

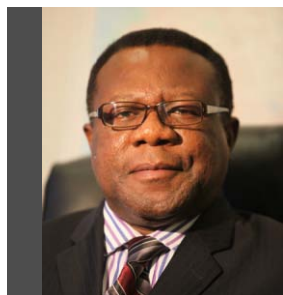


Africa Capacity

ISSUE 3 | MAY - JUNE 2014

In this issue:

From the Executive Secretary | ACBF grant helping MEFMI build sound financial management capacity | FEATURE Rwanda's capacity development journey | ACBF helping East Africa Business Council to achieve economic integration | ACBF continues to champion AUC's capacity building initiatives | ACBF's partnership with the Australian Department of Foreign Affairs and Trade | G20 can impact ordinary Africans more positively | Africa Community of Practice (AfCOP) publishes 4 Knowledge Briefs and 6 Case Studies | BOG canvasses improved capacity for domestic resource mobilisation | Communiqué of the 23rd Annual Meeting of the ACBF Board of Governors



From the Executive Secretary

Dear Friends,

Welcome to our third edition of the bulletin. Our annual Board of Governors meeting took place in Dakar Senegal on 26 & 27 June, with the theme: "Building Capacity for Domestic Resource Mobilization." We bade farewell to our Chair, Hon. Ngozi Okonjo-Iweala, Coordinating Minister of the Economy and Hon. Minister of Finance of the Federal Republic of Nigeria, and we welcomed Hon. Christian Magnagna, Minister of Budget for the Republic of Gabon, as the new Chair. Key issues highlighted in the meeting's deliberations and keynote addresses reiterated that capacity development remains a strategic choice for Africa, with the need to pay extra attention to resource mobilization in order to gain on results and impacts of operations. It was also empha-

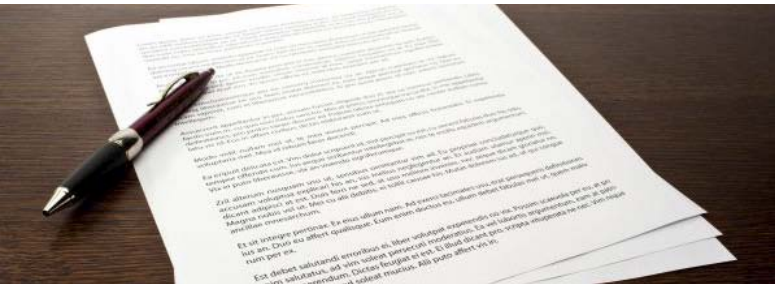
sized that continuous engagement with strategic partners is beneficial to strengthening implementation and operational activities of the Foundation.

The high level forums which addressed the capacity needs and gaps for domestic resource mobilisation and illicit financial flows highlighted that African economies are growing, with a bulge in the informal and youth sectors. The discussions focused on encouraging ACBF to find ways to share knowledge across countries and establishing greater understanding of the structure of the different economies and the most effective and appropriate intervention for each. A final communiqué for the meeting can be found under the special focus section of this bulletin or online: <http://www.acbf-pact.org/images/docs/ACBF-BOG-2014-Comminique.pdf>. We thank the Government of Senegal for hosting of the meeting and for their hospitality.

Other activities included the signing a two-year grant worth USD1.2 million with the Macroeconomic and Financial Management Institute of

Eastern and Southern Africa (MEFMI). We were also present at the G20 and Development Conference in Brisbane hosted by Australia's Griffith University in partnership with the Lowy Institute for International Policy. The conference provided an opportunity to interrogate the relationship between the G20 and Africa's development and how to bring about collaboration in tackling Africa's development challenges.

In the coming two months, we look forward to two key activities. We are organizing a workshop in Addis Ababa on the Validation of Position Papers on US-Africa Relations. This event will feed into the forthcoming US-Africa Summit to be held on 5-6 August 2014 in the USA. We will also be holding our Executive Board Meeting on 13-15 August 2014.



OUR WORK

ACBF grant helping MEFMI build sound financial management capacity

The African Capacity Building Foundation on May 28, 2014 in Harare signed a USD 1.2 million grant agreement with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). The project, known as MEFMI Phase IV, is aimed at improving macroeconomic and financial management in member countries in East Africa. Over a two-year period, the grant will support macroeconomic policy management, promote and deepen financial stability, and strengthen debt management capability in selected countries. The key beneficiaries that are members of the East African Community are Angola, Mozambique, Namibia, Rwanda, Zimbabwe, Kenya, Botswana, and Swaziland.

ACBF's assistance to MEFMI spans a 20-year period dating back to 1994 when support began with the MEFMI's predecessor, the Eastern and Southern Africa Initiative in Debt and Reserves Management (ESAIM). The Initiative was established at a crucial time to provide capacity to enable member countries formulate and effectively implement macroeconomic and

financial management policies. Over the years, the focus of MEFMI's has been on enhancing transparency in the management of public resources. It has involved training in key macroeconomic and financial functions, including debt management and central bank operations. ACBF has also assisted MEFMI members to develop relevant capacity building tools such as the private capital monitoring system software which is now being used in capturing and collating information on foreign private capital flows. Currently 10 MEFMI member countries are using the system and are developing manuals for public expenditure and financial management, macroeconomic modeling, and forecasting. Through its Fellows Development Programme, the Institute has built a strong base of 94 fellows who now act as in-house resource persons.

Reforming public debt management

ACBF-supported interventions in MEFMI's previous phases have recorded some notable successes. The first is the reform of the legal and institutional framework for public debt management in member states. As a result of the Foundation's intervention, a better coordination between the management of public debt as well as budgetary and monetary policies has been put in place. Secondly, it has increased the capacity of benefiting countries to enhance debt governance and public debt management. These successes helped in a big way to build a make case for the approval of the latest grant. Under the previous MEFMI Phase III, for instance, the macroeconomic programme helped to advance policy coordination and macroeconomic analysis among beneficiaries. Secondly, the financial sector support increased issuance of government bonds and non-cash transactions in the region. The countries that have institutionalized debt sustainability analysis have also enjoyed a low risk debt distress.

Justification for the project

Another justification for the new grant was because MEFMI member countries continued to face some of the challenges posed by the global financial crisis. Among these challenges were the recent surge in food and oil prices, and the impact of the Eurozone debt problem. But despite these global crises, the MEFMI countries have fared relatively well, given their stable macroeconomic conditions. And because of the underdeveloped state of the financial sectors in these countries, they still require assistance in the area of capacity development to establish a robust financial system. Some of the lessons learned from MEFMI III are the need to focus more on in-country activities, improve results tracking, and financial sustainability. MEFMI is one of three regional projects ACBF is supporting. The other two are the West African Institute for Financial and Economic Management for English-speaking West Africa, and the Debt and Management Capacity Building Programme in Central Africa. Other partners helping to fund the project are the governments of Sweden and Norway, the World Bank and the African Development Bank.

FEATURE

Rwanda's capacity development journey

ACBF has been a strategic ally of the Government of Rwanda, and has facilitated the emergence of a country capacity building framework. Since early 2000, the Foundation has invested almost USD 11 million in the development and implementation of comprehensive and coordinated projects and programmes in the country. This investment has had a positive impact on the delivery and monitoring of Rwanda's national development strategy.

ACBF was one of the first international organizations to assist Rwanda soon after the 1994 genocide. At the time, the Rwandan Ministry of Economic Planning and Finance (MINECOFIN) faced major problems in capacity building and staff retention. The country had inherited a workforce with a low skills base, and existing training institutions had limited impact due to the inadequacy of qualified teachers, especially in higher education,

and a curriculum ill-suited to the needs of the economy. Another major constraint was the lack of human resource development planning capability.

In 2000, ACBF funded a study to assess Rwanda's economic and financial management capacity needs. The study proposed the establishment of the Human Resource Development Agency. As part of a collaborative donor assistance framework, ACBF took the lead in assisting MINECOFIN in preparing a pilot human resource development strategy. The thrust of the support was to create a critical mass of skilled workforce in economic and financial management in the ministry as well as to strengthen the institutional capacity for training, policy analysis, and human resource development.

Public Financial Management Capacity

ACBF's Executive Board approved USD 3 million to support Rwanda's Public Financial Management Capacity Building Programme. Key beneficiaries of this programme were MINECOFIN, the National University of Rwanda (NUR), the School of Finance and Banking, and the Rwanda Institute of Policy Analysis and Research (RIPAR). Human Resource Development Agency (HRDA) was envisioned and established with ACBF's support to be Rwanda's focal agency for capacity building activities and programme implementation. The institution later became the Human Resource and Institutional Capacity Development Agency (HIDA), and was transformed into the Public Sector Capacity Building Secretariat (PSCBS), which was fully embedded within the Ministry of Public Service and Labour. The ACBF grant supported the training of some 270 public sector officials, allowing them to remain networked and effective in their jobs.

Capacity Building Framework

Given the enormous challenges facing the country, and recognizing that capacity building interventions had to be long-term and multi-sectoral, Rwanda requested continued support from ACBF and other donors, including the World Bank, to develop an overall framework for capacity building. This framework sets out the vision, strategy and plan to link the Poverty Reduction Strategy Paper with other institutional reforms. Thus, Rwanda's Multi-Sectoral Capacity Building Programme (MSCBP) was developed in May 2007. ACBF contributed USD 4 million to support

the project through the creation of a high-performing and efficient public sector capable of managing the country's transition towards a service-oriented economy.

Key beneficiaries of this funding were the Rwanda Institute of Public Administration and Management, National University of Rwanda, School of Finance and Banking, Rwanda Institute of Policy Analysis and Research, the Rwanda National Parliament, and the Conseil de Concertation des Organisations d'Appui des Initiatives de Base, an umbrella organization for Rwanda's civil society. This achievement was in line with the Rwandan government's development plan to strengthen institutional and human capacities for effective delivery and monitoring, under its Economic Development and Poverty Reduction Strategy.

ACBF also supported non-state institutions through the approval of a USD 1.7 million grant to the Rwanda Private Sector Capacity Building Project. The project, launched in late 2008, strengthened Rwanda's Private Sector Federation's capacity to continue playing a key role in advocacy, awareness and provision of capacity building opportunities to different business groups, including women.

In 2012, ACBF approved a USD 2.15 million grant to build capacity of the Institution of Policy Research and Analysis (IPAR-Rwanda), an independent think tank established in May 2008. IPAR is the only independent institution involved in policy analysis and research and capacity building in Rwanda. With ACBF's support, IPAR has built capacity in many ways. As the only independent think tank, demand for the services of the institution has grown in scope and so has its client base. Rwanda has been cited among African countries that have properly utilized grants from the ACBF with impressive results. The ACBF is proud to have played an instrumental role in Rwanda's transformative success story.

RESULTS

ACBF helping East Africa Business Council to achieve economic integration

The East African Business Council, an umbrella organization of the private sector in East Africa, has been on the frontline of private sector involvement in the march toward economic integration in the region. The Council provides a platform for policy advocacy, business opportunities and business development promotion for members. ACBF's assistance to the Arusha, Tanzania-based Council helped to finance a study aimed at deepening the private sector's participation in East Africa's economic integration. The overall objective of the project is to empower EABC to more effectively promote and influence the creation of a competitive business environment in the region. Besides, the project is intended to enhance human and institutional capacity of the Council, stimulate private sector growth, and expand the private sector's participation and opportunities in regional integration.

Raising EABC's visibility

A mid-term review of the project was conducted in May 2014. It revealed that significant successes have been recorded during the period covered. An evidence of this is the enhanced capacity of EABC to contribute to regional policy reforms. The reforms have themselves contributed to a better business environment in East Africa. In another vein, ACBF's funded projects have contributed immensely to raising the visibility of the Council. The Council was in 2013 empowered to produce brochures, quarterly magazines and banners which were distributed to the public in the five member countries through different channels. With the help of the publications, EABC has been able to make itself known to a broader segment of the region's population. Business advertisements in the magazine also helped to promote members' businesses, thus contributing to the growth of the private sector. Other than serving as a marketing tool, the magazine has become a source of internally generated income for EABC. The EABC's website was even revamped and is being updated more regularly than in the past. This has made it possible for more people in East Africa and around the world



to have access to relevant information on the region's private sector players.

Boosting cross-border trade

Through a 2012 Consultative Dialogue Framework with the private sector, the EAC single customs territory, single tourist visa, removal of fees for work permits and improvement of port performance, especially Mombasa port, went into operation. Intra-regional business in East Africa has been growing as seen in the rising export figures for each of the five countries in the grouping since 2010. EABC has succeeded in easing cross-border trade. Data on intra-regional trade has revealed that there has been an upturn in activities between 2010 and 2012. Import figures for each of the five countries have equally inched higher while exports from East Africa to the rest of the world have accelerated, too.

There is also evidence suggesting that partners and members of the Council are more than ever before appreciative of services offered by its secretariat. From the quality of its research reports and position papers, EABC has shown improved human resource capacity, according to the review. The growth in EABC's internally generated funds is another positive impact. Also, private sector participation in the Council's integration process has picked up momentum. The EAC Secretary General and the Chief Executive Officers of private firms are more increasingly engaging than previously. Perhaps most importantly, movement of people, goods and services is easier now more than in the past. This can be seen in the use of identity cards as legal travel documents in Uganda, Kenya and Rwanda, and the decrease of some non-tariff barriers like roadblocks.

ACBF continues to champion AUC's capacity building initiatives

On April 28, 2014, in Addis Ababa, the ACBF Executive Secretary Prof. Emmanuel Nnadozie met with Mr. Erastus Mwencha, Deputy Chairperson of the African Union Commission. Prof Nnadozie reiterated that the Foundation would continue to help the continental body to meet its capacity development needs. From the days of the Organization of African Unity (OAU), ACBF has been a major partner of the AU in building

capacity on the African continent through Regional Economic Communities (RECs) and affiliated agencies. The total cost of ACBF's intervention to date comes to USD 11.8 million.



Highlighting some of the remaining capacity gaps in the AU, Mr. Mwencha indicated that the Commission needs the Foundation's assistance in ameliorating the Commission's monitoring and evaluation capability. It is an area in which he said the Commission "has a significant gap". Most recently, ACBF helped to execute the African Union Capacity Building and Institutional Support Programme (AU-CAP) – a programme designed to run from 2007 to 2010. Projected to cost USD 5 million over four years, the grant came at a time when the AU secretariat was eager to more effectively pursue its institutional transformation agenda.

ACBF's contribution was in the crucial areas of strategic planning, monitoring and reporting. It also covered integrated internal coordination processes, piloting for change management, and knowledge management systems. These interventions impacted positively on the Commission's employees who benefited from on-the-job training programmes that improved financial management, accountability, and transparency. The programme also helped to:

- Strengthen the policy interface framework for the AUC to engage more effectively with the RECs and other AU organs.
- Enable the Commission to establish effective processes and mechanisms for partnership building, networking, coordination and capacity building-related consultations and dialogues;

- Support the implementation of AU's strategic plan of action through selected thematic programmes.

Also, in 1992, ACBF funding and technical support facilitated and contributed to the establishment of a Policy Analysis Support Unit (PASU) within the continental body with a total grant of USD 3 million. Subsequently, in 2006, ACBF approved a second grant of USD 3 million (PASU II). The overall intention of the PASU project was to strengthen the capacity of the Commission in policy analysis and support the work of RECs in integrating African regions, thus enabling them to become the building blocks of the African Economic Community. ACBF equally contributed to the achievement of a number of human resource and institution building objectives of the AUC in the areas of training, policy research and analysis. In addition, it undertook a study that assessed the performance of RECs and recommended strategies for addressing their challenges. The Foundation also provided part of the funding used for sending African delegates to the Conference of African Intellectuals which took place in Brazil in July 2006.

PARTNERSHIPS

ACBF's partnership with the Australian Department of Foreign Affairs and Trade

In January 2012, the Australian Department of Foreign Affairs and Trade (DFAT) contracted the African Capacity Building Foundation as Resource Facility Manager for the Australia Africa Community Engagement Scheme. The contract, initially for two years, was earlier this year extended for six months to 15 July 2014. AACES is a partnership between DFAT, 10 Australian non-government organizations, and their Africa-based partners. The programme contributes to Australia's aid strategy for Africa through community-based interventions across water and sanitation, food security, maternal and child health sectors. ACBF's role is to provide timely, efficient, and effective logistical support to AACES by facilitating the communication, coordination and management of its activities.

DFAT is currently negotiating with ACBF another 24-month extension of the contract when it ends in July 2014. Moving forward, ACBF will benefit from the following key lessons learned to continue to add value to the programme:

- Focus on sharing learning and synergies results in efficiency and effectiveness. This gives ACBF a great opportunity to create a strong platform that will facilitate learning and sharing among the AACES partners. Opening up of ACBF's virtual library to AACES partners is one way of achieving this objective.
- Towards the end of the programme, ACBF can assist in the production of a comprehensive case study with emphasis on lessons learned.
- ACBF can use its diverse media networks and experience to give the programme the necessary visibility in the public domain. This can be achieved through field visits or structured media campaigns in partnership with AACES in-country partners or individual partners who will highlight the programme's achievements. ACBF can also use its extensive media networks and forums to publicize AACES at the levels of government and key industry players.
- There is need to build the capacity of AACES partners to document success stories. ACBF could support this action through training in photography, writing techniques, and video production.

KNOWLEDGE & LEARNING

G20 can impact ordinary Africans more positively

Since the group of 20 (G20) developed and emerging nations was formed, observers believe it has not given much attention to Africa's development priorities. While it is true that the G20 has South Africa as one of its full members, and the African Union Commission (AUC) as well as the NEPAD Planning and Coordinating Agency are represented at its yearly summits, these representations could at best be described as only sym-

bolic as they hardly have any influence in the scheme of things. Other African organizations are equally under-represented among G20-related bodies. It is interesting that the Association of African Central Banks is not a member of the G20's Financial Stability Board, for instance.

Australia's Griffith University in partnership with the Lowy Institute for International Policy brought development experts to Brisbane on May 5 to discuss the relevance of the G20 in the development arena. The theme of the conference was the



G20 and Development. Among the invited speakers was ACBF Executive Secretary, Prof. Emmanuel Nnadozie, who shared his views on the grouping from the perspective of developing countries. The focus of his presentation was on the relevance of the G20 to African economies, and the extent to which its actions have supported Africa's development.

The continent's expectation from the grouping is to assist in making its growth more resilient to external shocks and to create more jobs to develop sectors that have large multiplier effects, including manufacturing and agriculture, said Prof. Nnadozie. But it is not hard to see that so far, the G20 has not meaningfully impacted the lives of ordinary Africans.

"The G20's commitment does not necessarily reflect the reality of African countries and priorities such as strengthening of productive capacity, increasing productivity, value addition and accelerated industrialization," said Prof. Nnadozie. "If the G20 wants to add value it must truly support Africa's efforts to promote economic transformation through industrialization, economic growth and employment."

Among other things, it needs to:

- Pay attention to the development priorities of the continent, including infrastructure development;
- Make use of technical support and advisory services from such organs as the African Capacity Building Foundation (ACBF), the Economic Commission for Africa (ECA) and the African Development Bank (AfDB);
- Build up the coordination capacities among the continent's regional and sub-regional organizations;
- Enhance negotiation capacity for African countries to be effective in the G20 processes, the analytical capacity to monitor financial and trade flows, and the capacity to monitor the implementation and impact of G20 programmes and projects, including the effectiveness of their engagement in the G20 processes; and finally,
- Support Africa's efforts in building these capacities through the regional and sub-regional organizations – AUC, NEPAD, ACBF and the Regional Economic Communities (RECS).

Africa Community of Practice (AfCoP) publishes 4 Knowledge Briefs and 6 Case Studies

The African Community of Practice (AfCoP) is a network of practitioners committed to enhancing the capabilities of public, private and civil society to effectively engage and improve policy formulation and management. It seeks to promote evidence-based decision making and transparency in the use of public resources for effective and tangible service delivery. Membership of the Community is drawn from practitioners from across Africa, the south-south and other development practitioners with a passion for Africa's development. The cross-fertilization of knowledge and ideas is achieved through learning and knowledge sharing on the AfCoP knowledge platform. The following are the knowledge briefs and case studies.

AfCoP Knowledge Briefs

- Trade facilitation in Africa
- Political leadership and governance for results
- Managing the impact of climate change

on agriculture and rural development and empower women to respond to climate change

- National planning processes and accountability

AfCoP Case Studies, in partnership with Youth for Results (Y4R) and Gender for Results (G4R) networks.

- Improve the quality of education: The case of the Teacher community assistance initiative in Ghana
- Youth unemployment through agricultural development: evidence from Malawi
- Unpacking Nigeria's policy response to youth unemployment: the Youth Enterprise with Innovation in Nigeria (YOUWIN) as a case study
- Influencing inclusive growth through peace building and reconciliation
- Le leadership féminin et la gouvernance locale au Sénégal. Le cas des comités de quartier de la commune de Louga
- Gender based violence awareness in the church

Publications can be downloaded from <http://afrik4r-fr.org/page/ressources>
<http://afrik4r.org/page/resources>

SPECIAL FEATURE

BOG canvasses improved capacity for domestic resource mobilisation

The 23rd annual meeting of the Board of Governors of the African Capacity Building Foundation was hosted by the Government of the Republic of Senegal on 26-27 June 2014 in Dakar with the theme “Building Capacity for Domestic Resource Mobilization in Africa”. During their deliberations, the Governors acknowledged the centrality of capacity building in addressing the challenges confronting their respective countries. In particular they noted the continued relevance of ACBF interventions as defined in the third Strategic Medium Term Plan (2012-2016).

In a communiqué, the Governors acknowledged the relevance of the theme of the conference in

addressing one of the main challenges facing the continent. They observed that effective domestic resource mobilization will better equip member countries to support ACBF. During the high level forum that preceded their statutory discussions, the Governors signaled the need for capacity building in contract negotiation, tax collection, savings mobilization and expenditure management. The high level dialogues focused on “Building Institutional and Financing Capacity for Domestic Resource Mobilization”, “Building Capacity to Combat Illicit Financial Flows”, and on the monitoring and evaluation of the implementation of the “Plan Senegal Emergent” known as PSE— an economic blueprint of the host country.

High level dialogues

The constraints to the lack of capacity for domestic resource mobilization on the continent were identified during the forum. They include low disposable incomes, pervasive corruption, underdeveloped financial systems, tax policy weaknesses, legal system inadequacies, and low support of the population in addressing some governance problems. All these encourage the phenomenon known as illicit financial flows through which Africa is losing billions of dollars that could be better deployed to improve its infrastructure. A high level panel set up by the United Nations Economic Commission for Africa (UNECA) headed by former South African president Thabo Mbeki put the continent's losses through illicit financial flows in recent years at an estimated USD 50 billion yearly.

In order to develop capacity to combat illicit financial flows, nine action plans were canvassed, namely that African countries should address corruption resolutely; improve the policy environment for economic growth; stress private sector development in economic policymaking; and address some core financial sector development issues. Also they need to address tax policy—both tax structure and tax administration; pursue legal system reform—both law reform and the functioning of the organizations and bodies of the system of law enforcement; and raise government efficiency in project selection and service delivery. In addition, the countries have to cooperate with international organizations and bodies, as well as with foreign governments, focusing on incentive, regulatory and investiga-

tive mechanisms, particularly to fight illicit financial flows; and establish nationally a cooperative structure—involving government, business and civil society—to address the above issues on a continuous basis.

Low taxation is another effective way to fight illicit financial flows. Also, financial institutions can help tackle tax evasion, capital flight and money laundering. A transparent stock market can be helpful, too.

Compounding growth

Since the finance for capacity building will come from taxing domestic income, the savings of the populace, government reallocation of expenditure, and foreign aid, an improvement in governance and economic policies will have the effect of boosting the economy. Not only will the country experience an increase in tax revenues and a jump in the savings, there will be a compounding in the income generated over a number of years, leading to an improvement in internal revenue. To get the process going does not require a huge financial outlay, but a reallocation of certain expenditure and a re-ordering of priorities. This will in turn stimulate foreign assistance in the form of technical aid from multilateral organizations like the World Bank, the International Monetary Fund and the African Development Bank, as well as development partners.

But for the effort to be successful, it must have the buy-in of the general public. This can be secured through effective communication of government policies to the citizens, using the various available media tools. Government actions can equally be subjected to the vote in an election so as to gain legitimacy from the electorate.

Finally, the host country, Senegal, used the forum to share with the BOG the guidelines of the Plan Senegal Emergent. The PSE was adopted in December 2013 and presented to development partners in February 2014. The Plan sets a target of 7% annual growth in a bid to structurally transform the economy and build a caring society. The focus of this dialogue was the capacities needed to monitor and evaluate this plan.

These recommendations were presented by the dialogues:

- **Increasing fiscal capacity and social rate of return to public investments**

Enhancing domestic resource mobilisation entails increasing the fiscal capacity of the country and improving the social rate of return to public investments. Africa needs to develop capacities for contract negotiation, tax collection and improved savings mobilization and expenditure management.



- **Reversing the structure of African economies**

Though taxation of informal sector is politically unpopular, there is no way African governments can avoid it. However, in parallel, they should develop entrepreneurship skills so that the structure of the economies can progressively move from informal to formal, thus allowing a better enabling environment for collecting taxes and mobilizing saving from households.

- **Continuous support from donors is necessary.**

A dollar spent on tax systems can generate several dollars in collected taxes. Supporting tax reforms can yield strong return in tax revenues. In this case, donors should provide more and better development co-operation to strengthen domestic resource mobilization in African countries.

- **Need to address the international dimension of tax avoidance**

It is urgent to strengthen capacities to negotiate and train skills and expertise to address the international dimension of tax avoidance, especially by multinationals.

ACBF has an important role to play.

With regard to capacity to mobilize domestic resources

- As the majority of African countries have a burgeoning informal sector with the potential to grow national economies, ACBF should find ways to share knowledge across countries, establishing greater understanding of the informal sector, developing strategies to draw revenues from that sector and the way to transform it into a formal sector.
- Capacity building requires patient capital and ACBF should assess the existing capacity development initiatives versus the gaps to be filled.

With regard to illicit flows of funds, ACBF can bring support to:

- Evaluate the extent of the phenomenon
- Put in place a peer-review group on the issue
- Foster the sharing of experience, so that countries can tap in their respective good practices.

Communiqué of the 23rd Annual Meeting of the ACBF Board of Governors

1. The 23rd Annual Meeting of the Board of Governors of the African Capacity Building Foundation (ACBF) was hosted by the Government of the Republic of Senegal on 26-27 June 2014 in Dakar, under the theme of 'Building Capacity for Domestic Resource Mobilization in Africa'.
2. During their deliberations, the ACBF Governors acknowledged the centrality of capacity building in addressing the challenges confronting their respective countries. In particular they noted the continued relevance of ACBF interventions as defined in the third Strategic Medium Term Plan (2012-2016).
3. The Governors commended the Secretariat for the effort undertaken in restructuring the Foundation to make it more efficient and more effective. They requested that more should be done to ensure further value for money and to further demonstrate results. The Governors also recognized the work done by ACBF in their respective countries, which had led to a significant increase in African member countries' contributions. Governors insisted that ACBF is there to stay, because capacity remains an important issue for African countries in their quest for economic transformation and ACBF's unique way of delivering capacity building services. Governors also pledged greater ownership of ACBF by African countries with the objective of achieving higher financial contribution by African countries.
4. The Governors encouraged the Secretariat to explore closer collaboration and synergistic relationships with regional and sub-regional organizations in Africa. To achieve this, they recommended concerted effort to innovate and share lessons of what has worked in capacity building across the continent.
5. The Governors further mandated the Secretariat to anchor its interventions on capacity development priorities identified by African countries. Development partners renewed their commitment to providing technical and financial support to ACBF and encouraged the Foundation to align its assistance towards regional and country priorities.
6. The Governors acknowledged the relevance of the theme of the Conference in addressing one of the main challenges facing the conti-



Hon. Dr Ngozi Okonjo Iweala
Chair, ACBF Board of Governors

ment. They observed that effective domestic resource mobilization will better equip member countries to support ACBF.

7. During the high level forum that preceded their statutory deliberations, the Governors signaled the need for ACBF to support them in building capacity for contract negotiation, tax collection, savings mobilization and expenditure management.
8. The Governors further noted that a majority of African countries have a burgeoning informal sector with potential to grow national economies. They enjoined ACBF to find ways to acquire a better understanding of the structure of the various economies so as to identify the most effective and appropriate intervention for each country and to share knowledge across countries. In this regard, Governors noted that capacity building requires patient capital since it is 'a long term enterprise' and requested ACBF to assess what exists in capacity development initiatives and the gaps to be filled.
9. The Governors recognized the need to safeguard the financial sustainability of the Foundation and committed to growing the endowment fund which has a balance of five million dollars to date. To achieve this, the Governors strengthened the Resource Mobilization Committee that they established at their previous annual meeting in Libreville. The membership of the Committee henceforth consists of the following countries: Mali, Nigeria, Rwanda, Senegal and South Africa, Togo. Togo was elected as Chair of the Committee.
10. The Governors also renewed the membership of the Search Committee. The Search Committee is now composed of the following countries and institutions: Burundi, the Democratic Republic of Congo, Sierra Leone, Sweden, Togo and the World Bank.
11. The Governors commended Nigeria for effectively chairing the Board over the past three years and welcomed Gabon as the new Chair for a term of one year which is renewable. They invited the incoming Chair to consider the sustainability of the Foundation as his number one priority by ensuring, among other initiatives, that the Resource Mobilization Committee becomes operational as soon as possible.
12. The Governors expressed their appreciation to the government of the Republic of Senegal for hosting the 23rd annual meeting of the ACBF Board of Governors and for the hospitality extended to all the delegates.

DAKAR, 27 June 2014

The Chairperson

Hon. Ngozi Okonjo-Iweala

**Coordinating Minister for the Economy and
Minister of Finance of the Federal Republic of
Nigeria**



18-19 July 2014

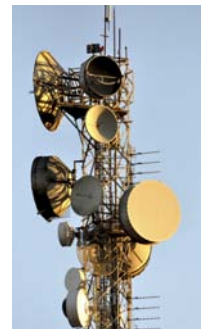
ACBF Workshop on Validation of Position Papers on US-Africa Relations, Addis Ababa, Ethiopia

5-6 August 2014

US-Africa Summit, USA

13-15 August 2014

ACBF Executive Board Meeting, Harare, Zimbabwe



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