



**THE AFRICAN CAPACITY  
BUILDING FOUNDATION**

Building Sustainable Human and Institutional  
Capacity for Poverty Reduction in Africa

## **STRATEGIC MEDIUM TERM PLAN 2007-2011**

Guided by Experience in Human and Institutional Capacity Building



**Towards The Achievement of The Millennium  
Development Goals in Africa**

**THE AFRICAN CAPACITY BUILDING FOUNDATION**

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This document presents the second Strategic Medium Term Plan (SMTP II) of the African Capacity Building Foundation. With a five-year planning horizon, which covers the period 2007-2011, SMTP II builds on the achievements of the first Strategic Medium Term Plan (2002-2006) and focuses on refined priorities in the building and strengthening of human and institutional capacity in the Foundation's six core competency areas, namely, Economic Policy Analysis and Management, Financial Management and Accountability, Public Administration and Management, National Statistics and Statistical Systems, National Parliaments and Parliamentary Institutions, and Professionalization of the Voices of Civil Society and the Private Sector. SMTP 2007-2011 has a resource envelope of US\$350million.

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BUILDING FOUNDATION

## **Helping Africa Fight Poverty?**

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## ACRONYMS

|                             |  |
|-----------------------------|--|
| AAU                         | Association of African Universities  |
| ACBF                        | African Capacity Building Foundation   |
| ADF                         | African Development Forum  |
| AERC, Kenya                 | African Economic Research Consortium   |
| AERC-CMAP, Kenya (Regional) | African Economic Research Consortium's Collaborative Master's Program in Economics   |
| AfDB                        | African Development Bank   |
| AFRITACs                    | African Regional Technical Assistance Centres  |
| AMICALL, Swaziland          | Alliance of Mayors for Community Action on AIDS at the Local Level   |
| APIF                        | African Policy Institute Forum   |
| BCEAO/BEAC                  | Banque Centrale des Etats de l'Afrique de l'Ouest/Banque des Etats de l'Afrique Centrale   |
| BIDPA, Botswana             | Botswana Institute for Development Policy Analysis   |
| BOCONGO, Botswana           | Botswana Coalition of Non-governmental Organizations   |
| CAF, Guinea Bissau          | Cellule d'Appui à la Formation   |
| CAFPD, Mali                 | Centre d'Analyse et de Formulation de Politiques de Développement  |
| CAFRAD, Morocco             | The African Training and Research Centre in Administration for Development   |
| CAMERCAP, Cameroon          | Projet de Renforcement des Capacités en Gestion Économique et Financière de la République du Cameroun  |
| CANGO, Swaziland            | Coordinating Assembly of Non-governmental Organizations  |
| CAPE, Benin                 | Cellule d'Appui à l'Analyse de Politiques Economiques  |
| CAPED, Niger                | Cellule d'Analyse et de Prospective en Développement   |
| CAPEs, Burkina Faso         | Centre d'Analyse des Politiques Economiques et Sociales  |
| CAREF, Cameroon             | Project de Renforcement des Capacités des Réseaux des Femmes pour Lutter contre la Pauvreté en République du Cameroun  |
| CASPOF, DRC                 | Project de Renforcement des Capacités des Structures d'encadrement, de Promotion du Secteur Privé et des Organizations Féminines de la Société Civile de la République Démocratique du Congo |
| CCDB, Djibouti              | Chambres des Comptes et de Discipline Budgétaire   |
| CCG, Kenya                  | Centre for Corporate Governance, Kenya   |
| CEMAC                       | Communauté Economique et Monétaire de l'Afrique Centrale   |
| CENAF, Gabon                | Projet de Centre d'Appui aux Réseaux des Organisations des Femmes du Gabon   |
| CEPA, Ghana                 | Centre for Policy Analysis   |
| CESAG, Senegal              | Master's Program in Banking and Finance  |
| CIDA, Canada                | Canadian International Development Agency  |
| CIRES-CAPEC                 | Centre Ivoirien de Recherches Economiques et Sociales  |
| CI-ROAF                     | Consumers International Regional Office for Africa   |
| CLKNETs                     | Country Level Knowledge Networks   |
| CODESRIA                    | Council for the Development of Social Science Research in Africa   |
| COMESA, Zambia              | Common Market for Eastern and Southern African Countries   |
| COSATU                      | Congress of South African Trade Union  |
| CSD, Tanzania               | Civil Service Department   |
| DAC                         | Development Assistance Committee   |
| DANIDA                      | Danish International Development Agency  |
| DFID, United Kingdom        | Department for International Development   |
| DMPA, Zambia                | Directorate for Macroeconomic Policy Analysis  |
| DPC, Nigeria                | Development Policy Centre  |
| DRC                         | Democratic Republic of Congo   |
| EALA                        | East African Legislative Assembly  |
| ECA                         | Economic Commission for Africa   |
| ECCAS                       | Economic Community of Central African States   |
| ECOWAS                      | Economic Community of West African States  |
| EEA, Ethiopia               | Ethiopian Economic Association   |
| EFNET                       | Economic and Financial Policymakers' Network   |

|                               |   |
|-------------------------------|---|
| E-HIPC                        | Enhanced Facility for Highly Indebted Poor Countries  |
| EPANET                        | Economic Policy Analysis and Management Network   |
| EPM                           | Economic Policy Management Project  |
| EPRC, Uganda                  | Economic Policy Research Centre   |
| ESRF, Tanzania                | Economic and Social Research Foundation   |
| FIMANET                       | Financial Management and Accountability Network   |
| GMAP/CILSS                    | Groupe Ministériel d'Actions et de Propositions/Comité Permanent Inter-États de Lutte Contre la Sécheresse au Sahel |
| HIPC                          | Highly Indebted Poor Countries Initiative   |
| HRDA-CBPFM, Rwanda            | Human Resources Development Agency-Capacity Building Program in Financial Management                                |
| ICP-Africa                    | International Comparison Program for Africa   |
| ICT                           | Information and Communication Technology  |
| IDEC, Burundi                 | Institut de Développement Economique  |
| IEF, Central Africa Republic  | Institut d'Economie et de Finances  |
| IGE, Djibouti                 | Inspection Générale de l'État   |
| IMF                           | International Monetary Fund   |
| IOM                           | Organization for International Migration  |
| IPAR, Kenya                   | Institute of Policy Analysis and Research   |
| ISSER, Ghana                  | Institute of Statistical, Social and Economic Research  |
| KIPPRA, Kenya                 | Kenya Institute for Public Policy Research and Analysis   |
| MACROFOR, DRC                 | Cellule d'Appui à la Formulation et à la Gestion des Politiques Macroéconomiques                                    |
| MDGs                          | Millennium Development Goals  |
| MEFMI, Regional, Zimbabwe     | Macroeconomic and Financial Management Institute for Eastern and Southern Africa                                    |
| MSCBP, Rwanda                 | Multi-Sector Capacity Building Program  |
| MTEF                          | Medium Term Expenditure Framework   |
| NCEMA, Nigeria                | National Centre for Economic Management and Administration  |
| NECF, Zimbabwe                | National Economic Consultative Forum  |
| NEG, Ghana                    | Network on the Economy of Ghana   |
| NEPAD                         | New Partnership for Africa's Development  |
| NEPRU, Namibia                | Namibian Economic Policy Research Unit  |
| NFP                           | National Focal Point  |
| NGOCC, Zambia                 | Non governmental Organization Coordinating Committee, Zambia  |
| NIEP, South Africa            | National Institute for Economic Policy  |
| OAU/AU, Ethiopia              | Organization of Africa Unity/African Union  |
| ODA                           | Official Development Assistance   |
| OECD                          | Organization for Economic Cooperation and Development   |
| OMT                           | Operations Monitoring Team at ACBF  |
| PACT                          | Partnership for Capacity Building in Africa   |
| PALOPS                        | Pais Africalos Lingua Official é Portuguese   |
| PAMNET                        | Public Administration and Management Network  |
| PARLIANET                     | Policy Analysis Capacity of National Parliaments and Parliamentary Institutions Network                             |
| PARCOSIT, Chad                | Renforcement des Capacités des Organisations de la Société Civile et à l'Interface                                  |
| PASU, African Union, Ethiopia | Policy Analysis Support Unit  |
| PIC                           | Canadian Partnership for International Cooperation  |
| PMSTP                         | Public Sector Management Training Program   |
| PRC                           | Project Review Committee at ACBF  |
| PRECAGEF, Gabon               | Projet de Renforcement des Capacités en Gestion Economique et Financière  |
| PRECASP, São Tomé & Príncipe  | Projet de Renforcement des Capacités de Lutte contre la Pauvreté, São Tomé & Príncipe                               |
| PRIECA/AO, Senegal            | Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest        |
| PRIESP, Mali                  | Projet de Renforcement de l'Interface entre l'État et le Secteur Privé  |
| PRIME                         | Poverty Reduction Programming, Implementation, Monitoring and Evaluation Initiative                                 |
| PRMR, Rwanda                  | Economic and Financial Management Capacity Building Program in Rwanda   |

|                                       |   |
|---------------------------------------|---|
| PRSP                                  | Poverty Reduction Strategy Paper  |
| PTCI, Burkina Faso                    | Programme de Troisième Cycle Interuniversitaire   |
| RE-CEMAC                              | Renforcement des Capacités pour Améliorer la Participation des Etats Membres de la CEMAC au Système Commercial Multilatéral                         |
| RECOFEM, Mali                         | Project de Renforcement des Capacités des ONG Féminines au Mali   |
| RECs                                  | Regional Economic Communities   |
| RESPEC, Republic of Congo             | Project de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo |
| SADC, Botswana                        | Southern African Development Community  |
| SAFEWIND                              | Secretariat Approved Funding Window Facility  |
| SANGOCO, South Africa                 | South African Non-governmental Organization   |
| SARIPS, Regional Institute, Zimbabwe  | Southern African Regional Institute for Policy Studies, Zimbabwe  |
| SERACOB, Democratic Republic of Congo | Service de Renforcement des Appuis aux Communautés de Base en Afrique Centrale  |
| SMTP                                  | Strategic Medium Term Plan  |
| SPM-KSP                               | Senior Policymakers and Development Managers Knowledge Sharing Program  |
| STATNET                               | Strengthening and Monitoring of National Statistics   |
| TAP-NETs                              | Technical Advisory Panels and Networks  |
| UNAM, Namibia                         | University of Namibia Master's Degree Programme in Public Policy and Administration   |
| UNCTAD                                | United Nations Conference on Trade and Development  |
| UNDP                                  | United Nations Development Programme  |
| UNECA                                 | United Nations Economic Commission for Africa   |
| UPE, Senegal                          | Unité de Politique Economique   |
| USAID                                 | United States Agency for International Development  |
| VOICENET                              | Professionalization of the Voices of the Private Sector and Civil Society Network   |
| WAIFEM, Regional Institute, Nigeria   | West African Institute for Financial and Economic Management  |
| WBI                                   | World Bank Institute  |
| WTO                                   | World Trade Organization  |
| ZIPAR, Zambia                         | Zambia Institute for Policy Analysis and Research   |

**STRATEGIC MEDIUM TERM PLAN  
2007-2011**

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**EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### I. AN OVERVIEW AND PERFORMANCE OF STRATEGIC MEDIUM TERM PLAN (SMTP I), 2002-2006

#### I.1 OVERVIEW

This document presents the second Strategic Medium Term Plan (SMTP II) of the African Capacity Building Foundation (ACBF). It is drawn over a five-year horizon, 2007-2011. The plan builds on the first medium term plan, SMTP I, 2002-2006, which provided ACBF with the framework for the expansion of its operations from an initial focus on economic policy analysis and management into six core competency areas, namely, *economic policy analysis and management, financial management and accountability, public administration and management, national statistics and statistical systems, policy analysis capacity of national parliaments, and professionalization of the voices of the private sector and civil society*. This expansion was made possible by the integration of the Partnership for Capacity Building in Africa (PACT) into the ACBF in 2000. PACT resulted from a request of African Governors of the World Bank for enhanced intervention in Africa's capacity needs. SMTP I was implemented with only 23% of expected resources, which left a substantial portion of unmet needs during the period over which it was implemented. All evaluation reports on ACBF's operations have concluded that the PACT framework is still valid and relevant to Africa's capacity needs.

SMTP II builds on the achievements of SMTP I and is drawn in a context, which vividly shows that in the absence of a follow-up plan, the continent risks losing the reforms and growth momentum that today characterize the new dawn in Africa. SMTP II is a necessity, if Africa is to show a respectable promise of achieving some of the Millennium Development Goals (MDGs) by 2015. It is a quantum leap that capacity building requires on the continent in order to cut the capacity deficit, which stands between Africa and sustainable long-term growth with reduced levels of poverty. It is guided by ACBF and other partner institutions' knowledge and experiences in capacity building on the continent and elsewhere. SMTP II is an investment in Africa's future. It is an opportunity for Africa to demonstrate that it can make a visible and sustainable dent on poverty.

Thus, guided by the momentum and achievements of SMTP I, as well as knowledge and experiences in capacity building, this Plan seeks to take capacity building in Africa to a desired second level for the continent to tackle its monumental development challenges. While holding on to the six core competencies on which ACBF's expanded mandate was implemented as a form of broad-based support to capacity building on the continent, this Plan seeks to achieve a dynamic balance between continuity and change in an effort to build upon strengths and open up new priority areas within each of the six core competencies.

## **1.2 OVERALL PERFORMANCE UNDER SMTP I, 2002-2006**

### **(a) Project and Program Operations**

The ACBF Strategic Medium Term Plan, 2002-2006 (SMTP I) represented a milestone in the effort to raise the effectiveness of interventions in capacity building in sub-Saharan Africa. Although implemented under a significant funding constraint, SMTP I resulted in some major achievements. During the period SMTP I was implemented, ACBF re-financed 36 operations, developed 53 country projects, and launched 8 country programs. In addition, it strengthened 43 regional organizations and provided support to 72 institutions through the Secretariat Approved Funding Window (SAFEWIND) and Seed Grants Programs. These operations committed US\$193.082 million and led to total disbursements of US\$101.409million. If the years 2000 and 2001 are taken into account to cover the entire period of implementation of PACT, the Foundation committed US\$268.893million and disbursed US\$125.041million. Project and program interventions under SMTP I resulted in the following, among others:

- Successful implementation of ACBF's expanded mandate under the PACT, as well as growth and diversification of the project and program portfolio.
- Increased African and non-African membership of ACBF.
- Enhanced African awareness and ownership of capacity- building efforts and processes.
- Support to the PRSP Process, NEPAD and the APRM.
- Strengthening of voice of non-state actors, participatory governance and accountability.
- Strengthening of trade negotiations capacity.
- The building of capacity to build or regenerate capacity.
- Contribution to the retention of skills on, and reversal of brain drain from, the continent.
- Participation in efforts geared towards revitalization of existing regional institutions.
- Participation in, and contribution to, work of African and international task forces and working groups.
- Contribution to the entrenchment of a culture of rigorous and transparent financial, personnel and procurement management in countries and institutions that benefited from ACBF's support.
- Improved quality of economic policies and programs through strengthened analytical capacity, data and information base of public policies and programs, as well as increased supply of top-flight economists to key economic ministries and agencies.
- The Implementation of a SAFEWIND Grants program that added an important dimension to ACBF's interventions. Through the SAFEWIND Facility, ACBF provided a head-start for the establishment of the Pan African Parliament, a vital organ of the African Union, and placed it on an effective footing for take-off in 2005. This support, which offered an opportunity for ACBF's Technical Advisory Panels and Network (TAP-NET) on National Parliaments and Parliamentary Institutions to play a role in the emergence of the Pan African Parliament, has strengthened ACBF's visibility in the evolution and orientation of the Parliament.

### **(b) Knowledge Management and Program Support Activities**

#### **(i) Knowledge Management**

SMTP I guided the development of the knowledge management strategy and system and placed ACBF on the path of an emergent internationally-recognized knowledge-based organization. With a growing list of user institutions comprising African policymaking and development policy management institutions, Harvard University, the World Bank, the IMF, UNDP, Oxfam, the Commission for Africa, among others, ACBF knowledge management products and services

bore good fruits under SMTP I. At present, ACBF's knowledge management system supports the following products and services:

- (a) Twelve knowledge networks comprising six Technical Advisory Panels and Networks (TAP-NETs), five Country Level Knowledge Networks (CLK-NETs) and the African Policy Institutes Forum (APIF)
- (b) A Senior Policymakers and Development Managers' Knowledge Sharing Program
- (c) Operations and Thematic Research
- (d) Publications Series, which include: ACBF Quarterly Newsletter, Books, Occasional Papers, Working Papers, Lessons Notes, Best Practice Studies, and ACBF African Policy Research Abstracts
- (e) A Brown Bag Seminar Series

Over the period of the Plan, ACBF developed a number of web sites and portals for access to information on its operations as well as a tracking system to provide stakeholders access to information relating to the status of pipeline operations.

#### **(ii) Program Support Activities, Including Partnership Programs**

Under SMTP I, program support activities also contributed immensely to enhancing ACBF's visibility and relevance at international fora where Africa's development challenges and capacity needs were discussed. As a follow-up to the First Pan African Capacity Building Forum that was organized by ACBF in October 2001, the African Union, at its inaugural meeting of 10 July 2002 in Durban, South Africa, adopted a resolution, which declared 2002-2011 a "Decade for Capacity Building in Africa". The Forum thus set the tone for the importance attached to ACBF's program support activities.

A number of partnership programs were implemented. These were joint programs with the Canadian International Development Agency (CIDA), the IMF African Regional Technical Assistance Centres (AFRITACs), the IMF Institute, a joint study with UNAIDS, the African Development Bank (AfDB), the African Training and Research Centre in Administration (CAFRAD), the Association of African Universities (AAU), InWent, the World Bank Institute (WBI), the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD) and the International Organization for Migration (IOM), among others.

### **I.3 EXTERNAL EVALUATION OF ACBF OPERATIONS**

ACBF's performance was not without regular and rigorous external assessments. Since inception of its operational programs in 1992, ACBF has undergone fourteen external evaluations. By mid-2006 when the implementation of SMTP I would have passed through a final review, the number of external assessments would have risen to fifteen.

The frequency of the evaluations, though a reflection of inadequate coordination among donors to ACBF, (which is inconsistent with the core principles of the March 2005 Paris Declaration) has helped to generate valuable lessons for strengthening operations.

## **I.4 CONSTRAINTS AND LESSONS IN THE IMPLEMENTATION OF SMTP I, 2002-2006**

The implementation of SMTP I was not without constraints. Of these, the most serious was resource constraint. SMTP I was initially drawn against a US\$1 billion funding envelope that was proposed for the PACT in the mid-1990s by the African Governors of the World Bank. Only US\$170 million, which amounts to 17% of the PACT envelope, was eventually pledged.

Other major constraints in the implementation of the SMTP included intervention-unfriendly environments due to violent conflicts and the scourge of the HIV/AIDS pandemic that is decimating human capacity in sub-Saharan Africa. On the operational side, ACBF had to contend with a number of constraints, which included inadequate ownership of the Foundation by beneficiaries, difficulty of ACBF-supported institutions retaining professional staff, limited impact of capacity building efforts through project-based interventions, lack of field presence by ACBF and inadequate coordination among donors. The implementation of SMTP I generated some learning experiences and valuable lessons for ACBF. Central among these were the need for:

- National ownership and leadership of the capacity building process
- Effective institutional framework for coordination of national capacity building programs
- Sustainable institutional leadership at the continental, regional and national levels of the capacity building process
- Interventions that build capacity for peace and conflict management
- Effective management of capacity building interventions at the level of projects and programs
- Capacity building efforts that ensure long-term commitment to the process

These constraints and lessons in the implementation of the plan provided valuable guides in the development of SMTP II.

## **II. SMTP 2007-2011: CORE ELEMENTS**

### **II.1 OVERVIEW**

This Plan, Strategic Medium Term Plan (SMTP II), 2007 – 2011, is the product of a consultation on Africa's capacity needs. The overriding consideration in its development has been to ensure that it is a direct reflection of Africa's most pressing capacity needs in areas consistent with ACBF's mandate and is owned by African countries and institutions. Stakeholders consulted consisted of African Heads of State and Government; core economic ministries – finance, planning and public service; representative organizations; the private sector and civil society umbrella organizations; ACBF Governors, as well as directors and coordinators of all ACBF-supported institutions.

The contexts in which SMTP II was developed were of considerable importance for a number of reasons. First, as a result of the First Pan African Capacity Building Forum that ACBF organized in Bamako, Mali on October 22-24, 2001 the First Ordinary Session of the Assembly of the African Union that was held in Durban, South Africa on July 9-10, 2002 proclaimed 2002-2011 a "Decade for Capacity Building in Africa" and mandated the Council of Ministers to review, each year, the progress made in the implementation of this resolution. SMTP I (2002-2006) therefore fell within the first half of the proclaimed decade, while SMTP II (2007-2011) will bring the decade to a close.

This resolution by the African Union must continue to find concrete expression within ACBF's medium term plans, as it is one of the vehicles for its implementation. Second, the Millennium Development Goals (MDGs), the Report of the UK Commission for Africa, the G-8 Africa Action Plan as well as the World Bank's own Africa Action Plan provide an important context to SMTP II.

The operational context of SMTP II is also significantly influenced by developments relating to the knowledge and information revolution. Knowledge has increasingly become a very significant factor in the development process. For African countries to seize development opportunities in the 21<sup>st</sup> century, their economies must move progressively and vigorously towards emerging as knowledge-based economies.

## **II.2 OBJECTIVES OF SMTP 2007-2011**

The aim of SMTP II is to build on the momentum generated by SMTP I and raise the development effectiveness of ACBF's interventions. The specific objectives of the plan are to:

- Raise the level of effectiveness of the state in Africa in the design and management of public policies and programs; in the enhancement of the effectiveness of regulatory frameworks; in the efficient delivery of public service; and in promoting accountability and transparency in economic, financial and administrative governance.
- Strengthen interface among development stakeholders – the public sector, private sector, civil society and local communities – through empowering citizens, groups, communities and non-state actors with a view to improving the responsiveness and accountability of public institutions as well as enhancing the effectiveness of development policies and programs in achieving sustainable growth, poverty reduction and the attainment of the MDGs.
- Enhance the capacity of Africa's regional economic communities and regional networks in the implementation of regional cooperation and integration programs and in the management of regional public goods in the context of a fast globalizing world.
- Strengthen interventions in the building of capacity to build and nurture capacity.

In pursuing these objectives, ACBF will vigorously promote gender equality and equity in public policymaking, development management and resource allocation and accountability processes for the achievement of the MDGs; strengthen cooperation and partnership programs with organizations such as the African Union Commission, NEPAD Secretariat, the United Nations Economic Commission for Africa, the United Nations Development Program, the World Bank Institute, the Association of African Universities, and the African Development Bank, among others, in the promotion of good governance on the continent; and build on the growth of its knowledge management system, while assisting to entrench a culture of knowledge generation and sharing for accountability, transparency and performance improvement on the continent's public services.

## **II.3 IMPLEMENTATION STRATEGIES**

To achieve the foregoing objectives, ACBF's interventions will be guided by a number of strategies. Of paramount importance are the following:

- ACBF will remain largely demand-driven in its response to capacity needs. It will therefore place considerable emphasis on capacity needs assessment or the development

- of country or regional capacity profiles to guide the choice of programs, ownership and sustainability of interventions.
- Relative to interventions under SMTP I, 2002-2006, ACBF will raise the size and scale of operations in each country and region on the continent and refine intervention strategies. Depending on country-specific context, project-based capacity building support will be minimized in favour of support to country programs, institution-level responses and knowledge-based interventions with the potential to make maximum impact on stakeholders and on the overall capacity building and utilization environment.
  - ACBF will strengthen capacity building programs beyond the immediate and medium-term needs of African countries and regional institutions.
  - Develop medium to long-term capacity building programs to reform and capacitate regional economic communities.
  - Provide continuing capacity-building support and knowledge-based interventions to NEPAD Secretariat and the Directorates of the African Union Commission and strengthen collaborative programs with other regional and non-African institutions, for effective partnership in the development and implementation of good governance programs.
  - Support the development and institutionalization of knowledge management systems as part of public service reforms and performance improvement programs for the public sector, the private sector and civil society as well.

## **II.4 STRATEGIC PRIORITIES AND PROGRAMS, 2007-2011**

### **(a) Core Competencies**

In determining its strategic priorities for the 2007-2011 planning cycle, ACBF is guided by the continuing relevance of its core competency areas on which SMTP I was drawn, namely:

- Economic policy analysis and management
- Financial management and accountability
- Public administration and management
- National statistics and statistical systems
- National parliaments and parliamentary institutions
- Professionalization of the voices of the private sector and civil society

### **(b) Strategic Priorities**

ACBF may however not intervene in all the core competencies in every country as it will be guided by the paramount need to strike a suitable, stakeholder-driven, country-specific dynamic balance that takes into account the prevailing country capacity profile and resources (including co-finance) availability. There will also be a refinement of operational priorities within each core competency area to bring greater focus to interventions. ACBF will strengthen its partnership and collaborative programs with partner institutions and thus the rapidly growing portfolio of partnership programs.

#### **(d) Nature/Components of Interventions**

Interventions under SMTP 2007-2011 will consist of the following:

- Country Capacity Profiles and Action Plans
- Country programs
- Project-based/targeted interventions
- Regional interventions
- Special programs
- Knowledge management and program support activities

#### **(e) Core Programs**

The core programs will consist of the following four areas of intervention:

- Country Interventions
  - Interventions to strengthen core public sector effectiveness
  - Interventions to strengthen interface among stakeholders (state and non-state actors) and participatory development
- Regional Interventions
  - Interventions to strengthen continental and regional organizations
  - Interventions to strengthen trade negotiations capacity, trade policy reforms and the provision and management of regional public goods and services
- Special programs
- Knowledge management and program support activities

## **II.5 FINANCING REQUIREMENTS OF PLAN**

### **(a) Financing Requirements**

The financing requirements of this Plan are presented in three scenarios. Of these, scenario II provides an optimal funding envelope for the Plan, as scenario I (US\$280.02million) will severely constrain the achievement of the objectives of the Plan given the identified capacity needs it is designed to address, while scenario III (US\$420.06million), though would provide a much desired resource push for an enhanced response to the capacity needs articulated in the Plan, might present considerable challenge in the mobilization of the required funding. Thus scenario II (US\$350million) offers an optimal financing requirement for the effective implementation of the Plan. Consequently, ACBF will need financing of US\$350million over the five-year period, 2007-2011. Of this amount, country interventions will take up 42.86%, a total of US\$150.00million; regional interventions will account for 21.43%, which amounts to US\$75.00million; special interventions will take US\$5million or 1.43%, while knowledge generation and sharing programs will be funded to the tune of 14.29% of the financing requirements. The share of knowledge management activities comes to US\$50.00million. General administration, board, capital and program development expenses will require a resource support of US\$70.0million. This component represents 20% of the total financing requirements of this Plan. Within this component, however, core administration, board and capital expenses will account for only 9.71% of the expected resources for the financing of the Plan.

**(b) Financing Strategy**

The financing of this medium term program will enable ACBF to bring to the fore the issue of the long run sustainability of its operations, which is largely a function of the mode and sources of financing for its programs. In the long run, in order to ensure sustainability, ACBF will need one of two options: 1) a process by which its financing requirement is met through a predictable replenishment process at the beginning of each planning cycle, as apposed to a pledging session through which funding has so far been mobilized or 2) an endowment. This Plan will be implemented based on pledged resources for which the World Bank, as has been the case, will exercise fiduciary control in its capacity as the trust fund manager.

**Table II.1: EXPECTED USES OF FUNDS**

| PROGRAMS  | BUDGET        |               |
|---|---------------|---------------|
|   | US\$ m        | (%)           |
| • COUNTRY LEVEL INTERVENTIONS                                       | 150.00        | 42.86         |
| • REGIONAL INTERVENTIONS  | 75.00         | 21.43         |
| • SPECIAL PROGRAMS  | 5.00          | 1.43          |
| • KNOWLEDGE MANAGEMENT  | 50.00         | 14.29         |
| • GENERAL ADMINISTRATION, BOARD,<br>CAPITAL AND PROGRAM DEVELOPMENT |               |               |
| ○ General Administration, Board & Capital<br>Expenses               | 34.00         | 9.71          |
| ○ Program Development Expenses                                      | 36.00         | 10.29         |
| <b>GRAND TOTAL</b>  | <b>350.00</b> | <b>100.00</b> |

**Table II.2: EXPECTED USES OF FUNDS BY CORE COMPETENCIES**

| PROGRAMS  | BUDGET        |               |
|---|---------------|---------------|
|   | US\$ m        | (%)           |
| <b>(A) CORE COMPETENCIES</b>  |               |               |
| • Economic Policy Analysis and Management                                 | 86.00         | 24.57         |
| • Financial Management and Accountability                                 | 35.00         | 10.00         |
| • Public Administration and Management                                    | 33.00         | 9.43          |
| • National Statistics and Statistical Systems                             | 16.00         | 4.57          |
| • National Parliaments and Parliamentary Systems                          | 26.00         | 7.43          |
| • Professionalization of the Voices of Private Sector and Civil Society   | 34.00         | 9.71          |
| <b>(B) KNOWLEDGE MANAGEMENT</b>   | 50.00         | 14.29         |
| <b>(C) GENERAL ADMINISTRATION, BOARD, CAPITAL AND PROGRAM DEVELOPMENT</b> |               |               |
| • General Administration, Board & Capital Expenses                        | 34.00         | 9.71          |
| • Program Development Expenses  | 36.00         | 10.29         |
| <b>GRAND TOTAL</b>  | <b>350.00</b> | <b>100.00</b> |

**Core Competencies:** This component of the planned use of the financing for this SMTP consists of resource commitments to be made in each of the six core areas in which ACBF will intervene in capacity building over the period of the Plan. The proportion of resources for each of the core competencies reflects the relative shares of the resources allocated to interventions under SMTP 2002-2006. These shares are not necessarily an indication of the strength of ACBF's operational

capacity in each of the six core competencies. They are also not a reflection of the relative importance or a ranked ordering of sub-Saharan Africa's capacity needs. The projected resource allocation across the six core competencies will grow over the period of the Plan, following the strengthening of staff capacity as envisaged, and professional inputs from the Foundation's knowledge networks are drawn on to supplement in-house capacity.

**Knowledge Management:** This component of the expected uses to which the required resources will be put, is made up of costs of activities to be undertaken towards the implementation of ACBF knowledge management strategy and programs. It also involves activities relating to the management of ACBF information and communication strategy, information and communications technology system and platform, library and resource center, as well as processes that support the evaluation of the effectiveness of these systems, among others.

**General Administration, Board and Capital Expenses:** This expenditure component consists of the core administrative costs, expenses relating to the meetings of ACBF Board of Governors and the Executive Board as well as capital expenses for equipment and other office infrastructural facilities required for the operation of ACBF Secretariat.

**Program Development Expenses:** This component consists of costs of professional inputs, which support the process of project and program development and management – stakeholder consultation; capacity needs assessment and profiling; project and program development, implementation planning, mid-term reviews and end of project evaluation; as well as the related missions and consultancy services, among others. It also involves activities relating to stakeholders' meetings on project and program designs, all stakeholders' review of project and program performances, restitution workshops and a host of other program support activities. Program development activities are essentially project-equivalent type of professional services that are a vital part of the project and program development and management process.

## **II.6 IMPLEMENTATION, MONITORING AND EVALUATION OF PLAN**

### **a. Implementation**

The implementation, monitoring and evaluation of this plan will be effective and rigorous. The processes involved will be guided by ACBF's knowledge of Africa's capacity needs as well as a wealth of experience and best practices in the capacity building process. With an ongoing change management exercise already fully integrated into ACBF's operations, the institutional context in which this Plan will be implemented will therefore be one that is considerably enhanced by the gains of the exercise, continuing improvements in systems, processes and procedures and improved staff strength. On implementation, there will be refinements at four levels, namely, administration and organizational framework; program orientation; grant making process and project and program implementation in the field.

### **b. Monitoring and Evaluation of Plan**

The monitoring and evaluation of the performance of the plan will be rigorously conducted at regular intervals to ensure that performance tracks set targets and generates expected outputs, outcomes and impact. The monitoring and evaluation of performance will be undertaken at the level of the programs and of the ACBF Secretariat. Regular field supervision including financial supervision will be carried out. To facilitate the monitoring and evaluation process, ACBF will, during the first year of the Plan, finalize the development of a suitable performance evaluation

framework. The framework will provide measures at the level of the six core competency areas in which programs and projects will be developed and implemented. These will focus essentially on results and impacts.

At the level of the programs and projects, all-parties annual reviews will be undertaken and these will be followed by a rigorous and extensive mid-term review at the mid-point of the implementation cycle of each program or project. During the period of this Plan, two independent external evaluations of the performance of ACBF will be conducted. The first evaluation will be conducted in 2009, while the second will be carried out at the end of 2011.

## II.7 RISKS AND MANAGEMENT STRATEGIES

### (a) Perceived and Potential Risks

The implementation of this Plan faces a number of risks, some of which are presented below. These risks have varying levels of potency and for which management strategies and extenuating circumstances have equally been proposed. The main risks are as follows: *inadequate funding of the Plan, continuing weakness of the United States dollar, potential inadequacy of capacity in ACBF Secretariat to commit an increased funding envelope and threat of sub-optimal performance due to a constraining host country environment.* In addition to these perceived risks, there are a few more that can be considered potential risks. Some of them are: *donor fatigue and changing priorities, default on pledges, exchange rate risk and co-financing.*

### (b) Risk Management Strategies

The perceived risks, to some extent, can be managed and ACBF will do all that is possible to ameliorate their effects. To ensure that adequate funding is mobilized for the effective implementation of SMTP II, all organs of the Foundation will be fully engaged in the resource mobilization exercise. As regards the weakness of the United States dollar, if the currency maintains a steady-state value at its current level, interventions will have a sustained impact. Further depreciation will however undermine the effectiveness of the Plan.

With respect to ACBF capacity to commit a higher level of funding for its operations, with greater focus on country programs as opposed to projects, the use of technical expertise available through the ACBF Technical Advisory Panels and Networks, the projected growth in staff strength, arrangements to maximize interaction with stakeholders and accelerate responses to capacity needs and program supervision requirements, as well as enhanced operational capacity and financial management efficiency, ACBF can significantly scale up its annual commitment activity.

The developments in the host country environment for ACBF's operation have been constraining. The government of the host country is however doing all that is within its ability to improve the operating environment and there are potential signs that improvements will be experienced in the years ahead. ACBF sees the challenges facing the host country more as a capacity building challenge – a challenge to improve the quality of governance at all levels – political, economic, administrative, corporate and social – to which it can and, indeed, should make a contribution.

As regards the potential risks, these are largely extraneous. In the event of their occurrence, ACBF will strive to take necessary measures to minimize their effects.

## II.8 CONCLUSION

The implementation of SMTP 2002-2011 will take Africa an important step further in the development of effective state capacity for economic management and public service delivery; in the strengthening of accountability and transparency in governance; in enhancing space for dialogue among all stakeholders in the development process; in capacitating training, policy analysis, research and advocacy institutions; in raising the level of effectiveness of regional institutions, and in effectively promoting knowledge generation and sharing activities in the development process.

This Plan will also help in the implementation of NEPAD capacity building programs for which ACBF has a key role to play and the APRM process for which ACBF-supported institutions provide vital inputs. The Plan will also help strengthen the effective operation of Africa's regional economic communities whose capacity building program ACBF was tasked in April 2005 by NEPAD Heads of State and Government Implementation Committee to develop. It is also envisaged that this Plan will play a role in enhancing the responsiveness of a number of other growth and development-augmenting or inducing programs on the continent.

# I

## **STRATEGIC MEDIUM TERM PLAN 2007-2011**

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### **INTRODUCTION**

# I

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## INTRODUCTION

Over the period 2002-2006, the African Capacity Building Foundation (ACBF) launched and implemented its first five-year Strategic Medium Term Plan (SMTP I). This document presents the second Strategic Medium Term Plan (SMTP II). It is drawn over a five-year horizon, 2007-2011. The plan builds on the first medium term plan, which provided ACBF with the framework for the expansion of its operations from an initial focus on economic policy analysis and management into six core competency areas, namely, *economic policy analysis and management, financial management and accountability, public administration and management, national statistics and statistical systems, policy analysis capacity of national parliaments, and professionalization of the voices of the private sector and civil society*. This expansion was made possible by the integration of the Partnership for Capacity Building in Africa (PACT) into the ACBF in 2000. PACT resulted from a request of African Governors of the World Bank for enhanced intervention in Africa's capacity needs. SMTP I was implemented with only 23% of expected resources, which left a substantial portion of unmet needs during the period over which it was implemented. All evaluation reports on the Foundation's operations and Africa's capacity needs have concluded that the PACT framework is still valid and relevant to Africa's capacity needs. This is a strong indication that despite the efforts made and progress made, the capacity constraints facing the continent are far from resolved. The continent still has a long way to go in the building of sustainable human and institutional capacity for growth and poverty reduction and will need to show results over the remaining decade to the assessment of achievements of the Millennium Development Goals (MDGs).

The decade, 2006-2015, will therefore be decisive for Africa. The continent will need to show development results that are measurable against the MDGs. It will have to show results in the implementation of the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism (APRM), and demonstrate that the African Union (AU) will achieve its goals. The continent will have to show that governance reforms have depth and are productive. African countries will have to deliver at least 5% annual growth rate<sup>1</sup>, provide adequate and efficient public services,

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<sup>1</sup> The continent needs 5% annual growth rate to stop an increase in the level of poverty.

be accountable and transparent in policies and programs as well as in the use of public resources. They must decisively address the issue of corruption and effectively grow the private sector through investment-friendly policies, programs and governance environment. In essence, the decade will present an opportunity for assessing policy, program and leadership effectiveness on the continent and commitment to growth and poverty reduction.

*Will 2006-2015 be Africa's decade?* The continent will register a strong presence, if it remains consistent in the implementation of on-going reform programs and continues to build upon governance gains so far made; if policies are predictable and support a propitious development environment; and if there is capacity to design, implement, monitor and review development policies and programs as well as deliver efficient public services that are needed for sustainable growth. The decade will, however, be lost, if reversals in governance as well as policy and institutional reforms predominate, accountability and transparency remain translucent, corruption remains a blight to good governance, reforms especially in trade and aid are not carried through successfully, productive resources remain leashed by heavy debt burden, and the HIV/AIDS scourge is left untamed. The chances therefore are that the decade can go either way.

The prospects of Africa claiming the decade are, however, significantly high, as the continent today is experiencing a new dawn. Never in the history of the continent have political leaders taken a common strong position on the issue of political governance with zero tolerance for military coups notwithstanding the professed benevolence of their intentions. The progress on the political governance front has a powerful momentum, is decisive and inexorable. Parliamentary democracy is gaining grounds. There is a growing improvement in the quality of public policies, and public service reforms have gone through successive phases in the attempt to improve the quality of public services. Efforts to respond to the capacity needs of the continent are continuing and yielding positive results. The continent is therefore on track and on the right course. There are however enormous challenges.

Growth is still poor in a majority of countries. The average growth rate of 3.6% per annum, which barely offsets population growth rate, leaves per capita incomes stagnant and declining in real terms. The present growth rate falls far short of the 7% per annum and above that is required to deliver results as measured by the MDGs. Capacity remains a severe and binding constraint. Unless African states are able to design and implement policies and programs, deliver efficient public services, provide a propitious environment for the growth of the private sector, and lead accountability and transparency to significant heights, not much will be achieved through other reform efforts. All these are a function of capacity, which is still grossly inadequate for the continent's development needs. The task of building capacity in Africa to address the continent's development constraints is a long-term challenge. It requires long-term commitment, perseverance, efficient use of resources and properly guided institutional frameworks for effective response and outcomes. For desired results to be achieved in capacity building on the continent, two factors are of vital importance. Interventions need to be sustained and adequately funded, and the capacity building process must be

driven by clear strategies and focused programs implemented by institutions with best-practice instruments. This medium term plan (SMTP II, 2007-2011) puts these and other factors into perspective. It builds on the achievements of SMTP I and is drawn in a context, which vividly shows that in the absence of a follow-up plan, the continent risks losing the reforms and growth momentum that characterize the new dawn. SMTP II is a necessity, if Africa is to show a respectable promise of achieving some of the MDGs by 2015. It is a quantum leap that capacity building requires on the continent in order to cut the capacity deficit, which stands between Africa and sustainable long-term growth with reduced levels of poverty. SMTP II is an investment in Africa's future. It is an opportunity for Africa to demonstrate that it can make a visible and sustainable dent on poverty.

This plan is guided by decades of capacity-building experience on the continent and elsewhere. Knowledge of what works and what does not work in capacity building. Knowledge of success stories, best practices, challenges and pitfalls in capacity building. And knowledge of the fundamentals, strategies, methodologies, processes, activities and instruments that deliver outputs, results and impacts. It is this knowledge that is grounded in ACBF's own experience and the experiences of its partner institutions with capacity building mandates that has guided the development of this plan.

This document is presented in four sections. Section I provides an introductory background to the plan. Section II reviews ACBF performance under SMTP I that was implemented over the period 2002-2006, while Section III presents the core elements of SMTP II, 2007-2011. Section IV concludes the document.

# II

## **STRATEGIC MEDIUM TERM PLAN 2007-2011**

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### **ACBF PERFORMANCE UNDER SMTP I, 2002-2006: THE RESULTS**

# II

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## ACBF PERFORMANCE UNDER SMTP I, 2002-2006: THE RESULTS

### II.1 OVERVIEW

The ACBF's Strategic Medium Term Plan, 2002-2006 (SMTP I) was a milestone in the effort to raise the effectiveness of interventions in capacity building in sub-Saharan Africa. Drawn on the back of the much heralded US\$1 billion figure to be mobilized in support of capacity building in sub-Saharan Africa, SMTP I was drawn on the basis of an initial resource requirement of US\$740 million. The plan was subsequently scaled down to US\$340 million, a more than 50% reduction, which in turn translated into a reduction on the level and intensity of the intervention in the capacity needs over the five-year period that the Plan has been implemented. Actual funding fell even further by another 50%, as total pledges made in support of the Plan came to US\$170 million<sup>2</sup>. Thus, the Plan that was implemented amounted to only 23% of the intervention that was originally planned. ACBF had to scale back the number, the sizes and average grants across its targeted interventions, country programs (that were worst affected) and regional projects. Also reduced, were the levels at which the emerging knowledge management programs were funded, as well as the program support activities. All this happened at a time when ACBF was gaining in visibility and the expectations of African stakeholders were rising.

In spite of the funding constraint, ACBF succeeded in reaching vital agencies in the core public sector and among non-state actors to improve the policy-making process, strengthen voice and promote a culture and practice of participatory governance, transparency and accountability in many African countries south of the Sahara. It also succeeded in developing a knowledge management strategy and system to support capacity building and the management of development policies and programs.

Broadly, some of the major achievements made in the implementation of SMTP I include the following:

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<sup>2</sup> This figure includes the Cad\$10 million pledged by Canada at the April 2002 Pledging Conference that was held by the ACBF at the Lancaster House, London, United Kingdom.

*Successful Implementation of ACBF's Expanded Mandate under the PACT, as well as Growth and Diversification of the Projects and Programs Portfolio:* SMTP I provided the operational mechanism for the integration of the PACT into ACBF and the diversification of the areas of intervention from economic policy analysis and management into the six core competencies. The integration of PACT became a reality two full years ahead of the initial schedule.

*Increased African and non-African Membership:* During the period SMTP I was implemented, African membership of, and participation in, ACBF soared. A number of new countries joined the Board of Governors and made contributions to the Foundation's Trust Fund. The African membership increased from 15 countries in 1999 to 23 countries in 2005. The period also saw, for the first time, African Heads of State and Government and their representatives, as well as very senior African cabinet ministers attending meetings of the Board of Governors. Growth in membership and participation also occurred among bilateral donors to the Foundation. For instance, the Republic of Ireland and India became members of the Foundation, while Belgium, Brazil, the European Commission, Italy, the Russian Federation and the People's Republic of China became observers on the Board of Governors. The International Monetary Fund (IMF) became a member of ACBF in September 2002.

*Enhanced African Awareness and Ownership of Capacity Building:* The implementation of SMTP I raised the continent's level of consciousness to capacity building, as evidenced by the adoption of a resolution by the African Union during its inaugural meeting of 10 July 2002 in Durban South Africa, which declared the period 2002-2011 a "Decade for Capacity Building in Africa". This resolution was prompted by the First Pan African Capacity Building Forum that ACBF and seven co-sponsors organized in October 2001 in Bamako, Mali. The heightened consciousness is also reflected in the increased African participation in ACBF's activities, as well as the numerous invitations by African governments as well as continental and regional organizations to ACBF to address, share experiences and give guidance on capacity building and development management issues in general - a role that has equally served the donor community. Concrete illustrations of these were a) the request by African Heads of State and Government on the NEPAD Implementation Committee to ACBF in April 2005 to conduct capacity needs assessment survey of Africa's regional economic communities with a view to strengthening them for the effective implementation of NEPAD's priority infrastructural projects b) the invitation by the Chairman of the African Union for ACBF to join in November 2005 a panel tasked with reflecting on the desirability of a Union Government for Africa; and c) ACBF contribution in November 2003 to the definitions of the strategic priorities of the African Union;

*Support to the PRSP Process, NEPAD and the APRM:* ACBF through SMTP I provided support to the PRSP process at the country level. A number of ACBF-supported institutions served as lead or coordinating institutions for the design, implementation and monitoring of the PRSP process. Some others provided technical inputs through policy analysis and research works, and yet others played a role in the monitoring of implementation of programs and the evaluation of their effectiveness. As regards support to NEPAD and the APRM process, ACBF's presence also loomed very large during the implementation of SMTP I. ACBF signed a Memorandum of Understanding with NEPAD on 14 January 2004 for collaboration in the implementation of the capacity building programs that fall within its core competencies, and ACBF-supported institutions have been very active in providing technical inputs for the APRM process. Some of the institutions that have participated actively in the process include: CEPA, Ghana; ISSER, Ghana; CCG, NGO Council, KIPPRA, and IPAR, Kenya, among others.

*Strengthening Voice, Participatory Governance and Accountability:* SMTP I broadened the scope of ACBF's support to non-state actors, especially civil society organizations and the organized private sector policy advocacy units represented by chambers of commerce and industry as well

as agriculture. The strengthening of voice of non-state actors and consultative processes in policymaking, as well as the support to the APRM process show that SMTP I played a role in enhancing participation and accountability in economic and social governance on the continent. Through its interface projects, ACBF was instrumental in fostering dialogue in many African countries between governments and non-state actors.

*Trade Negotiations Capacity:* Under SMTP I, ACBF made contributions to the strengthening of trade policy development, reforms and negotiations capacity through its support to PASU at the African Union, CEMAC, COMESA and ECOWAS. PRIECA/AO also played a significant role in trade-related agricultural subsidy research and advocacy, which provided inputs for the continent's position on the issue of farm subsidies by the industrialized countries during the World Trade Organization's Meeting in Cancún, Mexico in September 2003. This intervention contributed to capacity by African countries to take advantage of the benefits of globalization, while also protecting consumers and the environment. Several resolutions by the then OAU and later the AU recognized and acknowledged these contributions.

*Capacity to Build Capacity:* The implementation of SMTP I strengthened support to AERC for the continuation of the collaborative master's degree program in economics and the establishment of a collaborative doctorate degree program in the discipline for Anglophone Africa (except Nigeria). A similar program is hosted for Francophone Africa by PTCI. Outside the pure economics discipline, ACBF also succeeded in the establishment of a collaborative master's degree program in Agricultural Economics for Eastern and Southern Africa that is also being implemented by the AERC. These programs significantly increased the supply of well-trained African economists to key economic ministries and agencies, the private sector, as well as to bilateral and multilateral institutions and regional organizations. In the process, the programs strengthened the human and institutional capacity of economics departments and faculties. SMTP I also supported a number of other training programs, which contributed to the drive for the development of regenerative capacity. ACBF spearheaded the launch of the Economic Policy Management training programs that are hosted by the University of Cocody, Cote d'Ivoire; University of Ghana at Legon, Ghana; University of Yaounde II, Cameroon; and Makerere University, Uganda. In this category also, is the Banking and Finance training program that is hosted by CESAG, Dakar, Senegal, and the continental Public Sector Management training program that was launched in September 2005, thus effectively building and scaling up capacity to build capacity in sub-Saharan Africa.

*Retention of Skills and Reversal of Brain Drain:* ACBF also made contributions under SMTP I to the retention of skills on the continent and the attraction of development management professionals that had left for greener pastures. The policy centers and the specialized training institutions, as well as the economics and agricultural economics departments of some 40 universities that participate in the training programs have provided opportunities for the retention and intensive utilization of teaching and research capacity in the two disciplines. This equally applies to the faculties that train in the economic policy management, as well as the banking and finance programs. Some of the teaching and research staff in these policy centers and training programs are the results of reversal of brain drain and have since remained on the continent. The TAP-NETs, which provide a platform for drawing on the skills and experiences of Africa's Diasporan communities, contribute to brain gain. Thus, interventions under SMTP I had favourable and measurable impact on skills retention on, and the attraction of flight skills to, the continent.

*Revitalization of Existing Regional Institutions:* During SMTP I, ACBF contributed to the revitalization of a number of existing regional institutions such as the African Futures Institute, BCEAO/BEAC, CAFRAD, CESAG, CODESRIA and the Association of African Universities (AAU).

*Participation in, and Contribution to, Work of African and International Task Forces and Working Groups:* During the period of SMTP I, ACBF made contributions to the activities of task forces and working groups that were established by multilateral institutions and African governments to examine capacity building and development issues on the continent and make recommendations. In this connection, ACBF has participated, since 2002, in working groups of African ministers and contributed to the drafting of joint memoranda of African ministers of finance to the President of the World Bank and the Managing Director of the International Monetary Fund ahead of the annual meetings of the Bank and the Fund. ACBF also contributed to the activities of the World Bank Operational Task Force on Capacity Development in Africa undertaken between March and September 2005 and those of NEPAD, OECD/DAC working group and UNECA.

*Contribution to the Entrenchment of a Culture of Rigorous and Transparent Financial, Personnel and Procurement Management in Beneficiary Countries and Institutions.* ACBF's interventions, which are managed in line with its Operations Guidelines in all aspects of operational, financial and administrative activities of a project, have succeeded in instilling a high sense of discipline, effectiveness and efficiency in the use of resources by beneficiaries. This has, in turn, led to enhanced effectiveness in ACBF-supported institutions.

*Enhanced institutional and Human Capacity of Partners, Stakeholders and Project Beneficiaries in the Design and Implementation of Projects, Business Plan and Budgets.* Interventions by ACBF have been instrumental in building capacity in beneficiary institutions for the preparation and implementation of performance-oriented and outcomes-driven project activities, business plans and budgets, and to this end improved program and operations planning and management in the beneficiary institutions.

*Enhanced Utility to African Governments, Donor Agencies and other Stakeholders through Commissioned Research and Studies.* By providing core funding to policy units and training programs, ACBF literally subsidizes donor Agencies that use the output of ACBF projects and programs.

*Improved Quality of Economic Policymaking and Coordination.* Through improved analytical and information base of public policy and program as well as through increased supply of top-flight economists to key economic ministries and agencies, ACBF interventions under SMTP I helped to add value to the quality of economic policies and their coordination at the country level.

*Contribution to Entrenching a Culture and Tradition of Evidence-Based Policymaking, as well as Informed Policy Debate and Program Evaluation.* SMTP I transformed ACBF into an internationally recognized knowledge-based organization and an emerging center of excellence. ACBF contributed papers to several international fora, while its officers were regularly cited in leading knowledge management reviews.

Interventions under SMTP I, therefore, launched a momentum that will need to be raised significantly for sustainable medium to long-term results to be achieved.

## **II.2 PROJECTS AND PROGRAMS OPERATIONS**

Over the period that SMTP I was implemented, ACBF re-financed 36 operations, developed 53 country projects, and launched 8 country programs. Its interventions strengthened 43 regional organizations and provided support to 72 institutions through the Secretariat Approved Funding Window (SAFEWIND) and Seed Grants Programs. These operations committed US\$193.082

million and led to total disbursements of US\$101.409 million. Table 2.1 presents a summary of the operations. If one includes the years 2000 and 2001 to take into account the entire period of the implementation of PACT, ACBF committed US\$268.893 million and disbursed US\$125.041 million.

In implementing SMTP I, ACBF made efforts to ensure the continuing relevance of its interventions under the Plan. Consequently, it launched in 2003 a second round of project and program development missions to bring greater focus to responses to the continent's capacity needs.

| <b>Table 2.1 OPERATIONAL PERFORMANCE OF SMTP I, 2002-2006<br/>Project and Program Operations</b> |                  |                   |                    |
|--|------------------|-------------------|--------------------|
| <b>(A) Project and Program Operations</b>  | <b>1991-1999</b> | <b>2000- 2006</b> | <b>2002 - 2006</b> |
| • Project Refinancing  | 13               | 45                | 36                 |
| • Country Interventions  |                  |                   |                    |
| ○ Country Programs   | -                | 8                 | 8                  |
| ○ Targeted Interventions   | 34               | 85*               | 53*                |
| ○ National Focal Points  | -                | 26**              | 0**                |
| • Regional Interventions   | 8                | 56*               | 43*                |
| • Country/Institutional Needs Assessments/<br>Capacity Profiles                                  | 10               | 152               | 108                |
| • Country Level Knowledge<br>Networks  | -                | 5                 | 5                  |
| • Country Networks of ACBF-supported<br>Institutions   | -                | 1                 | 1                  |
| • SAFEWIND and Seed Grants Programs  | -                | 72                | 72                 |
| <b>(B) Commitments and Disbursements</b>   |                  |                   |                    |
| • Commitments  | US\$86.52m       | US\$268.89m       | US\$193.08m        |
| • Disbursements  | US\$48.15m       | US\$125.04m       | US\$101.41m        |
| <b>(C) Country Coverage</b>  | 23               | 39                | 29-39              |

\* Figures include projects and programs refinanced.

\*\* All 26 National Focal Points for Capacity Building were developed between 2000 and 2001. Twenty (20) were approved in 2000 and 6 in 2001.

The aim of the missions was to ensure that projects and programs supported under SMTP I adequately tracked evolving country and regional capacity requirements. The missions commenced in June 2003 and by the end of the year a total of 34 countries and a number of regional institutions had been covered<sup>3</sup>. The capacity profiling exercise in a number of cases guided the choice of interventions at the national and regional levels and provided vital materials for the development of this medium term plan.

As can be seen from Table 2-1, ACBF significantly improved its operational performance during SMTP I as compared to the 1991 – 1999 period. It extended its geographical coverage to nearly all sub-Saharan African countries. Also, ACBF was able to streamline its operating processes and enhance its efficiency in such a manner as to significantly curtail the gestation time between grant approval by the Executive Board and first disbursement to projects and programs. As a result, new projects experienced a much smoother and speedier implementation phase and, hence, a significantly higher disbursement rate.

Since the year 2000, ACBF has established a track record of effective delivery of its annual business plans and budgets in spite of an increasingly difficult host country environment. In contrast to the pre-2000 period, ACBF was able to put into practice the program approach, thus ensuring an enhanced coordination with other donors based on a systematic country capacity needs assessment.

### **II.3 SAFEWIND AND SEED GRANTS PROGRAMS**

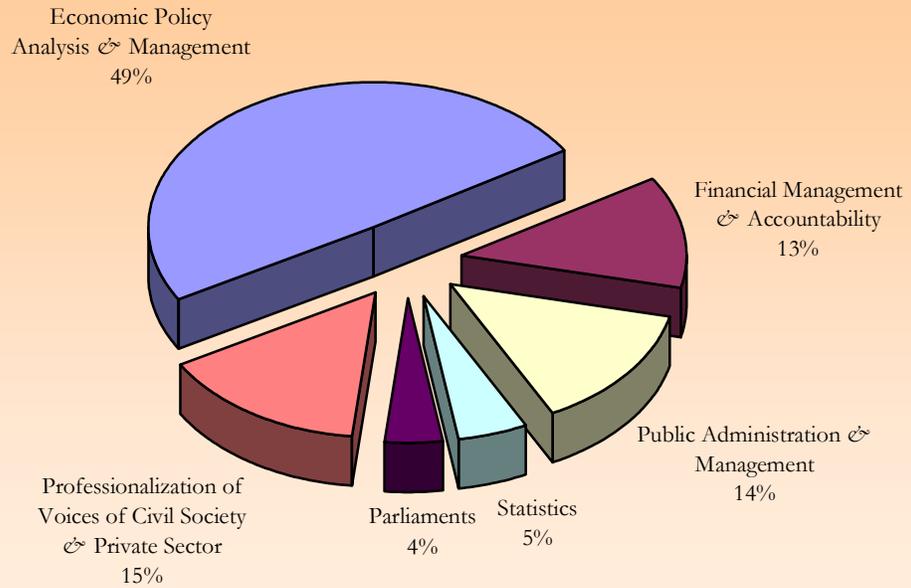
The Implementation of the SAFEWIND and Seed Grants programs led to the approval of 72 small grants proposals, which added an important dimension to ACBF's interventions. Through the SAFEWIND Facility, for instance, ACBF provided a head-start for the establishment of the Pan African Parliament, a vital organ of the African Union, and placed it on an effective footing for take-off in 2005. This support, which offered an opportunity for ACBF's Technical Advisory Panel and Network (TAP-NET) on National Parliaments and Parliamentary Institutions to play a role in the emergence of the Pan African Parliament, has strengthened ACBF's visibility in the evolution and orientation of the Parliament.

In many cases, the SAFEWIND grants helped trigger positive capacity building needs and actions the impact of which went well beyond the relatively small quantum of the individual grants.

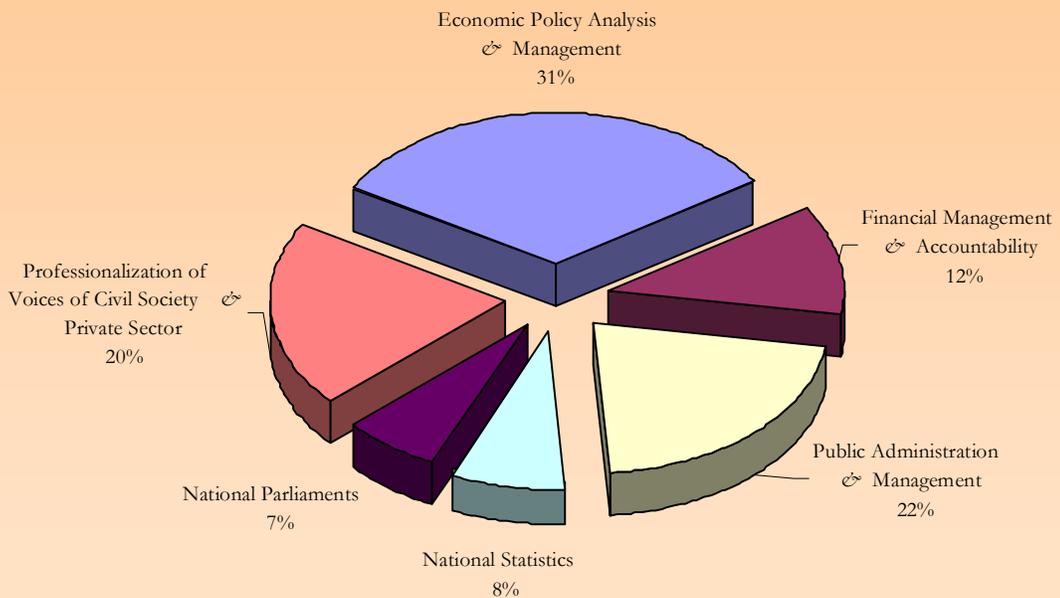
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<sup>3</sup> The countries covered were: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Madagascar, Malawi, Mauritania, Mozambique, Namibia, Niger, Republic of Congo ó Brazzaville, Rwanda, Sao Tome & Principe, Senegal, South Africa, Sudan, Swaziland, Tanzania, Uganda, and Zambia.

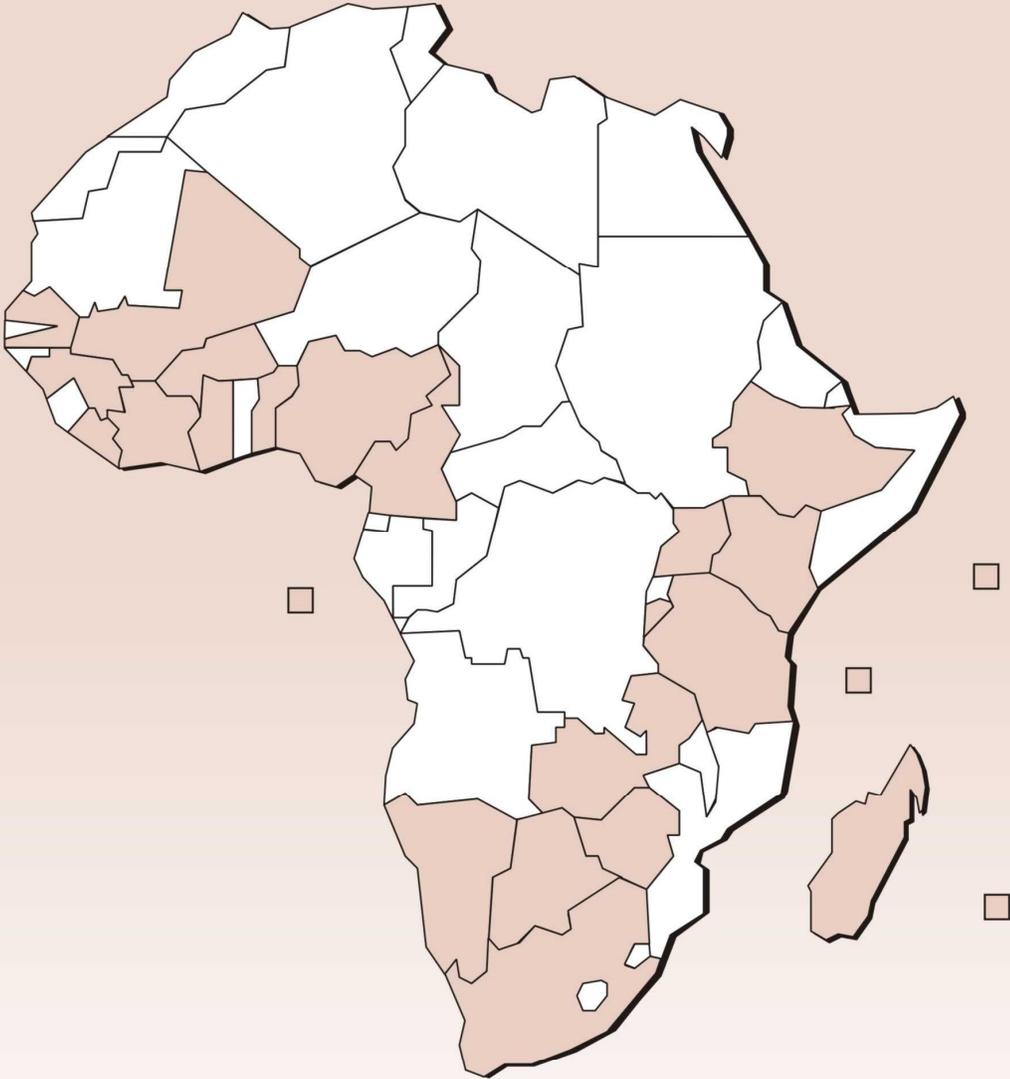
**Fig. 1: COMMITMENTS BY CORE COMPETENCIES, 2002-2006**



**Fig. 1bis: COMMITMENTS BY CORE COMPETENCIES (EXCLUDING REFINANCED PROJECTS AND PROGRAMS), 2002-2006**



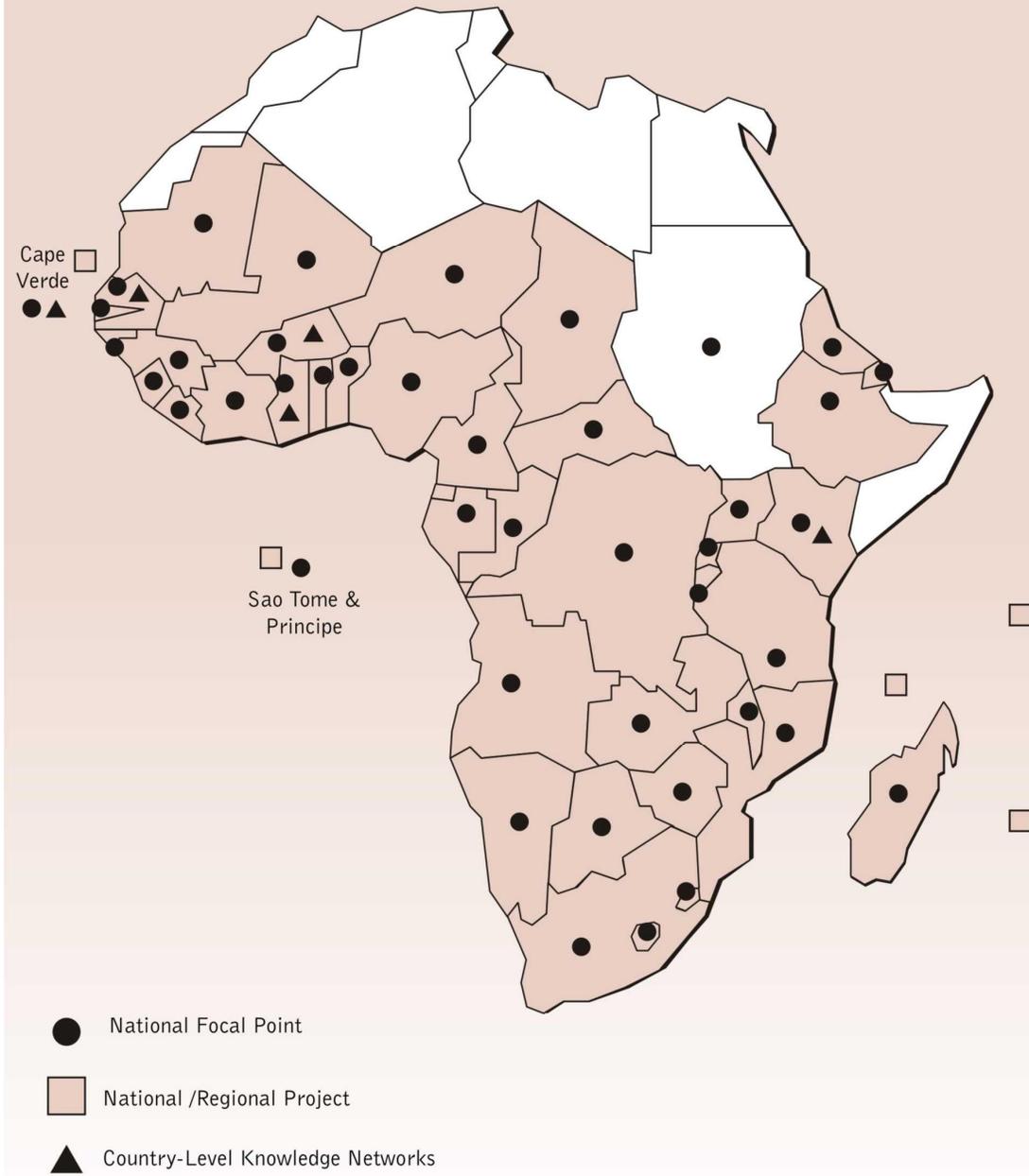
ACBF Country Coverage  
1991 - 1999



No. of countries 21  
No. of regional organizations 10

 National/Regional Project

ACBF Country Coverage  
2000 - 2006



**Box 2.1: VALUE ADDED/COMPARATIVE ADVANTAGE OF ACBF OPERATIONS**

Interventions by the African Capacity Building Foundation (ACBF) have added value, within the remit of its core competencies, to the process by which capacity is built, utilized and retained, as well as to development management on the continent. An entirely African institution, ACBF has encouragingly demonstrated that traditional technical assistance programs are not the appropriate route to capacity building in Africa. The proximity of ACBF's operations to stakeholders gives it a visible edge in the assessment of capacity needs on the African continent and allows it to serve as a credible broker in capacity building. It also makes it possible for ACBF to operate at a declining marginal cost, thus freeing an increasing share of its limited resources for responding to core capacity needs. With an institutional infrastructure specifically and fully devoted to the task of building capacity, access to best-practice strategies and instruments, as well as technical expertise and knowledge in capacity building spanning over a period of more than one and a half decades, ACBF is making a difference in capacity building and adding value to the development policy making and management process on the continent. A partnership with ACBF is a reflection of the fact that:

- ACBF is a specialized institution in capacity building with competent African professionals who understand the needs of the African continent much better than an external donor working through consultants.
- ACBF has well-established institutional structures, systems, processes, procedures and practices, which guide its interventions in capacity building. The development of these structures, systems, processes and procedures will entail considerable investment on the part of a single donor who intends to intervene in capacity building. Such an investment by a single donor who focuses on only a few countries in a few areas of intervention will amount to an inefficient use of resources.
- Intervention through ACBF is efficient, as it allows for economies of scale in the capacity building process. Scale economies result from a declining overhead cost as the number of interventions rises.
- ACBF's capacity building process allows for the collation, documentation and sharing of experiences and best practices in capacity building and development management strategies across countries and regions. The building of capacity is therefore not an end in itself for ACBF. The process and the impact of the interventions are inputs in a knowledge warehouse, which is invaluable for Africa's development. Direct interventions by donor agencies do not provide systematically for learning, experience sharing and continuous improvement of processes. The knowledge and skills from donor-led interventions reside in consultants as tacit knowledge and are hardly shared. Other donors or countries seeking to benefit from such knowledge do not have access to it.
- Skills and experiences acquired by ACBF in the capacity building process enable the Foundation to avoid pitfalls and get maximum value for its investment.
- ACBF spends US\$0.25 to service a US\$1 grant in capacity building, which represents a high level of efficiency in the use of resources.

- Donors who finance their capacity building support through ACBF spend only a very small fraction of their resources on administrative cost, as such cost is spread over numerous donors and supports a small but highly effective secretariat with full-time staff that deal with all aspects of the project and knowledge management process.
- ACBF allows for continuity in its processes and the ability to replicate experiences. Consultant-driven processes do not permit continuity, as the consultants may not always be available to replicate their experiences elsewhere.
- ACBF has easy access to African stakeholders at very high levels and its process in capacity building is extensively consultative, as it is fundamental to the building of a strong sense of ownership. The monitoring of project performance is very rigorous at all levels – in the use of financial resources, operational activities and utility of output.
- ACBF is a reflection of the core principles of the March 2, 2005 Paris Declaration on Aid Effectiveness, which places emphasis on ownership, harmonization, alignment, results and mutual accountability in the use of aid resources.

## **II.4 KNOWLEDGE MANAGEMENT AND PROGRAM SUPPORT INTERVENTIONS**

### **(i) Knowledge Management**

SMTP I guided the development of the knowledge management strategy and system and placed ACBF on the path of an emergent internationally-recognized knowledge-based organization. With a growing list of user institutions comprising African policymaking and development policy management institutions, Harvard University, the World Bank, the IMF, UNDP, Oxfam, the Commission for Africa, among others, ACBF knowledge management products and services bore good fruits under SMTP I. At present, ACBF's knowledge management system supports the following products and services:

- (a) Twelve knowledge networks comprising six Technical Advisory Panels and Networks (TAP-NETs), five Country Level Knowledge Networks (CLK-NETs) and the African Policy Institutes Forum (APIF)
- (b) A Senior Policymakers and Development Managers' Knowledge Sharing Program
- (c) Operations and Thematic Research
- (d) Publications Series, which include: ACBF Quarterly Newsletter, Books, Occasional Papers, Working Papers, Lessons Notes, Best Practice Studies, and ACBF African Policy Research Abstracts
- (e) A Brown Bag Seminar Series

Over the period of the Plan, ACBF developed the following web sites and portals for access to information on its operations:

- Web site: [www.acbf-pact.org](http://www.acbf-pact.org)
- TAP-NETs: [www.acbf-pact.org/tapnets](http://www.acbf-pact.org/tapnets)
- APIF: [www.acbf-pact.org/apif2004/index.asp](http://www.acbf-pact.org/apif2004/index.asp)
- Directory of African Development Management Professionals: [www.acbf-pact.org/directory/default.asp](http://www.acbf-pact.org/directory/default.asp)
- ACBF Project and Program Tracking System: [www.acbf-pact.org/tracking/index.asp](http://www.acbf-pact.org/tracking/index.asp)
- E-mail Alert Service: [root@acbf-pact.org](mailto:root@acbf-pact.org)

## **II-4.2. Program Support Activities**

### **11-4.2a Workshops, Seminars and Conferences**

Program support activities contributed to enhancing ACBF's visibility and relevance at international fora where Africa's development challenges and their capacity building dimensions were discussed. As a follow-up to the First Pan African Capacity Building Forum that was organized by ACBF in October 2001, the African Union, at its inaugural meeting of 10 July 2002 in Durban, South Africa, adopted a resolution, which declared 2002-2011 a Decade for Capacity Building in Africa.

### **11-4.2 b Partnership Programs**

SMTP I pushed forward the frontiers of ACBF's partnership programs, which became a significant component of the projects and programs portfolio. During the period of the plan, a number of partnership programs were implemented. These were joint programs with the Canadian International Development Agency (CIDA), the IMF African Regional Technical Assistance Centres (AFRITACs), the IMF Institute, a joint study with UNAIDS, the African Development Bank (AfDB), the African Training and Research Centre in Administration (CAFRAD), the Association of African Universities (AAU), InWent, the World Bank Institute (WBI)<sup>4</sup>, the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD) and the International Organization for Migration (IOM).

## **II.5 EXTERNAL EVALUATION OF ACBF OPERATIONS - Key Findings, Conclusions and Recommended Scope and Scale of Future Interventions**

ACBF's performance has not been without regular external assessments. Since inception of its operational programs in 1992, ACBF has undergone a number of rigorous external evaluation exercises. By June 2006 when the Board of Governors conducted the second evaluation of the performance of SMTP I, 2002 - 2006, ACBF had been evaluated fifteen times. The evaluations so far carried out are as follows:

- 1995: Mid-Term Evaluation of the African Capacity Building Initiative - A UNDP Evaluation undertaken by Nordic Consulting Group.
- 1996: An Evaluation of the Performance of ACBF under its Pilot Phase - External Evaluation carried out by Development Associates, USA.

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<sup>4</sup> Led by its Vice President, the World Bank Institute in October 2006 signed a Memorandum of Understanding with the Foundation for partnership programs.

|            |   |
|------------|---|
| 1997:      | PriceWaterHouseCoopers Financial Review of ACBF – External Evaluation by the World Bank.  |
| 1999:      | Study on Integration of PACT into ACBF – An assessment by GRM, Australia.   |
| 2000:      | CIDA Operations Assessment Mission to ACBF by Mr. Enrique Madueno.  |
| 2000:      | DFID-commissioned Assessment undertaken by Prof. John Toyé.   |
| 2001:      | Operations Review by France carried out by Mr. Dominique Mas.   |
| 2001:      | Operations Review by DFID carried out by Mr. Jeremy Clarke, Senior Governance Adviser.  |
| 2001:      | World Bank DGF Programs and Financial Operations Review Mission to ACBF by Mr. Paul Hubbard.  |
| 2002       | DFID-commissioned Assessment undertaken by Diana Goldsworthy and Paul Bennell.  |
| 2002:      | Change Management Diagnostic Study commissioned by ACBF Executive Board.  |
| 2002/2003: | World Bank Mid-Term Review of PACT by John Silverman et al.   |
| 2004:      | Review of Development Effectiveness of World Bank Support to Capacity Building in Africa - conducted by the Operations Evaluation Department, the World Bank. |
| 2005:      | Review by World Bank Operational Taskforce on Capacity Building in Africa.  |
| 2006:      | End of SMTP 2002 – 2006 Implementation Phase – External Evaluation by ACBF Board of Governors.  |

Thus, by the end of the implementation phase of SMTP I, ACBF would have undergone six external evaluations in five years. The frequency of the evaluations, though a reflection of inadequate coordination among donors to ACBF, (which is inconsistent with the core principles of the March 2005 Paris Declaration) has helped to generate valuable lessons for strengthening operations. All the evaluation reports have consistently acknowledged ACBF’s efforts, while pointing to the enormity of the needs that are yet to be met. Pending the Board of Governors’ review of ACBF’s performance under SMTP I, three of the evaluation reports that are of direct relevance to SMTP I, 2002-2006 are the World Bank Mid-Term Review of the PACT, the Review of Development Effectiveness of World Bank Support to Capacity Building in Africa and the work by the World Bank Operational Taskforce on Capacity Development in Africa<sup>5</sup>. The following are some of the key observations of the three reports:

**II-5.1. PACT Mid-Term Review Report:** The PACT mid-term evaluation report by the World Bank (2003) reached the following conclusion:

*“ACBF represents a real success story in the recent history of African development efforts. In the space of less than 12 years, ACBF has matured to the point that it now has a credible reputation for being the premier indigenous institution providing long-term support for the development of professional capacity for policy analysis in Africa. It provides support to an expanding number of key African organizations throughout the region that, in turn, provide economic education, training, policy analysis and advice of international quality directly to their respective governments -- and, increasingly, to the private commercial sector and civil society organizations as well. That is a remarkable achievement,*

<sup>5</sup> Elsewhere, ACBF has responded to the recommendations of the three evaluation reports pointing out flaws in both methodologies and coverage (see ACBF Secretariat’s Comments on the Draft PACT Mid-Term Evaluation Report, Version of 18 February 2003 and Comments by ACBF on the World Bank Task Force Concept Note, January 30, 2005). For instance, the mid-term evaluation report, which proposed a reduction in the scope of interventions in Africa’s capacity needs, reached this conclusion without an assessment of the existing level and complexity of needs - a recommendation that is inconsistent with the assessment of the World Bank Task force, which noted the continuing validity of the PACT framework and the enduring capacity challenge that must be addressed through a substantial scaling up of resources for intervention. The OED report also reflected some methodological weaknesses. Of more than forty odd countries in which ACBF is active, the OED analysis was based on four - a sample size, which leaves the conclusions in doubt. Yet, it recognized the dire need to scale up resource support for capacity building, if ACBF’s program ambition is to be met.

especially when the amount of financing provided to accomplish it has been infinitesimal as a share of total resources provided for technical cooperation in Africa". The report called for a refinement of the scope of the Foundation's intervention, which it felt was rather broad, but which, it argued should go beyond the initial focus on policy analysis and development management capacity.

**II-5.2. World Bank Operations Evaluation Department:** "In just over 10 years, ACBF has become a key provider of long-term support to programs involved in developing human and organizational capacity in areas of development policy analysis and management – a remarkable achievement for a young, small organization". The report identified four challenges that the Foundation would need to face up to<sup>6</sup>:

- Uneven impact of ACBF-funded programs, suggesting the need for selectivity in the use of scarce resources.
- Search for an effective way to link countries' needs for enhanced policy and development management and the ad-hoc capacity building programs the Foundation (purportedly) funds. The Foundation has recently decided to shift its grant-making from project to program approach to meet that challenge, but how to make that transformation remains unresolved.
- Like the World Bank Institute, ACBF lacks well-defined outcomes measures against which to monitor the progress of individual grantees and the overall performance of its capacity building efforts.
- The resources committed by its funding partners are too small in relation to ACBF expanded mandate and program ambition.

**11-5.3 World Bank Operations Taskforce:** The concept note, which provides a guide to the work of the Taskforce observed that:

*"There is an Enduring Capacity Development Challenge. Despite the progress made since the launch of PACT, as well as an increasingly favorable global context, many African countries continue to face an uphill battle in ensuring sustainable improvements in their institutional endowments"..... The political, technical, and financial requirements of meeting the enduring challenge of capacity development are substantial*"<sup>7</sup>.

A key message from the report of the Task force is that *regional and sub-regional institutions be supported in building capacity to provide regional public goods, and resources should be directed at these institutions, including ACBF, to enable them to scale up capacity building in Africa*<sup>8</sup>.

As reflected in the work by the Operations Task force of the World Bank and on-going surveys by ACBF, the PACT framework, which guided interventions under SMTP I is still valid given enduring capacity needs. The building of capacity in Africa is a long-term challenge. With the advent of NEPAD, the capacity requirements of which ACBF has been requested to address<sup>9</sup>, the encouraging progress in governance reforms that have opened up numerous areas of institutional weaknesses, the challenge of achieving the MDGs and the devastating impact of HIV/AIDS, the capacity needs of the continent can never be less. There is progress in addressing

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<sup>6</sup> The World Bank, Capacity Building in Africa ó An OED Evaluation of World Bank Support, April 2005, pp.39-41.

<sup>7</sup> Effective States and Engaged Societies ó Capacity Development for Growth, Service Delivery and Empowerment in Africa: Concept Note by World Bank Operational Task Force on Capacity Development in Africa, January 13, 2005

<sup>8</sup> Effective States and Engaged Societies ó Capacity Development for Growth, Service Delivery and Empowerment in Africa: Progress Report, April 4, 2005

<sup>9</sup> ACBF and NEPAD signed a Memorandum of Understanding to this effect in January 2004, while the Foundation in May 2005 approved a grant to strengthen operational effectiveness of NEPAD Secretariat.

the needs. Nonetheless, these needs are today still very much pronounced and will require greater effectiveness in the efforts to provide an adequate response. In essence, Africa's capacity needs require a scope and scale of intervention beyond the commitments made under SMTP I. To this, SMTP II is a desired response. SMTP II is the quantum leap that capacity building requires on the African continent to achieve a significant cut in the capacity deficit that continues to hamper sub-Saharan Africa's drive to achieve the MDGs, to roll back poverty and to become a more influential force in this fast globalizing world.

## **II.6 CONSTRAINTS IN THE IMPLEMENTATION OF SMTP I, 2002-2006**

The implementation of SMTP I was not without constraints. Some of these were highlighted by the numerous evaluations conducted on ACBF operations over the period of the plan, while others are presented regularly in the annual status report on project and program implementation. Of these, the most serious was resource constraint. The SMTP was initially drawn against the US\$1 billion funding envelope that was proposed for the PACT in the mid-1990s by the African Governors of the World Bank. A special meeting of ACBF Board of Governors that was held in London in January 2001 further reduced the expected level of funding to US\$340 million, citing ACBF market share (given the presence of other players) in capacity building on the continent as a limiting factor. Only US\$170 million, which amounts to about 50% of the market value, was eventually pledged<sup>10</sup>.

This enormously affected the scope and scale of ACBF operations, while the uncertainty over the predictability and actual availability of resources led to a high degree of volatility in the year-to-year commitments to new projects and programs.

Other constraints in the implementation of the SMTP were intervention-unfriendly environments due to violent conflicts. By the end of 2005, the continent had experienced three wars and faced fifteen violent conflicts. These displaced approximately 15 million Africans, with more than 4.5 million seeking refuge in neighboring countries. Such environments destroy capacity and fuel the flight of professionals. In the circumstances, the task of reconstruction and rehabilitation of capacity costs twice as much, as earlier interventions especially in the case of infrastructure (hard and soft, including statistics) are very often destroyed and trained professionals forced to flee.

In addition to poor governance, which leads to intervention-unfriendly environment, there is the scourge of the HIV/AIDS pandemic that has become a major threat to human capacity. HIV/AIDS is destroying the professional capacity base, knowledge, skills, and competencies and lowering effectiveness and efficiency with which tasks are performed, especially the development, implementation and monitoring of policies and programs, as well as the delivery of public services.

In addition to the foregoing broader and more fundamental constraints, there were a few more on the operational side that ACBF had to contend with over the period SMTP I was implemented. Some of them were:

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<sup>10</sup> This level of support is considerably dwarfed by the US\$5.8 billion that is spent on technical assistance programs annually on the continent by donors. It also does not compare well with amounts pledged by donors to some individual African countries to address their capacity needs. Ethiopia alone, for instance, had a pledge of US\$500 million out of which some US\$180 million has been committed, i.e., more than the total amount that was made available to ACBF to attend to the capacity needs of no less than 40 African countries!

- *Inadequate Ownership by Beneficiaries.* It was obvious that there was a need to step up ownership of ACBF by African governments and stakeholders who are beneficiaries of project and program support. Ownership requires them not only to raise their level of participation, but also to be fully identified with the activities of ACBF as their own institution and to facilitate the operational movements of ACBF staff. There is also the need to raise the stake of beneficiaries in projects and programs, especially through higher level of co-financing or counterpart funding, the use of outputs, and commitment to long-term sustainability of interventions.
- *Difficulty of Retaining Professional Staff.* The issue of the retention of trained professional staff in institutions benefiting from ACBF interventions is a recurrent concern in capacity building. The loss of trained professionals remains a threat to the public sector, policy centers, and functional civil society organizations. Institutions still need to improve incentives, undertake organizational reforms and contribute to efforts to promote the cultivation of a propitious internal and external environment for the retention of qualified African professionals in organizations and within the continent.
- *Limited Impact of Capacity Building Efforts through Project-based Interventions.* But for the substantial shortfall in the funding of SMTP I, ACBF would have made a significant shift during the period 2002-2006 in favor of full-fledged country capacity building programs. Programs, as opposed to projects, are relatively more effective in addressing countries' capacity needs because they are multi-sectoral and tend to commit substantially more resources over complementary activities that allow for synergies. Resource constraint made it impossible for ACBF to develop and fully finance all 15 country programs that were proposed in the SMTP. This was a setback. Otherwise, the planned programs would have translated into a relatively more robust intervention by ACBF.
- *Lack of Field Presence and Inadequate Coordination among Donors:* ACBF lacks field presence in the form of country and regional offices. This has been a constraint to effective donor coordination. Also, the absence of institutional framework for the coordination of donor intervention in countries' capacity needs raises the collective cost of interventions, as a result of duplication of efforts, which leads to waste of resources. A national focal point for a country's capacity building efforts remains vital to the capacity building process so as to enhance coordination capacity especially within the public sector. It will therefore be desirable for ACBF to revisit the issue of effective institutional framework for coordinating capacity building support by donors in line with the principles, which underpin the March 2005 Paris Declaration on Aid Effectiveness.
- *Challenging Host Country Environment:* The host country to the Foundation posed serious challenges to its operations, especially in the areas of budget planning and implementation, cost containment, staff motivation (high cost of living and frequent shortages of basic necessities and services), and the attraction and retention of high caliber staff due to the negative image of the host country internationally.

## II.7 IMPLEMENTATION OF SMTP I: SOME LESSONS IN CAPACITY BUILDING

The implementation of SMTP I has generated some learning experiences and valuable lessons for ACBF. These have become essential guides to ACBF and other development funding organizations with capacity building mandates. Central among these lessons are the following:

- *National Ownership and Leadership of the Capacity Building Process:* For success and sustainability of interventions in countries, national ownership and leadership of the capacity building process is of paramount importance. Ownership and leadership need to be demonstrated at very high levels. Heads of State and Government as well as senior ministers in government need to raise and sustain a high level of awareness of capacity building programs, demand outputs and be passionately concerned about results. A continentally mandated capacity building institution like ACBF must be encouraged to have unrestricted access to such senior officials, if national ownership and leadership of the capacity building process is to be cultivated, nurtured and sustained.
- *Effective Institutional Framework for Coordination of National Capacity Building Programs:* In the absence of a national institutional framework for the coordination of interventions in capacity building, countries tend to follow a fragmented approach in their assessment of capacity needs and consequently end up being unable to optimally channel capacity building funds into nationally determined priorities. A coordination framework allows for better assessment of capacity deficits, core needs, prioritization of interventions, better monitoring of interventions, effective use of resources, and commitment to results at very high levels. Such a framework encourages coordination among donors; minimizes intervention costs; supports joint capacity needs assessments and project/program development; pushes for the pooling of funds; promotes common performance assessment framework; and provides a strong basis for joint supervision and evaluation exercises among donors. These, in turn, reduce recipients' resource costs in the management of donors' funding support. The need for a national coordination framework is consistent with the core principles of the March 2005 Paris Declaration on Aid Effectiveness. Its responsiveness and credibility, however, depends on the extent to which it is inclusive in terms of participation by all key stakeholders, especially the public sector, the private sector and civil society.
- *Institutional Leadership of Capacity Building Process:* The coordination of interventions in capacity building is desirable not only at the national level, but also at the regional and continental levels. Capacity building is not technical assistance that can be managed offshore or by project implementation units. Institutions that are duly mandated need to lead the intervention process; pool donors' support; provide technical expertise to guide countries and regional institutions; generate, collate and share best practices; and manage a community of practice among countries' coordination frameworks. This is the role for which the ACBF was created in its core competency areas, and for which, as a continental institution, it needs to be further strengthened.
- *Building Capacity for Peace and Conflict Management:* ACBF's intervention in the building of capacity in post-conflict African countries has shown that peace and conflict management is not an issue that is solely in the domain of political, economic and social governance. It has a very significant capacity building dimension as well. Capacity building interventions must give depth to democratic processes, accountability and transparency in resource management, an effective and respectable voice to civil society and space for the emergence of credible frameworks for consultation and dialogue among development stakeholders in countries and regions, and retraining of public sector officials to restart the process of national economic management for the speedy resuscitation of public services. An institutional framework for conflict resolution and management that does not, from the onset, provide for capacity building is assuredly not likely to generate sustainable peace.

- *Effective Project/Program Management:* At the project/program level, the success of a capacity building operation rests substantially with the director/coordinator and the supervising bodies that are charged with the successful management of the intervention. Vision, a sense of mission, drive, professional competence, managerial skills, commitment, and a strong passion for results are some of the valued qualities they must possess in order to ensure the success of the intervention. A nuanced selection process for such personnel is essential, if the intervention is to achieve desired results. In other words, while the design of a project or program is critical to its success, the key to outcomes is the management of its implementation.
- *Capacity Building as a Long-Term Commitment:* Lastly, given the complexity of Africa's development challenges, which indeed are a direct reflection of its capacity needs, the process of building an optimal level of capacity to break through the continent's development constraints will require a long-term commitment to the capacity building process. This, however, is not to suggest that donors providing capacity-building support should not have an exit strategy. The exit strategy has to be carefully determined. An ill-timed or rushed exit can potentially undermine or reverse the gains that had been made through past efforts.

From the foregoing, it is evident that ACBF has made a noteworthy progress within the limited resources available in responding to some of Africa's core capacity needs through the implementation of SMTP I. The constraints and lessons in the implementation of the Plan provided valuable guides in the development of SMTP II. In essence, if SMTP I set the stage for ACBF to move capacity building to a higher level, SMTP II is a desired next step to enable ACBF make a more effective and strategic contribution towards helping sub-Saharan Africa achieve some of the Millennium Development Goals.

# **III**

## **STRATEGIC MEDIUM TERM PLAN 2007-2011**

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### **CORE ELEMENTS**

# III

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## SMTP 2007-2011: CORE ELEMENTS

### III.1 AN OVERVIEW

This Plan, Strategic Medium Term Plan (SMTP II), 2007 - 2011, is the product of a wide stakeholder consultation on Africa's capacity needs. The overriding consideration in its development has been to ensure that it is a direct reflection of Africa's most pressing capacity needs in areas consistent with ACBF's mandate and is owned by African countries and institutions. Stakeholders consulted consisted of African Heads of State and Government; core economic ministries - finance, planning and public service; representative organizations; the private sector and civil society umbrella organizations; as well as directors and coordinators of all ACBF-supported institutions. The consultation involved missions to countries, regional and continental institutions; regional workshops to reflect further on the emerging needs, capacity building approaches and financing mechanisms; as well as discussions with Africa's development partners. The process of developing this Plan started off with a strong fillip, the initial first step of which was at the behest of the Heads of State and Government Implementation Committee (HSGIC) of the New Partnership for Africa's Development (NEPAD). In response to the HSGIC request, ACBF in May 2005 launched a survey of the capacity needs of Africa's regional economic communities (RECs). The survey, which was geared towards providing inputs for the design of a capacity building program to strengthen the RECs in the implementation of their mandates and NEPAD's priority programs, constituted an important part of the capacity assessment exercise for aspects of the thrust, objectives and priority programs of this Plan.

The context in which SMTP II was developed is of considerable importance for a number of reasons. First, as a result of the First Pan African Capacity Building Forum that ACBF organized in Bamako, Mali on October 22-24, 2001 to launch its expanded mandate in capacity building following the integration of the Partnership for Capacity Building in Africa (PACT) - an initiative of the African Governors of the World Bank - into the ACBF, the First Ordinary Session of the Assembly of the African Union that was held in Durban, South Africa on July 9-10, 2002 proclaimed 2002-2011 a "Decade for Capacity Building in Africa" and mandated the Council of Ministers to review, each year, the progress made in the implementation of this resolution. SMTP I (2002-2006) therefore fell within the first half of the proclaimed decade, while SMTP II (2007-2011) will bring the decade to a close. This resolution by the African Union must continue to find concrete expression within ACBF's medium term plans, as they are one of the vehicles for its implementation.

Second, the Millennium Development Goals (MDGs), the G-8 Africa Action Plan as well as the World Bank's own Africa Action Plan provide an important context to SMTP II. The continent needs to face up to the challenge of achieving, at least, some of the MDGs by 2015. As against the

current average growth rate of about 3.5% per annum, Africa needs a sustained growth rate in excess of 7% per annum to halve absolute poverty by 2015.

There is a third factor, which gives contextual significance to this Plan. The decisions of the July 6-8, 2005 G-8 Summit in Gleneagles, Scotland on multilateral debt cancellation and additional resources for Africa, bring to the fore the issue of absorptive capacity, which could loom larger and potentially constrain disbursement of pledged resources.

Also important to the operational context of this Plan are the deliberations of the September 14-16 Millennium Summit on progress in the achievement of the MDGs, which showed, in the case of the continent, a need to continue to place considerable premium on capacity building, if development results in line with the MDGs are to be achieved; the report of the World Bank Operational Task Force on Capacity Development, which calls for the scaling up of resources for intervention in Africa's capacity needs and the invigoration of the intervention process for measurable results; and the Paris Declaration on Aid Effectiveness, which calls for better harmonization of efforts among donors. ACBF is already implementing several recommendations of the Declaration especially as regards country ownership and harmonization of donor interventions. While several considerations will continue to justify the establishment of Project/Program Implementation Units, ACBF will, wherever feasible, actively seek to use existing national budgetary, financial management and reporting systems. Where necessary, ACBF will contribute to the strengthening of those national systems.

On the institutional front, a number of very significant developments at the continental level also provided a context in the development of this Plan. Notable among these was the transformation of the Organization of African Unity (OAU) into the African Union (AU) in July 2001 to give strength to the emergence of Africa as a continental bloc with a clear vision for integration and long-term development. This was followed by the launch of NEPAD in October 2001. NEPAD is a growing evidence of Africa's determination to take charge of its own destiny, forge a new type of partnership with the rest of the world, and put peer-reviewed and monitored governance at the center of development strategies and poverty eradication. The initiative is a long-term vision of Africa's development and its objective is to design and implement policies and programs that will bridge the development gap between the continent and the developed world.

It is worthy of note that African countries are undergoing a dual process of transformation, which involves the deepening of decentralization and the strengthening of integration. The decentralization process is providing a strong fillip for local populations and polities to assert their autonomy vis-à-vis the central state, but in a context of regional economic integration where supranational entities seek to capture part of the powers and responsibilities of the nation-state. On the political front, with parliamentary democracy taking roots on the continent, it is evident that elections are encouragingly becoming the preferred instrumentality for political transition and accession to political power. One implication of this healthy development is that there will be an increased pressure for electoral bodies and systems to be more effective, efficient and transparent. Also, while governments are striving to be more open to participatory governance with space for all stakeholders, there is a growing call for the state and non-state actors to adhere to the rules of mutual accountability.

The operational context of SMTP II is also significantly influenced by developments relating to the knowledge and information revolution. Knowledge has increasingly been recognized as a very significant factor in the development process. For African countries to seize development opportunities in the 21<sup>st</sup> century, their economies must move progressively and vigorously towards emerging as knowledge-based economies. African countries will need to partake in the knowledge revolution and make effective use of knowledge in all sectors of their economies. A

significant shift from factor-based to knowledge-based development strategies is now more than ever a necessity.

ACBF and other development management institutions will need to continue to assist countries on the continent to integrate key knowledge-related policy components in their development strategies, improve relevant economic incentives and institutions, upgrade their educational and training systems, build and enhance information infrastructure and strengthen development research. The implication of this is that capacity building efforts under SMTP II will need to increasingly strengthen the role of the public sector to serve as a builder of appropriate institutions and provider of incentives for the establishment of economies that are driven by shared knowledge. To take advantage of a knowledge-based development strategy, African countries will need to apply new technologies throughout their economies and tap the rapidly growing stock of global knowledge. This is a major challenge that the development environment will pose for the operational context for SMTP II.

Both the international community and domestic stakeholders in donor and African countries alike are putting greater emphasis on development results and impact. The need for concrete outcomes or results in the use of public resources, the management of development policies and programs, as well as in capacity building, which ACBF passionately supports, is a challenge that this Plan recognizes and will therefore make some contribution towards. To this end, ACBF in partnership with other players (some of whom have more experience and resources) will seek to develop a performance measurement framework in the context of overall capacity building efforts to guide the assessment of results of interventions in capacity building. The need for this framework constituted an important context in the development of this Plan.

Lastly, the report of the Commission for Africa, which provided valuable inputs for Africa's case at the July 2005 G-8 Summit highlighted the issue of capacity deficits on the African continent and thus the need to effectively address the capacity building challenge. All these are strong indications that while considerable efforts are being made to provide Africa with requisite capacity to deal with the continent's development challenges in the 21<sup>st</sup> century, the capacity deficit remains very significant and binding. It is a challenge that SMTP II must respond to in both scope and scale of interventions, if desired results are to be produced.

#### **a. The State of Africa's Capacity**

The African continent failed to make significant progress in combating poverty in most of the post-independence decades, as a result of poor governance, violent conflicts, ineffective leadership and other factors. What became evident was that not only was commitment to growth and development questionable, the public sector, the private sector, civil society and educational institutions were ineffective as a result of severe capital deficits. In the public sector, the delivery of public services was ineffective and inefficient; socio-economic infrastructure were inadequate, run down or ruined by wars and other violent conflicts; the core civil services across the continent were rendered ineffective by lack of operational facilities, poorly motivated staff, distorted incentives system, incompetence, corruption, poor hiring practices, incidence of ghost workers and a poor attitude to public service delivery; the private sector remained stunted by public policies and programs that were inconsistent, non-transparent and unpredictable; and civil society and local communities had a weak voice. All this occurred in the face of substantial resources that the development community committed to technical assistance programs on the continent to shore up the capacity deficit.

Today, a different and encouraging story is emerging. African governments, in partnership with the donor community, have made a great deal of efforts to put the lost decades behind the continent. The emergence of capacity building institutions like ACBF, the wide endorsement of the NEPAD initiative, the growing intolerance of violent conflicts by African leaders, the pressure to fight corruption and promote the rule of law, and the strengthening of dialogue among stakeholders, inter alia, are strong indicators of efforts that are being made to create an environment in which sustained growth can thrive and poverty reduced. Thus, there is evidence that capacity-related improvements have occurred on the continent since the onset of the 2000-decade. Some of the indicators, which point in the direction of this improvement, are:

- The commitment to the African Peer Review process within the context of the NEPAD initiative, in the effort to reform political governance and make leadership more responsive and accountable.
- Democratic political transitions, irrespective of their quality, are signs of voices that are being heard, civic education and dialogue.
- The growing macroeconomic stability, albeit at low growth rate, in most countries reflects improvement in the quality of public policies.
- Increasingly rigorous empirical analyses are being made to improve the design and implementation of policies, provide bases for articulating policy stances and positions on development issues, as well as offer guidance for desired reforms in institutions, policies and programs.
- Corruption is now in the forefront as a major development constraint, and the level of public awareness has heightened considerably.
- Conflicts are abating, but have not ceased. Capacity for decisive interventions in conflict situations is growing. So too are preventive (dialogue fora) and management mechanisms.
- Reforms in telecommunications sector have raised phenomenally the level of communication. Reforms in other economic and social sectors are producing encouraging results.
- Public service reforms are gradually improving the quality of public service delivery, though performance is still very limited.

In spite of these promising developments, the capacity challenges facing Africa are far from over. Institutions are still weak and fragile and in some cases ineffective. The quality of public policy, the policymaking and management processes, as well as performance measurement and management still require capacity-related improvements. Public service delivery is still ineffective, law enforcement and the administration of justice are yet to reach levels that provide sufficient confidence to support significant levels of private sector investment, especially foreign direct investment. Also of concern are standards of social security and services, the quality of socio-economic infrastructure and standards, work ethics, and performance of the private sector, all of which are still on the low side. So far, reforms to promote responsibility, accountability and transparency in all sectors of the economy and society have remained inadequate. All this requires continuing and sustained interventions in capacity building. It also requires that intervention strategies must continually change to track the changing nature of capacity needs. On the operations side, needs, though not necessarily discreet, progress from the simple (skills, facilities and reforms) to the complex (knowledge-based), as well as from project to program-based interventions.

On the side of the financing mechanism, funding for interventions tend to move progressively from project funding to budget support using existing national budgetary and financial management systems. Indeed, at the country level, governments and donors, in the face of

financial and organizational constraints, are making difficult choices about how and where to allocate human and financial resources. They are moving away from the implementation of narrowly directed projects to broader approaches that include instituting new organizational and financing arrangements, implementing sector-based rather than project-based funding, changing public and private sector roles and responsibilities, and promoting accountability in policymaking and the use of resources.

Thus, in spite of the progress that has been made in response to Africa's capacity needs, the present level of operational capacity cannot generate sustainable development results. Further interventions based on effective strategies and instruments are needed to address the challenges ahead.

## **b. Enduring Capacity Building Challenges in Africa**

The challenges facing capacity building in Africa have not changed significantly over the past five years when ACBF launched SMTP I. There has been some progress in the efforts to respond to some of them in spite of resource constraints. Given results that have been achieved in response to the capacity needs, the focus of interventions will need to be geared towards very specific areas of intervention, which in the case of the public sector will include reform of incentive systems in public services; provision of operational infrastructure and facilities; development and implementation of performance improvement and management plans; introduction of performance-contract based management systems and enforcement of performance standards; promotion of innovation and continuous improvement through knowledge management systems; promotion of the culture of quality service; professionalization of the public service; entrenchment of merit/performance based assessment and reward system; training and policy analysis support through national training centers and national policy research centers; strengthening of corruption prevention and monitoring agencies; enhancement of institutional support for private-sector friendly policies and programs, and gendered approaches to development, among others.

A number of sub-Saharan African countries have vision documents, but they do not have long-term growth and development frameworks and strategies. MDGs, MTEF, PRSPs, etc, are not frameworks for planning and delivering long-term growth. The absence of long-term growth frameworks is an indication of the absence of development programs of which the PRSPs and MTEFs are expected to be some of the implementing instruments. The continent needs a development strategy that is geared towards management for long-term sustainable growth rather than short and medium-term frameworks for managing unplanned growth. Vital for sustainable growth is a strong focus on leadership, economic and political governance, institutional reforms, sustained investment in infrastructure, policies and programs to promote private sector growth, capacity building and gender equity. Equally important are the following:

- Promotion of voice and social accountability through improvements in political, civil, human and women's rights.
- Promotion of public sector effectiveness through enhanced competence of bureaucracy and public service delivery.
- Improvement of the business climate and minimization of regulatory burden on the growth of the private sector through reduction of the direct effects and incidence of market-unfriendly policies.
- Strengthening of the rule of law through improvement of the quality of contract enforcement, security services by the police, delivery of justice by the courts, independence of the judiciary and effective crime control.

- Control of corruption by reducing the abuse of public power for private gains and the capture of the state by the elites.

All this points to the fact that there is still an extensive capacity gap in Africa's development efforts. No doubt, there has been some good progress in the response to some of the foregoing, the success is, however, dwarfed by the magnitude of the constraints that face growth and poverty reduction in sub-Saharan Africa. These are but illustrative pointers to the direction of SMTP II, the details of which are presented in the succeeding sections.

### **III.2. OBJECTIVES**

The aim of SMTP II is to build on the momentum generated by SMTP I and to raise the development effectiveness of ACBF's interventions. From a desired initial institutional focus on the core public sector, public-private sector-civil society interface, training institutions, regional institutions, and national focal points, which still constitute the core instruments of SMTP II, the 2007-2011 Plan is geared towards very specific and concrete capacity needs. The specific objectives of the Plan are to:

- Raise the level of effectiveness of the state in Africa in the design and management of public policies and programs; in the enhancement of the effectiveness of regulatory frameworks; in the efficient delivery of public service; and in promoting accountability and transparency in economic, financial and administrative governance.
- Strengthen interface among development stakeholders - the public sector, private sector, civil society and local communities - through empowering citizens, groups, communities and non-state actors with a view to improving the responsiveness and accountability of public institutions as well as enhancing the effectiveness of development policies and programs in achieving sustainable growth, poverty reduction and the attainment of the MDGs.
- Enhance the capacity of Africa's regional economic communities and regional networks in the implementation of regional cooperation and integration programs and in the management of regional public goods in the context of a fast globalizing world.
- Strengthen interventions in the building of capacity to build and nurture capacity.

In pursuing these objectives, ACBF will vigorously promote gender equality and equity in public policymaking, development management and resource allocation processes at local, national, sub-regional and continental levels for the achievement of the MDGs; strengthen cooperation and partnership programs with organizations such as the African Union Commission, NEPAD Secretariat, the United Nations Economic Commission for Africa, the Association of African Universities, and the African Development Bank, among others, in the promotion of good governance on the continent; and build on the growth of its knowledge management system while assisting to entrench a culture of knowledge generation and sharing for accountability, transparency and performance improvement on the continent's public services.

### **III.3 IMPLEMENTATION STRATEGIES**

To achieve the foregoing objectives, ACBF will be guided by the following, among others, as part of the implementation strategies:

- Remain largely demand-driven in its response to capacity needs. It will therefore place considerable emphasis on capacity needs assessment or the development of country or regional capacity profiles to guide the choice of programs, ownership and sustainability of interventions.
- Relative to interventions under SMTP I, 2002-2006, ACBF will raise the size and scale of operations in each country and region on the continent and refine intervention strategies. Depending on country-specific context, project-based capacity building support will be minimized in favour of support to country programs, institution-level responses and knowledge-based interventions with the potential to make maximum impact on stakeholders and on the overall capacity building and utilization environment.
- Work with countries and regional/continental institutions to determine gender-sensitive capacity needs for the design, all-stakeholders' ownership and effective implementation and collective monitoring of the second generation of poverty reduction programs and the achievement of the MDGs that fall within ACBF's core competencies.
- Strengthen capacity building programs beyond the immediate and medium-term needs of African countries and regional institutions so as to enhance the platform for the development of long-term strategies for which the poverty reduction strategy papers, medium term expenditure frameworks, etc, are implementing instruments. In the absence of such strategies and their corresponding capacity requirements, the continent faces an undefined long-term growth path with policies and programs geared towards ex-post responses to unplanned growth and a laissez-faire economy.
- Develop medium to long-term capacity building programs to reform and capacitate regional economic communities based on the survey of capacity needs conducted in August 2005 and explore means of strengthening implementation capacity of, or the governance environment in which, public and private sector organizations that will be ultimately responsible for implementing projects for regional cooperation and integration or for delivering regional public goods and services will operate.
- Provide continuing capacity-building support and knowledge-based interventions to NEPAD Secretariat and the Directorates of the African Union Commission and strengthen collaborative programs with AAU, AfDB, AERC, CODESRIA, OSSREA, UNECA, among other regional institutions, for effective partnership in the development and implementation of good governance programs.
- Step up collaboration with other institutions with capacity building mandates for joint development, implementation and financing of interventions, as well as to strengthen complementarity and synergy across donors.
- Support the development and institutionalization of knowledge management systems as part of public service reforms and performance improvement and management programs in the core civil service and in relevant public sector agencies.

### **Box 3.1: PARTNERING FOR EFFECTIVE DELIVERY OF PROGRAMS**

In line with its operational strategies, ACBF collaborates with partner institutions in the delivery of its programs. Collaboration brings co-financing, synergy and effective coordination across programs that are undertaken by the Foundation. All ACBF-supported interventions are co-financed or counterpart funded. Partnering enables the Foundation to conduct joint program identification and development exercises, joint appraisal and financing as well as joint supervision missions and program performance reviews. ACBF and its partner institutions share mutual appreciation of their respective areas of comparative advantages based on their core competencies.

During the period of this Plan, ACBF will collaborate with partner institutions in the development and delivery of programs in the following areas, among others:

- Capacity building action plans and programs for strengthening the human and institutional capacity of Africa's Regional Economic Communities.
- Development of country and regional capacity profiles to provide countries as well as regional and continental institutions a good basis for effective programming of capacity building interventions.
- Strengthening of national and regional frameworks for the coordination of interventions in capacity building and the management of development assistance.
- Joint development, appraisal and supervision of programs to strengthen capacity in any of the six core competency areas of the Foundation's operations.
- Joint knowledge management workshops and programs to entrench the culture of knowledge sharing by policy centers and major policy institutions within Africa's public service.

During the period covered by SMTP II, ACBF will work with the World Bank Institute and other interested organizations to launch a partnership program similar to (but not exactly identical to) the AFRITACs, drawing lessons from the latter's experience and targeting training areas and stakeholders to enhance complementarity with the AFRITACs.

### **Box 3.2: SOME OPERATIONAL POLICY GUIDELINES**

During the period over which this Plan will be implemented, ACBF will update its Operations Guidelines to incorporate policies and strategies that have emerged over time to guide and strengthen program operations. In this context, it will pay particular attention to the following, as part of the operational policy guidelines in the implementation of this Plan:

- Country and regional capacity profiles and strategies as well as existing frameworks for national and regional development as bases for the planning and programming of capacity building interventions.
- Leadership role as well as effective collaboration with partners in the development of national and regional capacity building strategies and action plans.
- Active and purposive role in assisting countries to define capacity needs associated with their development initiatives, especially poverty reduction programs.
- Support for country and regional consultative processes in capacity-building strategy development as well as the planning and programming of interventions.
- Partnering and information-sharing with institutions having capacity-building mandates for the development of synergy across interventions and collaborative programs.
- Strengthening of on-going partnership programs and encouragement of the emergence of new ones.
- Vigorous promotion of financial cooperation in the implementation of programs through co-financing, counter-part and parallel funding arrangements.
- Continued enhancement of collaboration and mutual support among institutions benefiting from ACBF's funding through the establishment of country networks of ACBF-supported institutions, among other instruments.
- Encouragement of ACBF-supported policy centers to be more visible and to play a leading role in country environmental scanning and policy framework development.
- More vigorous dissemination of knowledge generated from ACBF's operations by means of its publications series and activities, inter-agencies information sharing programs, joint activities with partner institutions, participation in donor consultative and coordination meetings and through the media and public relations activities.

### III.4 STRATEGIC PRIORITIES AND PROGRAMS, 2007-2011

#### III.4.1 An Overview

In determining its strategic priorities for the 2007-2011 planning cycle, ACBF is guided by the following:

- Continued relevance of the vision and strategic orientations underpinning SMTP I 2002-2006, as evidenced by consistent policy decisions reached by the governing organs;
- There is a need for a dynamic, strategic balance between continuity and innovations to enable ACBF to systematically capture and operationally internalize emerging development thinking as well as evolving capacity building priorities and approaches and
- There is a need for ACBF to make a frontal contribution to the implementation of the African Union's resolution declaring 2002 - 2011 as the decade for capacity building in Africa, within the context of the continental drive to achieve the MDGs over a reasonable time span.

The choice of specific programs and projects that will be developed for the achievement of the objectives of this Plan will be driven by ACBF's Annual Business Plans and guided by the following considerations, among others:

- a) Given the continuing relevance of ACBF's core competency areas on which SMTP I was drawn, all projects and programs developed under SMTP II will be expected to fall within ACBF's six core competencies, namely:
  - Economic policy analysis and management
  - Financial management and accountability
  - Public administration and management
  - National statistics and statistical systems
  - National parliaments and parliamentary institutions
  - Professionalization of the voices of the private sector and civil society

SMTP 2007-2011 retains all six core competencies in the implementation of this Plan for a number of reasons, principal among which, are the following:

- The decision by the ACBF governing bodies (the Board of Governors and the Executive Board), given enduring capacity needs on the continent.
- The continuing relevance and validity of the PACT framework to Africa's capacity requirements, as amply demonstrated by the work of the World Bank Operational Task Force on Capacity Development in Africa (see January 13 and April 4, 2005 Reports).
- The need to maintain a predictable platform that provides systematic, focused and structured response to capacity needs on the continent and to remain consistent over a reasonable period of time, given the widely-acknowledged fact that capacity building in Africa is a long-term challenge (time consistency of policy).
- The strong consistency of the core competencies with the entry points proposed in the Reports of the World Bank Operational Task Force and proposed areas for intervention in Africa's capacity needs on which enormous premium was placed by the UK Government's Commission for Africa in its Report of April 2006.

- The distribution of the demand for interventions in capacity building, as reflected by requests that ACBF receives from countries and regional institutions.
- For a commensurate response to the capacity needs that are required for the effective implementation of NEPAD capacity building programs, one of the elements in the collaboration between ACBF and NEPAD for which a Memorandum of Understanding was signed on 14 January 2004.

ACBF may however not intervene in all the core competencies in every country as it will be guided by the paramount need to strike a suitable, stakeholder-driven, country-specific dynamic balance that takes into account the prevailing country capacity profile and resources (including co-finance) availability. There will also be a refinement of operational priorities within each core competency area to bring greater focus to interventions, as shown in Annex 7.

- (b) There will be a strong focus on aligning interventions to the capacity needs of countries, including local communities, for the achievement of most of the MDGs and to the requirements for the effective implementation of poverty reduction programs, especially country PRSPs.
- (c) Interventions will be geared towards addressing systemic obstacles to women's participation in policy-making process in countries and decision-making in major national, regional and continental institutions.
- (d) Programs and projects will contribute to the implementation of NEPAD's capacity building programs and thus effective implementation of ACBF-NEPAD collaborative program<sup>11</sup>.
- (e) The capacity needs of post-conflict countries will receive special attention to enable ACBF to participate effectively with other development partners in restoring basic policy-making processes and vital public services.
- (f) The performance of interventions will be evaluated on an outcomes and impact-oriented framework. This will move ACBF's performance measures significantly beyond inputs and outputs.
- (g) The implementation of the Plan will address recommendations made by ACBF's governing bodies and stakeholders especially as regards the following:
  - The need for outcomes-based performance measurement framework.
  - The need for a shift in favor of program-based interventions to maximize impact.
  - The need to strengthen support to regional and sub-regional institutions and networks.
  - The need for enhanced operationalization of knowledge management programs and ensuring that activities are strongly demand-driven.
  - The need for a greater sense of ownership of ACBF by its governing bodies.

In all cases, the gender dimension as well as the creation and nurturing of capacity to build and retain capacity will continue to be a crosscutting theme.

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<sup>11</sup> ACBF and NEPAD on January 14, 2004 signed a Memorandum of Understanding, which placed responsibility on ACBF for the implementation of NEPAD's capacity building programs.

### **Box 3.3**

### **MAINSTREAMING GENDER EQUALITY**

In the context of this Plan, ACBF will mainstream gender issues in its interventions to promote effective growth and poverty reduction through inclusive development of human capacities - the capacities of women and men on equal basis - and the provision of equal opportunities for professional growth and advancement. This means ensuring that both women and men have equal voices in the development process at community, national, regional, continental and global levels. It also means that both women and men have equal access to opportunities associated with growth and development, both have equal access to and control over developmental resources, and both have access to capacity building opportunities. As a matter of policy and operational programming, the Foundation will be guided by the following in the implementation of this Plan:

- Equal access to opportunities for the utilization and development of skills and competencies of women and men.
- Promotion of gender balance in governance organs and overall workforce at the level of ACBF Secretariat, ACBF-supported institutions and in public, private sector and civil society organizations benefiting from the Foundation's interventions.
- Integration of gender analysis as a core element in capacity needs assessment or profiling.
- Strengthening of skills, experience, knowledge and competences in gender issues as well as development of gender specialists at the ACBF Secretariat and ACBF-supported institutions through training, exchange programs, documentation and sharing of replicable practices for effective implementation of this Plan.
- ACBF Knowledge Management and Program Support Department will work closely with the Operations Zones and Training Operations Department to systematically document, share and disseminate good practices in gender-responsive interventions in capacity building. Efforts will be made to build capacity in ACBF-supported institutions in the development of gender-responsive activities in their annual work plans.
- Given valuable progress that has been made by a number of partner organizations, ACBF will draw on their lessons, share its experiences and collaborate in the development of instruments in the building of gender-responsive capacities in its core competency areas.

Interventions that will be undertaken in this Plan will be both mainstreamed in projects and programs and project-program specific. In the latter case, projects and programs will specifically target women to close existing gender gaps. Project and program development exercise will ensure that:

- All relevant gender issues, including expected outputs, outcomes and impact are systematically identified and incorporated.
- Participation of stakeholders with knowledge and experience in gender-responsive capacity building participate in the identification, design and appraisal of relevant projects and programs is encouraged.
- Terms of references of project development, appraisal and supervision missions duly reflect expected gender outputs and results. Mission teams will be expected to demonstrate relevant gender knowledge and experience.
- Project development, appraisal and supervision missions will be required to ensure equal consultation of female and male stakeholders and beneficiaries.
- Gender equality will be promoted amongst beneficiaries of training programs, participants at workshops, seminars and conferences; membership of working committees; chairs of committees and other institutional structures for organizational management at the level of the Foundation and ACBF-supported institutions.
- Efforts will be made to ensure that in the delivery of program support activities, especially workshops, seminars and conferences both women and men participate equally as speakers, chairpersons, discussants and rapporteurs.

### **III.4.2 Priority Programs and Projects**

The priority programs and projects proposed in this Plan focus on medium to long-term capacity needs, but are also responsive to the immediate requirements for the effective implementation of short-term policies and programs, including the PRSPs, medium term expenditure frameworks, among others. SMTP II will introduce refinements to ACBF's operational strategies. These will be implemented vide the Annual Business Plans. Among others, the refinements will include the following:

- A dynamic and content-specific balance between country programs and project-based interventions.
- Management of programs will require ACBF to interact more intensively with stakeholders by assessing quality of program products and services and their impact, sharing experiences to guide the design and implementation of specific reforms and playing a significant lead role in countries' policy dialogues.
- Performance will be measured on results/outcomes of interventions and relevant indicators will be built into the design of projects and programs.
- Interventions will consist of the following:
  - Country capacity profiles and action plans
  - Country programs
  - Project-based/targeted support
  - Regional interventions
  - Special interventions
  - Knowledge generation and sharing programs

#### **III.4.2-1 Instruments**

Interventions under this Plan will be based on five major instruments. These are Country Capacity Profiles (CCP), Country and Regional Programs (CP/RP), Project-Based/Targeted Interventions (PB/TI) and Special Interventions (SI).

##### **(i) Country Capacity Profiles**

Country capacity profiles represent a more elaborate and more systematic form of capacity needs assessment. They may focus on one or several key sectors or themes, a key ministry or function and highlight major capacity strengths or deficits. They may lead to the formulation of multi-donor, multi-sector national or sector-wide capacity building programs. However, a country's capacity profile need not lead to ACBF extending downstream financial support to any programs and projects which may be derived therefrom. On the contrary, by making available to other donors such systematic capacity building profiles, ACBF can make a significant contribution to the overall capacity building process. The capacity building exercise is led by the national government, with technical support by ACBF and other donors, and involves all relevant domestic and external stakeholders. The design of a country program ordinarily presupposes that a country capacity profile is available.

##### **(ii) Country Program Components**

A program will be developed only at the level of a country or sector/theme. It will consist of three requirements:

- *The basic requirements to perform:* these are skills, incentives systems, infrastructure and information.
- *The requirements for efficient performance or to enhance effective and efficient use of the basic requirements (skills, incentives, infrastructure and information).* These will consist of institutional reforms for effective use of capacity, resources and knowledge sharing programs to bring in best practices and make the institution a learning and an innovative organization.
- *Requirements for accountability and transparency in operations in order to sustain high quality output and services:* These will consist of accountability and transparency programs, as well as performance measurement and management programs.

*Country Program:* Thus, a CP will consist of components of the following:

- Interventions to strengthen core public sector effectiveness
- Institutional reform (including incentives system) activities
- Support to enhance accountability and transparency
- Interventions to build capacity for strategic planning and leadership development
- Knowledge generation and sharing activities

### **(iii) Project-based/Targeted Intervention**

Project-based/Targeted Intervention: In cases where identified capacity needs do not fit intervention by means of CP, they will be delivered through projects as targeted interventions.

### **(iv) Regional Organizations and Networks**

In order to bring economies of scale to interventions among countries and address the capacity requirement for the production of, and access to, regional public goods whose impact bears directly on the capacity of the core public sector in development policy management, good governance and poverty reduction, this medium term plan will strengthen regional and sub-regional institutions. These will include NEPAD and the Pan African Parliament whose capacity ACBF is at present strengthening, regional policy research, training and advocacy organizations, as well as regional networks in the area of learning, knowledge and information exchange and sharing communities on good governance and development practices. The instruments that will be used to deliver the interventions will consist of institutional reforms, policy and program analysis, design, implementation, monitoring and evaluation programs; training programs; gender analysis and training programs; conflict prevention and management programs; performance management programs; and knowledge sharing and networking activities, including the sharing of best practices on HIV/AIDS sensitization and management programs.

### **(v) Special Interventions**

And lastly, in the area of program operations, based on the benefits derived under SMTP 2002-2006, ACBF will maintain a special interventions category during this medium term plan. Under this category, it will address capacity needs of the following, among others:

- Institutional reforms and reconstruction programs in post-conflict countries as well as in countries with poorly equipped economic ministries and policy institutions.
- Conflict management programs.
- University reform programs

- Gender-related developments programs.
- Public sector capacity-related HIV/AIDS management programs.
- Trade negotiations and policy development
- Performance management system

**Capacity Building in Post-Conflict African Countries:** Through this Plan, ACBF will strengthen further its assistance to war-torn countries to help them to re-build and retrieve their capacities. The strengthening of stakeholders' dialogue and consultative process as well as the building of capacity for transparent, accountable and equitable management of public resources- including natural resources - will receive special attention.

**University Reform Programs:** Intervention in tertiary educational reforms and rehabilitation programs will be undertaken largely on a regional/continental basis in the context of a collaborative program with the Association of African Universities (AAU) and through direct support to individual institutions, as may be dictated by the nature of the identified capacity needs. In the case of the AAU, ACBF's interventions will be aligned with the needs expressed in the AAU's Strategic Plan for the period 2003-2010. Specifically, the interventions will help strengthen: (i) support for African higher education institutions in their core functions - teaching, learning, research and service to their communities; (ii) impact of Africa's higher education community and its institutions on national, regional and global policy dialogue; and (iii) efficient management of the AAU with sound programme implementation capacity. To this end, ACBF's support will promote and facilitate networking, collaboration, and experience sharing in teaching, learning and research among African and non-African universities; improve leadership, institutional management and the policy environment of African higher education; and enhance governance and efficiency of the Association.

**Gender, Public Policy and Development Results in Africa:** To make progress in the achievement of the MDGs, Africa must make gender equality a core commitment. As gender is a crosscutting theme in a development process, it can no longer be gainsaid that a development process that is not "en-gendered" is precipitously "endangered". SMTP 2007-2011 will be implemented with a view to heightening gender consciousness on the continent. In the implementation of the first medium term plan, 2002-2006, ACBF made efforts to give voice to women's organizations with a view to enhancing women's role in national policymaking processes.

During the period of this Plan, ACBF will provide support to efforts to empower women and push for gender equality. It will contribute to engendering national budgets, public expenditure programs, and poverty reduction processes and programs. It will actively encourage women leadership development programs, strengthen institutional processes and mechanisms that will help raise the extent to which women influence the capacity-building and development management agendas, and capacitate the frameworks for monitoring the role of women in specific development programs by assisting in the production and application of gender-disaggregated data. Other areas of support will include institutional reforms that promote equal rights for women and men and help to strengthen processes and measures to redress persistent gender disparities, and reforms that promote gender consciousness assessments, as well as the development and inclusion of gender action plans in development projects and programs to facilitate improved participation of women in the development process.

**HIV/AIDS and Public Sector Capacity:** In collaboration with UNAIDS, ACBF in 2003 conducted a study on the "Impact of HIV/AIDS on Public Sector Capacity in Sub-Saharan Africa". The aim of the study was to assess the extent of capacity loss in government economic ministries and

departments in the public sector and recommend appropriate strategies for building safety nets for the protection of vital capacity in the sector. The findings of the study were very instructive and would provide a guide to special support for countries whose public sectors are worse affected by the HIV/AIDS pandemic. Support will consist of accelerated training programs, direct (short-term) technical support by ACBF TAP-NETs, establishment of CLK-NETs in all such countries to bring the pool of policy analysts, researchers and policy practitioners within the reach of the policy-making process, and the setting up of public service networks with portals for access to best practices in HIV/AIDS management strategies in workplaces, among others.

Sub-Saharan Africa is the worst-hit region in the world by HIV/AIDS. Twenty-nine (29) countries in the region are hard hit by the pandemic, relative to only 3 in Asia and 2 in Latin America and the Caribbean. Life expectancy in the 29 countries is at present estimated at 47 years – 7 years less than what would have been the case in the absence of the scourge.

### **III.4.2-2.5 Knowledge Management and Program Support Activities**

#### **2-2.5a Knowledge Generation and Sharing Programs**

To bridge the continent's development gap, the knowledge economy has a significant role to play. There is need to strengthen applied research and skills development institutions, knowledge management centers and knowledge generation and sharing programs, so as to vigorously promote the culture of systematic documentation of what works and what does not. Policymakers, policy practitioners and policy institutions need easily accessible knowledge warehouses for best practices and avoidable pitfalls in development policy management, as well as knowledge centers or networks that offer answers to questions or guides to best practices within the continent or elsewhere on particular issues for which a policymaker needs support. The continent also needs to step up the level of motivation in the effort to support continuous application of new learning and shared knowledge for institutions to seize improvement opportunities and grow. Knowledge-based inputs for growth is direly required by African economies in order to participate effectively in today's global development environment, which is, indeed, very challenging to the African continent. Access to information and knowledge and the ability to apply them is just as vital as other resources required in a development process. The continent needs institutions and human resources that can sift through development efforts and properly document ideas and practices that have worked or failed so that countries can avoid making mistakes for which solutions already exist. Also needed are institutions that can tap global knowledge and assist African countries to apply it to local conditions – yet the continent cannot afford to be a passive user of information and knowledge created elsewhere. It must participate actively in generating and sharing its own knowledge, as well. It is to this effort that the Foundation knowledge management system must make a reasonable response and contribution.

During the period of this plan, the activities of the knowledge management system will be consolidated and a few more products added. The development of performance indicators for capacity building interventions will be a central focus of the knowledge management programs. This will be undertaken in close collaboration with other players in the field.

Knowledge-based programs that will be carried out during the period of the Plan will consist of the following:

**Knowledge Networks:** Central to ACBF's knowledge management system are its knowledge networks. These, at present, consist of six Technical Advisory Panels and Networks (TAP-NETs),

five Country Level Knowledge Networks (CLK-NETs), the African Policy Institutes Forum and an African Economic and Financial Policymakers' Network that will be set up in the course of the implementation of this Plan.

The TAP-NETs are continent/global knowledge networks set up to provide knowledge-based inputs for the improvement of the quality of ACBF project and program operations. During the period of this Plan, their activities will be further strengthened. Geographic, gender, linguistic and functional balance will be improved with respect to their membership. There will also be a closer integration with operational activities and synergy with related initiatives by other players and knowledge networks.

The CLK-NETs are already operational in Burkina Faso, Ghana and Senegal. Two others in Cape Verde and Kenya will start operation in 2006. During the period of this Plan, ACBF will expand its establishment of these knowledge networks and raise the effectiveness of their operations.

**Operations and Thematic Research:** To guide project and program development and management operations and provide best-practice information to policymakers, the knowledge management system will continue to support operations and thematic research during the period of this Plan. The research will document and provide up-to-date policy-relevant information on substantive development and capacity-building issues.

The implementation of this activity will be carried out through thematic research groups within ACBF's Secretariat, the knowledge networks and in collaboration with existing and new research and policy analysis networks such as the African Economic Research Consortium, the Council for the Development of Economic and Social Research in Africa, the Organization for Social Science Research in Eastern and Southern Africa, the West African Economic Association, the Association of African Universities, and joint research and policy studies with national and regional organizations, including partner and ACBF-supported institutions. The research will be geared towards issues relating to development management and capacity building and utilization.

In addition to conducting its own research, ACBF will actively seek out partnership opportunities with other African and non-African Organization. It will track, collate, synthesize and disseminate findings from major research works, which fall within the remit of the six core competencies. This activity will provide ready access by countries and regional institutions to very recent findings on selected development issues and enable them to stand sensibly on relevant policy options. The findings will be shared through ACBF's publications series, workshops and electronic communications outlets and would benefit policymakers, policy research and analysis institutions and the development community.

**Senior Policymakers and Development Managers' Knowledge Sharing Program:** This sub-program has not been very effective under SMTP I. SMTP II will seek to jump start it again and the PSMTTP provides an opportunity, (e.g. Forum for Heads of State/Government, Retired Captains of Industry etc.) to tap the experience and tacit knowledge of former leaders of Government, business and society to coach and nurture the young and emerging generations.

**Publications:** During the period of the plan, ACBF will continue with its publications series, which include the following:

- ACBF Quarterly Newsletter in both English and French
- Books highlighting best practice cases
- Occasional Papers

- ACBF Working Papers
- Lessons Notes
- African Research Abstracts (in collaboration with the Association of African Universities)
- Reports of Workshop Proceedings

**Web Site, Portal and Database Development:** To strengthen dissemination channels and access to knowledge products and services, ACBF will continually enhance the content of its web sites and update its databases and directories during the period of this Plan.

**Directory of African Development Management Professionals:** In 2004, ACBF launched an online Directory of African Development Management Professionals for use of its operations-related activities, as well as by governments, ACBF Partner institutions, UN Agencies and other development management organizations and individuals requiring consultants or experts on issues relating to economic and social development on the African continent. This database consists of African professionals, researchers and activists, among others involved in development management issues on the continent. The primary focus is on individuals living and working on the African continent as well as African experts in the Diaspora who are directly involved in development management initiatives, research, policy analysis and advocacy. The directory will be updated regularly and more widely shared during the period of this Plan.

**Project and Program Tracking System:** To provide access to on-line information on status of operations, project and program proposals submitted to ACBF for consideration, as well as criteria for project and program selection, ACBF will continually refine its online operations tracking system. The system is a means by which project promoters and other stakeholders can track progress in the processing of their requests for support by ACBF. The tracking system provides information on the current portfolio of ACBF and the status of project and program proposals in five categories, namely, national projects, national programs, regional projects, SAFEWIND and Seed Grants, and knowledge management programs.

**Economic and Financial Policymakers' Network:** As part of its program, which seeks to support the emergence of knowledge-based economies in Africa, ACBF will strengthen the operations of the economic and financial policymakers' network (EFNET) that will be set up in 2007. EFNET is an information and knowledge sharing community of senior African financial and economic policymakers and development practitioners. The network is aimed at fostering dialogue, information and knowledge sharing (including best and replicable practices) in policymaking and implementation, and supporting continuous mutual learning among senior financial and economic policymakers and other senior development managers. This knowledge network will create a mutual learning community for economic and financial policymakers and to this end offer a platform for closing information and knowledge gaps.

**On-line Discussion Forum on Capacity Building:** To harvest inputs for the development and refinement of ACBF's programs, open up review of operations to a broader segment of the development community and afford stakeholders and partner institutions an avenue for regular exchanges and dialogue on capacity building issues on the continent, ACBF in 2005 launched an on-line discussion forum on capacity building. Moderated by ACBF Secretariat, the Forum will be developed into a major platform for discussion and information sharing during the period of this Plan.

### 2-2.5.b Program Support Activities

During the period of the Plan, program support activities will be undertaken as components of specific programs and projects, to strengthen institutional capacity of ACBF Secretariat, including retooling staff skills and competencies, and to help in the implementation of collaborative and outreach-related activities. The main categories of Program Support Activities will consist of workshops, seminars and conferences; a professional development program; training; outreach; and institutional enhancement.

*Workshops, Conferences and Seminars:* These will be organized as part of program development activities, as knowledge, experience and best-practice sharing activities, and to examine in greater depth specific capacity building or development management issues within the Foundation's core competency areas. The workshops, conferences and seminars will be organized directly by ACBF and in collaboration with partner institutions. ACBF Staff will also be encouraged to participate in similar activities that will be organized by partner institutions.

*Professional Development Program:* A Professional Development Program (PDP) will be institutionalized and implemented during the period of this Plan. The aim will be to develop a pool of high-quality professionals (ACBF Fellows) with excellent hands-on skills in the development and management of capacity building operations and knowledge management systems in any of ACBF's core competency areas that could supplement capacity within the Secretariat and provide ACBF and its stakeholders with a source for consultants and staff.

*Strengthening of Staff Training Internally and Externally:* During the period of this Plan, ACBF will step up staff training to enable it to strengthen staff competencies and to ensure that they continue to keep abreast of developments and innovations, and are appropriately tooled to apply best-practice principles and cases in operations, administration, human resource and financial management. Training will consist of structured programs, study visits, benchmarking missions, attachments, exchange programs and proficiency in ACBF operating languages.

*Outreach:* During the period of this Plan, ACBF will strengthen its outreach programs and enhance further its visibility among stakeholders. The Outreach Unit in the Office of the Executive Secretary will be adequately resourced to extend its external reach more effectively.

*Institutional Enhancement:* In order to provide suitable operational environment for its activities, ACBF will continue to strengthen operating systems, processes and procedures relating to:

- Administration and human resource management
- Financial management and accounting
- Program and project operations
- Information and communications technology and platform

Other areas of intervention that will contribute to institutional enhancement will include:

- Improvement of operating processes and facilities for effective and efficient performance by the Secretariat
- Cultivation of leadership qualities at all levels of responsibility in ACBF Secretariat through leadership and communications training
- Strengthening of linkage between knowledge management programs and operational activities
- Organization of regular consultative and review meetings of operations, knowledge management and the support departments to enhance cross-fertilization, mutual

learning as well as the operational effectiveness and overall efficiency of the ACBF Secretariat

- Internalization of a results-oriented performance management system and culture
- Enhancement of on-going internal control procedures to raise efficiency levels in procurement and compliance with administrative and financial policies and procedures at the level of the ACBF Secretariat and Projects/Programs.

*Partnership Programs:* During the period of the plan, ACBF will strengthen its partnership and collaborative programs with partner institutions. The rapidly growing portfolio of partnership programs consist of collaborative activities with the New Partnership for Africa's Development (NEPAD), African Union Commission, the African Development Bank, United Nations Economic Commission for Africa (UNECA), the African Training and Research Centre in Administration for Development (CAFRAD), the World Bank Institute (WBI), the Canadian International Development Agency (CIDA), the IMF African Regional Technical Assistance Centers (AFRITACs), the Association of African Universities (AAU), various African and non-African Universities and policy research centers ,the Global Development Network ( GDN), the IMF Institute , the African Economic Research Consortium (AERC), the OECD Development Center , the European Center for Development Policy Management (ECDPM), the Council for the Development of Social Science Research in Africa (CODESRIA), the Organization for Social Science Research in Eastern and Southern Africa (OSSREA), the United Nations Conference on Trade and Development (UNCTAD), the Organization for International Migration (IOM), the United Nations Department of Economic and Social Affairs (UNDESA) and InWent, among numerous others. Partnership ties will be actively strengthened with national, regional and continental civil society and private sector networks supporting participatory and accountable governance in sub-Saharan Africa.

### **III.5 FINANCING REQUIREMENTS OF PLAN**

#### **III-5.1. Financing Requirements**

The financing requirements of this Plan are presented in three scenarios. Tables III.I a-c give the corresponding level of resource requirements for each of the core components. Of these, scenario II provides an optimal funding envelope for the Plan, as scenario I will severely constrain the achievement of the objectives of the Plan given the identified capacity needs it is designed to address, while scenario III, though would provide a much desired resource push for an enhanced response to the capacity needs articulated in the Plan, might present considerable challenge in the mobilization of the required resources. Thus scenario II offers an optimal financing requirement for the effective implementation of the Plan. Consequently, ACBF will need financing of US\$350.00million over the five-year period, 2007-2011. Of this amount, country interventions will take up 42.86%, a total of US\$150.00million; regional interventions will account for 21.43%, which amounts to US\$75.00million; special interventions will take US\$5.00million or 1.43%, while knowledge generation and sharing programs will be funded to the tune of 14.29% of the financing requirements. The share of the knowledge management activities comes to US\$50.00million. General administration, board, capital and program development expenses will require a resource support of US\$70.00million. This component represents 20% of the total financing requirements of this Plan. Within this component, however, core administration, board and capital expenses will account for only 9.71% of the total resource envelope for the implementation of the Plan.

Table III-1a:

## EXPECTED USES OF FUNDS – SCENARIO I

| PROGRAMS   | BUDGET                       |               |
|--|------------------------------|---------------|
|  | US\$ m                       | (%)           |
| (A) COUNTRY LEVEL INTERVENTIONS  | <b>120.02</b>                | 42.86         |
| (B) REGIONAL INTERVENTIONS   | <b>60.00</b>                 | 21.43         |
| (C) SPECIAL PROGRAMS   | <b>4.00</b>                  | 1.43          |
| (D) KNOWLEDGE MANAGEMENT   | <b>40.00</b>                 | 14.28         |
| (E) GENERAL ADMINISTRATION, BOARD,<br>CAPITAL AND PROGRAM DEVELOPMENT  |                              |               |
| <ul style="list-style-type: none"> <li>• General Administration, Board &amp; Capital Expenses</li> <li>• Program Development Expenses</li> </ul> | <b>27.19</b><br><b>28.81</b> | 9.71<br>10.29 |
| <b>GRAND TOTAL</b>   | <b>280.02</b>                | 100.00        |

Table III-1b:

## EXPECTED USES OF FUNDS – SCENARIO II

| PROGRAMS   | BUDGET                       |               |
|--|------------------------------|---------------|
|  | US\$ m                       | (%)           |
| (A) COUNTRY LEVEL INTERVENTIONS  | <b>150.00</b>                | 42.86         |
| (B) REGIONAL INTERVENTIONS   | <b>75.00</b>                 | 21.43         |
| (C) SPECIAL PROGRAMS   | <b>5.00</b>                  | 1.43          |
| (D) KNOWLEDGE MANAGEMENT   | <b>50.00</b>                 | 14.29         |
| (E) GENERAL ADMINISTRATION, BOARD, CAPITAL AND PROGRAM DEVELOPMENT   |                              |               |
| <ul style="list-style-type: none"> <li>• General Administration, Board &amp; Capital Expenses</li> <li>• Program Development Expenses</li> </ul> | <b>34.00</b><br><b>36.00</b> | 9.71<br>10.29 |
| <b>GRAND TOTAL</b>   | <b>350.00</b>                | 100.00        |

**Table III-1c:**

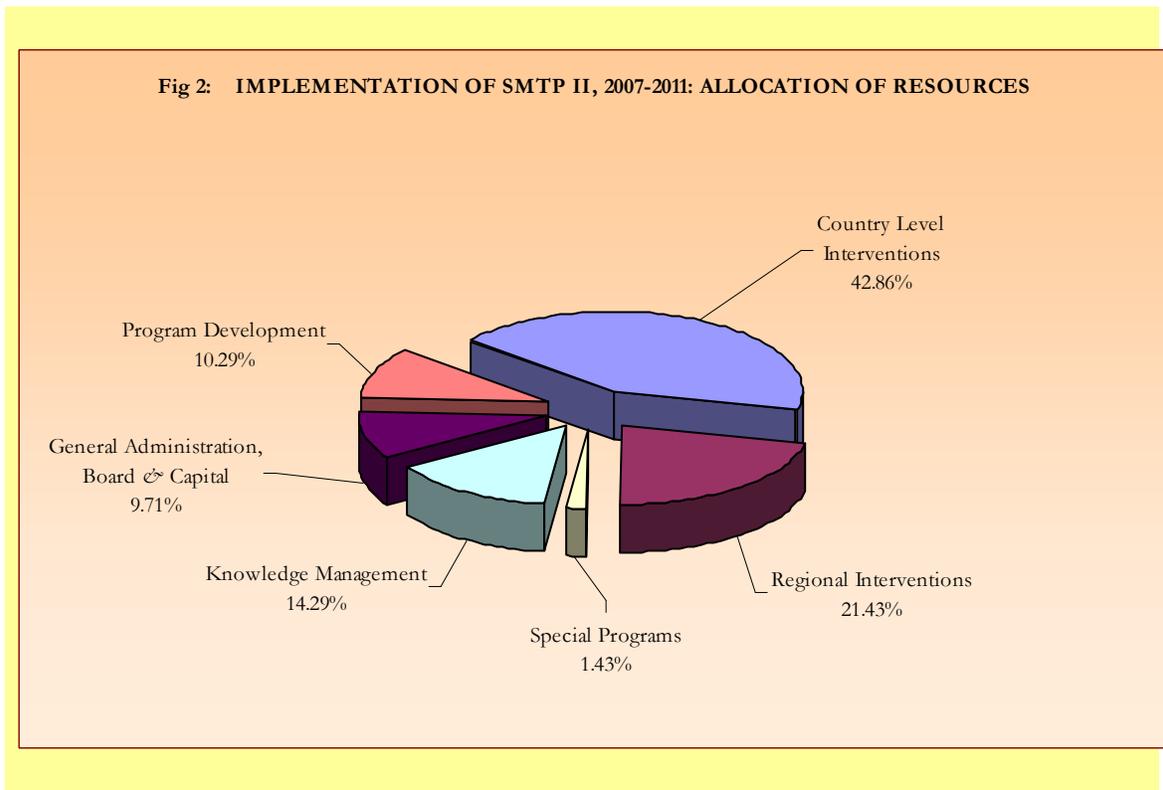
**EXPECTED USES OF FUNDS – SCENARIO III**

| PROGRAMS   | BUDGET         |               |
|--|----------------|---------------|
|  | US\$ m         | (%)           |
| (A) COUNTRY LEVEL INTERVENTIONS  | <b>180.06</b>  | 42.87         |
| (B) REGIONAL INTERVENTIONS   | <b>90.00</b>   | 21.43         |
| (C) SPECIAL PROGRAMS   | <b>6.00</b>    | 1.43          |
| (D) KNOWLEDGE MANAGEMENT   | <b>60.00</b>   | 14.28         |
| (E) GENERAL ADMINISTRATION, BOARD, CAPITAL AND PROGRAM DEVELOPMENT   |                |               |
| <ul style="list-style-type: none"> <li>• General Administration, Board &amp; Capital Expenses</li> <li>• Program Development Expenses</li> </ul> | 40.78<br>43.22 | 9.71<br>10.29 |
| <b>GRAND TOTAL</b>   | <b>420.06</b>  | 100.00        |

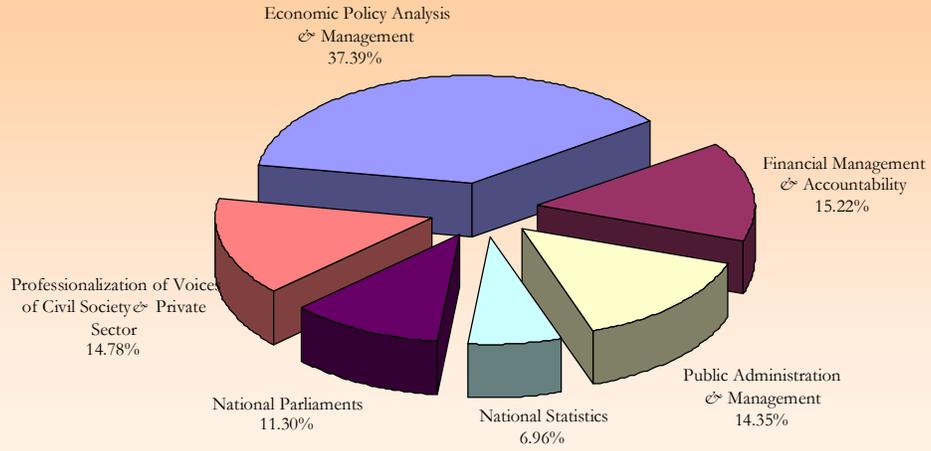
### III-5.2 Financing Strategy

This Plan will be financed from resources that will be contributed by ACBF's stakeholders. Multilateral institutions will be expected to contribute US\$182.0million, which represents 52% of the funding envelope, while bilateral donors will be expected to provide US\$157.5million or 45% of the financing requirements. A total of US\$10.5million or 3.0% of the funding for the Plan will be expected from African countries.

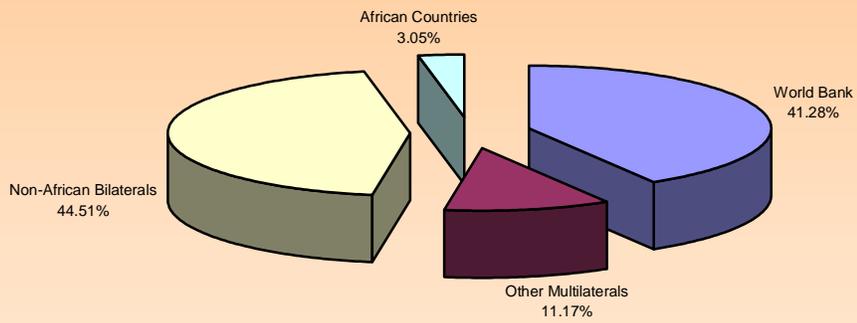
The financing of this medium term program will enable ACBF to bring to the fore the issue of the long-run sustainability of its operations, which is largely a function of the mode and sources of financing for its programs. Since the launch of PACT, there has been considerable progress in the growth of the African membership base of ACBF and co-financing for projects and programs. In spite of this progress, these are insufficient sources to sustain ACBF's operations financially. In the long run, in order to ensure sustainability, ACBF will need one of two options: 1) a process by which its financing requirement is met through a predictable replenishment process at the beginning of each planning cycle, as apposed to a pledging session through which funding has so far been mobilized, or 2) an endowment. An endowment will complete the process by which ACBF can be fully established as a foundation in the legal sense of the term. In the meantime, while the two options will be explored at length for feasibility, this Plan will be implemented based on pledged resources for which the World Bank, as has been the case, will exercise fiduciary control in its capacity as the trust fund manager.



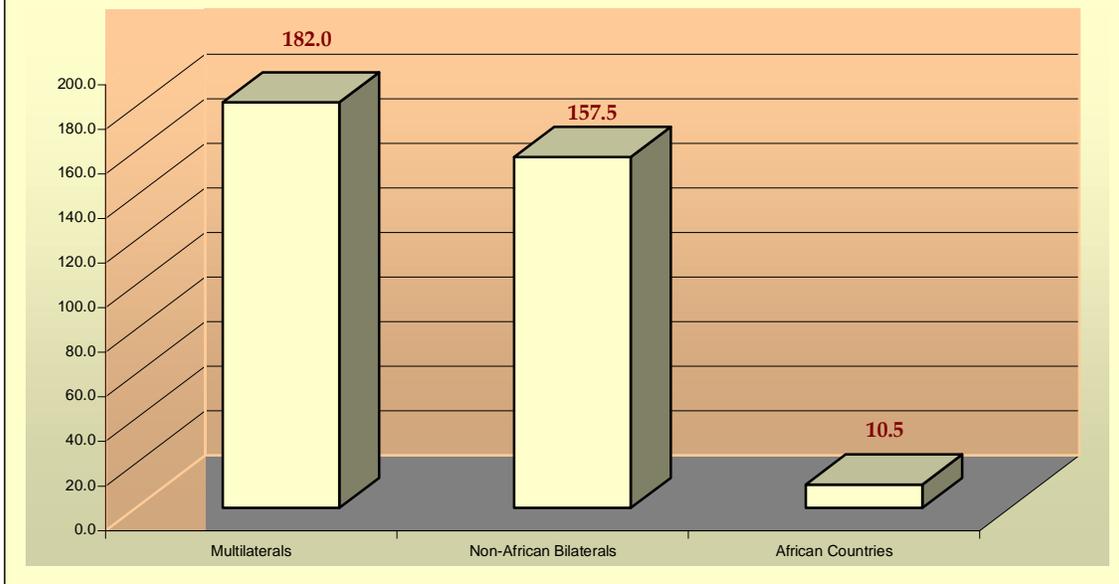
**Fig. 3: IMPLEMENTATION OF SMTP II, 2007-2011: ALLOCATION OF PROGRAM & PROJECT RESOURCES BY CORE COMPETENCY AREAS**



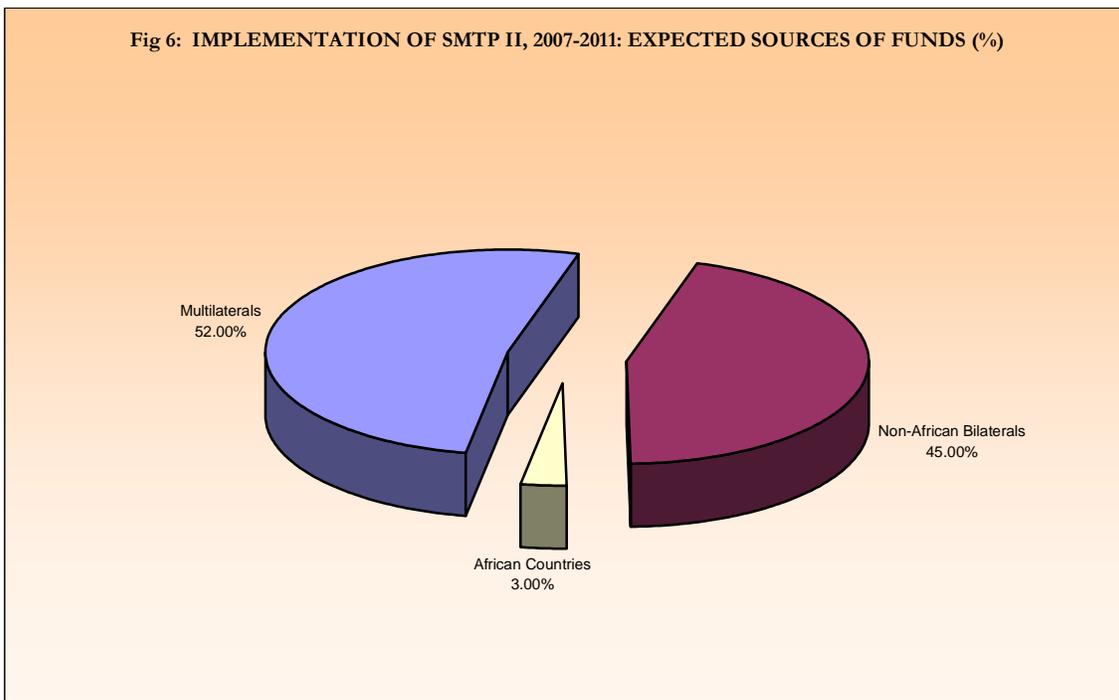
**Fig.4: DONOR COMMITMENTS AND CONTRIBUTIONS - PHASE I, PHASE II AND ACBF-PACT PHASE**



**Fig. 5: IMPLEMENTATION OF SMTP II, 2007-2011: EXPECTED SOURCES OF FUNDS (US\$million)**



**Fig 6: IMPLEMENTATION OF SMTP II, 2007-2011: EXPECTED SOURCES OF FUNDS (%)**



**Table III.2: INDICATIVE ALLOCATION OF FINANCIAL RESOURCES AMONG CORE PROGRAMS, 2007-2011**

| Core Programs   | Instruments                                  | Country/<br>Institutional<br>Coverage | Average<br>Cost | Total<br>Cost | %     |
|---|--|---------------------------------------|-----------------|---------------|-------|
| <b>(A) COUNTRY INTERVENTIONS</b>  |  |                                       |                 |               |       |
| <ul style="list-style-type: none"> <li>• <b>Core Public Sector Effectiveness</b> <ul style="list-style-type: none"> <li>○ Economic policy analysis and management</li> <li>○ Financial management and accountability</li> <li>○ Public administration and management</li> <li>○ National statistics and statistical systems</li> <li>○ National parliaments and parliamentary institutions</li> </ul> </li> <li>• <b>Interface and Participatory Development</b> <ul style="list-style-type: none"> <li>○ Public sector-non-state actors interface, dialogue and partnership</li> <li>○ Research, policy analysis and advocacy capacity of civil society</li> <li>○ Institutional reforms for private sector growth</li> <li>○ Private sector corporate governance</li> <li>○ Training</li> </ul> </li> </ul> | - Country programs                           | 20                                    | 5.60            | 112.00        | 32    |
|   | - Project-based/<br>Targeted interventions   | 9                                     | 1.50            | 14.00         | 4     |
|   | - Project-based/<br>- Targeted Interventions | 16                                    | 1.50            | 24.00         | 6.86  |
| <b>(B) REGIONAL INTEGRATION, TRADE AND PUBLIC GOODS</b>   |  |                                       |                 |               |       |
| <ul style="list-style-type: none"> <li>○ Strengthening of Regional Economic Communities</li> <li>○ Regional and sub-regional policy research, training, advocacy and conflict management institutions</li> <li>○ Operational effectiveness of continental organizations (NEPAD, etc)</li> <li>○ Trade policy development and negotiations</li> <li>○ Regional knowledge networks</li> <li>○ Regional economic summits</li> </ul>  | - Project- based/<br>Targeted interventions  | 20                                    | 3.75            | 75.00         | 21.43 |

|  |   |    |      |                |               |
|--|---|----|------|----------------|---------------|
| <p><b>(C) SPECIAL PROGRAMS</b></p> <ul style="list-style-type: none"> <li>○ Conflict prevention and management</li> <li>○ University reform, rehabilitation and networking</li> <li>○ HIV/AIDS and public sector capacity</li> <li>○ Gender-related development programs</li> </ul>  | - Project- based/<br>Targeted interventions | 10 | 0.50 | 5.00           | 1.43          |
| <p><b>(D) KNOWLEDGE MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>○ Knowledge Networks</li> <li>○ Operations and thematic research</li> <li>○ Best practice studies</li> <li>○ Senior policymakers' knowledge sharing program</li> <li>○ Publications</li> <li>○ Web site, portals and database development</li> <li>○ Public service knowledge management system and e-governance program</li> <li>○ Institutional networking</li> <li>○ Online information center</li> </ul> | - Project- based/<br>Targeted interventions |    |      | 50.00          | 14.29         |
| <p><b>(E) GENERAL ADMINISTRATION, BOARD, CAPITAL AND PROGRAM DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• General Administration, Board &amp; Capital Expenses</li> <li>• Program Development Expenses</li> </ul>  |   |    |      | 34.00<br>36.00 | 9.71<br>10.29 |
| <p><b>(F) TOTAL RESOURCE REQUIREMENTS</b></p>  |   |    |      | <b>350.00</b>  | <b>100.00</b> |

**Table III.3: EXPECTED USES OF FUNDS BY CORE COMPETENCIES**

| PROGRAMS  | BUDGET   |  |
|---|--|--|
|   | US\$ million                                       | (%)  |
| <b>(A) CORE COMPETENCIES</b>  |  |  |
| <ul style="list-style-type: none"> <li>• Economic Policy Analysis and Management</li> <li>• Financial Management and Accountability</li> <li>• Public Administration and Management</li> <li>• National Statistics and Statistical Systems</li> <li>• National Parliaments and Parliamentary Institutions</li> <li>• Professionalization of the Voices of Private Sector and Civil Society</li> </ul> | 86.00<br>35.00<br>33.00<br>16.00<br>26.00<br>34.00 | 24.57<br>10.00<br>9.43<br>4.57<br>7.43<br>9.71 |
| <b>(B) KNOWLEDGE MANAGEMENT</b>   | 50.00  | 14.29  |
| <b>(C) GENERAL ADMINISTRATION, BOARD, CAPITAL AND PROGRAM DEVELOPMENT</b>   |  |  |
| <ul style="list-style-type: none"> <li>• General Administration, Board and Capital Expenses</li> <li>• Program Development Expenses</li> </ul>  | 34.00<br>36.00                                     | 9.71<br>10.29                                  |
| <b>GRAND TOTAL</b>  | <b>350.00</b>                                      | <b>100.00</b>                                  |

**Core Competencies:** This component of the planned use of the financing for this SMTP consists of resource commitments to be made in each of the six core areas in which ACBF will intervene in capacity building over the period of the Plan. These shares are not necessarily an indication of the strength of ACBF's operational capacity in each of the six core competencies. They are also not a reflection of the relative importance or a rank- ordering of capacity needs in each and every African country.

**Knowledge Management:** This component of the expected uses to which the required resources will be put, is essentially made up of costs of activities of a project nature to be undertaken towards

the implementation of ACBF knowledge management strategy and programs with special focus on knowledge networks at country, regional and continental levels across sub-Saharan Africa.

**General Administration, Board and Capital Expenses:** This expenditure component consists of recurrent administrative costs, expenses relating to the meetings of ACBF Board of Governors and the Executive Board as well as capital expenses for equipment and other office infrastructure and facilities required for the operation of ACBF Secretariat.

**Program Development Expenses:** This component reflects the costs of the process of project and program development and management – stakeholder consultation; capacity needs assessment and profiling; project and program development, implementation planning, supervision, mid-term reviews and end of project/program evaluations; as well as the related missions and consultancy services, among others. It also involves activities relating to stakeholders’ meetings on project and program designs, all stakeholders’ review of project and program performances, training and restitution workshops for stakeholders as well as a host of other program support activities. Program development activities are essentially project-equivalent events implemented by the Secretariat on behalf of various stakeholders that are a vital part of the capacity building process.

**Table III-4: SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY                                | INDICATIVE RESOURCE ALLOCATION | INPUTS   | CORE ACTIVITIES  | OUTPUTS  | IMPACT RESULTS   |
|--|--------------------------------|--|--|--|--|
| <b>ECONOMIC POLICY ANALYSIS AND MANAGEMENT</b> | <b>US\$86million</b>           | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Establishment/strengthening of 30 national and regional policy centers.</li> <li>• Strengthening of 15 national and regional training institutions/programs.</li> <li>• Reform/rehabilitation of 5 ministries of finance and planning, especially in post-conflict SSA countries.</li> <li>• Provision of policy analysis support for the design, implementation, monitoring and review of poverty reduction programs in 15 SSA countries.</li> <li>• Strengthening of institutional capacity of 9 RECs.</li> </ul> | <ul style="list-style-type: none"> <li>• Existence of a core of professional policy analysts in 30 SSA countries/institutions with responsibility for policy and program design and implementation.</li> <li>• Existence of sustainable training capacity in 30 national and regional training institutions.</li> <li>• 5 ministries of finance/planning reformed/rehabilitated for effectiveness.</li> <li>• 9 RECs with strong institutional capacity for managing integration process and implementing NEPAD programs.</li> </ul> | <ul style="list-style-type: none"> <li>• Existence of a stable and responsive macroeconomic framework in at least 10-15 SSA countries.</li> <li>• Reduction of the use of expatriate professionals or external technical assistance in the design of policies and programs in all 30 SSA countries with policy centers.</li> <li>• Improved ownership of national policies and programs in 30 SSA countries with established policy centers and trained professionals (<i>as policies and programs will be designed by national professionals</i>).</li> <li>• Reduction of dependence on external training</li> </ul> |

- Support to 10 SSA countries for development/review of long-term framework for development programming and management (5 of which will be post-conflict countries)
- Promotion of gender budgeting in 10 SSA countries/ institutions

- 10 SSA countries with long-term development programming frameworks.
- Institutionalized gender budgeting in at least 5 SSA countries.

- institutions in the public service of at least 10-15 SSA countries
- Reduction of cost of high-quality economics and public sector management training due to reduction of dependence on overseas institutions.
- Improved relevance of training to national needs due to the existence of strengthened national and regional training institutions and programs.
- Measurable progress by 9 RECs in stimulating intra-Africa trade, strengthening regional integration and implementing NEPAD programs.
- Enhanced consciousness of gender-sensitive policies, programs and growth in 5 SSA countries.

**Table III-4 (contd.): SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY                                | INDICATIVE RESOURCE ALLOCATION | INPUTS   | CORE ACTIVITIES  | OUTPUTS  | IMPACT RESULTS  |
|--|--------------------------------|--|--|--|---|
| <b>FINANCIAL MANAGEMENT AND ACCOUNTABILITY</b> | <b>US\$35million</b>           | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthening financial management training institutions/programs in 10 SSA countries and regions.</li> <li>• Raising effectiveness of financial management institutions and national integrity system (financial accountability chain) in 10 SSA countries.</li> <li>• Reforming budgetary, public procurement and public expenditure management processes in 15 SSA countries.</li> <li>• Institutionalizing public expenditure tracking system in 15 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Existence of trained core of public financial management professionals in major financial agencies in 10 SSA countries.</li> <li>• Improved systems, processes and procedures in public financial management in 10 SSA countries.</li> <li>• Timeliness of audit of public accounts in 10 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Improved national ownership of financial policies, programs and reforms.</li> <li>• Reduction of reliance on expatriate professionals or technical assistance on financial management matters in at least 10 SSA countries.</li> </ul> |

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|  |  |  | <ul style="list-style-type: none"> <li>• Enhancing decentralization process in 15 SSA countries</li> <li>• Establishing public-domain databases and information portals on public finances in 10 SSA countries.</li> <li>• Upgrading institutional capacity of anti-corruption agencies in 5 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Transparent disclosure of public revenues and expenditures in 15 SSA countries.</li> <li>• Enhanced access to publicly available information on public accounts in 15 SSA countries.</li> <li>• Strengthened anti-corruption agencies in 5 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Heightened consciousness of the need and process for the reduction of public sector corruption and misappropriation of funds in at least 5 SSA countries.</li> </ul> |
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**Table III-4 (contd.): SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY                                    | INDICATIVE RESOURCE ALLOCATION | INPUTS   | CORE ACTIVITIES   | OUTPUTS   | IMPACT RESULTS   |
|--|--------------------------------|--|---|---|--|
| <p><b>PUBLIC ADMINISTRATION AND MANAGEMENT</b></p> | <p><b>US\$33million</b></p>    | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthening of 10 national and regional institutions/programs for training of public sector managers.</li> <li>• Enhancement of decentralization of public service delivery in 10 SSA countries.</li> <li>• Establishment/strengthening of performance management system in 10 public services in SSA.</li> <li>• Strengthening of regulatory capacity of public service and capacity for facilitation of private sector development in 10 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Enhanced pool of trained public sector managers in 10 SSA countries' core public service.</li> <li>• Institutionalized platforms for public-private sector consultation in 10 SSA countries.</li> <li>• Cultivated culture of quality public service due to deepened public service reforms and performance management systems in 10 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Reduction in the number of expatriate professionals in core public services of beneficiary countries/Institutions.</li> <li>• Increased membership of non-state actors in public service consultative platforms</li> <li>• Improved accountability for results in beneficiary public service agencies.</li> </ul> |

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|  |  |  | <ul style="list-style-type: none"> <li>• Deepening of public service reform programs in 10 SSA countries</li> <li>• Strengthening of aid coordination capacity of national governments in 15 SSA countries</li> <li>• Promotion of e-government / e-administration at national and local government levels in 15 SSA countries.</li> <li>• Reform/rehabilitation/enhancement of electoral systems in 5 post-conflict SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Improved fairness and transparency of electoral systems in 5 post-conflict SSA countries.</li> <li>• Accessibility to public service information in 10 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Successful transition planning and elections management by electoral commissions in beneficiary post-conflict SSA countries.</li> </ul> |
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**Table III-4 (contd.): SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY  | INDICATIVE RESOURCE ALLOCATION | CORE   | CORE ACTIVITIES  | OUTPUTS  | IMPACT RESULTS   |
|--|--------------------------------|--|--|--|--|
| <b>STRENGTHENING AND MONITORING OF NATIONAL STATISTICS AND STATISTICAL SYSTEMS</b> | <b>US\$16million</b>           | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthening of 10 national and regional institutes for statistical training</li> <li>• Reform and strengthening of institutional capacity of 10 Central Statistical Agencies in SSA.</li> <li>• Revival of the African Statistical Association.</li> <li>• Capacitation of statistical departments of 9 RECs</li> <li>• Strengthening of PRSP-related statistical needs of 10 SSA lowest income countries.</li> <li>• Enhancement of statistical capacity of departments of planning, research</li> </ul> | <ul style="list-style-type: none"> <li>• Existence of functional and effective Central Statistical Offices and national statistical systems in at least 5 SSA countries/ institutions.</li> <li>• Timely availability of up to date national statistics for planning and monitoring in 5-10 SSA countries.</li> <li>• Improved accessibility of national and regional statistical series in 10 countries and 9 RECs.</li> <li>• Improved quality and reliability of statistical series in 5-10 SSA countries.</li> <li>• Improved standard of national accounts statistics in 10 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Proportion of up-to-date statistical series.</li> <li>• Length of lag in statistical series.</li> <li>• Cost of accessing national/regional statistics.</li> <li>• Regularity of surveys.</li> <li>• Demand for and use of statistics.</li> <li>• International comparability of statistical standard.</li> <li>• Availability of gender-disaggregated statistics.</li> </ul> |

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|  |  |  | <p>and statistics of ministries of finance, planning, public service and central bank of 10 SSA countries/institutions</p> <ul style="list-style-type: none"> <li>• Rehabilitation of institutional statistical capacity of 5 post-conflict SSA countries.</li> <li>• Promotion of gender-disaggregated statistics and gender budgeting in 10 SSA countries/institutions</li> <li>• Facilitation of the implementation, monitoring and evaluation of the National Strategy for the Development of Statistics (NSDS) framework in 10 SSA countries.</li> <li>• Institutionalization/strengthening of platform for interaction between producers and users of statistics in 10 SSA countries.</li> </ul> |  |  |
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**Table III-4 (contd.): SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY   | INDICATIVE RESOURCE ALLOCATION | CORE   | CORE ACTIVITIES   | OUTPUTS   | IMPACT RESULTS   |
|---|--------------------------------|--|---|---|--|
| <b>STRENGTHENING OF POLICY ANALYSIS CAPACITY OF NATIONAL PARLIAMENTS AND PARLIAMENTARY INSTITUTIONS</b> | <b>US\$26million</b>           | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Establishment/enhancement of policy analysis, research, information and documentation capacity of 10 SSA national and regional parliaments.</li> <li>• Training of parliamentarians and parliamentary support staff in 10 SSA countries/national and regional parliaments on parliamentary processes and procedures and development policy issues.</li> <li>• Reform of</li> </ul> | <ul style="list-style-type: none"> <li>• Existence of effective and accountable national parliaments in 15 SSA countries.</li> <li>• Re-established/reformed parliamentary processes in 5 post-conflict SSA countries.</li> <li>• Enhanced accessibility of parliaments and parliamentary proceedings to the public in 15 SSA countries.</li> </ul> | <ul style="list-style-type: none"> <li>• Growth in number of policy and program reforms demanded by parliament on annual national budgetary policies and programs.</li> <li>• Regularity and intensity of parliamentary scrutiny of performance by the Executive.</li> <li>• Growth in number of public policy hearings in parliament</li> <li>• Number of question and answer sessions</li> </ul> |

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|  |  |  | <p>parliamentary systems in 5 SSA post-conflict countries.</p> <ul style="list-style-type: none"> <li>• Institutionalization of parliamentary platforms for public hearings in 10 SSA countries.</li> <li>• Strengthened parliamentary committees on financial and economic issues in 15 SSA countries.</li> <li>• Strengthening of parliamentary knowledge networks in 5 SSA regions.</li> </ul> |  | <p>to which the Executive is subjected annually.</p> <ul style="list-style-type: none"> <li>• Growth in number of parliamentary committees set up to independently examine major national issues.</li> </ul> |
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**Table III-4 (contd.): SMTP 2007-2011: INDICATIVE RESOURCE ALLOCATION BY CORE COMPETENCIES AND PERFORMANCE MEASURES FOR PROGRAM AND PROJECT OPERATIONS**

| CORE COMPETENCY  | INDICATIVE RESOURCE ALLOCATION | INPUTS   | CORE ACTIVITIES   | OUTPUTS  | IMPACT RESULTS   |
|--|--------------------------------|--|---|--|--|
| <b>PROFESSIONALIZATION OF THE VOICES OF CIVIL SOCIETY AND THE PRIVATE SECTOR</b> | <b>US\$ 34million</b>          | <ul style="list-style-type: none"> <li>• Institutional development and strengthening</li> <li>• Training</li> <li>• Research</li> <li>• Technical support</li> <li>• Institutional networking</li> </ul> | <ul style="list-style-type: none"> <li>• Establishment/strengthening of public-private sector-civil society consultative platforms in 5 post-conflict SSA countries.</li> <li>• Setting up/improvement of effectiveness of existing platforms for policy dialogue by national and regional stakeholders in 10 SSA countries and regions.</li> <li>• Enhancing voice of 10 civil society organizations in the promotion of transparency and accountability in the</li> </ul> | <ul style="list-style-type: none"> <li>• Improved participation of non-state actors in policymaking process in 10 SSA countries and regions.</li> <li>• Upgraded reporting and analytical skills of 10 SSA media organizations.</li> </ul> | <ul style="list-style-type: none"> <li>• Growth in the number of high-level public policy committees and panels in which non-state actors are represented.</li> <li>• Growth in the number of major national and regional issues on which non-state actors play prominent roles.</li> <li>• Improved media coverage of development issues and heightened professional ethics.</li> </ul> |

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|  |  |  | <p>management of public resource, gender equity in policymaking and delivery of public services.</p> <ul style="list-style-type: none"><li>• Strengthening private- sector based policy think tanks in 10 SSA countries/institutions for effective policy dialogue with the public sector.</li><li>• Enhancing effectiveness of professional and business associations in 16 SSA countries.</li><li>• Promotion of ethics, professionalism and analytical capacity of 10 national and regional media organizations.</li></ul> |  |  |
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## III.6 IMPLEMENTATION, MONITORING AND EVALUATION OF PLAN

### a. Implementation

The implementation, monitoring and evaluation of this Plan will be effective and rigorous. The processes involved will be guided by ACBF's knowledge of Africa's capacity needs as well as its wealth of experience and best practices in the capacity building process.

With an ongoing change management exercise already fully integrated into ACBF's operations, the institutional context in which this Plan will be implemented will therefore be one that is considerably enhanced by the gains of the exercise, continuing improvements in systems, processes and procedures and improved staff strength.

On implementation, there will be refinements at four levels, namely, administration and organizational framework; program orientation; grant making process; and project and program implementation in the field.

***Administration and Organizational Framework:*** ACBF will implement an enhanced human resource and institutional development strategy. The core elements of the strategy will consist of an increase in staff strength and rigorous training/re-training programs to retool staff skills and competencies on a regular basis in order to enhance productivity. The ACBF Secretariat will need enhancement in the quantity; quality and skills mix of its staff complement from the 2006 level, to effectively implement the Plan. The present staffing level stands at 43 professional staff and 22 support staff. In strengthening the staffing complement, ACBF recruitment policy will aim at ensuring that the Secretariat has the requisite skills mix for the effective implementation of the country programs, the institutional reforms and the knowledge-based programs. A growth in the professional staff strength from 43 to 60 is envisaged, while the number of support staff is expected to rise from 20 to 26. A large number of the new staff will be deployed in knowledge management-related activities. Emphasis will remain on teamwork, participatory management and results-oriented individual and group performance. There will also be selective use of African and non-African consultants to complement in-house skills mix in a cost-effective manner. Compensation reviews will be undertaken periodically to attract and retain high quality staff.

During the period of the plan, ACBF will explore options, including the feasibility and desirability of regional offices, for enhancing its field presence and proximity to stakeholders. The exercise will involve the conduct of a feasibility study and reflections on the operational modalities of the offices. A close proximity to stakeholders has the potential of minimizing operations supervision costs and strengthening participation in national and regional upstream policy dialogues and donor consultative fora. As of now, ACBF will continue to rely on its projects and programs to serve as proxy field representatives in country-level interactions with governments, donors and other stakeholders. Also, a Unit will be formally established within the Office of the Executive Secretary that will be responsible for strategic planning and resource mobilization. In line with the recommendations of the study undertaken by ACBF in 2003 on *Capacity Building in Post-Conflict African Countries – Lessons of Experience from Mozambique, Rwanda, Sierra Leone and Uganda*, the Secretariat will set up a staff position for the management of ACBF's capacity building interventions in post-conflict African countries. And for effectiveness of their operations, activities of the Departments and Operations Zones will be guided by performance improvement plans, performance monitoring indicators and efficiency benchmarks. Lastly, the ACBF Secretariat will continue to strengthen its internal capacity in financial supervision, project procurement control and disbursement management.

***Program Orientation:*** In the area of program implementation, ACBF will bring in a number of refinements. These will consist of more intensive interaction by program officers with stakeholders in the assessment of quality of products and services resulting from ACBF's interventions; in the measurement of results and impact; in the sharing of experiences to guide the design and implementation of projects and programs, including specific policy reforms; and in playing a significant role in country and regional policy dialogues.

Other areas for strengthening are the stepping up of joint missions with partner institutions that are providing co-financing support to ACBF projects and programs; more effective and intensive use of members of ACBF's knowledge networks, especially the Technical Advisory Panels and Networks in the strengthening of operations; the development of an improved framework for results and impact measurement; a significant improvement in the culture of knowledge sharing within the ACBF Secretariat and among ACBF partner institutions; improved access by stakeholders to information on operations through portals and feedback mechanisms from the field; active encouragement of countries to develop country capacity strategies; and the introduction of annual country capacity assessment reports.

***Grant Making Process:*** Refinements towards enhanced transparency, greater flexibility and timeliness of responses will also be undertaken on criteria and procedures for processing and approving grant applications. The broad criteria for accessing funding support by program and project promoters were approved by ACBF's Executive Board and Board of Governors. They consist of the following:

- Consistency with ACBF mandate, core competencies and focus of intervention
- Relevance to core capacity needs of the country or region
- Commitment to a participatory development process and inclusivity of potential stakeholders
- Technical soundness of project proposal
- Demonstrated commitment to sustainability of planned intervention
- Conduciveness of project environment

These criteria have been widely disseminated throughout Africa, are on ACBF's web site and are accessible to all prospective grant applicants. They will apply in the implementation of this Plan. They will however be revisited to enhance their robustness. For country programs, in addition to the foregoing, supplementary criteria will apply, some of which will consist of commitment to: i) institutional reforms for public sector effectiveness; ii) visible efforts towards the achievement of the MDGs and national program for poverty reduction; iii) transparency and accountability in policymaking process, public resource management and the delivery of public services; iv) gender equality and equity in the development process; v) the existence of a framework for coordination of national capacity building interventions, donor coordination and participatory development; and vi) enhancement of stakeholder empowerment (with particular attention to local communities and citizens' groups).

The present strategy for the dissemination of information on ACBF's activities will be strengthened. Materials on ACBF's operations will be more systematically disseminated. Among numerous others, operations documents such as country capacity profiles, appraisal reports, mid-term review reports, and project completion reports will be put in the public domain.

ACBF is currently operating on a significantly trimmed annual consolidated administrative budget with all expenditures pegged at their barest minimum. Extensive cost-saving measures

are in place. Given the expected increase in operational activities for which marginal upward adjustments are required in recurrent and capital expenditures, the total resource requirements for financing operations, recurrent, capital and Boards' expenses come to US\$70 million over the five-year period, 2007 - 2011.

***Project/Program Implementation in the Field:*** To the extent possible and depending on specifics of each country or region's institutional environment, ACBF will use existing country or regional budgetary, financial and procurement management systems. Efforts will also be made to strengthen such systems, where they exist, with a view to enhancing their effectiveness, transparency and accountability. However, the Project/Program Implementation Unit concept may still continue to be used, especially where the project/program involves non-state actors. In all cases, however, every effort will be made to minimize its disruptive impact on country systems.

#### **b. Monitoring and Evaluation of Plan**

The monitoring and evaluation of the performance of the Plan will be rigorously conducted at regular intervals to ensure that performance tracks set targets and generates expected outputs, outcomes and impact. Requirements for effective monitoring of programs are spelt out in ACBF's Operations Guidelines and, as always, will be rigorously followed. The monitoring and evaluation of performance will be undertaken at the level of the programs and the ACBF Secretariat. Regular field supervision including financial supervision will be carried out. To facilitate the monitoring and evaluation process, ACBF will, during the first year of the plan, finalize the development of a suitable performance evaluation framework. The framework will provide measures at the level of the six core competency areas in which programs and projects will be developed and implemented. These will focus essentially on results and impacts.

At the level of the programs and projects, all-parties annual reviews will be undertaken and these will be followed by a rigorous and extensive mid-term review at the mid-point of the implementation cycle of each program or project.

During the period of this Plan, two independent external evaluations of the performance of ACBF will be conducted. They will focus on both operational and administrative issues in order to enhance ACBF's effectiveness and efficiency. The first evaluation will be conducted in 2009, while the second will be carried out at the end of 2011. The two evaluations will be undertaken by the Board of Governors on behalf of all donors to ACBF's Capacity Building Trust Fund. It is expected, in the spirit of the consensus reached in Kigali by members of the Board in June 2003 at their 12<sup>th</sup> Annual Meeting, that these will obviate the need for individual donor evaluation exercises, which place considerable burden on the Secretariat.

While ACBF will maintain a regular oversight over its interventions to ensure timely and effective impact, it is however important to note that investment in capacity building has a long gestation period. The effort has to be systematic, carefully targeted and sustained over a reasonable period of time for desired results to be generated. Thus, in the short term, the results and impact of an intervention may not be readily visible. Also worthy of note in the evaluation of capacity building activity is the fact that efforts of this nature are inherently risky, particularly, in politically unstable environments and post-conflict situations. As always, and as will be the case in the implementation of this Plan, ACBF will strive to minimize risks and ensure that there are adequate control mechanisms in its Operations Guidelines to protect its interventions. ACBF will continue to build on its growing experience and strive to apply best practices in the building of capacity in difficult and risky environments.

### III.7 RISKS AND RISK MANAGEMENT STRATEGIES

The implementation of this Plan faces a number of risks, some of which are presented below. These risks have varying levels of potency and for which management strategies and extenuating circumstances have equally been proposed. The main risks are as follows:

- *Inadequate Funding of the Plan:* Like SMTP I, 2002-2006, given rising level of global insecurity due to terrorism, and in spite of the fact that more than US\$5 billion goes into technical assistance programs in Africa annually – an investment less than one fifth of which can be regarded as effective support for capacity building – this Plan may not be adequately funded. The implication is that planned interventions will fall far short of the desired level for effective response to the capacity needs in the core areas presented in the Plan and the hope of Africa implementing NEPAD and achieving some of the Millennium Development Goals by 2015 will end up as an illusion.
- *Continuing Weakness of the United States Dollar:* The current weakness of the United States dollar will raise the cost and lower the effectiveness of interventions. The weakness of the dollar effectively means that the current value of the financing requirement is not essentially different in real terms from the level at which SMTP I was financed. The introduction of the euro in 2002 has seen the dollar depreciate steadily in the international scene, reaching a low of 0.74 to the euro in December 2004. Although, it gained some strength in 2005 reaching 0.84 in the second quarter of 2005, following stagnation in the EU economy, doubt over the EU Constitution that was voted down by two members (France and the Netherlands), and rising unemployment in the Euro zone, the indications are not strong that the appreciation will be sustained. Between 2002 when SMTP I was approved and 2005 when SMTP II was developed, the dollar has lost more than 18% of its value against the euro.
- *Potential Inadequacy of Capacity in ACBF Secretariat to Commit Increased Funding Envelope:* ACBF may not have the capacity to absorb, in the form of grant commitments to projects and programs, the increased funding, if realized, given the current annual level of commitments, which reached a maximum of US\$60 million in 2000 before dropping steadily over the years.
- *Threat of Sub-Optimal Operation due to a Constraining Host Country Environment:* In recent years, the host country to ACBF has undergone developments, which translated into a challenging economic environment. The latter has had adverse effects on ACBF's operations, especially recurrent costs, sense of security and cost of living of its staff, among others. It has also created a disincentive for the recruitment and retention of highly competent staff, and adversely affected the ability of ACBF to mobilize the required resources for the implementation of this Plan due to many donors' unfavorable perception of the country.

In addition to the foregoing perceived risks, there are a few more that can be considered potential risks. Some of them are:

- *Donor Fatigue and Changing Priorities.* Over time, donors' priorities do change in the area of development assistance and this is usually reflected in the composition of aid and the vulnerability of planned support to specific activities. The immediacy of the need to alleviate national disasters such as floods and earthquakes or encourage emerging democracies to put in place institutions for good governance exerts enormous pressure, especially on bilateral donors, to redirect funds earlier earmarked for particular activities. In such circumstances, funds pledged to capacity building are usually soft targets, when

a reallocation of resources becomes inevitable. The impact of this vulnerability of pledged resources has had serious implications for ACBF's activities in the recent past. It is therefore hoped that this situation will not occur during the period of this Plan.

- *Default on Pledges.* There is a growing risk of default on pledges by donors. This constitutes a significant threat to ACBF's operations. In the past, a small number of major multilateral and bilateral donors have had difficulty making good on their pledges either in part or in full. As ACBF operates on the basis of commitment, a default in a pledge carries with it serious implications for its credibility. Like the other potential extraneous risks, this risk is outside the control of ACBF and it can only be assuaged, if donors put in place mechanisms for protecting pledges made to ACBF.
- *Exchange Rate Risk.* Pledges and payments to the ACBF Capacity Building Trust Fund are usually made in donors' own country currencies, whereas the Trust Fund is maintained in United States dollars. As pledges are usually paid in tranches over time, it often turns out that the dollar-equivalent amount eventually paid in by some donors falls short of the amount pledged as a result of exchange rate fluctuations. Consequently, ACBF suffers losses that progressively reduce the effective amount pledged as well as the investment income derived therefrom.
- *Co-financing.* Barring a few exceptional cases and at very limited project cost, ACBF does not finance any intervention in its entirety. It uses its grants to catalyze the capacity building process and leverage additional funding in the form of co-financing and counterpart funding from other donors and project stakeholders/promoters. Given compositional changes in development assistance and the share of resources going into humanitarian expenditures and debt relief, it is very evident that ACBF will be faced with increased difficulty in mobilizing co-financing for its interventions. The co-financing risk is therefore potential and has implications for the scale and effectiveness of ACBF's interventions.

## **(b) Risk Management Strategies**

### **b.1 Perceived Risks**

The perceived risks, to some extent, can be managed and ACBF will do all that is possible to ameliorate their effects. It is obvious that funds will always be inadequate for soft issues like capacity building that does not command enormous media attention as a vital, if not the most important, effort in a development process. To ensure that adequate funding is mobilized for the effective implementation of SMTP II, all ACBF organs will be fully engaged in the resource mobilization exercise.

As regards the weakness of the United States dollar, if the currency maintains a steady-state value at its current level, interventions will have a sustained impact. Further depreciation will however undermine the effectiveness of the Plan. As a result of the significance of the level of import dependence of African economies, imports not originating in the United States are costlier, given that most international reserves and assets are denominated in United States dollars. With a low export-earning base, African economies face higher price levels domestically, which affect prices of inputs for the implementation of ACBF's programs and projects.

With respect to ACBF's capacity to commit a higher level of funding for its operations, it is important to put the concern in some perspectives. The rate of fund commitments, though not a

respectable index for performance measurement in the context of capacity building, is a reflection of some degree of institutional effectiveness. Since the integration of the Partnership for Capacity Building in Africa (PACT) into ACBF and the implementation of SMTP I, the rate of commitments has rocketed. However, as a result of uncertainty in funding, ACBF's commitment rate which started off at US\$60million per annum under the PACT in 2000 had to be reduced to reflect levels of paid-in contributions due to uncertainty of, and default on, pledges made by donors. The reduced levels are in no way a mirror of ACBF's commitment capacity. With a greater focus on country programs as opposed to projects, the use of technical expertise available through the Technical Advisory Panels and Networks to improve on time lapses on the phases of the project cycle, the projected growth in staff strength, arrangements to maximize interaction with stakeholders and accelerate responses to capacity needs and program/project supervision requirements, as well as enhanced operational capacity and financial management efficiency, ACBF can significantly scale up its annual level of commitments.

ACBF sees the challenges facing the host country more as a capacity building challenge - a challenge to improve the quality of governance at all levels - political, economic, administrative, corporate and social - to which it can and, indeed, should make a contribution.

## **b.2 Management of Potential Risks**

The risks identified under the potential category are largely extraneous. In the event of their occurrence, ACBF will strive to take necessary measures to minimize their effects. To ameliorate the co-financing risk, ACBF will continue to work with project promoters as well as multilateral and bilateral donors at the country level to raise additional resources to strengthen its interventions.

# **IV**

## **STRATEGIC MEDIUM TERM PLAN 2007-2011**

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### **CONCLUSION**

## IV

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### CONCLUSION

This Plan takes capacity building in Africa to a significant new height. It is focused on critical needs for which the first Strategic Medium Term Plan provided a foundation. Until African countries have effective state capacity for economic management and public service delivery; are able to take accountability and transparency in governance to a respectable level; are guided by strategic plans, effective leadership and performance management systems; promote private sector development and corporate governance; provide adequate space for dialogue among all stakeholders in the development process; strengthen training, policy analysis, research and advocacy institutions; undertake extensive institutional reforms in the public sector; raise the level of effectiveness of regional institutions and effectively promote the role of knowledge generation and sharing in the development process, the continent will not have the control over the forks with which sustainable growth can be delivered and poverty reduced. These issues constitute the core areas of focus of this Plan. They are essentially the issues at the heart of good political, economic, administrative, corporate and social governance.

In addition to its fundamental objectives, the successful implementation of this Plan will be momentous, as it has direct implications for NEPAD capacity building programs for which ACBF has a key role to play, the APRM process for which ACBF-supported institutions provide vital inputs, the effective operation of Africa's regional economic communities whose capacity building program ACBF was tasked in April 2005 by NEPAD Heads of State and Government Implementation Committee to develop, and a number of other growth and development-augmenting or inducing programs on the continent.

ACBF has the institutional capacity and organizational leadership at the level of the Secretariat and Boards to effectively and efficiently implement this Plan. It therefore wishes to call on African stakeholders and development partners to assist in the realization of the objectives of this Plan to enable the continent to show development results by 2015 when the MDGs come up for assessment.

**STRATEGIC MEDIUM TERM PLAN  
2007-2011**

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**ANNEXES**

## Annex 1: Project and Program Commitments and Financing of ACBF Operations

### (a) Annual Project and Program Commitments, 1996-2006

| Year                   | Amount<br>US\$ million |
|------------------------|------------------------|
| <b>Phase I</b>         |                        |
| 1996                   | 2.900                  |
| 1997                   | 12.600                 |
| <b>Phase II</b>        |                        |
| 1998                   | 8.798                  |
| 1999                   | 4.871                  |
| <b>ACBF-PACT Phase</b> |                        |
| 2000                   | 56.693                 |
| 2001                   | 19.015                 |
| 2002                   | 21.046                 |
| 2003                   | 17.723                 |
| 2004                   | 50.680                 |
| 2005                   | 34.572                 |
| 2006                   | 67.202                 |

### (b) Donor Contributions/Commitments

| ACBF Phase I                            | US\$ million   | (%)           |
|---|----------------|---------------|
| • World Bank                            | 15.000         | 18.39         |
| • Other Multilaterals                   | 12.855         | 15.76         |
| • Non-African Bilaterals                | 50.709         | 62.17         |
| • African Countries                     | 3.000          | 3.68          |
| <b>Total Pledges for ACBF Phase I:</b>  | <b>81.564</b>  | <b>100.00</b> |
| <b>ACBF Phase II</b>                    |                |               |
|   | <b>US\$</b>    | <b>(%)</b>    |
| • World Bank                            | 15.000         | 22.23         |
| • Other Multilaterals                   | 11.000         | 16.30         |
| • Non-African Bilaterals                | 38.930         | 57.69         |
| • African Countries                     | 2.550          | 3.78          |
| <b>Total Pledges for ACBF Phase II:</b> | <b>67.480</b>  | <b>100.00</b> |
| <b>c. Pledges under ACBF-PACT</b>       |                |               |
|   | <b>US\$</b>    | <b>(%)</b>    |
| • World Bank                            | 128.500        | 54.70         |
| • Other Multilaterals                   | 19.020         | 8.10          |
| • Non-African Bilaterals                | 81.269         | 34.59         |
| • African Countries                     | 6.150          | 2.62          |
| <b>Total Pledges: ACBF-PACT</b>         | <b>234.939</b> | <b>100.00</b> |

**Annex 2: ACBF Commitments by Core Competencies, 2000 - 2006**

| Year                              | Core Competence                                | Commitment   |       |
|-----------------------------------|--|--------------|-------|
|                                   |  | US\$ million | (%)   |
| 2000                              | Economic Policy Analysis and Management        | 29.188       | 51.48 |
|                                   | Financial Management and Accountability        | 7.019        | 12.38 |
|                                   | Public Administration and Management           | 5.787        | 10.21 |
|                                   | National Statistics                            | 0.000        | 0.00  |
|                                   | National Parliaments                           | 5.459        | 9.63  |
|                                   | Public-Private Sector- Civil Society Interface | 9.240        | 16.30 |
| 2001                              | Economic Policy Analysis and Management        | 11.007       | 57.89 |
|                                   | Financial Management and Accountability        | 1.091        | 5.74  |
|                                   | Public Administration and Management           | 1.657        | 8.71  |
|                                   | National Statistics                            | 1.500        | 7.89  |
|                                   | National Parliaments                           | 0.000        | 0.00  |
|                                   | Public-Private Sector- Civil Society Interface | 3.760        | 19.77 |
| <b>SMTP I, 2002 - 2006 Period</b> |  |              |       |
| 2002                              | Economic Policy Analysis and Management        | 16.746       | 79.57 |
|                                   | Financial Management and Accountability        | 2.550        | 12.12 |
|                                   | Public Administration and Management           | 0.150        | 0.71  |
|                                   | National Statistics                            | 0.000        | 0.00  |
|                                   | National Parliaments                           | 0.050        | 0.24  |
|                                   | Public-Private Sector- Civil Society Interface | 1.550        | 7.36  |
| 2003                              | Economic Policy Analysis and Management        | 7.003        | 39.51 |
|                                   | Financial Management and Accountability        | 0.999        | 5.64  |
|                                   | Public Administration and Management           | 0.156        | 0.88  |
|                                   | National Statistics                            | 1.518        | 8.56  |
|                                   | National Parliaments                           | 0.049        | 0.28  |
|                                   | Public-Private Sector- Civil Society Interface | 7.998        | 45.13 |
| 2004                              | Economic Policy Analysis and Management        | 20.600       | 42.52 |
|                                   | Financial Management and Accountability        | 4.000        | 8.26  |
|                                   | Public Administration and Management           | 12.000       | 24.77 |
|                                   | National Statistics                            | 1.000        | 2.06  |
|                                   | National Parliaments                           | 2.600        | 5.37  |
|                                   | Public-Private Sector- Civil Society Interface | 8.250        | 17.03 |
| 2005                              | Economic Policy Analysis and Management        | 20.700       | 63.16 |
|                                   | Financial Management and Accountability        | 0.675        | 2.06  |
|                                   | Public Administration and Management           | 3.500        | 10.68 |
|                                   | National Statistics                            | 0.000        | 0.00  |
|                                   | National Parliaments                           | 1.500        | 4.58  |
|                                   | Public-Private Sector- Civil Society Interface | 6.400        | 19.53 |
| 2006                              | Economic Policy Analysis and Management        | 34.350       | 51.11 |
|                                   | Financial Management and Accountability        | 10.250       | 15.25 |
|                                   | Public Administration and Management           | 8.502        | 12.65 |
|                                   | National Statistics                            | 5.700        | 8.45  |
|                                   | National Parliaments                           | 4.000        | 5.95  |
|                                   | Public-Private Sector- Civil Society Interface | 4.400        | 6.45  |

### Annex 3: Projects and Programs Developed under SMTP I, 2002 - 2006

Under SMTP I, the following interventions were developed and implemented:

#### i) Refinanced Projects

##### *Economic Policy Analysis and Management*

- African Economic Research Consortium (AERC) Collaborative Master's Degree Program in Economics, Phase IV, Regional, Kenya
- African Union Capacity Building and Institution Strengthening Project, Ethiopia
- Botswana Institute for Development Policy Analysis (BIDPA) Phase III, Botswana
- Cellule d'Analyse de Politique Economique (CAPEC) Phase III, Cote d'Ivoire
- Center for Policy Analysis (CEPA) Phase III, Ghana
- Centre Mauritanien D'Analyse de Politique (CMAP II), Mauritania
- CESAG, Phase II, Senegal
- Economic Policy Management Programs (EPM) Phase III
- EPM, Makerere University, Uganda
- EPM, University of Cocody, Cote d'Ivoire
- EPM, University of Ghana, Legon
- EPM, University of Yaounde II, Cameroon
- Ethiopian Development Research Institute (EDRI), Phase II, Ethiopia
- Institut de Développement Economique (IDEC), Phase III, Burundi
- Le Nouveau Programme de Troisième Cycle Interuniversitaire (NPTCI), Regional, Burkina Faso
- Projet d'Appui à la Formulation et à la Gestion Macroéconomique (MACROFOR), Phase II, Democratic Republic of Congo
- CAPES, Phase II, Burkina Faso
- Centre d'Etudes de Politiques pour le Développement (CEPOD), Senegal
- Cellule d'Appui à l'Analyse de Politiques Economiques (CAPE), Phase II, Benin
- Economic Policy Research Centre (EPRC), Phase III, Uganda
- Economic and Social Research Foundation (ESRF), Phase III, Tanzania
- Ethiopian Economic Association/Ethiopian Economic Policy Research Institute, Phase II, Ethiopia
- Institute of Policy Analysis and Research (IPAR), Phase III, Kenya
- Kenya Institute for Public Policy Research and Analysis (KIPPRA), Phase II, Kenya
- National Centre for Economic Management and Administration (NCEMA), Phase III, Nigeria
- BEAC/BCEAO Regional Debt Management Training Program, Cameroon
- BECEAO/BEAC (Macro), Regional, Senegal
- Zambia Institute for Policy Analysis and Research, Zambia
- Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest (PRIECA/AO), Senegal
- Namibia Economic Policy Research Unit, Namibia
- PRNC-CAF, Guinea Bissau
- West African Institute for Financial and Economic Management (WAIFEM), Phase II, Regional, Nigeria

*Annex 3 contd.*

**Financial Management and Accountability**

- Macroeconomic and Financial Management Institute (MEFMI) Phase III, Regional Zimbabwe
- Projet de Renforcement des Capacités de la Chambre des Comptes et de Discipline Budgétaire de la République de Djibouti, Phase II

**Professionalization of the Voices of Civil Society and the Private Sector**

- Centre for Corporate Governance, Kenya
- Community Action Against HIV/AIDS, AMICCALL, Swaziland

**ii) New National Projects**

***Economic Policy Analysis and Management***

- Malawi Policy Research and Analysis Centre, Malawi
- Swaziland Economic Policy Analysis and Research Center Project (SEPARC), Swaziland  
Centre d'Etudes et de Renforcement des Capacités d'Analyse et de Plaidoyer (CERCAP), Mali
- Strengthening and Monitoring of National Statistics
- Eritrean Capacity Building Project for Economic Policy Analysis and Management
- Strategic Transformation and Policy Centre, Cape Verde,
- Economic Policy Analysis Capacity Building Project, São Tomé & Príncipe

***Financial Management and Accountability***

- Enhancing Capacity for Financial Accountability and Transparency in Gabon (PRICIEGA), Gabon
- Kenya School of Monetary Studies Master's Degree In Banking and Finance Project (MBFM), Kenya
- Projet d'Appui à l'Amélioration du Circuit de la Dépense et des Indicateurs de la Pauvreté (PACDIP), Congo-Brazzaville

***Public Administration and Management***

- Strengthening of Performance Management System in Namibia's Public Sector, Namibia

***National Statistics and Statistical Systems***

- Strengthening of Malawi's National Statistical System, Malawi
- Capacity Building Project in Support of Zimbabwe's National Statistical System (CSO), Zimbabwe.
- Strengthening Statistical Capacity in ECOWAS Member States (ECOWSTAT), Regional, Nigeria
- Statistical capacity building project for the Government of the Central African Republic (PRCS-RCA), Central African Republic
- Strengthening Zanzibar Statistical System (ZANSTAT), Zanzibar, Tanzania

***Strengthening Parliaments and Parliamentary Institutions***

- Projet de Renforcement des Capacités du Réseau des Parlementaires de l'Afrique Centrale (REPAC), Regional, Central African Republic
- Projet de Renforcement des Capacités de l'Assemblée Nationale du Burkina Faso (PRCAN/BF), Burkina Faso

### *Annex 3 contd.*

#### ***Professionalization of the Voices of Civil Society and Private Sector***

- Capacity Building Project for Lesotho Council of Non-Governmental Organizations (LCN), Lesotho
- Capacity Building Project for the Zambian Private Sector, Zambia
- Project to Enhance Effective Engagement of African Consumers in Policy Formulation and Monitoring, Regional/Continental Project, Senegal
- Rwanda Private Sector Capacity Building Project, Rwanda
- Strengthening of Civil Society, Private Sector and their Interface with the Government (PARCOSIT), Chad
- Projet de Renforcement des Capacités des Réseaux de Femmes pour Lutter contre la Pauvreté en Republic de Cameroon (CAREF), Cameroon.
- Projet de Centre d'Appui aux Réseaux des Organisations de Femmes du Gabon (CENAF), Gabon
- Strengthening of Civil Society, Private Sector and their Interface with the Public Sector, Burkina Faso
- Public-Private and Civil Society Interface Capacity Building Project, Democratic Republic of Congo
- Projet de Renforcement des Capacités des ONG Féminines au Mali (RECOFEM), Mali
- Institutional Strengthening and Capacity Building of Botswana Coalition of Non-governmental Organizations, Botswana
- Strengthening of the Coordinating Assembly of NGOs in Swaziland, Swaziland
- Projet de Renforcement des Capacités de la Société Civile et du Secteur Privé pour le Dialogue Interpartenariat en République du Congo
- Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo (RESPEC)
- Capacity Building for Gender Budgeting in Zimbabwe, Zimbabwe

#### **iii) Country Level Knowledge Networks**

- National Economic Group (NEG), Ghana
- Country Level Knowledge Network, Burkina Faso
- Réseau d'Appui aux Politiques de Développement - Country Level Knowledge Network, Senegal
- Network on Public Administration and Management, Cape Verde
- Kenya Country Level Knowledge Network (KNET), Kenya

#### **iv) New Regional Interventions**

- African Women Development Fund (AWDF), Regional, Ghana
- Association des Femmes de l'Afrique de l'Ouest (AFAO), Regional, Senegal
- African Resource and Research Foundation, Regional Policy Think Tank, Kenya
- Africa University's Project of Lectures and Workshops in Peace, Leadership and Development In Africa by Eminent Persons (PEARL), Zimbabwe
- Association of African Universities (AAU) Capacity Building Project for the Revitalization of Tertiary Education Institutions in Africa.
- Building Capacity of African International Centers for Training Decentralized Actors (CIFAL), Regional
- Building Training Capacity In Monitoring and Evaluation in Africa (TRAINME)
- Southern Africa Regional Universities Association-Capacity Building Project (SARUA)
- Women's University In Africa Capacity Building Project (WUA)
- CAFRAD Capacity Building Project
- CODESRIA-ACBF Collaborative Project

*Annex 3 contd.*

**iv) New Regional Interventions (contd.)**

- Project in support of the Network and Regional Council of Civil Society Organizations in the Great Lakes Region, SERACOB, Democratic Republic of Congo.
- Support for the Secretariat of the African Business Roundtable, South Africa
- Public Sector Management Training Program, Anglophone Africa.
- Mano River Union Training Project, Sierra Leone
- International Comparison Program for Africa, AfDB
- Establishment of a Collaborative Master of Science Program in Agricultural and Applied Economics, Kenya
- Enhancement of the Effectiveness of SADC Parliamentary Forum
- Support to Strengthen Labour Market Information Systems (LMIS/ILO/AFRISTAT)
- Institutional Support for the Secretariat of the New Partnership for Africa's Development, South Africa
- Strengthening of the African Futures Institute.
- Strengthening of East African Legislative Assembly
- Institutional Capacity Building Project for the West African Journalists Association (WAJA)
- Macroeconomic and Financial Management Institute of Pais Africalos Lingua Official é Portuguese - PALOP Institute
- Projet de Renforcement des Capacités de la Société Civile dans la Prévention et la Gestion des Conflits en Afrique Centrale
- Projet de Renforcement des Capacités de la Communauté Economique des Etats de l'Afrique Centrale
- Project to strengthen Institutional Capacity of the Pan-African Parliament (PAP), Regional, South Africa
- Poverty Reduction Programming, Implementation, Monitoring and Evaluation (PRIME Initiative - Burundi, Mali, Mozambique and Sierra Leone

**v) Country and Regional Programs**

- Financial Management Capacity Building Program, Rwanda
- Rwanda Multi-sector Capacity Building Program
- Uganda Country Capacity Building Program
- Programme de Renforcement des Capacités des Structures de Contrôle de la République du Cameroun, Cameroon
- Projet de Renforcement de la Responsabilité Financière pour la Bonne Gouvernance au Sénégal, Senegal
- African Union Commission Capacity Building Program
- Financial Accountability and Transparency in Gabon
- Burundi Country Capacity Building Program\*

\* Program to be presented to ACBF Executive Board in 2007 for approval.



**Annex 4: SUMMARY OF OUTPUTS OF ACBF-FUNDED OPERATIONS**

| TITLE OF PROJECT OR PROGRAM | Effective Date of Commencement | Number of Institutions Strengthened | Beneficiaries of Training |       |       |                             | Number of Training Prog. and Beneficiaries |            |          | Policy Studies, Research and Consultancies |                 |                     |                   | Technical Assistance to Govt Agencies | Exchange Programs / Study Visits |
|-----------------------------|--------------------------------|-------------------------------------|---------------------------|-------|-------|-----------------------------|--|------------|----------|--|-----------------|---------------------|-------------------|---------------------------------------|----------------------------------|
|                             |                                |                                     | PH.D                      | M.A   | P.G.D | Fellows Inst. Cap. Building | Short Courses                              | Work-Shops | Seminars | Comm. by Govt                              | Comm. by Others | Res. Cted Completed | Publication Diss. |                                       |                                  |
| AERC (CMAP)                 | Mar-93                         | 21 Depts of Econ., 3 NGOs           | 27                        | 1,574 |       |                             | 432  | 821        | 1        |  |                 |                     |                   |                                       | 7                                |
| AERC (CPP)                  | Oct-02                         | 8 Depts of Econ.                    | 92                        |       |       |                             | 4  | 8          |          |  |                 |                     |                   |                                       | 9                                |
| AMICCALL                    | Sep-01                         | 11                                  |                           |       |       | 2                           | 1  | 2          |          |  |                 |                     |                   |                                       |                                  |
| AFI                         | Sep-05                         | 1                                   |                           |       |       |                             |  | 12         |          |  |                 |                     |                   | 1                                     |                                  |
| BCEAO/BEAC (Debt)           | Sep-01                         | 6                                   |                           |       |       | 17                          |  | 901        | 92       |  |                 |                     | 1                 | 4                                     | 3                                |
| BCEAO/BEAC (Macro)          | Feb-96                         | 18                                  |                           |       |       | 2                           | 619  |            | 86       |  |                 |                     |                   | 26                                    |                                  |
| BIDPA                       | May-95                         | 5                                   | 8                         | 12    | 40    | 19                          | 29   | 1,868      | 107      | 94   | 49              | 113                 | 109               | 30                                    | 13                               |
| CAFPD                       | Nov-97                         | 30                                  |                           |       | 93    |                             | 105  |            |          | 36   | 11              | 32                  | 25                |                                       |                                  |
| CAMERCAP                    | Feb -03                        | 3                                   |                           |       | 1     |                             |  | 110        | 446      | 88   | 3               |                     |                   |                                       |                                  |
| CAPAN                       | Jul-02                         | 1                                   |                           |       |       | 3                           | 81   | 1645       | 1299     | 4  | 4               | 20                  | 22                | 45                                    | 7                                |
| CAPE                        | Feb-98                         | 1                                   |                           |       |       |                             |  |            |          | 21   | 6               | 27                  | 25                |                                       |                                  |
| CAPED                       | Dec-02                         | 22                                  |                           |       |       |                             | 12   |            | 4        | 3  |                 | 3                   |                   |                                       | 2                                |
| CAPEX                       | Aug-03                         | 1                                   |                           |       |       | 795                         |  | 2          | 12       | 10   |                 | 5                   | 30                |                                       |                                  |
| CCDB                        | Jul-01                         | 1                                   |                           |       | 6     |                             | 66   | 210        | 60       |  |                 |                     | 2                 |                                       | 14                               |
| CCG                         | May-01                         | 1                                   |                           |       |       |                             | 756  | 29         |          |  |                 | 7                   | 9                 | 6                                     | 2                                |
| CEPA                        | Jan-94                         | 1                                   |                           |       |       |                             | 48   | 7          |          | 11   | 10              | 119                 | 93                | 6                                     |                                  |
| CEPEC                       | Nov-93                         | 1                                   |                           |       |       |                             | 91   | 2          |          | 14   | 5               | 10                  | 42                |                                       |                                  |
| CESAG                       | Aug-01                         | 1                                   |                           | 178   |       | 8                           | 161  | 6          | 1        |  |                 |                     |                   |                                       |                                  |
| CIRES-CAPEC                 | Nov-93                         | 1                                   |                           |       |       |                             |  | 224        |          | 55   | 3               |                     | 209               | 1                                     |                                  |

**Annex 4 (contd.): SUMMARY OF OUTPUTS OF ACBF-FUNDED OPERATIONS (CONTINUED)**

| PROJECT TITLE | Effective Date of Commencement | Number of Institutions Strengthened | Beneficiaries of Training |     |       |                             | Number of Training Prog. and Beneficiaries |            |          | Policy Studies, Research and Consultancies |                 |                     |                   | Technical Assistance to Govt Agencies | Exchange Programs / Study Visits |
|---------------|--------------------------------|-------------------------------------|---------------------------|-----|-------|-----------------------------|--|------------|----------|--|-----------------|---------------------|-------------------|---------------------------------------|----------------------------------|
|               |                                |                                     | PH.D                      | M.A | P.G.D | Fellows Inst. Cap. Building | Short Courses                              | Work-Shops | Seminars | Comm. by Govt                              | Comm. by Others | Res. Cted Completed | Publication Diss. |                                       |                                  |
| COMESA        | Jun-03                         |                                     |                           |     |       |                             |  | 315        | 286      |  |                 |                     |                   |                                       |                                  |
| CONSUMER INT. | Oct-01                         | 30                                  |                           |     |       | 6                           |  | 201        | 54       |  |                 | 19                  | 20                | 4                                     | 3                                |
| CREAM         | Aug-03                         | 12                                  |                           |     |       | 3                           | 9  | 24         | 6        | 23   | 8               |                     | 48                | 4                                     |                                  |
| CSD           | Apr-01                         | 15                                  |                           | 1   | 6     | 115                         | 191  | 17         | 2        |  |                 | 8                   | 1                 |                                       | 5                                |
| DMPA          | Feb-96                         | 2                                   |                           | 21  |       |                             |  | 272        | 130      | 40   |                 |                     | 5                 | 3                                     |                                  |
| DPC           | Feb-94                         | 1                                   |                           |     |       |                             |  |            |          | 7  |                 |                     | 34                |                                       |                                  |
| ECOWAS        | Jul-02                         |                                     |                           |     |       |                             |  | 61         | 30       |  |                 |                     |                   |                                       |                                  |
| EDRI          | May-03                         | 30                                  | 2                         | 12  |       |                             | 6  | 18         | 3        |  |                 | 6                   | 8                 | 6                                     | 2                                |
| EEA           | May-01                         | 1                                   |                           |     |       | 6                           | 5  | 83         | 19       |  | 20              | 37                  | 42                | 3                                     |                                  |
| EPM ABIDJAN   | Oct-99                         |                                     | 60                        |     | 249   |                             |  | 76         | 4        | 7  | 31              | 249                 |                   |                                       | 4                                |
| EPM ACCRA     | Sep-00                         |                                     |                           | 152 |       |                             |  |            |          |  |                 |                     |                   |                                       |                                  |
| EPM MAKERERE  | Oct-00                         |                                     |                           | 146 |       |                             |  |            |          |  |                 |                     |                   |                                       |                                  |
| EPM YAOUNDE   | Sep-99                         |                                     |                           | 230 |       |                             |  | 22         | 30       |  |                 |                     |                   |                                       |                                  |
| EPRC          | Jul-93                         | 1                                   | 2                         | 12  | 58    | 44                          |  | 876        | 38       | 30   | 9               | 90                  | 55                | 16                                    | 12                               |
| ESRF          | Jun-94                         | 64                                  |                           |     |       | 44                          | 208  | 1,397      | 16       | 94   | 159             | 86                  | 72                | 164                                   | 3                                |
| GICAP         | Jul-02                         | 17                                  |                           |     |       | 245                         | 95   | 120        | 120      | 0  | 3               | 7                   | 3                 | 2                                     | 3                                |

**Annex 4 (contd.): SUMMARY OF OUTPUTS OF ACBF-FUNDED OPERATIONS (CONTINUED)**

| PROJECT TITLE | Effective Date of Commencement | Number of Institutions Strengthened | Beneficiaries of training |     |       |                             | Number of Training Prog. and Beneficiaries |            |          | Policy Studies, Research and Consultancies |                 |                     |                    | Technical Assistance to Govt Agencies | Exchange Programs / Study Visits |
|---------------|--------------------------------|-------------------------------------|---------------------------|-----|-------|-----------------------------|--|------------|----------|--|-----------------|---------------------|--------------------|---------------------------------------|----------------------------------|
|               |                                |                                     | PH.D                      | M.A | P.G.D | Fellows Inst. Cap. Building | Short Courses                              | Work-Shops | Seminars | Comm. by Govt                              | Comm. by Others | Res. Cted Completed | Publication Dissem |                                       |                                  |
| IDEC II       | Aug-02                         | 6                                   |                           |     |       |                             | 7  | 6          | 4        | 3  | 23              | 10                  | 8                  | 6                                     |                                  |
| IEF           | Jul-02                         | 1                                   |                           |     |       |                             |  |            |          |  |                 |                     |                    |                                       |                                  |
| IDEG-CAP      | Mar-03                         |                                     |                           |     |       |                             | 560  | 2024       | 300      |  | 6               | 16                  | 19                 | 25                                    | 11                               |
| IGE           | Jul-04                         | 3                                   |                           |     |       |                             |  | 16         |          | 1  |                 |                     | 1                  |                                       | 7                                |
| IPAR          | May-95                         | 1                                   |                           |     |       | 169                         |  | 40         | 10       |  |                 | 95                  | 34                 |                                       |                                  |
| KIPRA         | May-98                         | 1                                   |                           |     |       | 24                          | 7  | 358        | 85       | 21   | 31              | 84                  | 117                | 30                                    |                                  |
| MACROFOR      | Aug-02                         | 5                                   |                           | 5   |       |                             | 273  | 2          | 1        |  |                 |                     |                    |                                       |                                  |
| MEFMI         | Sept-                          | 43                                  |                           |     |       | 68                          |  | 34925      | 298      |  |                 | 2                   | 1                  | 1                                     | 69                               |
| NCEMA         | Jun-94                         | 1                                   | 11                        | 11  |       | 25                          | 2,672                                      | 1,367      | 476      | 12   | 10              | 39                  | 49                 | 5                                     |                                  |
| NEC           | Sep-01                         | 10                                  |                           | 2   | 1     | 4                           | 34   | 10         |          | 3  |                 |                     | 5                  | 8                                     | 5                                |
| NECF          | Jun-02                         | 1                                   |                           |     |       |                             | 5  | 37         | 10       | 7  | 3               | 10                  | 25                 | 10                                    | 4                                |
| NEPRU         | Mar-95                         | 4                                   | 5                         | 24  |       | 41                          | 244  | 128        | 236      | 87   | 79              | 75                  | 229                | 12                                    | 1                                |
| NGO COUNCIL   | Apr-01                         | 237                                 |                           |     |       |                             |  | 3          | 2        | 1  | 3               | 5                   | 4                  |                                       |                                  |
| NGOCC         | Apr-01                         | 71                                  |                           |     |       |                             | 87   | 1,422      |          |  |                 | 12                  |                    |                                       |                                  |
| NIEP          | Jul-00                         | 7                                   |                           |     |       | 8                           | 60   | 75         | 12       | 5  | 2               | 15                  |                    | 2                                     | 5                                |
| PARP          | Sept                           | 1                                   |                           |     |       |                             | 18   | 20         | 24       |  |                 |                     | 18                 |                                       |                                  |
| PASU          | Jan-94                         | 8                                   |                           |     |       |                             | 47   | 139        | 233      | 8  | 28              | 19                  | 4                  | 21                                    |                                  |
| PNRC-CAF      | Apr-02                         | 30                                  |                           | 16  |       |                             | 20   | 4          | 9        |  |                 |                     |                    |                                       | 16                               |
| PNRC-CMAP     | Dec-01                         | 1                                   |                           |     |       |                             | 72   | 15         | 5        | 13   | 4               |                     |                    |                                       |                                  |
| PRECAGEF      | Apr-01                         | 3                                   |                           |     | 6     |                             |  | 250        |          |  |                 |                     |                    |                                       |                                  |
| PRECASP       | May-01                         | 7                                   |                           | 8   |       |                             | 58   | 591        |          |  |                 |                     |                    |                                       | 49                               |

**ANNEX 4 (contd.): SUMMARY OF OUTPUTS OF ACBF-FUNDED OPERATIONS (CONTINUED)**

| PROJECT TITLE                | Effective Date of Commencement | Number of Institutions Strengthened | Beneficiaries of Training |      |       |                             | Number of Training Prog. and Beneficiaries |            |          | Policy Studies, Research and Consultancies |                 |                     |                   | Technical Assistance to Govt Agencies | Exchange Programs / Study Visits |
|------------------------------|--------------------------------|-------------------------------------|---------------------------|------|-------|-----------------------------|--|------------|----------|--|-----------------|---------------------|-------------------|---------------------------------------|----------------------------------|
|                              |                                |                                     | PH.D                      | M.A  | P.G.D | Fellows Inst. Cap. Building | Short Courses                              | Work-Shops | Seminars | Comm. by Govt                              | Comm. by Others | Res. Cted Completed | Publication Diss. |                                       |                                  |
| PRIECA/AO                    | Feb-01                         | 8                                   |                           |      |       |                             | 85   |            |          | 15   |                 |                     |                   |                                       |                                  |
| PRIESP                       | Jan-01                         | 2                                   |                           |      |       |                             | 16   |            | 308      |  | 12              | 10                  |                   |                                       |                                  |
| PROFESS                      | Jun-01                         | 15                                  |                           |      |       |                             |  | 31         |          |  |                 |                     |                   |                                       | 21                               |
| PTCI                         | Sep-94                         | 3 Depts. Of Econ.                   | 15                        | 912  |       |                             |  |            |          |  |                 |                     |                   |                                       |                                  |
| RE-CEMAC                     | Jun-02                         | 5                                   |                           |      |       |                             | 6  | 187        | 45       |  |                 |                     |                   |                                       |                                  |
| Rwanda Public Financial Mgt. | Feb-02                         | 4                                   | 6                         | 14   |       |                             |  |            |          | 2  |                 |                     |                   | 1                                     |                                  |
| SANGOCO                      | Sep-01                         | 3                                   | 4                         | 18   | 19    | 479                         | 17   | 34         | 3        | 2  | 2               | 5                   | 4                 | 8                                     | 3                                |
| SARIPS                       | Jun-01                         | 1                                   |                           | 126  |       | 1                           | 327  | 3          | 435      | 3  | 10              | 6                   | 96                |                                       |                                  |
| UNAM-MPPA                    | May-01                         | 1                                   |                           | 32   |       |                             |  |            |          |  |                 |                     |                   |                                       |                                  |
| UPE/CEPOD                    | Jul-94                         | 30                                  |                           | 2    |       |                             | 9  | 2          | 340      | 105  | 4               | 100                 |                   |                                       |                                  |
| WAIFEM                       | Oct-00                         | 7                                   | 21                        | 944  |       | 2                           | 405  | 202        | 11       | 11   |                 | 13                  |                   | 16                                    |                                  |
|                              |                                |                                     |                           |      |       |                             |  |            |          |  |                 |                     |                   |                                       |                                  |
| Cumulative Total             |                                | 830                                 | 262                       | 3230 | 479   | 1883                        | 8208                                       | 19301      | 5483     | 686  | 644             | 1352                | 1464              | 403                                   | 303                              |

**Annex 5: SELECTED ACHIEVEMENTS OF ECONOMIC POLICY ANALYSIS AND MANAGEMENT PROJECT AND PROGRAMS**

**(a) Policy Institutes**

- The Centre for Policy Analysis (CEPA), Ghana serves on Advisory Committees to the Government of Ghana. Some of these are the Presidential Committee on the Promotion and Revitalization of the Industrial Sector, the Presidential Advisory Committee on Public Sector Reform and Monetary Policy Committee of the Central Bank of Ghana. Other committees on which the Centre is present are: Social Statistics Working Group, the Poverty Welfare Working Group, the Trade Working Group, and the Monetary and Fiscal Working Group. CEPA's professional staff serve on the Board of 4 of the country's banks. Of these, they are Board Chairmen in three. The Centre is widely recognized as one of Ghana's leading policy think-thanks. Its staff have been appointed Deputy Ministers and to other senior-level positions in government ministries and agencies.
- CEPA is leading the African Peer Review Mechanism (APRM) process on economic governance. The Institute of Statistical and Socio-economic Research (ISSER), which hosts the Ghana Country Level Knowledge Network, is leading the social governance component of the APRM exercise in the country.
- The Ethiopian Economic Association/Ethiopian Economic Policy Research Institute has established good practices in its support for the policymaking process in Ethiopia.
- Policy research outputs by the Ethiopian Economics Association/Ethiopian Research Institute have been copiously cited by the Economist Magazine and carried in World Bank Policy Research Working Papers (WPs), as illustrated by WPs 2291 and 2292.
- The Economic and Social Research Foundation (ESRF) in Tanzania is playing a significant role in the monitoring of Tanzania poverty reduction program. It has been appointed by the government to serve on the Research and Analysis Working Group and the Technical Committee of the National Strategy for Growth and Poverty Reduction. The Foundation is also a member of the Human Development Working Group under the joint government and private sector Tanzania National Business Council, the Task Force for Fast Tracking the East African Political Federation, the Policy Advisory Group on Child Labour Research, among others. The Foundation is providing policy advice services to the government in the areas of regional integration and trade.
- The Economic Policy Research Centre (EPRC), Uganda has continued, since inception, to play a visible role in the preparation of national policy documents. It participated in the National Long-Term Perspectives Study that resulted in Uganda Vision 2025, the implementation framework of which is the Uganda Poverty Eradication Action Plan (PEAP).

#### Annex 5 (contd.)

- The Centre's work on the tracking of public expenditure in education and health, as well as fiscal decentralization, led to its appointment by the government as a member of the Local Government Technical Advisory Committee. The Centre has a presence in several other committees including the National Steering Committee for the Modernization of Agriculture, Uganda Poverty Monitoring Group, the Advisory Committee for Northern Uganda Social Action Fund – a World Bank funded assistance program for redressing regional growth inequality, the National Planning Authority, Trade Policy Review Task Force, among others. EPRC was commissioned by the UNDP in conjunction with the Ministry of Finance, Planning and Economic Development to implement a major poverty-monitoring project that was designed to contribute vital inputs to the Poverty Eradication Action Plan (PEAP, 2003) in Uganda. The Centre is a member of the Presidential Economic Advisory Council and the National Planning Authority.
- The Ministry of Finance and Development Planning and the Ministry of Trade and Industry in Botswana have both signed agreements with the Botswana Institute for Development Policy Analysis (BIDPA) to engage the Institute in the drafting of, and provision of economics contents for, speeches by the President and his Ministers.
- The Institute of Policy Analysis and Research (IPAR), Kenya participates in the Stakeholders Consultative Strategy Formulation Task Force on Rural Development (KRDS), supports the work of the Kenyan Constitution Review Commission, and facilitates seminars for the Parliamentary Committee of the National Assembly on the National Budget.
- BIDPA, Botswana; ESRF, Tanzania; the Kenya Institute of Public Policy Research and Analysis (KIPPRA), Kenya; and the Namibian Economic Policy Research Unit (NEPRU), Namibia provided inputs that strengthened negotiation missions relating to World Trade Organization (WTO) Meetings in Doha (Qatar) and Cancún (Mexico) on November 9-13, 2001 and September 10-14, 2003, respectively.
- BIDPA-trained economists currently serve as resident advisors to the Government of Botswana in various capacities.
- KIPPRA provided inputs for efforts by the Government of Kenya to rationalize the country's participation in multilateral trading arrangements. These inputs also contributed to the country's position at the WTO Meetings in Doha and Cancún. Government officials from Ethiopia and Tanzania have been beneficiaries of KIPPRA courses.

#### Annex 5 (contd.)

- NEPRU's publication on Namibia's Business Climate has become a definitive national guide for private sector investors in the country. The Director of NEPRU is a member of the Namibian National Planning Commission and Chairperson of its Statistical Advisory Committee. He is a member of the new Council of Economic Advisors of the new President and was re-appointed as a member of the National Planning Commission. NEPRU was identified as one of the leading research institutes in Africa by the Global Development Network and one of seven global partners of the RAND think-thank.
- The training program of the National Institute for Economic Policy (NIEP), South Africa in econometrics for historically-disadvantaged universities in South Africa had course materials online at <http://saeconometrics.abrc.co.uk> The institute provided specialized training for Chairpersons of Portfolio Committees of the National Parliament on Trade, Foreign Affairs, Land and Agriculture. The Coalition of South African Trade Unions (COSATU) leadership and the National Economic Development and Labour Council (NEDLAC) Labour Caucus were regular beneficiaries of NIEP's training programs
- Prior to its integration into the Directorates of the African Union (AU), the Policy Analysis Support Unit (PASU) at the AU served as the Administrator for the African Union web site. It participated in several AU Working Groups and Committees. The Unit served as the technical coordinator of the AU Panel of Experts, which provided support to the Union on issues relating to trade negotiations at the level of the WTO and the ACP-EU frameworks.
- The Directorate of Macroeconomic Policy Analysis (DMPA) participated in the coordination of the activities relating to the formulation of the PRSP in Zambia. The Directorate and staff trained through the project actually spearheaded the development of the PRSP. At present, they are in the process of preparing the country's Vision 2030.
- The Centre Mauritanien d'Analyse de Politiques (CMAP), Mauritania and Centre d'Etudes de Politiques pour le Développement (CEPOD), Senegal serve as technical arms of government task forces that have been set up to design and monitor the implementation of the PRSPs in both countries.
- The Cellule d'Etudes de Politique Economique (CEPEC), Guinea Conakry is a member of a number of government task forces.
- The National Economic Consultative Forum (NECF), Zimbabwe plays a positive role in facilitating Zimbabwe's presence at international dialogue fora like the annual International Smart Partnership Forum that is held in Asia. It participates in the operations of the Foreign Currency Auction Board of the Reserve Bank of Zimbabwe and chairs the Incomes and Wages Sub-Committee of the Board. The Government's 2004 Monetary Policy Statement drew heavily on recommendations from NECF-organized policy dialogues and consultations.
- Recommendations from the Economic Association of Malawi's (ECAMA) Public Policy Dialogue Series organized on Malawi's 2004/2005 national budget were incorporated by the Government in the Final Budget Statement.

#### Annex 5 (contd.)

- The Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest (PRIECA/AO) has become an important forum for research and advocacy in respect of issues relating to the effects of industrialized countries' farm subsidies on agricultural exports from West Africa. It is emerging as a technical arm supporting the formulation of agricultural strategies for ECOWAS and NEPAD. PRIECA/AO made vital contributions to the continent's position on the issue of farm subsidies by the G-8 countries at the World Trade Organization Meetings.
- There is an agreement signed between CAPEC and the Ministry of Finance in Cote d'Ivoire for the services of the policy center.
- The Institut de Développement Economique (IDEC), Burundi was involved in the design of the country's Poverty Reduction Strategy Paper (PRSP).
- Of the first five countries globally to apply the MDG Needs Assessment Methodology to answer the question " what will it take to meet the Goals", three countries were from Africa - Ghana, Tanzania and Uganda. The assessments were carried out largely by ACBF-supported institutions, namely, EPRC for Uganda; ESRF for Tanzania; and ISSER for Ghana. As a result of the outstanding nature of the Ugandan study, UNDP Southern African Regional Office commissioned EPRC to do similar studies for Rwanda to be followed by other countries yet to be decided. The three institutions were acknowledged in Box 17.2, pg. 242 of the report titled "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals", Report to the UN Secretary-General, Millennium Project, January 2005.

#### (b) Training Programs

- AERC and PTCI offer high-quality economics education with contents relating to issues in Africa's development challenges. Recent beneficiaries of AERC training programs comprised the Deputy Governor of the Bank Zambia; Senior Advisor, Bank of Mozambique; Director of Research, Bank of Namibia; and a Senior Official responsible for fiscal policy at the Treasury in South Africa, among similar other high-level participants.
- The Economic Policy Management Training Program at the University of Cocody, Cote d'Ivoire has not only trained more than 150 master's degree holders in applied economic policy management, no less than eight of the beneficiaries were promoted to take on higher levels of responsibilities in their respective organizations on completion of the program.

**Annex 6: SELECTED ACHIEVEMENTS OF INTERVENTIONS TO PROFESSIONALIZE  
THE VOICES OF CIVIL SOCIETY AND THE PRIVATE SECTOR**

- The NGOs Coordinating Committee (NGOCC), Zambia contributed to the enhancement of women's participation in the Zambian constitutional review exercise of 2003 and the engendering of the national budget. Although the ultimate objective is yet to be achieved, the national budget now has provisions, which take into account gender dimensions of the country's development process.
- The South African Non-governmental Organizations Coalition (SANGOCO), South Africa hosted the Civil Society Forum during the September 2002 United Nations World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa; and is a member of UNDP Advisory Panel on the South African Human Development Report, and NEDLAC's financial sector campaign designed to foster greater accountability, transparency and responsiveness to the needs of the poor in the financial services sector in South Africa.
- Consumers International Regional Office for Africa (CI-ROAF), through its representative arm in Mauritius, the Institute for Consumer Protection, succeeded in persuading the Government of Mauritius to direct a toothpaste producing company to recall a product that was found to be substandard and hazardous to consumers' health in the country. At the regional level, CI-ROAF publishes an Annual Report on Consumer Protection and Quality of Life based on consumer protection index, which helps to rank countries according to their efforts in putting in place effective mechanisms to protect their consumers. It is on record that the activities of CI-ROAF contributed to the adoption, by African Ministers, of a resolution on consumer protection in the context of market liberalization and globalization during the 2<sup>nd</sup> Ordinary Session of the African Union Conference of Ministers of Trade, Customs and Immigration that was held in Kigali, Rwanda in May 2004. Also, as an outcome of the awareness created in respect of consumer protection, Botswana, Malawi, Mauritius, Seychelles and Zambia have enacted consumer protection bills. Ghana has adopted a trade policy, which provides for consumer protection and fair market place.
- COMESA in December 2004 passed a competition bill, which included a clause on consumer protection.
- Kenya National NGOs Council engaged the government of Kenya on key economic reforms and policies such as participating in the constitutional review process, five economic sector reviews (including agriculture, health, trade and industry, Finance and Environment, and natural resources management), and the African Peer Review steering committee. The Council advocacy on pro-poor aid package for Kenya contributed to Kenya receiving a new aid package from donors. The NGO Council is a member of the National Monitoring and Evaluation task force on Pro-Poor Development Policies in the country. The Council's Report on the Recovery of the Kenyan Economy influenced the decision by the government to develop a citizen's development strategy and citizen's budget.

- Training programs by the Centre for Corporate Governance (CCG), Kenya have benefited a critical mass of 1000 directors from the private and public sectors who, with the assistance of the Centre, launched, in April 2003, the Kenyan Institute of Directors. The Centre also trained more than 4,000 Directors of corporations and state-owned enterprises that brought changes in the attitude of Board members with respect to accountability for performance and results. Consequently, the Kenyan Government has introduced performance-based contracting for Board members and Chief Executive Officers to strengthen accountability in state-owned enterprises.  
The Capital Market Authority and the Central Bank in Kenya also now require corporate governance certification and other professional and regulatory bodies are adopting the norms of corporate governance as requirements for member organizations. CCG facilitated the establishment of the Institute of Directors and the Shareholders Association in Kenya. The Centre is serving as a key technical partner in the design and implementation of NEPAD's African Peer Review Mechanism in Kenya.
- The Community Action Against HIV/AIDS project in Swaziland has been fully integrated into the national response to the pandemic in the country.

- *Economic Policy Analysis and Management*
  - Continuing support for economic policy units and training institutions and programs.
  - Strengthening of economic policy development and coordination capacity.
  - Implementation of structural and functional reforms of economic ministries and agencies (e.g., reform of an entire ministry in the economic sectors or a particular function across ministries or agencies).
  - Promotion of long-term/strategic planning, PRSP and poverty-focused economic policy and program design, coordination, implementation and evaluation.
  - Enhancement of policies and programs to take advantage of the benefits of globalization and foster regional integration.
  
- *Financial Management and Accountability*
  - Strengthening of accountability and transparency institutions.
  - Reform and enhancement of transparency and accountability processes.
  - Improvement of public resource management through MTEF and results-based management.
  - Enhancement of revenue collection capacity and investment-friendliness of tax codes and administration.
  - Strengthening of procurement management
  
- *Public Administration and Management*
  - Enhancement of program design and delivery capacity in key MDG sectors.
  - Strengthening of local governance and decentralization process.
  - Improvement of investment-friendly regulatory frameworks that can enforce competition and transparency, protect under-privileged groups, and support sustainable and environment-friendly development.
  - Promotion of a business-friendly investment climate, while protecting the poor and the environment.
  - Re-engineering of public sector incentives systems towards accountability for results.
  - Enhancement of capacity utilization.
  - Strengthening of e-governance.
  - Aid coordination by national government.
  - Strengthening of electoral systems

- *National Statistics and Statistical systems*
  - Support for statistical requirements for PRSP design, monitoring and evaluation.
  - Database and macroeconomic model development in areas including domestic and external investment and trade opportunities.
  - Development of the culture of evaluation of public programs.
  - Update of, and accessibility to, economic, financial and social statistics.
  - Development of labor market information statistics.
  - Development of gender-disaggregated data.
  
- *National Parliaments and Parliamentary Institutions*
  - Strengthening capacity for oversight functions.
  - Improvement of operational effectiveness of platforms for, and institutionalization of, public hearings on key development issues.
  - Capacitation of parliamentary committees.
  - Enhancement of capacity for program design and budget analysis and review.
  
- *Professionalization of the Voices of the Private Sector and Civil Society*
  - Support for accountability and transparency institutions and programs.
  - Strengthening of policy advocacy capacity of non-state actors.
  - Stepping up of professionalism, as well as research and analytical capacity of the Media.

**Annex 8-a: ACBF - INSTITUTIONAL PROFILE**

**RATIONALE**

A response to the severity of Africa’s human and institutional capacity needs

**MANDATE**

Promotion of capacity building, e<sup>2</sup> utilization; coordination of interventions; stemming of brain drain; mobilization of financial and technical resources for capacity building e<sup>2</sup> knowledge sharing.

**ESTABLISHMENT**

February 1991

**CURRENT MEMBERSHIP**

- World Bank
- UNDP
- African Development Bank
- IMF
- 33 African countries e<sup>2</sup> bilateral donors

**VISION**

To become the leading African Institution in the building of sustainable human and institutional capacity for good governance and poverty reduction

**MISSION**

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

**OBJECTIVES**

- To provide an integrated framework for a holistic approach to capacity building
- To build partnership between Africa and its development partners
- To share capacity building knowledge

**CORE COMPETENCIES**

- Economic Policy Analysis and Management
- Financial Management and Accountability
- Public Administration and Management
- Strengthening and Monitoring National Statistics
- Strengthening Policy Analysis Capacity of National Parliaments
- Professionalization of the Voices of Civil Society and the Private Sector

**GOVERNANCE STRUCTURE**

- Board of Governors
- Executive Board
- Secretariat

**OPERATING PRINCIPLES**

- Centrality of capacity to Africa’s development
- A partnership and demand-driven approach to capacity building
- African ownership and leadership of the capacity building process
- A systematic, sequenced and coordinated approach to capacity building

## THE AFRICAN CAPACITY BUILDING FOUNDATION

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### INSTITUTIONAL PROFILE

#### (a) ESTABLISHMENT

The African Capacity Building Foundation (ACBF) was established on February 9, 1991. The establishment was the outcome of a partnership between African governments and the international donor community. The major sponsors of the Foundation are African governments, the African Development Bank (AfDB), the United Nations Development Programme (UNDP) and the World Bank. The three institutions constitute the Foundation's sponsoring agencies. The International Monetary Fund (IMF) joined the Foundation in September 2002.

African governments, donor countries and organizations that contribute to the Foundation's trust fund are members and constitute a segment of the larger community of the Foundation's stakeholders. The current membership comprises the three sponsoring agencies (AfDB, UNDP and the World Bank), the IMF as well as 34 African countries and non-African countries and institutions, namely, Benin, Botswana, Burkina Faso, Cameroon, Canada, Chad, Côte d'Ivoire, Democratic Republic of Congo, Denmark, Finland, France, Gabon, Ghana, India, Ireland, Kenya, Malawi, Mali, Mauritania, Mauritius, The Netherlands, Niger, Nigeria, Norway, Rwanda, Senegal, Sudan, Sweden, Tanzania, Uganda, United Kingdom, United States of America, Zambia and Zimbabwe<sup>12</sup>. Countries and organizations that are about to complete legal and administrative formalities for membership include Djibouti, Equatorial Guinea, Ethiopia, the European Union, Guinea-Conakry, and the Republic of Congo (Brazzaville).

#### (b) RATIONALE FOR CREATION

The creation of ACBF was in response to the severity of Africa's capacity needs, and the challenge of investing in indigenous human capital and institutions in sub-Saharan Africa. ACBF was also designed to serve as a coordinating mechanism for donor support to capacity building on the Continent, through the pooling of resources and a common governance and reporting system. Until January 2000, ACBF interventions focused on building and strengthening capacity for macroeconomic policy analysis and development management, its initial niche in capacity building. In 2000, this focus was expanded as a result of the integration of the Partnership for Capacity Building in Africa (PACT) initiative into the Foundation's fold. PACT aims at mobilizing greater support for capacity building in Africa. The expansion broadened the Foundation's scope to cover the following areas:

- (i) Support to projects and programs designed to strengthen the core public sector and its interface with the private sector and civil society in order to enhance their contributions to good governance, poverty reduction and sustainable development.
- (ii) Support to regional initiatives in the areas of training, policy analysis, applied policy research, trade policy development and negotiations as well as policy advocacy.

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<sup>12</sup> Japan contributed resources through a separate Trust Fund targeting human resource development, but is not a formal member of the ACBF.

- (iii) Support for the emergence of institutional frameworks for country ownership and coordination of capacity-building activities as well as for participatory development.
- (iv) Knowledge generation and sharing for the transformation of the Foundation into a knowledge-based institution and to support the emergence of knowledge-based economies in Africa.

Currently, the Foundation supports 125 projects and programs including regional organizations and/or programs, 26 national focal points in capacity and 72 SAFEWIND and Seed grants support in some 40 sub-Saharan African countries and plans to achieve full coverage of the region by 2011. It has, since commencing operations in 1991, committed more than US\$278 million to capacity building and disbursed more than US\$172 million as of December 29, 2006.

#### **(c) VISION AND MISSION**

ACBF envisions to become the leading African institution in the building of sustainable human and institutional capacity in the core public sector and within interface areas among national and regional stakeholders in the effort to promote good governance and spur sustained economic growth and poverty reduction in Africa. The Foundation's mission is to build sustainable human and institutional capacity for poverty reduction on the Continent.

#### **(d) AIM AND OBJECTIVES**

The main aim of ACBF is to build sustainable human and institutional capacity for growth, poverty reduction and good governance in Africa. Within the framework of the expanded coverage, the Foundation seeks to achieve three main objectives, namely:

- To provide an integrated framework for a holistic approach to capacity building in Africa.
- To build a partnership between African governments and their development partners to allow for effective coordination of interventions in capacity building and the strengthening of Africa's ownership, leadership and responsibility in the capacity-building process and within African countries, between the government and non-state actors to foster stakeholders' dialogue, public sector responsiveness and accountability and national ownership of the development process.
- To provide a forum for discussing issues and processes, sharing experiences, ideas and best practices related to capacity building, as well as mobilizing higher levels of consciousness and resources for capacity building in Africa.

#### **(e) MANDATE IN CAPACITY BUILDING**

ACBF's mandate in capacity building is defined by its constitution that was adopted by its stakeholders on 9 February 1991. The mandate places responsibility on the Foundation for establishing priorities and development policies and programs to promote capacity building in policy analysis and development management; establishing processes for coordinating capacity building efforts in policy analysis and development management; strengthening capacity utilization in policy analysis and development management; addressing issues of brain drain; and mobilizing financial and technical resources for increased investment in human capacity and manpower development in Africa. Over the years, the implementation of this mandate has been

guided by a policy of gradual expansion and growth in strategic priorities and activities in line with Africa's development challenges. The initial focus of activities over the period 1991-1996, which marked the early stages in the evolution of the Foundation, was to build *Macroeconomic Policy Analysis and Development Management Capacity in sub-Saharan Africa*. This focus was broadened in January 2000, following the approval by the ACBF Board of Governors to integrate the PACT initiative of African Governors of the World Bank into the Foundation. As a result of this integration, ACBF's present priority programs are geared towards *building capacity in the core public sector, in interface areas between the public sector and non-state actors, in training and research institutions and in regional organizations and networks in sub-Saharan Africa*.

The expansion of the priority programs has increased the Foundation's interventions to six core competence areas in capacity building, as follows:

- Economic Policy Analysis and Development Management.
- Financial Management and Accountability.
- Enhancement and Monitoring of National Statistics.
- Public Administration and Management.
- Strengthening of Policy Analysis Capacity of National Parliaments.
- Professionalization of the Voices of the Private Sector and Civil Society.

The foregoing six core competency areas were generated by region-wide capacity needs assessment missions that were undertaken between 1999 and 2001 during the integration of PACT into ACBF and following a long series of interactions between African countries (Governments, private sector and civil society) and their development partners. The needs assessment missions were undertaken to African countries and regional organizations and these provided feedback on priority areas of needs. The outcomes of the needs assessment missions were aggregated and reclassified into broad areas of interventions. The classification gave rise to the six areas of core capacity needs, which were formally approved by the ACBF Board of Governors at its 10<sup>th</sup> Annual Meeting that was held in June 2001 in Copenhagen, Denmark. The six areas of needs are, therefore, the direct result of the demand expressed by African countries and regional organizations in response to the PACT initiative.

#### **(f) GOVERNANCE STRUCTURE**

ACBF operates on the framework of a three-tier governance structure comprising a Board of Governors, an Executive Board and a Secretariat.

**The Board of Governors:** The Board of Governors comprises representatives of African governments and all donor countries to the ACBF as well as the World Bank, UNDP, the African Development Bank and the IMF. The Governors are usually Ministers of Finance and/or Economic Planning, Directors-General or Permanent Secretaries of core economic Ministries or Agencies. The Board of Governors is the highest policymaking body of the Foundation. Its main responsibility is to set the broad policies for the operation of the Foundation as well as the appointment of the independent members and chairperson of the Executive Board. Ordinarily, the Board of Governors meets annually. The Board of Governors has a Bureau of five members, which is elected annually.

**The Executive Board:** The Executive Board is charged with responsibility for operational policies, guidelines and strategies. The Executive Board meets ordinarily twice a year and is composed of experts in the field of capacity building in ACBF's core competency areas. In addition to the

Executive Secretary, who is an ex-officio member, the ACBF Executive Board is made up of 11 members: three representatives of the Sponsoring Agencies and eight independent members, five of whom are Africans.

The Executive Board operates with the support of two committees: Finance and Operations. The Finance Committee examines financial matters, while the Operations Committee examines and provides guidance on projects, programs, knowledge management and other operational policy matters.

*The Secretariat:* The Secretariat administers the Foundation in accordance with the policies and guidelines set out by the Boards. Headed by an Executive Secretary, the Secretariat is currently made up of 65 staff members from 18 African countries. Of these, 43 are professional staff, while 22 are support staff.

## **(h) OPERATING PRINCIPLES**

The expanded scope and scale of interventions is based on four major principles, namely:

- Centrality of capacity to the development process in Africa
- Critical role of a partnership and demand-driven approach in addressing the capacity problems.
- African ownership and leadership in the capacity building process.
- A systematic, sequenced and coordinated approach to the capacity building process.

The Foundation encourages countries to undertake rigorous policy analysis and research, as well as design sound public programs in order to generate sensible development policies and nurture a policy environment that is friendly to intervention in capacity building, private sector development and sustainable long-term growth and development with poverty reduction. ACBF puts a growing emphasis on the need to strengthen the capacity of the core public sector to implement policies, deliver public programs in an effective, transparent and accountable manner, and to empower non-state actors to demand responsiveness and results from public service institutions. The approach to capacity building is largely demand-driven with emphasis on needs assessment, stakeholders' ownership, project sustainability, and complementarity of intervention across projects, programs and development funding institutions. Considerable emphasis is placed on the promotion of gender equity in the Foundation's funding support to national and regional development process. Indeed, interventions in the capacity-building process are being used to address the systemic obstacles of women's participation in the policy-making process in countries where projects and programs are being supported.

Operations at the Foundation are planned by means of five-year medium-term plans, and implemented through annual business plans and budgets. Performance is rigorously monitored and evaluated. The plan presented in this document is one of such medium term programs and it is the Foundation's second Strategic Medium Term Plan (SMTP). Prior to 2002, medium term programming was on the basis of a Strategy and Indicative Work Plan, two of which were implemented between 1991 and 2002. The SMTP, which provides a more comprehensive and rigorous basis for program planning and implementation, was introduced in 2002. The first SMTP was implemented over the period 2002-2006. This document presents the second SMTP. It has a five-year horizon, and will be implemented over the period 2007-2011.