

Introduction

The 2010 Annual Report charts ACBF's journey, leading to the Foundation's 20th anniversary year.

It captures ACBF's role in Africa's capacity building efforts, sharing broad lessons and best practices, highlighting how the Foundation has used the last twelve months to reposition itself for the future, working with key stakeholders and development partners.

In 2010, the Foundation consolidated the reforms begun in 2008/9, designed to reposition the Foundation to address the challenges facing Africa. During the reporting period, efforts have been geared towards restructuring ACBF into a well-managed, impact-oriented, knowledge – based institution, and a safe place for donors to put their money to achieve results.

Looking ahead, ACBF will focus on rebalancing key areas of attention. The Foundation will adjust its use of time to focus not only on the supervision of its programs in order to ensure that the control environment is respected, but ACBF will also create space for innovation during implementation. Knowledge management efforts, built up over the years, will be complemented to focus on learning from past, while also experimenting in order to learn from new approaches. The Foundation will continue to focus on doing what it does well, while developing partnership opportunities to do more, or do better. Attention will go beyond being a 'safe haven' for resources, to being known as a place where there is room for measured risk taking. ACBF will further enhance its reputation for getting transformative results from pilot projects and small scale interventions, exploring how some of these initiatives can be coordinated and maximized for large scale change, either at a country, sector or regional level.



Contents

ACBF'S Strategy

- Strategy Development
- Development of the Strategic Business Plan
 - Objectives and Activities
- ACBF's Geographical Representation as at December 2010
- Executive Board Approvals and Grant Signings in 2010
- ACBF's Portfolio Quality, as at December 2010
- Managing for Development Results (MFDR)
- Case Study: Innovations in ACBFs Project/Program Design

Building Talent and Internal Capability

- ACBF's People Profile
- Valuing Diversity
- Learning and Development Initiatives
- ACBF's Team, as at 31 December, 2010

The Knowledge and Learning Institution

- Activities Undertaken in Representing the Foundation
- Preparation of the African Capacity Indicators Report - ACI
- ACBF Visibility / High Level Forums
- ACBF Development Memoir Series
- Brown Bag Seminars
- Library and Information Services
 - Internship
 - Library Reorganization
 - E-Resources
 - ACBF Knowledge Expo
 - Knowledge Resources Corner

- Current Awareness Services
- Media Coverage

Building Efficiency and Effectiveness

- ACBF's Corporate Governance Review
- Revised Policies and Procedures
- Enhanced Compliance and Controls
- New Processes
- ICT as Business Partner for ACBF
- Key Administrative Developments in 2010
 - Improving the Working Space Environment
 - Enhancing Security
 - Improvements in the Management of Travel Services

Looking Ahead

- New Partnerships, New Developments
 - Building Partnerships to Scale Up Results
 - Focus on Results-Based Implementation
 - Increasing Focus on Sector Capacity Building
 - Higher Education as Engine for Growth
 - Rising Interest of Development Partners in Community Capacity Building
- Financing The Future
 - Achieving Results in Operations
 - Effective Communication
 - Building a Constituency
 - Building a Constituency
 - Private Sector Support for Capacity Building

ACBF at a Glance

DATE OF ESTABLISHMENT

9 February 1991

VISION

To be the leading African institution, in partnership with other stakeholders, in building sustainable capacity for good governance and poverty reduction in Africa.

MISSION

To build sustainable human and institutional capacity for poverty reduction in Africa.

CORE COMPETENCY AREAS

1. Economic policy analysis and management
2. Financial management and accountability
3. Public administration and management
4. National statistics and statistical systems
5. National parliaments and parliamentary institutions
6. Professionalization of the voices of the private sector and civil society

MODE OF INTERVENTION

- Grant-making
- Technical advice and support
- Knowledge-based products and services
- Partnerships

SPONSORING AGENCIES



The African Development Bank (AfDB)



The United Nations Development Program (UNDP)



The World Bank

MEMBERSHIP

Full Members (46), comprising:



- o 4 international development institutions

42 countries



One honorary member,
the African Union.

Letter of Transmittal to the Board of Governors

7 September, 2011

Dear Mr. Chairperson:

In accordance with Article VII, Section 8 (e) of the Constitution of the African Capacity Building Foundation (ACBF), 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 – 31 December 2010. The audited financial statements for the abovementioned period, together with the report of the external audit firm thereon, are presented in the Annexes.

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

Paul Baloyi
Chairman, Executive Board

ACBF Board of Governors (as at 31 December 2010)

Governor

Sten Rylander (Chair)
 Obiageli Katryn Ezekwesili
 Mthuli Ncube
 Pascal I. Koupaki
 Kelapile Ndobano
 Lucien Marie Noel Bembamba
 Clotilde Nizijama
 Louis-Paul Motaze
 Louise Clément
 Sylvain Maliko
 Mahamat Ali Hassan
 Pierre Moussa
 Olivier Kamitsti Etsu
 Charles Diby Koffi
 Mette Knudsen
 Dileita Mohamed Dileita
 Jorma Suvanto
 Robert Collin
 Blaise Louembe
 Kwabena Duffour
 Mihail Koukakis
 José Mário VAZ
 Antoinette Sayeh
 Venkatinsan Ashok
 Patrick Coleman
 Uhuru Kenyatta
 Amara M. Konneh
 Richard Désiré Fienena
 Ken Kandodo Banda
 Sanoussi Toure
 Sidi Ould Tah
 Pravind Kumar Jugnauth

Member

Sweden
 The World Bank
 AfDB
 Benin
 Botswana
 Burkina Faso
 Burundi
 Cameroon
 Canada
 Central African Republic
 Chad
 Congo (Brazzaville)
 Congo (DRC)
 Côte d'Ivoire
 Denmark
 Djibouti
 Finland
 France
 Gabon
 Ghana
 Greece
 Guinea Bissau
 IMF
 India
 Ireland
 Kenya
 Liberia
 Madagascar
 Malawi
 Mali
 Mauritania
 Mauritius

Alternate(s)

Staffan Smedby
 Sudhir Shetty

 Boniface G. Mphetlhe

 Abdallah Tabu Manirakiza
 Yaouba Abdoulaye
 Ellen Hagerman

 Pacifique Issoibeka
 Athanase Matenda Kyelu
 Marius Bessy
 Mia Kjemis Draegert/ Peter Truelsen

 Sanna Halinen; Petri Wanner
 Magali Kreitmann
 Anacllet Bissielou

 Ioannis Ferentinos

 Roberto Rosales

 Wycliffe Ambetsa Oparanya

 A.M. Shawa
 Lassine Bouare

Badamassi Annou
Olusegun Olutoyin Aganga
John Rwangombwa
Angela Viegas Santiago
Abdoulaye Diop
Samura Kamara
Awad Ahmed El-Jaz
Majozi Vincent Sithole
Mustafa Haidi Mkulo
Syda Bbumba
Tegegnetwork Gettu
John Burton
Becky Erkul
Situmbeko Musokotwane
Tendai Biti

Niger
Nigeria
Rwanda
Sao Tomé & Príncipe
Senegal
Sierra Leone
Sudan
Swaziland
Tanzania
Uganda
UNDP
United Kingdom
USA
Zambia
Zimbabwe

Yacoubou Mamane Sani

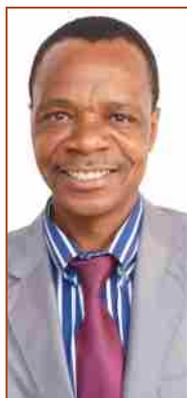
Oumar Sylla

Lual Deng
Prince Hlangusemphi

Fred Omach
Moustapha Soumare
Tim Williams /Nicholas Waddell

Chileshe Kapwepwe
Willard L. Manungo

The Executive Board (as at 31 December 2010)



Paul Baloyi
Chair



Tchabouré Aimé
Gogué



Paulo F. Gomes



Kithinji Kiragu



Huguette Labelle



Frannie Léautier



Anand Rajaram



Lare Sisay



Sibry Tapsoba



Frans Johan
Werter



Ginette Ursule
Yoman



Kabir Ahmed*



Eddie R. Ouko*



Elias Pungong*

**Members of the Technical Committee*

Farewell Message from the Chair of the Board of Governors

2010 was a very important year for the Foundation. It was the beginning of a year-long celebration, marking 20 years of existence of the ACBF. This build up witnessed many high level discussions around pertinent issues, such as governance and transformative leadership, as central pillars to engendering sustainable development in Africa; interrogating Africa's attempts at regional integration and why no progress has been made; how Africa came out of the financial crisis unscathed; post conflict reconstruction and what sorts of partnerships Africa could have with the BRICs. The outcomes of these discussions will serve as indicators for the Foundation's new strategy.

ACBF also embarked on a flagship publication: the Africa Capacity Indicators Report (ACIR). This publication targets the state of capacity development in Africa and highlights the challenges facing countries and cross-border capacity building and co-operation in Africa. It is a worthy knowledge product, which will assist countries to learn from the past and to strive to forge ahead. The Foundation will capitalize further on this by strengthening its knowledge management 'know-how', in order to fully integrate this as a culture.

The relevance of the ACBF operations and its ownership continues on an ascending trajectory. The most recent illustration of this relevance to the Foundation's African stakeholders is the interest by African and non-African members to pay their dues and come into the fold. This increasing ownership has resulted in Strategic Medium Term Planning II recording the highest level ever of paid-in pledges by African members. This goes to confirm the confidence placed in the Foundation as an institution that is strategically placed to fill the capacity gaps in Africa.



ACBF Board of Governors Chair, Ambassador Sten Rylander



The Foundation is working towards translating this renewed commitment by its African members into higher levels of paid-in pledges in the coming year, along with the bilateral and institutional partners in order to meet the resource requirements for financial sustainability. In parallel, the Foundation is also exploring the untapped potential for resource mobilization through new partnerships, particularly with the private sector.

2010 was a year of completing and consolidating the gains of the internal reforms at ACBF, under the Management Action Plan (MAP), testing controls and fiduciary measures, as well as embedding a culture of change for the sustainable transformation of the Foundation. MAP activities were completed under budget and on time, using ACBF's own human capacity. During these challenging times, when there is greater demand for accountability by donors, it is reassuring to note that the changes brought about by the reforms have been fully embedded in the Foundation's way of doing business. The new air of confidence in the ACBF by its stakeholders can be directly linked to the efforts invested by the Executive Secretary and her team, who worked tirelessly to make sure that the machinery and controls for continuity were put in place.

The triggers for the release of the first tranche of funds under the disbursement plan agreed with the World Bank in respect of the Development Grant Facility (DGF) and Multi Donor Trust Fund (MDTF), were met. The World Bank subsequently disbursed Tranche One to the Foundation. Disbursements were also received from the African Development Bank (AfDB). The Foundation is working hard towards meeting the second tranche conditions in 2011.

During the 2010 reporting period, the World Bank and ACBF signed a new Memorandum of Understanding paving the way for SMTP II pledges to be received on behalf of the Foundation.

Disbursements to projects in 2010 were at their highest levels in the history of the Foundation. This, despite the freeze imposed on disbursements in the past two years. During the freeze, the Foundation worked hard to improve the quality of its portfolio. With the freeze behind us, disbursements resumed and have already peaked at levels never experienced before at the Foundation.

The Board of Governors approved the Governance Implementation Plan as part of the reforms carried out within the Foundation and its governance organs.

In addition to immense effort placed on improving the quality of the project portfolio in 2010, the Foundation put systems in place to address the risk and control environment. ACBF continued to embed Managing for Development Results (MFDR), as approved by the Executive Board. All new projects now have a Results Management Framework embedded, while ongoing projects have been retrofitted.

Having done this, the Foundation will now focus more on results achieved from investments (Operations) for learning and accountability and for demonstrating aid effectiveness. 2010 was the year for planning and designing ACBF's new strategy. The new strategy has been characterized by rounds of consultations with member countries and organizations.

High level exchanges with important recommendations were also taken into consideration. ACBF's new strategy will go a long way to confirm the Foundation as an important, strategic institution, that promotes economic integration at the regional level, and one which strengthens organizations with accountability for delivering, assessing, and judging development results. The new strategy will also reorient the Foundation towards demonstrable results, made all the more effective by the new resource mobilization strategy and revised governance structure.

In 2010 ACBF welcomed the appointment of Mr Paul Baloyi as Chair of the Executive Board. Mr Baloyi is the CEO of the Development Bank of Southern Africa and comes to ACBF with a wealth of experience in risk management, fiduciary and financial management capabilities and a vision to provide strategic guidance to the Foundation's management. The Executive Board also welcomed two new members, Mrs Huguette Labelle and Mr Paolo Gomes. Mrs Labelle is currently the Chancellor of the University of Ottawa and Chair of Transparency International, as well as sitting on many other Boards. She was President of the Canadian International Development Agency from 1993 to 1999. Mr Paolo Gomes is the President of Constelcor Group, a private company that forms partnerships to promote economic development and wealth development in emerging markets.

From 1998 to 2006, Mr Gomes was the World Bank's Executive Director for sub-Saharan Africa, representing 25 African countries. He also served as the Vice Chairman of the Bank's Committee on Governance. Both Mrs Labelle and Mr Gomes have the professional experience, credibility and key competencies to add immense value to the work of the Foundation.

As outgoing Chair of the Board of Governors of the ACBF, I would like to use this opportunity to thank all the stakeholders for standing by the Foundation during the difficult times. We are all pleased to see that the patience has paid off and that the Foundation is back on track and on the right path to achieving greater things for Africa. I would also like to thank my fellow Governors for their support during my tenure and I wish the Foundation all the best for the future.



Board of Governors Meeting in Paris, September 2010

Statement from the Chair of the Executive Board



ACBF Executive Board Chairman, Mr Paul Baloyi

The African Capacity Building Foundation (ACBF) remains a genuine, collective and conscious resolve by countries and institutions in Africa to deal with Africa's legacy institutional weakness. Major successes notwithstanding, the region remains dependent on externally originated interventions for most of the enablers necessary for social and economic development. Of greater concern is that successes are sporadic and invariably not institutionally wholesome. In some cases, failures have deepened in terms of complexity.

During the year under review, the Foundation commissioned its flagship publication, the Africa Capacity Indicators. The preliminary results show that not a single country has a high rating in overall capacity measured against the four capacity clusters namely: policy environment; processes for implementation; development results at country level and capacity development outcomes.

Following the global financial crisis, the continent did not suffer from real donor withdrawal to the extent anticipated by recipients. However, conditions governing the availability or access to committed resources hardened, largely as a result of a need to focus on internal priorities by major donor communities. It is generally acknowledged that underlying legacy root causal factors are systemic and will take decades to eradicate. The impact of globalization on the continent, whilst marginal, relative to developed economies, is rapidly changing both the form and size of development initiatives including of capacity building interventions as the economies continue to evolve. By extension, ACBF and related institutions have to evolve and they require greater innovation to remain relevant and sustainable.

Operationally, challenges faced by the Foundation and similar institutions were compounded on a number of fronts by the impact of the global financial crisis. This, by extension, posed a real danger of regression from visible gains evidenced over the past decade. Prior to the global financial crisis key statistics for the continent (2007/8) had indicated a stable political environment overall, healthy average growth rates and improved economic beneficiation, along with evidence of traction in key indices on health, shelter and aid absorption capacity, with a few countries coming off IMF imposed fiscal structural adjustment programs.

Against this background, the ACBF management team, led by the Executive Secretary, is to be commended for their sterling work in not only managing the costs but rigorously pursuing donor commitments, which enabled the funding to end the year with sufficient funding resources for committed programs. Admittedly, their efforts were diligently supported by the Executive Board members who include our key donor members (World Bank, African Development Bank and others). With the hindsight vision from lessons learnt, the year under review saw renewed rigor and focus on internal control by the Foundation's management, aimed at reviewing the governance framework and operational improvement.

In compliance with the principles of good corporate governance and best practice, as well as enhanced accountability, a Risk and Audit Committee was created within the Executive Board. The Committee members are all independent members. The Executive Board carried out its first annual self-evaluation, as part of the recommendations of the Corporate Governance reforms approved by the Board of Governors.

This process will not only highlight the Board's impact and contribution to the long term success of the Foundation, but also prepares the Board for the challenges ahead.

The year ahead:

An increasing and evident trend amongst donors, in particular new donors, is that funding is now being linked to trade beneficiation. This will not only mean more flows to resource-rich countries in the region, and, by extension, less receipt for countries without resources, but also that the direction of expenditure will shift towards productive and industrial sectors. Whilst this is a welcome development (save for countries less endowed) as it will entail investments into economic development and reduce dependency over time, Africa will need to trade intelligently with its wealth in order to ensure that the region is not exploited, but rather that we exploit the evident shift to our benefit. Given the Foundation's skills and past successes in the area of policy formulation and financial and economic management support, building capacity for resource negotiation, amongst other areas, will form part of the Fund's greater focus for the ensuing year.

Whilst the Foundation will continue to enjoy the support of its key donors for the medium term, this is not sustainable for both parties and the need for an endowment to underpin the Foundation's long term strategy and sustainability has become crucial. This was one of the key matters dominating the Executive Board's discussions during the year under review.

Amongst key resolutions by the ACBF Board and Management is the establishment of a source of long term funding for the Foundation. The role and support of our key donors will be a critical determining factor in the successful implementation of the resolution. The Board further resolved to increase the Foundation's engagements with African donors to increase the minimum contribution of African member countries, which has been kept constant since ACBF was formed in 1994, and to explore innovative contribution modalities. In this regard, the ACBF Secretariat will embark on targeted fund raising to the respective member countries, including focusing on resource rich countries such as South Africa, and others. I am pleased that the Executive Secretary has already formally commenced with engagement. The Foundation will be communicating the outcomes of these initiatives during the ensuing year.

Sustainability of the Foundation would virtually have ceased during the year under review, had it not been for the diligent interventions of key donors, namely the World Bank and the African Development Bank.

These interventions were not limited to funding, but they also providing political guidance and support on operational and governance principles. We are sincerely grateful to these institutions. Of equal significance has been the drive and leadership of the Executive Secretary.

The Board and Management are collective in their appreciation of Ms Léautier's efforts. A number of Board members have sadly bid farewell to the Foundation after years of contribution. I extend sincere appreciation and thanks to the contribution of Mr. Frans Werter, Mr. Jan Isaksen, Mr. Aime Gogue and Mrs Ginette Yoman.

Finally, to our Board of Governors, we extend our sincere appreciation for the oversight you have provided to the Foundation, and we look forward to your continued engagement.



ACBF Executive Board Chairman with Ms Léautier at the Private Sector Consultative Forum in Johannesburg, November 2010

Foreword from the Executive Secretary



Ms Frannie Léautier, ACBF Executive Secretary

The year 2010 was a challenging, yet exciting one on all fronts: globally, for Africa, and for ACBF.

A number of countries in Africa celebrated their fiftieth anniversaries since independence, providing an opportunity for reflection on past successes, learning from challenges, as well as for visioning the next fifty years. In 2010, Africa had a number of opportunities to showcase its achievements as it played host to the World Cup. Visitors to Africa marveled at the wealth in natural and mineral resources, and at the latent potential embedded in its people and culture. The capacity to create value out of this wealth was singled out in a number of scholarly and journalistic pieces about Africa during the year.

Economies in Africa continued to exhibit resilience to the aftershocks from the global financial crisis, recovering to pre-crisis levels of growth, albeit falling short of the above 5% levels predicted before the crisis. Volatility in the global economic environment, underscored even further how important it is for countries to put in place appropriate and adequate capacities to underpin economic growth and development. In this regard, the Foundation has continued to consolidate its support for capacity development initiatives on the continent.

Within ACBF, preparations to mark the Foundation's 20th Anniversary began in earnest. Attention was paid to putting the finishing touches to the implementation of the Management Action Plan (MAP), which started in 2009 and was completed in 2010. Focus also went to renewing the Foundation's talent, through a complete restructuring exercise that saw the competitive advertising of all staff positions, including management, professional and administrative support.



These positions were open to both internal and external candidates, allowing new ideas and skills to be seamlessly merged with accumulated experience and institutional memory at ACBF.

The overall context of the Foundation in 2010 was "doing better with less," building on the achievements of 2009, while paying close attention to efficiency and productivity. Under MAP, several efficiency measures aimed at improving the portfolio quality were implemented. The result has been a more robust portfolio, coherent with a strengthened control environment. In order to align the capacity development initiatives supported by the Foundation with the overarching goal of poverty reduction, efforts have been made to retrofit the entire active portfolio in a Results Management Framework.

The field of capacity development continues to be a complex and dynamic one, with a premium on learning and innovation. The practice has evolved from focusing narrowly on training, to leadership development, innovation, learning and knowledge sharing.

The Foundation has intensified its knowledge and learning efforts by sharing experiences from successful capacity development interventions across the continent. As part of the Foundation's Knowledge Management operations, three High Level Forums were organized in 2010. These forums, which were build-up events and part of ongoing preparations for the 20th Anniversary celebrations scheduled for February 2011, attracted a significant number of leading African policy makers and international experts. Discussions addressed thematic topics that are pertinent to the continent's development agenda.

The level and caliber of participation at the HLF's demonstrates ACBF's convening power at a continental and global level.

Measuring results in the field of capacity development is both necessary and challenging. Determining the causality of a development outcome and in particular attributing that outcome to a capacity development initiative is not easy, due to the number of players in the field and the fact that meaningful impact of capacity development can only be realized in the long term.

Nevertheless, ACBF has embarked on a system of Managing for Development Results for all its interventions. All new programs are now developed with a well-thought out Results Management Framework (RMF) that clearly outlines the expected outcomes with measurable indicators. Efforts have been made to retrofit the existing portfolio with a results framework and this exercise has been undertaken with the management of the project and/or program in order to ensure commitment and ownership. The responsibility of reporting the impact and results of ACBF's interventions now rests with the management of the respective project and programs in the countries. Such an approach builds ownership and implementation success.

Measuring achievements at country level is also very important. 2010 saw the initiation work on the Foundation's flagship publication, the Africa Capacity Indicators (ACI) scheduled to be launched during the 20th Anniversary celebrations. The ACI examines not only visible capacity development needs, but also considers the underlying historical, political, economic, cultural and societal elements that continue to hinder development progress on the continent.



President of the AfDB, Mr Donald Kaberuka (l), Burkina Faso President H.E, Blaise Compaoré (c), Ms Frannie Léautier (r) in Tunis, March 2010

The ACI is aimed at positioning the Foundation as a leading player in the assessment and measurement of capacity development.

ACBF's international stature as a key development partner on the continent continued to grow in 2010 and visibility was high, as evidenced by the broad media coverage received at country, continental and global level. A considerable investment was made in external relations and communication, including a new web presence and several strategic publications, including an ACBF Information Pack and a refreshed Annual Report.

The year 2010 has been characterized by a shift in gears at the Foundation, from controls and supervision of the portfolio to future strategy and risk taking. While not losing focus on the need to operate in a robust control environment, attention was also directed at redefining the strategic vision of the Foundation in the context of the dynamic global environment. Through analyzing the challenges facing the continent, different scenarios have evolved that define the specific capacity development needs of the continent. Coupled with the competencies of the Foundation and the uniqueness of its products, a set of strategic priorities for the next five years has been developed, with the overarching goal of effective governance for poverty reduction.

As we close 2010, it is my pleasure to say that ACBF is on course and strategically positioned to continue to play its role as a credible and reliable development partner on the continent. I would like to thank the management team and staff of ACBF for their tireless efforts and dedication to the Foundation.

Frannie A Léautier
Executive Secretary



ACBF High Level Delegation, led by the Executive Secretary meeting with President Blaise Compaoré of Burkina Faso



ACBF Representatives meeting with President Ellen Johnson-Sirleaf ahead of the Tunis HLF



ACBF High Level Delegation, led by the Executive Secretary meeting with President Paul Kagame of Rwanda and Government officials



ACBF Executive Secretary with President Jakaya Kikwete of Tanzania



UNDP Global Event: Capacity is Development, Marakesh, Morocco, March 2010



ACBF Executive Secretary with World Bank Team in Washington



2010 AfDB Annual Planning Meeting Panel for Capacity Building in Abidjan, Cote d'ivoire



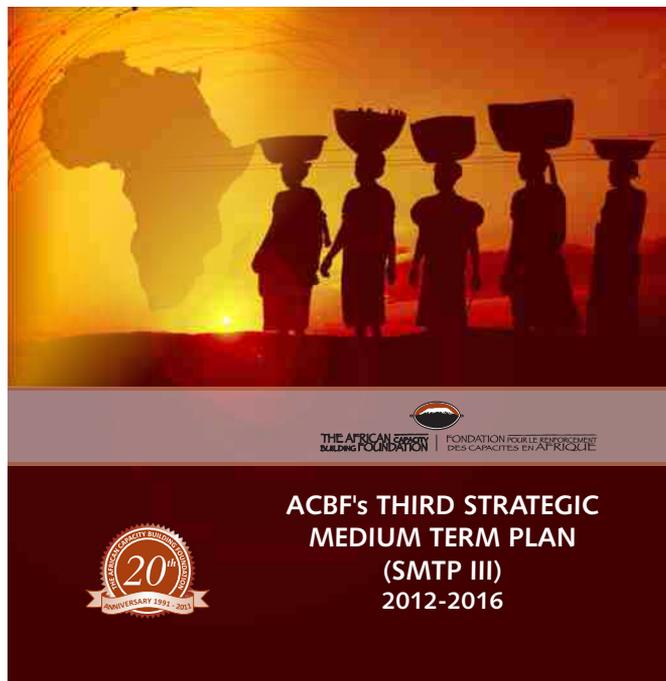
ACBF Delegation meeting with Burkina Faso Prime Minister, Mr Tertios Zongo

Strategy Development



In 2010, as part of the Foundation's renewal process embedded in the Management Action Plan, ACBF developed a new strategy to enhance the effectiveness of its operations and ensure resilience to the internal and external shocks affecting the Foundation's capacity to deliver results.

Strategy development was entirely driven by the ACBF Secretariat, with the guidance of the Executive Board and the Board of Governors. The development of the strategy followed a two-pronged approach: 'inside-out' and 'outside-in'. An internal team was designated to drive the drafting of the strategy with a particular attention to representation from all the departments and various categories of the staff in the Foundation. The "inside-out" process enabled the Foundation to conduct a self-assessment on the challenges related to the implementation of the second Strategic Medium Term Plan (SMTP II) and its coherence with the ACBF Results Measurement Framework.



The team undertook a comprehensive review of previous external evaluations in ACBF, in order to identify areas of strength, as well as recommend actions to improve the Foundation's performance. This review was supplemented by a survey of an array of stakeholders, with a view to soliciting their perspectives on the relevance of the capacity development interventions supported by the Foundation, the effectiveness of approaches in the delivery of capacity development support - including innovation, and the extent of desired capacity development interventions into new emerging development challenges.

The 'outside-in' process included a survey to assess the demand for ACBF products, services and strategic areas of intervention. This was carried out in the fourth quarter of 2009 and the report completed in the first quarter of 2010. The survey targeted ACBF beneficiaries and stakeholders in different institutions from Government, Private Sector, Civil Society, Research and Training Institutions, Parliamentary Institutions, Regional and Economic Communities (RECs), Multilateral Institutions, Bilateral Donors, Foundations, ACBF Supported Projects and ACBF Technical Advisory Panel Networks (TAPNETs).

The Assessment Report for the survey addressed the following issues: awareness and knowledge of the existence of the ACBF; awareness and knowledge of ACBF products and services; accessibility of ACBF products and services; quality and effectiveness of the ACBF products and services; demand for ACBF products and services; ACBF strategic areas of interventions; and emerging capacity development issues and challenges.

The major findings of the report indicate that a significant number of stakeholders surveyed (93 per cent) strongly agreed or agreed on the need for ACBF to continue its interventions in the strategic areas of economic policy analysis and management, strengthening the voices of the private sector and civil society, strengthening and monitoring national statistics, and policy analysis capacity of parliaments. A high proportion of respondents who strongly disagreed or disagreed were from the fragile states. These respondents thought that ACBF ought to do more in their countries and that the Foundation should be flexible regarding their country contexts.

A large majority of stakeholders encouraged ACBF to expand its support to new areas. These include agriculture and food security, energy, climate change and environment, gender mainstreaming, governance, health, ICTs, leadership development, media, monitoring and evaluation, national statistics and training for youth and rural leaders. Stakeholders valued ACBF's contribution to the strengthening of partnerships among the public sector, private sector and civil society.

Drafting of the ACBF strategy benefited from the guidance of the governing boards, first by the Executive Boards in January, April and September and secondly by the Board of Governors at its Tunis and Paris meetings. The Board of Governors endorsed the thrust of the Strategic Medium Term Plan for 2012-2016 in September 2010, and tasked an Ad Hoc Committee of the Board of Governors to streamline the focus of the strategy, revising the budget options and allocation and sharpening the results framework by the end of 2010.

Development of the Strategic Business Plan

During the reporting year, 2010, the Foundation grappled with a number of operational issues. The aftermath of the reputational damage that the Foundation had suffered in 2008 was still being felt. Therefore, the Foundation needed to work harder to restore its credibility and to reposition itself as an institution of excellence. Furthermore, the overall depressed funding environment resulting from the global economic crisis exacerbated the situation and negatively impacted the Foundation's financial health.

During the time when ACBF's operations were in a state of suspension, the Foundation had limited cash resources and lost some pledges from donors who could not disburse directly. This was compounded by shifting donor priorities and changes in the funding instruments for some of ACBF's major donors.

In view of these factors, the 2010 business plan was developed to ensure the continuation of the organizational transformation that had begun in mid-2009. The plan covered the full implementation of the Management Action Plan (MAP), the preparation of a new operational strategy, the restructuring of the second Strategic Medium Term Plan (SMTP II) and the reorganization of the Foundation's structure to align it with the restructured strategy and business model. The annual work plan entailed revisiting the Foundation's long-term vision and strategic priorities, as well as the areas, scope and scale of its operations. This was required in order to achieve traceable development results that could be captured by a well-designed and implemented Results Measurement Framework (RMF).

The 2010 Business Plan devoted considerable time for activities necessary to complete the upgrade of internal systems and processes of the Foundation, rationalizing its existing portfolio of programs and projects and revisiting the operational strategy, in order to restore the institution's reputation as the premier capacity development institution in Africa. The implementation of the 2010 business plan culminated in the formulation and adoption of the third Strategic Medium Term Plan (SMTP III) towards the end of the year.

Objectives and Activities

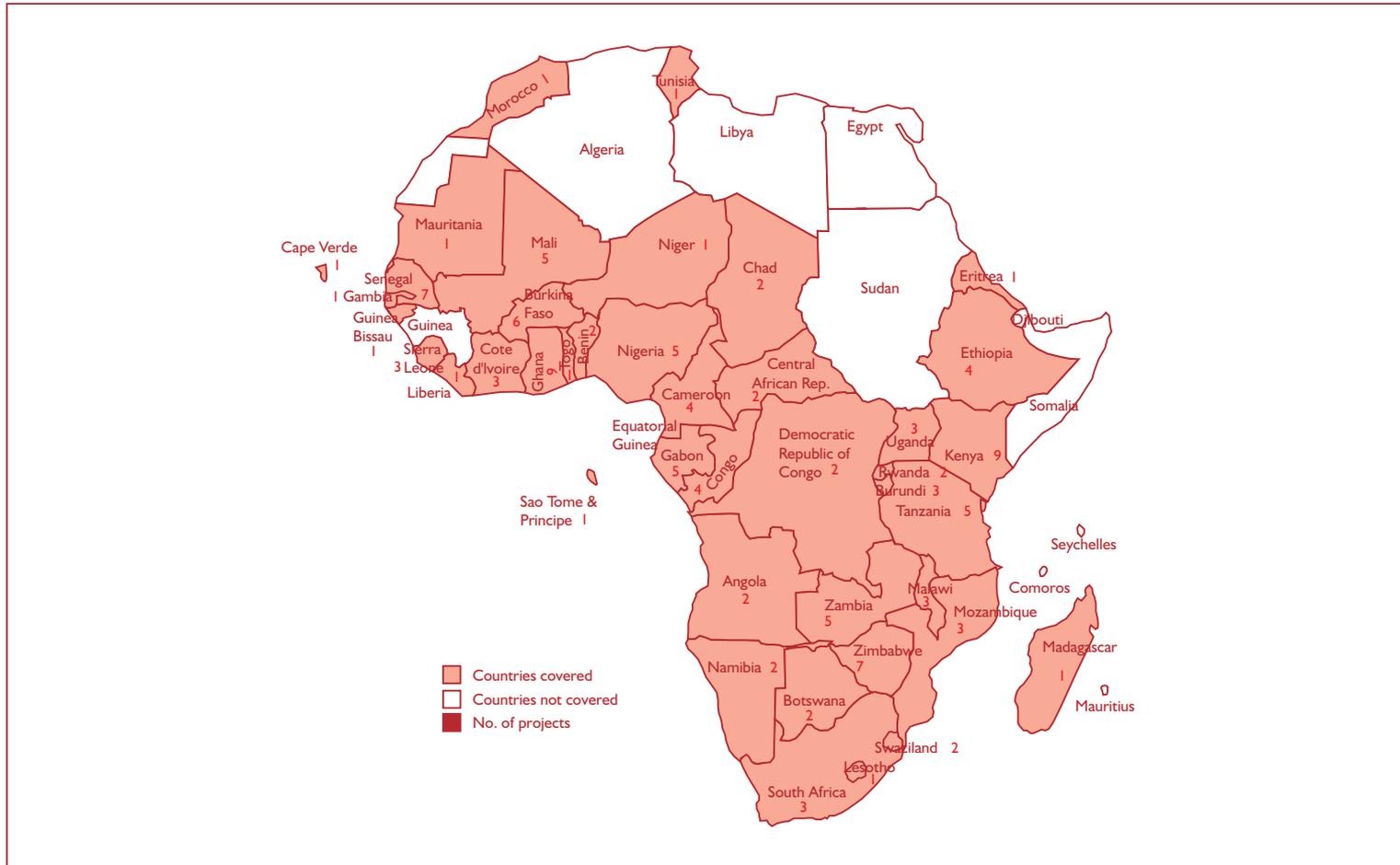
The objectives and activities of the 2010 Business Plan largely drew on the guidance and decisions of the 41st Meeting of the Executive Board held in Marseille, France and the Board of Governors Meeting held in Abidjan, Côte d'Ivoire in August and September 2009 respectively.

The meetings discussed the Foundation's strategy for the future and focused on laying the ground work for consolidating the organizational and operational transformation of the Foundation, in order to raise its overall effectiveness and efficiency.

ACBF's 2010 Business Plan had the following objectives:

1. Complete the implementation of the Management Action Plan, in order to strengthen controls, secure the efficiency of management, and consolidate the effectiveness of the Foundation's overall results;
2. Continue improving program effectiveness and ensuring the soundness of the existing portfolio of projects and programs through a risk-awareness and results-focused portfolio review and supervision processes;
3. Finalize the process of revising the Foundation's long-term vision and restructuring the Strategic Medium Term Plan (2007-2011) on the basis of a demand-assessment and niche analysis and begin the process of formulating the third Strategic Medium Term Plan (SMTP III);
4. Scale up resource mobilization efforts to generate the financial resources required to implement the restructured Strategic Plan, including identifying diversified sources of financing to secure the Foundation's future;
5. Revamp ACBF's human resources through recruitment and training, in order to ensure that the Foundation attracts and retains qualified and committed professionals to deliver its programs;
6. Implement a Foundation-wide - as well as project and program level Results Measurement Framework, in order to track both organizational and operational results;
7. Secure the business continuity of the Foundation, through effective protocols, processes and systems, including investment in appropriate technologies and partnerships;
8. Modernize the Governance Structure of the Foundation for greater effectiveness in its decision-making process;
9. Upgrade the visibility of ACBF, through a strengthened external relations and communication strategy and partnerships program; and
10. Prepare for the 20th Anniversary, which would provide an opportunity to showcase the Foundation's successes and increase its outreach to African stakeholders and international partners.

ACBF Geographical Representation As At December 2010



Executive Board Approvals And Grant Signings In 2010

Name of Project/Program	Grant Amount (USD)	Date of Grant Signing
Programme de Renforcement de Gouvernance Economique du Burundi (PRGE), Burundi	4,500,000	28 January 2010
Zimbabwe Economic Policy Analysis and Research Unit II (ZEPARU II), Zimbabwe	2,000,000	4 February 2010
Tanzania Country Level Knowledge Network (TZ-CLK-NET), Tanzania	500,000	23 July 2010
East African Business Council (EABC), Tanzania	1,800,000	23 July 2010
Economic Policy Research Centre IV (EPRC IV), Uganda	1,600,000	26 July 2010
Centre d'Études et de Renforcement des Capacités en Analyse et Plaidoyer, Phase II (CERCAP II), Mali	3,000,000	18 September 2010
Centre d'Analyse des Politiques Économiques et Sociales Phase III (CAPES III), Burkina Faso	2,550,000	20 September 2010
Kenya Institute for Public Policy Research and Analysis III (KIPPRA III), Kenya	2,000,000	1 December 2010
Centre Autonome d'Études et de Renforcement des Capacité pour le Développement au Togo (CADERDT), Togo	2,000,000	10 December 2010
TOTAL	19,950,000	January – December, 2010



Kenya's Planning Minister, Mr Wycliffe Ambetsa Oparanya, receives the ACBF Grant for KIPPR



Mr Hennie Loubser, General Manager Microsoft, West and Central Africa and Indian Ocean Islands at the MoU Signing with the Executive Secretary



Minister of Economy and Finance, Mr Lassine Bouare at CERCAP Grant Signing



Mr Jean Ping, AUC Chairperson, signs the MoU with ACBF in Kampala

ACBF Disbursements in 2010

In 2010, ACBF disbursed US\$ 32.8 million to 119 fully fledged programs and projects. This represents 108.4% of planned disbursements for the year. This disbursement rate is significantly higher, compared to the previous disbursement rates of 75.7% in 2009 and 65.2% in 2008.

This exponential level of disbursement was achieved despite the financial constraints experienced by the Foundation during the first quarter of 2010. This was coupled with the Foundation's focus on addressing institutional transformation, including strengthening internal

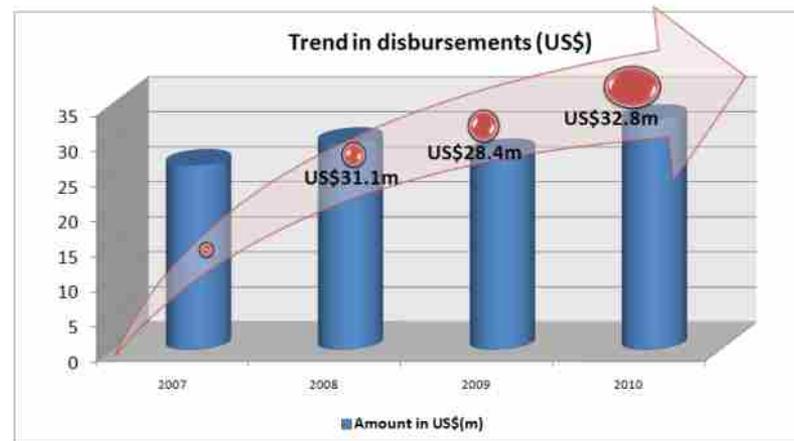
controls, setting up new systems, organisational restructuring and staff recruitment.

The strong improvement in ACBF's disbursement is also a result of a number of management actions taken by Foundation. These include: closely monitoring and tracking progress on disbursements.

This not only improved the turnaround time of disbursement requests, but also enhanced communication with the Foundation's beneficiaries enabling timely disbursements.



ACBF Chief Finance Officer, Mr Aubrey Phiri, with HLF Delegate



2010 Disbursement Distribution Per Country Per Project

Name of Country	Grant Number	Project Name	Amount US\$
BENIN	G127	CAPE II (CAPOD)	380,405
BENIN	G218	CAPAN PHASE II	306,291
BOTSWANA	G140	BOCONGO	62,735
BOTSWANA	G204	BIDPA PHASE III	182,779
BURKINA FASO	G129	RGC-B	159,876
BURKINA FASO	G142	PARECAP	379,808
BURKINA FASO	G168	CAFRAD	45,928
BURKINA FASO	G169	CAPEX PHASE I I	285,266
BURKINA FASO	G190	PRECAN -BF	209,072
BURUNDI	G090	IDEC II	15,000
BURUNDI	G176	PRIME INITIATIVE -BURUNDI	339,454
BURUNDI	G206	IDEC III -BURUNDI	433,170
CAMERON	G119	CAREF	186,105
CAMERON	G179	CASC	800,361
CAMERON	G216	GPE YAOUNDE III	482,461
CAMERON	G230	CAMERCAP PHASE II	206,011
CAPE VERDE	G153	STRATEGIC TRANSFORMATION POLICY CENTER (STPC)	97,343
CAPE VERDE	G183	NEPAM	125,317
CENTRAL AFRICA	G199	PRCS-RCA	233,206
CENTRAL AFRICA	G233	RE-CEMAC II	501,776
CHAD	G055	SENAREC-Chad	9,617
CHAD	G067	PROFESS	9,163
CHAD	G160	PARCOSIT	135,430
CONGO	G128	RESPEC	129,484
CONGO	G146	RECADIP	218,537
CONGO	G217	PRIVATE SECTOR FEDERATION (RWANDA PSF-FSP)	17,094
CONGO	G228	PARFIT	189,135
COTE D IVOIRE	G047	CAPEC II	94,616
COTE D IVOIRE	G203	CAPEC III	340,641
COTE D IVOIRE	G208	EPM -COTE D'IVOIRE III	658,564
DJIBOUTI	G120	IGE	63,273
DJIBOUTI	G158	CCDB DJIBOUTI -PHASE II	14,015
DRC	G123	CASPOF	54,729
DRC	G215	GPE KINSHASA	459,857
ERITREA	G157	EPAM ERITREA	173,774
ETHIOPIA	G099	EDRI	126,295

Name of Country	Grant Number	Project Name	Amount US\$
ETHIOPIA	G234	EDRI PHASE II	114,013
ETHIOPIA	G235	ETHIOPIA ECONOMIC ASSOCIATION	44,049
GABON	G050	PRECAGEF	27,622
GABON	G051	SENAREC-Gabon	10,437
GABON	G132	CENAF	271,767
GABON	G223	PRICIEGA -GABON	210,692
GAMBIA	G236	TANGO	68,055
GHANA	G220	CENTRE FOR POLICY ANALYSIS (CEPA) PHASE III	295,634
GHANA	G241	IDEG-CAP PHASE II	546,020
GUINEA BISSAU	G172	PNRC-CAF GUINE BISSAU PHASE II (PHASE 2)	67,952
KENYA	G152	IPAR III - Grant 152	17,164
KENYA	G182	KENYA CLKNET	13,453
KENYA	G188	CENTRE FOR CORPORATE GOVERNANCE	113,820
KENYA	G213	ARRF	376,458
LESOTHO	G103	NFP Lesotho	50,000
LESOTHO	G221	LESOTHO COUNCIL OF NGO'S	204,928
LIBERIA	G187	LIMPAC	184,207
MADAGASCAR	G104	CREAM	66,627
MADAGASCAR	G146	RECADIP	6,897
MALAWI	G181	NSO _ Malawi Statistical System	115,889
MALAWI	G238	MAKNET	67,945
MALI	G141	CERCAP	79,517
MALI	G174	PRIME MALI	95,699
MALI	G240	RECOFEM PHASE II	383,897
MAURITANIA	G189	PNRC/CMAP PHASE II	232,361
MOROCCO	G168	CAFRAD	6,903
MOZAMBIQUE	G210	EPM MOZAMBIQUE	257,326
NAMIBIA	G117	NPCS NAMIBIA	27,374
NAMIBIA	G149	NAMIBIA PERFORMANCE MGT SYSTEM PROJECT (NPMSP)	98,526
NAMIBIA	G186	NAMBIAN ECONOMIC POLICY RESEARCH UNIT (NEPRU)	200,000
NIGER	G229	CAPED II	355,685
NIGERIA	G227	PARP PHASE II	482,227
RWANDA	G065	CBPFM-R/HRDA	99,200
RWANDA	G143	MSCBP-RWANDA	608,609
RWANDA	G217	PRIVATE SECTOR FEDERATION (RWANDA PSF-FSP)	297,220

Name of Country	Grant Number	Project Name	Amount US\$
SAO TOME	G184	CIAD	128,383
SENEGAL	G148	PRECAREF-Senegal	325,664
SENEGAL	G156	PSMTP ENA DAKAR	4,893
SENEGAL	G200	AFAO	190,230
SENEGAL	G232	CEPOD PHASE II	250,530
SIERRA LEONE	G131	MRUTP	21,387
SWAZILAND	G135	CANGO	76,761
SWAZILAND	G163	AMICAALL SWAZILAND PHASE 2 (or PHASE II)	220,655
TANZANIA	G125	ESRF III	434,706
TANZANIA	G194	ZANSTAT-STATISTICAL SYSTEM OF THE REVOLUTIONARY	247,877
TOGO	G106	SENAREC-Togo	24,871
UGANDA	G195	UGANDA COUNTRY CAPACITY BUILDING PROGRAM (UCCBP)	582,617
ZAMBIA	G150	ZIPAR	158,071
ZAMBIA	G207	ZCSMBA	191,347
ZAMBIA	G222	NGOCC PHASE II	181,015
ZIMBABWE	G079	NECF	37,000
ZIMBABWE	G080	ZEPARU	20,739
ZIMBABWE	G166	ZIMBABWE WOMEN'S RESOURCE CENTRE & NETWORK (ZWRCN)	67,739
ZIMBABWE	G197	Womens University in Africa (WUA)	42,530
ZIMBABWE	G202	ZIMSTAT	188,867
ZIMBABWE	G246	ZEPARU - Phase II	93,399
REGIONAL	G070	PASU	105,496
REGIONAL	G098	COMESA	98,632
REGIONAL	G134	CMAAE	239,064
REGIONAL	G136	SADC-PF	256,689
REGIONAL	G137	RENFOR	380,602
REGIONAL	G138	ICP	15,190
REGIONAL	G139	ABR	100,000
REGIONAL	G145	PREGESCO Phase I	369,737
REGIONAL	G154	PSMTP-AFRICAN UNIVERSITY	424,726
REGIONAL	G155	PSMTP-GIMPA	713,943
REGIONAL	G161	EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)	173,071
REGIONAL	G162	UJAO/WAJA	296,053
REGIONAL	G164	AERC CMAP PHASE IV	644,053
REGIONAL	G165	PFMSP Libreville	549,692

Name of Country	Grant Number	Project Name	Amount US\$
REGIONAL	G167	AAU-CADRE-ASSOCIATION OF AFRICAN UNIVERSITIES	612,354
REGIONAL	G168	CAFRAD	264,160
REGIONAL	G170	CODESRIA	382,472
REGIONAL	G173	WAIFEM PHASE II (or PHASE 2)	112,709
REGIONAL	G177	CESAG II	330,573
REGIONAL	G180	AWDF - GHANA	136,718
REGIONAL	G191	NPTCI	2,105,733
REGIONAL	G192	CIFAL OUAGADOUGOU	272,003
REGIONAL	G196	MEFMI III	331,982
REGIONAL	G197	Womens University in Africa (WUA)	231,604
REGIONAL	G198	EPM MAKERERE PHASE III	400,977
REGIONAL	G201	KSMS	415,465
REGIONAL	G202	ZIMSTAT	165,001
REGIONAL	G205	EPM ZAMBIA	527,750
REGIONAL	G209	UEMOA	289,943
REGIONAL	G210	EPM MOZAMBIQUE	355,614
REGIONAL	G211	PAP	353,644
REGIONAL	G214	EPM GHANA PHASE III	752,470
REGIONAL	G219	AU-CAP AFRICAN UNION -CAP	2,047,877
REGIONAL	G226	AERC-CPP PHASE II	361,273
			<u>32,531,305</u>

ACBF's Portfolio Quality as at December 2010



The Portfolio Review (PR) process is now fully institutionalized within ACBF, with a robust system in place for conducting regular reviews. In 2010, ACBF carried out two such reviews to report on the quality and status of the Foundation's portfolio. The regular portfolio review facilitated the identification and development of required service standards within ACBF's programs and projects, while improving the behaviors and practices associated with portfolio management. The review process has enabled the Foundation to identify problem projects and the PR tool has been useful in informing specific management decisions, aimed at strengthening the portfolio.

A positive trend has emerged from the 2010 Portfolio Review, demonstrating clear results in terms of improvements in the overall quality of the ACBF portfolio.

During the reporting period, the management strategy continued to focus on striving for excellence, while managing the risks associated with non-performance. By carrying out regular reviews, the Foundation has been able to keep abreast of risks and related issues that could threaten program or project results. Grantees now receive feedback on their projects, based on management actions recommended for each project/program not performing well, in order to help focus the implementation teams, as well as rationalize ACBF's disbursement decisions.

The PR tool assesses risks on two levels: (i) Project- related risks for Operations departments and Grantees, enabling the identification of focus areas of improvement in the quality of projects and programs and (ii) Portfolio - level risks, focusing on the frequency and severity of risks, which could result in the need to formulate a Foundation-wide operational policy review in order to improve the quality of the portfolio.





Workshop attendees at ACBF Seminar

The reviews in 2010 covered all ACBF projects approved by the Executive Board, regardless of whether or not the grant agreements had been signed. The review also considered projects with closing dates not yet due.

The first portfolio review in 2010 focused on projects which were rated as Unsatisfactory (US), Moderately Satisfactory (MS), or Partially Satisfactory (PS) during the 2009 review. The purpose of this exercise was to establish how effectively the management actions had been implemented. The second portfolio review, covering the period January to December 2010, was carried out using the revised Portfolio Review Tool. The revised tool incorporated comments from ACBF's Executive Board and other stakeholders.

This new tool enables the Foundation to ensure that the database of ACBF-supported projects and programs is accurate and appropriate and

that interventions are developed, maintained and updated, in order to feed into the computerized Sun Flow Project Management System and future portfolio reviews.

In 2010, the performance of ACBF's portfolio was affected by a number of factors: (i) the quality of projects at entry, which is reflected by the delays in project signing and grant effectiveness as there were no funds to allocate to approved projects due to the freeze on disbursements; (ii) the project design and supervision strategy from older projects and (iii) the implementation modalities and monitoring and evaluation systems.

The portfolio level risk assessment framework picked these three major risks in 2010 and put in place management actions to ensure that the identified areas received immediate attention. Capturing the risks to the portfolio in this manner has enabled ACBF to prioritize follow ups and to take the necessary actions required to bring these risks under control.



Guests at CERCAP II Grant Signing, Bamako, Mali



While it is acknowledged that a direct comparison with previous portfolio reviews and the January to December 2010 review may not be accurate, due to the changes in the review tool, a positive trend can however be noticed. As a result of focused management attention, the share of “Satisfactory” projects has continued to demonstrate growth, rising from 35% in 2009 to 49% in 2010. During the two reviews conducted in 2010, the share of “Unsatisfactory” projects also remained statistically stable at 21.6% in 2009 and to 21.3% in 2010. This came about as a result of a series of management actions, including restructuring or cancelling projects that were not disbursing, suspending disbursements and undertaking intense supervision of projects experiencing difficulties.





Gender Budgeting Dissemination Workshop, Uganda, Entebbe, 8 - 10 September 2010



Dissemination Workshop on Needs Assessment for the Cote d'Ivoire Country Program June 2010



Group photograph of participants at the opening ceremony of the African Women's Development Fund (AWDF) Southern Africa Office, with Grace Machel as Guest of Honour



From left to right: Mr Kobena Hanson, Head, Knowledge & Learning , ACBF; Ms Elizabeth Kyasimire, Commissioner, Ministry of Gender, Labour & Social Development, Government of Uganda; and Mr. Amadou Kanoute, Chairperson, VOICENET

Managing for Development Results



M & E Workshop Attendees in Nairobi

In order to track its contributions to development effectiveness, ACBF committed itself to implementing Managing for Development Results (MfDR) in the Foundation in 2010. Through MfDR, ACBF is able to learn from its own experience in order to improve its interventions in capacity development and to demonstrate accountability in the use of resources mobilized. In the reporting year, ACBF witnessed a significant step towards applying the new Results Measurement Framework (RMF), both at the corporate and Grantee level.

At the corporate level, the RMF was applied in the preparation of the Third Strategic Medium Term Plan (SMTP III: 2012-2016). Thus the SMTP III clearly defined the results it planned to achieve at the project level and those it hopes to contribute to at the development

effectiveness level. The framework was also adapted for the preparation of the Regional Intervention Development Assistance (RIDA) of the World Bank to the Foundation for 2011. The Framework was used to demonstrate the results that would be achieved in 2011, if RIDA were to be approved by the World Bank. All new proposals that were presented to the Executive Board in 2010, used the results framework to demonstrate how each project approved for funding would make a difference to their beneficiaries. The application of the framework to new project preparations improved the quality of appraisals presented to the Executive Board significantly, which ultimately helps to reduce cases of poor project performance, slow disbursement of grants and delayed benefits to the beneficiaries.



ACI Workshop on data collection for 2010 ACIR, Harare, Zimbabwe

At the grant recipient level, the Foundation organized a two-week training program for all its active projects and their respective ACBF officers. Skills and knowledge were imparted to ACBF-supported projects on how to implement results-based planning, programming, and monitoring and evaluation in their projects.

The sessions were facilitated by experts and were made highly interactive, so that at the end of the training program, each project developed its own results-measurement

framework, which can be applied to any capacity building projects they may be involved in.

Following the training, grantees were challenged to use the skills and knowledge acquired to retrofit their on-going projects with the results framework they developed at the workshop. This was the Foundation's first attempt at retrofitting existing operations and therefore could be described as successful, since all participants produced a draft framework for their projects.

The major achievements of the workshop include: (i) building a strong awareness and understanding among participants that ACBF will now require projects and programs to report at the outcome level as opposed to the historical output level; (ii) participants now have the skills to think through the development problem that their projects are designed to address and how to account for results through performance improvement; and (iii) the retrofitting of close to 80% of existing portfolios is an indication that grantees are ready to embed results orientation in their project implementation.

As a follow-up to the workshop, the Foundation's Monitoring and Evaluation Unit developed a set of core competency indicators for its six competency areas, including training. These indicators provide a general guide to all future interventions in these core areas, determining what to measure and how to measure it, before the specific indicators relevant for each operation are embedded in the expected results.



ACI Workshop on data collection for 2010 ACIR, Harare, Zimbabwe

The staff of the Monitoring and Evaluation Unit organized a mission to a number of ACBF supported projects towards the end of the year to provide 'on-site' technical support in finalizing results frameworks, monitoring and evaluation plans, data collection instruments and quarterly reports.

It is noteworthy that grantees are already using the newly designed quarterly report to give feedback to the Foundation on various implementation activities and much more importantly, on outcomes.

This change in behavior in systematic reporting is as a result of the various Foundation-wide efforts, targeting the implementation of MFDR.

For greater results, through its M&E Unit, the Foundation will continue to intensify its efforts to ensure that all ACBF-supported projects (ongoing and new) have the skills to implement results-based monitoring and evaluation of their projects in the years ahead. This is important, so that the Foundation can report on the development effectiveness of its interventions to its stakeholders.

Case Study:

Innovations in ACBF's the Project/Program Designs

ACBF's Capacity Development Program for the Ministry of Regional Integration and International Cooperation in Zimbabwe

In 2010, ACBF supported the Zimbabwe Ministry of Regional Integration and International Cooperation (MoRIIC) in its efforts to improve its performance and achieve its mission. An international firm, Rapid Results Initiative (RRI Inc) was tasked with supporting ACBF and MoRIIC to design of a multi-year capacity building program to implement the Ministry's priorities. The initiative piloted the use of the Rapid Result Approach (RRA) and the Rapid Results Initiative (RRIs).

MoRIIC's request for support provided ACBF with the opportunity to experiment with new ways of designing and supporting capacity development interventions in Zimbabwe. In view of the fact that the Ministry is new and has a mandate that stretches not only within its own responsibilities but also plays an important coordination role with other ministries, MoRIIC made the RRA/RRI approach pilot challenging and extremely interesting.

The objective of the design phase was to integrate the Rapid Results principles and

approaches into program development. During this process of supporting the design of MoRIIC's capacity development program, much was discovered and many lessons learned.

ACBF has learned from this experience and the key lessons learned from the design features and processes are outlined below. Lessons include what could have been done differently and possible adjustments to the process. Lessons that can influence ACBF's investment in capacity development and the potential replicability of the program are also highlighted:

Lessons from design features and process:

1. Clients' commitment.

The cornerstone upon which a successful design program using RRIs is built depends on the existence of an appropriate institutional environment, particularly the commitment of senior leadership to embrace the initiative and assign committed staff for the design process. In the case of MoRIIC, both the Minister and the Permanent Secretary demonstrated readiness to engage in the design process and RRI experience at all levels. By so doing, they gained the ability to drive the program design.

2. Customised design

The program's design included unique features, which were customized to fit MoRIIC's needs. These include:

- a) A design process led by the Ministry staff.
- b) The use of short term performance goals and long term performance achievements as targets which necessitate improvements in the Ministry's capabilities.
- c) The use of just-in-time coaching and facilitation inputs that support "learning-by-doing" and leadership development.
- d) The use of Rapid Results Initiatives in the design and implementation phases to inform the design and accelerate implementation.
- e) Built-in flexibility into program implementation.

The design features complemented MoRIIC's unique situation; a small, new ministry operating in a dynamic political context. The use of RRIs during the design phase allowed the Ministry to unleash much needed capacity towards the attainment of results and improvements in the Ministry's systems and processes.



Facilitators and ACBF Staff attending the RRI Workshop in Harare

The coaching support provided helped build the Ministry's capability to take the lead in the project design. The identification of performance goals in the program created shorter term results, while building towards longer term outcomes.

Built in flexibility is reflected in the program's possible annual adjustments, based on MoRIIC and their development partner's annual program review of progress towards achieving agreed annual

performance goals and targets. The introduction of a finance trigger at the end of the second year of program implementation will provide a covenant for ACBF and the Ministry to decide whether or not the program should continue, based on its performance and/or substantive material change.

3. Ownership and accountability.

The Ministry nominated a design team to develop the proposal. With facilitation support and just-in-time orientations, the design team members became more knowledgeable about their business and the type of capacity development interventions which could help them deliver on the Ministry's mandate.

4. Focus on performance and results.

One to two-year performance goals and four-year performance achievements were identified as key deliverables to demonstrate an increase in the Ministries capabilities. This mix of 4-year performance achievements and annual goals allows the Ministry to work towards longer-term performance deliverables, while creating tangible results along the way.

The mix of short performance achievements and long term performance goals integrates the Rapid Results Approach into the longer-term focus of the Foundation's Results Management Framework.

5. **Learning-by-doing.**

Just-in-time and coaching support helped leaders practice how to drive the process. Ministry staff were surprised to note a marked difference in communication styles during the design phase. Directors were challenged to try new leadership acts during the RRI's in order to keep their teams on track. RRI teams had to learn to work outside individual silos and in teams in order to get results.

in a 'learn-as-you-go' manner. The difficulties the teams encounter spur innovation and creativity, leading to new process and programs being built in and designed for the field and not in the lab.

RRI's are a great capacity building tool to go beyond traditional Technical Assistance or advisory support. The focus is on performance and delivery and supporting people as they do their work.

6. **Discover solutions and build capabilities.**

Rapid Results Initiatives were used to strengthen the Ministry's implementation capabilities, as well as helping the design team identify implementation gaps. By so doing, the team could discover solutions and build their capabilities.

Rapid Results Initiatives are short term projects which use frontline personnel to deliver on a results goal. These bottom line goals are ambitious and require increased leadership, managerial and implementation capability from the team members. Because RRI's are so challenging, coaching support ensures that teams develop missing capabilities

Building Talent and Internal Capability



ACBF Managers at the Board of Governors Meeting in Paris

As ACBF geared up to commemorating its 20th anniversary in 2011, it also focused on renewing its internal human capacity and re-orienting its internal systems.

By December, 2010, the Foundation's staff complement had grown to 83 staff. Although the African continent has suffered a brain drain, the Foundation takes great pride in building and strengthening its staff talent and capability from the Diaspora. To date, the Foundation has managed to attract and bring back to Africa, well qualified and experienced African nationals to work at the Foundation. This augurs well for the Foundation's competitiveness, as well as for its mandate to drive capacity development on the continent.

The staff complement of 83 includes 55 professional staff and 28 support staff members. 55% are male, while 45% are female staff. The restructuring exercise in 2010 brought in a new skills mix, and concerted efforts were made towards retooling ACBF's skills base to support the new reforms.

35 new staff members joined the Foundation during the year. The recruitment drive that was started in 2009 was concluded in 2010, with all existing staff members who had re-applied for their jobs or new positions being appointed in February 2010. The restructuring also resulted in 15 staff members separating from the Foundation.

A Junior Professional grade was created during the reporting period to provide support staff members with the opportunity to develop their careers to the professional staff category.

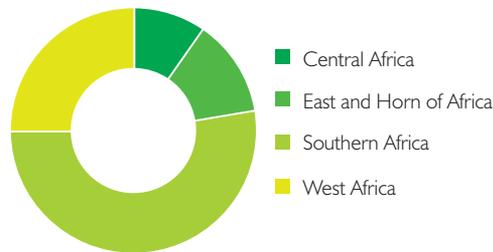
Valuing Diversity

The Foundation values and recognizes the strength of diversity. Valuing diversity means accepting and respecting our differences and recognizing individual talents and contributions. ACBF's diverse backgrounds in terms of educational qualifications, age, gender, religion, culture and nationality are key organizational success pillars.

Currently, the Foundation has staff members of 23 African nationalities. These are made up of 10% from Central Africa, 13% from East and

Horn of Africa; 52% from Southern Africa (including the host country, Zimbabwe) and 25% from West Africa.

ACBF Staff at Regional Nationality



The recruitment activity in 2010 further confirmed this national diversity with the recruitment, for the first time, of staff members from South Africa, Chad, The Gambia and Rwanda.

Progress on diversity is also reflected in the gender balance of the management team, made up of 53% male and 46% female managers.

ACBF promotes the creation of a respectful work environment, with the realization that

when staff are valued and respected they are more positively engaged. This leads to better productivity and efficiency, as well as a commitment to the organization's mission and goals. In addition, the Foundation's Code of Conduct guides staff in carrying out their work. All ACBF staff members are expected to uphold the Foundation's core values of impact, support, strength, accountability, excellence, integrity and inspired leadership.

As part of the risk management efforts in 2010, two new instruments were introduced, both of them managed by an external firm. A Whistle Blower Hotline was launched, in line with the new whistleblower policy to promote and strengthen the Foundation's system of integrity, transparency and the fight against corruption and any related offences.

An Income and Asset Declaration policy was also introduced as international best practice for building a culture of integrity within the Foundation's staff and ensuring the avoidance of conflict of interest in performing employment duties.

Learning and Development Initiatives

A number of initiatives were embarked upon in 2010 to address various training needs. Staff members benefitted from both external and internal training courses, as well as attending international conferences.

The year began with an organization wide 'Working with Respect' workshop, facilitated by external consultants, with the objective of creating awareness of expected behaviors in the workplace. Coaching and mentoring as a capability development process was also introduced for the management team, to enhance the skills of the team and to create a culture of staff development. Additionally, as part of the learning and development process, a 360 degree feedback mechanism was piloted to provide feedback on performance and behaviors for the management team. This mechanism was well received and plans are underway to cascade the process Foundation-wide.

With the high rate of new recruits during the year 2010, an electronic induction process was introduced to support new staff members settling into the Foundation, as well as the host country.

Formal "on-boarding" sessions were organized to further clarify issues of concern and to ensure a smooth integration process. Efforts were also made to ensure that staff members in new roles received pertinent training in areas such as Monitoring and Evaluation and Resource Mobilization.



ACBF Workshop Delegate, Mr Sawadogo with Mr Apollinaire Ndurukwigira, Manager KEL in Nairobi, Kenya.

The ACBF Team as at 31 December 2010

Dr Frannie A. LÉAUTIER

Executive Secretary, (Tanzania)

Thomas ASARE

Head, Internal Audit (Ghana)

Mercy BRUCE-AMANQUAH

Manager, Human Resources (Ghana)

Shupikayi CHIMHINI

Legal Counsel (Zimbabwe)

Kobena HANSON

Head, Knowledge and Learning (Ghana)

Yusupha JOBE

Financial Management Officer (Gambia)

Grace KAIMILA-KANJO

Chief Operating Officer (Malawi)

Bakary S. KONÉ

Manager, Partnerships and Resource Mobilization (Côte d'Ivoire)

Sithabile MAJONI

Manager, Corporate Services (Zimbabwe)

Audrey MPUNZWANA

Head, External Affairs and Communication (Zimbabwe)

Edson MUGORE

Operations Policy Advisor (Zimbabwe)

Apollinaire NDORUKWIGIRA

Manager, Knowledge, Evaluation and Learning (Burundi)

Mary NJOROGE

Head, Monitoring and Evaluation (Kenya)

Coffi NOUMON

Manager, Operations West and Central Africa (Benin)

Marie OBARA

Manager, Board Secretariat (Cameroon)

Aubrey PHIRI

Chief Finance Officer (Malawi)

Dieynaba TANDIAN

Manager, Operations East and Southern Africa (Senegal)

Adeboye ADEYEMO

Monitoring and Evaluation Expert (Nigeria)

Caroline ALUPO

Financial Risk and Control Officer (Uganda)

Dickson ANTWI

Knowledge Management Expert (Ghana)

Roger ATINDEHOU

Senior Program Officer (Benin)

Fatim BASSE-MAIYAKI

Program Officer (Senegal)

Kwabena BOAKYE

Monitoring and Evaluation Expert (Ghana)

Leah CHATTA-CHIPEPA

Program Officer (Zambia)

Siaka COULIBALY

Senior Program Officer (Burkina Faso)

Maria-Nita DENGGO-CHONGUIÇA

Program Officer (Mozambique)

Stephane EBOKO

Resource Mobilization Officer (Cameroon)

Ernest ETTI

Senior Program Officer (Cameroon)

Idi GAPARAYI

Legal Officer (Rwanda)

Gibson GUVHEYA

Officer on Special Assignment (Zimbabwe)

Ali HISSEIN

Financial Risk and Control Officer (Chad)

Karamoko KANÉ
Rutendo KAMBARAMI
George KARARACH
Jules Roger KETCHA NZOUNDJI
Guy-Roland KONE
Teza KOWA
Towera LUHANGA
Mekonnen MEKASHA
Edem MESSA-GAVO
Nyawira MIANO
Badjo MONEY
Gallina MOUTOU
Franklin MUTAHAKANA
Robert NANTCHOUANG
Sophie NCUBE
Rosa ONGESO
Claude SINZOGAN
Claude SOKPOR
Fasil Yilma TEKELESELISSIE
Lovemore TINARWO
Muchazowonei TSIGA

Program Officer (Mali)
Communications Officer (Zimbabwe)
Knowledge Management Expert (Uganda)
Disbursement Officer (Cameroon)
Internal Auditor (Côte d'Ivoire)
Accounting Officer (Zambia)
Program Officer (Malawi)
Budget and Finance Officer (Ethiopia)
Monitoring and Evaluation Officer (Togo)
Program Officer (Kenya)
Financial Risk and Control Officer (Côte d'Ivoire)
Administration Officer (Congo Brazzaville)
Special Aide to the Executive Secretary (Uganda)
Knowledge Management Expert (Cameroon)
Protocol Officer (Zimbabwe)
Resource Mobilization Officer (Kenya)
Senior Program Officer (Benin)
Disbursement Officer (Togo)
Senior ICT Officer (Ethiopia)
Program Officer (Zimbabwe)
Financial Risk and Control Officer (Zimbabwe)



ACBF personnel attending 20th Anniversary launch in Harare, February 2010

Petronilla UTETE
Chriswell VAVA
Grace WAMALA

Travel Services Officer (Zimbabwe)
ICT Officer (Zimbabwe)
Program Officer (Uganda)

Marie-Thérèse BAMPASSY- KADURIRA
Aku BURAWUDI
Jasca CHAMUSANGA
Mollyn CHIMUKA
Senzeni CHINGONZO
Rose CHIPFUPA
Lindiwe DUBE
Ebbah GADAGA
Alfred GUMBWA
Rodreck GWIDIBA
Bernard HWATURA
Patience JAMBAYA
Simbisai KADYE
William KAZVIDZA
Phumuzile KHUMALO
Allen MACHEKANO
Cathrine MAFUTA-MAMBOSASA
Tendayi MAKUYANA
Walter MANGWENDE
Memory MUNYURWA
Aleck MUNHAMO
Barry NYAMADZI
Terence NGOSHI
Barbra PASIPANODYA
Thomas SIPAPATE
Jonathan SITHOLE
Veronica SITHOLE
Richard TAGUMA

Executive Assistant (Senegal)
Bilingual Administrative Assistant (Togo)
Bilingual Administrative Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Receptionist (Zimbabwe)
Special Assistant (South Africa)
Human Resources Assistant (Zimbabwe)
Librarian (Zimbabwe)
Office Assistant (Zimbabwe)
Transport Assistant (Zimbabwe)
Accounts Assistant (Zimbabwe)
Accounts Assistant (Zimbabwe)
Administration and Stores Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Administration and Stores Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Accounts Assistant (Zimbabwe)
Publications Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Procurement and Travels Assistant (Zimbabwe)
Transport Assistant (Zimbabwe)
Transport Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
ICT Assistant (Zimbabwe)
Senior Transport Assistant (Zimbabwe)
Administrative Assistant (Zimbabwe)
Office Assistant (Zimbabwe)

ACBF, The Knowledge and Learning Institution



Participants at a ACBF Brown Bag Series, Harare, Zimbabwe

In 2010, ACBF convened, and attended several learning events and implemented various initiatives, designed to position the Foundation as a key capacity development knowledge institution on the continent.

In March, 2010, the ACBFs Operations Department for East and Southern Africa attended the 4th African Petroleum Congress and Exhibition (CAPE IV) in Kinshasa, Democratic Republic of Congo.

Senior Program Officer, Mr Roger Atindehou, contributed to the meeting with a presentation entitled: "Building Capacity for Transparency and Accountability in the Oil Sector in Africa: Role for ACBF". The presentation covered the following points:

- Why promote transparency and accountability in the Oil Sector?
- Capacity challenges and capacity needs for transparency and accountability in Africa oil sector



Accountability and Integrity Workshop, 7-9 April 2010, South Africa

- Capacity weaknesses, including poor governance and inadequate capacity for the management of oil resources and revenues; weak regulatory and institutional frameworks; the need to upgrade skills of the key drivers for oil sector reforms; lack of capacity in parliament, civil society organizations and communities, and corruption;
- Ongoing capacity building initiatives and the major players involved in promoting transparency and accountability in the oil sector in Africa;

- ACBF's role in strengthening capacity for transparency and accountability.

The Operations Department also accompanied the Executive Secretary to the following events:

African Policy Goals and Strategies: Implications of the Obama Presidency Conference, hosted by the African Research Resource Forum

The Foundation accepted an invitation to present the keynote address during the African Research and Resource Forum (ARRF) Conference on 'African Policy Goals and

Strategies: Implications of the Obama Presidency', which took place in February 2010. The ARRF is an ACBF-supported regional policy institute, located in East Africa.

The welcoming remarks were made by Mr. Michael Chege, Chairman of the ARRF Board of Directors and Mr Anyang' Nyong'o, a member of the ARRF Board of Directors. Mr Chege highlighted that ARRF current works in East Africa, (Ethiopia and Sudan) and has 3 areas of thematic focus: (i) security and development; (ii) regional integration; and (iii) resources and resource use in Africa.

In his remarks, Mr Nyong'o, said that Dar es Salaam was chosen as the venue of the conference, since Tanzania had played a central role in designing strategies for Africa's liberation, as illustrated by the hosting of the Organisation of African Unity Liberation Committee, located in Dar es Salaam.

In her keynote address, ACBF Executive Secretary, Ms Léautier, highlighted some of the current headlines on the continent, which included: socio-political issues; ICT as a catalyst for growth; the role of the International Criminal Court (ICC) in Africa and the response of African leaders to the role of ICC in the transformation of the African Union Commission to the African Union Authority. The Executive Secretary also expounded on ((i) Patterns of growth; (ii) Trade and migration patterns and their link to remittances (iii) Energy and water resources constraints (iv) Agricultural productivity, food security and arable land and (v) Public health challenges. The Executive Secretary further discussed the implications of the above in view of ACBF's vision and strategy, adding that, as a result of these emerging issues, ACBF's philosophy and approach has to be suitable to the contexts and realities of different countries on the continent, drawing on local knowledge and practical skills, and embedding work programs in country priorities.

African Development Bank Capacity Development Strategy Dissemination Workshop

The ACBF Executive Secretary participated in the dissemination workshop of the African Development Bank's Capacity Development Strategy, where she moderated the opening session.



The African Development Group's Capacity Development Strategy (2010-2014) for its African member countries was approved by the Bank's Board of Directors on 13 January 2010. ACBF is funded, in part, by the AfDB and also works in partnership with the Bank's various departments.

The African Development Bank's capacity development strategy will be implemented under 3 strategic pillars, with which ACBF aims to align itself: Pillar No 1: Enhancing development effectiveness of bank's operations, where ACBF has committed to help AfDB in selected countries.



Pillar No 2: Strengthening regional member countries capacity for policy design and development management, which is directly in line with ACBF's core competencies; and Pillar No 3: Building the Bank's internal capacity, which ACBF can learn from. The workshop provided ACBF with an opportunity to learn from AfDB's capacity development strategy and to identify possible areas of cooperation between the two organizations, such as mapping capacity development institutions and partnering to undertake capacity profiles.

Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN – OHRLLS) in New York, ahead of the UN LDC IV to discuss the achievements of Least Developed Countries and what remains to be done.

A separate meeting on strategic partnerships took place between the UN Deputy Secretary General, Ms Asha Rose Migiros and the ACBF Executive Secretary in New York.

ACBF's participation at the African Union Summit in Kampala, in July 2010, provided an opportunity for the Foundation to sign a strategic Memorandum of Understanding with the African Union Commission on broad ranging capacity development interventions.

Other highlights include the PPP Conference on Johannesburg, the WISE Forum in Qatar and the visit by the ACBF delegation, led by Executive Secretary to Kigali, Rwanda, ahead of ACBF's 20th Anniversary Celebrations.

A number of other events were instrumental in delivering the Foundation's strategic intent and sharing knowledge on emerging capacity development issues. These include:

"The Role of ICT in Africa's Development' Conference in Ouagadougou, Burkina Faso in June, 2010, where ACBF chaired and presented on a number of themes and also attended the official opening with Heads of State and Microsoft Executives.

In July, the Foundation participated in the preparatory meeting of the United Nations





Capacity is Development Workshop, UNDP, Morocco

Preparation of The African Capacity Indicators Report - ACI



Participants at an ACI Workshop in Harare

In November 2009, the ACBF initiated the publication of its Flagship Report on Africa Capacity Indicators, to be launched during the celebration of its 20th Anniversary in 2011. In undertaking this initiative, the Foundation was aware of existing reports on indicators worldwide. However, a review of such reports showed that even though these were relevant in their own areas of intervention, these were not specific to capacity development in Africa.

Furthermore, after 20 years of existence, even though ACBF could still be considered as a relatively young organization compared to

others, it was time to prove that it was a leading institution in the domain of capacity building in Africa, as per its mission.

The objectives of the ACIR are:

- To examine the key issues and challenges facing countries and cross-border capacity building and cooperation in Africa;
- To gain better theoretical underpinnings to the various capacity building interventions being undertaken on the continent; and
- To serve as a definitive knowledge product, targeting policymakers, public-sector officials, private sector people, civil

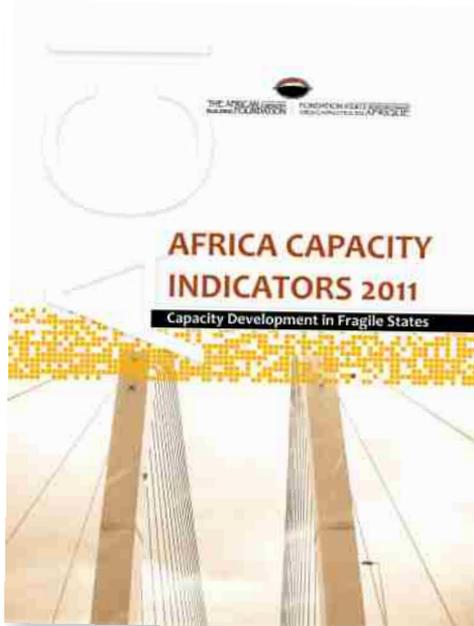
society (including women's organizations or organizations focusing on promotion of gender equality and the empowerment of women).

Methodology

The study was conducted in a participatory manner, with partners from various backgrounds. These included:

- In-country data collectors that ACBF meticulously recruited following a transparent and competitive process in each country targeted/identified by the study;
- ACBF-supported Policy Units;
- Authors of background documents, selected through a transparent and competitive process; and,
- An ACBF-established External Reference Group, comprising academics, researchers and development professionals, as well as members from international organizations.

These different partners all made their contributions based on their areas of expertise.



Data collectors self-administered the survey instrument in their respective countries, while policy units and think tanks, served as partners to the ACBF in assessing policies and institutions in their respective countries, in compliance with the CPIA methodology applied by the World Bank. They so provided an African-owned version of the evaluation of policies and institutions of countries that the World Bank conducts each year, and on the basis of which IDA allocates resources to countries in need.

Background papers on fragility were contributed by authors and members of the External Reference Group from America, Europe and Africa, who, armed with scientific and technical leadership, served as a comforting safeguard. The ERG verified and validated the scientific and technical quality of the report. In addition, a validation workshop on the report was done at a workshop held in Accra, Ghana.

The goal of the ACBF was to cover all African countries, but for various reasons, this target was not achieved and the inaugural study covered 34 countries.

Structure of the Report

The report was first envisaged to be a set of statistical indicators on capacity building in Africa. However beyond the numbers, the first part became a thorough interrogation of the extant literature on capacity building in a context of fragility. The report was conceived, therefore, as the juxtaposition of in-depth research on a given theme, a set of figures consisting of indicators derived from data collected in the field and a compendium of statistics, reproducing faithfully, without intervention, addition or modification, such data as collected in the field.

As a result, readers of the report will be better informed about the problems of fragility in Africa, while evaluating, through statistics published in the second part of the report, the state of capacity building in Africa.

The report provides a capacity composite index for each country, hence its name. This indicator is a synthesis of other sub-indices, which reflect four main components of capacity, obtained through an exploratory approach. These components are:

- Policy environment
- Processes for implementation
- Development results at country level
- Capacity development outcome.

In addition to a composite index and sub-component indices, the report measures other sub-indices on the three classical dimensions of capacity, namely:

- The institutional dimension
- The organizational dimension
- The individual dimension

Each country profile provides, in addition to the indices above, some other more detailed sub-indices on the following components:

- Policy choices for capacity building
- Aid effectiveness related to capacity development activities



Group photograph and panel at ACI workshop in Ougadougou with Knowledge Management Expert, Mr Robert Nantchouang

- Gender equality mainstreaming and social inclusion
- Development agencies
- Assessment of needs
- Inputs/outputs related to capacity development
- A compendium of statistics follow, which faithfully reproduce the data by country, as collected in the field.

The report, to be launched at ACBF's 20th anniversary summit in 2011, is intended to be published on an annual basis.

As is the case with the first edition, the report will be structured into two main parts. The first part discusses an annual theme, with the 2011 theme being "Capacity Development in Fragile States". The next edition will be on "Agricultural Transformation and Food Security." The second part of the report contains annual indicators on capacity building in Africa and a compendium of data collected in the field for the construction of the indicators.

This report does not intend to be a finger pointing instrument designed to highlight the poor performance of individual countries in developing capacity. Although the report has ranked countries according to the index value, which is a mathematical exercise, information will be presented with reserve. The rank of a country can be assessed by referring to the page showing the profile of that specific country. The idea of ranking should be viewed as an incentive to do better in terms of capacity building. This is why the report prefers levels of capacity, which does not place emphasis on the rank of a country, but establishes levels, the highest being the level which we wish all

countries to achieve in the medium or long run term. There is room for all countries to improve.

Capacity achievements are defined using five levels following the value of the index:

1. Very high
2. High
3. Medium
4. Low
5. Very low.

Considering the results obtained, no African country has surpassed the "Medium" level of the ACI composite index. However, although the picture is not the one that was expected, there are encouraging results at the institutional environment level. African countries have made significant policy choices for capacity building (Strategies for Poverty Reduction, Medium-Term Strategic Vision, National Strategies for the Development of Statistics), but the results at the individual level are not yet noticeable. This calls on African countries and partners concerned with the development of Africa to enhance their support to ACBF effort in its noble mission.

Enhancing ACBF Visibility through Learning Events

In the year preceding ACBF's 20th anniversary year celebration, the Foundation established a platform to bring to the fore critical debates on capacity development.

It all began in Ghana in February, 2010, with the first of the ACBF High Level Forums (HLF), entitled: **Unearthing the next twenty years of capacity development in Africa**". This forum focused on the how capacity development efforts that have taken place in the last twenty years can be consolidated and highlighted Africa's need for strategic interventions ranging from political governance to effective development policies and programs. The debate also highlighted that Africa's strides in addressing poverty reduction depends on the pace at which it addresses development challenges and the significance of institutions like ACBF which are well placed to provide an effective response.

Addressing a key question on what key indicators or lack of capacity is holding Africa back and the uneven nature of capacity on the continent, ACBF Executive Secretary, Dr. Frannie Leautier, highlighted that: "for any society to transform itself and achieve development results, it has to have six capabilities. These include: (i) the capacity to design, implement, monitor and evaluate economic and social policies;

(ii) the capacity to determine the investment priorities and that the investments actually get delivered; (iii) being able to manage conflict within national boundaries and outside; (iv) managing uncertainty and having the leadership that manages to put in place mechanisms to manage those uncertainties; (v) bringing together sectoral, geographical and generational boundaries for decision making that will influence for future development and finally, (vi) the capability to deliver basic services. Africa has had a mixed performance, with some countries doing better than others. However, one area that needs our immediate attention is the managing of uncertainty like climate change and managing governance beyond national borders."

The conversation of managing uncertainty in Africa continued in Tunisia, Tunisia in March 2010 with the theme, **"Building Capacity in Post Conflict Countries."** This HLF examined the capacity development needs to restore critical functions of the fragile states in Africa. This platform concluded that investment in restoring state capacity is a venture in long-term stability and peace, both pre requisites for sustainable development and poverty reduction. Two important underpinning forces include leadership and coordination in capacity development efforts by both local and international actors.

This reassures a nurtured capacity development process that enables both human and institutional capacity recovery in a given country.

This discussion led to the dialogue on **"Repositioning Africa for the 21st Century: Progress, Prospects and Challenges** in Paris in September 2010. This platform discussed issues of rethinking regional integration in Africa; steps vital for policy making and strategy development and why regional integration in Africa remains one of Africa's best chances of dealing with the current and emerging development challenges facing Africa. In repositioning Africa, the Forum highlighted that Africa would have to ask herself difficult questions. In order to meet some of the prevailing challenges, there is a need for paradigm shifts. The discussants also debated what some of the lessons for Africa have been after fifty years of independence.

These High Level Forums have allowed ACBF to begin to craft new knowledge products that seek to foster not only deeper dialogue but products that also look for results and the impact of capacity development interventions in Africa.

Conclusions of the high levels forums to date have contributed to the development of the new strategic term plan, with a sharpened vision for capacity development; the development of the inaugural Africa Capacity Indicators – Capacity Development in Fragile States, and dialogue on the fact that the approach in dealing with capacity development in post conflict countries does not retrofit past solutions to present needs. The forums have also set a reality on the ground by:

- Setting the stage for resource mobilization for the next 20 years and beyond
- Mobilizing the attention of the African leadership and development partners on the importance of adopting innovative solutions to the challenges of capacity facing the continent
- Interrogating the short, medium and long term capacity development strategies and supporting processes; and
- Examining how capacity development efforts and interventions can be better devised to meet unique needs.



Moderator Mr James Makawa with BBC's Mr Komla Dumor at ACBF High Level Forum in Tunis



Media interview with High Level Forum Delegate



IC Publications Mr Afif Ben Yedder, and Mr Baffour Ankomah with ACBF Zimbabwe Governor at High Level Forum in Paris

La Secrétaire exécutive face à la presse ce matin

En marge des assemblées annuelles de la Banque africaine de Développement (Bad), la Fondation pour le renforcement des capacités en Afrique (Acbf) a organisé ce matin, à l'hôtel Tiamia, un événement de presse. C'est la secrétaire exécutive de l'Acbf, Dr. Frannie Léautier, qui a tenu le discours principal. Elle a remercié les membres du conseil d'administration de la Banque africaine de Développement (Bad), le Programme des Nations Unies pour le Développement (Pnud), la Banque Mondiale et le Fonds Africain de Développement (Fad) pour leur soutien. Elle a également remercié les journalistes pour leur présence et leur engagement.

"Pas de bonne gouvernance, pas de décaissement"

La Fondation pour le renforcement des capacités en Afrique (Acbf) ne fait pas le hasard. A l'image de ses programmes, ces appuis sont régis par des dispositions strictes. Hier, en marge de la tenue des assemblées annuelles de la Banque africaine de Développement (Bad), la secrétaire exécutive de l'Acbf, Dr. Frannie Léautier, a révélé que même les pays en Afrique sont éligibles à ses actions, la transparence et la gouvernance sont d'une grande importance. « Il est vrai, nous négocions avec des gouvernements compliqués, mais nous ne pouvons pas abandonner nos engagements », a-t-elle déclaré.



Dr. Frannie Léautier, Secrétaire exécutive de l'Acbf.

Renforcement des capacités L'Acbf expose aujourd'hui

En marge des assemblées annuelles du Groupe de la Banque africaine de Développement (Bad), la Fondation pour le renforcement des capacités en Afrique (Acbf) tient une conférence aujourd'hui mardi 25 mai à l'hôtel Tiamia au Plateau. Selon des informations officielles, cette rencontre sera animée par la Tarzarienne Dr. Frannie Léautier, secrétaire exécutive de l'Acbf. Elle sera suivie d'un déjeuner de presse à l'hôtel Tiamia.



La secrétaire exécutive de l'Acbf, Dr. Frannie Léautier (Ph: DR)

"Pas de bonne gouvernance, pas de décaissement"

La secrétaire exécutive de l'Acbf, Dr. Frannie Léautier, est pour la bonne gouvernance. Elle a déclaré que même les pays en Afrique sont éligibles à ses actions, la transparence et la gouvernance sont d'une grande importance. « Il est vrai, nous négocions avec des gouvernements compliqués, mais nous ne pouvons pas abandonner nos engagements », a-t-elle déclaré.



La secrétaire exécutive de l'Acbf, Dr. Frannie Léautier, est pour la bonne gouvernance. (Ph: DR)

« Il est vrai, nous négocions avec des gouvernements compliqués, mais nous ne pouvons pas abandonner nos engagements », a-t-elle déclaré.

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Q&A DONALD KABERUKA

Q&A DONALD KABERUKA



Donald Kaberuka, Secrétaire général de la Banque africaine de Développement.

« Egypt and Tunisia had attained the middle income country status, but then fell into what is known as the Middle Income Country Trap ». Donald Kaberuka a déclaré que même les pays en Afrique sont éligibles à ses actions, la transparence et la gouvernance sont d'une grande importance.

capacités en Afrique mécanismes nationaux



Dr. Frannie Léautier (au centre) encourage les Etats fragiles de se mettre à niveau.

Dr. Frannie Léautier, secrétaire exécutive de l'Acbf, a déclaré que même les pays en Afrique sont éligibles à ses actions, la transparence et la gouvernance sont d'une grande importance. « Il est vrai, nous négocions avec des gouvernements compliqués, mais nous ne pouvons pas abandonner nos engagements », a-t-elle déclaré.

neutralise' the LRA, says Project Enough

The report states that the LRA is a major threat to the region's stability and that it is essential to neutralize it. Project Enough is a coalition of civil society organizations working to end the LRA's operations.

ACBF Official Page
ACBF African Development Foundation

20th Anniversary 2010-2011

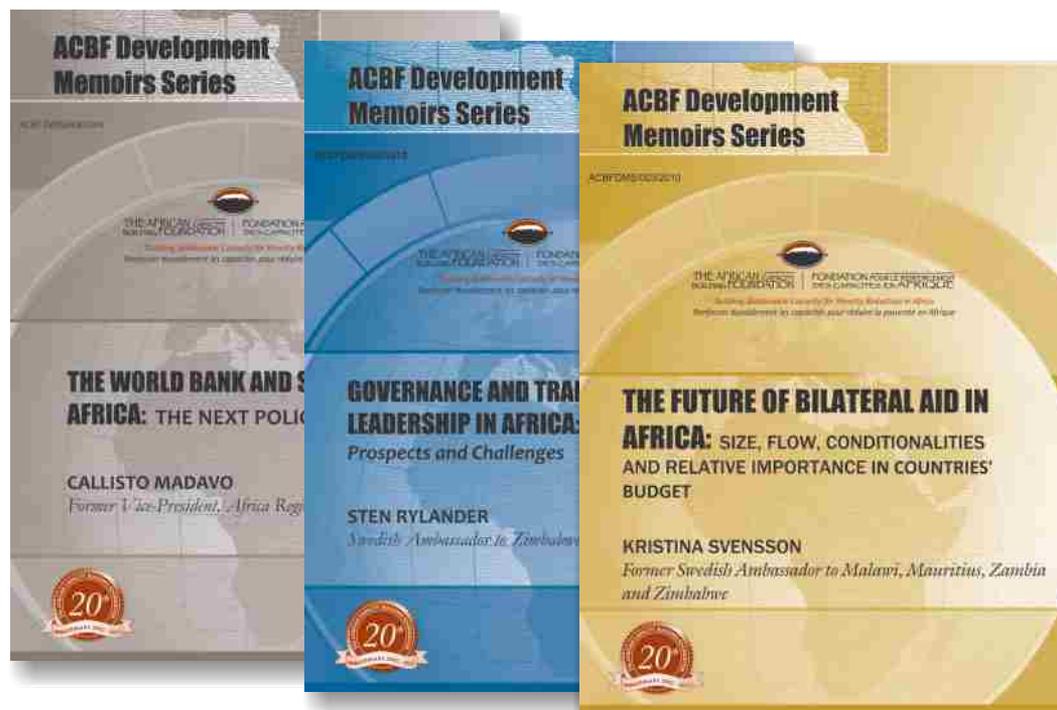
ACBF at 20 The future of Africa is now

ACBF Development Memoirs Series

The ACBF Development Memoirs Series continued in 2010 and remains a key instrument in the Foundation's knowledge and learning strategy. The series aims to harness the 'know-how' and learned experiences of eminent senior policymakers and development managers. Central to the series is the understanding that knowledge management tools and practices can be effectively employed to leverage both local and externally generated knowledge to bridge the knowledge gap between sub-Saharan Africa and the developed world.

The Development Memoirs Series is generated through contributions from the ACBF Senior Policymakers and Development Managers Knowledge Sharing Program (SPM-KSP). It provides professional insights, reflections and experiences in the management of specific policies and programs, and offers case studies on processes, practices and experiences associated with specific policies and programs that have made an impact on the continent's development experience.

The individual voices captured via the SPM-KSP, collectively contribute to enhancing the



effectiveness of ACBF's operations, identifying learning and knowledge-sharing opportunities and providing practitioners with guideposts to best practices in policymaking and development management. The Memoirs reflect ACBF's vision and quest to actively embrace a diversity of knowledge sources and knowledge, including the ways gender, values and culture influence the generation, sharing and application of knowledge.

The series, also speaks to ACBF's vision that the creation, sharing and utilization of cutting edge knowledge in an increasingly complex, competitive and changing world are imperative to Africa's current development efforts and future prospects.

The Development Memoirs Series provides a platform for successful development practitioners, who have made significant

contributions to the development process, especially insofar as it relates to Africa, to share and document their tacit knowledge for the benefit of future efforts in African development. The year 2010 saw the production of three development memoirs, drawing on the invaluable experiences of Swedish Ambassador to Zimbabwe, Ambassador Sten Rylander who is also the Chair of the ACBF Board of Governors; Mr Callisto Madavo, the former Vice-president, Africa Region at the World Bank and Ms Kristina Svensson the former Swedish Ambassador to Malawi, Mauritius, Zambia and Zimbabwe.

Sten Rylander, in the Development Memoir entitled “Governance and Transformative Leadership in Africa: Progress, Prospects and Challenges” discusses the aspect of peace and security that remains a critical development factor for Africa. He calls for transformative leadership that can set visions and provide selfless and capable leadership to turn the fortunes of the continent around. Africa, in his words, has the potential to become a powerful global player and to transform from aid dependency to self sufficiency, if the question of leadership is addressed.

Callisto Madavo, in his Memoir, interrogates the donor-recipient relationship between the World Bank and Sub-Saharan Africa. Entitled “The World Bank and Sub-Saharan Africa: the next policy paradigm”, Callisto closely looks at the Bank’s Structural Adjustment Programs (SAPs) in the 1980s, which were imposed on the developing world, including Africa. He focuses, among other issues, on the World Bank’s intrusive and domineering policy towards the continent.

Africa’s leadership, he also notes, shares part of the blame, as Africans bequeathed their governance responsibility to outsiders who set out policies and decided on the continent’s development agenda.

“The Future of Bilateral Aid in Africa: Size, Flow, Conditionalities and Relative Importance in Countries’ Budgets” is the title of the Development Memoir authored by Kristina Svensson.



Mr Olu Arowobusoye presenting his paper on Peace, Security and Capacity Building

Kristina argues that development depends on a complex array of factors, which rules out the prospect of any one magic bullet. During the last fifty years, different schools of thought have advocated for their respective recipes for achieving economic and social development. The cumulative experience from the implementation of these paradigms is that sustainable development can only be attained if and when fundamental principles of democracy, macroeconomic stability and good governance are put in place. Beyond this, there are no short-cuts to sustainable development.

Brown Bag Seminars

The ACBF Brown Bag forums provide a platform for engaged professional discussions on emerging issues and lessons learnt, as well as sharing best practices and 'know-how'.

The first Brown Bag in 2010 was conducted by Mr. Kwabena Boakye, an ACBF Monitoring and Evaluation (M&E) Expert. Mr. Boakye talked about the practical issues related to the role of M&E in strengthening project delivery. He emphasized that monitoring and evaluation of policies, projects and programs is essential to ensure that development goals and objectives are achieved in an effective and efficient manner. Monitoring and Evaluation serves several purposes. For instance, in the absence of effective M&E, it would be difficult to know whether intended results are being achieved as planned, what corrective action may be needed to ensure delivery, and whether initiatives are making a positive contribution towards development. M&E offers an opportunity for funders, policymakers, implementers and beneficiaries to keep abreast of the impact, effectiveness, efficiency, and overall successes of programs.



Ms Frannie Léautier Presents on Enhancing Institutional Leadership



Mr Kwabena Boakye delivers his Brown Bag Seminar

It also allows the managers and implementers of projects and programs to track the progress of their activities, comparing what was planned with what is actually occurring. By assessing the cost-effectiveness of their interventions, implementers are able to make informed decisions and to utilize human and financial resources optimally when planning services to achieve set objectives.

“Peace, Security, Conflict and Capacity Development” was the topic of the second Brown Bag seminar presented by Mr. Olu Arowobusoye, ACBF’s then Chief, Board and External Affairs, who is also a Peace and Security expert. According to Mr. Arowobusoye, the nexus between peace, security, conflict and development cannot be overemphasized. It is a truism that there can be no development without peace, and no peace without development. ACBF, therefore, has to be in the business of conflict mitigation. Although contention remains in drawing up the broad categorization of causes and typologies of conflicts, common to all conflict-affected countries are poor governance, weak institutions and significant socio-economic challenges.

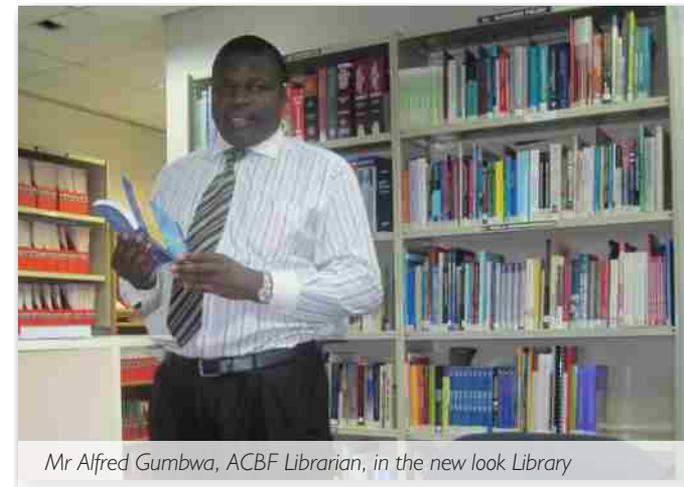
The weak capacity in these states makes a strong case for ACBF’s intervention.

The third Brown Bag seminar by ACBF Knowledge and Learning Experts, Mr. Gibson Guvheya, Mr. George Kararach, Mr. Robert Nantchouang and Mr. Dickson Antwi, focused on strategic policy options for ACBF operations and the role of knowledge. Papers presented included one on “Developing the ACBF Strategic Pillar on Capacity Development for Agricultural Transformation in sub-Saharan Africa: A Conceptual Framework”, by Mr. Guvheya. The seminar also presented preliminary research findings on the pattern of incoming capacity-building demands to ACBF, as well as an analysis on the structure and intensity of competition, vis-à-vis capacity development in SSA.

MS. Frannie Léautier’s presentation, entitled “Enhancing Institutional Leadership in African Universities: Lessons from ACBF’s Interventions” drew on the extant literature and experiences of selected ACBF-supported programs to interrogate approaches to enhancing institutional leadership in African universities. The paper posited that African universities must proactively

take charge of fostering institutional leadership, so as to translate leadership competence into strategic assets.

Such assets are key prerequisites in bolstering intellectual capital and strategic scanning, including the capacity to recognize the behavior of interconnected systems to make effective decisions under varying strategic and risk scenarios, and the transformation of knowledge. To this end, African universities need to transcend their current ‘modern’ system of education to a post-modern perspective, which recognizes context, collaboration and knowledge as valued skills.



Mr Alfred Gumbwa, ACBF Librarian, in the new look Library

Enhancing institutional leadership is also crucial if Africa is to compete in today's rapidly globalizing world and knowledge society. More importantly, doing so has a direct impact on shaping the quality of leadership on the continent, and consequently the resulting policy decisions and governance. The presentation concluded that while institutional, political, demographic and resource challenges exist, African universities today are uniquely positioned to enhance institutional leadership.

Library and Information Services

In 2010, ACBF's Library and Information Services (LIS) engaged a student intern, reorganized the physical library, enhanced networking and boosted the Foundation's electronic resources collection. LIS also participated in ACBF Knowledge Expos and began work on the Knowledge Resource Corner, as well as improving awareness. During the reporting period, the Library was proud to be associated with the production and publication of the inaugural Africa Capacity Indicators Report, 2011.

Internship

Mr Lovemore Dzikati, a final year Bachelor of Science (Honors) Degree student in Library

and Information Sciences was attached to the Library for a period of one year. Mr Dzikati, who is currently studying at the National University of Science Technology, contributed immensely to the day-to-day library operations.

Library Reorganization

At the start of the year, the Librarian and the intern immediately embarked on a reorganization of the library that resulted in a completely new-look, user-friendly library with the physical collection of publications being organized and relabeled for easy access and dissemination. The library collection is now demarcated into separate sections for ACBF Knowledge Products; Journals; Reference Books and Research Publications.

E-Resources

A new partnership with the International Network for the Availability of Scientific Publications (INASP) and the Zimbabwe University Libraries Consortium (ZULC) resulted in a major boost for the Foundation's electronic resources subscriptions. ACBF staff are now able to access thousands of peer-reviewed journals from such publishers as the Oxford University Press, Sage Online Journals, Taylor & Francis Journals, University of Chicago

Press and Wiley-Blackwell, to mention but a few.

ACBF's Library benefitted from one of several INASP initiatives that allowed access to licensed electronic resources for developing countries, by offering financial support for an internal information literacy seminar at ACBF. The Librarian also participated in several workshops, organized by INASP, including one on establishing digital libraries and another on Library Project Planning Management.

Some of the digital libraries that ACBF now has unlimited access to include the World Bank, the International Monetary Fund, the Economist Intelligence Unit (EIU), the Organisation for Economic Co-operation and Development (OECD), the Global Development and Environment's Social Sciences Library and the United Nations Research Institute for Social Development (UNRISD), among others.

In conjunction with eIFL (Electronic Information for Libraries), ACBF staff, for the first time, are now able to access over 52, 000 current electronic books that are published by world-renowned publishers.

ACBF Knowledge Expo

LIS participated in various ACBF Knowledge Expos in 2010, involving local, regional and international workshops and conferences. The dissemination workshop for the Foundation's Gender Budgeting book in Entebbe, Uganda and the Standing Conference of Eastern, Central and Southern African Library and Information professionals in Gaborone, Botswana, provided excellent opportunities to showcase ACBF knowledge products. The library is proud to be associated with the publication and production of the inaugural Africa Capacity Indicators Report, 2011. Contributions include research support, compilation of the bibliographies, references, abbreviations and dissemination.

Knowledge Resources Corner

Ground work for the Knowledge Resource Corner (KRC) began in 2010, with the creation of a shared electronic resources portal, housing a wide range of electronic publications on capacity development expected to be fully operational in 2011. This will form the basis for the Knowledge Resource Corner, envisioned as a 'one stop shop' virtual library on capacity development that is not limited by any

geographical boundaries and is accessible 24 hours a day.

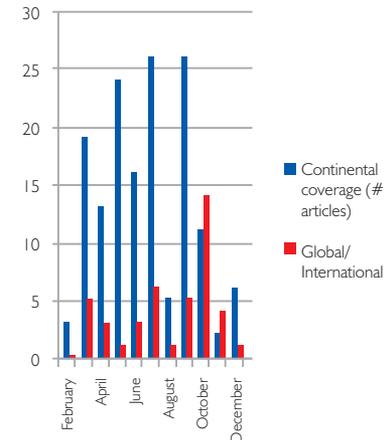
Current Awareness Services

In the reporting year, 2010, the newly introduced "What's New" weekly series offered staff and ACBF partners, timely access to cutting edge knowledge. The goal is to get the right knowledge to the right people at the right time. The "What's New" bulletin, which is produced and disseminated weekly, has been identified by staff as a key resource that has helped them in their day to day work. Over forty-eight issues of "What's New" were produced in 2010 and all in all, a total of sixty-eight written personal acknowledgements were received from colleagues, expressing their appreciation of this service.

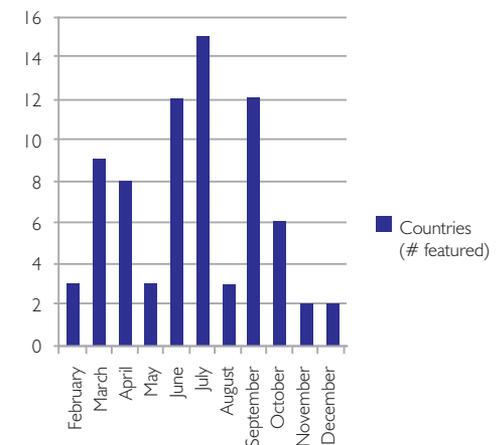
Media Coverage

Tracked coverage in local, regional and international media showed improved knowledge about the work of ACBF pan-Africa and internationally. This supported the core business of the Foundation in telling the 'benefit' story and showcasing the impact of ACBF's capacity development interventions.

Coverage in Regional and International Print, Broadcast and Online Media in 2010.



Number & Countries featured in ACBF Media coverage in 2010



ACBF: The quiet helper

There is an African organisation which has been doing good work on the continent for almost 20 years now, but not many people know it. Now you know – it is called the African Capacity Building Foundation (ACBF). In partnership with the African Development Bank, the ACBF organised an "African heads of state high-level forum on building capacity in post-conflict countries" in Tunisia last month. **Baffour Ankomah** was there and sent us this report.



It is amazing that an African organisation can do such good work while being little known outside its own circles. The African Capacity Building Foundation (ACBF) will be 20 years old on 9 February 2011 but if you ask most Africans if they have ever heard of the organisation, chances are that the most charitable answer you will get will be: "AC what?" But it is surely not "Milan". AC Milan may be a leading football club in Italy and Europe, but Africa's AC is bigger and comes with a BF attached.

The ACBF is based in Harare. It is a continental, capacity-building organisation established on 9 February 1991 through collaborative efforts, bilateral donations, and support from the African Development Bank (AfDB) and the United Nations Development Programme (UNDP), in response to the severe capacity problem at the time to invest in the continent's human capital and in

highest credit" for Rwanda's recovery to the ACBF, "without whom we couldn't have achieved what we have achieved in Rwanda today".

The "high-level forum" was held to coincide with an ACBF's extraordinary board of governors meeting and also to herald the organisation's 20th anniversary celebrations. It was attended, among others, by President Blaise Compaoré of Burkina Faso, Dr Donald Kaberuka, other high-ranking African and international speakers, the ACBF board of governors, diplomats and heads of international organisations in Tunisia, government officials and the staff of both the AfDB and ACBF. The objective of the forum was to draw and focus the attention of the African people and development partners on the importance of adopting innovative solutions to the challenges of capacity building in fragile and post-conflict countries on the continent. Thus, peer learning and experience sharing on capacity development in Africa, and the role of national leadership in shaping the development agenda, formed an important aspect of the discussions.

Liberia's experience

Speaking at the forum via video recording, Liberia's president, Ellen Johnson-Sirleaf, who could not attend due to other engagements in Spain, said the ideals of the ACBF at its founding in 1991 remained relevant today.

Below: President Blaise Compaoré of Burkina Faso speaks on the second day of the ACBF's forum in Tunisia. To his left is the AfDB president, Dr Donald Kaberuka

membership fees; the ACBF knows no such frustrations.

Perhaps it is because of the "mission" and "vision" it was assigned at its founding: "To build sustainable human and institutional capacity for poverty reduction in Africa", and "to become the leading African institution in partnership with stakeholders to build sustainable capacity for good governance and poverty reduction."

Key roles

Since its founding, the ACBF has been playing five main roles: (1) strengthening sustainable capacity for development promotion and management throughout Saharan Africa; (2) Improving financing and other networks, the channelling of funds for capacity building; (3) Creating programmes for the reversal of brain drain in Africa and encouraging as well as intensive utilisation of existing capacity; (4) Building capacity in areas of the public sector and the interface between the public

ACBF's current membership is impressive. It has 47 full members made up of four international financial institutions – AfDB



"Countries coming out of civil war or other conflicts need help, to rebuild not only human capacity but other resources that their populations need."

lie ahead."

Sharing the "Liberian experience" with the forum, President Johnson-Sirleaf said the loss of human resources due to war had a devastating effect on the country. "Like other post-conflict countries, we have had to take extraordinary steps to reverse the "brain drain", thereby engendering reconciliation, reform, and reconstruction.

"Through our Senior Executive Service (SES) programme, we are able to attract some of Liberia's best and brightest to careers in the civil and public service. These professionals, recruited at home and from the Diaspora, are now acting as change

long-term capacity development.

"Together these programmes, funded with help from our development partners and from our own resources, are our response to the immediate human and institutional capacity challenges that we face in our transition from war to peace..."

Other experiences

President Blaise Compaoré of Burkina Faso agreed that capacity building in post-conflict countries remained a veritable challenge, and countries coming out of civil war or other conflicts need help, some of it specific, to rebuild not only



Outgoing Executive Board Chair, Mr Lare Sisay and Board of Governors Chair Mr Sten Rylander at Paris Board of Governors Meeting in September 2010

Building Efficiency and Effectiveness

Corporate Governance Review

ACBF's Governance Structure

Significant efforts were undertaken to modernize and strengthen ACBF's Corporate Governance in 2010. Currently, the Foundation operates a Three Tier governance structure, which includes a Board of Governors, an Executive Board and a Secretariat under the leadership of an Executive Secretary.

- o **The Board of Governors (BoG)**

This is the Organ responsible for setting the broad strategic direction of the Foundation.

- o **The Executive Board (EB)**

This is the Organ responsible for general oversight on the operations of the Foundation. The Executive Board is made up of

independent members, drawn from a diversity of business backgrounds as well as representatives of the founding agencies. The representative character of the EB brings a broad range of views and experiences to the Board.

Functionally, the EB operates through specialized committees, namely: Risk and Audit Committee; Operations Committee; and Finance and Human Resources Committee. The committees can co-opt non-Board members to bring in independence and objectivity to the committees.

o **The Operations Committee**

Apart from acting in a consultative and advisory capacity to the Executive Board, this Committee advises on strategic planning and operational guidelines. It reviews projects and programs ahead of their presentation to the full Board and also makes recommendations on the status of implementation of ACBF projects. The Operations Committee provides guidance on Knowledge-Management and other activities of the Foundation.

o **The HR and Finance Committee**

Apart from acting in a consultative and advisory capacity, the HR and Finance Committee advises the EB on strategic planning and operational or financial guidelines. It prompts and advises on financial issues that require in-depth analysis and research, with a view to facilitating the emergence or review of operational policies and guidelines.

This committee reviews ACBF's financial performance and recommends the Foundation's annual budget estimate for approval by the EB. It reviews the Foundation's legal, administrative, financial and procurement procedures and recommends changes or amendments in order to ensure the adequacy of internal controls at the Foundation.

The HR and Finance Committee acts as the Foundation's Ombudsman of last resort in disciplinary matters involving Secretariat staff, in accordance with the Foundation's Code of Conduct, as well as advising the EB on the design and implementation of resource mobilization strategies for the Foundation.

o **The Risk and Audit Committee:**

This Committee assists in fulfilling the EB's corporate governance and oversight responsibilities in relation to the risk management and internal control systems, compliance management framework, accounting policies and practices, internal and external audit functions and financial reporting. It is authorized to investigate any matter within the scope of its responsibilities and to make appropriate recommendations. It has unrestricted access to senior management and to the Foundation's records as required.

The committee is authorized to meet with the external or internal auditors, with or without any other member of management being present, as it deems appropriate. It is authorized to obtain any independent legal or other professional advice that it considers necessary to execute its functions. The Risk and Audit Committee oversees the computerization of workflow as well as travel and project management.



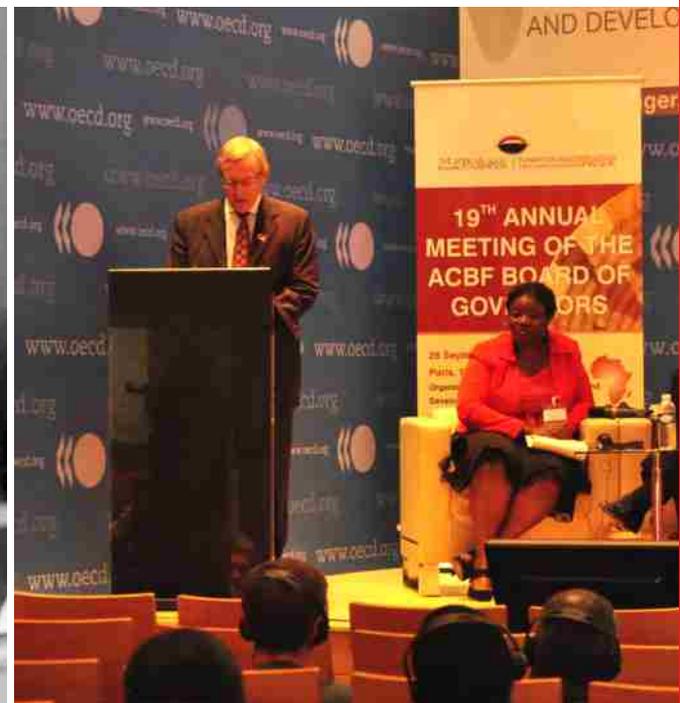
ACBF Board Governors and the High Level Forum Attendees, Tunis Extraordinary Board Meeting in Tunis, March 2010



Ms. Huguette Labelle, ACBF Executive Board Member, and Chair of the Risk and Audit Committee



Ms Trine Birgitte Storm representing ACBF Denmark Governor at the Board of Governors Meeting in Paris



ACBF Board Governors Chair with ACBF Chief Operating Officer, Ms Grace Kaimila-Kanjo at the Paris High Level Forum

Governance Principles

The Corporate Governance systems of the Foundation are based on four pillars:

- **Accountability**
Management is accountable to the Executive Board (EB) which is accountable to the Board of Governors, which in turn is accountable to the Foundation's stakeholders.
- **Fairness**
ACBF treats staff and its wider stakeholders equitably and provides effective redress for violations.
- **Transparency**
The Foundation ensures timely, accurate disclosure on all material matters, including the financial situation, performance and corporate governance
- **Independence**
Procedures and structures are in place to minimize or avoid complete conflicts of interest.

Governance Review

In the year under review, ACBF's Board of Governors reviewed the Foundation's systems and procedures, in order to ensure that they comply with principles of good corporate governance.

The following measures were adopted or enhanced:

Good Board Practices:

- Detailed Terms of Reference for the Chair of the EB, with clear deliverables;
- Code of Conduct for members of the EB;
- A Board self- assessment tool to be completed and assessed annually;
- A conflict of interest declaration for all EB members;
- Processes to ensure appropriate composition and mix of skills.
- Internal Control Framework;
- Establishment of an Internal Audit Department, with a direct reporting line to the EB;
- Establishment of a Risk and Audit Committee of the EB, co-opting independent members with specialized skills;
- Establishment of a Business Continuity Centre.

Transparent Disclosure:

- All financial reports are now prepared in accordance with International Financial Reporting Standards (IFRS);
- Establishment of a Monitoring and Evaluation tracking system for all ACBF projects;

- High quality Annual Report published annually;
- Up to date website.

Board Commitment and Engagement

The ACBF Executive Board is totally committed to the corporate governance reforms and, as such, has adopted appropriate Board procedures, understands its duties and responsibilities and has clearly defined roles of authority.

The Search Committee

The Search Committee, which sits within the Board of Governors, is responsible for nominations and appointments of independent members of the Executive Board, with a view to ensuring that the EB has the appropriate skills mix. It serves as a nomination committee.

The mandate of the Search Committee of the BoG was also revised in 2010 to include a specific skill mix criteria for the selection process.

Revised Policies and Procedures

In 2010, ACBF focused on enhancing its preparedness to operate under the Regional International Development Assistance framework (RIDA).

This financing framework, coupled with other broader environmental factors, has necessitated a change in the Foundation's major guiding frameworks.

The Procurement Guidelines for ACBF Grantees, the Operations Manual and Travel Policy have all been revised to meet the requirements of the changing operating environment. At a corporate level, work was started in the reporting period to amend the Administrative Manual, to make sure that it complies with the new requirements. The Foundation also introduced a Compliance Management Framework and Policy, which works as an internal management monitoring and control tool to enhance compliance with ACBF policies, procedures and business processes.

An Asset and Conflict of Interest Declaration Policy was designed and introduced, to build public confidence in the governance of the Foundation. The policy proactively demonstrates that ACBF's officials respect and follow international best practice in reporting and managing corruption and conflicts of interest. It facilitates the creation of an environment where ACBF's management and staff operate in an atmosphere that is conscious of managing these issues and ensuring that the highest level of integrity is upheld.

The declaration of assets and income by ACBF staff is a tool both for preventing the abuse and theft resources, as well as detecting and taking action against those who have abused the Foundation resources.

In the previous year, 2009, ACBF conducted an environmental scan, focused on a general assessment of the risk exposure of the Foundation's operations. The results of the scan revealed the need to develop a Business Continuity Management Framework and a Business Continuity Plan.

Business continuity policy and planning are fundamental to mitigating against organizational and reputational risk in cases of business interruption. Secondly, business continuity management constitutes an important component in ACBF's Enterprise Wide Risk Management (EWRM) strategy. In this regard, the Foundation has designed a plan that will see the ACBF's Board sponsoring an annual Enterprise Wide Business Impact Assessment (BIA) exercise in order to identify and prioritize the critical business processes and costs of a potential down turn. The Enterprise Wide BIA covers the major business processes which can have an impact on service delivery.

ACBF's business continuity plan sets out the basic principles and framework necessary to

ensuring the emergency response, resumption and recovery, restoration and permanent recovery of all aspects of ACBF operations and business activity during a business interruption event. An important component of the BCP completed in 2010 was the opening of a BC/back-up office in Johannesburg, South Africa.

Enhanced Compliance and Controls

ACBF introduced a new Foundation-wide internal control tool in the form of a compliance management and testing framework, in 2010. This new compliance strategy sets out the policies, responsibilities and business processes which define the way ACBF is managed, controlled and administered. It defines regulatory areas for the Foundation, through embedding a systematic process of checks against known criterion and obligations. The testing for compliance now focuses on activity checks from the design/ initiation and execution stages of a process.

The second level of checks focuses on regulatory compliance checks for Operations, mainly during PRC meetings and supervision missions.

The compliance framework is guided by three major pillars, namely the knowledge and understanding of ACBF obligations on what to comply with; the ability; and the willingness to comply with the obligations.

The principles that determine the identification of compliance issues are mainly to do with the establishment of simple, clear compliance issues. These should contribute to the achievement of ACBF's objectives, with benefits that outweigh costs. Minimizing non-compliance and mainstreaming compliance into other regulatory requirements from design stage and focusing on compliance issues should also be practical.

The implementation of the compliance management framework has already contributed to an improvement in the Foundation work processes and controls and transformed these processes for the better, contributing to the achievement of results. The design of the framework and policy provides for quarterly compliance tests across the ACBF. In order to enhance the relevance of the tests and internal controls, ACBF's management updates the lists of compliance issues on an annual basis.

Punctual implementation of compliance tests and the implementation of management actions remains a key priority for the future.

New Processes

In 2010, ACBF embarked on an ambitious computerization program of its work flow process. Travel and project management were the first work processes to be computerized. The first stage towards computerization was the scoping of work process.

This entailed the mapping out ACBF - specific work process to determine the work flow processes. The SUNFLOW software was selected as the engine to drive the computerized processes. One of the major reasons for the selection of SUNFLOW is its compatibility with SUN Systems, currently being used for the Foundation's financial management.

The scoping process entailed staff reflecting on the following questions: what we do, how it's done, when it's done, how it's done, for whom and why? Scoping challenged staff to think systematically and seriously about business processes. This reflection enhanced the design of a streamlined workflow process through computerization.

The exercise resulted in the production of a scoping documentation, which was used to build the work flow system.

Computerization has brought several benefits to the Foundation, including (i) reduction in use of paper, (ii) reduction in time for the execution of different processes, (iii) a computerized data base for programs/projects with built in features for production of standard and user-defined reports, and (iv) generally improvement in access to information. The streamlining of work processes has enhanced effectiveness and efficiency in controls and segregation of duties and accountabilities, which are key deliverables that come with a computerized system.

Ahead of the 'go-live' date, the scoping, building and testing of the work flow has been a major journey, full discovery, and ACBF staff were continuously required to reflect on what they do, how it's done and why it's done the way it is.

ICT as a Business Partner for ACBF

The year 2010 saw ACBF making considerable investments in its ICT efforts, which are aimed at improving the overall organizational efficiency and effectiveness, in order to create

tangible capacity building impacts in Africa and beyond.

During the reporting period, the Foundation undertook several key interventions, redefining and realigning its objectives and priorities, management practices, administrative process and systems and the overall use of Information and Communication Technologies.

In the 21 century, ICT has become one of the major triggers for the ever changing dynamics within a society. Organizations, including ACBF, have experienced pressure to reinvent themselves in order to adapt to the complex, ICT-driven global environment. Beyond the operational effectiveness and efficiency, the existence and growth of today's organizations is affected on how well they are able to capitalize on ICT capabilities. ACBF recognizes this significant role of ICT for continuous organizational development and capacity building in Africa.

The relationship between ICT and ACBF's core business has various perspectives, some even contrary. However, the significant role of ICT for organizational development and the growing dependency on ICT is commonly undisputed. Although ICT may not be effective

to create a sustainable competitive advantage, poor utilization of ICT risks the performance, efficiency and growth of an organizations. Most argue that ICT-unfriendly organizations are disadvantaged in the global business and destined to fail.

On the other side, successful organizations embed the use and management of ICT at the core of their business. These organizations usually have a harmonized and effective business and ICT relationship at strategic, tactical and operation levels. This relationship is more of a partnership, rather than the traditional approach where ICT was seen as cost of doing business. Such partnerships yield well-planned, business-focused and flexible ICT services, which enable and promote operational and cost efficiency, business agility, and even new business opportunities.

- With this widely recognized premise and the Foundation's need to enhance its capability to play a strategic capacity building role on the continent, the ACBF critically revised its ICT portfolio in 2010, through the following measures:
- Recruitment of additional ICT personnel to lead and enhance the overall ICT maturity within the Foundation;

- Kick starting the process of formulating a strategic ICT direction to guide the short, medium and long term ICT investments and utilization required to support and advance its business strategies and objectives;
- Assessment of the current ICT maturity levels and alternative approaches to alleviate shortfalls.

In line with the overall technological assessment and recommendations by the MAP (Management Action Plan), including the adoption of an ICT policy and various environmental factors, the Foundation initiated its short term mission of building internal capacity and capability for basic ICT facilities and services.

Some of the achievements in 2010 include:

- Redesigning and developing a new dynamic website, which simplified accessibility, availability, public interfacing, interaction and quality of service for both internal and external users;
- Implementing an ICT Helpdesk Portal to enhance ICT service performance, responsibilities and accountability
- Implementing email business continuity service to minimize communication

disruption and inconvenience due to technical and other challenges happening at its head quarter.

- Redesigning and reinforcing the existing ICT infrastructures and services for better security, availability and performance;
- Kick starting the implementation of a workflow system to streamline its project management and travel approval processes;
- Partnering with the major technology manufacturer, Microsoft and signing a cyber-grant agreement that entitles the Foundation to use key software products worth USD 795,000.00.

Recognizing the pivotal role that organization-wide efficiency and effectiveness will play in delivering ACBF's new continental mandate and strategy, the Foundation will further promote its organizational reforms and learning. ACBF will continue to work on its organizational setup in order to further advance greater coordination and synergy among its functional units, people, projects and stakeholders.

The year 2011 will mark another major milestone for continued organizational transformation and improvement on the Foundation's management, process, quality of service and ICT maturity.

Through enhanced institutional efficiency and effectiveness, ACBF's goal is to excel its global role, capability and competitiveness, delivering tangible capacity developments in the continent.

Key Administrative Developments In 2010

Following the successful implementation of the Management Action Plan (MAP) which emphasized the assertion of key controls, among other priorities, ACBF's major administrative initiatives in 2010 were targeted at delivering the following:

Improving the Working Space Environment

Efforts to improve the working space environment were made through the re-location of staff members who work closely with each other to the same wing, in order to create convenience and to bring in easy access to departmental colleagues. To this end, most of the Operations Department staff members, whilst initially located on the same wing, were moved to the floor adjacent to the main administrative floor. This has not only improved co-ordination and collaboration, but it has also ensured that there is no over dependency on elevator services as staff can now easily walk from one floor to the next.

Enhancing Security

In order to improve security at the Foundation's offices and at staff residences, a new security service provider was selected through a rigorous tender process. This opened up competition, as well as tapping into new and improved security methods on the market. The new security company's performance will be closely monitored to ensure that there is value for money and that their performance meets international standards.

Improvements in the Management of Travel Services

Since the establishment of a Travel Services Desk, which was soon followed by the appointment of a designated staff member, management of travel has become more streamlined and easier to manage. In a bid to improve efficiency, the Foundation went to tender for a new travel agency. Whilst the process was rigorous and highly contested, it resulted in the appointment of a new Travel Agent before the end of 2010. Part of the terms of reference for the new service provider was to establish a Travel Implant within the Foundation as a way to improve the turn-around time for processing travel requests.

Looking ahead

New Partnerships, New Developments

Over the 20 years of ACBF's existence, capacity has generally been accepted as the "fuel propelling the engine of the development vehicle" in Africa. This was recognized by the African Union Heads of State and Government in their July 2002 Declaration, when they proclaimed a Capacity Building Decade in Africa. In the declaration, they considered the fact that: "capacity building constitutes a vital link that is missing in the implementation of effective development strategies in Africa". The Heads of State and Government also pointed out the crucial stability dimension, stating that "capacity building in our respective countries and within the regional organizations will guarantee peace and security, and make it possible to attain high growth rates".



Mr Hennie Loubser, General Manager Microsoft, WCA and Indian Ocean Islands with Ms Frannie Léautier

In recognizing the key role of capacity in Africa's development process, the African Union highlighted that capacity is the essential 'lubricant' of international development, sometimes even more important than finance.

Partnership is embedded in the DNA of ACBF. Article III of the Foundation's Constitution indicates, among other provisions, that ***“the purposes of ACBF are to create a consultative forum in which Africans may participate as full partners in the establishment of priorities and the development of policies and programs to promote capacity building in policy analysis and development management.”*** In addition, it is through a partnership - the Partnership for Capacity Building in Africa (PACT) – that the mandate of the Foundation was expanded.

PACT provides that “ African countries themselves must create a conducive policy and operational environment for capacity building—by laying out practical phasing of capacity building actions, and by building partnerships within countries (among government, civil society, and the private sector), and with national, multi-national and bilateral donors, international business and trade interests, foundations, and non-governmental organizations.

It is through a strong partnership between the donor community and African countries that ACBF was created and these partnerships have enabled the results achieved over the past twenty years. It is through stronger partnerships that ACBF will remain relevant and achieve more results in building sustainable capacity for poverty eradication in Africa.

For ACBF, capacity consists of aptitudes, resources, relationships, and the enabling conditions required to act effectively in achieving specified mandates. In ACBF, the focus of capacity development is unequivocally on the formulation of sound development policies and their implementation into actions which improve the lives of Africa's people. After more than twenty years of practice, capacity building has evolved considerably. Among the most significant developments are the increased focus on sector capacity building, the rising interest of development partners in community capacity building, greater focus on results-based implementation and the amplified role of partnerships to scale up results.

Building Partnerships to Scale Up Results

All the major players in development cooperation agree that ensuring coherence and catalyzing national development efforts calls for

the participation, not just of governments and international organizations, but also of civil society and the private sector.

Partnerships help to build capacity, in that they augment the skills, knowledge and resources of the focal institution. Therefore, the goal of capacity building through partnerships is to maximize its potential to effect desired changes in targeted systems.

In the future, ACBF must create partnerships that will enable the selection and framing of capacity building questions to address matters of importance to relevant stakeholders. This is particularly necessary when responding to the needs of countries and regional entities and when developing capacity building design adhering to the highest standards of science. Partnerships will also add value when translating new knowledge into messages about how results are useful to those who are potential beneficiaries, tailoring the message so that it will be clearly "heard" by each respective target audience.

Focus on Results-Based Implementation

In the last decade, efforts to study systematically the effectiveness of programs in developing countries have expanded.

Nevertheless, measuring the effectiveness of capacity development programs remains a challenge for most players in this field.

ACBF has made significant strides in performance measurement and is currently implementing a framework that was validated with peers during the 19th meeting of its Board of Governors in Paris, in September 2010. One of the main challenges when it comes to measuring the impact of capacity development programs, is the timeline for assessing credible results.

It is now widely recognized that capacity development is a patient endeavor and that deep and sustainable changes will not happen overnight. Nevertheless, there is mounting pressure to produce short-term results. Therefore, while clearly embedding its interventions in the long-term, ACBF recognizes that the financial crisis of 2008 has transformed the funding trends of development partners. Donors are now required to justify the diversion of resources to development cooperation, showing more regular results to their tax-payers, sometimes at the price of drastically slashing internal social spending.

Increasing Focus on Sector Capacity Building

Sector - specific capacity building programs therefore are gaining momentum in the development world, driven by the need to achieve tangible results within defined timeframes. Agriculture, so often linked to food security, water management and climate change among others, is receiving increasing attention in the development agenda. This sector is often combined under the umbrella of “agriculture and natural resources management”.



Ms Yvonne Mfolo, Head of Public Affairs: Anglo American Thermal Coal, at the ACBF/DBSA Forum



Participants at the second Gender Budgeting Dissemination Workshop, Addis Ababa, Ethiopia

Developing capacity in this sub-sector, primarily seeks to increase agricultural productivity through the adoption of practices that maintain the long-term ecological and biological integrity of natural resources. Activities in agriculture cut across the rural, social and environmental issues of natural resource management in sustaining significant increases in farm productivity, through the efficient use of land and other resources. Strategies for sustainable agriculture development and natural resources management stress the importance of participation and empowerment of farmers and communities, as well as the need to develop partnerships among all stakeholders.

Gender relations, both at community and family level, play a crucial role in successful efforts to harmonize agricultural intensification with environmental integrity. These relationships also promote social equity, while maintaining economic and production objectives.

Higher Education as Engine for Growth

The role of higher education as an engine for growth is being reaffirmed in the education sector, especially as it relates to education for science and technology. The private benefits for individuals are well established. These include better employment prospects, higher salaries, and a greater ability to save and invest.

These benefits may also result in better health and improved quality of life, thus setting off a virtuous spiral in which the resultant life expectancy improvements enable individuals to work more productively over a longer period, further boosting their lifetime earnings.

The public benefits are less widely recognized and this, perhaps, explains many governments' neglect of tertiary schooling as a vehicle for public investment. However, individual gains can benefit society as a whole. For instance,

higher earnings for well-educated individuals raise tax revenues for governments and this eases demands on state finances. Benefits also translate into greater consumption, which benefits producers from all educational backgrounds. In a knowledge economy, tertiary education can help economies 'keep up' or 'catch up' with more technologically - advanced societies. Higher education graduates are likely to be more aware of, and better able to use new technologies.

They are also more likely to develop new tools and skills themselves. Such knowledge can also improve the skills and understanding of non-graduate coworkers, while the greater confidence and know-how inculcated by

advanced schooling may generate entrepreneurship, with positive effects on job creation.

Interest of Development Partners in Community Capacity Building

Capacity building is increasingly recognized by donor governments as an essential component in community development, ensuring that communities fully engage with local and regional regeneration initiatives.

In the context of communities, capacity can be defined as the 'the process of supporting individuals and community organizations to help them better identify and meet the needs

of their areas'. At this level, capacity development entails building on existing skills, providing opportunities for people to learn through experience and increasing people's awareness and confidence to enable them to participate more fully in society. As such, it is more than simply skills, people and plans, but rather includes people who are willing to be involved.



Mr Alvin Rapea, Deputy Director General, PSA, SA at ACBF/DBSA Forum

Skills, knowledge and abilities; community cohesion; the ability to identify and access opportunities; motivation and the experience to carry out initiatives; community organizations, supportive institutions and physical resources; leadership and the structures needed for participation; economic and financial resources; and enabling policies and systems are all required.

Community capacity building (CCB) is a fairly new term for an age-old good, put simply: enabling people to define their own destinies. It is increasingly recognized as an essential strategy to strengthen the wellbeing of individuals, families and communities and underpins much of the work of government and non government agencies.

It is important now than ever before, for ACBF to show interest in community capacity building. This is not only because of increasing donor interest, but also because achievements and measurement of results are less complex than they are in national or regional projects and programs. This said, community capacity building has its fair share of risks. One is the exacerbation of 'communitarianism', a vogue idea in policy discourse, which results in the proliferation of many extravagant claims

about strengthening communities, rebuilding social capital and addressing human needs in innovative ways.

Although ACBF has no plans to move away from national and regional capacity building, which is essential to national and regional cohesion in a continent with a majority of countries in or post-conflict and where most of the conflicts are internal mainly due to exaggerated communitarianism and unfair distribution of wealth, the Foundation will review the possibility of introducing a certain proportion of community capacity development programs and projects in its portfolio, mainly in countries in which significant progress has been achieved in nation building and social cohesion.

As observed by the Executive Secretary, Dr. Frannie Léautier, "ACBF has to tackle the challenge of moving from exclusively operating in capital cities, to work more with local governments and decentralized institutions".

Financing The Future

2010 marked the fourth year of ACBF's second Strategic Medium Term Plan (SMTP II) which covers the period 2007-2011. While the Foundation has devoted most of its time and resources in 2010 to implementing the current

Strategic Business Plan, ACBF is already preparing for its next plan, the third Strategic Medium Term Plan (SMTP III). These preparations have involved broad consultations with various stakeholders on the programmatic contents of the next SMTP, largely based on the current and emerging capacity challenges of various individual African countries and Regional Economic Communities. Discussions have involved consultations regarding the financing of the next strategy, which includes a resource mobilization component.

The competition for resources in capacity development is increasing and financing ACBF's future, therefore, will require an innovative



ACBF Participants at consultative workshop

approach to resource mobilization, supported by convincing results.

In 2010, while ensuring the effective financing of its operations for SMTP II, the Foundation was already looking ahead.

The Foundation's resource mobilization strategy, therefore, takes into account a number of parameters, which include the need to achieve measurable results in operations, the need to communicate these results as effectively as possible, the importance of building a constituency, using social media for outreach and engaging the private sector.

Achieving Results in Operations

The significant increase in the number of players in the capacity development arena has resulted in intense competition for resources. In order to remain relevant in this dynamic landscape, it is imperative that ACBF delivers high quality services and provides its assistance in a timely and appropriate manner. It is equally important that the Foundation delivers on promises made and that ACBF is accountable for results and impact, through rigorous Monitoring and Evaluation efforts. Donors want to know whether their investments are

generating concrete benefits and changes where these matter most—on the ground. There also is a need for the public to understand the positive results of the programs and projects being funded. To this end, it is critical that ACBF enhances its effectiveness in addressing the critical capacity challenges affecting people's lives.

Effective Communication

Communicating results effectively is almost as important as achieving them. Before 2010, ACBF's image and reputation suffered from limited communication of the results of its activities. Effective outreach through media and other communication channels is an integral to

a successful resource mobilization strategy. Communication about capacity development will take two dimensions. The first will be focused on communicating ACBF's results, derived from monitoring and evaluation processes. Such results will be quantitative or qualitative, or both. The second dimension is storytelling. Stories serve to make resource mobilization proposals more persuasive. This is because people remember stories, understand and relate to them easily. Going forward, the goal is for every stakeholder to believe what ACBF does will make the African continent better for people today and for future generations. If internal stakeholders are passionate about this, so will the funding

partners. Stories will help to convey ACBF's passion.

Building a Constituency

The aim of any sustainable resource mobilization is to build a constituency. Donors may be ephemeral, however constituents 'own' the Foundation



Delegates at South African Consultative Forum

and are therefore long-lasting. ACBF is privileged to have a core group of constituents (Institutional, Bi-lateral and African members) and it is working hard to expand this group by achieving results that gives constituents value for their money.

In addition to securing this core group, the Foundation strives to open up membership to other stakeholders on the continent, in the Diaspora and the rest of the world. The more people that ACBF can influence that capacity is the way to achieve Africa's development goals, the more sustainable the Foundation's resources will become.

Using Social Media in Resource Mobilization

The use of social media in mobilizing people for a common cause has gained currency over the last few years. The range of different online applications and their potential impact in reaching masses opens up new opportunities for more pervasive outreach by ACBF.

However, in order for this to happen, it is important to demystify the thought process that social media is a space for the young, the urban and those who can afford it.

Social media should not be limited only to the use of Facebook, MySpace or YouTube. Rather, social media can be defined more broadly as the integration of new media, with interfaces designed to enable social interactions based on, or around an issue, idea or concept. In today's world, it is important to have a presence on these powerful sites and it is a viable resource mobilization channel for ACBF because:

1. It is a free advertising and promotion opportunity.
2. The reach is huge.
3. The number of people who may see the marketing is limitless ("viral marketing").
4. It allows the organization to benefit from person-to-person fundraising.
5. It is fast and requires little monitoring.

Private Sector Support for Capacity Building

The private sector has become the central focus of Africa's economic development in recent years. Two factors account for this new emphasis: (i) the failure of public sector-led economic development and (ii) the rise of globalization. Regarding public sector economic development, many governments were not only responsible for deciding which industries and businesses would be created and financed, but they also owned and operated these

industries, thereby exercising corporate governance responsibility and also operational and managerial responsibility.

Globalization, the second factor, has been a result of two separate, though related developments: trade liberalization and rapid technological change.



Mr Arnold Ekpe, CEO, Ecobank at Paris High Level Forum

Trade liberalization has made globalization legally possible, providing new markets in which to expand economies of scale, while technological change made globalization technically possible.

More capacity translates into more business opportunities and therefore the private sector has a vested interest in capacity building. As such, ACBF and other capacity building institutions will need to engage the private sector in areas where these interests can be demonstrated easily. Such areas include trade capacity building, agricultural policy capacity building and regional integration, among others.

It is commonly agreed that a successful private sector requires innovative entrepreneurs, skilled managers, a dedicated and well-trained work force, and efficient administrative and operational procedures.

However, the number, size, and efficiency of enterprises in a country is affected by a host of external factors. Generally, a vibrant private sector needs specific institutions and policies that promote private sector development and an overall “enabling environment”, allowing for private firms to operate efficiently,

Through capacity development, ACBF addresses most of the challenges that are inherent to these critical external factors. These challenges include:

Macroeconomic Stability.

One key to economic growth is prudent economic management that avoids volatility and uncertainty. Policies that lead to high inflation, excessive taxation, distorted factor prices, or lack of foreign exchange discourage business formation and investment.

Financial System

Efficient financial systems are important prerequisites for economic development, in mobilizing savings and channeling them into investments. For private sector firms this serves an additional purpose besides providing credit: it is a means of enforcing discipline in the borrowers.

Competitive Markets

Even more important to economic development than private ownership is the presence of competitive markets. Competition promotes efficiency, and therefore policies that promote intense, but fair, competition result in competitive enterprises and a strong private sector.

Regulation

Regulation of the private sector is necessary to ensure competition and fair trade. However, unnecessary regulation burdens the private sector and leads to fewer and less efficient enterprises, thus reducing competition.

Physical Infrastructure

The size, characteristics and efficiency of the private sector depend very much on the available infrastructure. As indicated above, public investment in infrastructure tends to “crowd in” private investment.

Political and Social Stability

In order to operate efficiently, the private sector requires a generally conducive political and social environment. Institutions such as public administration systems, judicial systems, schools and hospitals are necessary for a stable society, providing an environment for sound economic development.

Legal Framework

Business, like society in general, needs to operate under the rule of law. No strong private sector can exist in the absence of an adequate legal framework to resolve disputes, facilitate efficient transactions and protect property rights.

Policy Framework

Various policies, even those not directly related to the private sector, can affect its growth and size. Policies that provide adequate support to the private sector are essential.

Access to resources and support services

Entrepreneurs and enterprise managers need access to finance, information, and various types of support services to create and operate businesses in the most efficient and competitive manner.

In addressing capacity challenges in these highlighted areas, ACBF will be able to contribute to better regional integration and intra-continental trade thus, providing business opportunities to the Private Sector.

ACBF has already begun to engage with the private sector on partnership for capacity development in Africa. On 15 November 2010, the Foundation held its first Private Sector Consultation Forum in Johannesburg, South Africa, in partnership with the Development Bank of Southern Africa. Over a hundred South Africa-based companies participated. Going forward, ACBF expects to build a core constituency of corporations,

starting with a limited number of sectors such as banking and mining in 2011.

Sound agricultural policies are also likely to attract private sector investments, since such investments are pivotal in effectively transforming agriculture in Africa. In view of the large segments of the African population involved in agriculture, a well-managed agricultural sector, through mechanization, would boost economic growth across the continent.

The interest of the private sector for regional integration is quite obvious. Regional integration increases and improves access to larger markets, with less economic barriers. Country complementarities can also be developed through regional integration, thus allowing each country to intervene using its comparative advantages and its competitiveness.

Regarding trade, the World Trade Organization (WTO) and the World Bank have called for private sector support in trade capacity building for developing countries. Both the President of the World Bank and the Director-General of WTO have said that the

private sector can play a more important role in helping build trade capacity for developing countries. They called on businesses to be more creative in helping developing countries to upgrade trade capacity, adding that the private sector and government organizations needed closer cooperation to push the agenda, especially when they examined the role of the WTO and the World Bank in "The Aid for Trade" initiative. It is expected that this call will create more opportunities for interaction between capacity building institutions and the private sector around trade capacity building, going forward. This augurs well for ACBF.



Ms Ruth Kagia, World Bank Country Director at ACBF/DBSA Private Sector Consultative Forum in Johannesburg



Board of Governors meeting, Paris - September 2010