and how it assisted them in implementing procurement activities for their respective projects. The unit also conducted several e-training sessions over Skype as a follow up to the training workshop. The Skype training sessions focused on particular areas of weakness to make the learning more effective.

In addition, detailed guidance on procurement-related issues and activities was provided to projects as part of the prior reviews process, and detailed assessment reports emanated from both field and desk appraisals.

Thanks to the detailed support from the unit, simplifying bid documents and providing sample best practice templates, the quality of grantee procurement processes improved significantly, as evidenced by the post reviews in the last quarter of 2015, and by the improved quality of documents submitted for prior review. The proportion of projects rated as high risk came down from 40 percent to 32 percent, as some previously high risk projects moved into the medium risk category, and that of low risk projects rose by 5 percent.

The lesson is that the procurement unit's involvement in the initial stage of project development is critical, starting at project appraisal to ensure a comprehensive procurement assessment of the project, and that an appropriate action plan is in place to ensure a smooth undertaking of procurement processes once the project is declared effective.

The unit reviewed the Procurement Guidelines for Grantees, as the processes and procedures were seen as cumbersome and not the best fit for the size of ACBF grants. The guidelines have been revised to simplify and render them more fit for purpose. The unit is also taking a capacity development approach to the use of project internal procedures and guidelines. If the guidelines and procedures are not up to ACBF standards, rather than reject them, ACBF works with grantees to revise the policies to make them

more effective and consistent with ACBF and international standards and best practices. This allows projects to take ownership of the procurement processes and, in doing so, to also take ownership of their own procurement capacity, since they will in essence be using their own systems.

Decentralizing to Serve Our Partners Better

The ACBF decentralization policy was approved by the Executive Board in November 2011. The policy envisaged creating ACBF regional level presence in three locations—Accra, Addis Ababa, and Nairobi.

The Foundation introduced the decentralization policy to:

- Improve operations and project management by positioning staff to operate from regional hubs in close proximity to projects.
- Reduce travel hours and cost by cutting down from average of two days one-way travel from headquarters in Harare to West African countries (total four days travel time on each mission).
- Deepen the Foundation's engagement with regional governments, development partners, and other stakeholders.

The Accra office, serving the West and Central Africa regions, was set up in 2014 after a host country agreement was signed between the Government of Ghana and ACBF. The agreement was subsequently ratified by the Parliament of Ghana. Professional staff in the West and Central Africa Operations Department (WCA) who were previously based in Harare were relocated to Accra to form the nucleus of the regional team. Two additional staff have been



recruited locally to augment the team's strength. The office has also admitted interns, who have periodically been recruited in line with applicable ACBF policies.

ACBF partners, mainly in the West and Central Africa region, have witnessed improved service delivery from ACBF since the regional office was set up. Key benefits from the decentralized presence in Accra include the following:

- *Improved ability to respond to project exigencies.* The proximity of the office has enabled holding regular meetings with projects to resolve implementation issues, improving portfolio performance. Many project partners now have easy access to the Accra regional office, which they regularly visit to discuss project issues. Similarly, staff of the office can conduct missions at lower cost.

- *Enhanced visibility of the Foundation.* The ACBF can participate in key government and diplomatic activities in Ghana, since the regional office is a fully accredited diplomatic organization in Ghana.
- *Deepened engagement.* Since the start of operations in Accra, the Ghana government paid its pledged ACBF contribution of \$1.5 million. The regional office has established and maintains closer working relationship with the government.
- *Reduced travel cost to projects.* The benefits include both travel time and financial cost. It now takes just hours to reach most countries in the region.

The Nairobi office provides support to the Australia-Africa Community Engagement Scheme (AACES) under ACBF's role as resource facility manager. The office brought the resource facility closer to AACES partners, and with its decentralized presence, ACBF service to its partners has improved and its visibility has been enhanced.

The focus of the regional office in the coming months will be to deepen its engagement with development partners and regional organizations represented in Ghana as part of a strategic effort to build bridges with such important constituencies for mutual benefits.

An office in Addis Ababa has not yet been opened.

Building Capacity, One Step at a Time

Status of the Project Portfolio in 2015

As of 31 December 2015, ACBF's project portfolio comprised 76 projects. More than 84 percent (64 of the 76 projects) were funded by resources provided and managed by the World Bank (DGF, RIDA I and II, and MDTF), which remains the major sponsor of ACBF operations (table 1). The projects in economic policy analysis and management and training programs remain dominant in the overall portfolio (table 2).

The portfolio continued to shrink in 2015 due to the closing of projects relative to the absence of new approvals. The major reason was the limited commitment authority, which did not allow the Secretariat to submit new project proposals for Executive Board approval despite the increased demand. But some positive results were noted with the mobilization of about \$8.5 million from Gates Foundation for tobacco control initiatives in Africa. Using this grant, the Foundation was able to develop and to approve projects in support to 10 sub-grantees including eight civil society organizations (CSOs). Consultations were initiated with Gates Foundation to consider a supplemental to the original grant, bringing the total investment in tobacco control to \$14.7 million for 16 projects.

In response to the decreasing size of the project portfolio, the Secretariat started developing various strategies aiming at rebuilding the portfolio and developing new business and services lines.

- Finalizing ongoing appraisal process of earmarked funding from AfDB and Sweden.

Table 1. Funding sources for 76 projects

Funding sources	Number of projects	Percent
Development Grant Facility	27	35.5
RIDA I	8	10.5
RIDA II	21	28.0
Multi-Donor Trust Fund	8	10.5
African Development Bank	2	2.5
Bill & Melinda Gates Foundation	10	13.0
Total	76	100.0

Table 2. Distribution of projects by thematic areas

Thematic areas	Number of projects	Percent
Policy think tanks	21	27.5
Training institutions and programs	25	33.0
Regional integration	8	10.5
Others ^a	22	29.0
Total	76	100.0

a. Includes 10 projects on tobacco control funded by the Bill & Melinda Gates Foundation.



- Directing appraisals of requests for funding received from promoters to interested donors (World Bank, AfDB, bilateral donors, and foundations).
- Establishing technical assistance partnerships for successful implementation and grant absorption of partner operations (AfDB, Islamic Development Bank, World Bank, bilateral donors, Bill & Melinda Gates Foundation [BMGF], African Export-Import Bank [Afreximbank]).
- Submitting new project ideas for partners' consideration, such as domestic resources mobilization, illicit financial flows, infrastructure development, and intra-Africa trade.
- Maintaining strategic partnerships with mature and closed projects.

These proposed areas of interventions are in line with the new strategic direction that the Foundation is embracing, as informed by the long-term strategic vision exercise and the ongoing preparation of the new strategic plan 2017–2021 aiming to transform the Foundation from a grant-maker to an investor in capacity development.

Tobacco Control Program—From \$8 Million to \$14 Million

BMGF provided funding to ACBF, to promote evidence-based tobacco control policies in Africa. A grant of \$8,540,407 was provided with the objective of strengthening African CSOs' capacity to implement tobacco control policies across the region, and ensure that CSO work is better coordinated and more targeted. The specific objectives of the grant included:

- Strengthening and coordinating partnerships for effective tobacco control policymaking in Africa.

- Strengthening CSO capacity as effective agents of change to lower tobacco control barriers in target countries.
- Having the Centre of Tobacco Control in Africa (CTCA) actively and effectively support the implementation of effective tobacco control policies in five targeted countries.
- Strengthening the institutional capacity of the University of Cape Town's Economics for Tobacco Control Project to undertake evidence-based research and provide technical assistance to governments for effective tobacco control.

In October 2015, ACBF received a Supplementary grant \$6,169,246 in addition to the initial grant approved in 2014. The total funds received from BMGF is \$14,709,653. ACBF will use the additional grant to;

- Establish a sustainable method of tobacco industry monitoring in the African region.
- Support the government of Senegal to implement and enforce its tobacco control law.
- Continue supporting CSOs in the eight selected countries and two additional CSOs' policy and advocacy capacity for implementing the World Health Organization (WHO) Framework Convention on Tobacco Control. The supplementary grant will be implemented through December 2018.

During 2015, nine grant agreements amounting to \$2,292,776 were signed for the implementation of tobacco control projects.

To strengthen and coordinate partnerships for effective Tobacco Control policymaking in Africa, the Tobacco Control Program held virtual meetings with the WHO and the Campaign for Tobacco

Free Kids (CTFK). The 16th World Conference on Tobacco or Health in Abu-Dhabi was an opportunity for ACBF to share experiences and to meet partners such as WHO and CTFK and the Bill & Melinda Gates Foundation. The WHO high-level meeting on the Framework Convention on Tobacco Control in Africa discussed the implementation of the convention in Africa. And the Gates Partners' annual meeting in Addis Ababa provided an opportunity for ACBF to coordinate actions and share work plans with such partners as WHO and CTFK. ACBF's takeaways from the meetings were being flexible on our procedures and expediting the grant-making process.

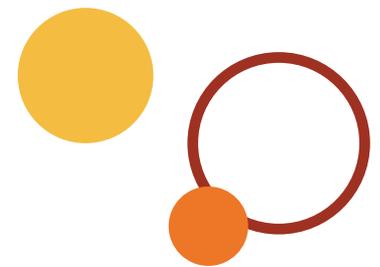
To strengthen CSO capacity as effective agents of change to lower tobacco control barriers in target countries, grant agreements were signed with eight CSOs (table 3). CSOs in target countries advocated for the passage of tobacco control bills and implementation of tobacco control laws and regulations.

As part of the project design for Supplementary Grant, requests for proposal were sought from tobacco control CSOs from Ethiopia and Botswana, and two were selected: Mathiwos Wondu YeEthiopia Cancer Society (MWECS) and Anti-Tobacco Network Botswana. Toward the end of the year, appraisal missions were conducted for MWECS, African Tobacco Control Alliance of Togo and Senegal's Ministry of Health.

To improve project management capabilities of the beneficiaries toward effective project implementation, ACBF conducted the first capacity building and coordination workshop for the subgrantees working on tobacco control in Africa. Held in Harare, the workshop

Table 3. Signed grant agreement in 2015

Project-CSOs	Country	Grant amount
Initiative pour l'Éducation et le Contrôle du Tabagisme	Benin	\$150,000
Mouvement pour la Sante	Gabon	\$150,000
African Network for Information and Action Against Drugs	The Gambia	\$150,000
International Institute for Legislative Affairs	Kenya	\$150,000
Association Mauritanienne de Lutte contre la Tuberculose et le SIDA	Mauritania	\$150,000
Civil Society Legislative Advocacy Centre	Nigeria	\$150,000
Association Prevenir	Senegal	\$150,000
Parliamentary Forum on Non-communicable Diseases	Uganda	\$150,000
		\$1,200,000



was attended by 28 participants, whose feedback indicated that the workshop was relevant and enhanced project implementation.

The Centre for Tobacco Control in Africa (CTCA) supported the implementation of effective tobacco control policies in targeted countries in Africa, including Botswana, Ethiopia, Gabon, The Gambia, and Niger. It contributed to the passage of tobacco control law in Uganda, a coordination mechanism in Botswana, the training of enforcers in Niger, and the adoption of five implementing decrees in Gabon.

To strengthen institutional capacity of the University of Cape Town to undertake evidence-based research and provide technical assistance to governments for effective tobacco control, a grant agreement of \$1,092,776 was signed in February 2015. Research work has progressed well, including scholarship support for master's and PhD students. The project's publications are available at www.tobaccoecon.org. Support to reduce tobacco consumption in other African countries will be enhanced with the additional funding under the supplementary grant.

Assessing the Capacity Needs of African Countries: Swaziland

The ACBF takes a methodological and rational approach to country programming that is preceded by rigorous studies on human and institutional capacities in a country or region. These studies generate a baseline and identify capacity to design multiyear country interventions. A country capacity needs assessment, analyzing desired capacities against existing ones, is one of the key

instruments for ACBF to set priorities for capacity building support and technical services. It is an entry point for the design of tailor-made capacity building interventions at regional, national, and organizational levels and a stand-alone knowledge product for use by other stakeholders.

In 2015, ACBF and the Swaziland Economic Policy Analysis and Research Centre (SEPARC) conducted a country capacity assessment focusing on the public sector. The assessment provided major input to the government's efforts to improve the quality and timeliness of service delivery in the public sector.

The assessment was planned in response to a formal request from the Ministry of Public Service of Swaziland. To ensure that the CNA would be owned and managed by local stakeholders, a National Task Force was established with relevant local stakeholders coordinated by the Ministry of Public Service. The task force's role is to supervise the assessment, coordinate relevant stakeholders, and review the assessment's findings and recommendations. With SEPARC managing the assessment, ACBF provided technical backstopping and advisory in the whole process.

At the project's launch on 2 April 2015 in Mbabane, Swaziland, 20 ministries and development partners took part. Consultants assessed the current and desired levels of four agencies. The recommendations to address capacity gaps were discussed at the validation workshop on 22 May 2015.

Through a combination of individual, organizational, institutional and benchmarked questionnaires and templates that aid in

conducting the assessment, capacity gaps were identified for 20 ministries and four agencies in the areas of governance, strategy, structure, systems, shared values, staffing, skills, and customer service. The 450-page report outlined overall capacity gaps in public service generally and at each ministry. To close the capacity gaps, the report proposed strategic interventions and an estimated budget.

Measuring Impact

The Foundation continued contributing to increased growth and sustainable development in Africa by catalyzing the formulation and implementation of inclusive and coherent policies and programs. It also focused on empowering public sector managers and decisionmakers in national and regional development processes.

In 2015, ACBF contributed to the generation and use of research-based evidence for policymaking and programming at national and regional levels. It supported the creation of inclusive engagement platforms that opened “spaces” and honed the voice of the private sector and civil society in national developmental discourse.

ACBF also supported tailor-made and hands-on training programs that equipped and empowered senior public sector officials and managers who are enhancing service delivery and achieving development impacts in their respective countries. It also strengthened higher education institutions—such as the Nelson Mandela African Institutes of Science and Technology in Nigeria, Tanzania, and Burkina Faso—to position them as centers of excellence in science and engineering on the continent.

ACBF contributed to macroeconomic convergence, trade facilitation, and effective financial and debt management through its support to the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, the West Institute of Economic Management, and the West Africa Monetary Institute. It also played a lead role in improving accountability and parliamentary oversight through its capacity building support to the national parliamentary institutes and the Southern African Parliamentary Forum. Here are some examples of the achievements and impacts:

- *Food security and agriculture in Rwanda.* The policy recommendations from research studies by the Institute for Policy





Analysis and Research informed and underpinned policies and programs implemented by the government in 2015. Recommendations from seven studies on land ownership contributed to changing government policy on land ownership, granting to women and men equal shares and access to family land. The reforms have increased land ownership by women and government budget allocations to agriculture.

- *Empowering women in Senegal.* A study on the Empowerment of Women in Agriculture Initiative by the Centre d'Études de Politiques pour le Développement in Senegal stimulated the interest of stakeholders in operationalizing it. Well accepted by stakeholders, it has become a reference document for the design and rollout of the overall continental program to strengthen the capacity of women in agriculture.
- *Promoting economic growth and trade in Ethiopia.* A policy research study by the Ethiopian Economic Association on the effects of regional trade agreements on strategic agricultural trade in Africa and its implications on food security, energy and economic growth was well received by stakeholders. The findings have also informed policy discussions and debates on agriculture trade in the country.
- *Deepening democracy and good governance in Somalia and South Sudan.* The Horn Economic and Social Policy Institute (HESPI) stimulated the application of recommendations that emanated from the strategic engagements organized by key stakeholders to inform national policies and programs in Somalia. In strategic engagements and conferences, HESPI disseminated policy recommendations in briefs and tools shared with influential policymakers and other stakeholders.
- *Promoting security reforms in Burundi.* The Institute of Economic Development to part in national radio and television discussions informing youth about security sector reform. The activities well received by the government. The education ministries have indicated that they will develop a curriculum on the subject, given its critical role in a conflict-affected country.
- *Improving strategic planning in Senegal.* Centre d'Études de Politiques pour le Développement played a key role in revising the National Strategy for Gender Equality and Equity 2015–25. It also provided hands-on training and technical support to the key stakeholders responsible for coordinating strategic planning in the public sector. And it spearheaded four working groups producing a consolidated report on economic growth in Senegal.

- *Promoting fish industry in Tanzania.* The Economic and Social Research Foundation completed studies that increased the knowledge and understanding of stakeholders on the value proposition and potential benefits of fish farming. One study on the fish industry value chain also highlighted the intrinsic and economic benefits of fish farming. It also proposed measures for the government and key actors to increase the adoption of fish farming technology.

Regional Training Programs

ACBF continued contributing to effective service delivery and public sector management across the continent by supporting the training and empowerment of managers and decisionmakers from state and nonstate institutions. ACBF funded short and long-term training programs that equipped officials with capabilities to design, implement, and manage developmental interventions.

For long-term training, 498 men and women benefited from ACBF supported doctoral, master's and bachelor's degrees. Of these beneficiaries, 332 completed their programs, while the remaining 166 are due to complete them in 2016.

For short-term training, 1,384 officials from state and nonstate institutions took part in tailor-made programs to equip them with skills and competencies in leadership, good governance, gender

mainstreaming, financial management, effective communication, and project management. For example, PPRC-CI in Côte d'Ivoire trained 103 public sector officials to support the development of sectoral and global medium-term expenditure frameworks. PROFAP in Chad conducted training on economic governance for cabinet directors of all government ministries.



Generating and Sharing Knowledge

Africa Capacity Report 2015: Capacity Imperatives for Domestic Resource Mobilization in Africa

In 2015, the Foundation produced the fifth edition of its flagship *Africa Capacity Report on Capacity Imperatives for Domestic Resource Mobilization in Africa*. In producing this report, it responded to the call from governors to give priority to Africa's development agenda.

Domestic resource mobilization is the generation of taxes and savings from domestic resources and allocating them to economically and socially productive activities. It matters in Africa for many reasons. Countries need to mobilize internal resources to pursue the United Nations' Sustainable Development Goals (SDGs) and the African Union's Agenda 2063. They should not depend on donor aid alone, given that most donor countries have failed to live up to the long-standing commitment to deliver 0.7 percent of their gross national income to aid. Moreover, aid-dependent countries tend to be more responsive to donor priorities than domestic priorities, and external financial flows are unpredictable. Foreign direct investment is more likely to respond to the profit motive of private firms with the remittances often used for immediate consumption and not long-term infrastructure investment. Africa has significant untapped potential as domestic tax revenues are increasing and remain larger than external financial flows. And illicit financial outflows, if curbed, can retain significant resources for development on the continent

Africa's Capacity Development Landscape in 2015

Of 45 countries surveyed, most (73.3 percent) had medium capacity, while 17.8 percent were in the high bracket and 8.9 percent in the low. Although no country ranked in the very high bracket, it was encouraging that no country ranked in the very low.

Cluster analysis showed that a good policy environment and good implementation processes were put in place. On the policy environment—underpinned by broad participation and good



governance—most countries (97.8 percent) ranked high or very high. Processes for implementation were also impressive, with 86.7 percent of countries in the high or very high brackets. But countries were not doing well in translating policies into development results. Notably, capacity development outcomes remained the most pressing issue, as 91 percent of countries ranked low or very low.

Capacity for domestic resource mobilization

The 2015 annual theme on Africa's development agenda focused on the capacity development challenges in domestic resource mobilization. The ACR 2015, surveyed the state and trends in domestic resource mobilization and illicit financial flows across the continent, and identified capacity gaps and requirements for countries to mobilize more resources domestically and reduce illicit financial flows abroad. The findings showed that:

- The tax base is narrow and is further eroded by high levels of capital flight, evasion and avoidance and proliferation of tax exemptions.
- Tax authorities lack legitimacy and capacity.
- Tax administrations have weak capacity.
- The penetration of formal banking is relatively low.
- A poor business climate hinders taxable profits.
- And countries lack the human, technical, legal and regulatory, and financial capacities to deal with illicit financial flows.

The key takeaways?

- The African continent has made much progress in increasing tax revenues, but a number of countries still lag behind.

- The spending side is as important as the revenue side, if not more so. That is, citizens must be aware of what services they are getting in return for their tax contributions, and this means that governments must be transparent about program spending and must invest in awareness and education campaigns on taxation.
- Diverted public funds and wasteful government spending are serious problems in many African countries, reflecting weak governance, institutions, and public administration, with major imperatives for building capacity to mobilize domestic resources.
- Building capacity for domestic resource mobilization is not merely about increasing tax revenue or savings, it also encompasses promoting good democratic governance, financial inclusiveness, and social justice—and creating the conditions and incentives for productive investments.
- More investments are required in financial inclusion and product innovation, and human resources must be mobilized for the innovations for broad-based domestic resource mobilization.

Defining the Capacity Dimensions: ACBF at the Financing for Development Conference

As African countries seek to finance their own development, key government offices and stakeholders have to be empowered with the skills and knowledge that enable efficient, effective, and innovative mobilization of domestic resources—and the prevention of illicit financial flows and any leakages that hamper the collection of domestic resources.

As part of the Third International Conference on Financing for Development, ACBF organized a side event on Building the Capacity for DRM to achieve the SDGs. The side event, on 15 July 2015, shared the preliminary findings of the 2015 ACBF flagship report on “Capacity for Domestic Resource Mobilization in Africa,” identifying any capacities in DRM that have been overlooked; and providing an opportunity for participants to share country DRM strategies.

The event raised the awareness of more than 250 participants on the importance of the capacity dimension in domestic resource

mobilization. Among the participants were representatives from the World Bank, African Development Bank, United Nations, African Union Commission, regional economic communities, think tanks, governments offices, civil society organizations, and business sector entities.

The UN Economic Commission for Africa is organizing advocacy workshops on capacity building for DRM and curtailing illicit financial flows. It is also implementing a capacity development program for DRM as part of its 2017–2021 Strategic Plan.



Improving Policy in Africa: The African Think Tanks

Since its inception, ACBF has taken the lead in developing and supporting think tanks across Africa. Through the many think tanks and policy institutes, it has supported the formulation and implementation of strategic national policies, with the overall aim of promoting economic prosperity, political stability, and social justice for all citizens. To ensure efficiency and increase impact, it has also supported the Policy Institutes Committee and the Africa Think Tank Network.

Policy Institutes Committee

In line with the commitment to improve the delivery and impact of its policy-oriented interventions in Africa and enhance

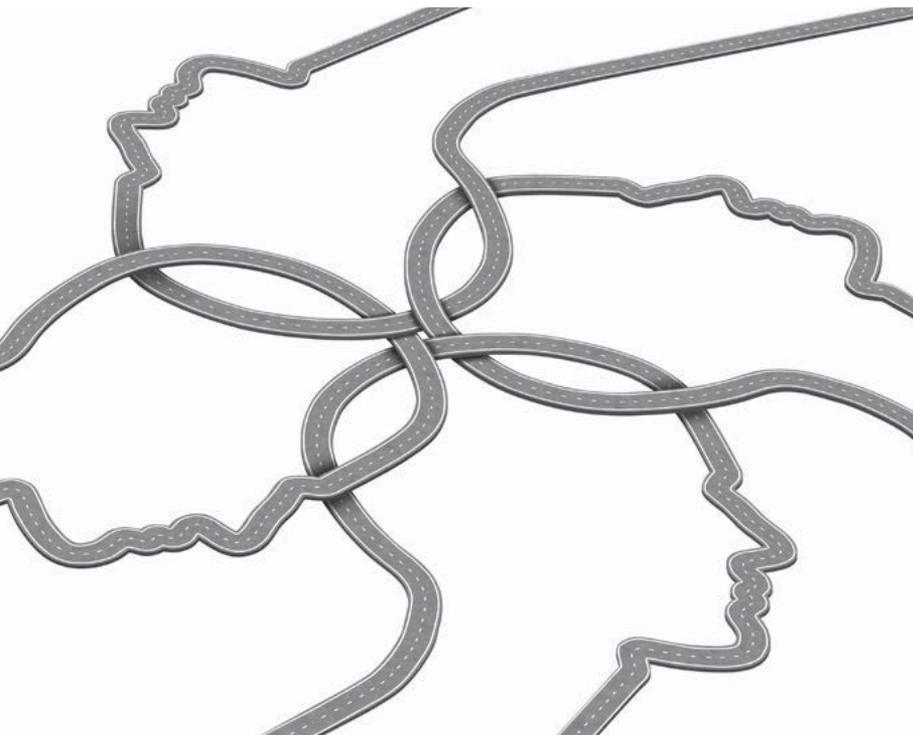
peer-learning among supported think tanks, the Foundation organized two Consultative Forums of the PIC Network in Addis Ababa and in Kigali. ACBF-supported policy institutes participated and developed strategies and modalities for enhancing idea sourcing and collaboration to ensure effective design, implementation, and impact of their projects and engagements across Africa. The forums also offered an opportunity for think tanks to explore the avenues for partnership and networking with ACBF.

The think tanks unanimously acknowledged that, thanks to ACBF's financial and technical support, they were able to make some impact in their respective countries and regions. Without that support, many of them likely would not exist.

They reaffirmed their commitment to partner with ACBF and serve as a channel to deliver capacity building initiatives. Members of the PIC Network encouraged partnership in the area of knowledge generation and dissemination on strategic issues of relevance to the continent. They also provided inputs on ACBF's Strategic Medium-Term Plan (2017–2021).

Africa Think Tank Network

The Secretariat of the Africa Think Tank Network (ATTN), launched on 12 November 2015 and hosted at ACBF's headquarters in Harare, was an outcome of recommendations from the first and second Africa Think Tank Summits. It provides a platform for sharing information, exchanging ideas, creating and disseminating knowledge, and fostering partnerships among think tanks to individually and collectively develop evidence-based solutions to the





pressing development challenges facing Africa. Among its activities are: organizing the Annual Africa Think Tank Summit and the Consultative Forums for think tanks and state and nonstate actors. It also targets training and exchange programs and produces and disseminates knowledge products and services.

ACBF organized the 2015 Africa Think Tank Summit in Addis Ababa in partnership with the Think Tanks and Civil Societies Program of the University of Pennsylvania and the United Nations Economic Commission for Africa. The main objective was to offer an opportunity for Africa's think tanks to step back and consider the implications of the new dynamism in the continent on the nature and content of their work. The Summit brought together 131 participants from 66 African think tanks from 30 countries. Non-African think tanks were also represented.

One key outcome of the Summit was setting up a Think Tank Task Force to define practical ways to implement the recommendations. The most crucial recommendations fall within one of the following three strategies: diversifying sources of funding, mobilizing resources (especially human resources) to sustainably ensure the organization's longevity, and improving the think tanks' abilities to communicate with and influence policymakers. Participants also suggested paying attention to Agenda 2063, communications, women and youth, and security. To tackle these challenges as the African continent works toward Agenda 2063, Summit participants stressed that think tanks should strive to demonstrate their value with a clear vision for the future, remain autonomous while still being responsive to specific developmental needs, and market their institution by enhancing communications.

Strategic studies for greater policy impact

As part of the knowledge networks that help the Foundation advance its vision, the Strategic Studies Group (SSG) is a network of global experts that assists and guides ACBF on key strategic policy and emerging issues requiring the attention of the Foundation and its stakeholders. The SSG Network approved research proposals for the policy and institutional dimensions of Africa's political economy, youth unemployment, infrastructure development and financing, alternative models of economic growth, and inequality for the continent's sustained growth and poverty reduction. Seven papers have undergone the review process and finalized for publication as ACBF occasional papers. Published as part of the SSG series, they will inform various strategic issues requiring the attention of the Foundation and its stakeholders.

The studies are on the following:

- *Policy and institutional dimensions of Africa's political economy in an age of globalization: Articulating macro-economic approaches and capacity needs.* This paper establishes that African countries need to vigorously pursue economic diversification and structural transformation using appropriate policies and institutions that address inclusive growth priorities. Crucial ingredients are good governance and a committed national leadership with a developmental vision. Any capacity building interventions have to be crafted taking these priorities into account as well as the contextual factors that determine a country's economic direction.
- *The challenge of African youth unemployment.* The study submits that Africa's youth unemployment requires, deliberate, well targeted, and coordinated interventions. Addressing it requires

integrated, comprehensive, and long-term approaches to rural development that provide an enabling legal framework, reduce rural-urban migration, and ensure that educational systems provide marketable skills.

- *Transformational youth employment strategies in Africa: Identifying trends, comparing contexts, and documenting best practices in East and West Africa.* Youth employment promotion initiatives should consider supporting young people engaged in household enterprises. This could involve providing funds for start-ups. And increasing access to credit for household enterprises could potentially upscale their capacity and create more opportunities to provide jobs for young people.
- *Youth unemployment in Africa: Capacity building and innovative strategies.* The study assesses the causes, impacts, and implications of youth unemployment in four Sub-Saharan African countries—Botswana, Namibia, South Africa, and Swaziland. The paper submits that weak capacity for implementing policies to address youth unemployment—particularly the prevailing mismatch between tertiary education and job needs—continues to require policy focus, especially on the effective design of programs.
- *Infrastructure development and financing in Sub-Saharan Africa: Toward a framework for capacity enhancement.* The study shows that infrastructure quality is more important than infrastructure stocks for economic growth. Emphasis should therefore be not on providing infrastructure bulk but on ensuring that public infrastructure can increase the rate of return on private capital.
- *Which inequalities matter for Africa's sustained growth and poverty reduction?* This comparative analysis of Cameroon and

South Africa shows that mobility to high income depends more on human capital and less on capital investment, while upward mobility at the lower end of the distribution depends more on capital investment and less on human capital. Education without finance may not help the poor move up the income ladder, especially for women. Both human capital and financial capital are thus needed to reduce gender inequality.

- *Drivers of economic growth in Africa: Opportunities, financing, and capacity issues.* The paper recommends that, given the proliferation of long-term growth visions, capacity is needed to align national and subnational goals, coordinating planning and financing ministries (to match planned development priorities with financing resources), boosting economic governance (fighting corruption, tax evasion, and capital flight), and cultivating a culture of committed leadership to stir economies when times are hard and execute recovery plans without policy reversals.

Promoting Management for Development Results

The African Community of Practice on Managing for Development Results (AfCoP-MfDR) was launched in February 2007 at the Third International Roundtable on Managing for Development Results in Hanoi. With an initial membership of 30, AfCoP has since grown into a dynamic community of more than 4,500 members. ACBF manages the knowledge sharing component of the project to promote exchanges of experiences and sharing of good practices. It does this by facilitating online discussions, by developing and disseminating briefs, case studies, guidelines, analytical work, and tools, and by organizing an annual forum on MfDR and emerging development issues for Africa.

Online discussions among AfCoP members. In 2015, eight online discussions were moderated on the project's French and English platforms, achieving 100 percent of the lifetime targets. Knowledge briefs were published and disseminated to members after the discussion. Themes discussed included development financing, urban waste management, local content policies, the Mediterranean migrant crisis, illicit financial flows, leadership skill-sets for Africa transformation, accountability, development results and the role of African parliaments and solutions to the challenges of African regional and economic integration. These discussions helped increase members' knowledge and understanding of MfDR discourse and real life challenges and experience in the region.

Developing and disseminating MfDR knowledge products. In 2015, the AfCoP Secretariat at ACBF developed and disseminated 39 MfDR-related knowledge products based on real life experiences in implementing and instituting in African settings the MfDR principles and pillars—leadership, planning and budgeting, monitoring and evaluation, institutional capacity, and accountability and partnerships. The products included knowledge briefs, case studies, guidelines, and tools.

Developing and managing online platforms for regional results. In 2015, the AfCoP Secretariat developed two online platforms for the Common Market for Eastern and Southern Africa (COMESA) and the West African Economic and Monetary Union (WAEMU). The Platforms for Regional Results provide space for sharing knowledge and experience as well as discussions of trade policies among

AfCoP-COMESA and WAEMU member countries and stakeholders. Three regional policies have been targeted: trade policy, enabling a business environment, and macroeconomic convergence. ACBF continues to transform these platforms into vibrant online knowledge hubs for all regional integration stakeholders.

Promoting MfDR for regional integration. The Foundation in collaboration with the African Development Bank organized the 2015 Africa for Results (AfriK4R) forum and AfCoP annual meeting. The theme of these back to back meetings in Abidjan on 8–10 June 2015 was "Powering Regional Integration for Africa's Transformation." The annual meetings gathered representatives of the public and private sectors, civil society, regional economic communities, academia, and media from more than 25 African countries. Drawing on individual, national and regional experiences and lessons, the delegates examined Africa's challenges, opportunities and trends in economic integration and regional development, while focusing on AfCoP's role in accelerating regional integration.

The forum encouraged the inclusion of the private sector and civil society to ensure that countries take ownership of regional integration and take advantage of their economies of scale. The capacity requirements for regional integration, including the capacity to develop and disseminate technologies and to export knowledge and intellectual resources, were also highlighted. The forum participants called for the institutionalization of MfDR practices into governance systems in Africa and emphasized that regional development should be rooted in strong national policies.

Partnerships

ACBF's Partnership with the Bill & Melinda Gates Foundation Takes a New Turn

The partnership between BMGF and ACBF has been enriched by additional financing received for the Tobacco Control Project to cover activities with the government of Senegal, the University of Bath, and additional civil society organizations in Africa. It also brought new programs to enhance the implementation capacity of the current and potential partners of the Bill & Melinda Gates Foundation operating in health, agriculture, and financial services for the poor in Africa.

The investments in tobacco control contribute to preventing new smokers, decreasing overall tobacco use, and reducing exposure of vulnerable people to passive smoking in targeted countries by advancing evidence-based tobacco control in Africa. This will be achieved through strategic grant making, capacity-building, and effective coordination with 17 partners working in tobacco control on the continent.

Strengthening the organizational capacity of local nonprofits enhances their capacity of local nonprofits to implement programs in health, agriculture, and financial services for the poor. Their greater capacity will support the global philanthropic sector's programs on the continent, with the sole purpose to improve the welfare of the most vulnerable segments of the population. The first six institutions covered are the Ministry of Livestock of Ethiopia, Ministry of Agriculture of Ethiopia, AURUM Institute in South

Africa, Treatment Action Campaign in South Africa, Public Service Institute of Nigeria, and REPOA Policy Research for Development in Tanzania.

ACBF and the Partnership for Economic Policy Explore Strengthening Economic Research in Africa

The Partnership for Economic Policy (PEP) is an international organization that links researchers globally to enhance capacity for development policy analysis in developing countries. It also



influences national and international debates related to economic policy, poverty, gender, and sustainable development. ACBF and PEP have started negotiations for a mutually beneficial collaboration on capacity building for economic policy research in Africa. The emerging partnership will be built around capacity building, with both parties regularly organizing and providing training courses. They agreed to exchange information on short-term courses they organize from time to time and explore ways for their partners to attend and benefit from the courses.

With vast networks established through working in research and capacity building, PEP and ACBF have agreed to tap each other's network to expand their reach in Africa. And with different tools and approaches in research, grant management, monitoring and evaluation, partnership, data analysis, and training, they agreed to exchange information on and explore areas of learning from one another. They also agreed to exchange upcoming publications and knowledge products and make relevant contributions in their areas of expertise. And they agreed to co-organize and use relevant events and platforms to add value in meeting their common goal of making a real impact in areas of policy research and capacity building.

Revamping the Cooperation between ACBF and Afreximbank

Afreximbank was created in Cairo in 1993 as a regional trade finance institution to spearhead trade in Africa by promoting and financing intra and extra African trade. ACBF has been regularly represented at the Trade Finance Seminars and Annual meetings

of Afreximbank, while managers from Afreximbank have frequently participated in the ACBF Board of Governors meetings. In September 2015, ACBF witnessed the installation of the new President of Afreximbank, Dr. Benedict O. Oramah. Since then, the two principals of ACBF and Afreximbank have agreed to take cooperation to the next level.

Supporting intra-African trade by strengthening institutional capacity. Working with Think Tanks and private organizations in targeted countries, ACBF is helping to build capacity for research and policy formulation across the continent to uncover innovations in economic integration, intra-African trade, and export development. It is raising awareness of the importance of intra-African trade for the continent's development. It is promoting "standards harmonization" across Africa to enhance intra-African trade by removing barriers to trade and improving competitiveness. And it is leveraging its "Advocacy Program" to support Afreximbank's efforts to put intra-African trade at the forefront of its business strategy for the continent.

Partnering to mitigate country risks in Africa. Through joint support of economic policy analysis and management as well as other capacity development initiatives, ACBF and Afreximbank are contributing to the mitigation of country risks. The bank provides country risk guarantees to enhance the credit of African borrowers, while ACBF contributes to economic policy formulation and management.

Developing a University-based program for trade finance. By developing a trade finance certificate, the two institutions could

partner with African universities to give graduates and students of African universities the tools for structured trade finance in an African context. The curriculum would be based in part on Foundations of Structured Trade Finance by Dr. Benedict Oramah, President of Afreximbank—as well as on materials from Afreximbank’s annual seminars on structured trade finance.

Co-financing other capacity development initiatives. ACBF will invite Afreximbank to consider co-financing capacity development programs and projects of mutual interest.

ACBF Partnership with the African Union Commission

The partnership started in January 1992 with the Organization of African Unity when the ACBF Executive Board approved a grant of \$3 million for the Policy Analysis and Support Unit Program Phase One (PASU I) and another \$3 million for a second phase in December 2000. PASU contributed to the achievement of a number of training, research and policy analysis objectives.

After the Organization of African Unity became the African Union, the ACBF Executive Board approved a \$5 million grant for the AU in December 2006. The grant was to fund the African Union Capacity Building and Institutional Support Program (AU-CAP). AU-CAP Phase One closed on 31 March 2013, before the AU-CAP Bridge Fund was signed on 26 May 2013, with programmatic activities ending in December 2014 and a grant closing date of 31 May 2014. The AU-CAP Phase One was to support the institutional

transformation processes of the African Union Commission and the implementation of the AU Strategic Plan of Action. Over 2007–2013, AU-CAP carried out numerous activities to build sustainable capacity in the Commission and enhance its internal capacity.

The partnership continued with the second phase of AU-CAP (2015–2017) in December 2014, when the ACBF Executive Board approved a grant of \$3 million to the African Union Commission. The grant, signed on 11 May 2015, would contribute to the implementation of the AU Commission’s Third Strategic Plan (2014–2017).



ACBF and UNDP Support Capacity Building in South Sudan

The United Nations Development Programme (UNDP) is active in both the ACBF Board of Governors and the ACBF Executive Board. UNDP has provided great support to the Foundation since its inception. UNDP's Africa-wide presence has helped ACBF develop partnerships for capacity development in many African countries. UNDP also provides guidance to the Foundation in various capacities within the Executive Board, the Board of Governors and the ad hoc subcommittees set up to advise the Foundation on issues pertaining to its activities.

And UNDP makes a financial contribution to ACBF's SMTP III. ACBF used this contribution for the following activities: the South Sudan Capacity Building Project, the publication of the Fourth Edition of the Africa Capacity Indicators Report to focus on regional integration, the second survey of the Capacity Needs of Africa's regional economic communities, and institutional support to ACBF for ICT and training.

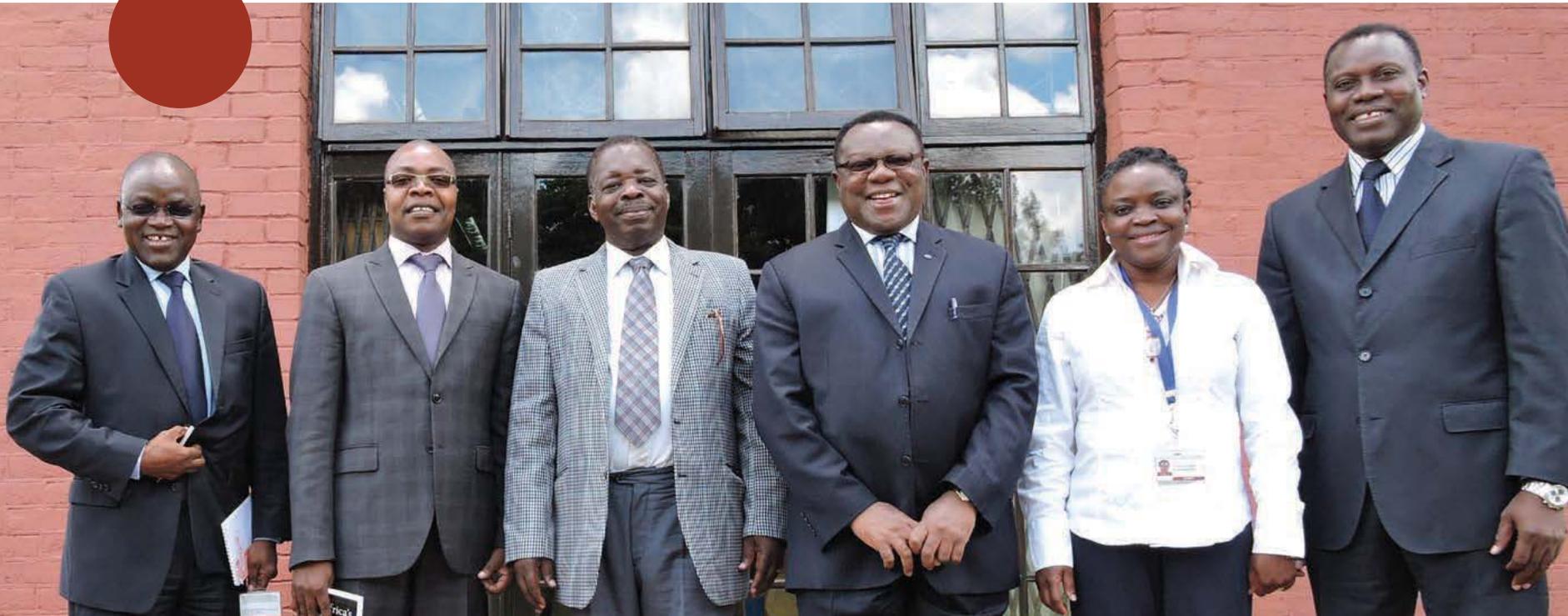
For South Sudan, the project organized and conducted six rounds of training courses in Juba and three rounds of experience-sharing visits to Rwanda and Uganda. Ministers, deputy ministers, directors-general, undersecretaries, directors, and deputy directors from 21 public ministries and institutions participated. Most training programs were facilitated by Galilee International Management Institute from Israel, with one course facilitated by Uganda Management Institute. A total of 284 participants benefited from the courses, among them 90 females (32 percent). For example, in March 2015, 65 senior government officials, mainly directors-general, were trained in economic policy and public administration.

ACBF Supports the African Development Bank's High Fives

The African Development Bank Group is one of the Foundation's founding institutions and has made technical and financial contributions to all financing phases of ACBF. ACBF is also an implementing agency of the Bank Group for such interventions as: development of the African Government Outlook, the knowledge sharing component of the African Community of Practice on Managing for Development Results, the conduct of the second study of the capacity needs of Africa's regional economic communities, production of the Africa Capacity Report—and the Foundation's annual flagship publication that highlights the key capacity imperatives for addressing the continent's development challenges, the management of Bank Group support to the Government of Zimbabwe.

After 25 years of operation, ACBF is ready to make substantive contributions to the African Development Bank's operations and looks forward to developing—in consultation with the Bank's various operational departments—a multiyear program of cooperation to take the longstanding partnership to a new strategic level.

Indeed, ACBF stands ready to support the Bank Group's transformational agenda for Africa, as articulated in the High Fives: *Light up and power Africa, Feed Africa, Integrate Africa, Industrialize Africa, and Improve the quality of life for the people of Africa*. Success in each of these areas requires that capacity dimensions be identified and addressed through the life cycle of each program and project.



In Focus

Regional Integration—A Priority for ACBF

Regional integration, a relentless reality for today's global and continental development agendas, is even more important for Africa, as featured in Agenda 2063. ACBF has set regional integration as one of its three strategic focus areas. The economic and political cases for regional integration remain strong, and the tide of globalization buffeting international relations makes it more imperative to build and strengthen capacities for regional integration in



Africa. More than a priority among the continent's development partners and elites, regional integration is a key driver and the way forward for the structural transformation of African economies.

Over the past 25 years, the Foundation has made great strides in its role as the continental capacity development institution, empowering professionals and leaders as well as strengthening capacities of governments, parliaments, civil society, private and higher learning institutions in more than 45 countries—in a coordinated approach that involves collaborating with and strengthening the capacities of African regional and subregional institutions, the vehicles for realizing the African Economic Community (AEC).

As part of its strategic partnership with continental and subregional institutions, the Foundation has provided support to the African Union Commission, its Pan-African Parliament organ, and the New Economic Partnership for Africa's Development Coordinating Planning Agency—as well as six regional economic communities—COMESA, EAC, ECCAS, ECOWAS, IGAD, and SADC. More recently, ACBF has firmed its strategic partnership with the African Union Commission through its work to implement the first 10-year Plan of the African Union's Agenda 2063, positioning the Foundation as the major partner for the capacity dimension of the continental agenda. And with the publication in 2008 of the survey of the capacity needs of Africa's regional economic communities, that the Foundation undertook at the request of the NEPAD Heads of State Implementation Committee, ACBF signaled its readiness to respond to the knowledge needs of its regional partners.

ACBF has been a longstanding partner with pan-African organizations promoting regional integration at all levels. As partner of the AUC and NEPAD Coordinating Planning Agency, ACBF will continue supporting capacity analysis and planning to meet the capacity imperatives of Agenda 2063. As a long-standing partner of the RECs, ACBF will move from the analysis of capacity needs to working closely with RECs in strengthening the capacities required for conceiving and implementing programs in support of member states. With member states, ACBF will support a gradual domestication of regional agendas, mindful of country contexts, priorities, and constraints.

As a competent but nonpolitical player in the regional integration architecture, ACBF will be a go-between, building bridges between national, subregional, continental, and even global levels. It will help establish and apply knowledge for informed decisions, broker agreements, and convene stakeholders to work out their common goals. As a continental go-to place for capacity development, ACBF will serve as a clearing-house and help-desk to facilitate navigation of relevant knowledge, expertise, and funding. It will do so with a sense of providing concrete, hands-on and applied services to help the capacity development support system become more effective.

Africa's Structural Transformation: ACBF's Contribution

Structural transformation has become a must for African countries to prevent the negative impact of the fluctuations in export commodity prices on their economic growth and development. This is a subject of many developmental forums and policy debates, with a particular focus on how structural transformation can be

expedited in Africa. Indeed, Africa needs to rethink its economic development drive by adding value to its natural resources, including minerals, through technological innovation and environmentally friendly industrialization. This shift is the only avenue for Africa to broaden its industrial base and build its resilience to external shocks, such as volatile commodity prices. It will help the continent achieve Agenda 2063's aspiration of an Africa with "economies structurally transformed to create shared growth, decent jobs, and economic opportunities for all."

Structural transformation can thus lift Africa from poverty, inequality, and unemployment. Today, 50 percent of the people in Africa live in poverty while unemployment remains a major concern at 12 percent.

Despite having a rich natural resource endowment, a skilled workforce, generally well-articulated development strategies, and clear roadmaps for transformation (Agenda 2063, 2030 Agenda), the continent's quest for development runs the risk of running out of steam owing to weak policy frameworks and institutions, persistent infrastructure deficits, slow technological advancement, and low levels of health and education. These challenges lead to stunted human resource potential, critical shortages of technical skills and entrepreneurship, poor governance, and high levels of corruption and conflict.

The 2015 Africa Capacity Report shows that the majority of African countries have medium capacity (73 percent of 45 countries surveyed) while only 18 percent have high capacity, with 9 percent having low capacity. And an ACBF study on the capacities

to implement the African Union's Agenda 2063, the cornerstone for Africa's transformation, shows serious gaps in critical technical skills to implement the Agenda's first 10-year plan. Implementation capacity for Africa to translate its strategic frameworks for structural transformation into reality remains a challenge, so investing in capacity development is vital and unavoidable.

Since 1991, ACBF has supported the training of more than 50,000 macroeconomists, banking and financial management experts, and public administrators who now hold decisionmaking positions and are contributing to their country's development. In addition, and most important, it has supported capacity building interventions that improve macroeconomic stability and prudent financial management. The Foundation has supported governments in macroeconomic policy analysis and debt management, while strengthening capacities for parliamentarians to their oversight role. This has assisted countries in attracting transformative investments, financed either through foreign direct investments or

domestic resource mobilization. This support has set the stage for transformation for Africa, and the Foundation continues to support these initiatives to ensure Africa has the capacity to implement its transformative Agenda.

ACBF is also providing technical and strategic support as well as conducting research for effective implementation of Agenda 2063. To date, the foundation has conducted an assessment of internal and external risks associated with the implementation of Agenda 2063, which were presented at the African Union Summit in January 2016. It conducted a capacity needs assessment for the implementation of the first 10-year Plan of Agenda 2063, developed a Capacity Development Framework, and identified the critical technical skills required for its implementation. Going forward, it will invest in building implementation capacity at country, regional, and continental levels to accelerate structural transformation and ensure that development programs really produce positive change in the lives of Africans.

Our Foundation

ACBF's Visioning Exercise

To better respond to the rapidly changing internal and external environment, a visioning exercise was undertaken between August 2014 and March 2015 to enable the Foundation to give direction to a new vision, mission and set of values. The visioning also aimed at creating an environment of collaboration and teamwork for ACBF through participating in the process of shaping the future of the foundation and establishing standards of excellence by stimulating

quality improvement actions. It was an internal reflective exercise supported by an external consultant that afforded opportunity for staff to interrogate ACBF's identity and mandate in light of current and evolving environment. The process involved three phases.

Phase 1: Preparatory

Conducting organizational mapping and situational analysis including vision audit meant to understand the organization's current internal and external environment against the needs out there.

Phase 2: Visioning retreat with external facilitator

Using the information from Phase 1, to propose draft vision, mission and strategic objectives and reflecting desired culture and values.

Phase 3: Validation retreat with external facilitator

Scrutinizing the draft vision, mission, and strategic objectives from Phase 2 to improve them and agree on the best wording, validate the results of culture survey, consider recommended values, and formulate cultural change action plan.

The fundamental questions covered by the visioning exercise that helped ACBF reshape its identity and mandate included:

- How will ACBF address its resourcing challenges with dwindling donor funding and changing donor priorities?





- How will ACBF position itself in a competitive landscape to offer a differentiated service that both potential customers and funders desire?
- How can the staff of ACBF be reenergized around a new shared vision for the organization and perform accordingly?
- How can ACBF deeply understand the needs of its target market and ensure that it “scratches where people are itching”? Can it become agile enough to anticipate where the next itch will be felt and be ready to meet the need?
- How can ACBF shape its products and services to meet current and future demands?
- How can ACBF regain the preeminent position it once enjoyed in the capacity building world?
- How can ACBF match its capabilities with customer requirements and donor priorities?

There was agreement that the new vision should define an inspiring and desirable destination for the Foundation. Also, the related mission and strategic objectives need to reflect the fundamental shift of the ACBF from being seen as primarily a grant-maker to being a trusted advisor, facilitator, enabler, and broker for capacity development in Africa. The retreat recognized that ACBF has a unique position to play the facilitation role because of its longstanding experiences in capacity building in Africa. In addition, ACBF took the opportunity to consider its “competitors” as partners, with whom it will work closely in a synergistic and collaborative manner. It will build strategic partnerships to achieve Africa’s transformational goals.

The main outcomes of the visioning exercise are related to the revised vision, mission and core values to enable ACBF to adapt



to the changing capacity development landscape and the dynamic operating environment in Africa:

Vision: Africa capable of achieving its own development

Mission: Build strategic partnerships, offer technical support, and provide access to relevant knowledge related to capacity building in Africa

Core values (CREAM):

- **Communication:** Communicate effectively both internally and externally
- **Recognition:** Recognizing and valuing our team
- **Excellence:** Striving for excellence in our work

- Accountability: Doing what we say at all times in our accountability to each other, our customers, and our donors
- Modern: Innovative and creative in all we do

ACBF's Long-Term Strategic Vision and Strategy 2017–2021

In 2015, ACBF undertook a comprehensive process for the development of a new strategy to guide its interventions over the next five years (2017–2021). The process was embedded in the broader perspective of a long-term strategic vision (LTSV) as a prospective study for analyzing the capacity landscape of Africa over the next 10 to 15 years in the context of the continent's development priorities and emerging issues. It also highlighted the key role of ACBF in supporting capacity development efforts for Africa's transformation and sustainable development. The vision is a strategic tool to identify the key capacity development priorities and an innovative business model to inform the development of ACBF's Strategy 2017–2021.

The future of capacity development in Africa and ACBF's role

The development of the LTSV took six months (June–December 2015) and was facilitated by an external resource who conducted extensive high level consultations with ACBF's Board of Governors and the Executive Board, technical and strategic partners, as well as Secretariat staff. The visions revealed that despite the significant progress in capacity development in Africa over the past 25 years, capacity deficits remain a significant challenge facing African countries in their quest for sustainable development. The

deficits continue to prevent the continent from implementing its development visions and priorities embodied in diverse frameworks, including AU Agenda 2063, the SDGs, the regional development strategies of RECs, and the national development plans of countries.

According to the LTSV, capacity needs are immense and, as such, it has a role to play for many years to come. Addressing capacity deficits require holistic approach and long-term processes taking into account not only current problems but also the emerging development issues in the future. It is therefore necessary to continuously develop capacity where there are gaps and ensure their effective and efficient use, retention, and scaling up on the continent. But the vision observed that duplication and competitive behavior among pan-African partners in the provision of capacity development services across the continent. Turf battles and a lack of coordination are counterproductive. The LTSV suggested rationalizing mandates and urged a stronger sense of complementarity, synergy, and collaboration among pan-African organizations as well as with local think tanks.

A threat to effective capacity development is the prevailing mindset that sees it as training rather than as a systemic transformation process. As a pan-African institution with a long standing history in supporting capacity development initiatives across the continent, the vision suggested that ACBF work toward a common understanding of the transformations aspired to in capacity development and ensure that the support is relevant, realistic, and a "good fit." That is why ACBF is aiming to become a trusted advisor, a clearing house, and a help desk for capacity development,

a broker and bridge between continental, regional, and national priorities. To this end, the development of a new business model is essential in requiring the following:

- *Changing the perspective on clients, partners, and stakeholders.* Relationships between ACBF and its stakeholders have evolved over 25 years. Even so, the foundation was anchored in a grant-making mode with relations dominated by the perception of ACBF as a “go-to place” for funding. As “go-to-place” for capacity development support, ACBF and its stakeholders will need to revisit their relations. The different categories of ACBF stakeholders include member states, pan-African organizations, development banks, new global funds, policy institutes, think tanks, universities, development practitioners, ambassadors, and consultants.
- *Offering strategic services that add real value beyond grant retailing.* ACBF’s services need to be provided around highly flexible value propositions tailored to client needs. Management needs to facilitate good fits rather than standardized approaches. Programs need to make sense to funders and beneficiaries and be part of the policy value chain for results. In this regard, five service lines are suggested in the LTSV: resource mobilization for capacity development, knowledge services, capacity development advisory services, capacity development innovation, and fund management and grant making.
- *Developing a creative mix of resource mobilization approaches.* ACBF must diversify to attract funding and pay its bills, but not at any price. It is therefore important that ACBF keeps focusing on its core business in line with this vision. In other words, it does not matter in which sector or thematic area ACBF may

intervene, as long as it focuses on making a real difference by learning and collaborating along the value chain for policy reform. From a resource perspective, growing into providing advisory services against fees is a major opportunity to develop ACBF’s substantive capacities, hard methodologies and soft skills that it will increasingly require to add value and make convincing cases as a funding channel.

- *Setting up institutional arrangements that support and drive this vision.* The LTSV identifies the required institutional arrangements needed to underpin the vision and the new business model. The critical dimensions include Governance and Leadership, Strategic Partnerships and Opportunities, Applied Knowledge and Practice, and Shared Vision and Credible Process. The Board of Governors, the Executive Board, and the Executive Secretary need to genuinely embrace a long-term vision and collaborate to make it materialize. In addition, breaking through to new ways of doing business requires explicit changes to the ground rules and incentives. It requires determined leadership ensuring that the vision is shared and that the process to achieve it is credible. The business model thus implies a strong senior management team supported by a team focused on strategy, quality, and results management.

ACBF Strategy 2017–2021: Skilled people, strong institutions, transforming Africa

The ACBF Strategy (2017–2021) is the sixth strategic plan developed by the Foundation to set directions and establish its intervention priorities for the coming five years. As for previous strategic plans, the development of the new Strategy was mandated

by the Board of Governors and the Executive Board, which also provided guidance to the Secretariat throughout the process.

The process began with an inception mission in November 2015, hinged on in-depth SWOT analysis and extensive stakeholder consultations including Executive Board members, representatives from RECs, selected project partners, and key funding partners such as the World Bank, African Development Bank, and Sweden International Development Agency. This step was followed by two strategic planning retreats to identify the strategic directions and the results the Foundation will contribute to over the five years. The retreats were also meant to identify key implementation and institutional arrangements required for a successful delivery of the Strategy.

The draft Strategy went through a rigorous internal and external review, including ACBF Executive Board members, Secretariat Management and staff, as well as technical partners to ensure clarity, focus, relevance, and coherence in the Strategy and its ownership by all ACBF's stakeholders. The final draft Strategy was presented to the Executive Board members, who provided substantive inputs for further consideration by the ACBF secretariat. The revised final draft Strategy was to be approved by the Board of Governors in June 2016.

The goal of the ACBF Strategy 2017–2021 is to contribute to Africa's transformation and sustainable development by addressing the capacity challenges facing the continent's development actors at country, regional, and continental levels. The strategy thus repositions ACBF to effectively and efficiently influence the transformation process. The focus is on the capacity imperatives

for development, with special attention to youth and women as well as countries in conflict and crisis. ACBF will address capacity development challenges in Africa using a catalytic approach centered on four strategic pillars.

Strategic Pillar 1: Enabling effective delivery of continental development priorities

The pillar directly targets the African Union, RECs, and other pan-African institutions for the continent's development agendas. The aim is to support these organizations' capacities in developing and deepening the continent's transformation and to ensure that aspirations are achieved. It will contribute to stronger engagement of the RECs and pan-African institutions in implementing the continental development agenda. The intermediate results ACBF expects to contribute are to improve the coordination and implementation capacity of pan-African institutions and RECs, ensure that they have prioritized capacity development in their interventions strategies, and bolster the provision of integrated capacity development services.

This pillar will be delivered through a Sustainable Transformation and Regional Integration Program (STRIP).

Strategic Pillar 2: Supporting countries to achieve tangible development results

This pillar focuses on the capacity of state actors to drive the implementation of development programs. Achieving the goals set in Agenda 2063 and the SDGs will require that these capacity

challenges are adequately addressed and that national plans are aligned to continental and global development agendas. The focus under this pillar will be on building technical and operational capacities (hard capacities) combined with enhancing transformative leadership and commitments to technological innovation (soft capacities)—the key drivers of transformational change. The intermediate results considered under this pillar are aligning national development plans to Agenda 2063 and the SDGs, enhancing national capacity development systems, and building partnerships for effective capacity development strategies.

This pillar will be implemented through the Country Delivery Capacity Support Programme.

Strategic Pillar 3: Enhancing private sector and civil society contributions to sustainable development

This pillar targets the capacity of nonstate actors and institutions, particularly in the civil society and private sector, to enhance their engagement in delivering on development priorities in the continent. As participatory programs, Agenda 2063 and the SDGs were designed taking into account partnerships with civil society and the private sector. So, commitments by governments, the private sector, and other institutions of civil society is critical for achieving the aspirations of the continental agenda. The intermediate results ACBF expects to contribute are increasing awareness and understanding of continental and global development, enhancing the capacity of the private sector and civil society to engage in the national, regional, and continental development process, and fostering the participation of women and youth in the private sector.

This pillar will be implemented through the Private Sector and Civil Society Contributions Programme, which aims at facilitating a meaningful and substantive involvement of the private sector and civil society in economic growth and development in Africa. The key interventions are: promoting a better understanding of the continental transformation agenda, developing organizational capacity needs assessments and capacity development strategies, supporting civil society and private sector organizations' engagement in the policy formulation and implementation process, and supporting youth and women participation in the private sector.

Strategic Pillar 4: Leveraging knowledge and learning to increase development effectiveness

This pillar seeks to increase the access to and use of knowledge for better articulation of capacity development strategies and programming. Immense and varied capacity development experiences and knowledge are accumulated over many years by different players on the continent, including ACBF. But many of these rich experiences and practices are not documented in a way that can be translated into methodologies and approaches. In addition, the existing knowledge is dispersed, preventing its optimal use for the development intervention strategies. The intermediate results under this pillar are enhancing the network for generating and sharing capacity development knowledge, translating capacity development knowledge and learning into relevant methods and practices, and recognizing ACBF as a reliable source of capacity development knowledge and learning.

This pillar will be implemented through the Knowledge Generation and Sharing Programme.

ACBF will implement the Strategy using a combination of internal competencies and networks of external partners. These networks include implementing partners, technical partners, and financial partners and knowledge networks. A clear results framework spells out what results ACBF expects to deliver with this Strategy and how these results will be measured.

The Foundation will be selective and set priorities for its interventions, often using a regional approach and focusing on the most binding capacity constraints to maximize impact.

The overall cost estimate of the ACBF Strategy 2017–2021, allocated through the service lines, is \$250 million. This cost is expected to be met by the current and future African member countries, non-African partner countries, multilateral development partners, the private sector, and foundations.

Staff Development

In line with ACBF's commitment to ensure capacity development of its talent from within, a number of development trainings were planned at the beginning of 2015, with most completed. In light of the new ACBF Strategy, one effort focused on developing a new culture, engaging staff in creating a new vision and mission.

- A Visioning Retreat was held in Harare in February 2015. The purpose was to enable the entire Foundation staff to give direction to the new vision, mission, and values for the ACBF. An ancillary objective was to create an environment

of collaboration and teamwork for ACBF staff, providing an opportunity for everyone to participate in shaping the Foundation's future. All ACBF staff attended the retreat.

- A Talent Management Workshop took place in 2015 for 12 support staff. It identified critical skills to build the capacity to high potential talent, who would then support the delivery of the organizational goals. It also aimed at managing the risk of losing critical skills, identifying skills gaps, and developing a strong talent pipeline for the future.
- A Team Building and Living the Values Workshop engaged ACBF staff and consultants in June 2015 in Harare. The purpose was to create an enabling environment of trust, foster shared problem solving, and promote a sense of belonging, collaboration, and team culture, beliefs, and norms of behavior, reinforcing the newly created values. In addition, the workshop inculcated recognition of good work and the best in others—and cultivated good listening and communications skills.
- A Leadership Development Workshop was attended by all ACBF managers and senior officers in Harare in June 2015. It focused on leadership in the 21st century and on building a cohesive and united leadership team to take the organization forward.
- 19 staff were trained in Project and Program Impact Assessment in Harare in October 2015. The weeklong workshop focused on monitoring and evaluation, knowledge and learning, procurement, operations, finance, and communication. It was part of the Foundation's broader strategy of providing continuing capacity enhancement for its staff, facilitated by SETYM International, a training institute based in Montreal, Canada.

Our Results

Enabling WUA's lecturers to acquire PhDs

Dr. Innocent Tonderai Mahiya graduated with a PhD in Sociology in 2015 at Rhodes University in South Africa. When he opens up about life that has not always been rosy, his confidence is clear in his eyes and in his voice.

For his PhD, he received a scholarship for lecturers at Women's University in Africa (WUA), based in Zimbabwe and sponsored by the African Capacity Building Foundation. Ten full-time lecturers at the university are beneficiaries of the scholarship, with three having already graduated and seven expected to complete their studies in 2017.

Born 31 years ago to peasant farmers in rural Mazowe-about 40 kilometers to the North of Harare and raised by maternal grandparents in rural Gutu about 250 kilometers to the South of Harare, he never thought of attaining a PhD even in his wildest of dreams as he herded cattle while attending primary school about 10 kilometers from home. But after enrolling at the University of Zimbabwe and obtaining an undergraduate degree, Mahiya was admitted at the same university as a teaching assistant while doing his master's degree.

After completing his master's degree, he got a job as a lecturer at WUA, where doors started opening for him. "But the money I was getting as a lecturer wasn't enough to fund my PhD studies," he said. "So I was fortunate that when I joined WUA, they had a

scholarship program for capacity building for their lecturers, and I was one of the beneficiaries."

"I got my scholarship in 2012, when I enrolled at Rhodes University in South Africa. Rhodes University is expensive, but it is an international university with high standards. And through the scholarship from ACBF, I managed to pay my fees. So the first benefit was an opportunity to continue working while pursuing my studies."



Since completing his PhD, he has been engaged by several institutions both locally and internationally including the University of California to lead research. He is quick to point out that this would not have been possible without the ACBF grant to WUA.

Lecturers whose PhD studies are sponsored under the ACBF scholarship are bonded to WUA for 50 percent of their study duration.

WUA has 32 full-time lecturers, with only nine PhD holders (three of them sponsored by ACBF), forcing it to hire part-time PhD holders from other universities to deliver lectures. Seven staff members who are also under the ACBF scholarship are expected to complete their studies in 2017. Yet, the Zimbabwe government has implored universities to ensure that all lecturers are at least PhD holders by 2017. "This increase goes a long way in WUA's achieving the desired ratio of PhD holders in a university," said WUA-ACBF project coordinator William David Mapani.

PROFAP Magic and Chad's Success

Once ravaged by conflict, the Republic of Chad has managed to pursue a developmental trajectory likely to take the entire African continent by surprise. In its quest to develop, it has engaged in the Public Administration Officers Training Support Project (PROFAP), supported by ACBF.

PROFAP's goal is to improve the efficiency of Chad's public administration in managing the country's development programs. The objective is to enhance the knowledge and skills of Chad's public administration officers by improving their access to training.



PROFAP's monitoring and evaluation tool has two focal points, one with the École Nationale d'Administration and the other with the Ministry of Planning and International Cooperation.

The Ministry of Public Service, Labor and Employment's Department of Training and Internship head, Mr. Batablang Nayaouno, testifies that the monitoring and evaluation system, the "forgotten wheel" of many projects and programs in Chad, is already a laudable initiative.

"But it is especially the fact that the coordinators make it a point to make the operations as inclusive as possible, that is one of the cornerstones of PROFAP's credibility," explains Nayaouno. After each training seminar from PROFAP, he was able to give his detailed assessment and objective.

This obvious willingness to improve the training to best meet the capacity building needs of government officials testifies to PROFAP's seriousness in fulfilling its mission. PROFAP has gained a growing reputation over the years of its implementation as evidenced by requests made to it and its interaction with policymakers.

Nayaouno also acknowledges PROFAP's support for the Triennial Training Plan (2015, 2016, and 2017), which is currently under review for approval by the Minister of Public Service, Labor, and Employment.

During the 2015 academic year, staffers were trained in public sector management at the University of Yaoundé II, thanks to

PROFAP's help. PROFAP's choice was not accidental, given that an effective and motivated civil service is essential in formulating and implementing economic policies, producing and distributing public goods and services, and managing public spending.

The reform of public service involves creation of a government workforce with the skills, incentives, ethics and responsibility needed to provide quality public services and perform the functions assigned to the State.

Perhaps most revealing of PROFAP's reputation is its hosting of a capacity building project for officers from the Ministry of Petroleum and Energy, funded by the World Bank. This choice was motivated by PROFAP's training experience and credibility.



Fostering Citizen Participation Through the Economy of Ghana Network

A cursory glance of newspaper headlines lined up in the streets, beaming on national and international television sites as well as streaming on various social media platforms will tell you one thing—that the ordinary citizens have increasingly been isolated and alienated from the socio-political and economic discourses of the societies they either live in or belong to. Yet the success story of any civilized society in the post-globalized era is that of inclusion, all-encompassing and fostering a culture of vigorous participation by the entire citizenry of a given society regardless of their color, creed, political affiliation, religion or even race.

Fostering of citizen participation and yielding positive results in as much as citizen empowerment is concerned has been a successful experiment in Ghana, where through the intervention and funding by the African Capacity Building Foundation (ACBF) has witnessed tremendous success and societal transformation. Funded by ACBF, the Economy of Ghana Network is a project hosted at the Institute of Statistical, Social and Economy Research (ISSER) at the University of Ghana, Legon. The main objective of the project is to transform the EGN into a country-level knowledge Network (CLK-NET). This platform is to strengthen the voices of the ordinary Ghanaian, through support to Civil Society Organizations and business associations to help create a demand for effective government and hold government to account on issues affecting them.

Indeed, the initiative is vital in that, no society can prosper without adequate checks and balances put in place to constantly monitor

how resources are utilized. Without adequate systems that ensure checks and balances, appetite for corruption increases resulting in plunder and looting and in some instances, the emergence of unpopular, undemocratic or authoritarian regimes. But with strengthened and capacitated citizenry, likelihood occurrences of the above undesired outcomes is very unlikely. The specific objectives of the EGN are to strengthen the institutional capacity of EGN as a formalized, regular and independent forum that convenes the country's disparate stakeholders groups for collectively diagnosing and addressing the policy challenges encountered in the development management process of Ghana; foster a more deliberate engagement of the policymaking process, thereby promoting greater stakeholder participation and knowledge utilization in development policy formulation and management in Ghana; provide Knowledge resources for guiding the design, implementation, and monitoring—and evaluation of the effectiveness of development policies and programs in the country; and establish a pool of human resources with adequate capacity in development policy analysis and research and management who can respond rapidly to the needs of policymakers and other stakeholders in the development management process.

The Network held a number of workshops within the period January 2015-December 2015 on various thematic areas. The aim was to garner public interest and engage members in discussions on cross-cutting issues. From the onset, it is important that the impact of some of the workshops be highlighted.

Discussion on 'Ghana's fiscal Challenge and the IMF bailout' on the 30th of June, 2015 led jointly by the macroeconomics and

development economics thematic area, triggered high level discussion within the media circles. Participants from government departments, CSOs, media organizations and graduate students from the University of Ghana's Economics department and other departments convened to deliberate in a half-day workshop. Contributions from some major institutions like the Bank of Ghana, Ministry of Finance, Ghana Statistical Service, Ghana Cocoa Board, among others, enriched the discussions. Media-wide coverage of this workshop pressed the need for government to reanalyze the IMF support program, which would promote accountability and transparency in governance.

Given that climate change is here to stay and its effects are undesirable, EGN held a workshop under the climate change thematic area on Friday 31 July, 2015. The workshop held in collaboration with the DELtas, vulnerability and Climate Change: Migration and Adaptation (DECCMA) project on the 4th International Climate Change and Population Conference on Africa (CC POP-Ghana2015) discussed vulnerabilities posed to key population groups especially those in the coastal regions of Volta Ghana as a result of climate change. Participants were drawn from different countries such as Togo, Philippines, India, and the UK. The workshop ran under the theme "Environmental hazard and livelihood options in a coastal area in Ghana: A case of sea flooding".

As part of the Economy of Ghana's Social Accountability Report, a workshop was held with students of Ghanata Senior High School at Dodowa in the Eastern Region, to extend the forum's expert discussion to other parts of the region. The Population and Public Health thematic area held a workshop on 'Obesity and Overweight and their Health Implications in Ghana' on 16 October, 2015.

The workshop targeted students and staff and educated them on implications of obesity and bad eating habits, sedentary work and irregular exercise. Participants were exposed to the collective experiences and lessons from a research work, which was conducted in some selected rural and urban areas. A report of the workshop on The Ghanaian Times, Ghana News Agency and TV3 attracted interest of stakeholders and key experts in the



public health sector to address this emerging health issues in Ghana regarding obesity, BMI and the blood pressure rate.

The Ghanaian economy has performed remarkably well since the reforms of the 1980s. Unfortunately, the present huge debt accumulation, as part of the worsening fiscal situation of the country, threatens to torpedo this economic achievement. In aid to find answers to Ghana's historical debt evolution, its implications on sustainable growth and development, an EGN workshop was held with the macroeconomics thematic area on 26th November, 2015 under the topic 'Public Debt and Sustainability: Whither Ghana?'

Discussions brought key governmental institutions like the Bank of Ghana, The Ghana Statistical Service, some universal banks and other civil society organizations. Discussions spilled over to various media—online, print and television news, which arose public interest and debate. The extensive media coverage and the presenter's (Prof. N. K. Kusi of IFS) continuous interaction with the media, especially Joy Business, on similar issues show the effect the EGN forum is having towards national development.

The EGN Phase II project has achieved its objectives of being a pivotal platform for dissemination of key and relevant information on the economy of Ghana. The online platform has over 16 policy briefs that have been distilled from the various workshops conducted over three years. But all these successes would have

remained a pipedream were it for the support of ACBF since the EGN's inception in 2012.

Bridging Public–Private Wage Differentials: KIPPRA

Wage employment in the public and private sectors accounts for a significant proportion of formal employment in most developing countries. In Kenya, nearly 655,000 wage earners were employed in the public sector in 2012, and the remaining 1.5 million were employed in the private sector. While the sectors employ highly educated workers, the ability to attract and retain highly skilled personnel remains a major challenge for both public and private sectors. Unlike the private sector, the public sector is not profit driven. The nature of work is service-oriented with demands such as producing and implementing good policies including wage determination policy.

In 2015, the Kenya Institute for Public Policy Research and Analysis work on Comparative Analysis of Public Private Sector Wage Differentials in Kenya had a direct impact and greatly informed the Salaries and Remuneration Commission's policy directions including the ongoing process of developing a public sector remuneration and benefits policy framework.

An earlier study conducted by KIPPRA in 2012 revealed that there were wage differences between the private and the public formal sectors. The study also found out that there were vertical

and horizontal differences within the public and private sectors themselves. In addition to the public-private sector wage gaps, the vertical disparities (which is the difference between the highest and lowest earners) within the public sector were very high. Further, a comparison of the wages within the public sector using the broad occupation categories revealed major disparities in the levels of wage differentials, with Members of Parliament, administrators and managers enjoying a wage premium for all the public offices (civil service, state corporations, constitutional offices, and local government). Similarly, professionals, technicians and

associate professionals in the public sector earn higher wages in terms of both basic salary and gross salary compared to their counterparts in the private sector, with the exception of the civil service.

KIPPRA's research has been invaluable to the public sector remuneration and benefits policy framework. The ongoing job evaluation and ultimate rationalizations of public wages would not have been undertaken if it were not for the evidence-based research that KIPPRA conducted.

Annexes

The African Capacity Building Foundation

Financial Statements

For the year ended 31 December 2015

THE AFRICAN CAPACITY BUILDING FOUNDATION
FINANCIAL STATEMENTS
For the year ended 31 December 2015

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management of The African Capacity Building Foundation (the Foundation) is responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements and related information. The Foundation's independent auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 3.

The financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRSIC).

Management is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect material misstatement and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of management to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the reporting period under review.

These financial statements have been prepared on a going concern basis. Nothing has come to the attention of management to indicate that the Foundation will not be a going concern for the foreseeable future.

The financial statements set out on pages 4 to 34 were approved by the Executive Board on the 31st of March 2016 and are signed on its behalf by :-

..... EXECUTIVE SECRETARY

..... DIRECTOR FINANCE AND ADMINISTRATION

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE EXECUTIVE BOARD OF
THE AFRICAN CAPACITY BUILDING FOUNDATION**

Report on the Financial Statements

We have audited the accompanying financial statements of The African Capacity Building Foundation, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in accumulated funds for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 34.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

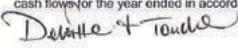
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion on the Financial Statements

In our opinion, the financial statements present fairly, in all material respects, the financial position of The African Capacity Building Foundation as at 31 December 2015, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.



DELOITTE & TOUCHE
Harare, Zimbabwe
31 March 2016

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Partners: T Chigona R Deen H Desfontaine B Malwa T Mufunga B Mwangi S Mwahele T Mwahele H Wright
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 US\$	2014 US\$
ASSETS			
Non-Current Assets			
Property and equipment	5	2 647 154	2 742 357
Current Assets			
Inventories	6	89 814	91 361
Accounts receivable	7	28 761	51 139
Amounts due from staff	8	261 103	234 801
Advances to projects	9	6 561 080	5 908 704
Other assets	10	177 988	294 849
Bank balances and cash	11	30 019 187	20 615 063
Total Current Assets		37 137 833	33 196 017
TOTAL ASSETS		39 785 087	35 938 374
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Funds			
		37 065 309	34 138 251
Current Liabilities			
Accrued expenses	12	89 746	13 517
Provisions	13	1 629 312	1 512 095
Other liabilities	14	1 020 720	274 511
Total Current Liabilities		2 719 778	1 800 123
TOTAL ACCUMULATED FUNDS AND LIABILITIES		39 785 087	35 938 374


----- EXECUTIVE SECRETARY


----- DIRECTOR FINANCE AND ADMINISTRATION

31 March 2016

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	2015 US\$	2014 US\$
INCOME			
Grant financing		26 588 280	56 339 429
Direct contributions		6 097 479	3 004 056
Restricted income		4 599 277	1 387 500
Other income received		378 436	450 964
Total Income		37 663 472	61 181 949
EXPENDITURE			
Project expenses:			
Enhance Critical Capacities to:			
- Promote Political & Social Stability for Transformational Changes		8 023 834	11 547 527
- Engage and Regulate the Productive Sectors		4 345 472	4 820 753
- Track Policy Impact		5 845 013	7 371 713
- Movement in Accrued Project Expenditure		(1 201 760)	2 137 679
Special Projects and Partnerships	15	6 302 645	4 892 791
Bank Charges on Disbursements		-	3 491
Project/Program Development Expenses	16	3 327 675	3 903 011
Knowledge and Learning Expenses		3 858 713	1 942 784
Total Expenditure on Projects and Programs		30 501 592	36 619 749
Administration and board expenses	17	4 234 822	5 309 760
Total Expenditure		34 736 414	41 929 509
Excess of Income Over Expenditure		2 927 058	19 252 440

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	2015 US\$	2014 US\$
Cash flows from operating activities		
Excess of income over expenditure	2 927 058	19 252 440
Adjustment for:		
(Profit) / loss on disposal of property and equipment	(25 515)	238 514
Depreciation of property and equipment	219 351	261 309
Interest earned	(133 206)	(34 103)
Operating cash inflows before working capital changes	2 987 688	19 718 160
(Increase) / decrease in advances to projects	(852 376)	2 047 270
Decrease in accounts receivable	22 378	45 392
(Increase) / decrease in amounts due from staff	(26 302)	54 702
Decrease in other assets	116 961	91 067
Decrease / (increase) in inventories	1 547	(15 516)
Increase / (decrease) in current liabilities	919 655	(1 142 982)
Cash generated in operating activities	3 369 551	20 798 093
Cash flows from investing activities		
Proceeds on disposal of property and equipment	27 135	9 943
Purchase of property and equipment	(125 768)	(787 839)
Interest received	133 206	34 103
Cash received from / (used in) investing activities	34 573	(743 793)
Net increase in bank balances and cash	3 404 124	20 054 300
Bank balances and cash at beginning of year	26 615 063	6 500 763
Bank balances and cash at end of year	30 019 187	26 615 063

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THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
For the year ended 31 December 2015

	Accumulated Funds US\$
Balance at 1 January 2014	14 885 811
Excess of income over expenditure	19 252 440
Balance at 31 December 2014	34 138 251
Excess of income over expenditure	2 927 058
Balance at 31 December 2015	37 065 309

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